



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

2020

ENVIRONMENTAL, SOCIAL  
& GOVERNANCE REPORT





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# 2020 Sustainability Performance Highlights

## Sustainability Strategies



### Restructuring the sustainability framework

Appointed independent non-executive directors as members of the Sustainability Steering Committee, and a Sustainability Coordination Group and a Sustainability Working Group were established.



### Enhancing data integrity

Reviewed and optimised procedures for collecting, documenting, and archiving environmental and social performance data to enhance the reliability of performance data.



### Communication with Stakeholders

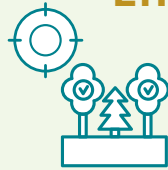
Engaged with over **5,000** stakeholders via an online survey.

## Environment



### Formulating climate change policies

Initiated the establishment of Climate Change Policy regarding mitigation of climate change risks as well as adaptation to, prevention and disclosure of related risks and opportunities.



### Establishing for directional environmental protection targets

Reviewed existing environment measures, which were used as guides for related targets establishment. The Group plans to progressively quantify the established targets in the future.



### Total greenhouse gas emission intensity

**3.42**

tonnes CO<sub>2</sub>e/'000 sqm

**↓16%**

Year-on-year



### Total energy intensity

**5.94**

kWh/sqm

**↑19%**

Year-on-year

## Society



### Improving the Employee Development System

Consolidated the human resources management policies and employee development management policies into a standardised policy to increase the efficiency of the Employee Development System.



### Occupational health and safety training

**6,783** hours



### Developing a smart community

Implemented smart device platform management by adopting the smart platform and IoT technologies to improve service quality.



### Work-related injury rate per 1,000 workers

**2.45** persons

## About the Report

This report is the fifth Environmental, Social and Governance (“ESG”) Report (the “Report”) of China Overseas Property Holdings Limited (“COPL”). COPL and its subsidiaries (the “Group”) report annually on its work and performance on sustainability in a separate report.

The Report is presented in both Chinese and English and has been uploaded onto the website of the Stock Exchange of Hong Kong Limited (“HKEX”) and the Group’s website together with its past ESG reports. If there are any contradictions or inconsistencies between the Chinese and English versions, the Chinese version shall prevail.

### Reporting Scope and Boundary

The Report’s reporting cycle aligns with the Group’s financial year and reports on the Group’s sustainability performance for the period from 1 January 2020 to 31 December 2020 (the “Year”). The Report covers information related to all of the operations, including its operation at COPL’s headquarters, the property management services, value-added services and car parking spaces trading business in Mainland China, Hong Kong and Macau<sup>1</sup>.



<sup>1</sup> The Group was reviewing the completeness and accuracy of the environmental data of the Hong Kong and Macau operations during the Year; therefore, relevant environmental performance indicators are not presented in the Report.

## About the Report (Continued)

### Reporting Standards

The Report has been prepared in compliance with the “Environmental, Social and Governance Reporting Guide” (the “ESG Guide”) set out in Appendix 27 of the Main Board Listing Rules of HKEX. It discloses information related to the “mandatory disclosure requirements” and “comply or explain” provisions in accordance with the revised ESG Guide of HKEX. In addition, the Report is also prepared with reference to the “Global Reporting Initiative Standards” (“GRI Standards”) published by the Global Reporting Initiative, to present COPL’s sustainability vision in a comprehensive manner.

The appendix of the Report provides a complete index of the ESG Guide and GRI Standards, which includes all applied standards for readers’ reference. The material references to:

- Disclosures 103–1, 103–2 and 103–3 from GRI 103: Management Approach 2016,
- Disclosure 205–3 from GRI 205: Anti-corruption 2016,
- Disclosures 302–1 and 302–3 from GRI 302: Energy 2016,
- Disclosure 306–2 from GRI 306: Effluents and Waste 2016,
- Disclosure 401–1 from GRI 401: Employment 2016,
- Disclosures 403–1, 403–2 and 403–9 from GRI 403: Occupational Health and Safety 2018,
- Disclosures 404–1 and 404–3 from GRI 404: Training and Education 2016,
- Disclosure 418–1 from GRI 418: Customer Privacy 2016.

To present the Report in a true and objective manner, the Group adheres to eight reporting principles in accordance with the ESG Guides and the GRI Standards for the preparation of the Report, including:

#### 1. Materiality

COPL invites stakeholders to assist in the identification of topics that are material to the Group, which are reviewed and confirmed by the Board. These topics reflect the significant impacts of the Group’s operation on the environment and society, as well as issues that stakeholders concerned.

For details, please refer to the section titled “Responding to Stakeholders’ Expectation”.

#### 2. Quantitative

The Group’s departments work together to collect and record environmental and social key performance indicators. The Group has appointed a sustainability consultant to measure greenhouse gas (“GHG”) emissions and other environmental key performance indicators in accordance with local guidelines and international standards.

The Group ensures that key performance indicators are measurable and explains the standards and methodology used under the “Performance Data Summary” section.

### 3. Balance

The Group describes topics in a precise, objective and balanced approach. The Group presents its performance and challenges faced by the Group for the readers to reasonably assess the overall performance of the Group.

### 4. Consistency and Comparability

The Group adopts consistent assumptions in data collection and reports preparation to facilitate year-on-year comparison of the Group's performance by stakeholders.

In the event of any changes in data collection and assumption, the Group will set out the reason in the Report.

### 5. Completeness

The Report responds to the material topics identified in the Year to avoid omission of any aspects that are material to stakeholders.

### 6. Accuracy

The Group is committed to meticulously upholding the truthfulness of the information set out in the Report and ensure its traceability for stakeholders to assess its performance.

### 7. Timeliness

Information set out in the Report indicates the period to which it relates. It discloses economic, environmental and social impact promptly for stakeholders to make informed decisions.

### 8. Clarity

The Report is written in a manner that is comprehensible and accessible to stakeholders.

## Approval of the Report

The Board of COPL has the overall responsibility for the content of the Report. It ensures the completeness and reliability of the reported content for stakeholders to accurately understand the operation of the Group. Information presented in the Report is sourced from official documents and data of the Group. It has been reviewed based on internal monitoring mechanism and review procedures.

The Report was reviewed and approved by the Board.

## Feedback

Your opinions and feedback are valuable to the Group in formulating future sustainability strategies. For any enquiries and suggestions, please contact the Group at [copl.ir@cohl.com](mailto:copl.ir@cohl.com).

## Message from Management

Throughout 2020, the world has been wreaked havoc by the COVID-19 outbreak which posed livelihood-related impacts on all aspects of life to varying degrees. Amidst this challenge-ridden year, COPL acted as a leading property management company in its efforts to fight the virus together. The first level emergency response was first implemented within the properties under management of the Group, and precautionary measures were put in place at the frontline to ensure the safety of 1.06 million households through the highest standard of prevention and control. At the beginning of the COVID-19 outbreak, the Group adopted a control and prevention strategy of “prevention of internal spreading and external spill-over cases” in its property projects and communities, aiming to nip any risk in the bud through close communication with all customers, enhancement of promotion on epidemic prevention and uniting the community as one.

COPL recognizes that the public is more concerned about their living environment and the sustainable development of society under these challenging circumstances. The Group will accordingly bear the social responsibility to cooperate with all stakeholders to create a sustainable community environment. During the Year, COPL focused on laying the foundation for its future sustainability process, headed by the Board to reorganize the sustainability governance structure and prepare a three-year Sustainability Roadmap. In addition, departments comprising the Group have reviewed and updated their existing policies in areas such as talent development management, anti-corruption and supply chain management during the Year to lead the sustainability of the Group’s operations.

Based on this, COPL has identified five UN Sustainable Development Goals that are closely related to itself during 2020, namely, 1) good health and well-being, 2) decent work and economic growth, 3) sustainable cities and communities, 4) responsible consumption and production, and 5) climate action. Alongside its corporate mission “We Manage Happiness”, the Group formulated a plan to progressively implement in the future relevant work schemes of SDG, contributing to the communities where its clients, employees and operations are located.

For years, COPL has worked towards the objective of increasing customer satisfaction and protecting their safety. In addition to preventive measures, the Group has continued to improve the management quality of projects, taking measures including the implementation of the Renovation Plan, where it has carried out more than 2,000 renovation projects, thus building the community into a more comfortable and liveable environment.

The Group firmly believes that a well-established human resources management system not only enables COPL to become a prestigious enterprise, but also helps to support personal career development of employees. Therefore, COPL values all-round development of employees. On top of their individual professional skills, we are more concerned to their mental and physical well-being as well as welfare development. In 2020, the Group further promoted the physical and mental health of its workforce, especially frontline staff, who worked diligently under immense pressure during the pandemic. COPL provides various forms of supports for its employees, including psychological counselling services to relieve their work stress.

Environmental protection and response to climate change are integral to maintaining the quality of life of households. COPL is also committed to building a green community by reducing the negative impacts of its operations on the environment, including GHG emissions and resources use. During the Year, COPL has carried out a total of nearly 200 energy-saving renovation projects and expanded domestic waste management programme to actively promote environmental protection awareness and move towards a more environmentally friendly future with its customers.

As the COVID-19 outbreak is under control and life returns to normal, the Group is committed to the public's expectations of COPL and will continue to develop its property management business, while upholding the enterprise spirit of "progress whole-heartedly each day" to create more values for its stakeholders on the road to sustainability.

**Mr. Zhang Guiqing**

*Chairman and Executive Director*



## Statement of the Board

With the development of urbanisation in the People's Republic of China ("PRC") in recent years, the demand for property management continues to increase and the Group continues expanding its business. As a leading enterprise in property management, COPL provides quality services, while fulfilling its social responsibility to promote a quality living style in the community. During 2020, in the wake of the impact of the COVID-19 pandemic on livelihood and economy, the Group has revisited the most material environmental and social topics in addressing needs in society. COPL has integrated these topics into the Group's sustainability efforts, to promote a green economy alongside facilitating the recovery of the society.

### Governance Responsibility

The Group has formulated a three-year Sustainability Roadmap to guide its direction in sustainability. As the year of "Laying the Foundation", the Group enhanced its governance structure and the accuracy and completeness of the reported information.

The Board has full responsibility for the Group's sustainability strategies and reporting. To strengthen the Board's engagement in the Group's sustainability progress, the Group has restructured its sustainability governance structure. The Sustainability Steering Committee, consisting of five Board members, including three independent non-executive directors, has been established. With the assistance of the Sustainability Coordination Group and Sustainability Working Group, the Committee is responsible for formulating, monitoring and reviewing the Group's sustainability progress. The Committee meets at least twice every year to assess the effectiveness of sustainability strategies and policies. The Committee also reviews the progress of relevant measures and make necessary amendments to relevant policies in response to the Group's business development.

Looking forward, COPL will focus on creating values for stakeholders across different sectors. Based on its communication with stakeholders, the Board has confirmed that material sustainability topics for the Year covering various aspects, such as developing a sound employment system, employee's welfare, business ethics, environmental management and these topics have been reported as the focus of the Report. In various sections of the Report, COPL depicts its work progress and plans in different aspects during the Year.

## Sustainability Risk and Opportunity Management

The regulatory environment for sustainability is rapidly evolving across the globe. The Group recognizes the importance of managing sustainability risks and opportunities. For the property management industry, its daily operation is faced with ESG-related financial, operational and compliance risks. The Board is responsible for assessing and managing such risks. The Group proactively addresses issues ranging from climate changes to employees' occupational safety and health and customers' privacy. Under the existing three lines of defence risk management model, the Board will further improve its risk management and take into account sustainability risks in its risk management model and long-term strategy.

According to The Global Risk Report 2021<sup>2</sup>, failure of climate action emerges as the most influential risk. The Board shall act in advance to address future potential financial risks arising from climate changes. The Group will start the formulation of climate change policy, which set out the risk management approach at a corporate level. COPL has initiated the preparation of relevant disclosure in the coming year, according to the recommendations from the Task Force of Climate-related Financial Disclosure to improve the transparency of the Group in climate change-related financial risk management.

