



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

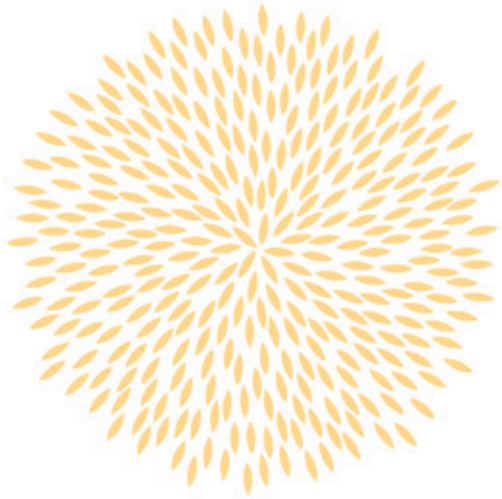
(Incorporated in the Cayman Islands with limited liability)

Stock Code : 2669



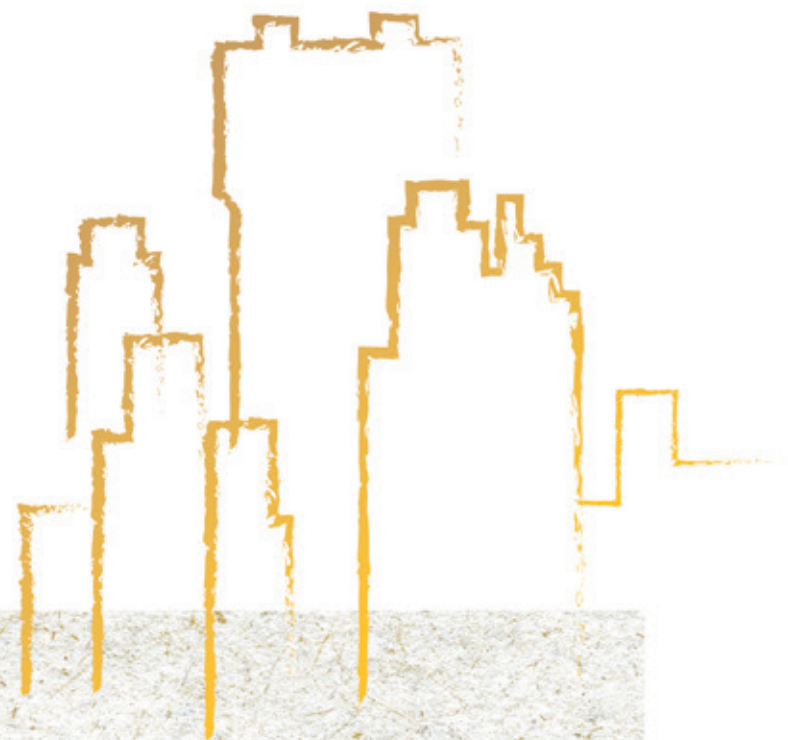
2019
Environmental, Social &
Governance Report





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About this Report

Since 2016, China Overseas Property Holdings Limited (the “Company” or “COPL”) has annually disclosed to the public the policies, measures and performance of the Company and its subsidiaries (the “Group”, “COPL Group” or “We”) in the field of social and environmental responsibilities in the form of separate reports, based on the principles of objectivity, transparency, compliance and comprehensiveness. The Group considers the Environmental, Social and Governance Report (the “Report”) as an internal and external communication platform, with the expectation that the non-financial information presented in this Report would enhance stakeholders’ understanding and confidence of the Group and facilitate our continuous improvement of sustainability development.

Reporting Scope

This Report presents the Group’s performance in sustainability development from 1 January 2019 to 31 December 2019 (the “Year” or the “Reporting Period”), which aligns with the financial year of the Group, with part of the contents dated before or after this period as appropriate for enhancement of comparability and completeness.

This Report geographically covers the headquarters of COPL Group, as well as the subsidiaries in Mainland China, Hong Kong and Macau, and focuses on the disclosure of risks, opportunities and corresponding management approaches, practices and performance of major sustainability development areas involved in the primary businesses of the Group. Along with the expansion of business during the Reporting Period, the number of COPL subsidiary companies and their property management service projects has increased. As such, the scope of the Report is wider than those of previous years. This Report has not yet fully covered all operations of the Group and all the regions in which it operates. The Group will continue to improve its internal data collection procedures for gradual expansion in the width and depth of disclosure.

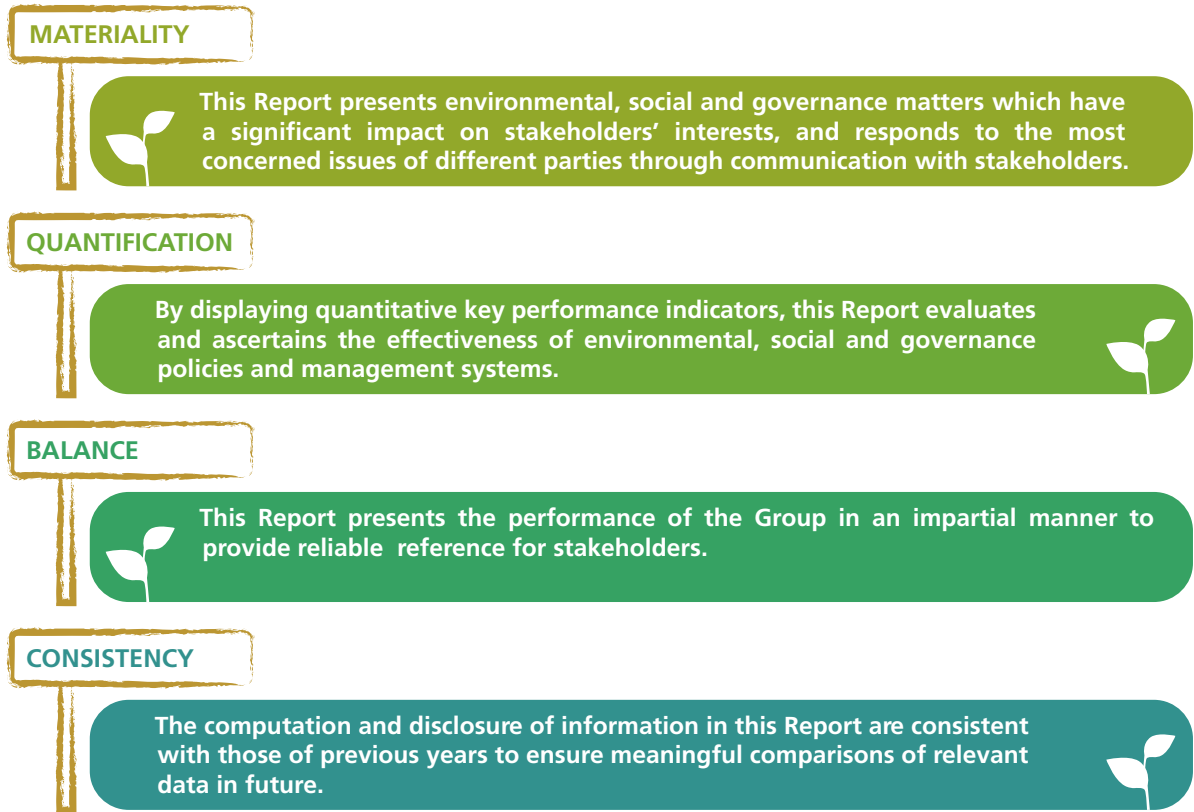
Reporting Standards

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



About this Report (Continued)

To comply with the requirements set out in the Guide, this Report adheres to the following principles:



Source of Information

The board of directors of the COPL undertakes responsibility for the adequacy and appropriateness of the contents of this Report, and has the duty to ensure that there is no false record, misleading statement or material omission therein. All information cited in this Report is derived from the Group's public information, official documents and statistical data, and has been reviewed in accordance with the internal governance mechanism and review procedures.

How to Access this Report

This Report is presented in both the Chinese and English versions and has been uploaded onto the Group's official website at www.copl.com.hk and HKEx's website at www.hkexnews.hk. If there are any contradictions or inconsistencies between the Chinese and English versions, the Chinese version shall prevail.

Feedback

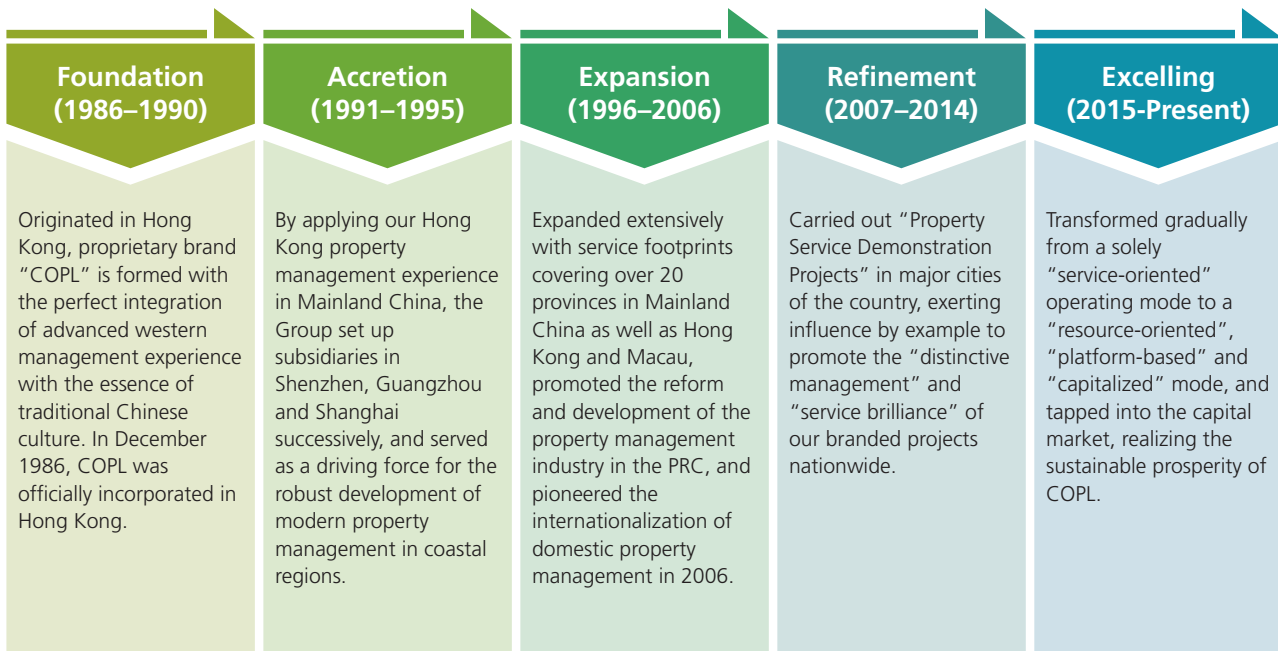
Our continued progress depends on your valuable comments. If you have any questions or suggestions, please contact us through the following methods:

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 Telephone: (852) 2988 0600
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About COPL

Corporate Profile

The Group is a subsidiary of China Overseas Holdings Limited under China State Construction Engineering Corporation (referred to as "CSCEC"). As an avantgarde in the property management industry in China with first-class qualifications, and the second Hong Kong-listed company within the mainland industry (listed in the Main Board of the Stock Exchange on 23 October 2015), we develop insights of and adapt to the development trend of the domestic property management market by upholding the internationally advanced property services philosophy. After 34 years of development, we have always been at the forefront of the People's Republic of China ("PRC") property development and have now become a leading brand in the industry with both nationwide strategic layout and international management vision. Over the years, the Group has also built up its deep-rooted corporate spirit and culture along with creating return on investment for shareholders. We firmly believe that this is the embodiment of an enterprise's soft power in market competition and the organic combination of zeitgeist and corporate developments.



Strategic System

In 2019, the Group formulated a overall development strategy of "one foundation, two wings, four drivers", under which basic property management services represent the foundation, quality management and operating scale serve as a pair of wings, and UN+ (優你互聯), Xinghai IoT (興海物聯), asset management, investment and merger & acquisition are the four drivers, with an aim to achieve a full spectrum and sustainable "space services", and provide continuous momentum for the pursuit of satisfaction from our shareholders, customers, staff and the society, paving the way for a comprehensive market-driven development. The Group aims at continuously improving customer satisfaction and business scale, constantly consolidating basic services, and using Internet of Things platform and mobile internet platform as marketing channels to generate new business growth and continuous expansion in the width and depth of strategic scope.



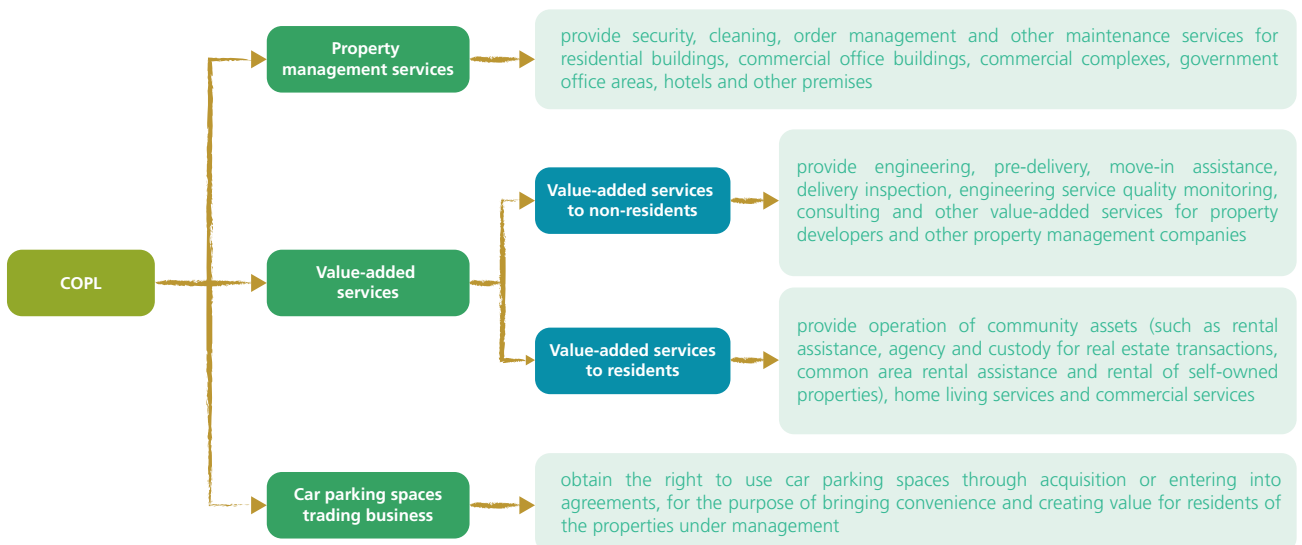
About COPL (Continued)

Based on the overall development strategy, the Group has formulated a new “Thirteenth Five-Year” strategic plan, upon which aggressive steps would be taken in the following eight areas along with further development based on the existing strong brands and the leading position in the market:



Business Structure

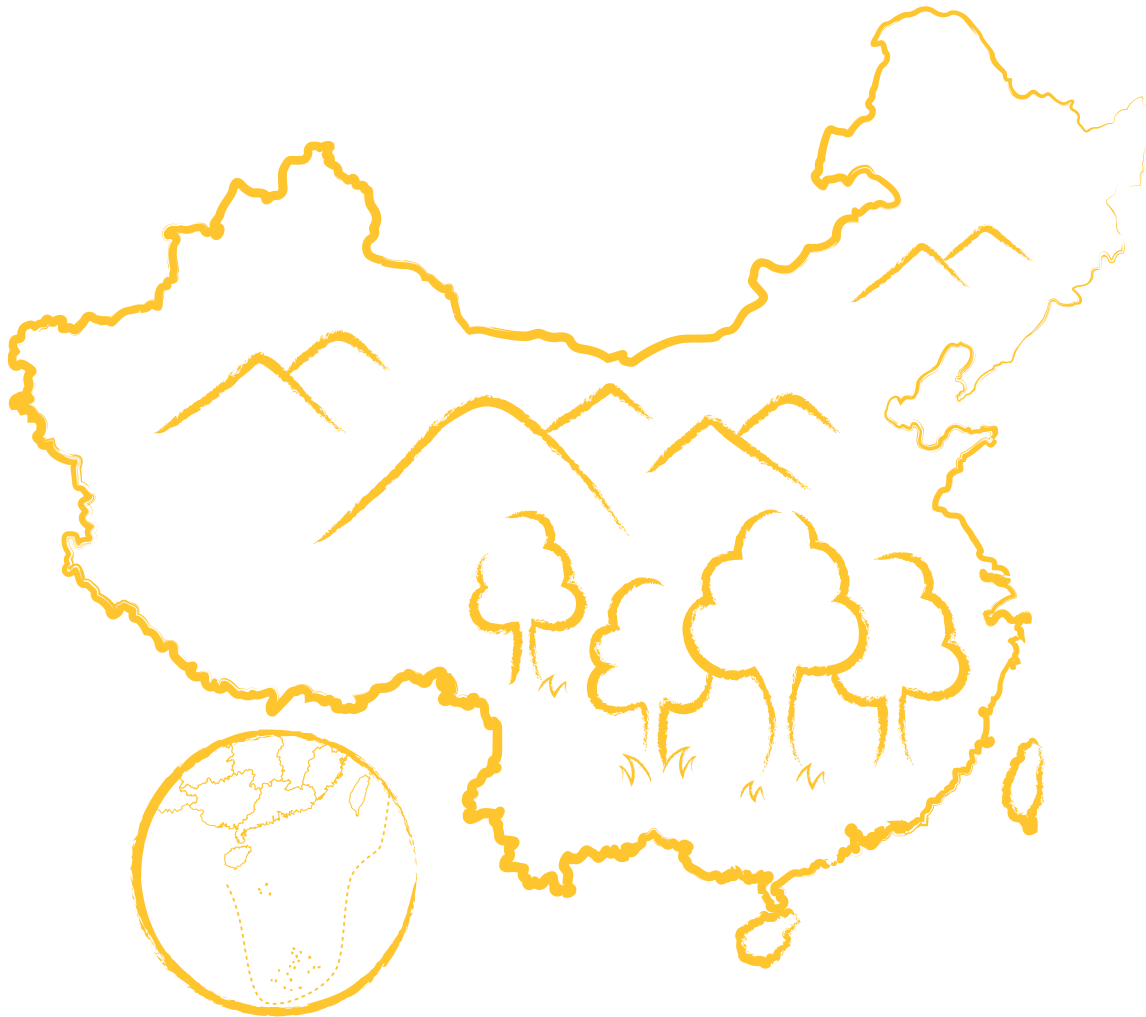
The Group’s business mainly consists of property management and value-added services. It provides security, cleaning, order management and other maintenance services for residential buildings, commercial office buildings, commercial complexes, government office areas, hotels and other premises. At the same time, by integrating and utilizing internet + resources, it coordinates various operations to optimize customers’ service experience from multiple perspectives. By taking “Xinghai IoT (興海物聯)” as a vehicle in practice, internally, it upgrades the equipment operation and maintenance system, constructs intelligent buildings, and supports the improvement in the operation efficiency of the Group; externally, it implements market-oriented operations, realizes professional output and builds a professional service brand for COPL. Since the second half of 2018, the Group has also started to engage in the trading business of car parking spaces.



About COPL (Continued)

Business Layout

Originated from CSCEC, COPL started in Hong Kong and keeps cultivating Hong Kong and Macau markets with its foothold across the country. As of 31 December 2019, the Group had over 41,000 employees and 21 city-based companies. Its business covers various major cities in the PRC, and the types of properties under management include boutique residential buildings, commercial complexes, A plus-grade office buildings, government properties, industrial parks and others.





About COPL (Continued)

Economic Performance

The Group has maintained a steady development, fully integrated its advantageous resources, carried out amalgamation for its own reputable brands, continuously expanded its management scale, and achieved initial success in intelligent construction. Through the pursuit of excellent quality, the Group has won acclaim from customers and peers and achieved rapid development. As of 31 December 2019, the Group's annual turnover was HKD5,465.5 million, representing a growth for 4 consecutive years. Gross profit was HKD1,090.4 million, and gross profit margin remained relatively stable at 20%.

Honours and Recognition

Over the past 30 years, COPL has made great progress, always endeavoured to deliver the best and achieved brilliant results. Its brand image has been continuously improved and has won recognition and approval from the government, industry, market, society and other sectors. During the Reporting Period, the Group has been multiply awarded for its sustainability development:

Date of Award	Title of Award	Organiser
March 2019	China Top 30 Property Service Enterprises 2019	Guandian Index Academy
March 2019	Innovation Pioneer Award for Property Service 2018–2019	E-House CRIC
May 2019	Ranked 11th in Top 100 Property Service Companies in China	China Index Academy
May 2019	Ranked 3rd in Top 10 Listed Property Service Enterprises 2019	China Property Management Institute, Shanghai E-house Real Estate Research Institute, China Real Estate Appraisal Centre (中國房地產測評中心)
May 2019	Vice President Unit of China Property Management Institute (stands out among nearly 3,000 membership units across the country)	China Property Management Institute
May 2019	Pioneer Award for Innovation in Property Service in the Guangdong-Hong Kong-Macau Greater Bay Area	E-House CRIC
June 2019	Ranked 1st in China Top 10 Brands of Property Management Enterprises	China Real Estate News (中國房地產報), China Real Estate Web (中國房地產網), Zhongfang Think Tank (中房智庫)
June 2019	Ranked 1st in Communication Power List of China Property Brands	E-House CRIC

About COPL (Continued)

Date of Award	Title of Award	Organiser
June 2019	Recognized as Blue Chip Property Enterprise at 2019 Blue Chip Property Annual Meeting	The Economic Observer
July 2019	Platinum member of BOMA, an international accreditation organization	Building Owners and Managers Association (“BOMA”)
August 2019	Ranked 2nd in Index for Top 100 Brands of Community Service Provider in China	Yihan Think Tank (億翰智庫)
August 2019	Top 7 Community Service Providers in China 2019	Yihan Think Tank (億翰智庫)
October 2019	The Eighth Outstanding Corporate Social Responsibility Award	The Mirror, Hong Kong
October 2019	“The Power of Community” Alleviate Poverty by Consumption Award	China Property Management Institute, China Poverty-Alleviation Promotion of Volunteer Service
December 2019	Leading Enterprise in Quality Property Service 2019	Leju Finance (樂居財經), Sina Finance, China Entrepreneur, Fangchan.com, China Property Management Research Institution
December 2019	Joined Golden Key International Alliance	Golden Key International Alliance



Message from Management

2019 is the fourth year following the listing of COPL in Hong Kong. Since its establishment, COPL has adhered to our service tenet of “customer first and service best”, and is always faithful to our customers with the service promise of “Property Assets to be Entrusted”. COPL has been active in fulfilling its social responsibilities and strives to act as a conscientious enterprise which serves and works with property owners for years to jointly promote happiness and create higher value and all-around happiness for its customers, employees, the society and shareholders.