## Sustainability Objectives

In September 2020, the President of the PRC pledged at the UN General Assembly that the PRC would become carbon neutral by 2060, which refers to net zero carbon emissions. Subsequently, Hong Kong's Policy Address also stated that HKSAR would strive to achieve carbon neutrality by in 2050. As a leading property management enterprise, which deeply rooted in Hong Kong and Macau with a nationwide foothold, the Group spares no effort in assisting the national and local governments to achieve carbon neutrality. During the Year, the Group reviewed the existing environmental management measures and devised directional environmental goals. The Group will regularly assess the effectiveness of the goals and gradually establish specific quantifiable objectives. It allows stakeholders to more accurately understand COPL's progress in its environmental management efforts.

Looking forward, the Group will fully implement its sustainability governance structure and plan to lay a sound foundation for the Group's sustainability working plan. At the same time, the Group will capture sustainability-related opportunities and properly manage risks, to utilize its strengths, profound experience in property management and innovative management skills in the future to develop a sustainable environment for customers and communities.

<sup>2</sup> The Economic Forums' annual publication of The Global Risk Report analyses risks with potentially material impact on the world.



The Group is  
committed to

“Adhering to Business Ethics”,  
“Strengthening Employment System”,  
“Serving the Community with Commitment”  
and “Fulfilling Environmental Responsibility”,  
while developing its business and has  
contributed to sustainable development, aiming  
to progressively integrate sustainability ideals  
into its daily operations.

## About the Group

As a subsidiary of China Overseas Holdings Limited (“COHL”) under China State Construction Engineering Corporation, COPL is avant-garde in the property management industry in China with first-class qualifications. The Group, based in Hong Kong, has been engaging in the provision of property management services in Hong Kong since the 1980s, and developed a strong foothold in both Hong Kong and Macau over the past 30 years. The Group explored the property management services market in Mainland China in the early 1990s, by fully incorporating the property management experience from Hong Kong into the Mainland market. The listing on the Main Board of the HKEX (Stock Code: 2669.HK) in 2015 is a milestone of COPL as it tapped into the international capital market.

Currently, COPL has 21 city companies with business operation spanning across 122 major cities in the PRC that focus on the management of a variety of properties, including boutique residential buildings, commercial complexes, A plus-grade office buildings, government properties, industrial parks and others, managing 297 retail projects and 974 property projects with a service area of nearly 182.3 million square metres.



## About COPL (Continued)

### Major Businesses



The property management services engage in the provision of property management services including, among others, security, maintenance and repair and cleaning and greening, for residential communities (including integrated mixed-use properties), commercial properties, government properties and construction sites. During the Year, property management services accounted for 74.2% of the Group's revenue.

Value-added services comprise value-added services to both non-residents and residents, whose target customers are respectively property developers and other property management companies, and residents of the property. During the Year, value-added services accounted for 25.5% of the Group's revenue.

#### Value-added services to non-residents include

Value-added services such as engineering, vetting of building plans, advice on equipment and facility selection, pre-delivery, delivery supporting, delivery inspection, engineering service quality monitoring and consultation services.

#### Value-added services to residents include

- Operation of community assets — rental assistance, agency and custody for real estate transactions, common area rental assistance, rental of self-owned properties and other services;
- Home living services — satisfying various living needs of residents through real estate ecology, interior decoration, neo-retail, home services, travel and leisure, education and training and other services; and
- Commercial services — satisfying the needs of commercial users.



The car parking space trading business enables the Group to acquire the right to use car parking spaces through acquisition or entering into agreements, which brings convenience to and create value for residents of the properties under management. During the Year, the car parking space trading business accounted for 0.3% of the Group's revenue.

## Honours and Recognitions



No.	Award	Awarding organisation
1	Well-known Property Management Enterprise in Greater Bay Area in 2020	Guangdong Property Management Industry Institute
2	2020 Guangdong Province Property Services Comprehensive Development Strength Enterprise	
3	Top 100 Blue Chip Property Enterprises 2020 (藍籌物業百強企業)	The Economic Observer
4	Comprehensive Value Enterprise Amongst Listed Companies 2020 (2020上市公司綜合價值企業)	
5	Celebrity and Enterprise Hall of Fame 2020 (2020名人名企堂)	China Property Management Magazine
6	2020 Top 100 Influential WeChat Public Account In Property Management (2020微信公眾號影響力Top 100)	China Property Management Media Collaboration
7	2020 Top 100 Most Valuable Brand of Property Management Service	China Property Management Research Institution
8	2020 Top 500 Property Management Companies	Shanghai E-house China R&D Institute
9	2020 Leading Companies in Residential Property Service	China Real Estate Appraisal Centre (中國房地產測評中心)
10	2020 Top 10 Listed Company of Property Management Service	China Property Management Institute Shanghai E-house China R&D Institute China Real Estate Appraisal Centre (中國房地產測評中心)
11	2020 Top 10 China Property Enterprises in Terms of Digital Strength (2020中國地產數字力Top 10物企)	E-House Group CRIC National Real Estate CIO Alliance (全國房地產CIO聯盟)
12	Anti-Epidemic Frontline Model Enterprise in China Real Estate Industry 2020 (2020中國房地產行業抗擊疫情模範先鋒企業)	China Real Estate News Agency (中國房地產報社)
13		China Real Estate Web (中國房地產網)
14	China Commercial Property Service Premium Brand 2020 (2020中國商業物業服務優選品牌企業)	China Real Estate News Media (中房報新媒體)
	The No. 1 Most Valuable Brand of China Property Management Service in 2020 (2020中國物業服務企業品牌價值百強榜No. 1)	Zhongfang Think Tank (中房智庫)
		China Real Estate News Public Sentiment (中房報輿情中心)
15	2020 China Property Service Excellence Top 10 (2020中國物業服務力10強)	E-House Group CRIC
16	2020 China Property Quality Service Brand (2020中國物業優質服務品牌)	
17	Shenzhen Top Brand Certificate (深圳市知名品牌授權書)	Shenzhen Top Brand Evaluation Committee
18	2020 ARC Awards	MerComm, Inc
19	Bronze Award — Cover Photo/Design: Real Estate Management Honors Award — Cover Photo/Design: Real Estate Investment Trust (REIT): Various & Multi-Use	
20	2020/21 MERCURY Awards	MerComm, Inc
21	Gold Award — Interior Design: Traditional Format: Asia/Pacific	
22	Honors Award — Cover Design: Drawings/Illustrations Honors Award — Overall Presentation: Other/Misc. — Property Management	
23	2020 Galaxy Awards	MerComm, Inc
	Gold Award — Design — Annual Reports: Traditional — Hong Kong	
24	CarbonCare® ESG Label (Label Level: Level 3)	CarbonCare InnoLab

# Improving Sustainability Governance

A benign governance structure lays the foundation for its sustainability corporate strategy. The Group's governance structure is the navigator of the Group's future sustainability efforts and strategies. It oversees the Group's sustainability progress and ensures that the Group's sustainability efforts are effectively implemented.

As 2020 marks the beginning of a new decade, COPL decided that the Year would embark on a new phase of the Group's sustainability progress, and has made various adjustments to its strategy and governance structure to complement the Group's overall business development strategy.

## Sustainability Strategy

During the Year, COPL formulated the Three-year Sustainability Roadmap. It was a key step for the Group's sustainability progress. With a clear objective, the Group sets priorities for sustainability performance enhancement to facilitate smooth implementation of relevant measures, thus taking a step closer to its goal. The Group also considered the continuity of its working plan, so that its sustainability strategy is built on a sound foundation.

### Three-year Sustainability Roadmap

2020

#### Laying the Foundation

2020 is the year where the foundation was laid by COPL. The Group understands that a sound governance structure is the cornerstone of corporate sustainability and therefore aimed to enhance management participation during the Year. Meanwhile, the Group also focused on improving the integrity and comparability of data in the ESG report.

#### Highlights of Sustainability Efforts

##### Restructured Sustainability Governance Structure

- The Group has enhanced the Board's involvement in ESG matters, restructured the Sustainability Steering Committee and established two additional functional groups to foster and implement sustainability efforts.

##### Improved Data Integrity

- To establish a reliable ESG information management system, the Group reviewed the collection, reporting and internal control processes of relevant information. It enhanced the integrity of reporting data and information quality.

##### Initiated Formulation of Climate Change Policy

- In response to the impact of climate change on the Group and align with the national policy on climate change<sup>3</sup>, the Group is developing a climate change policy covering all of the Group's business operations.

##### Identifying Prioritised United Nations Sustainable Development Goals ("UNSDG")

- The Group wishes to utilise the roadmap to actively contribute to the locations in which it operates. Through examining the relevance of its operations to the UNSDG, the Group identified five UNSDG as a priority for the Group. It aims to create value for a wider range of stakeholders through its operations.

2021

#### Enhancing Performance

After laying a solid foundation for sustainability, the Group plans to further strengthen its management of climate change in the second year. Progressive and set progressive and pragmatic targets will also be set to enhance the Group's ESG performance and disclosure through a thorough understanding of stakeholders' expectations.

<sup>3</sup> Including response to climate change under the 14th Five-Year Plan of the PRC, China's Policies and Actions for Addressing Climate Change 2019.

Improving Sustainability Governance (Continued)

2022

Sustainability Working Plan

**Preparing Task Force of Climate-related Financial Disclosure (“TCFD”)**

- Develop a climate-related financial risks and opportunities response plan to analyse the Group’s climate-related risks and opportunities in accordance with the recommendations of TCFD.

**Developing Stakeholder Engagement Plan**

- Develop a three-year stakeholder engagement plan to communicate with a variety of internal and external stakeholders through various means to understand their concerns and expectations.

**Establishing Environmental Targets**

- In line with the Group’s business development, it is planning to set quantitative environmental targets, such as greenhouse gas emissions targets, energy saving targets and waste generation targets, to reduce the impacts of operations on the environment.

Enhancement Strategy

In the third year of the roadmap, COPL will shift its attention to the globe and timely adjust its sustainability management policies in accordance with international and industry trends to seize opportunities.

Sustainability Working Plan

**Disclosing TCFD and Response Plan**

- Disclose information about the Group’s governance, strategy, risk management, as well as metrics and targets related to climate change.

**Implementing Comprehensive Stakeholder Engagement Plan**

- Following the arrangements of the stakeholder engagement plan, the Group will conduct targeted engagement with stakeholders on a yearly basis and encourage them to express their opinions.