In 2019, the Group continued to organise a major charity event called “Green Future • Eco-friendly Carnival”, joining hands with the property owners in carrying out a series of green initiatives under “Strive for Green China Overseas Project”. We proactively worked with the government and charitable organizations, volunteers associations, the China Disabled Persons’ Federation, family service centres for intellectual disability, Hope Primary Schools to host volunteer activities such as “Greenman of China Overseas”, “Garbage Classification Seminar”, “China Overseas Flower Shop”, “Care for Children with Autism”. Besides, we also donated books to schools and clothing to charitable organizations. We will continue to fulfil our social responsibility by taking the lead in joining hands with the property owners in building a green home and creating a green future.

COPL has profound understanding of its own social responsibilities, endeavouring to meet the expectations from the society and actively participating in community welfare initiatives. The Group traversed 3,000 kilometres to institute local poverty alleviation initiatives in Kangle County, Kang County and Zhuoni County of Gansu Province. We recruited 15 impoverished migrant workers through job fairs and had an in-depth exchange with local enterprises in relation to intensive processing, packaging and sales of agricultural products. As a start, we completed the intensive processing of 34 poverty alleviation products from 6 series and promoted the sales of poverty alleviation products through our own mature customer network, delivering a message of love and gratitude to contribute to the society. On 28 October, COPL was awarded the “Outstanding Corporate Social Responsibility Award” by *The Mirror* of Hong Kong.

COPL makes sure that professional training is provided for every basic position, that every ordinary position emits the light of concentration, that every shining innovation receives due respect, and that every entry-level employee gets a stage to demonstrate themselves. COPL proactively builds and continuously optimizes and improves its system of talent selection, deployment, education and retention. It has established a multi-level and three-dimensional talent training system to cover the whole life cycle of staff’s career development, supporting employees’ career development and helping the Group to replenish and develop outstanding talents on a continuous basis. This will support the healthy development of our business in the long run.

Looking ahead, COPL will adhere to the corporate vision of “becoming an outstanding global service provider in asset management” to pursue the corporate mission of “creating more beautiful spaces to embrace a better life” and the goal of “satisfying customers, staff and society”. We strive to become a provider of integrated solutions for real estate whole value chain property services to provide specialised and customised services for all customers, create higher value for our customers and partners and become a trustworthy partner in relation to overseas properties for PRC enterprises.

Mr. Zhang Guiqing

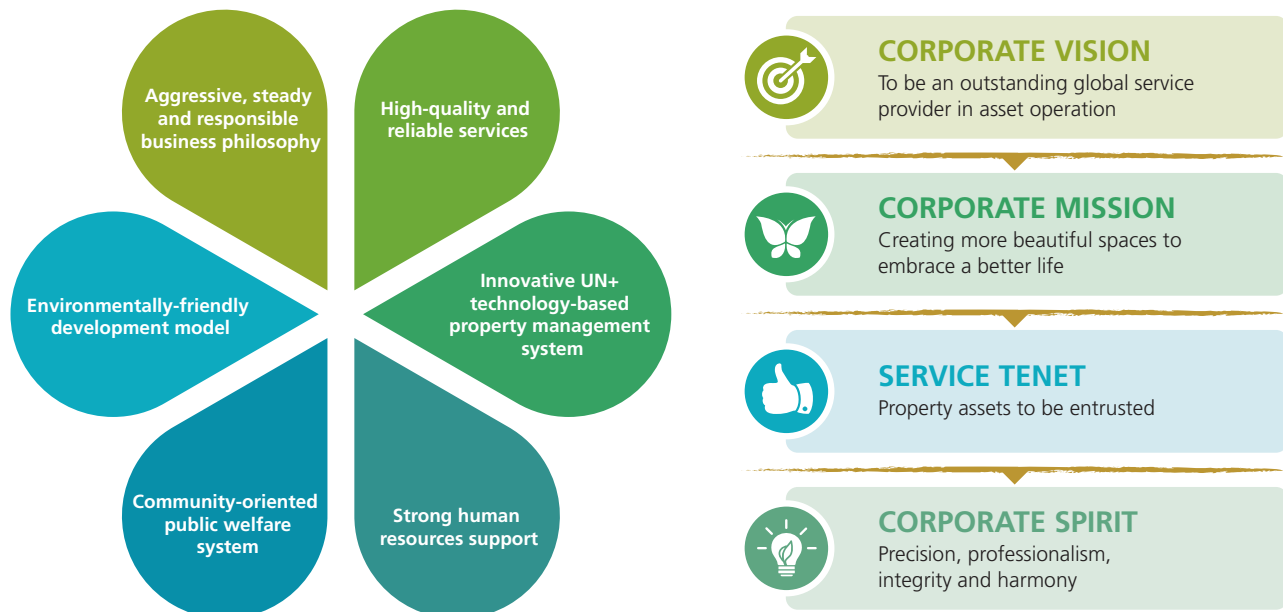
Chairman and Executive Director

Sustainability Governance

Adhering to the principle of “from the community, for the society”, the Group has established close contact and trust relationship with the communities through quality property management and value-added services. It is also well aware of its opportunities and responsibilities as a consumption and social networking portal. The concept of sustainable development is integrated into our vision, mission, value system and even our commitments to stakeholders, and has become the core spirit of our present and future long-term planning.

Value System

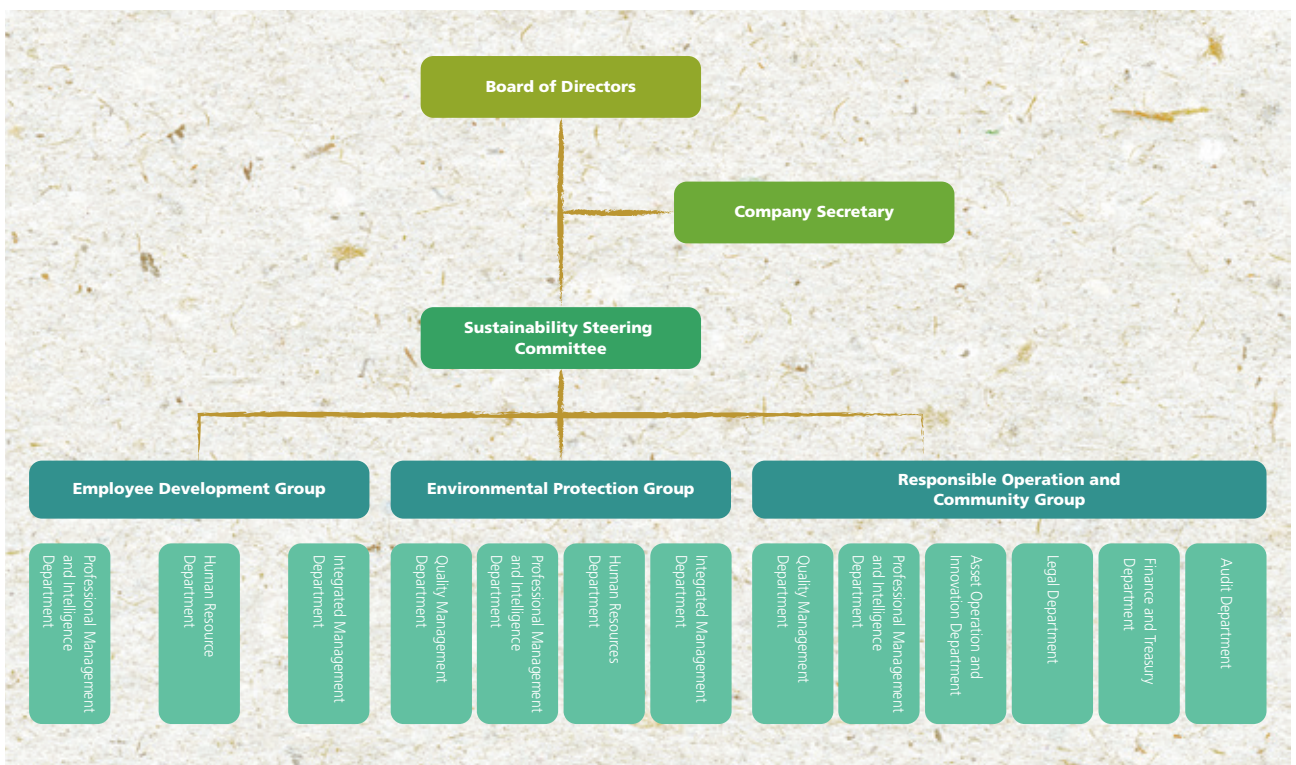
We adhere to the corporate vision of “becoming an outstanding global service provider in asset operation”, stick to the corporate mission of “creating more beautiful spaces to embrace a better life” and fulfil our service tenet of “property assets to be entrusted”. We strive to become a provider of integrated solutions for real estate whole value chain property services to provide specialised and customised services for all types of customers, including but not limited to developers, government and institutional customers, commercial customers, little property owners and property enterprises, so as to create higher value for its customers and partners and provide staff with room for continuous career development. We will make unremitting efforts to create a perfect living environment for customers with high-quality service and continue to lead the industry with excellent performance, thus leaving our mark on history with new achievements.



Sustainability Governance (Continued)

Governance Structure

Based on our strategies, value system and sustainable development goal, the Group has established a clear corporate governance structure. The board of directors has delegated to the sustainability steering committee the responsibility for dealing with matters related to the sustainable development of the Group, including but not limited to staff development, environmental protection, responsible operation and community work. Through the coordination and cooperation within the governance system, the Group will strengthen our internal cooperation and external communication, promote corporate resources management and environmental protection efforts, and ensure that sustainable development concepts and responsibilities are implemented at all levels to properly identify, assess and manage ESG related risks and opportunities. Meanwhile, we formulate corporate governance policies and practices, so as to maintain high standards of business ethics, healthy corporate culture and good corporate governance. For more information on corporate governance of the Group, please refer to the section headed “Corporate Governance Report” in the 2019 Annual Report of COPL published on the official website of the Group at www.copl.com.hk or the website of HKEXnews at www.hkexnews.hk.



Sustainability Governance (Continued)

Functions of the Board of Directors

The Group's highest decisions are made by the board of directors of the Group (the "Board"), implemented by executive directors and the senior management team, and internally monitored by the Audit Committee, Remuneration Committee, and Nomination Committee. Currently, the Board comprised seven directors, including four executive directors, being the Chairman, Chief Executive Officer, Vice President and Chief Financial Officer of the Group, and three independent non-executive directors. A diversity policy is adopted for the composition of the Board to integrate critical reviews and independent opinions into the decision-making process.

Sustainability Steering Committee

The Group has established a Sustainability Steering Committee (the "Steering Committee") as the steering body for sustainability work. It is responsible for formulating policies and determining goals related to sustainability, overseeing and assessing the implementation and performance of sustainability work, preparing the *ESG Report*, and confirming the effectiveness of the sustainability work mechanism and management system with the Board on a regular basis. The Steering Committee is chaired by the Chief Executive Officer of the Group, and an assistant president serves as the vice chairman of the Steering Committee. The Steering Committee has three groups, namely the environmental protection group, the employee development group and the responsible operation and community group. Heads of relevant major departments of the Group are appointed as the leaders of the three groups, and they are responsible for setting their respective action goals, formulating action plans, making in-depth research in relevant fields, ensuring the effective implementation of the plans, and participating in the preparation of the *ESG Report*. The sustainability work groups report to the Steering Committee and the Board on the progress of sustainability-related work on an annual basis.

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

Risk Management and Control

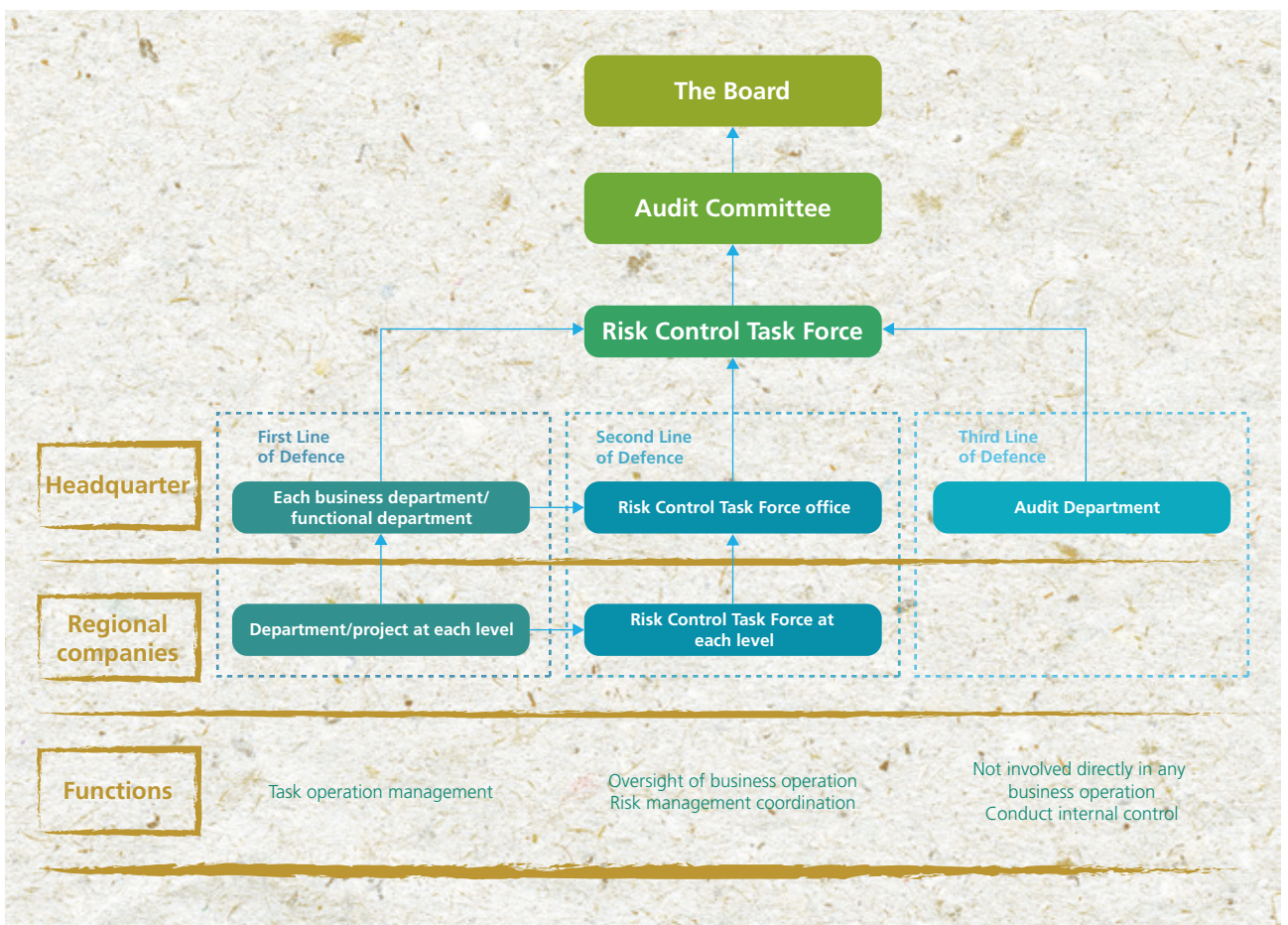
The Group formulates detailed and strategic goal-oriented risk management procedures and sets up the organizational structure for risk management under the "Three Lines of Defence" model, which clarifies the work division and responsibility of each department to provide solid assurance for our stable operation and sustainable development. In the meantime, we continue to pay attention to global issues under the new normality of the community with a shared future for mankind and identify risks and opportunities in the economic, social and environmental fields regularly with active thinking and response.



Sustainability Governance (Continued)

Risk Management and Internal Control

Risk management competent unit, as the first line of defence, is responsible for risk management execution at the operational level; risk control offices and task forces at the headquarters of the Group and the subordinate regional companies, as the second line of defence, are responsible for the risk management coordination and addressing risk issues; Audit Department at the headquarters of the Group, as the third line of defence, is responsible for the independent control and evaluation of the risk management system.



Sustainability Governance (Continued)

Departments at various levels under the lines of risk control discharge their respective duties. Coupled with clear work guidance and procedure, we manage to achieve effective operation of risk management and internal control system, and eliminate the significant impact that may result from potential risks.

Day-to-day work	Risk Control Task Force at each level	Audit
<ul style="list-style-type: none"> Responsibility: competent entity for risk management, identify risks daily; Measures: promulgate system, formulate measures; Communication: report risk related information (vertically to business lines, horizontally to the Risk Information Control Task Force); Response: emergency response to and report of significant risks; Self-evaluation: daily supervision and inspection, review the results. 	<ul style="list-style-type: none"> Initiation: convene meetings, listen to the report of risk management from the first line of defence; Performance: head of each risk management unit monitors risk profile of the unit, specifies work guidance; Report: formulate the unit report and present to the risk management function of the headquarter; Commitment: group leader signs letter of commitment, which undertakes that the risks involved in the unit remain controllable. 	<ul style="list-style-type: none"> Conduct retrospective inspection, audit and monitoring in respect of the risk management in the first and second line of defence.

Regular work	Risk Management Task Force office	Supervision
<ul style="list-style-type: none"> Commitment: self-evaluation of risk management effectiveness, sign the undertaking on controllability; Report: summarize significant risks and report to the second line of defence. 	<ul style="list-style-type: none"> Organization: publish announcements, organize meetings, announce requirements; Communication: coordinate resources, organize significant risks identification and evaluation of the company; Report: collate self-evaluation materials from various departments, draft the risk report at company level. 	<ul style="list-style-type: none"> Monitor the execution of significant risk management measures of the company with the authority granted by the Board/Audit Committee.



Sustainability Governance (Continued)











Risk Management Task Force at headquarters	Independent assessment
<ul style="list-style-type: none"> Supervision: listen to reports of risk control groups from companies at each level in regard to effectiveness of risk management; Approval: approve the report of risk management of the Group; Discussion: discuss the effectiveness of management on significant risks of the company; Report: report on the running status of the risk management system to the Board. 	<ul style="list-style-type: none"> Conduct independent assessment through (regular and particular) audit activities.

Risk and Opportunities Relating to Our Sustainable Development









As globalization further intensifies its efforts in the 21st century, institutions and communities around the world have been closely integrated with each other attributable to the emergence of various global issues. Driven by common interests, all parties have become more concerned about issues related to sustainable development. To solve the development issues identified from three dimensions, namely social, economic and environmental development and to divert them onto the path of sustainable development, the United Nations has formulated and promulgated the 17 Sustainable Development Goals (“SDGs”). SDGs cover an extensive range of sustainable development issues in regard to corporations and provide reference framework and external incentives for corporate sustainable development. The Group puts the concepts of sustainable development into practice and responds to the risks and opportunities relating to sustainable development with a managerial mindset of risk management and internal control system. We also integrate SDGs into our regular action assessment to make corresponding adjustment and improvement.

Sustainability Governance (Continued)

Category	SDGs	Our risks	Our opportunities	Our actions
Environment	     	<ul style="list-style-type: none"> • Water pollution risk • Energy consumption risk • Sustainability risk in cities and communities • Climate change risk 	<ul style="list-style-type: none"> • Upgrade green technologies • Optimize resource acquisition and allocation • Energy-saving retrofit of buildings • Formulate emergency plans • Implement climate change evaluation and solutions • Artificial Intelligence technology 	<ul style="list-style-type: none"> • Check the leakage and damage of projects • Utilize water recycling • Energy-and-water-saving retrofit • Smart energy technology • Energy management performance appraisal • Promote paperless office • Supervise the use of official vehicles • Waste classification • Clothes recycling • Monitor greenhouse gas emission
Employment and labour practices	 	<ul style="list-style-type: none"> • Labour cost risk • Talent loss risk • Equal opportunity risk • Welfare protection risk 	<ul style="list-style-type: none"> • Human resource empowerment • Technology empowerment 	<ul style="list-style-type: none"> • Equal job opportunity • Diversified talent recruitment • Comprehensive training and promotion system • Staff safety and health protection • Reasonable remuneration and welfare assurance • Improve democratic communication • Informatization of operational methods



Sustainability Governance (Continued)







Category	SDGs	Our risks	Our opportunities	Our actions
Operating practices	  	<ul style="list-style-type: none"> • Set up diversified risk barriers • Product quality risk • Customer relationship management risk • Security risk • Information security risk • Intellectual property right risk • Marketing compliance risk • Emergency management risk • Risk of supplier management • Environmental and social risk of supply chain 	<ul style="list-style-type: none"> • Technology empowerment • Innovative value-added services • Innovative management modes • Life service O2O market • Industry consolidation 	<ul style="list-style-type: none"> • Quality management • Create commercial property brand • Develop value-added business • Develop smart community • Facilitate digital living experience • Informatization of management • Safeguard community and information security • Protect intellectual property rights • Strictly control marketing materials • Corruption-free supply chain • Focus on the environmental and social responsibility performance of supply chain
Community	     	<ul style="list-style-type: none"> • Public security risk • Public health risk • Equal opportunity risk 	<ul style="list-style-type: none"> • Establish public welfare fund • Set up educational institutions 	<ul style="list-style-type: none"> • Provide employment opportunities • Offer help to people in poverty and provide education sponsorship • Care for the disadvantaged groups • Undertake voluntary activities • Build community culture

Stakeholder Engagement

Maintaining close communication with stakeholders is an important way for the Group to achieve sustainable development. Through a multi-level and multi-channel communication mechanism, we stay open to opinions and suggestions from all stakeholders, and constantly review and improve our own operation and management on issues of concern to stakeholders.

The Group is committed to keeping stakeholders informed of our development and management policies in a timely manner. We also formulate corresponding action plans based on their suggestions to strengthen our management capabilities on sustainable development, stabilise cooperative relationship of mutual trust and support, and work together to achieve sustainable development goals.

Communication Methods with Stakeholders and their Main Demands in 2019

Stakeholder group	Communication methods	Main demands
 Shareholders/investors	<ul style="list-style-type: none"> • Hold general meetings of shareholders • Issue results announcements and financial reports • Regularly disclose operation and investment information 	<ul style="list-style-type: none"> • Maintain continuous profitability • Formulate sustainable development strategies • Enhance corporate transparency • Protect the rights and interests of shareholders and investors
 Government	<ul style="list-style-type: none"> • Conduct business according to law • Declare tax • Accept public inspections • Report on policy implementation 	<ul style="list-style-type: none"> • Ensure operational compliance • Pay taxes in full according to law • Respond to national policies • Support local development
 Employees	<ul style="list-style-type: none"> • President's email • General Manager Reception Day • Roast meeting 	<ul style="list-style-type: none"> • Fair opportunities for promotion and career development • Competitive compensation and benefits • Ensure occupational health and safety • Equal communication and complaint mechanism
 Customers/property owners	<ul style="list-style-type: none"> • WeChat group for property owners • UN+ App • Property owner meetings • Housekeeper home visits • Bulletin boards in buildings • National 400 service supervision hotline/email • 24-hour service hotline 	<ul style="list-style-type: none"> • Safe and comfortable living environment • Offer considerate services • Privacy protection • Business integrity
 Suppliers/contractors/service providers	<ul style="list-style-type: none"> • Enter into agreements • Company policy communication • Regular assessment 	<ul style="list-style-type: none"> • Win-win cooperation partnership • Fair, just and open procurement • Perform contracts according to law
 Public welfare organisations and the public	<ul style="list-style-type: none"> • Thematic community activities • Volunteering activities • Poverty alleviation and study aid • Charitable activities • Media coverage 	<ul style="list-style-type: none"> • Care for the underprivileged • Support community development • Contribute to public welfare • Adhere to green operation



Stakeholder Engagement (Continued)

During the Year, the Group continues to engage an independent third-party consultancy to conduct a materiality assessment on ESG issues and collect opinions from stakeholders through interviews and online questionnaires to determine key disclosures to be covered by this Report.



01 Identification of ESG issues

Based on current business development of the Group and in view of the national policies and industry development trend as well as in compliance with the disclosure requirements in the Guide and with reference to the GRI standards, 28 ESG issues were identified, covering the areas of environment, employment and labour practices, operation and community.



02 Stakeholder survey

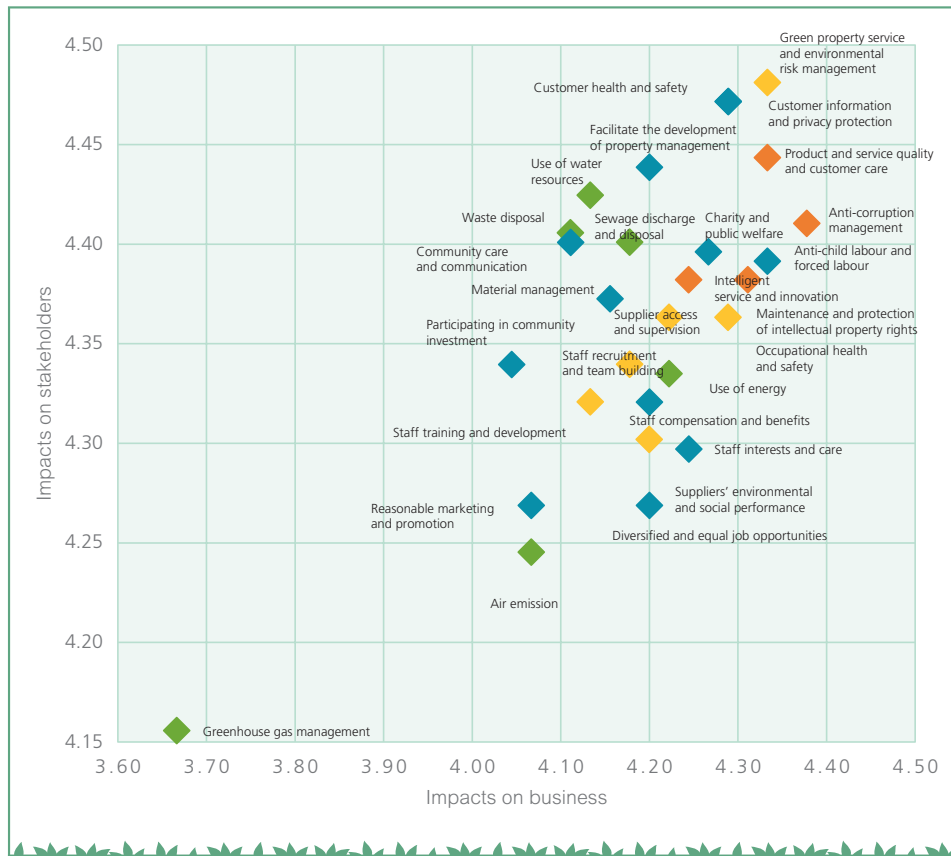
Through anonymous online questionnaire survey and face-to-face interview, we collected materiality scores given to the 28 ESG issues from internal and external stakeholders, and their opinions and expectations for the sustainable development efforts of the Group. 250 valid replies to the questionnaires from 8 categories of stakeholders were collected.



03 Materiality analysis

Based on the survey results, the issues were arranged by level of materiality based on two perspectives, namely, the "Impacts on stakeholders" and the "Impacts on business" and a materiality matrix was compiled. Management of the Group reviewed materiality analysis results and stakeholders' opinions and confirmed the focus areas of disclosure in the report for the Year.

The result of our materiality assessment during the Year is shown below:



Stakeholder Engagement (Continued)

Crucial	Important	Less important
1 Green property service and environmental risk management	10 Facilitate the development of property management	19 Staff recruitment and team building
2 Anti-corruption management	11 Intelligent service and innovation	20 Waste disposal
3 Product and service quality and customer care	12 Supplier access and supervision	21 Community care and communication
4 Customer information and privacy protection	13 Sewage discharge and disposal	22 Suppliers' environmental and social performance
5 Customer health and safety	14 Use of water resources	23 Diversified and equal job opportunities
6 Anti-child labour and forced labour	15 Use of energy	24 Staff training and development
7 Maintenance and protection of intellectual property rights	16 Staff interests and care	25 Participating in community investment
8 Charity and public welfare	17 Material management	26 Reasonable marketing and promotion
9 Occupational health and safety	18 Staff compensation and benefits	27 Air emission
		28 Greenhouse gas management



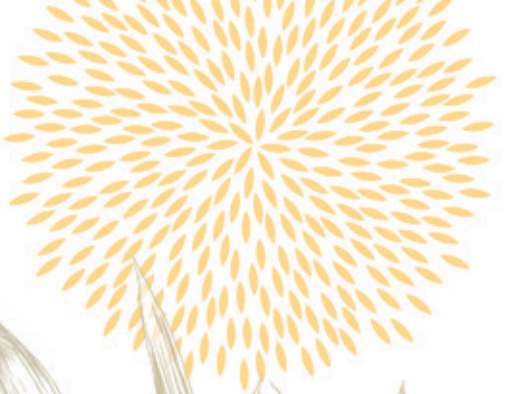
Stakeholder Engagement (Continued)

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

Category of concerns	Opinions of stakeholders	The Group's response
Sustainable development strategies	Strive to develop advanced and new technologies and incorporate smart community into construction.	Please refer to "Responding to Operation with the Spirit of Craftsmanship"
Environment	Apply facilities for enhancing urban air quality into building construction and develop our unique China Overseas residential buildings by incorporating modern technologies. Put community environment management into practice, optimize energy consumption with new equipment and new energy and achieve sustainable energy optimization.	Please refer to "Responding to Operation with the Spirit of Craftsmanship" and "Responding to the Environment with Green Space"
Operation	Put the standardization system into practice and continue to improve standardized, informational and smart management. Strengthen the management and control of high security risks, such as fire protections, high-rise littering, which comprises input of funding, facilities and equipment, inspections and professionals.	Please refer to "Responding to Operation with the Spirit of Craftsmanship"
Human Resources	Implement competitive employment approach and strengthen staff training on emergency response.	Please refer to "Responding to Talents with a Sound System"
Community Investment	Organize charitable activities and commit to social responsibility.	Please refer to "Responding to Operation with the Spirit of Craftsmanship"

Through the above methods of stakeholder engagement, we keep on learning and communicating with stakeholders on areas of concern and regularly review our operation and public responsibilities so that we are in a better position to tackle the challenges which may arise from the sustainable development area. We will also improve management skills and achieve sustainable development in the future.

Responding to Operations
with the *Spirit of Craftsmanship*



Responding to Operation with the Spirit of Craftsmanship

The Group strives to provide a full spectrum and sustainable “space service”. In our history of over thirty years of operation, we have been committed to our service promise of “Property Assets to be Entrusted” to create a “craftsmen’s regime” for COPL, enabling a gradual proliferation of the brand influence of “COPL’s craftsmen”. We cater for the needs of customers in different phases by our crafted provision of professional services which have won customer satisfaction and confidence. Bearing craftsmen’s morality in mind, we pay close attention to our partners’ development, with a view to attaining a win-win situation with business partners, enhancing integrity throughout the supply chain system and fulfilling our supervision duties. We emphasize business ethics and foster the spirit of craftsmanship to build confidence and trust among various walks of life, so as to shape our future with integrity.

Providing Services with Craftsmen’s Mentality and Spirit of Being Customer-oriented

The Group adheres to the service tenet of “customer first and service best”, reinforces our position in the professional field and focuses on customer service. Given the increasingly personalized and refined service demands from customers, we relentlessly optimize our service process and product design and innovate service model with exquisite craftsmanship and creativity, covering areas ranging from customer health and safety protection, customer information and privacy protection to high-tech property management, etc., so as to enhance customer satisfaction.

Customer Satisfaction as Target

The Group firmly believes that good quality is the cornerstone to achieving sustainable development and an asset to the core competitiveness of an enterprise. We strictly abide by the *Urban Real Estate Administration Law of the PRC*, the *Property Management Regulations* and other laws and regulations. We have formulated and implemented policies and guidelines including the *Customer Service Work Guide*, *Internal Audit and Management Assessment Control Procedures*, *Project Quality and Safety Management Rules* and *Quality Management Manual*, and continue to build a service value creation system based on customers’ needs, targeting at customer satisfaction. We optimize the design of our service provision system by innovating service model, improving details of services and products and optimizing service process, so as to constantly improve the timeliness and efficiency of our services, ultimately delivering “knowable, perceptible, identifiable and verifiable” services.

Responding to Operation with the Spirit of Craftsmanship (Continued)

Systematic Quality Control

Over the years, the Group has been raising the level of professionalism and refinement in its property management operation with the greatest endeavours, and is the first enterprise in the industry that has passed the certification of three systems (namely ISO9001, ISO14001 and OHSAS18001). Based on the idea of providing comfortable services to our customers, we introduced a groundbreaking concept of tiered brands consisting of “Top, Enjoy, Happy and Life” in 2019 and each brand was associated with specific management solutions and service standards. In practice, we arranged a corresponding service menu for projects based on the estimated management fees received from owners, so as to improve the management of service quality in detail. During the reporting period, preliminary progress had been made in the standardization works of the tiered brands, including the completion of tiered menu collection and menu-type service estimation model, as well as introduction of menu-type service estimation. In 2020, we identified optimized and reconstructed 11 customer service procedures through a combination of customer service experience upgrade and integration between online and offline service.



Meanwhile, regarding newly established commercial property management unit, we have prepared the *Safety, Environment, Personnel, Brand-building Service Example Manual for Commercial Property* and distributed it to each project company to share and promote advanced management concepts and responsive measures with an aim to refine the quality of basic property services and strengthen the management operation and results of commercial projects. Moreover, we continued to make progress in our standardization works centring on three core themes during the reporting period.





Responding to Operation with the Spirit of Craftsmanship (Continued)

Expanding Value-added Services

On top of the provision of excellent property management services, the Group endeavored to provide property owners with customized and diversified value-added services, with a view to creating a cozy living environment for owners by satisfying their increasing consumption needs in respect of real estate agency, house renovation, community services and commercial services. At the same time, our property value-added services will also facilitate the creation of a win-win situation amongst the Group and our upstream and downstream partners, thus becoming an important driver for our long-term development.

UN+: Bag Check Services

There are rigid demands for furnishing services from house purchasers primarily focused on investment and vacation purposes. Furniture vendors in the surrounding area of the Seaside Apartments (海公館) (i.e. the first phase of residential projects in China Overseas Peninsula (中海神州半島)) are scarce and far away. In order to make it more convenient for the property owners to live on the peninsula, furnishing services were introduced by COPL through UN+. Through our close three-party collaboration with Wanning Real Estate (萬寧地產) and the property, we conducted project clientele surveys, formulated project delivery plans and established an innovative pre-arranged housekeeping model. To ensure a smooth delivery, we interacted with real estate agencies to rehearse the delivery procedures and incorporated an innovative segment with the live streaming of the construction site open day. Promotion and advertising through both online and offline channels enhanced our interaction with prospective owners and helped to improve customer satisfaction, while paving ways for the promotion of China Overseas' furnishing brand.

Hainawanshang: Office Plus

Since its establishment almost a year ago, Hainawanshang has been paying close attention to customer demands and designed a number of commercial service products, including customer service contact point, V+ customer service manual, and compilation of service cases, etc. Meanwhile, integrating different quality and service standards of each type of projects, Hainawanshang introduced three major office services, with a view to increasing the coverage of on-site services and customer satisfaction:

OFFICE PRIVILEGE

Basic services, being services generally provided for all commercial office building projects

OFFICE SMART

Upgraded services, being services selectively provided for projects according to circumstances

OFFICE PREMIUM

Innovative and personalized services, being services selectively provided for projects according to circumstances

Responding to Operation with the Spirit of Craftsmanship (Continued)

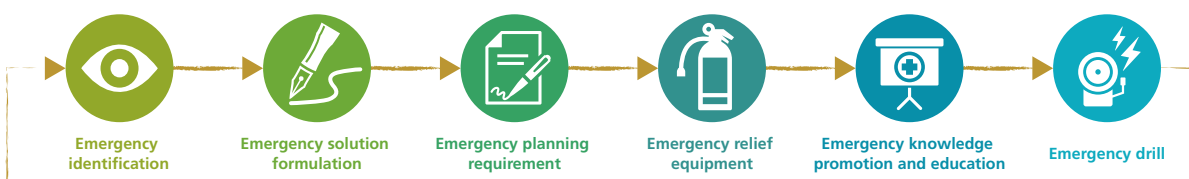
Customer Health and Safety

The Group attaches great importance to customer health and safety protection by formulating and implementing a series of policies including the *Safety Management Work Guidelines*, *Environmental Management Work Guidelines* and *Emergency Management Regulations*. The Group has also established a safety management matrix to safeguard customer safety and health.



Safety officers of different levels have clear division of labour within the safety management matrix, they are responsible for coordinating safety-related matters within their respective level while working with each other to protect customer safety and health as well as ensure smooth operation of the projects.

To effectively tackle emergencies, the Group also established a scientific and efficient emergency response system, mapping out responsibilities of relevant staff of different units in dealing with emergencies, so as to enhance each unit's capability of responding to and handling of emergencies, thereby effectively preventing, controlling and minimizing the hazards and losses arising from emergencies. Meanwhile, based on different consequences and effects resulting from the emergencies that occur, we classify them into urgent safety incident, serious safety incident or material safety incident according to the severity level, and formulate corresponding plans for different levels of safety incidents, perfecting the emergency practice process.





Responding to Operation with the Spirit of Craftsmanship (Continued)

100 Days Without Accidents

In order to prevent and resolve significant risks effectively; eliminate safety risks in a timely manner; prevent production safety accidents; enhance fire safety awareness among COPL's employees and property owners; and boost the skills of fire emergency response, the Hohhot Branch of COPL conducted fire emergency drills in the communities with the theme of "enhancing safety awareness, implementing safety system and strengthening safety measures" in November 2019. Members of fire squadrons in Saihan District, Hohhot were also invited to provide on-site instructions and guidance.

With the practicality of the communities in mind, the staff of COPL explained causes of fire, combustion conditions and fire safety basics to the property owners. They also introduced the structure of and the operating instructions for fire extinguishers. Property owners and staff members who participated in the "119 Fire Safety Day" activities then conducted an on-site drill of operating fire extinguishers under the supervision of the fire squadrons. Using oral commands and gestures. The COPL staff instructed the property owners to evacuate to the safe zones through designated route in an orderly manner as fast as possible. When evacuation was completed, each group of staff gathered in the square and took the roll call.

Through regular emergency drills, COPL will further enhance supervision and inspection of emergency plans, strictly implement a accountability system, improve and optimize rules, regulations and systems so as to consolidate safety measures. We are well-prepared to overcome all safety "obstacles" and we will always stand in the frontline to fight for the property owners and protect their homes.



Briefing on fire safety knowledge of properties

Responding to Operation with the Spirit of Craftsmanship (Continued)

COPL has prepared for 108 Consecutive Hours to Provide Full Protection to Property Owners in the Fight Against Typhoon "Lekima"

The super typhoon Lekima made landfall in Zhejiang Province in August 2019. The typhoon had affected 26 cities in which COPL operated and over 300 projects it managed. We took proactive measures to prepare for the typhoon and made deployments before its landfall by commencing safety inspections and setting up an emergency alert system. As required by the "Contingency Plans for Response to Emergencies", we proactively disseminated relevant information. We carried out emergency restoration and reconstruction work after the typhoon passed through, with a total of 2,809 staff members participating in the defence rescue work. We cleaned up 142 tonnes of rubbish, restored 241 trees, fixed 133 doors and windows and repaired 135 lighting fixtures after the typhoon. We also set up a 24-hour service hotline to respond to the requests by our property owners in a timely manner. From across Ningbo, Zhejiang Province to Shenyang, Liaoning Province, we were well-prepared in tackling the typhoon for 108 consecutive hours to protect our property owners.



Safety checks carried out by property staff



Tree reinforcement in the parks by property staff

In the face of the severe challenges posed by the novel coronavirus pneumonia outbreak, the Group is committed to battling the epidemic with concerted efforts, and strictly abides by the prevention and control policies implemented by local governments. We hold fast to our posts in a bid to ensure the safety protection for every employee, as well as efficient implementation of epidemic prevention and control measures in our properties and communities.

Responding to Operation with the Spirit of Craftsmanship (Continued)

Thank You for Being Together Fight the Virus

During Chinese New Year 2020, a nationwide outbreak of novel coronavirus pneumonia took place in an unforeseeable manner. In the face of the severe challenges posed by the outbreak, COPL took swift action by formulating direct and scientific solutions for epidemic prevention and control. Through a multi-pronged approach, comprehensive anti-epidemic measures were put in place for protecting the health and safety of property owners.



Share knowledge on virus prevention and control through multiple channels:

COPL published various types of epidemic prevention notices to owners on a daily basis through the owner's WeChat groups, bulletin boards at buildings and the UN+ APP. Banners were hanged in the communities to publicize the harmfulness of the virus in layman's terms. In addition, knowledge on virus prevention and control were broadcasted in a continuous loop in the parks following the unified deployment of the streets and communities.



Make the virus "nowhere to hide" by regular disinfection:

After the initiation of emergency plans on virus prevention and control, COPL built up material reserves by purchasing necessary items including alcohol, sterilizing fluid, mask and the like, ensuring that disinfection works in the parks under COPL were carried out in a consistent and ordinary manner, and focused cleaning and disinfection efforts were made towards hygiene blind spots including ditches, basements and garbage transfer stations. Meanwhile, domestic waste from the parks were collected and removed at least twice a day, with the loading facilities being thoroughly disinfected and sterilized. For the avoidance of secondary spread resulted from masks and other anti-epidemic materials, trash bins designated for disposing of masks were also installed in the parks.



Take care of property owners by provision of attentive services:

During the outbreak, COPL offered property owners attentive services including material sourcing, collection of goods delivered by couriers and home delivery, so as to minimize the need for going out and the risk of infection while guaranteeing basic life supports for property owners, particularly for households subject to home quarantine.