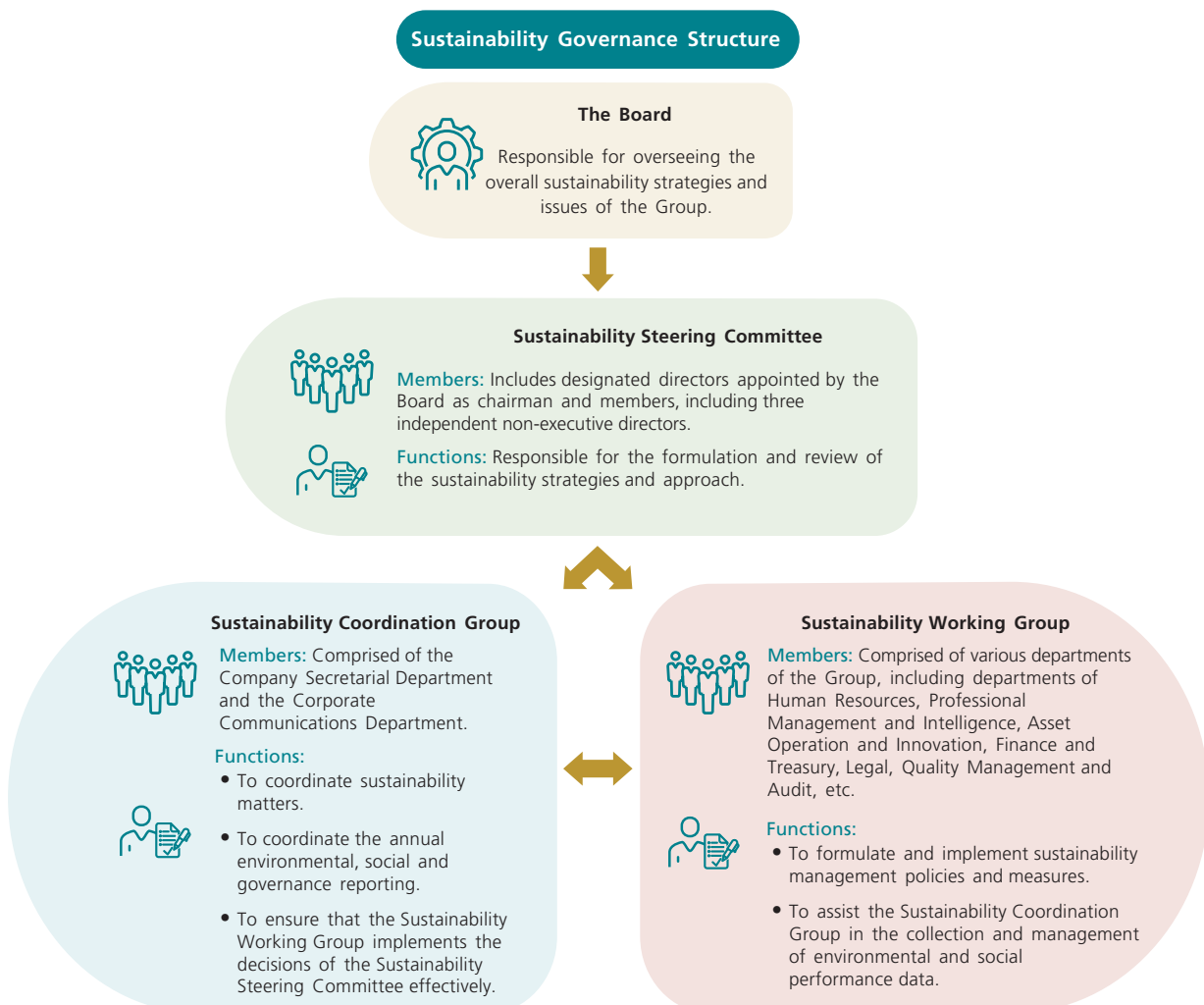


## Improving Sustainability Governance (Continued)

### Sustainability Governance Structure

In line with Laying the Foundation of this year's sustainability roadmap, the Group's sustainability governance structure was restructured and approved by the Board during the Year. COPL made clear that the Board is fully responsible for its environmental, social and governance matters, ensuring that sustainability considerations are incorporated into the business decision-making process from a top-down approach. The Sustainability Steering Committee, comprising members of the Board, including three independent non-executive directors, was reconstituted to assist the Board in formulating and reviewing sustainability strategies and approach, as well as monitoring the Group's sustainability performance. Under the new governance structure, the Group has also established a Sustainability Coordination Group and a Sustainability Working Group to implement relevant policies and measures and to report to stakeholders through the ESG Report.

The Group's restructured sustainability governance structure will not only enable the Board to take a leading role and be accountable for the Group's sustainability matters, but also enable greater collaboration between departments to ensure effective implementation of the decisions made by the Sustainability Steering Committee.





## Improving Sustainability Governance (Continued)

COPL hopes to bring in new prospects to the Group's sustainability progress through the new governance structure. In addition, the Group has engaged a sustainability consultant to analyse global and industry sustainability trends. The consultant communicated closely with the Group, so that it can always gauge the pulse of the property management industry and make timely responses, gradually develop itself into an internationally recognised leading enterprise in sustainability.

### Sustainable Development Goals ("SDG")

COPL is committed to gradually stepping up its efforts in sustainability by aligning its approach with the UNSDG. During the Year, the Group examined the relevance of each UNSDG to the Group in respect of its business development strategies and material sustainability topics, thereby identifying five UNSDG as priority areas for COPL to contribute in. By identifying the relevance of the SDG to COPL, the Group expects to manage its environmental, social and economic impacts more effectively and systematically at the strategic level, thereby addressing potential risks in a timely manner. It also allows the Group to identify opportunities to enhance its competitiveness in sustainability. In the future, action plans in response to the following five UNSDG will be progressively implemented, and the progress and effectiveness of which will be monitored by the Sustainability Steering Committee.

SDG	Relevance to COPL
 <p><b>SDG 3:</b> <b>Good health and well-being</b></p>	<p>COPL understands that in order to contribute to the society where the health and well-being of people are protected, it must begin by protecting the health and well-being of the Group's employees. COPL has always given prominence to the health and safety of its employees. It has adopted health and safety measures to mitigate the occupational and safety risks faced by employees in their daily work. In addition, the Group is committed to providing medical insurance for all employees, to alleviate their burden of medical expenses.</p>
 <p><b>SDG 8:</b> <b>Decent work and economic growth</b></p>	<p>UN+ (優你互聯) and Xinghai Wulian under COPL are dedicated to developing innovative technologies for property management. Apart from enhancing the competitiveness of the Group, these developments also serve as economic drivers for society. The Group is committed to assisting its staff in response to technological advancement and offering decent work opportunities for them by upholding the principle of equal opportunities.</p>

## Improving Sustainability Governance (Continued)

SDG	Relevance to COPL
 <p><b>SDG 11:</b> <b>Sustainable cities and communities</b></p>	<p>Property projects managed by COPL form a key component to the establishment of sustainable cities and communities. Property management through the introduction of smart equipment and the provision of smart property management systems and facilities for communities will become a new trend of property development in the future. A more liveable environment could be created through smart management planning of COPL.</p>
 <p><b>SDG 12:</b> <b>Responsible consumption and production</b></p>	<p>As a leader in the industry, COPL is duty-bound to implement sustainable resources policies and practices in line with national strategic development. Under the daily operation of property management, water scarcity and management of hazardous and non-hazardous wastes are important issues faced by several cities where COPL manages properties. From the perspective of risk management, there is a need for COPL to further improve its water resources management and effective use of other natural resources</p>
 <p><b>SDG 13:</b> <b>Climate action</b></p>	<p>Physical and transitional risks arising from climate change would pose financial impacts on COPL. Physical risks include damage to properties due to extreme weather conditions (such as rainstorms, flooding), as well as rising temperatures and heat waves that threaten the safety of employees and building occupants. Transitional risks include regulatory risks, litigation risks, market changes and technological risks, and reputational risks arising from the global transition to a low-carbon lifestyle. While these risks may place a financial burden (such as those related to revenue, liabilities, cash flow, etc.) on COPL, there are opportunities for COPL to capitalise on trends originated from changes in customer expectations, by increasing staff's awareness of climate change through training and education and exploring new business areas, thus enhancing its competitiveness in sustainability.</p>

## Sustainability Risk and Opportunity Management

In recent years, ESG risks faced by companies have become a growing concern for stakeholders. Meanwhile, investors also focus on how the Group captures the rising sustainability opportunities. Currently, the Group's risk management system consists of three lines of defences. Its risk management system not only clarifies the roles and responsibilities among departments of city companies and different functional units at headquarters, but also ensures that the Group's risk management measures are effectively implemented throughout frontline operations.

### First Line of Defence

#### Composition

City companies and departments at headquarters are responsible for managing risks associated with daily business operations.

#### Responsibilities: risk identification and emergency response

Responsible for identifying potential risks in daily operations and making emergency responses to significant risks. For any risks identified, the Risk Control Task Force works to develop control measures.

### Second Line of Defence

#### Composition

Risk Control Task Force of city companies and Risk Control Task Force office at headquarters are responsible for the coordination and supervising business-related risks.

#### Responsibilities: risk management and evaluation

The Risk Control Task Forces meet regularly to maintain communication with units at the first line of defence. Identified risks are managed by heads of Risk Control Task Forces.

The Risk Control Task Force at the city level is also required to report regularly to the Risk Control Task Force office at headquarters on risk management efforts of units at each level. Risk Control Task Force office is responsible for coordinating and organising the identification and assessment of significant risks of the Group.

### Third Line of Defence

#### Composition

Internal control of overall business operations is carried out independently by the Audit Department at headquarters.



#### Responsibilities: monitoring and assessing the effectiveness of risk management

The Audit Department is authorised by the Audit Committee to oversee the implementation of the Group's management measures over significant risks. The Audit Department is also required to conduct retrospective inspection, audit and monitoring in respect of the risk management efforts in the first and second line of defence, such as conducting an independent assessment of the effectiveness of risk management efforts through audit activities.


## Improving Sustainability Governance (Continued)

### Measures for Risk Identification and Management

During the Year, the Group is faced with various challenges in its operation, including the need to adapt to the impacts of climate changes on the Group's operation, and the management in relation to safeguarding customers' health and safety during COVID-19. Below are the risks identified by COPL during the Year, as well as its management approach:

Identified risks	Risk description	Management approach
<p><b>Extreme weather conditions arising from climate change</b></p> 	<p>The impacts of climate change on businesses includes compliance risks and cost increment arising from changes in national policies, with the property management industry bearing the brunt of extreme weather conditions caused by climate change. These extreme weather conditions may cause physical damage to properties, financial harm to the Group and its customers, and in severe cases, threaten the personal safety of building occupants.</p>	<p>To mitigate the impacts of extreme weather on the Group, it formulated an emergency plan during the Year. The Group conducted major safety inspections of flood control to pre-estimate the seriousness of extreme weather conditions in 2020. When extreme weather conditions occur, the Group will notify customers to take preventive measures and minimise the damages resulting therefrom.</p> <p>In addition, the Group conducts regular examination and maintenance for properties and resolved potential risks in time.</p>
<p><b>Building occupancy safety</b></p> 	<p>In the course of property management services, COPL often comes across various safety risks. Building occupancy safety is one of the risks that have significant implications on users. Building occupancy safety risks such as fire safety hazards and drainage hazards not only cause inconvenience to the building occupants, but also lead to possible deaths and damages in the event of accidents.</p>	<p>During the Year, the Group revised the Safety Production Manual, which integrated the Group's measures on property management and safety inspection. The Group has made a list of risks during the process of property management, with descriptions of potential consequences caused by each building safety risk. In addition, the list also illustrates responding measures and responsible managing departments, so as to facilitate risk management and documentation.</p>

## Improving Sustainability Governance (Continued)

Identified risks	Risk description	Management approach
<p><b>Threats of the COVID-19 pandemic to the health and safety of customers</b></p> 	<p>During the Year, the Group's Risk Control Task Forces at various levels identified and assessed nearly 2,000 risks, reported 42 typical risk cases and 59 work reports on the effectiveness of risk control. The Group's risk assessment showed that the long-lasting risk of COVID-19 pandemic posed certain risks to customers.</p>	<p>Although the COVID-19 pandemic has persisted throughout the Year, the Group has implemented various control policies and measures against the pandemic, there was no significant loss or impact to the Group's operation caused by the pandemic.</p> <p>Please refer to the section "Strengthening Employment System — Occupational Health and Safety" for further details on prevention and control measures against the pandemic.</p>

The Group understands that integrating ESG risks in the existing risk management system facilitates the Group to precisely assess the impact of operational and financial risks of the Group. In the future, the Group plans to incorporate in the risk management system with the monitoring of influences of ESG risks, as well as their relevance to the business development, thus managing such risks more effectively. In addition, the Board will actively seek to understand the potential impact and relevant ESG risks to which the corporate business model is exposed to, so as to identify and evaluate its sustainability risks and opportunities.






## Improving Sustainability Governance (Continued)

### Compliance Management

The Group considers compliance as the minimum requirement of its operation. The Group's operation is regulated by the relevant laws and regulations in where it operates. The Group has also reviewed and confirmed the operational impacts on the Group resulting from violating relevant laws and regulations, which include:

- Administrative penalties such as fines and imprisonment for violation of relevant laws and regulations, and in severe cases, revocation of business licences;
- Litigation arising from infringement of the rights of others; and
- Damage to the Group's reputation as a result of incompliance.