Distribution of disinfectant alcohol purchased for owners by our property staff



Collective purchase of daily necessities for owners by our property staff

Responding to Operation with the Spirit of Craftsmanship (Continued)

We take precautions by means of stringent daily management, detailed emergency plans, periodic emergency drills and publicity and education. We also proactively improve our capability and speed in handling emergencies with a view to minimizing impacts brought by any emergencies for the health and property safety of property owners, thus creating a warm and harmonious community environment.

In 2019, as the group leader of the compilation of *Property Service Safety Management and Emergency Disposal*, the Group edited and submitted the manuscript of "Property Service Safety Management and Emergency Disposal", the national mandatory standards, which was highly recognised.

Customer Satisfaction

In order to have an objective and fair understanding of our services, to learn property owners' actual views and to further enhance our service quality, the Group established a mechanism to deal with a verification check-list for issues through concerted research efforts of independent third parties, such as customer satisfaction survey and mystery customer's inspection, and invited customers to participate in the establishment of a multi-dimensional, open and transparent surveillance system by conducting customer interviews, on-site visits, engaging quality inspectors, establishing an instant evaluation mechanism for inhabitants in the parks, and initiating community activities, etc. According to the research findings for the Year, customers' satisfaction towards the Group remained at a high level within the industry.



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

<p>First person accountability system</p> <p>The first person receiving a complaint shall respond actively, whether he/she is the housekeeper in responsibility for the relevant region</p>	<p>Ticket establishing principle</p> <p>The receiver shall report customer's complaint to the customer service centre at the management office</p>	 <p>Escalated complaints received at the 400 Call Centre</p>  <p>Annual average call connection rate</p>  <p>Services Satisfaction</p>
<p>Time limit for handling complaints</p> <p>The issue must be handled within seven days</p>	<p>Satisfaction call-backs</p> <p>100% call-back for complaints in principle</p>	



Responding to Operation with the Spirit of Craftsmanship (Continued)

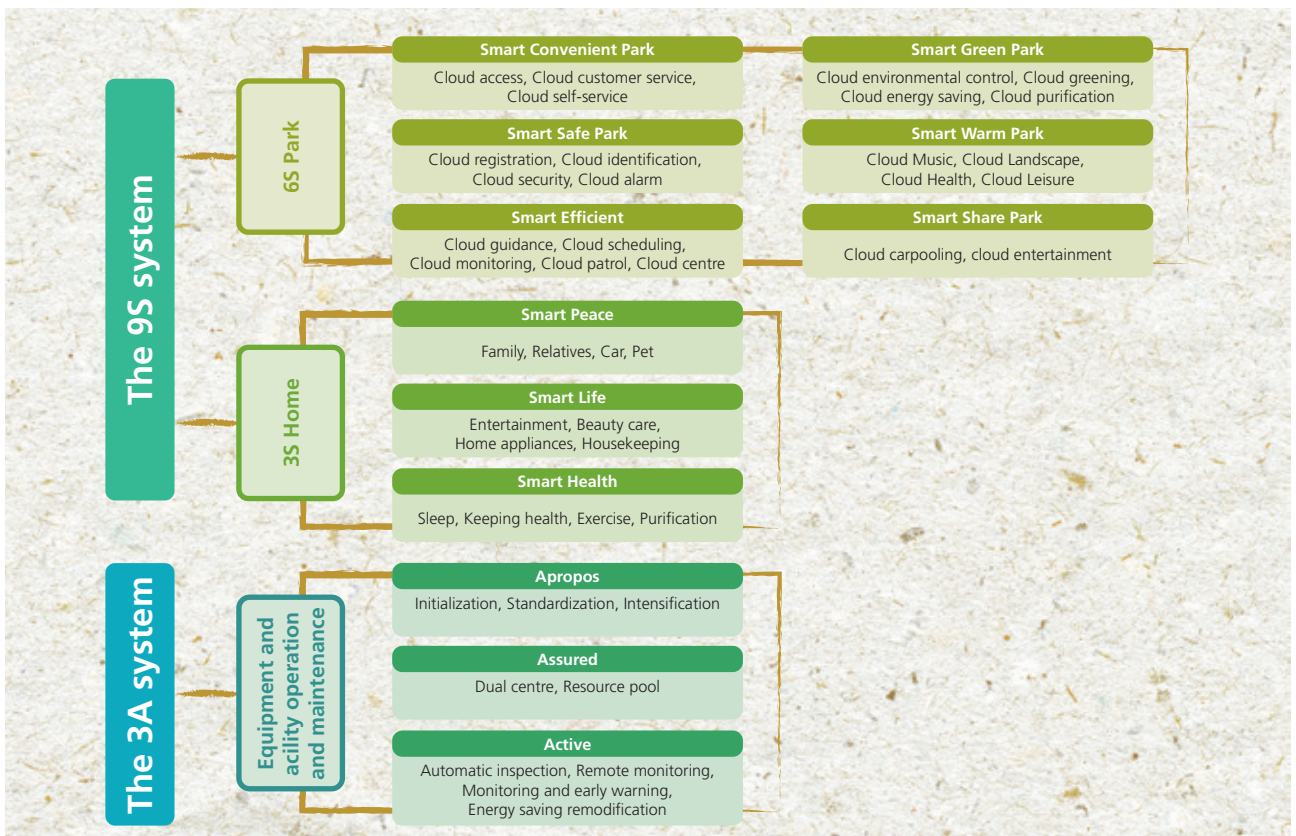
Taking Technology-based Property Management as our Opportunities

The Group actively follows the trends in technological developments. Through independent research and development as well as technological innovation, we have laid a solid technological foundation for the development of the digitalization of corporate information and the provision of better service, hence we are well prepared for the transformation of our property service model from intensive labor output to intensified modern service model.

Building Smart Parks

The Group combines property management and advanced technologies with a high degree of integration, persistently develops new types of service products, and adopts the “Internet of Things (IoT) + Community” approach to build a “New Technology Property Management and Service System” centred around smart community infrastructure. With the iterative upgrade of service products and the extension of service coverage, the Group has achieved innovative integration of the “three major service platforms”, i.e. the Internet-based community assets and service operation platform, the operation and maintenance platform based on management of equipment’s full useful life, and the IoT-based smart park operating platform.







At the same time, we improve service quality by use of information technology and strive to develop diversified services based on mobile Internet platforms. With basic property services, community assets, customer assets and lifestyle service operation as our four main business streams, and through the integration of resource, we have created the “Well +” Internet ecosystem with faster and more intuitive user experience, which has improved customers’ quality of life.



Responding to Operation with the Spirit of Craftsmanship (Continued)

Xinghai IoT, a subsidiary of COPL, is a leading domestic smart park service provider and a national high-tech enterprise, providing its customers with intelligent system for various types of property management projects including residential areas, urban complexes, commercial office buildings, hotels and industrial parks. In addition to its full-process engineering services covering planning, design, implementation, delivery, maintenance and operation, Xinghai IoT has also expanded its professional fields to ancillary services, such as the operation and maintenance of electromechanical equipment in the building, thus forming a Shenzhen-based nationwide business layout covering over 70 cities with more than 600 projects. With the rapid development of the Internet of Things and cloud computing technology, leveraging on COPL’s abundant resources and its solid platform, Xinghai IoT has been actively constructing a dual-core engine on the “IoT-based Big Data Platform + Equipment and Facilities Operation and Maintenance Platform” to provide dual-platform, full-range solutions for smart parks. It endeavors to build China Overseas smart communities through outstanding engineering services and establish a technology-oriented property management service system so as to further cater to property owners’ demands for a wonderful lifestyle and to spearhead development of the industry. Based on requirements of customers on real estates and properties, and taking into consideration the practicality of relevant projects, Xinghai IoT customizes the overall solutions for smart community building based on each customer’s specific condition. With the “Internet of Things Platform + Design” as the core, it provides all-around worry-free services for the construction of smart communities, which serves as a reliable smart vehicle for the enhancement of community brand value, better management and value-added operations. We pay attention to every technical implementation detail, think what our customers think, and practice the philosophy of “embracing and reflecting management in our services” from heart.

Products and Services of Xinghai IoT

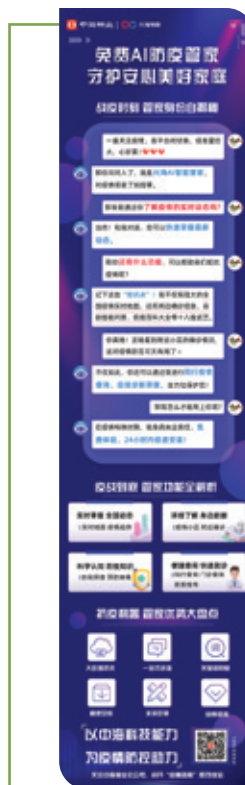
					
Internet of Things Platforms	Artificial Intelligence	Software Products	Smart Hardware	Cloud Services	Customized Services
<ul style="list-style-type: none"> Smart Worksite Smart Property Sales Smart Property Management Smart Household 	<ul style="list-style-type: none"> Facial Recognition Object Recognition Abnormal Behaviors Recognition Textual Emotion Analysis Online Public Opinion Assistant Smart Customer Service Assistant 	<ul style="list-style-type: none"> Application Software Cloud Intercom Remote Monitoring of Engine Room Gateway Software Xiaoqi Manager Xiaoqi Specialist Xiaoqi Butler 	<ul style="list-style-type: none"> Self-developed Hardware Smart Home Equipment Monitoring Sensor 	<ul style="list-style-type: none"> Huawei Cloud Agency Internet Agency Service 	<ul style="list-style-type: none"> Technical Consultation Service IT Operations and Maintenance Service Platform Layout Service Docking Development Service



Responding to Operation with the Spirit of Craftsmanship (Continued)

Protect Our Beautiful Home with Anti-epidemic AI Butler

With a view to assisting property owners to quickly search for information regarding the novel coronavirus epidemic and keep up with the development of the epidemic anytime, anywhere, Xinghai IoT has launched the “Xinghai Epidemic AI Robot”. Through the epidemic butler, users can obtain the updates on the epidemic and access to a pool of information with just one click, as well as receiving immediate answers for epidemic-related enquiries. Users can also obtain real-time epidemic information and conduct self-diagnosis and screening online. The user-friendly Epidemic Robot can be directly accessed through the public account, WeChat Work and APP. Adhering to our corporate responsibility, China Overseas provides free robot products to the whole nation and all industries, assisting different regions and industries to fight the epidemic in joined hands.



Xinghai Epidemic AI Robot

Responding to Operation with the Spirit of Craftsmanship (Continued)

COPL Joined Hands with Huawei to Co-create the New Benchmark for Smart Park

On 21 July 2019, the signing ceremony of the Smart Park Project was held in Shenzhen by COPL and Huawei. With the Huawei digital platform as foundation, the parties aimed to revolutionize property management practices by utilizing the technical framework of Huawei Cloud's "Edge-cloud Synergy" and adopting the model of "City Centre + Projects". Through this, we can leverage on technologies to replace manpower, assist work and provide more heart-warming services, which enables everyone within the building area to enjoy the wonders brought by technology.

In the future, COPL and Huawei will work together in the area of park management and service to create sustainable smart communities. With Huawei Cloud's construction technology as the foundation, we will optimize the cost of park management, while maintaining the quality of the services provided in the park, thereby reducing cost and increasing efficiency at the same time. Benefiting from the "3-3-3 Operational Management Model" which is promoted through the establishment of "City Management Centre", based on Huawei's Internet of Things (IoT) technology which creates synergy among Device/Edge/Pipe/Cloud, as well as leveraging on the operational benefits incurred from the cloud platform of Xinghai IoT, it is estimated that, in theory, production capacity worth several hundred million Renminbi could be released on an annual basis. By theoretical value, reduction in the annual cost of construction and equipment upgrades is estimated to reach tens of million Renminbi.



The Signing Ceremony between China Overseas and Huawei

Intellectual Property Protection

The Group follows the principle of unified management in its work for intellectual properties and is committed to enhance its corporate competitiveness by realizing the value of intellectual properties. In 2019, the intellectual property management system of Xinghai IoT passed the certification assessment from a third party and obtained the authentication certificate, which further refined the standardized management of our intellectual properties. At the same time, Xinghai IoT has reorganized its resources and come up with a standard procedure for the application of intellectual properties, which has already been applied to the actual work for intellectual properties. Through deployment in the technological and product areas, we continue to maintain and protect our intellectual properties from various aspects, including software copyright, patent and trademark.





Responding to Operation with the Spirit of Craftsmanship (Continued)

In the future, the Group will enhance our intellectual property protection on a continuous basis and pay more attention to software copyright. We, by analysing the core technology used in our products, will better safeguard our intellectual properties in relation to the technical fields involved in our existing products, as well as protect the copyright of the new products in our research and development plans. In addition, we will make arrangements and undergo research in advance for technical fields that we have not yet entered pursuant to the technical development plan.

Customer Interests as Benchmark

Protection of Customer Data and Privacy

The Group attaches great importance to the protection of customer data and privacy. We strictly abide by the requirements of the *Law of the PRC on the Protection of Consumer Rights and Interests* regarding the collection and use of personal information of consumers, and have established and implemented policies such as *Client Document Management* and *Control Procedures for the Property of Clients and External Suppliers*, to carry out strict management of information like customer data, visitor registrations and CCTV videos. The Group's *Management Manual* sets out clear requirements in relation to the protection of customer property, pursuant to which tier 2 companies and management offices are required to identify, verify, protect and safeguard customer property during the course of service, including data such as personal information. The *Control Procedures for Infrastructure* also requires corresponding departments to conduct routine repair and maintenance to the infrastructure necessary for the provision of services, such as software and hardware, communication equipment and information system etc. In addition, as a part of our survey activities, we have set up COPL's satisfaction survey hotline, where customer surveys were kept confidential and customers could choose to participate either on anonymous or non-anonymous basis, which ensured a better protection for customer information and privacy.

COPL adopts five major principles regarding the collection, usage, protection and management of customer data and privacy, namely Safe and Reliable, Self-serving, Keep Communication Confidential, Reasonable and Necessary, as well as Clear and Transparent:



Meanwhile, we constantly enhance our employees' awareness of information protection by organizing trainings on confidential information protection, creating a benign atmosphere that emphasizes the concept of "keeping information confidential by anyone at anytime and anywhere".

Responding to Operation with the Spirit of Craftsmanship (Continued)

Reasonable Marketing Practices

The Group strictly abides by laws and regulations such as *Advertising Law of the PRC*, and has established and implemented the *Media Management System*, so as to control the Group’s media promotions both internally and externally, as well as to enhance the standardized management of the publication of information through different media channels. We strictly assess the published marketing information such as product manuals, promotion leaflets and marketing materials. We standardized the production of such materials and monitor the implementation of departments in various ranks through a points system, ensuring that, in the course of business promotion and enhancing our brand value, there are no misuse of the Group’s trademarks, and that the financial, legal and technical information provided to external parties are true and accurate, as well as that the descriptions and visions of our products or services align with the Group’s current development and reasonable expectations of our future development, so as to avoid misrepresentation or exaggeration of promotion contents which might mislead customers, investors and other stakeholders.

Prioritizing the Craftsman’s Morality and Paying Close Attention to Partners

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

Management of Entire Life Cycles of Suppliers

The Group abides by the *Tendering and Bidding Law of the PRC*, the *Government Procurement Law of the PRC* and other laws and regulations. It has formulated and implemented the *Administrative Measures for Bidding and Material Procurement* to regulate bidding and material procurement practices, protect our benefits and bidding parties’ legitimate interests and ensure bidding and material procurement practices being conducted in a standardized, corruption-free and efficient manner. We adhere to the following principles during the bidding process:

Principle of transparency and fairness	The entire bidding process shall be fully transparent to eliminate black-box operation.
Principle of overall bidding	Splitting an overall bidding project into parts or otherwise circumventing the bidding process is prohibited.
Principle of full competition	The bidding process shall allow full competition and include not fewer than two rounds of bid openings in principle.
Principle of integrity and impartiality	All employees related to the bidding work shall uphold the principle of integrity and shall not make any personal gain through their duties and authorities.
Principle of protecting reputation	Bid shortlisting, tender assessment and determination shall be conducted objectively and impartially. The Company’s good reputation and image in bidding shall be established and upheld.
Principle of confidentiality	Base bid price of a tender, tender documents, tender assessment and determination shall be kept confidential and information leak or inappropriate undertakings shall be prohibited to prevent any impact on the fairness and effectiveness of the bidding.

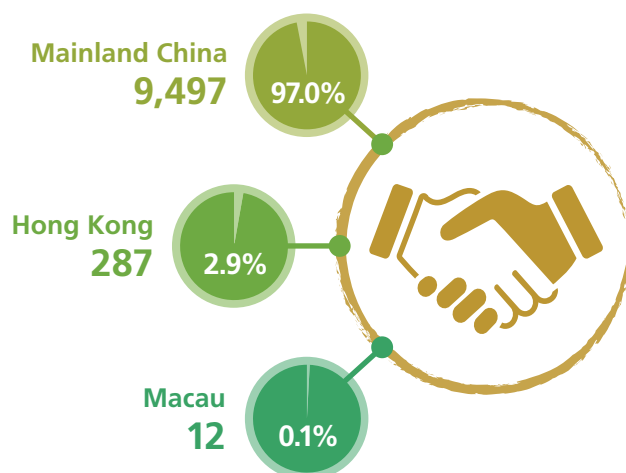
Responding to Operation with the Spirit of Craftsmanship (Continued)

In the meantime, the Group has also established a preliminary review and inspection of qualifications of suppliers and contract performance assessment system. "New" business partners are required to complete "Business Partners' Qualifications Preliminary Review Form". Meanwhile, the competent business department shall conduct qualification review in terms of operation qualifications, business performance, reputation, technological capacity, registered capital, etc. They shall inspect and confirm the business partners' professional qualifications through interviews and on-site visits. For "qualified" business partners and "small" business partners, cooperating parties shall conduct contract performance assessment on them at least once during the course of each cooperation. Those failing the contract performance assessment will be included in the list of "unqualified" business partners. "Unqualified" business partners shall not participate in the Group's tender for two years.

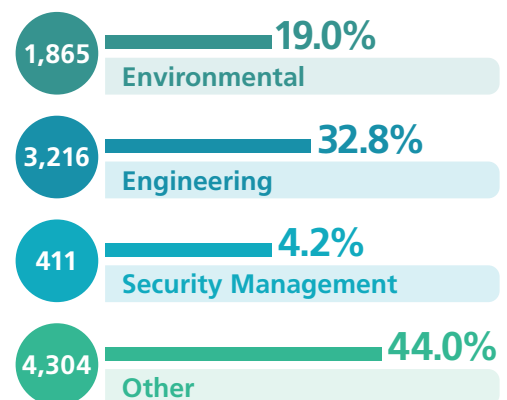
The Group has developed a set of supplier list management procedures to continuously assess and record the contractual performance of suppliers included in the list. Through the assessment and enlisting of suppliers and the concurring classification and management of such, we are able to ensure the reasonableness and traceability of any decision made on supplier management, and in turn ensure the fairness and transparency of the procurement mechanism. Moreover, the Group attaches great importance to the supervision over and audit of internal employees involved in the tender processes and takes the findings into consideration as it evaluates the department's anti-corruption structure and implementation of internal control system. It also serves as an important factor in the annual assessment of such department. Any bidding behaviour in non-compliance with relevant laws and company regulations, such as the exclusion of any potential bidder, lessening of competition among bidders, and circumvention of the bidding processes, are guarded against with great caution and will be reported.

As at 31 December 2019, the Group had a total of 9,796 enlisted suppliers, of which 28 are strategic cooperative suppliers.

Number of
suppliers by geographical region



Number of
suppliers by type



Responding to Operation with the Spirit of Craftsmanship (Continued)

Supply Chain Responsible for Environment and Society

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

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

"Party B shall abide by relevant national and local environmental protection policies and regulations and ensure that the whole production process meets the prevailing policies and regulations for environmental protection and that there is no misconduct such as non-compliant discharge of effluent and exhaust gas."

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

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

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

Faithfully Practicing the Spirit of Craftsmanship and Building an Honest Future

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



Responding to Operation with the Spirit of Craftsmanship (Continued)

The Group provides anti-corruption reporting channels including reporting hotlines, reporting email, reporting address and 400 service monitoring hotlines through the “Commitment Statement on Integrity Practices”, the “Open Letter from COPL to Contractors and Suppliers” and announcements on our official website, and encourages internal and external parties to report any internal and external corruption, bribery, embezzlement of public resources for personal gain, money laundering and other corrupt practices. The Group will appoint dedicated personnel to investigate the corruption reports received. Once confirmed, severe punishment will be imposed in accordance with its rules, and serious cases will be referred to judicial authorities.

During the Year, the Group significantly strengthened the development of anti-corruption system and further enhanced the control system. We strictly implement certain practical requirements on the integrity of chief executives within the Group in accordance with the arrangement for anti-corruption work conference of the Group in 2019. By integrating with the internal control construction of the Company, we continued to develop the system and structure for polishing standards and monitoring the exercise of power. We also strengthened control and balance of power and emphasized accountability to reinforce duty performance.

During the Reporting Period, the Group did not experience any corruption incident or corruption litigation or dismiss or take disciplinary actions against employees, nor did it terminate or choose not to renew any contract with any business partner due to corruption and non-compliance.

Special Self-examination on Key Areas

The Group adheres to the equality under the system. We require our employees to sign the “Commitment Statement on Integrity Practices in Projects” and “Commitment Statement on Integrity Practices in Key Positions” to strengthen the management of projects and key personnel, prevent operational risks and regulate occupational behaviors. We distribute “Declaration of Self-discipline for Employees on 8 NOs” to enhance the awareness of self-discipline of our employees so that they will stay alert all the time. We have established a good company image and instilled the core concept of probity in our employees.

During this year, the Group commenced self-examinations on specific items and conducted self-examinations and self-corrections and sampling inspections on different aspects, including systems, workflow, supervision system, mechanism development and staff relation in order to strengthen the regulation efforts on major areas and key processes such as tenders, bids and subcontracting. The Group rectified existing issues in a timely manner and prepared comprehensive reports on the self-examination status of specific items. The Group suggests recommendations on improvement by inference.

Responding to Operation with the Spirit of Craftsmanship (Continued)

Initiating Educational Activities on Integrity and Honesty

Considering the knowledge and practical working needs of our staff, the Group organizes diversified and comprehensive educational activities on integrity, such as convening “COPL Enlightenment and Education Conference” regularly, organizing “Value of Honesty and Integrity Culture Publicity Week Programmes” and visiting anti-corruption education base. Meanwhile, we have set up billboards on the intranet, compiled books on honesty and circulated reports on typical cases with the aim of promoting honesty education and nurturing a culture of honesty among our employees gradually.

In 2019, the total number of hours of anti-corruption publicity and training conducted by the Group were 60 hours.

Honesty for All, Insisting on the Original Intention: Value of Honesty and Integrity Culture Publicity Week

In order to build up an integrity culture system specific to COPL and achieve a “Corruption-free” mechanism, Xi’an Branch of COPL launched a series of activities with the theme “Value of Honesty and Integrity Culture Publicity Week”. The Integrity Culture Publicity Week Programmes are comprised of 10 sub-activities under 6 sub-themes, namely “Honesty for All”, “Integrity and Honesty”, “Calligraphy on Probity, Paintings on Honesty”, “Pragmatism and Honesty” and “Honesty in Education”.



“Pragmatism and Honesty” seminars

Responding to Talents

with a Sound System



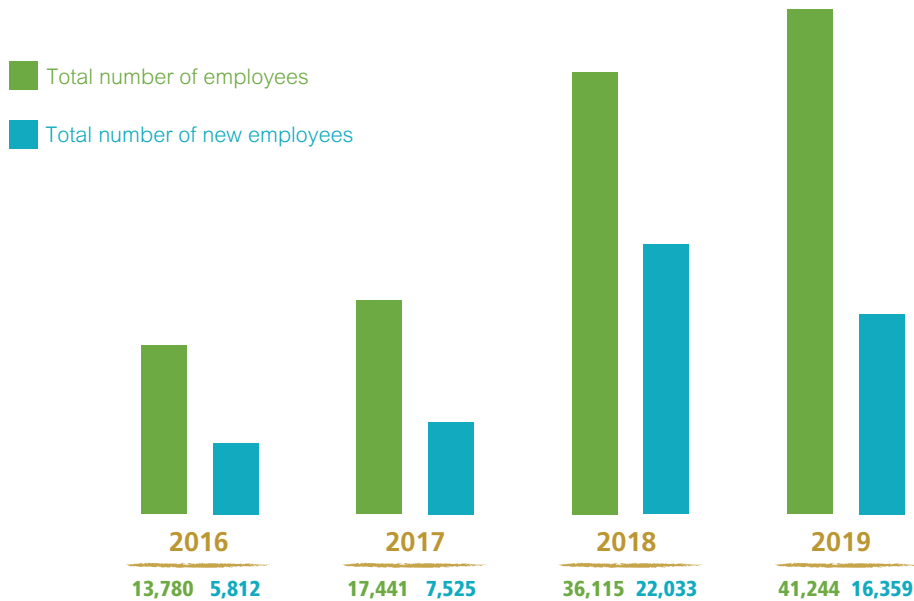
Responding to Talents with a Sound System

The Group believes that employees are the most valuable assets of a company and they are particularly essential to the Company’s sustainable development. The standing of a company is directly attributed to quality and professionalism of its employees. Therefore, we always put employees in the first place by adhering to the management philosophy of “cultivating culture with management, gathering talents with culture and uplifting value with talents”, under which a scientific, comprehensive and clear career development system has been formulated to provide employees with ample room of career development and a fair development platform, with the purpose of advocating continuous learning and self-enhancement among our staff with a well-established career path.

Talent Selection

Following the Group’s ongoing business expansion, there has been a continuous increase in the number of employees year by year. As of 31 December 2019, the Group had 41,244 serving employees in total and offered a career development platform for 16,359 outstanding social talents and fresh graduates to alleviate employment pressure in the society.

Total number of employees during 2016–2019



Number of employees in 2019

By employment type			By employment category				By age group			By region		
Full-time	Part-time	Contracted	Senior management	Middle management	Foundation management	Others	Aged below 30	Aged 30 to 50	Aged 51 or above	Mainland China	Hong Kong	Macau
39,756	18	1,470	29	119	1,444	39,652	14,687	20,164	6,393	36,686	4,130	428

Responding to Talents with a Sound System (Continued)

Diversified composition of manpower

In order to strengthen the efforts on brand-building of the Group as an employer, the Group has been actively recruiting talents through “management trainees” programmes, “Haina (海納)”, “Star Channel (星航道)” and high-end talents introduction scheme. Apart from that, the Group has admitted veterans through military-enterprise cooperation to address the social needs and improve our own team’s quality. Meanwhile, talent pool of COPL has been built up by college-enterprise cooperation such as joint establishment of the Xiong’an Vocational School and launching customized “China Overseas Class” at universities and colleges.

Boosting Cooperate Development through Extensive Recruitment of Military Talents

COPL has always committed to social responsibilities and extensively recruited military talents. The Group had successively entered into military-civilian cooperation agreements with a number of troops only in the first half of 2019, pursuant to which, jobs would be offered to a vast number of retired military officers, with an aim to relieve their anxiety over post-retirement livelihood and provide them with a platform to showcase their strengths.

In COPL, military-civilian cooperation has been escalated to the level of corporate strategy. In June 2019, a military-civilian cooperation leadership group was formed, with Dr. Yang Ou, the Group’s Chief Executive Officer, as the group leader and Mr. Li Zhenxi, the Group’s Assistant President and General Manager of Hainawanshang, as the executive group leader. The establishment of the group has enormously boosted and strengthened the military-enterprise cooperation. Until now, over 1,000 retired military officers have been recruited by COPL. By upholding the military spirit of braveness, they continue to contribute to economic development of the country and devote themselves to the growth of COPL.



Meeting for work deployment of military-civilian cooperation group

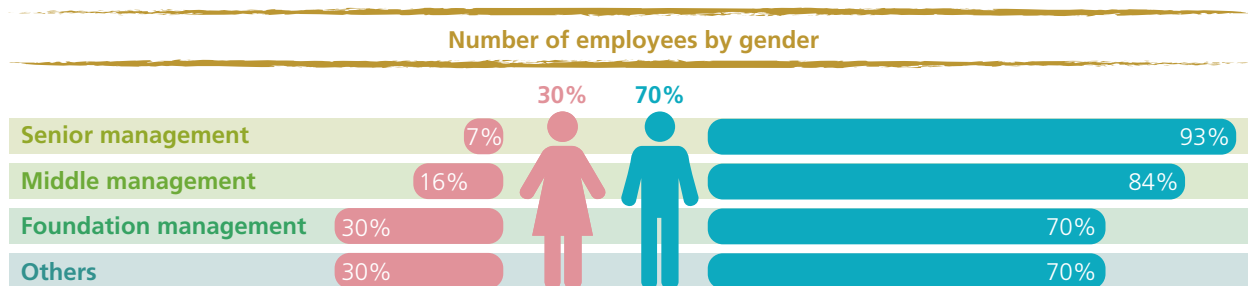


Signing of strategic cooperation agreement with a local department of armed force

Responding to Talents with a Sound System (Continued)

Equal Employment Opportunities

The Group has formulated and implemented *COPL Human Resources Management System, Administrative Measures for the Post-holding Qualifications of Middle Management, Mechanism for Internal Recruitment and Administrative Measures for Open Competition and Recruitment* by strict adherence to *Labor Law of the PRC, Labor Contract Law of the PRC, Law of the PRC on the Protection of Women’s Rights and Interests* and other laws and regulations. By observing the principle of fairness, justice and openness, the objectiveness and fairness of the internal and external recruitment mechanism of the enterprise can be guaranteed, and legitimate rights of employees in relation to, among others, recruitment, promotion, resignation, working hours, salary and benefits can be fully protected. In addition, we are committed to offering equal employment opportunities, whilst any discrimination or differential treatment against applicants based on any non-job-related factors, such as gender, hometown, belief, appearance and the like, is prohibited. Before making a hiring decision, a comprehensive evaluation of applicants would be conducted in strict accordance with requirements on academic background, working ability and other aspects.



In order to create a sound and orderly talent flow mechanism with fair competition and open selection for reasonable allocation of human resources, the Group requires that the selection for key positions, such as assistant department heads at the headquarters of the Group or above, as well as members of the leadership of its subordinate units, should be selected by way of competition, so as to encourage employees’ work commitment and closely align their personal values with the growth of the Company. It also allows employees to have a reasonable and effective planning for their personal career.

In Compliance with Labour Regulations

The Group strictly complies with the *Provisions on the Prohibition of Using Child Labour* and implements a stringent approval procedure for recruitment. Before joining the Group, new employees are required to provide identification cards or, if necessary, certificates issued by the administrative authorities for household registration where their household registration permits are kept for verification, which, together with appropriate background checks, ensures the avoidance of illegal employment such as hiring child labour. In addition, we do not encourage compulsory overtime work and other forced labour behaviour. If working overtime work is temporarily necessary, it must be approved by supervisors, and the employees will be reimbursed thereafter by taking extra leaves or receiving statutory overtime payments. During the Reporting Period, the Group did not hire child labour or forced labour.



Responding to Talents with a Sound System (Continued)

Reasonable Remuneration and Fringe Benefits



The Group's robust system ensures that all employees are remunerated properly for their work and helps them realise their personal values. We provide each of our employees with the following remuneration and fringe benefits package:

- Implement a pay structure that is competitive in the industry and establish a special allowance for key positions at the junior level;
- Contribute to social insurance and Housing Provident Fund for our employees in compliance with the laws and regulations of various regions;
- Establish a sound welfare system, including free medical check-ups, annual outings and trips, social activities, as well as statutory and reasonable leave entitlement, such as paid marriage leave, maternity leave, paternity leave and annual leave for our employees.

Regular Performance Review

In order to objectively evaluate the performance of our employees and create a sound and orderly talent system with fair competition, the Group has developed and put in place policies such as *Administrative Measures for Organisational Assessment and Incentives* and *Administrative Measures for Performance Assessment and Incentives for Management Personnel*. An annual routine review for our employees is conducted to develop an understanding of their work status and promptly revise the performance objectives of various departments, with a view to enhancing the communication and collaboration among various departments and bringing into play the work guidelines of the performance assessment system. By introducing a mandatory ranking mechanism for assessment results, we adopt the result-oriented work process control approach and promote the development of an open, fair and impartial employment culture. The Group also carries out "China Overseas Star" selection campaign for commending outstanding employees on a monthly basis to recognise employees who contribute to the growth and innovation of the Group and strives to promote a "striver-oriented" corporate culture.

Responding to Talents with a Sound System (Continued)

Group classification		Number of employees under review	Percentage of employees under review
Male 	Senior management	27	100%
	Middle management	100	100%
	Foundation management	1,006	100%
	Others	25,928	100%
	Subtotal	27,061	100%
Female 	Senior management	2	100%
	Middle management	19	100%
	Foundation management	438	100%
	Others	11,018	100%
	Subtotal	11,477	100%
Total		38,538	100%

The Group has established a standardized and rigorous communication and investigation mechanism for dismissal of employees to ensure that dismissals are based on clear facts and sufficient evidence, that the dismissal procedures are in accordance with the laws and the rules of the Group, and that the lawful rights and interests of employees are protected. In addition, we also carry out exit interviews and other procedures in case of voluntary resignation in order to retain employees in a timely manner and reduce the turnover of employees of the Group. During the Year, the employee turnover rate of the Group is 31.04%.

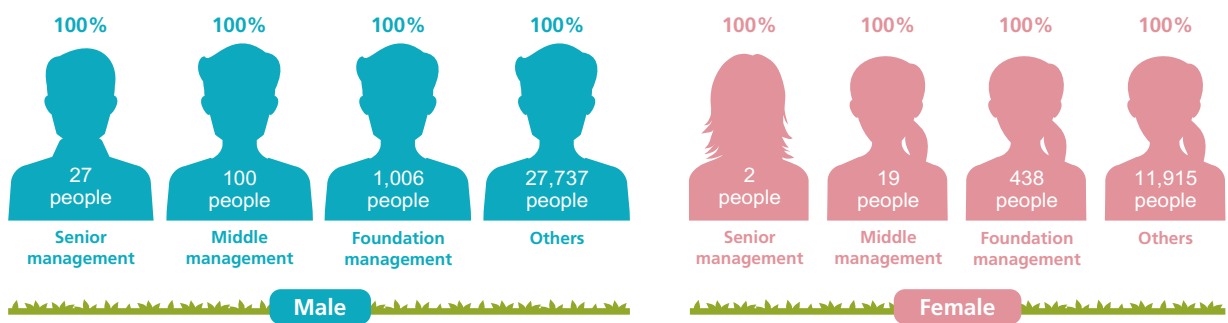
Responding to Talents with a Sound System (Continued)

Talent Training and Retention

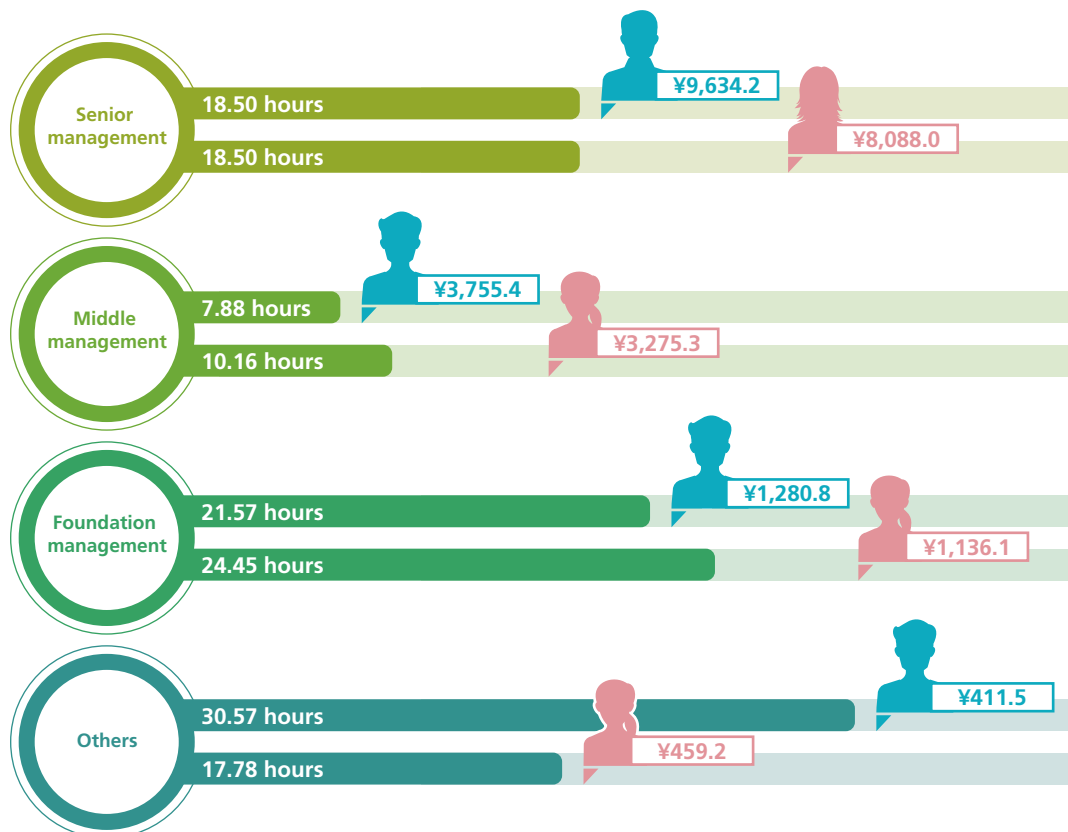
The Group emphasizes the career development of each employee and allocates resources to the training and development of talents. We provide employees with the unique career development path and comprehensive training system of China Overseas, which help employees grow into competitive composite talents in the property industry and maximize their value.

During the Year, staff trainings of the Group are as follows:

Percentage of trained employees by gender and employment category



Average training hours completed and average training expense per employee by gender and employment category



Responding to Talents with a Sound System (Continued)

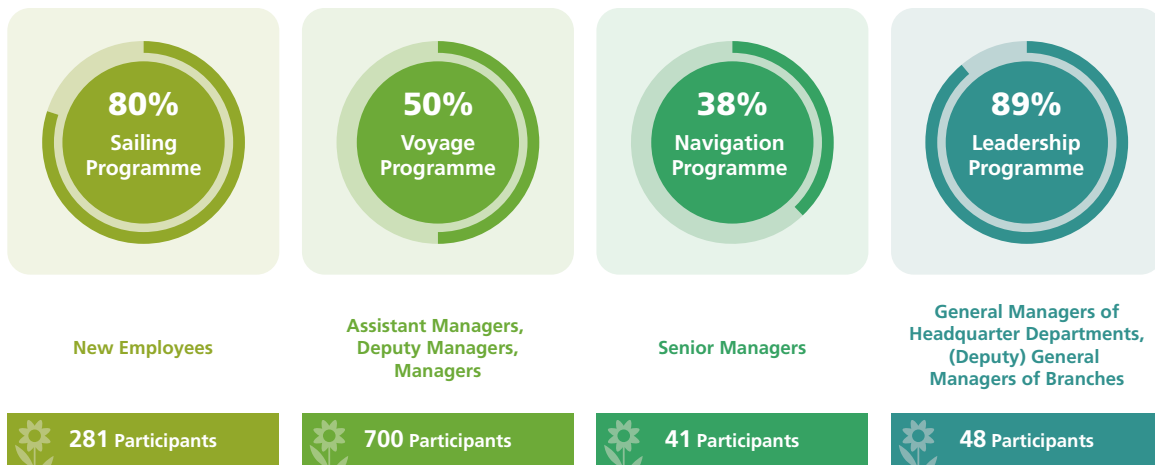
Talents Cultivation System

Establishing and optimizing a scientific and effective corporate training system to achieve the improvement and reorganization of human resources is a key task for the Group’s human resources training management. Based on the corporate strategies, we link up the corporate goals with employees’ personal career development to establish a set of multi-level and multi-faceted talents training system, in which staff quality and corporate operational strategies are well-suited.

Specialized Training Programmes

From the Sailing Programme for identifying potential talents, the Voyage Programme for developing staff echelon, the Navigation Programme for reserving talents to the Leadership Programme for senior management, as well as a professional system for developing high-calibre staff in their specialised field, complemented by targeted trainings like induction training for new employees recruited from the community and training camp for new employees recruited from campus, the Group has built a talents cultivation system covering the entire career of our employees, so as to help them achieve career advancements.

Participation level of Various Training Programmes in 2019



Responding to Talents with a Sound System (Continued)

Three-level Training Mechanism

In addition to providing specialized training programmes, the Group is active to offer regular training projects. We have established a three-level training mechanism, under which training programmes are categorized into level one to three according to the organizing unit of the training, the target groups of the course, as well as the scale of the course. Through this, our course designs and implementation mechanism are formulated with clearly targeted audience, specific objectives and distinct effects, which ensure their frequency in daily participation, improve their professional skills and maintain a talent pool for backup and echelon talents for the Group's leadership and various departments, conducting to our sustainable development.



Online Learning Platform

The Group attaches great importance to create an "Online + Offline" learning model. In 2019, with the full launch of the "Online Sea of Knowledge" (學海在線), an online mobile learning platform covering the entire workforce, we have further transformed the Group into a learning-based organization. Besides, we have simultaneously commenced the development of micro-lectures with the launch of 1,109 lessons in total. At the same time, by integrating the Group's internal quality instructors and course resources, we introduced two training programmes in our headquarter, namely "Erudite Lecture" (博聞講堂) and "Cultivation School" (修業學堂). With innovative training methods, such programs have broadened the horizons, consolidated the professional skills and enhanced the general quality of our employees.

Promotion Channels for Talents

The Group offers clear and transparent career development path to our employees through various channels, which provides a wider range of possibilities for their diversified development.