The following table sets out the laws and regulations that could cause material influence on the Group's operation as confirmed by the Group:

Aspect	Laws and regulations that have a significant impact on the Group
<b>Environment</b> 	Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste Air Pollution Prevention Law of the People's Republic of China Water Pollution Prevention and Control Law of the People's Republic of China Environmental Protection Law of the People's Republic of China Energy Conservation Law of the People's Republic of China
<b>Employment and labour standards</b> 	Labour Contract Law of the People's Republic of China Labour Law of the People's Republic of China Law of the People's Republic of China on the Protection of Women's Rights and Interests Employment Promotion Law of the People's Republic of China Law of the People's Republic of China on the Protection of Minors Social Insurance Law of the People's Republic of China
<b>Health and safety</b> 	Production Safety Law of the People's Republic of China Fire Control Law of the People's Republic of China Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases
<b>Product/service quality responsibility</b> 	Patent Law of the People's Republic of China Product Quality Law of the People's Republic of China
<b>Anti-corruption</b> 	Anti-Unfair Competition Law of the People's Republic of China Anti-Money Laundering Law of the People's Republic of China

## Improving Sustainability Governance (Continued)

COPL understands the importance of operational compliance in maintaining the daily operation of the Group. The Board is wholly responsible for the Group's operational compliance. The Board is responsible for overseeing all departments in managing relevant compliance requirements, as well as effectively implementing the policies established to ensure operational compliance. The Group stipulated clear procedures to handle non-compliance in relation to the environment, employment, health and safety, labour standards, service quality and anti-corruption. When notified of a potential violation, the Group will promptly initiate investigation to ensure that appropriate corrective measures are adopted in response to any misconducts. In addition, the Group maintains close communication with regulatory bodies to ensure that its policies and measures are in line with the latest legislative requirements.

During the Year, the Group did not identify any non-compliance cases with laws and regulations that have a significant impact on the Group which resulted in significant fines and non-monetary sanctions.

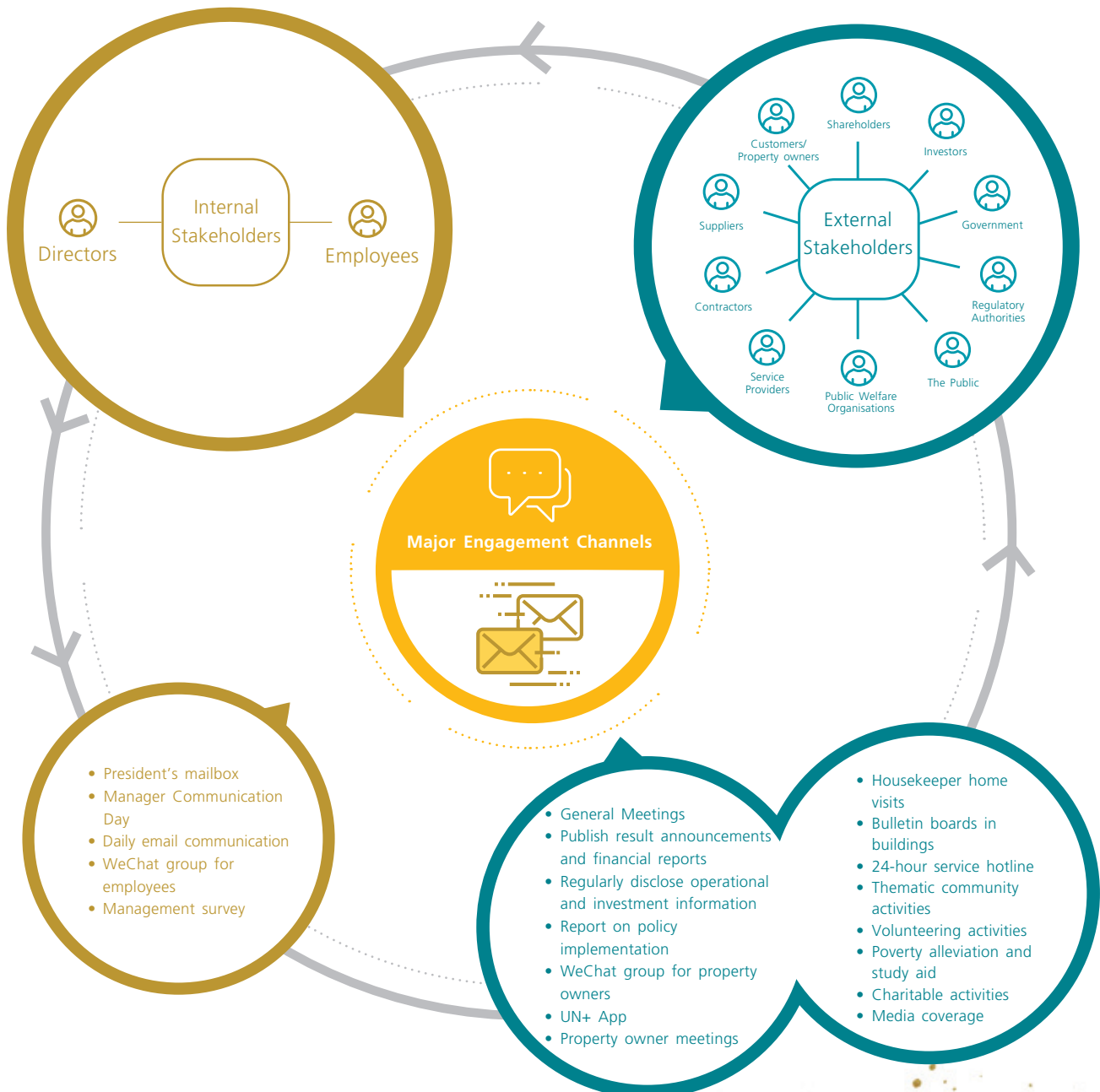




## Responding to Stakeholders' Expectation

The Group recognises the importance and inspiration of communicating with stakeholders on its sustainability progress. The stakeholders of COPL include employees, directors, customers, business partners, investors, regulatory authorities and various types of community groups. Through communication channels with stakeholders, the Group is committed to listening to the opinions of stakeholders from all sectors, reviewing the performance of the concerned issues, and making timely adjustment to corporate operating policies based on feedback to strengthen the management of corporate sustainability.

The Group is preparing to formulate a stakeholder engagement plan for the next three years, identifying key internal and external stakeholders and planning corresponding engagement methods to properly manage stakeholders' expectations and integrate such expectations into the Group's sustainability strategy, in order to create value for the society.



## Responding to Stakeholders' Expectation (Continued)

### Identification of Material Topics

In order to better reflect the concerned issues of stakeholders in the Report, the Group engaged a sustainability consultant to conduct a survey with stakeholders. The Group adopted the following four steps to identify material topics of the Year.

#### Step 1

##### Established a list of relevant sustainability topics

With reference to international trends, peer practices and the past results of stakeholder engagement, the consultant assisted COPL in identifying **26** topics that are most closely related to its business and impact, covering five major areas: "Sustainability Governance", "Environment", "Employment and Labour Practices", "Operating Practices" and "Community Investment".

#### Step 2

##### Collection of opinions from stakeholders

Through online questionnaires, the Group invited internal and external stakeholders to rate the 26 identified sustainability topics. The scoring criteria include the importance to stakeholders and the impacts of COPL on the environment and society. The Group collected a total of

**5,305** valid  
stakeholder questionnaires.

#### Step 4

##### Confirmation of material topics

The materiality matrix and analysis results are discussed and recognised by the Sustainability Steering Committee on behalf of the Board.



#### Step 3

##### Identification of material topics

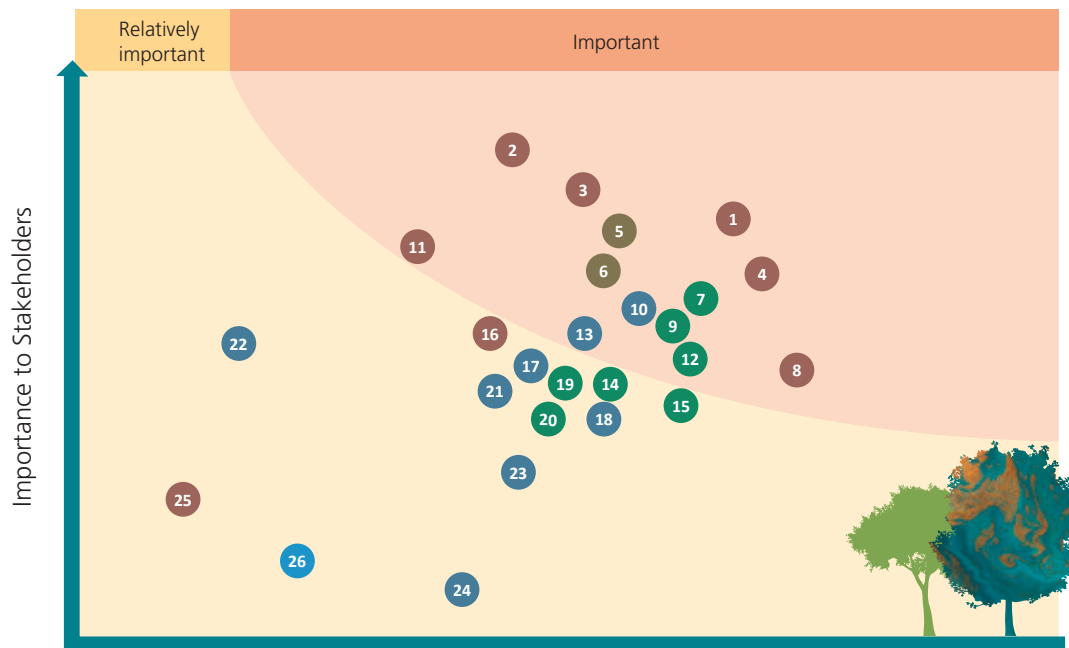
The consultant analysed the opinions of stakeholders and identified

**13** material topics.

In addition, the Group also invited stakeholders to identify areas where the Group can actively contribute to, and take into consideration the Group's sustainability strategy in the future.

Responding to Stakeholders' Expectation (Continued)

Materiality Matrix 2020



Impacts of COPL on the Environment and Society

Material Topics and Sections of Response<sup>4</sup>



Improving Sustainability Governance	Adhering to Business Ethics	Strengthening Employment System
26) Sustainability risk management	5) <b>Anti-corruption*</b> 6) <b>Business ethics*</b>	1) <b>Establishment of a comprehensive employment system*</b> 2) <b>Employees' well-being*</b> 3) <b>Respect for human rights*</b> 4) <b>Development of the property management industry*</b> 8) <b>Employee training and development*</b> 11) <b>Occupational health and safety*</b> 16) <b>Prevention of child labour or forced labour</b> 25) <b>Diversity and equal opportunities</b>

<sup>4</sup> The numbers refer to the materiality ranking and "\*" denotes material topics.

Responding to Stakeholders' Expectation (Continued)

Serving the Community with Commitment	Fulfilling Environmental Responsibility
<p><b>10) Procurement practices*</b>  <b>13) Tenant engagement*</b>                      17) Inclusive society                      18) Investment in community engagement                      21) Smart services and innovations                      22) Customer health and safety                      23) Service quality management                      24) Responsible marketing</p>	<p><b>7) Waste management*</b>  <b>9) Resources management*</b>  <b>12) Energy management*</b>                      14) Management of air and greenhouse gas emissions                      15) Green property management and operation                      19) Tackling climate change                      20) Water resource and sewage management</p>

During the Year, the Group collected opinions from stakeholders on the topics that the Group can contribute to, and identified 5 sustainability topics:

Sustainability topics that the Group can actively contribute to	The Group's responses
<div style="background-color: #2c5e8c; color: white; padding: 5px; border-radius: 10px; display: inline-block; margin-bottom: 10px;">Employee's well-being</div> 	<p>In addition to providing employees with various employee benefits, the Group also formulates an exclusive employee care plan for employees every year to cater for their needs and enhance their sense of belonging at work.</p> <p>For further details, please refer to the section headed "Strengthening Employment System — Nurturing Employees' Well-being".</p>
<div style="background-color: #c48e3d; color: white; padding: 5px; border-radius: 10px; display: inline-block; margin-bottom: 10px;">Employee training and development</div> 	<p>The Group strives to build a competitive team, with various training and cultivation programmes for employees in place. To build a talent echelon, the Group arranges specific training activities and provide career planning and development suggestions based on their daily duties and career development needs.</p> <p>For further details, please refer to the section headed "Strengthening Employment System — Building Employees' Competencies".</p>

## Responding to Stakeholders' Expectation (Continued)

### Sustainability topics that the Group can actively contribute to

Development of property management industry



Occupational health and safety



Service quality management



### The Group's responses

As the Vice President Unit of China Property Management Institute, the Group is committed to building a sound employment system and maintaining communication with peers to jointly enhance the employment relationship in the property management industry.