Responding to Talents with a Sound System (Continued)

Maps Position and Ranking System

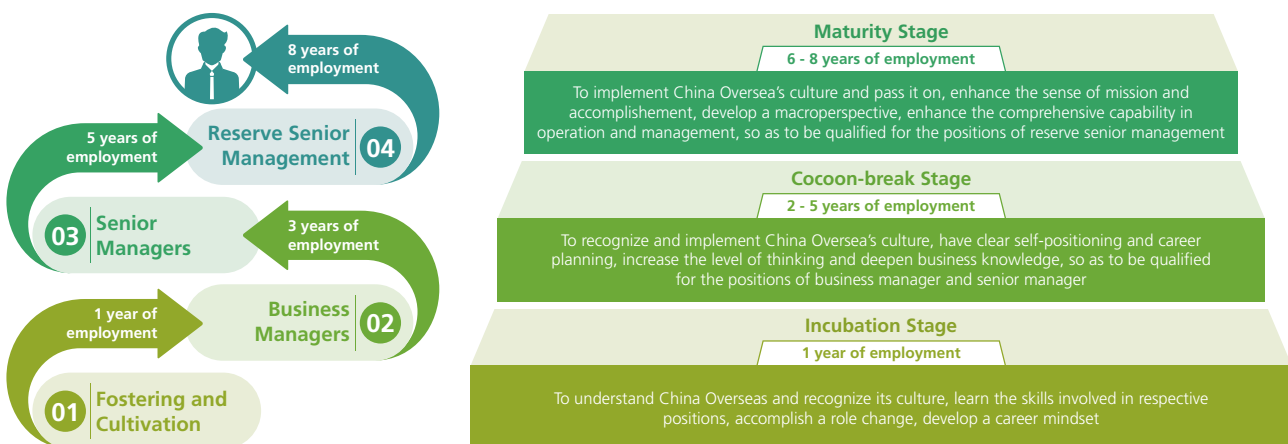
In accordance with the features of the Group’s business and its actual operations, we categorize our position and ranking system into four divisions, namely Management (M), Professional (P), Service (S) and Executive Assistant (A) (the “Maps”). Each of the divisions is comprised of two components: position and rank, where each position has certain respective ranks.

In 2019, we further optimized our Maps Position and Ranking System. Based on the Group’s development strategy, we provide employees with multiple career paths covering skills, management and service as well as a wider range of development possibilities, making our manpower deployment more specialized, reasonable and scientific.



“1358” Exclusive Path for Management Trainees

Every management trainee is a strong driver for the development of COPL. Therefore, the Group has in place the “1358” exclusive development path and training programme customized for management trainees.





Responding to Talents with a Sound System (Continued)

In the future, the Group will continue to further develop systemized cultivation and retainment of talents, focusing our effort on the on-the-job training for key personnel, the cultivation of young talents, optimization of various talent nurturing programmes, paying attention to our business needs and expansion of partner relationships, so as to secure the provision of reserve talents for achieving our strategic goals, enhance our capability to cultivate talents in all aspects, as well as continuously promoting the transformation into a learning-based organization. Benefiting from the effective operation of human capital, COPL is able to develop in a diverse and creative manner.

Safety and Health of Talents

The Group always gives employee the highest priority as they are the most valuable assets of a corporate. We are committed to creating a united and harmonious interpersonal atmosphere. We also attach great importance to the physical and mental health of our employees by providing a benign working environment to them.

The Protection of Occupational Safety and Health

The Group strictly complies with the *Law of the PRC on the Prevention and Treatment of Occupational Diseases*, the *Emergency Response Law of the PRC* and other laws and regulations. We have formulated and implemented the *Hazard Source Identification and Evaluation Control Procedures* and other safety management policies to prevent, control or eliminate the potential risks in different occupational positions. We have in place various measures to prevent employees from exposing to risks related to occupational safety and health.



Responding to Talents with a Sound System (Continued)

Month for Health Care

In order to protect the physical and mental health of our employees, raise their awareness of health and safety as well as the critical illness prevention, COPL organized the “Month for Health Care” in 2019, during which doctors or specialists were invited by various departments to conduct caring free clinic, health lectures, safety trainings, employee health check-up and other activities, which enhanced employees’ understanding to their body condition, helping them to grasp basic health and safety knowledge. Different departments have conducted over 70 activities in total, covering over 500 items.



Lecture on Occupational Health Knowledge



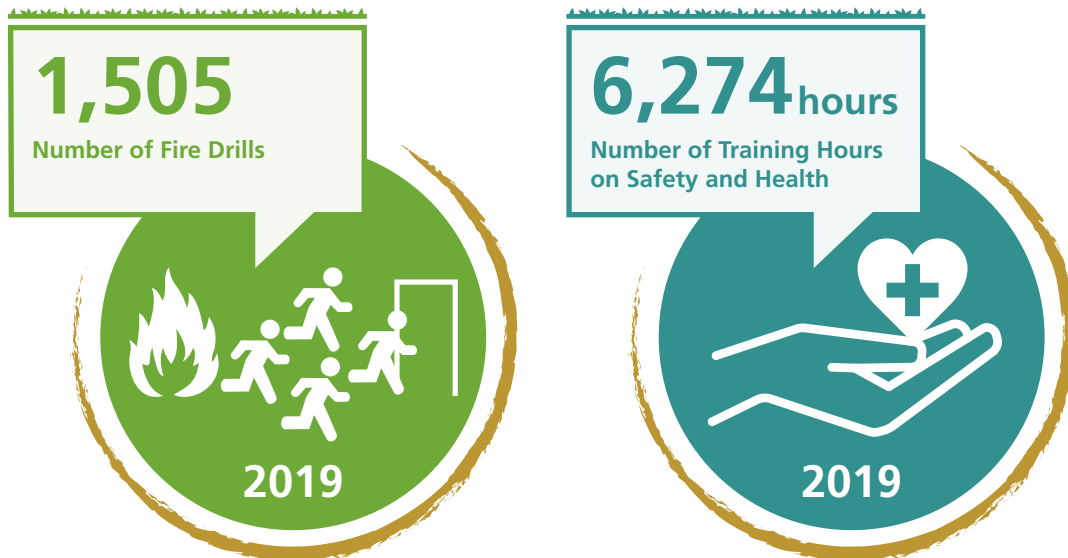
Lecture on the Explanation of Body Check Results



Body Check for Employees

Responding to Talents with a Sound System (Continued)

At the same time, we also carried out active promotion to ensure that all employees understand their respective responsibility in creating and maintaining a safe working environment, and that every person plays an important role in both the safety of themselves and other colleagues. During the Year, we continued to raise employees' safety awareness and their crisis management ability by organizing safety and health training and fire drills.



During the Reporting Period, the Group's work injury cases were as follows:

Work injury cases (person-times)	162
Lost working days due to work injury (days)	6,854

Care for Employees' Experience

As a people-oriented corporation, the Group not only pays attention to employees' work performance and physical and mental health, but also cares about employees' sense of belonging and strives to make employees truly feel the warmth of the corporate family.

2019 marked the 40th anniversary of the establishment of China Overseas Group. In line with the background of "creating a better life" and "paying tribute to community service workers in the new era" and keeping abreast of the actual needs of employees, the Group carried out activities under the theme "40 Years of China Overseas, We Are One Big Family", which included "Month for Health Care", "Celebrating China Overseas 40th Anniversary", "Veterans' Symposium" and "Zero Distance Talk". These activities provided considerate and warm-hearted assistance and care to all the employees. Meanwhile, based on the management practice of 2019 and the needs of our employees, we carried on and optimized the existing employee-caring activities, such as Caring Scheme, Staff Sports Games, Welcome Gift Bags, "A Bite of China Overseas", "Happy Company at 9pm", "Reading at China Overseas", "Grateful to Have You along the Journey", etc.

Responding to Talents with a Sound System (Continued)

Scale New Heights with Concerted Efforts — The First Staff Sports Games of Shanghai China Overseas Property Management Ltd.

On a bright breezy morning, the first staff sports games of Shanghai China Overseas Property Management Ltd. kicked off on schedule at Shanghai Xuhui Experimental Primary School. More than 350 of employees and management from Shanghai Company, Ningbo and Hangzhou participated in the games.

This event consisted of team competitions and individual fun games, which were carried out in a safe and orderly fashion. The participants were united and cooperative in the games, which further enhanced the communication and cooperation among the employees from the three districts, and strengthened the solidarity, cohesion and motivation among members of different teams. The high morale and positive vitality of China Overseas members were permeated throughout the games, which served as a stage to show great strength of will and further deepened the construction of corporate culture in COPL.



Special Service Team from Shanghai Company Showing Arrest Techniques



Shanghai First Staff Sports Games

Responding to Talents with a Sound System (Continued)

“Full Moon Mid-Autumn Festival, Full Love for China Overseas” Gala

In order to extend our thanks to new and existing property owners of China Overseas for their long-term support and understanding of China Overseas Property and COPL, the “Autumn Gala of China Overseas Property • COPL Peer and Customer Value Day” was held in Hohhot, where more than 680 property owners, elites of the property industry from China Overseas Property and service providers from COPL participated.

The 84 actors in this gala were owners and staff from China Overseas Property. The oldest actor was 82 years old, the youngest 5 years old. Performances such as group dance “Beauty of China” and crosstalk filled the auditorium of Inner Mongolia Arts University with much joy and laughter, as all the participants celebrated the Mid-Autumn Festival and made the dream of reunion come true.

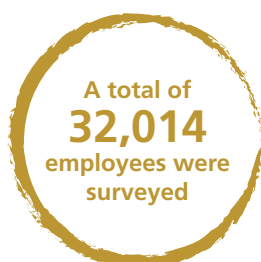


“Mid-Autumn Festival and Customer Value Day” Gala

All-round Democratic Communication

In order to listen to employees’ voices, understand their real thoughts and reflect an inclusive and open corporate atmosphere in a better way, the Group regularly conducts democratic communication and exchange activities to enhance employees’ recognition of the Group and improve their satisfaction rate. In 2019, more than 13,000 employees from nearly 200 projects directly expressed their opinions and suggestions to their direct managers through the “Manager Communication Day” activity; the Group’s leaders dined with front-line staff through the “Zero Distance Talk” activity to have a first-hand understanding of the current situation at the grass-roots level, listen to opinions and suggestions from staff, and immediately respond to their feedback. In the “Listen to Your Voice” activity, we encouraged employees to speak out and actively offer advice and suggestions by creating the CEO’s public email, setting up anonymous voice channels for employees, and conducting gatherings in the form of “Roast”. Relevant activities have covered more than 20,000 employees from more than 600 projects.

During the Reporting Period, we also engaged a third-party independent research institution to carry out the 2019 COPL Employee Satisfaction Survey so as to obtain real feedback from employees and provide further guidelines for the future development of our human resources. The survey results show that our employee satisfaction rate is higher than the 80th percentile of the property management industry and it falls in the best talent enterprise zone.



*Responding to the Environment
with Green Space*



Responding to the Environment with Green Space

As the challenge posed by global climate change intensifies, energy conservation and emission reduction have become one of the important international issues. The Group is also actively keeping abreast of international trends and national policies, responding to public demands, and is committed to its undertakings on green development and realization of the key concept of sustainable development.

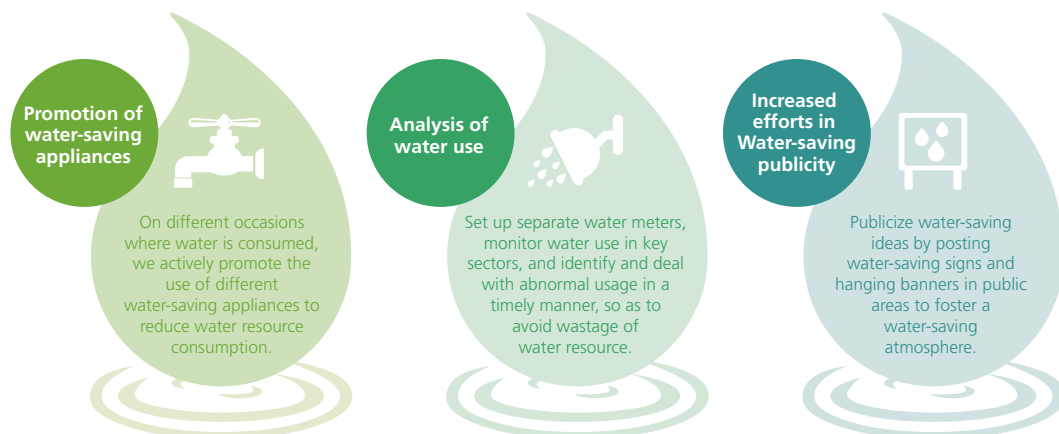
Over the years, the Group has considered resource management and environmental protection as one of its sustainable development goals, and strictly abided by laws and regulations such as the *Environmental Protection Law of the PRC*, the *Energy Conservation Law of the PRC*, and the *Energy Conservation Regulations for Public Institutions*, formulated and implemented guidelines including the *Environmental Factor Identification and Evaluation Control Procedure*, put into practice the concept of low carbon and sustainable green development in its operations, provided enjoyable, healthy and comfortable working and living environment for the local communities where it operates, and realized the common prosperity of human beings and nature. In each business sector, we have drawn a green development path for the Group's daily operations from the perspectives of use of resource, resource recycling and green emission.

Use of Resources

As a property management service company, the Group pays close attention to the use of resources in its daily operations, advocates the concept of green office, and minimizes the consumption of water, electricity and paper. At the same time, we have continuously strengthened our ability to manage and supervise resources, set up corresponding supervisory committees, and exerted strict control over the consumption of water, electricity, paper and thermal resources. In addition, we strive to continuously improve the efficiency of resource use by purchasing energy-saving products, promoting a paperless office, applying e-administration and other means to achieve cost savings and reduce the use of resources.

Water Resource Management

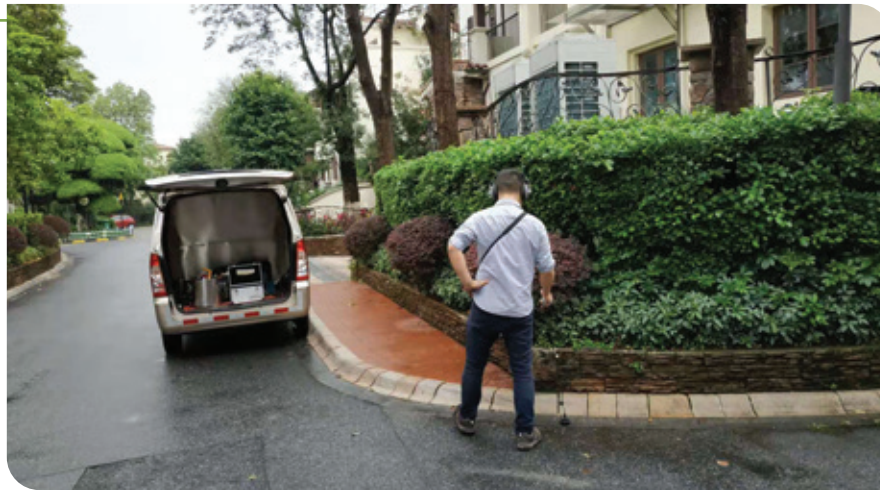
The Group strictly abides by the *Water Law of the PRC*, the *Regulations on the Administration of Water Conservation in Cities* and other laws and regulations, and actively carries out water conservation actions and water resource management in response to the call of the state. Our daily operations mainly involve water consumption for daily services, properties, offices and greening purposes, etc. Water resources are mainly obtained through water supplies from government. During the Year, our water resources were managed and utilized through the promotion of water-saving appliances, analysis of water use and water-saving publicity.



Responding to the Environment with Green Space (Continued)

Inspection for Water Leaks

In order to further improve the Group's efficiency in the use of water resources and reduce wastage of water resources, during the Year, we formulated the *Implementation Plan for Water Leaks (Water Energy Consumption) Control of COPL* (the "Plan"), and organized the groupwide water leak control according to the Plan. The water leak of our projects and the Company as a whole could be greatly reduced by leak inspection for our projects to find out the reasons for the leak, and taking measures such as inspecting and repairing leak points, revamping piping networks, replacing and calibrating of water meters and improving the measurement.



Water Leak Inspection for the Forest Lake Project of COPL

In addition, on the premise of ensuring the quality of property management, the Group also effectively carries out water recycling and reuse and improves the efficiency of water use through utilization of condensate water and reclaimed water, water-saving greening, rainwater collection and utilization, progressive water use, water recycling and reuse and other methods.

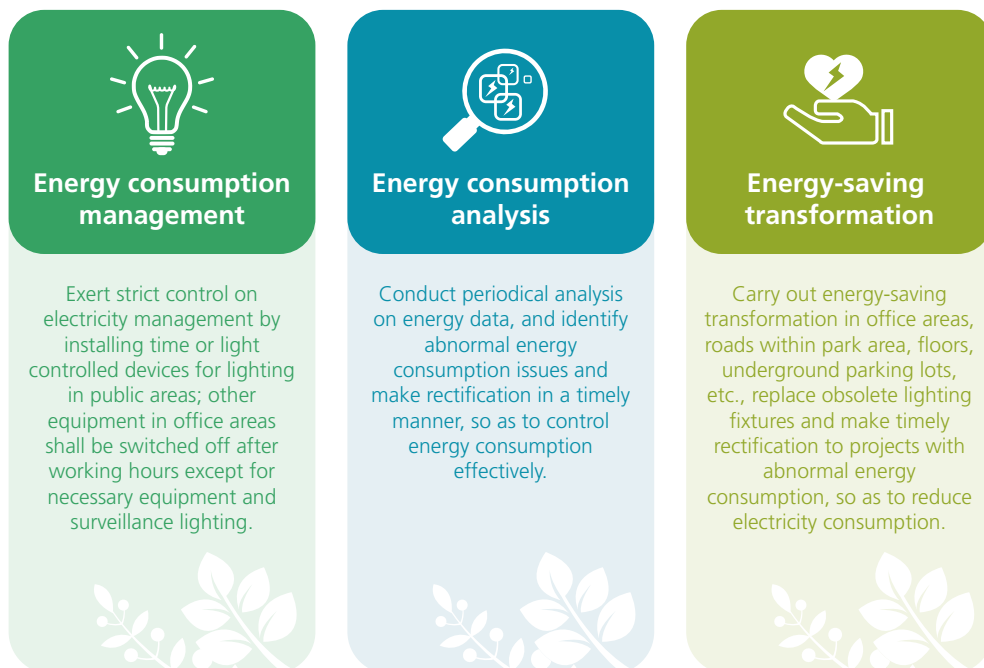
As of 31 December 2019, the Group's performance in the use of water resources is as follows:

Key performance indicator	Unit	Data in 2019
Total water consumption	m ³	21,099,526.08
Municipal water consumption	m ³	20,378,990.08
Reclaimed water consumption	m ³	720,536.00
Water consumption density	m ³ /10,000 m ²	1,393.63

Responding to the Environment with Green Space (Continued)

Energy Management

The Group pays close attention to scientific management and efficiency improvement of energy use. The Group recognizes that all kinds of energy consumption in daily operation, such as thermal energy, fossil fuel, electricity, etc., will emit carbon dioxide and other greenhouse gases into the atmosphere, thus adversely affecting the global climate. Therefore, we have formulated the *Energy Saving Assessment Method* and, on the premise of using scientifically-based indicators, have imposed corresponding punishment measures for cases where energy consumption expenditure is higher than the level set by approved indicators. During the Year, the Group has focused on three areas: energy-saving transformation, energy consumption management and energy consumption analysis.



Thermal Energy

In order to promote the rational use of thermal energy in property offices, the Group strictly keeps the office temperature at a level of below 28 degrees Celsius. For areas with warm keeping and anti-freezing requirements, the temperature during non-normal working hours should be set at 5 to 10 degrees Celsius, and the flow rate of hot water will be reasonably controlled. The temperature and the total flow rate of hot water supplied by heating stations shall simply meet the requirements of the operators for avoiding any wastage of thermal energy.

Electricity

During the Reporting Period, the Group continued to carry out energy-saving transformation works based on the three major categories — water pumps, air conditioners and lighting — which involve the retrofitting of 31 water pumps, 456 air conditioners and 48,467 lighting fixtures. The retrofitting of water pumps mainly involves the reconstruction concerning pressure-superposed water supply; the retrofitting of air conditioners mainly involves intelligent controls (temperature or time based control); and the retrofitting of lighting fixtures mainly involves the replacement with LED energy-saving lamps.

Responding to the Environment with Green Space (Continued)

Fossil Fuel

The Group imposes rigid requirements on configuration of business vehicles, strengthens the management of vehicle use through unified dispatchment and quantitative management of fuel consumption, and reasonably arranges business vehicles. Carpooling is encouraged for non-urgent business activities, while private use of the business vehicles is prohibited, so as to reduce the empty-loaded rate of vehicles and the service frequency of business vehicles. In addition, regular maintenance and repairs are carried out for the vehicles to maintain the well-functioning of vehicles and increase the combustion efficiency.

The Same World, The Same Hour

On 20 March 2019, COPL responded to the call from WWF and participated in the “Earth Hour” activity. COPL Hefei Branch invited property owners in the community to participate in the activity by voluntarily turning off the lights for one hour. During such period, we organized an outdoor movie party for those owners with snacks, so that everyone could chit-chat with one another and enjoy a “beautiful” hour of darkness. Meanwhile, we shared with owners knowledge about energy saving, emission reduction and green environmental protection, and encouraged them to apply the concept of “low carbon” in every aspect of their daily life and support the sustainable development of the Earth with actions.



“Earth Hour” activity



Responding to the Environment with Green Space (Continued)

In 2019, the Group has completed the annual project of “Research and Demonstration on Application of Key Technologies for Energy Interconnection and Intelligent Operation and Maintenance of Buildings” proposed by the China Property Association. The project has been submitted to the China Property Association for acceptance and simultaneously put into practice in China Overseas Property. Currently, 534 projects have been connected across the country, with 5,186 users and nearly 800,000 facilities and equipment under management, the cumulative economic benefit of which has reached more than RMB50 million.

As of 31 December 2019, the Group’s performance in relation to energy usage is as follows:

Key performance indicator	Unit	Data in 2019
Total energy consumption	’000 kWh	759,313.01
Non-renewable fuel (direct) consumption	’000 kWh	36,980.61
Purchased energy (indirect) consumption	’000 kWh	722,332.40
Energy Consumption Intensity	’000 kWh/10,000 m ²	50.15

Materials Management

The Group follows the principle of minimizing material consumption, promotes paperless office and maximizes the use of e-administration in its operation. Intra-group delivery of general notices and documents are performed by local area network and mail. We reasonably control the printing amount of advertising publications and magazines for avoidance of any wastage. In addition, we advocate green procurement by purchasing products with low energy consumption and low emission that are promoted by national policies and environmentally certified. We also control the consumption of disposable tableware to prevent any wastage in canteens.

In 2019, the Group had an office paper consumption of 193.52 tonnes in total.

Resource Recycling

The Group fully realizes that recycling and reuse of used resources is the last line of defence for the reduction of actual impact on the environment, so we follow the principle of recycling and reusing materials to their fullest extent throughout our operations. In response to the call of the state, we carry out classified waste collection, clearance and removal, and organize events for reuse and donation of waste items. Meanwhile, we proactively organize all types of activities and encourage residents from the community to participate in the relevant activities so as to spread the awareness of material recycling in the society.

Responding to the Environment with Green Space (Continued)

“Turning Waste into Wealth and Designing Life with Imagination” Event

Kangcheng Management Office under Shenyang branch of COPL organized the “Turning waste into wealth and designing life with imagination” event and invited children to participated in the event, during which they were encouraged to use their imagination to re-design and re-produce obsolete items, thus turning waste into wealth.

The event stimulated little property owners’ hand-brain coordination and innovation mindset while letting them to enjoy the process of turning waste into wealth. Meanwhile, by encouraging children to turn waste into wealth with actions, thereby putting the concept of green lifestyles into practice, their awareness of environmental protection was strengthened.



Little property owners “turning waste into wealth” activity

“Green Future • Eco-friendly Carnival” Event

In 2019, COPL organized the theme event “Green Future • Eco-friendly Carnival”. The event covered more than 300 projects in 40 cities across the country. Under the slogan of “I am the Facilitator for a Green China Overseas”, nearly 40,000 property owners across the country were gathered to participate in events including but not limited to learning about and cultivating landscapes and trees, waste classification, environmental protection advocacy, public health walking event, eco-friendly clothing runway show, “turning waste into wealth” DIY kite festival, plant cultivation and protection. The event enhanced the understanding of green environmental protection of property owners, as well as encouraging them to make an effort to build a green home and jointly create a green future.



Green Future • Eco-friendly Carnival



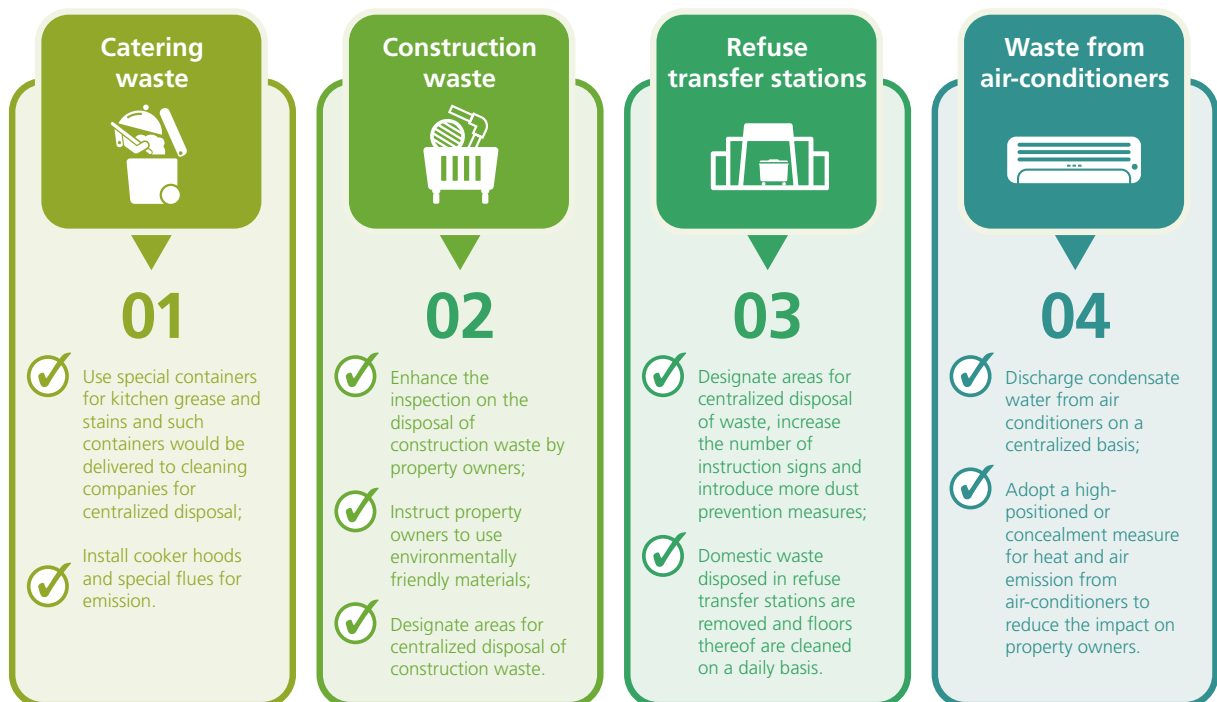
Responding to the Environment with Green Space (Continued)

Green Emission

The Group fully realizes the impact of global environment deterioration on business development, social progress and human life. Thus, we attach importance to the emission management and control during our operation process and strive to minimize the amount of emission in the environment to a manageable extent.

Discharge of the Three Wastes

To reduce the amount of waste water, exhaust gas and other wastes discharged, the Group has formulated and implemented the "Waste Water/Exhaust Gas Control Procedures", the "Solid Waste Control Procedures" and the "Hazardous Chemicals Control Procedures" in the *Procedural Documents* to regulate the management of waste water, exhaust gas, garbage and other wastes generated from septic tanks, catering facilities and garages in the areas under property management. As a result, the amount of both hazardous and non-hazardous garbage produced across our operations would be effectively reduced by adopting waste reclamation measures.



During the Year, the major types of waste generated by the Group during our services include but not limited to the waste toner cartridges from printers, residual solid waste from green pesticides, waste batteries from walkie-talkies and domestic waste. To put the principle of green emission into practice, during the process of waste disposal, we will carry out waste classification and return the relevant types of waste to the suppliers for recycling and professional disposal, so as to minimize the impact they would otherwise have had on the environment.

Responding to the Environment with Green Space (Continued)

Waste Classification

In 2019, our regional companies in Shanghai, Guangzhou and Hangzhou responded to the call of the state and initiated the projects of waste classification. Various events, including but not limited to embellishment of refuse rooms, replacement of garbage bins and specified cleaning works, were carried out for projects in Shanghai whenever practicable. We also conducted beautification works for the location where garbage bins had originally been placed. We actively communicated with the local governments and made investment in refurbishing and building a total of 16 refuse rooms with an investment amount of approximately RMB1 million. We were also provided with over 2,000 garbage bins by the government for classification of four types of waste.

COPL Shanghai has prepared the *Instructions on Garbage Classification Work of COPL Shanghai* with local features, and conducted comprehensive training for project management and cleaners. A total of 28 training sessions were conducted, with more than 700 participants. Each “waste classification” project group in Shanghai has actively participated in waste classification. In particular, Shanghai Huan Yu Tian Xia Management Office was named the role model of waste classification by the local government.



Heightening the awareness of waste classification among little property owners

As at 31 December 2019, the Group’s performance in relation to emission of exhaust gas and waste disposal is as follows:

Key performance indicator	Unit	Data in 2019
Nitrogen oxide emissions	Kg	342.92
Sulphur oxide emissions	Kg	2.68
Particulate matter emissions	Kg	26.73
Non-hazardous waste produced	Tonne	2,531.93
General office waste produced	Tonne	891.15
Food waste produced	Tonne	1,640.78



Responding to the Environment with Green Space (Continued)

Greenhouse Gas Emission

In November 2016, *Paris Agreement* officially came into effect, with an aim to hold the increase in the global temperature to well below 2° C compared with pre-industrial levels by the end of current century and pursue efforts to further limit the temperature increase to 1.5° C. Climate change presents the global economic development with unprecedented challenges. The extreme weather caused by climate change has directly or indirectly affected the capabilities of different organizations in terms of acquiring resources and maintaining operation. In line with the global commitment of addressing the climate change, the PRC government actively promotes initiatives relating to climate change mitigation and announces the carbon reduction commitment, targeting to lower the nation's overall carbon intensity by 60–65% from the 2005 level by 2030; meanwhile, the HKSAR government also sets the carbon reduction target for Hong Kong, expecting to lower the local carbon intensity by 65–70% from the 2005 level by 2030.

The Group is keenly aware that reduction in greenhouse gas emission represents one of the most significant approaches to mitigate the effects of climate change, and quantification of our greenhouse gas emission lays the foundation for further emission reduction. We focus on the environmental impact of our business and monitor and manage the greenhouse gas emission meticulously to keep record of the carbon footprints of the Group, so as to be well prepared for the Group's carbon reduction action.

In future, the Group will continue to carry out environmental protection works including energy saving and emission reduction, prepare data analysis on energy measurement and ecological and environmental protection on a quarterly basis, keep records of pollutant emission and environmental protection of grassroots units, including data on environmental surveillance, purchase and usage records of energy and raw and auxiliary materials and transfer records of hazardous waste, and prepare reports for our ongoing review and monitoring on our energy saving and emission reduction efforts in each city.

As at 31 December 2019, the Group's performance in relation to greenhouse gas emission is as follows:

Key performance indicator	Unit	Data in 2019
Total greenhouse gas emissions	Tonne	616,527.06
Greenhouse gas emissions (Scope 1)	Tonne	13,605.33
Greenhouse gas emissions (Scope 2)	Tonne	602,521.51
Greenhouse gas emissions (Scope 3)	Tonne	400.22

*Responding to the Community
with Responsibility*



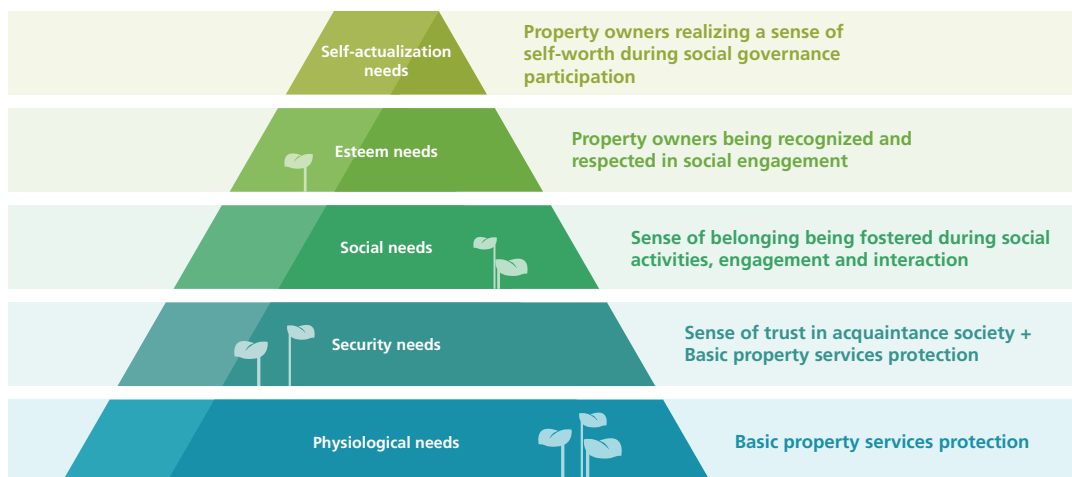
Responding to the Community with Responsibility

COPL emphasizes listening to the community and it always cares about the community with the spirit of craftsmanship while expanding its business. We actively utilize our inherent advantages as a property management company in service provision, social governance participation and social harmony building. We strive to create a harmonious community environment and promote sustainable social development. In the meantime, we also take the initiative to shoulder corporate social responsibility and contribute to poverty alleviation and education. We participate in various charitable activities, care for disadvantaged social groups, and pay back to the society as a corporate citizen.

Social Governance Participation

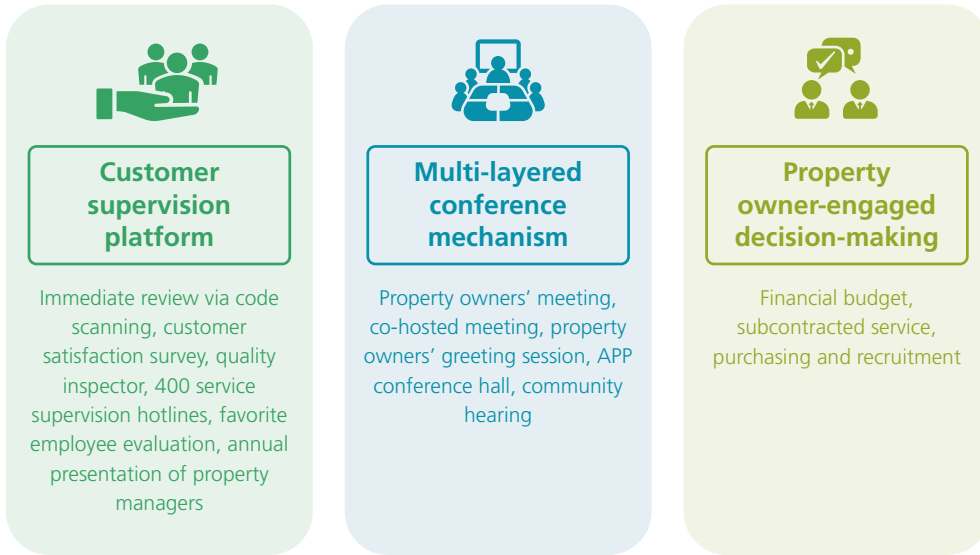
In 2019, social governance policies have been promulgated in many cities, such as Shanghai, Beijing and Guangzhou, showing that involving different parties in joint construction of the communities has become the trend of social governance. As a part of social governance, property management is highly correlated with the local social governance network, which reflects the Group's important role in joint construction, governance and sharing in social governance structure. Also, property owners' engagement in joint construction is one of the long-term mechanisms in promoting customers' satisfaction. During the participation in joint construction and governance of the community, property owners can meet their social needs, esteem needs and self-actualization needs. They can also share the results of community construction and gain a sense of achievement and happiness during the process.

Model of Property Owners' Needs in Joint Construction of the Community



Responding to the Community with Responsibility (Continued)

COPL’s community governance system consists of three components, namely customer supervision platform, multi-layered conference mechanism and property owner-engaged decision-making. Specific composition and tasks include:



In 2019, the Group launched a national community project maintenance fund amounting to RMB109,794,200 to invest in community co-development, thereby optimizing the quality of our parks to present a better living experience to our customers.

Organizing Community Cultural Activities

Over the years, the Group has continued to organize activities, such as “Little Property Owner Experience and Growth Camp” and “Happy Family Festival”, and establishes the Community Elderly University to actively promote positive and progressive values such as filial piety and social harmony in the communities where it operates.

Responding to the Community with Responsibility (Continued)

“Good Moments for Children at COPL’s Development Camp”

2019 marked the tenth year since the inauguration of the Little Property Owner Experience and Growth Camp themed “Good Moments for Children at COPL’s Development Camp”. COPL arranged full-ranged experiential education for the little property owners across the country to enrich their summer holiday. It also interviewed the little property owners who have participated in the activity in the past five to ten years to bring the activity to a climax. The 2019 edition covered 42 cities and 392 projects and attracted almost 5,000 little property owners and gained their recognition.

The Ganzhou branch of COPL organized a five-day Little Property Owner Experience and Growth Camp, where little property owners took up various community posts and had close interactions with fire officers and civilian officers. They also visited more than 50 elderly residents in the community along with COPL’s staff. The activity fostered a respectful, caring, solidarity and cordial nature among little property owners and improved their team spirit and community awareness.



Little property owners eagerly participated in “Foam Party” and “Tug of War”

Happy Family Festival

Harmonious neighbor relationship is conducive to good community atmosphere. In 2019, COPL organized the themed activity “Happy Family Festival” across the country, which covered 37 cities and 221 projects and attracted over 110,000 property owners. The festival fortified neighbor relationships among property owners and displayed compassionate property services through “Happiness Covenants”, property demonstration, vibrant programs and shows, large-scale Hundred-Family Banquet.

The Changchun branch of COPL organized “Happy Family Festival: Warm Winter with You” and delivered hand-made candied haw to property owners. With round fruits strung on a bamboo stick, candied haw represents happiness and unity and our wish for each property owner to have a joyful and harmonious family. Meanwhile, we cooperated with kindergartens in the community to organize the “Silvery and Serene Outfit, Nurture Your Dream” activity for little property owners and parents, who formed a cheerful scene with their upbeat songs and hand-made “snowflakes”. As children danced and sang along parents’ accompaniment, they filled the kindergarten classroom with fun and laughter.



“Happy Family Festival: Warm Winter with You” activity

Responding to the Community with Responsibility (Continued)

Elderly University Delivers Brilliant Results and Wins Recognitions

COPL proactively promotes the building of community culture and has founded the Community Elderly University. In 2019, the Dongguan branch of COPL arranged for the arts society and folk music band of the Community Elderly University as exhibitors to participate in the Guangdong — Hong Kong — Macau Bay Area Public Culture and Tourism Product Trade Show (the “Culture Trade Show”) so as to integrate themselves in the construction of the culture community in the Bay Area. 20 “most popular exhibitors among citizens” were selected out of 342 exhibitors during the closing ceremony of the Culture Trade Show. Despite the presence of numerous prominent figures from Guangdong, Hong Kong and Macau, the arts society of COPL Community Elderly University stood out in this grand event and was recognized as one of the “most popular exhibitors among citizens”.

As a charitable autonomous non-governmental organization, the arts society and folk music band of the COPL Community Elderly University took the initiative to bring the party’s leadership into play and invigorated the local community by capturing the heat of this grand cultural event. They set up a brand culture display wall in the exhibition area to highlight COPL’s strengths as a state-owned enterprise as well as the cultural heritage and arts resources of the Elderly University, and accurately recommended performance resources to and actively discussed with procuring parties who approached with enquiries.



COPL Community Elderly University participated in the Culture Trade Show

Charity Engagement

The Group traversed 3,000 kilometres to kick off targeted poverty alleviation projects in Kangle County, Kang County and Zhuoni County, Gansu Province by means of: recruiting 15 impoverished migrant workers through special job fairs and stepping up exchanges with local enterprises regarding intensive processing, packaging and sales of produce, under which more than 20 types of poverty alleviation products were identified at the current stage and special produce of over RMB350,000 were purchased from impoverished regions. In addition, we actively organized volunteering activities such as “China Overseas Flower Shop” and “Care for Children with Autism” with governmental charitable institutions, volunteer associations, China Disabled Persons Federation, family service centre for intellectually disabled and Hope Primary Schools, etc., to donate books to campuses and donate clothes to charitable organizations, making contribution to society through sending love and gratefulness.

Responding to the Community with Responsibility (Continued)

The “Spring Thunder Action” of Education and Poverty Alleviation

In 2019, COPL enthusiastically echoed with “Spring Thunder Action”, an education and poverty alleviation project initiated by China Overseas Group, and stepped up efforts in supporting education and poverty alleviation in the three targeted poverty alleviation counties in Gansu Province, namely Kang County, Kangle County and Zhuoni County, to help address the inherited local education issues and promote healthy growth of the youth and children in impoverished areas. Combining “poverty alleviation and igniting aspiration”, we assisted in improving conditions of school sponsorship and teaching quality in third-tier poor villages of Gansu.

UN+ activated a spending poverty alleviation model where purchase is preferred over donation and assistance, according to the overall poverty alleviation plan of the COPL Group. It established an e-commerce platform for poverty alleviation called “Haihui Youxuan” (海惠優選) and cooperated with 13 enterprises and 96 cooperatives in the three counties of Gansu Province, benefitting 4,436 peasant households. It opened a poverty alleviation store known as “China Overseas Youjia” (中海優家) in Zhuoni County, and developed more than 30 types of intensive processed products for poverty alleviation, which recorded an accrued turnover of RMB17 million for the whole year. Such measures substantially solved the produce sales problems in the three counties of Gansu Province through sales-driven production approach and expedited regional economic development.