For further details, please refer to the section headed "Strengthening Employment System — Robust Employment System".

The Group focuses on protecting employees' health and creating a safe working environment. Under the influence of the COVID-19 epidemic during the Year, the Group has put in place more stringent anti-epidemic measures.

For further details, please refer to the section headed "Strengthening Employment System — Occupational Health and Safety".

The Group is dedicated to providing customers with professional and customised services, and strives to continuously enhance the standard of property management, and improve customer experience and satisfaction with professional services.

For further details, please refer to the section headed "Serving the Community with Commitment — Safeguarding Service Quality".



Adhering to  
Business  
Ethics

## Adhering to Business Ethics (Continued)



## Section Highlights

In addition to providing quality services, a successful business should also build a trusting relationship with its stakeholders, and this is the exact reason that COPL enjoys enormous trust from its customers. The Group is committed to promoting a culture of integrity in its daily operations and supply chain cooperation, and strives to maintain ethical operations with the protection of customers' interests as a condition of services.

**(1) Upholding Corporate Ethics**

- No supplier was removed from the supplier list due to corruption
- Held a series of activities named "Leading to Honesty, Probity in China Overseas"

**(2) Protecting Customers' Rights**

- No complaints about confirmed infringement of customer privacy or loss of customer information

**(3) Protecting Intellectual Property Rights**

- Provided employees with intellectual property education and training

**(1) Upholding Corporate Ethics**

- **Formulating Integrity and Anti-corruption Policies and Related Measures**

The Group has zero tolerance for any forms of corruption, including bribery, extortion, fraud and money laundering. It promotes the idea of "dare not corrupt, can't corrupt, won't corrupt". The Group has formulated a series of policies, including, among others, the Detailed Implementation Rules for Employees' Integrity and Self Discipline, and the Employees Code of Conduct. These policies regulate the work process related to anti-corruption and require each unit to seriously implement the established policies. Meanwhile, the Group educates its employees on complying with regulations and laws by setting up internal publicity columns, compiling warning materials on typical cases, and organising visits to anti-corruption and integrity promotion education bases. During the Year, the Group did not receive any concluded cases of corruption involving the Group or its employees.

In addition to its employees, the Group also requires suppliers to comply with its anti-corruption requirements. The Group uses the provisions in the Open Letter from COPL to Contractors and Suppliers to provide suppliers with guidelines on honest business practices. The Group also requires all suppliers to sign the Commitment Statement on Integrity Practices to avoid corruption and bribery. The Group conducts annual audits of supplier performance, which includes integrity audits. During the Year, there were no cases where a supplier was removed from the supplier list due to corruption.

- **Setting up Anti-corruption Reporting Channels**

The Group also provides anti-corruption reporting channels such as monitoring hotline, reporting mailbox, reporting address and the 400 service hotline to encourage stakeholders to report any internal or external corruption, bribery, misappropriation for personal gain, money laundering or other corrupt practices. The Group is committed to protecting the personal data of all whistle-blowers and ensuring that they are not subject to any unfair treatment as a result of reporting. In response to the reports of corruption received, the Group will assign dedicated staff to conduct investigations. Once a report is substantiated, a penalty will be imposed in accordance with the established system, and the severe cases will be referred to the judicial authority.

- **Communicating Anti-corruption Messages to Employees**

In recent years, COPL has been actively compiling various integrity readers for employees to read at their convenience, an attempt to optimise anti-corruption policies and messaging. In 2020, the Group updated the Professional Managers' Integrity Readers, which includes various law violation cases and corresponding handling guidelines, thus providing employee groups with specific functions with typical case studies on potential corruption risks relevant to their daily duties.



### “Leading to Honesty, Probity in China Overseas” Series

As part of the promotional activities for the COHL Leading Culture, the Group carried out a number of activities under the “Leading to Honesty, Probity in China Overseas” series during the Year to advocate integrity and probity throughout the Group. These activities include:

Activities	Description
<b>Awareness training</b>	All employees are required to receive awareness training at their employment, such as organising visits to awareness education bases and video training on awareness. In addition, the Group organises an oath of work integrity, where employees in key positions are required to sign an undertaking of integrity in employment.
<b>Competitive learning programmes</b>	The Group regularly organises training programmes for employees to learn about industry-related laws and regulations as well as internal systems for corporate compliance. Moreover, the Group also organises contests on knowledge of integrity and competitions of calligraphy, painting, poster design and micro-video production to promote the culture of integrity.



## Adhering to Business Ethics (Continued)

Activities	Description
<b>Upholding probity in families</b>	In addition to the requirement for employees to abide by the undertaking of integrity in employment, the Group also disseminates integrity-related knowledge to the families of employees by organising activities such as “Kiddie Speak of Integrity” and “Bringing Integrity into the Community”, and various educational activities on anti-corruption in the communities where the Group operates.
<b>Sporting events</b>	During the Year, the Group took part in a sporting event organised by COHL with the theme of integrity as a corporate culture. More than 100 employees from the Hangzhou Company of the Group, together with other subsidiaries of COHL, participated in this event, in which employees enhanced their understandings on integrity culture through sporting activities.
<b>Cooperate with the government</b>	The Group regularly conducts “Joint Integrity Building” activities with local Disciplinary Inspection Committees, Supervision Commissions, courts, prosecutors, subdistrict offices and other authorities to maintain communication with regulatory bodies.



## (2) Protecting Customers' Rights

- **Protecting Customer Privacy**

The Group endeavours to protect customers' rights and privacy. The Group's policies, such as the Customer Profile Management and the Property Control Procedures for Customer and External Parties, expressly set out work procedures for protecting customers' personal information, including management of customer information, information collected in visitors' logbook, preservation and storage of surveillance videos, etc. In addition, the Group's Management Handbook specifies requirements for customers' information protection and stipulates that service departments shall protect all customers' information involved in the course of service. In the event of customers' information leakage, the Group shall record and investigate the cause and report to the customers promptly. Moreover, the Group also reviews the information and storage procedures to avoid future cases. During the Year, the Group did not receive any complaints about customer information leakage proven to be in violation of customer privacy.

COPL believes that preventing the risk of information leakage and ensuring proper storage for customers' information are the most effective management approaches. The Group regularly organises information safety and security training for employees to raise their awareness of customer information protection. At the same time, the Group requires all service units to comply with the principles of customer information management:

### Principles of Customers' Information Management

#### Choices

To maintain property management service quality, the Group collects customers' personal information, such as name, address, e-mail address, etc. Purpose of data collection must be explained to the customer prior to the collection of his/her personal information to ensure the customer understands the purpose and management method of the personal information provided. Customers may also opt for different information management methods and decline the provision of certain information without any compromise in service quality.

## Adhering to Business Ethics (Continued)

Principles of Customers' Information Management	
<b>Protect confidentiality of communication</b>	The Group strictly abides by laws and regulations in relation to personal information, including but not limited to the Personal Data (Privacy) Ordinance, to protect customers' rights. The Group's Information Storage System is equipped with access restriction and record function to log every information access and change. Through effective information security management technology, the Group strives to keep customer information safe and prevent customer information leak, damage or loss. The Group also conducts regular maintenance for the information management platform to ensure the safety and stability of the platform.
<b>Reasonable and necessary</b>	To maintain customers' confidence in the Group's services, the Group collects only the necessary information, such as name and contact number, and explains to customers the necessity of collecting specific information and its relevance to maintaining service quality.
<b>Clear and transparent</b>	In the course of personal information collection, the Group introduces the privacy policy to customers in easily comprehensible statements for them to clearly understand the Group's information handling and storage method.

- **Ensuring the Accuracy of Promotion Materials**

In addition to protecting customers' personal information, COPL also attaches great importance to delivering accurate and balanced advertising information to customers. The Group's Media Management System regulates advertising efforts of the Group by establishing standardised media message publication standards in respect of the dissemination of advertising information for various operating regions. Based on the principles of accuracy, truthfulness and plainness, the Quality Management Department conducts stringent assessment on all published marketing information, including product manuals, brochures, posts on social media, marketing materials, etc. The Group guarantees the truthfulness and reliability of published information, including financial, legal and technical information to avoid misleading information. It also offers a precise description of product or service contents and prevents false information or hyperbole in publicity materials. The Group monitors the implementation of media management of departments at each level through a grading system, thereby promoting its business and brand value and, at the same time, ensuring proper protection for the Group's trademarks to avoid abuse.

### (3) Protecting Intellectual Property Rights

COPL considers technology advancement as a crucial factor for improving the quality of property management. It is of utmost importance for the Group to protect intellectual property rights in the development of innovative technology. Xinghai Wulian, a subsidiary of the Group, is primarily engaged in the provision of smart community service to the Group. As a leading domestic smart community service provider, Xinghai Wulian actively takes part in technology research and development to enhance the quality of the Group's property management. COPL emphasises intellectual property rights protection. All technologies developed by the Group are under the protection of established policies, such as the Intellectual Property Rights Management Handbook. The Handbook sets out Xinghai Wulian's pledges and its efforts in intellectual property rights protection.



### Xinghai Wulian's Pledges and Efforts in Intellectual Property Rights Protection

#### Setting an approach for intellectual property rights management

To ensure an appropriate management approach is set and necessary resources are provided in relation to the implementation of intellectual property rights management.

#### "Scientific Management, Value Promotion, Rights Protection, Continuous Innovation" approach

COPL adheres to a scientific management model to systematically manage Xinghai Wulian's scientific research products to complement the corporate development strategy and promote corporate value. As the Group continues to innovate, it strives to protect the intellectual property rights of its products.

#### Delegating and clarifying the responsibility of intellectual property management of each unit

The Group has delegated authority on matters relating to intellectual property management and established a management structure that identifies the functions of various departments.



Manager

The management of Xinghai Wulian is responsible for intellectual property management, the implementation of the management policy, leading the review of the intellectual property management system. It reports to Xinghai Wulian regularly on the progress of intellectual property management.



Executors

Relevant departments are responsible for jointly implementing the contents of the Intellectual Property Management Handbook.

**Human Resources and Administration Department** — responsible for the intellectual property background check of new employees and reminding resigned employees of matters on intellectual property rights;

**Engineering and Technology Department** — responsible for system software and hardware management;

**Operations and Quality Assurance Department** — responsible for the licensing and use of intellectual property rights;

**Cost Management Department** — responsible for supplier management of intellectual property related issues;

**Financial Management Department** — responsible for formulating intellectual property budgets and related contractual terms; and

**Research and Development Department** — responsible for intellectual property risk assessment at all stages of the project and the preparation of a contingency plan.

## Adhering to Business Ethics (Continued)



## Xinghai Wulian's Pledges and Efforts in Intellectual Property Rights Protection

**Regular review of the effectiveness of the intellectual property management system**

Xinghai Wulian conducts a review of the intellectual property management system at least once a year to ensure its effectiveness in the following areas:

1

Alignment of work during the Year with management policies

2

Results of internal and external reviews

3

Alignment of R&D products with corporate business development

4

Intellectual property risk assessment

5

Trends of industry technology and standards

6

Financial expenditure performance

7

Effectiveness of management measures for intellectual property risks

8

Implementation of preventive and corrective measures

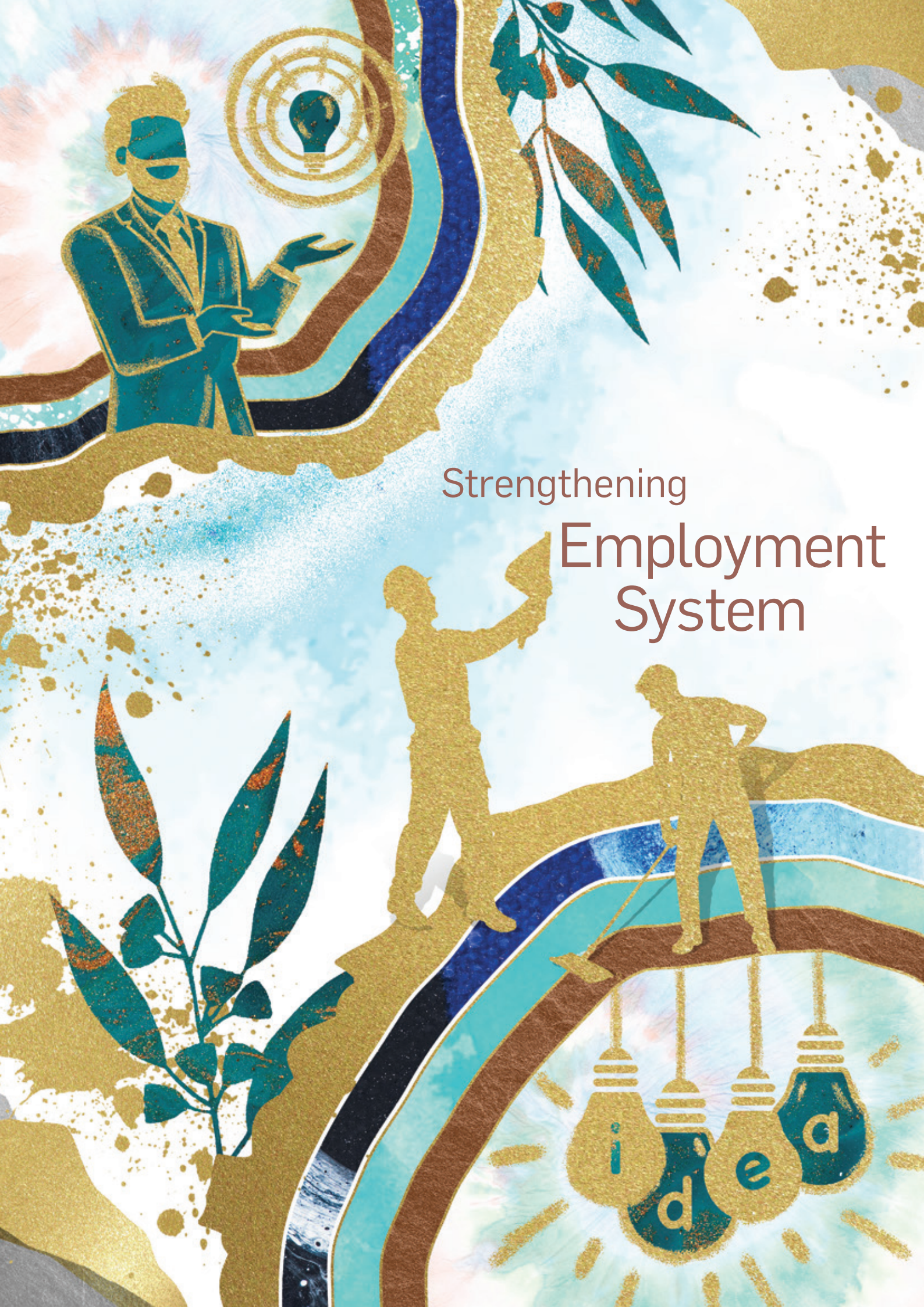
9

Identify changes in laws, regulations and policies that may affect the management system

The Group proposes improvements to its policies and measures based on the review. All proposed improvements are set out with a definite completion date and shall be implemented subject to the approval of the general manager of Xinghai Wulian. The Group has also adjusted the Intellectual Property Management System in a timely manner to maintain effective management. During the Year, in line with the recommendations from the review, the Group has formulated the Emergency Handling Mechanism for Intelligent Equipment and Facilities Management Platforms, which standardises the emergency handling process of the intelligent equipment and facilities management platforms of over 500 projects nationwide.

**Intellectual property education**

An effective system relies on the cooperation of all employees and the practical implementation of the established policies and measures. In response to the functional needs of all departments and employees, the Group regularly provides education and training on intellectual property rights to different levels and contents to enable them to understand the relevance of their work to the achievement of the intellectual property management policy.



Strengthening  
Employment  
System

## Strengthening Employment System (Continued)



## Section Highlights

COPL firmly believes that, to move further towards a human-oriented operation, there are no other ways than standing by its employees and building COPL on the ground of meritocracy. As the Group's employees have always been key partners in COPL's sustainability journey, it remains steadfast in providing them with an ideal working environment and supporting them to develop their talents while not leaving behind their health and safety, so as to achieve a balanced work and well-being culture.

**(1) Robust Employment System**

- 45,398 employees
- Annual employee satisfaction rate of 80%

**(2) Building Employees' Competencies**

- Optimised human resources management and talent training, consolidated the existing policies into a standardised Measures for Human Resources Development and Training Management
- 99.5% of employees received relevant functional training during the Year

**(3) Nurturing Employees' Well-being**

- Implemented employee care programme named "Leading the Way to Care, Happiness Always"

**(4) Occupational Health and Safety**

- The Group has been accredited with the international standard OHSAS 18001 for its Occupational Health and Safety Management system
- Establish a Safety Production Committee
- Work-related injury rate of 2.45 per 1,000 workers

## (1) Robust Employment System

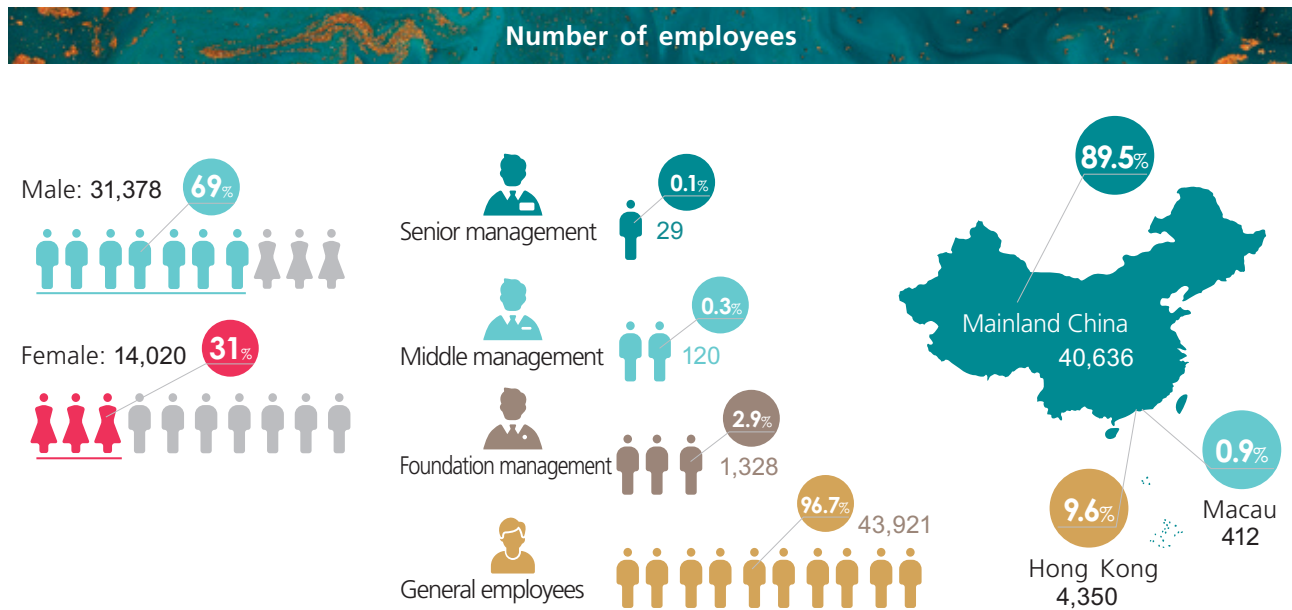
### • Formulating Management Principles for our Employment System

A robust Employment System is one of the most important factors for corporates to realize sustainability. To establish such a system, mere compliance with laws and regulations of respective operating regions is not sufficient. A company should also emphasise safeguarding the interests and rights of its employees, while establishing a platform for them to develop their talents. With the management philosophy of “Cultivating Culture with Management, Converging Talents with Culture, Enhancing Value with Talents” in mind, COPL strives to establish a robust employment system, setting in place various policies, such as the Human Resources Management Control Procedures and the Employee Positioning System, to regulate various employment issues ranging from recruitment, compensation and benefits to working hours. The Group’s Employment System adheres to the following four management principles to maintain an effective human resources mechanism:

Management Principles for Employment System	
<b>Standard consistency</b>	Employee positioning should follow consistent standards to ensure that the basic qualities and professional competencies of the recruited and promoted employees meet the Group’s recruitment criteria.
<b>Position compatibility</b>	Employee positioning pipelines and assessment means are selected in accordance with the position requirements to ensure compatibility between the capability of potential hires and job functions.
<b>Fairness, openness and equity</b>	Ensuring equal opportunities in respect of job positions under the principles of transparency and integrity, adhering to meritocracy to prevent nepotism and corruption.
<b>Doubt avoidance</b>	Applicants are required to declare their relationship with the Group’s employees. Spouses, immediate family members and close relatives of employees will be assigned to work in different units or departments, in order to ensure the principles of “fairness, openness and equity” are effectively implemented.



## Strengthening Employment System (Continued)



- **Establishing a Comprehensive Appraisal System**

The Group conducts annual performance appraisals for its employees, to evaluate working performance and understand their needs, as well as to set individual performance targets. During the Year, the Group further improved its performance appraisal mechanism for the promotion of fair internal competition. In accordance with the Group's business development strategies and needs, it strengthened the weighting of target accountability in the appraisal system, and made adjustments to existing practice so that targets would be achieved with concerted efforts of relevant departments at headquarters and each of the regional companies, to standardise the development direction of human resources of each unit.

- **Setting up Mutual Communication Channels with Employees**

The Group regards good communication as the foundation of a sound employment system. In addition to in-depth interviews with employees during the annual review, the Group has also set up various feedback channels for its employees. The communication mechanism and grievance channels established for the Group's employees include setting up a leader's mailbox, creating anonymous QQ communication groups, and conducting regular gatherings in the form of venting sessions and Manager Communication Day, to create a fair, impartial and open atmosphere. During the Year, COPL has set up Happiness Index bulletin boards for employees from regional companies and gathered anonymous feedback from employees through monthly psychometric tests and questionnaires, to achieve a better understanding of their happiness level at work and in life. In addition, city companies utilise the Happiness Index as a tool for initial assessment of employee satisfaction. City companies regularly analyse the results of the Happiness Index survey and organise quarterly communication and interview sessions. It enables companies to improve in terms of employee positioning, working hours arrangement and comfortableness of dormitory. These channels provide a safe platform for employees to voice their opinions, and the Group will actively follow up on employees' opinions, thus facilitating improvement of the Group's employment system.

## Strengthening Employment System (Continued)

- **Striving to Improve Employee Satisfaction**

To enhance COPL's understanding of employees' satisfaction rate, the Group engages an external survey agency to conduct biannual satisfaction surveys for employees. The 2020 survey found that the overall employee satisfaction rate reached 80%, with the engagement level<sup>5</sup> approximating to 77%, which was higher than the industry average. Compared with the previous year, the results indicate a significant growth in employees' satisfaction in respect of remuneration and benefits, work resources and work-life balance, with the biggest increase of 12% in remuneration and benefits. The Group also surveyed the drivers of employee engagement and the findings showed that senior leadership, communication and collaboration, career development, autonomy, as well as performance management, were the five most influential factors. COPL will persevere in improving its employees satisfaction on the ground of such findings.



- **Implementing a Fair and Equitable Employee Selection System**

The Group has put in place various human resource-related policies, under which fair, just and open principles are followed, and standardised selection criteria are adopted, aiming to protect the rights and interests of employees. Recruitment decisions are made in accordance with the actual needs of the position and the ability of the candidate. No employee will be preferred over or discriminated against due to factors such as gender, marital status, pregnancy, disability, family status or ethnicity.

- **Prevention of Child Labour and Forced Labour**

The Group adopts a zero-tolerance approach towards recruitment of child labour and forced labour of any form and implements strict approval procedures. Newly hired employees are required to provide identification proof and sign to confirm the truthfulness and correctness of provided information before on-boarding. This is to avoid any illegal recruitment of child labour or forced labour. In addition, the Group does not encourage forced overtime work and other forced labour behaviour. If working overtime 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 Year, the Group did not hire any child or forced labour.