Product Packing and Distribution



The “Spring Thunder Action” Programme



Opening Ceremony of
“China Overseas Youjia”



Offline Promotion Activity

Appendix I: Overview of Key Performance Indicators

A. Environmental

No.	Key performance indicator	Unit	2019 ⁽¹⁾⁽³⁾	2018 ⁽²⁾
A1.1	Nitrogen oxide emissions ⁽⁴⁾	Kg	343	722
	Sulphur oxide emissions ⁽⁵⁾	Kg	3	4
	Particulate matter emissions ⁽⁵⁾	Kg	27	62
A1.2	Total greenhouse gas emissions	Tonne	616,527	526,442
	Greenhouse gas emissions (Scope 1) ⁽⁶⁾	Tonne	13,605	10,492
	Greenhouse gas emissions (Scope 2) ⁽⁷⁾	Tonne	602,522	515,656
	Greenhouse gas emissions (Scope 3) ⁽⁸⁾	Tonne	400	275
A1.4	Non-hazardous waste produced	Tonne	2,531	2,109
	General Office waste produced	Tonne	891	338
	Food waste produced	Tonne	1,641	1,770
A2.1	Total energy consumption ⁽⁹⁾	'000 kWh	759,313	632,5199
	Non-renewable fuels (direct) consumption ⁽¹⁰⁾	'000 kWh	36,981	37,778
	Purchase of energy (indirect) consumption ⁽¹¹⁾	'000 kWh	722,332	594,741
	Energy consumption intensity ⁽¹²⁾	'000 kWh/10,000 square metres	50	42
A2.2	Total water consumption	Cubic metre	21,099,526	20,254,560
	Municipal water supply consumption ⁽¹³⁾	Cubic metre	20,378,990	19,741,507
	Reclaimed water consumption ⁽¹⁴⁾	Cubic metre	720,536	513,053
	Water consumption intensity ⁽¹²⁾	Cubic metre/10,000 square metres	1,394	1,438

Description of key environmental performance indicators:

- (1) The scope of data on the key environmental performance indicators in 2019 covers the Group's headquarters, 19 regional companies and 12 regional management centres in mainland China, Hainamanshang Property Management Co., Ltd.* (海納萬商物業管理有限公司), Shenzhen UN+ Internet Technology Limited, Shenzhen Xinghai IoT Technology Co., Ltd., and 688 projects under the management of the Group, including the office areas, non-outsourced canteens and public areas for project property management within the above scope. The data on companies in Hong Kong and Macau is not included in the scope of data for 2019.
- (2) The scope of data on the key environmental performance indicators in 2018 covers the COPL Group's headquarters, 20 regional companies and 12 regional management centres, Shenzhen UN+ Internet Technology Limited, Shenzhen Xinghai IoT Technology Co., Ltd., and 528 projects under the management of the Group, including the office areas, non-outsourced canteens and public areas for project property management within the above scope. The data on companies in Hong Kong and Macau is not included in the scope of data for 2018.
- (3) During the year, the Group applied "How to Prepare an ESG Report? — Appendix 2: Reporting Guidance on Environmental KPIs (Revision)" ("Appendix 2 Revision") issued by the Stock Exchange in March 2020. The conversion method and factors are primarily derived from Appendix 2 Revision. The document does not include any reference for factors. For reference for factors, please refer to the notes below.



Appendix I: Overview of Key Performance Indicators (Continued)

- (4) Nitrogen oxide emissions are generated from business vehicle usage and liquefied petroleum gas consumption. The heating value of liquefied petroleum gas is derived from the "Greenhouse Gas Emissions Standard and Auditing Guidance for Public Construction Operation Corporation (Provisional)" issued by the National Development and Reform Commission of the PRC in 2015.
- (5) Sulphur oxide and particulate matter emissions are generated from business vehicle usage.
- (6) The sources of greenhouse gas emissions (Scope 1) include emissions from fuel consumption of fixed equipment (except electrical installation) for power, heat and steam generation, such as gas stoves and boilers in non-outsourced staff canteens; fuel consumption of business vehicles; Hydrofluorocarbons (HFCs) and perfluorocarbons (PFCs) emissions during the use of refrigeration and air conditioning equipment and other fugitive emissions. The heating value and emission factors of pipeline natural gas and liquefied natural gas are derived from the "Greenhouse Gas Emissions Standard and Auditing Guidance for Public Construction Operation Corporation (Provisional)" issued by the National Development and Reform Commission of the PRC in 2015.
- (7) Greenhouse gas emissions (Scope 2) are generated from the consumption of purchased electricity and purchased heating. The emission factor of purchased heating is derived from the "Greenhouse Gas Emissions Standard and Auditing Guidance for Public Construction Operation Corporation (Provisional)" issued by the National Development and Reform Commission of the PRC in 2015, a replacement of "Calculation Method of Indirect Greenhouse Gas Emissions Caused by Purchased Heating" published by the Energy Conservation and Emission Reduction Centre of China National Offshore Oil Corporation in 2014, which was used as a reference in 2018. This enables us to obtain parameters with more authority, timeliness and more applicability to the nature of the Group's business.
- (8) Greenhouse gas emissions (Scope 3) are generated from employees' business flight trips. Relevant emission factors are derived from the "ICAO Carbon Emissions Calculator" published by the International Civil Aviation Organization (ICAO) under the United Nations.
- (9) Appendix 2 Revision provides that the direct and/or indirect energy consumption in total (in'000s kWh) and intensity shall be disclosed by type. To ensure the comparability of data, reclassification and recalculation have been made herein to the data of energy consumption and intensity in 2018 by type and consumption unit in accordance with Appendix 2 Revision.
- (10) Non-renewable fuel (direct) consumption includes gasoline, diesel, pipeline natural gas, liquefied natural gas and liquefied petroleum gas.
- (11) Purchase of energy (indirect) consumption include purchased electricity and purchased heating.
- (12) Intensity is calculated with the total project area under the management of the Group in 2019 as the denominator.
- (13) Municipal water supply is used in offices and non-outsourced staff canteens.
- (14) Reclaimed water is used for greening and landscape irrigation.

Appendix I: Overview of Key Performance Indicators (Continued)

B. Social

B1 Employment

B1.1 Total number of employees

		2019		2018	
		Number	Percentage	Number	Percentage
Total number of employees		41,244	100%	36,115	100%
Number of employees by gender	Male	28,870	70.00%	25,694	71.14%
	Female	12,374	30.00%	10,421	28.86%
Number of employees by employment category⁽¹⁾	Senior management	29	0.07%	24	0.07%
	Middle management	119	0.29%	116	0.32%
	Foundation management	1,444	3.50%	1,846	5.11%
	Others	29,652	96.14%	34,129	94.50%
Number of employees by age group	Under 30	14,687	35.61%	13,641	37.77%
	30–50	20,164	48.89%	17,614	48.77%
	Over 51	6,393	15.50%	4,860	13.46%
Number of employees by employment type⁽²⁾	Full-time	39,756	96.39%	34,871	96.56%
	Part-time	18	0.04%	0	0.00%
	Contract	1,470	3.57%	1,244	3.44%
Number of employees by geographical region	Mainland China	36,686	88.95%	32,649	90.40%
	Hong Kong	4,130	10.01%	3,246	8.99%
	Macau	428	1.04%	220	0.61%



Appendix I: Overview of Key Performance Indicators (Continued)

Total number of new employees		2019		2018	
		Number	Percentage	Number	Percentage
Total number of new employees		16,359	100%	22,033	100%
Number of new employees by gender	Male	10,532	64.38%		
	Female	5,827	35.62%		
Number of new employees by employment category	Senior management	1	0.01%	Data regarding the classification of number of new employees was not disclosed in 2018.	
	Middle management	2	0.01%		
	Foundation management	146	0.89%		
	Others	16,210	99.09%		
Number of new employees by age group	Under 30	6,847	41.85%		
	31–50	6,447	39.41%		
	Over 51	3,065	18.74%		
Number of new employees by employment type	Full-time	15,775	96.43%		
	Part-time	14	0.09%		
	Contract	570	3.48%		
Number of new employees by geographical region	Mainland China	12,379	75.67%		
	Hong Kong	3,711	22.69%		
	Macau	269	1.64%		

B1.2 Employee turnover rate⁽³⁾

	2019		2018	
	Turnover	Turnover rate	Turnover	Turnover rate
Employee turnover	18,566	31.04%	15,648	30.23%

B2 Health and Safety

Work injuries	2019	2018
Work injuries (person)	162	163

B2.2 Lost days due to work injury

	2019	2018
Lost days due to work injury (day)	6,854	6,541

Appendix I: Overview of Key Performance Indicators (Continued)

B3.1 Percentage of employees trained

By gender	By employment category	2019		2018	
		Number of employees trained	Percentage of employees trained	Number of employees trained	Percentage of employees trained
Male	Senior management	27	100.00%	22	100%
	Middle management	100	100.00%	92	100%
	Foundation management	1,006	100.00%	1,098	100%
	Others	27,737	100.00%	22,198	92%
	Subtotal	28,870	100.00%	23,410	91%
Female	Senior management	2	100.00%	2	91%
	Middle management	19	100.00%	24	100%
	Foundation management	438	100.00%	598	100%
	Others	11,915	100.00%	8,908	91%
	Subtotal	12,374	100.00%	9,532	91%
Total		41,244	100.00%	32,942	91%

B3 Development and Training**B3.2 Average number of training hours completed per employee**

By Gender	By employment category	2019			2018		
		Total number of training hours	Average number of training hours (hour/per employee)	Average training expense (RMB/per employee)	Total number of training hours	Average number of training hours (hour/per employee)	Average training expense (RMB/per employee)
Male	Senior management	500	19	9,634	391	18	10,000
	Middle management	788	8	3,755	2,475	27	3,000
	Foundation management	21,696	22	1,281	40,955	37	1,500
	Others	848,016	31	412	539,411	24	500
	Subtotal	870,999	30	462	583,232	25	566
Female	Senior management	37	19	8,088	35	18	10,000
	Middle management	193	10	3,275	636	27	3,000
	Foundation management	10,710	24	1,136	21,827	37	1,500
	Others	211,857	18	459	192,413	22	500
	Subtotal	222,797	18	489	214,911	23	571
Total		1,093,796	27	470	798,143	24	567



Appendix I: Overview of Key Performance Indicators (Continued)

Total Number of employees under review ⁽⁴⁾		2019		2018	
By gender	By employment category	Number of employees under review	Percentage of employees under review	Number of employees under review	Percentage of employees under review
Male	Senior management	27	100.00%	22	100%
	Middle management	100	100.00%	92	100%
	Foundation management	1,006	100.00%	1,190	100%
	Others	25,928	100.00%	24,390	100%
	Subtotal	27,061	100.00%	25,694	100%
Female	Senior management	2	100.00%	2	100%
	Middle management	19	100.00%	24	100%
	Foundation management	438	100.00%	656	100%
	Others	11,018	100.00%	9,739	100%
	Subtotal	11,477	100.00%	10,421	100%
Total		38,538	100.00%	36,115	100%

B5 Supply Chain Management

B5.1 Number of suppliers by geographical region

	2019	2018
Mainland China	9,497	9,489
Hong Kong	287	259
Macau	12	12
Total	9,796	9,760

Number of suppliers by category	2019	2018
Environmental	1,865	The number of suppliers by category was not disclosed in 2018.
Engineering	3,216	
Security	411	
Others	4,304	
Total	9,796	

Appendix I: Overview of Key Performance Indicators (Continued)

B6 Product Responsibility**B6.2 Number of product and service related complaints received**

Number of suppliers by category	2019	2018
Number of complaint escalations received from customers in 400 call centres (case)	289	The number of complaint escalations received from customers in 400 call centres was not disclosed in 2018.

B7 Anti-corruption**B7.1 Corruption lawsuits**

Work injuries	2019	2018
Number of concluded legal cases regarding corrupt practices brought against the Group or its employees (case)	0	0
Number of hours of anti-corruption publicity and training (hour)	60	42

B8 Community Investment**B8.2 Resources contributed to the focus area**

	2019	2018
Poverty alleviation donation (RMB thousand)	370	16
Number of volunteers participating in voluntary activities of education, environmental protection and social welfare (person)	293	12,762
Number of hours invested in voluntary activities of education, environmental protection and social welfare (hour)	1,289.5	332,696
Number of projects involved in voluntary activities of education, environmental protection and social welfare	26	36



Appendix I: Overview of Key Performance Indicators (Continued)

Notes to social key performance indicators:

- (1) The criteria for classification of employees by employment category in 2019 are as follows:

Senior management: assistant presidents and above of property groups, general managers of regional companies

Middle management: general managers/deputy managers of departments of property groups, vice president/assistant presidents of regional companies, directors/deputy directors of regional management centres, directors/deputy directors of units directly under the management of the headquarters

Foundation management: assistant general managers/managers/deputy managers of departments of property headquarters, senior managers/managers/deputy managers of regional companies/regional management centres/units directly under the management of the headquarters

Others: other ordinary employees which are not mentioned above

- (2) In 2019, the Group redefined the employment category of employees to facilitate easier understanding and comparison of relevant data, and recalculated the data of 2018 in accordance with the new category. Specifically, the original "contract" and "long-term" categories are combined into the "full-time" category, the original "labour dispatch" category is included in the "contract" category, and "part-time" is a newly added category this year.
- (3) Employee turnover rate = number of lost employees during the reporting period/(number of employees at the end of the reporting period + total number of lost employees during the reporting period)
- (4) Employee Review does not cover contracted or part-time employees nor employees under probation.

Appendix II: List of Applicable Laws and Regulations

Aspects in the Guide	Relevant laws and regulations that have a significant impact on the Group
Aspect A1: Emissions	<i>Environmental Protection Law of the PRC</i>
Aspect A2: Use of Resources	<i>Law of the PRC on Appraising of Environment Impacts</i>
Aspect A3: The Environment and Natural Resources	<i>Water Pollution Prevention Law of the PRC</i> <i>Water Law of the PRC</i> <i>Law of the PRC on the Prevention and Control of Environment Pollution</i> <i>Environmental Noise Pollution Prevention Law of the PRC</i> <i>Air Pollution Prevention Law of the PRC</i> <i>Marine Environment Protection Law of the PRC</i> <i>Energy Conservation Law of the PRC</i> <i>Administrative Regulations of the PRC on the Prevention of Marine Environment Pollution Caused by Land-based Pollutants</i> <i>List of National Hazardous Waste</i> <i>Administrative Measures for Hazardous Waste Disposal Forms</i> <i>Work Plan for Controlling Greenhouse Gas Emissions for the 13th Five-Year Period</i> <i>Regulations on the Administration of Construction Project Environmental Protection</i>
Aspect B1: Employment	<i>Labour Law of the PRC</i> <i>Labour Contract Law of the PRC</i> <i>Employment Promotion Law of the PRC</i> <i>Social Insurance Law of the PRC</i> <i>Minimum Wage Regulations</i>
Aspect B2: Health and Safety	<i>Labour Law of the PRC</i> <i>Law of the PRC on the Prevention and Treatment of Occupational Diseases</i> <i>Production Safety Law of the PRC</i> <i>Fire Prevention Law of the PRC</i> <i>Emergency Response Law of the PRC</i> <i>Regulations of the PRC on the Safety Administration of Hazardous Chemicals</i> <i>Regulations for Reporting, Inspection and Treatment of Production Safety Accidents</i> <i>Interim Provisions for the Inspection and Treatment of Risks for Production Safety Accidents</i> <i>Regulations of the PRC on Work-Related Injury Insurance</i> <i>Regulations of the PRC on Unemployment Insurance</i> <i>Regulations on Supervision and Administration of Occupational Health in Workplaces</i> <i>Classification and Catalogue of Occupational Diseases</i>



Appendix II: List of Applicable Laws and Regulations (Continued)

Aspects in the Guide	Relevant laws and regulations that have a significant impact on the Group
	<p><i>Provisional Measures for the Maternity Insurance for Enterprise Employees</i></p> <p><i>Regulation on the Administration of Security and Guarding Services</i></p> <p><i>Measures for the Supervision and Administration of Employers' Occupational Health Surveillance</i></p> <p><i>Management Rules for Labor Protection Supplies of Employers</i></p>
Aspect B4: Labour Standards	<p><i>Labour Law of the PRC</i></p> <p><i>Labour Contract Law of the PRC</i></p> <p><i>Provisions on the Prohibition against the Use of Child Labour</i></p> <p><i>Law of the PRC on the Protection of Minors</i></p> <p><i>Law of the PRC on the Protection of Women's Rights and Interests</i></p>
Aspect B5: Supply Chain Management	<p><i>Tendering and Bidding Law of the PRC</i></p> <p><i>Contract Law of the PRC</i></p>
Aspect B6: Product Responsibility	<p><i>Anti-Unfair Competition Law of the PRC</i></p> <p><i>Interim Provisions on Prohibiting Commercial Bribery</i></p> <p><i>Anti-Monopoly Law of the PRC</i></p> <p><i>Law of the PRC on the Protection of Consumer Rights and Interests</i></p> <p><i>Tort Liability Law of the PRC</i></p> <p><i>Advertising Law of the PRC</i></p> <p><i>Trademark Law of the PRC</i></p> <p><i>Patent Law of the PRC</i></p> <p><i>Product Quality Law of the PRC</i></p> <p><i>Urban Real Estate Administration Law of the PRC</i></p> <p><i>Code for Fire Protection Design of Buildings, GB50016-2014</i></p> <p><i>Property Management Regulations</i></p> <p><i>Administrative Measures on Qualifications of Property Management Enterprises</i></p> <p><i>Administrative Measures on Charges of Property Management</i></p> <p><i>Property Law of the PRC</i></p>
Aspect B7: Anti-corruption	<p><i>Company Law of the PRC</i></p> <p><i>Anti-Money Laundering Law of the PRC</i></p> <p><i>Anti-Unfair Competition Law of the PRC</i></p> <p><i>Interim Provisions on Prohibiting Commercial Bribery</i></p>

Appendix III: Report Content Index

General Disclosures and KPIs in the Guide	Disclosures	Section reference	Page	
A1				
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste	Disclosed	Responding to the environment with green space	63–65
A1.1	The types of emissions and respective emissions data	Disclosed	Responding to the environment with green space	64, 72
A1.2	Greenhouse gas emissions in total and, where appropriate, intensity	Disclosed	Responding to the environment with green space	65, 72
A1.3	Total hazardous waste produced and, where appropriate, intensity	Not Applicable	The Group's general operations do not generate hazardous waste	
A1.4	Total non-hazardous waste produced and intensity	Disclosed	Responding to the environment with green space	63–64, 72
A1.5	Description of measures to mitigate emissions and results achieved	Disclosed	Responding to the environment with green space	63–65
A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved	Disclosed	Responding to the environment with green space	63–64
A2				
General Disclosure	Policies on efficient use of resources, including energy, water and other raw materials	Disclosed	Responding to the environment with green space	57–62
A2.1	Direct and/or indirect energy consumption by type in total and intensity	Disclosed	Responding to the environment with green space	61, 72



Appendix III: Report Content Index (Continued)

General Disclosures and KPIs in the Guide		Disclosures	Section reference	Page
A2.2	Water consumption in total and intensity	Disclosed	Responding to the environment with green space	58, 72
A2.3	Description of energy use efficiency initiatives and results achieved	Disclosed	Responding to the environment with green space	59–62
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved	Disclosed	Responding to the environment with green space	57–58
A2.5	Total packaging materials used for finished products and, if applicable, with reference to per unit produced	Not Applicable	The Group's operations do not involve finished products and packaging	
A3				
General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources	Disclosed	Responding to the environment with green space	59–61
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	Disclosed	Responding to the environment with green space	59–61
B1				
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare	Disclosed	Responding to talents with a sound system	42–46
B1.1	Total workforce by gender, employment type, age group and geographical region	Disclosed	Responding to talents with a sound system	42, 74
B1.2	Employee turnover rate by gender, age group and geographical region	Partially Disclosed	Responding to talents with a sound system	46, 75

Appendix III: Report Content Index (Continued)

General Disclosures and KPIs in the Guide	Disclosures	Section reference	Page	
B2				
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards	Disclosed	Responding to talents with a sound system	51–53
B2.1	Number and rate of work-related fatalities	Not Disclosed		
B2.2	Lost working days due to work injury	Disclosed	Responding to talents with a sound system	53, 75
B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored	Disclosed	Responding to talents with a sound system	51–53
B3				
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work; Description of training activities	Disclosed	Responding to talents with a sound system	44–51
B3.1	The percentage of employees trained by gender and employee category	Disclosed	Responding to talents with a sound system	47, 76
B3.2	The average training hours completed per employee by gender and employee category	Disclosed	Responding to talents with a sound system	47, 76
B4				
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child or forced labour	Disclosed	Responding to talents with a sound system	44
B4.1	Description of measures to review employment practices to avoid child and forced labour	Disclosed	Responding to talents with a sound system	44
B4.2	Description of steps taken to eliminate irregularities when discovered	Disclosed	Responding to talents with a sound system	44



Appendix III: Report Content Index (Continued)

General Disclosures and KPIs in the Guide		Disclosures	Section reference	Page
B5				
General Disclosure	Policies on managing environmental and social risks of the supply chain	Disclosed	Responding to operation with the spirit of craftsmanship	36–38
B5.1	Number of suppliers by geographical region	Disclosed	Responding to operation with the spirit of craftsmanship	37, 77
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored	Disclosed	Responding to operation with the spirit of craftsmanship	36–37
B6				
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress	Disclosed	Responding to operation with the spirit of craftsmanship	23–36
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	Not Applicable	The Group's operations do not involve the production and manufacturing of products	
B6.2	Number of products and service related complaints received and how they are dealt with	Disclosed	Responding to operation with the spirit of craftsmanship	30, 78
B6.3	Description of practices relating to observing and protecting intellectual property rights	Disclosed	Responding to operation with the spirit of craftsmanship	34–35
B6.4	Description of quality assurance process and product recall procedures	Not Applicable	The Group's operations do not involve the production and manufacturing of products	
B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored	Disclosed	Responding to operation with the spirit of craftsmanship	35

Appendix III: Report Content Index (Continued)

General Disclosures and KPIs in the Guide	Disclosures	Section reference	Page	
B7				
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to prevention of bribery, extortion, fraud and money laundering	Disclosed	Responding to operation with the spirit of craftsmanship	38–40
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases	Disclosed	Responding to operation with the spirit of craftsmanship	39, 78
B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	Disclosed	Responding to operation with the spirit of craftsmanship	38–40
B8				
General Disclosure	Policies on community engagement to understand the needs of communities where the Group operates and to ensure its business activities take into consideration communities' interests	Disclosed	Responding to the community with responsibility	67–71
B8.1	Focus areas of contribution	Disclosed	Responding to the community with responsibility	67–71
B8.2	Resources contributed to the focus area	Disclosed	Appendix I	78



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