## (2) Building Employees' Competencies

- **Improving Talent Development System**

COPL attaches great importance to the training and development of manpower. During the Year, in order to further define the Group's work in talent development and training management, the Group improved its Talent Development System and standardised internal development criteria. It is done by consolidating and modifying the existing training and management system into the Measures for Human Resources Development and Training Management, where the Talent Development System is established on the basis of four principles: 1) to be driven by corporate strategy and business needs; 2) to carry out closed circuit management from human resource planning to cultivation; 3) to integrate short-term

<sup>5</sup> Engagement level refers to employees' sense of belonging to COPL. The survey is based on the extent to which employees are willing to stay in and contribute to the Group.

## Strengthening Employment System (Continued)

talent pool and long-term development; and 4) to provide company-wide training and cultivation with a focus on key personnel, enabling effective management of the Group's talent and providing appropriate development opportunities for employees.

Talent Development System	
<b>Talent demand planning</b>	To carry out medium to long-term employee demand planning, annual employee positioning based on its corporate development and needs for employees' expertise, that complement the Group's overall business development. The Group also devises a five-year talent plan that focuses on the ongoing trends in the industry and society, making pre-emptive preparations for the talent demand in the coming five years. Annual employee positioning is planned in accordance with the medium to long-term talent planning to map out a talent demand plan, according to the business operation needs of the Year.
<b>Talent review</b>	The Group reviews the quality and structure of the current talent echelon at least every two to three years to analyse the effectiveness of relevant policies. During the Year, the Group identified capability shortcomings of individuals and teams through talent review and provided targeted cultivation and training to facilitate comprehensive talent development.
<b>Talent shortage and source analysis</b>	The Group analyses the gap between the current situation and demand for talents in key positions by integrating talent demand planning and results of talent review. The Group also defines the proportion of internally trained and externally recruited talent and specifies working schemes such as source and channels.
<b>Talent training and promotion</b>	COPL requests each city company to conduct an annual training needs survey by March every year to understand the training needs of employees and prepare an annual training plan accordingly.

### Employee training percentage



### Average training hours (hours)



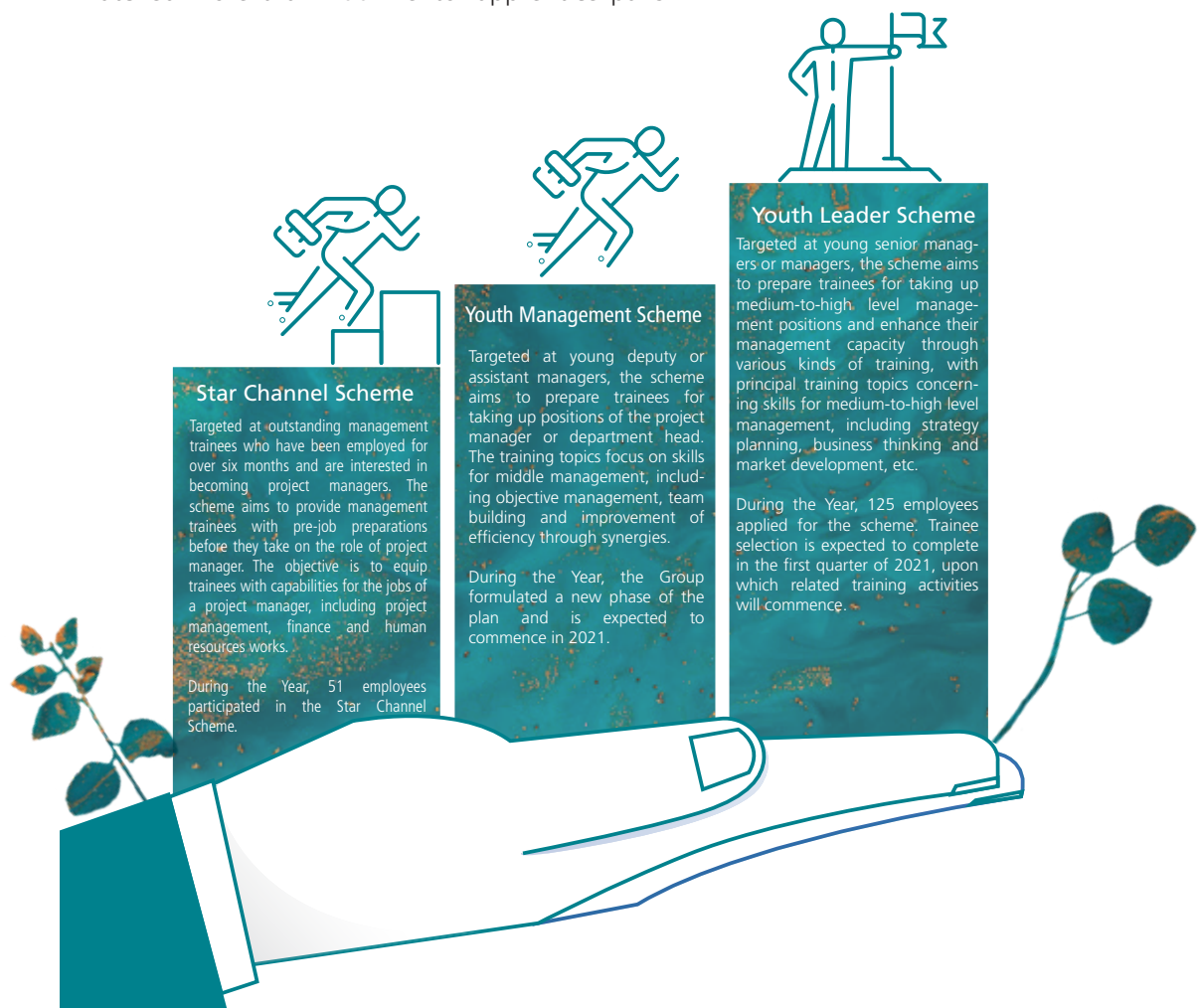
The Group arranges various training activities for employees according to the annual training plan and categorises talent development programmes based on target trainees and positioning of related development programmes, namely, the Young Talent Cultivation Programme, the Specialized Training Programmes and Professional Skill Enhancement Programme.

## Strengthening Employment System (Continued)

- Initiating Young Talent Cultivation Programme**

As an industry leader, the Group is committed to nurturing a new generation of employees and enhancing their professional expertise and skills. The Young Talent Cultivation Programme aims to identify young talents for systematic nurturing and develop their potentials so that they are capable to take up higher-level positions within two years. The programme focuses on potential exploration and comprehensive ability cultivation, and uses a medium to long-term development approach, combining with online and offline training, mentorship, internship, and exchange visits, to enhance employees' abilities.

The Group believes that the succession of professional knowledge and management skills will contribute to the development of the property management industry. In this regard, certain employees participating in the Young Talent Cultivation Programme can also engage in a mentoring scheme where they learn practical skills from supervisors or experienced staff. The Mentoring Scheme is an annual programme in which mentors and apprentices are paired up, with the mentor advising the apprentice to formulate a project development plan and offer one-on-one guidance to help the apprentice enhance working capabilities and be prepared for taking up the duties as a project manager. During the Year, the Mentor Scheme successfully matched more than 200 mentor-apprentice pairs.



## Strengthening Employment System (Continued)

- ### Specialised Training Programmes

The Specialised Training Programmes, consists of the Leadership Programme, the Navigation Programme, the Voyage Programme and the Sailing Programme, are targeted at employees from different levels. It aims to enhance their capabilities for their current roles. The Specialised Training Programmes focus on guiding employees of specific ranks to improve their leadership, management skills, problem-solving abilities and others, based on actual business needs. The training formats include offline and online training courses and practical seminars.



- ### Professional Skill Enhancement Programme

This programme provides training targeted at project management experts. The Group arranges training on professional qualifications based on their requirements. Apart from that, in order to encourage employees who have acquired relevant professional qualifications to pursue continuous education, the Group organizes various "training camps" where employees from different functions can attend centralised training, including training camps for finance managers, security management instructors and staff responsible for market expansion.



## (3) Nurturing employees' well-being

The Group cares about the well-being of our employees and considers maintaining their physical and mental health as the utmost priority for successful corporate operations. The Group organises regular health seminars and training on mental health-related contents every year, so as to pay close attention to the physical and mental health of employees. In addition, the Group provides dormitories and meals for employees to ensure convenience and comfortable living for its employees. COPL regularly organises various employee-care activities, such as sending blessings and gifts to employees on memorable dates such as their employment anniversary, birthday, wedding day and childbirth, to demonstrate the care of COPL for its staff.



### COPL Employee Care Programme — “Leading the Way to Care, Happiness Always”

COPL is committed to creating a harmonious working environment and a caring corporate culture for its employees. To enhance the sense of belonging and cohesiveness of its employees, the Group formulates a specialised employee care programme for employees every year. During the Year, COPL adopted the theme of “Leading the Way to Care, Happiness Always” to demonstrate care for employees who has been dedicated to their duties and made selfless contributions to the fight against the epidemic.

The Care Programme can be categorised into two types of activities, namely the Standardised Care Programme and the Specialised Annual Programme. Standardised Care Programme activities are a series of activities promoted by the Group every year, including employee communication, book-crossing platform and life care activities. During the Year, the Group has improved on the content of the Standardized Care Program activities and added a new suggested optional care program. City companies can choose from different activities according to their employees’ interests and needs, thus enhancing the flexibility of the programme. In addition, the Group also proposes activities based on the theme of the year for city companies’ reference.

#### Health and Care Month

During the Year, the Group officially designated April as the Health and Care Month, promoting health knowledge and awareness through organising various activities. At the same time, COPL organised sports activities such as badminton and basketball matches for its employee during leisure time to achieve work-life balance.

Apart from the regular caring activities, the Group has also developed several programmes based on the year’s themes, including:

##### 1. COPL Family Day

In appreciation of the support and understanding of the employees’ families, the Group organised an open day for employees’ families in various operating regions in 2020, inviting them to visit our properties and office areas to experience the working environment and recognise the value of the work of employees. In addition, the Group organised various recreational activities, such as family talks and sports competitions, to bring employees and their families closer to COPL and gain more support from their families.

##### 2. Dedicated Care, Dedicated to You

During the Year, COPL aimed to strengthen its care for specific groups of employees on special occasions, such as Children’s Day, Army Day and Teachers’ Day, to offer dedicated care for specific groups of employees. Activities held during the Year include inviting employees’ children to participate in activities on Children’s Day and sending blessings to instructors and lecturers on Teachers’ Day, aiming to deliver COPL’s care for employees from across different groups.

##### 3. Tide Raiser

To recognise the achievements of the Group’s employees, the Human Resources Department organised the “Tide Raiser” campaign on every property project during the Year. In each month, an outstanding employee was selected by self-nomination, election and assessment within department etc., as the “Tide Raiser”. Besides, a display board is set up to update the achievements of the awardees on a regular basis for sharing with other employees as well as building up a positive atmosphere for competition.



## Strengthening Employment System (Continued)

### (4) Occupational health and safety

#### • Improving Safety Management System

COPL is dedicated to protecting the health and safety of its employees. For employee safety management, the Group adopts the approach of “Life and safety operation first”, which is supplemented by the Group’s revised Safety Production Management Manual to standardise the Group’s safety management efforts. In addition, the Group is accredited with the international standard OHSAS 18001 for the integrity of its Occupational Health and Safety Management System. In order to improve the Group’s Safety Management System, the Group revised the Safety Production Management Manual to standardise its existing work-related health and safety management policies and implement principal accountability in COPL’s operation safety. Under this manual, the Group established a Safety Production Committee (the “Safety Committee”). The party committee secretary and the chairman of the Board of COPL serve as the director of the Safety Committee and the chief executive officer as the deputy director, under their leadership, the general managers at all levels of the Group are in charge of managing the safety of work environment. The Safety Committee meets at least twice a year to ensure the effectiveness of management policies and guidelines. In addition, there are, under the Safety Committee, subordinate safety committees set up by the regional companies and the regional management centres, and a safety production team established by the project management office, so as to complement the safety management structure.

#### Safety Committee



It comprises the Group’s management, which is responsible for receiving reports on the work structure of safety production at each working level, analysing the trends of safety production in COPL, and formulating occupational safety management policies.



#### City Company Safety Committee City Management Centre Safety Committee



They comprise district administrators and safety-related employee and are responsible for compiling reports on the safety production work of each city and deploying district occupational safety work.



#### Project Unit Safety Working Group



It consists of the project manager and the site safety manager. It is responsible for implementing the Group’s management policies and measures on safety production, identifying occupational health and safety issues in the project working environment, and making timely adjustments.

## Strengthening Employment System (Continued)

- ### Focusing on Occupational Safety Training

Preventing work incidents is the Group's priority in managing occupational health and safety. The Group's annual safety production plan includes several safety training and drills to ensure that employees are aware of occupational safety. In addition, the Group has a Safety Education and Training System in place to define education and training contents and targets. It also manages the preparation of safety education and training programs. The Group requires all employees involved in the projects to attend the safety education and training organised by the relevant local government departments in accordance with the regulations. Employees shall obtain the corresponding safety production qualification certificates and complete the corresponding hours of continuing education and training within the three-year validity period. In addition to providing position-specific training for employees, the Group uses constant reminders to keep employees on track, such as meetings that promote occupational safety awareness, internet notifications and briefings; as well as safety education and training for new employees on the job site and pre-work safety education each day before they start working.



- ### Establishing Handling Process for Safety Incidents

When a safety incident occurs, the Group will immediately obtain an understanding of the injury condition and provide appropriate treatment. The person in charge of the unit involved should report to the relevant local government department within one hour. At the same time report to the senior company in charge and eventually to the Group's headquarters through the reporting lines. The Group will also set up a safety accident investigation team to investigate and analyse the management-related reasons for the accident and analyse the defects in technical standards, technical solutions, and operating procedures. After the investigation is completed, the investigation team needs to prepare an accident report based its direct causes, management causes, and root causes. The report is submitted it to the Safety Working Group for review. The Safety Working Group shall determine the responsibility for the accident based on the and formulate a rectification plan investigation finding. The entire accident handling process shall be completed within one month and a report shall be submitted to the Safety Committee for confirmation. During the Year, the Group recorded 111 cases of employees who got injured while performing services, and there was none serious work-related injury. All work injury cases have been handled and reviewed according to the above mentioned procedures.



## Strengthening Employment System (Continued)

Number of work-related injuries



Number of serious work-related injuries<sup>6</sup>



Work-related injury rate per 1,000 workers

**2.45** persons



### Safeguarding Employees' Health

During COVID-19, COPL's employees dedicated themselves to the front-line of epidemic prevention and control, remaining steadfast to their posts to maintain the health and safety of customers. In order to fully protect the health and safety of the Group's employees, it provides protective gears such as masks to employees and distributed approximately 5.5 million masks during the Year. In addition, the Group has also formulated a number of working guidelines to stipulate the protocols, including guidelines for daily duties, protocols in dormitories when resuming work and under medical isolation observations. The Group has also immediately insured all employees for COVID-19 to protect their health and safety at work.

COPL cares for the health of employees at work. It conducted national video conferences twice a week to not only review the regional prevention and control work, the epidemic trends and the implementation of government policies, but also understand the needs of its employees. Dr. Yang Ou, the Group's Chief Executive Officer, emphasised that persons in charge at all city companies must take the initiative to handle the physical and mental care for employees properly and secure resources. In February 2020, for investigation and surveying purposes, Dr. Yang Ou and his team visited the frontline of epidemic prevention and greeted the staff in Residence Nine in Shenzhen and the project near Shenzhen Bay. The investigation focused on the control points in the communities, including access control, temperature check of employees before work, sanitisation of public area and hygiene in front-line worker dormitories and canteen. During the investigation, Dr. Yang Ou and the team gave their regards to the frontline workers, acknowledged their sacrifice and reminded them to protect themselves at work.

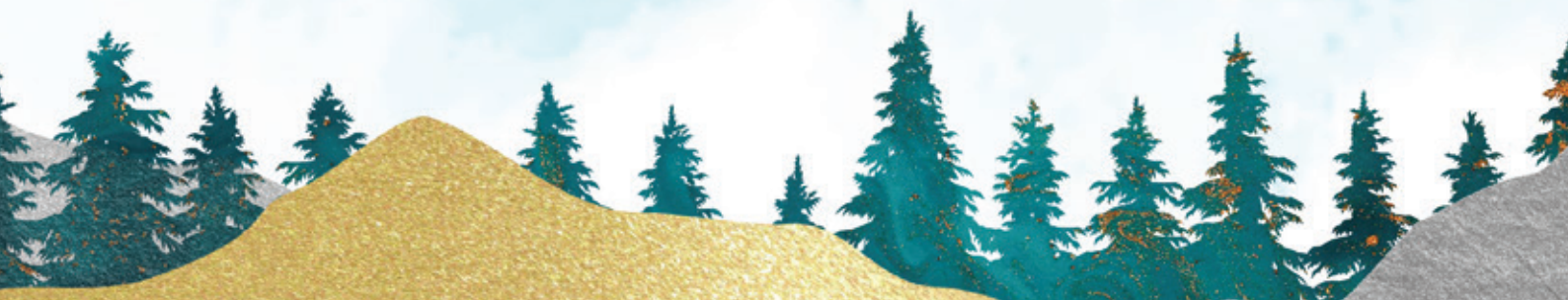
At the same time, the Group understands that under such severe epidemic, employees will inevitably under mental pressure of contracting the disease or even infecting their family members. To maintain employees to be positive during the pandemic and ease their mind, the Group gathered various city companies to carry out employee mental health training activities with the theme of "Fight the Virus, Care for the Soul", including opening a stress relief line to relieve employees' negative emotions, online psychological consultation to relieve employees' mental pressure, and sharing mental health knowledge to help employees self-adjust, so as to safeguard the employees' mental health.



<sup>6</sup> A serious work-related injury refers to an injury that cannot or is not expected to recover to the pre-injury health condition within six months, excluding death. During the Year, serious work-related injuries occurred in Jilin, Jinan, Huizhou, Shanghai (two cases), Hohhot, Beijing, Shantou and Tianjin. The causes of serious work-related injuries include falls from heights, slips, exposure of chemicals to the eyes and traffic accidents. The Group has launched investigations and rectification immediately after the accident. In addition, the Group has also provided additional training for employees of relevant positions to prevent the recurrence of similar incidents.



Serving  
the **Community** with  
**Commitment**



## Serving the Community with Commitment (Continued)



## Section Highlights

Since its establishment, COPL has been adhering to the service promise of “Property Assets to be Entrusted”. The Group aims to build sustainable communities with a sincere service attitude by enhancing service quality; taking care of customer health and safety; promoting customer experience through smart technologies; extending corporate civic responsibility to its supply chain through responsible procurement policies; practicing social responsibility by caring for the community.

**(1) Safeguarding Service Quality**

- The third Renovation Plan saw a completion of 2,171 renovations
- Complaint handling rate of 100% for the 400 call centre

**(2) Customer Health and Safety**

- Implemented COVID-19 prevention and control measures
- Safety awareness activity

**(3) Smart Optimisation Management**

- “U+” internet ecosystem
- Smart facility platform management

**(4) Responsible Procurement Practices**

- Number of existing suppliers: 13,729
- All suppliers are inspected annually in accordance with the Group’s practices

**(5) Caring for Community Welfare**

- Community customer care activities
- Poverty alleviation work in Zhuoni County

**(1) Safeguarding Service Quality**

The Group focuses on providing professional and quality property management services and has obtained the ISO 9001 system certification to ensure that its quality management system meets international standards. The Group strives to become an integrated solution provider of property services in the entire value chain of real estates at different stages of property development, by providing professional and customised services to various stakeholders, including developers, commercial clients, owners and property enterprises.

- Providing Inspection and Follow-up Services Before and After Property Move-in**

COPL believes that quality property management services are not limited to the management of properties in operation. Therefore, the Group provides pre-move-in services, including site services, preliminary quality control consultancy services and home inspection services, aiming to enhance the quality of owners' living environment through value-added pre-move-in services. The Group's home inspection services aim to inspect the facilities in the property project, such as windows, doors, water supply and drainage, room dimensions, equipment installation, decorative finishes, and the protection and functionality of finished products before the property developer delivers the property to the owner. From the perspective of assuring the normal use and maintenance of the unit in the future, the Group will, on behalf of all property owners, raise the identified problems to the developer and construction unit to ensure that all problems are rectified before property move-in and the conditions thereof are met. This service not only enhances the living experience of property owners, but also reduces the workload of property renovation during the move-in period and avoids legal risks such as lawsuits by property owners due to related problems.

In addition, all newly completed projects of the Group will be subject to the property move-in scenario planning and post-evaluation, and are governed by relevant systems and policies, such as the Guidelines on Scenario Planning for New Projects and Guidelines on Post-Project Evaluation. At different stages of a new project, such as before and after property move-in, six months after property move-in, one year after property move-in and two years after property move-in, the Group regularly conducts systematic assessments, reviews the operation status of the project, summarises its management experience, continuously optimises the management plan, and improves management quality.

**Before  
property  
move-in**

The scenario planning of the newly completed projects should be started two months prior moving into the property and the report thereof should be submitted to the Group's Quality Management Department for review 15 days before the occupation. The scenario planning report should include project management service outline, project service menu design, pre-move-in risk screening results and a list of key tasks for three months before and after property move-in.

The scenario planning report integrates the actual situation of the project, formulates the detailed service items, and lists out the notable facts for each service. In addition, the report will also document the results of the final pre-move-in risk screening and develop corresponding counter-measures. Finally, based on the results of the service menu and risk assessment, the Group will formulate the tasks to be performed three months after the property move-in of the project, and specify the relevant responsibilities and completion time.

**After  
property  
move-in**

After the property move-in, the Group will conduct daily, weekly, monthly and quarterly service quality inspections in the course of daily operation, as well as regular evaluation of the delivery status of new projects after property move-in.



## Serving the Community with Commitment (Continued)

## Six months

The evaluation six months after property move-in includes 1) quality of property move-in and delivery; 2) renovation of common areas and housing inspection problems; 3) project engineering information; 4) transfer of client information; 5) settlement of pre-property costs; 6) establishment and implementation of project management system; and 7) on-site management during the intensive renovation period and move-in period.



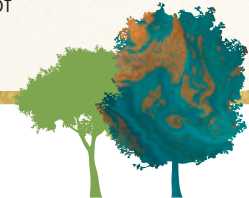
## One year

The evaluation one year after property move-in includes 1) satisfaction analysis during the settling-in period; 2) project financial operation; 3) project contract performance; and 4) project management risk and difficulty control.



## Two years

The evaluation at two years after property move-in includes 1) stable and regular satisfaction analysis; 2) project financial operation; 3) project contract performance; 4) project management risk and difficulty control; and 5) preliminary work for the preparation of property owners committee.



- **Proactive Communication with Customers**

COPL proactively maintains two-way communication with its customers, so as to understand their evaluation of property work and potential needs, thereby establishing a good customer relationship. The Group's Communication and Information Exchange Control Procedures stipulates that each property project is required to formulate a communication plan according to the needs of its customers through various communication channels including corporate APP, WeChat groups, QQ groups, telephone calls, monthly property owners committee meetings, quarterly customer meetings, occasional project hearings and so on. This is to collect proposals for service improvement from property owners and increase customers' engagement in community construction. In addition, on a quarterly basis, the Group presents the results of the improvement work plan in the form of Management Service Work Report to its customers, which is based on the opinions of property owners. During the Year, the Group conducted the third Renovation Plan to carry out quality improvement works for property projects with reference to the feedback from customers.



## Renovation Plan

The Renovation Plan is a customer experience-based plan with a view to improving customers' satisfaction. It is one of the important milestones for COPL in terms of communicating with customers. In 2020, the Group launched the third Renovation Plan, integrated the results of the communication between COPL and its customers in the previous year and collected their feedback to improve the property project environment. This plan aims to fulfil customers' needs and carry out perceivable and palpable optimisation and renovation. It also aims to maintain close contact with customers after each renovation, which includes the commitments to customers before construction, the progress update for customers during construction and customer experience after completion. As of the end of 2020, the Group has completed 2,171 renovations, with a total investment of around RMB87.76 million.

### Procedures of the Renovation Plan

#### Project Establishment Phase

COPL requires every city company to prepare a list for the Renovation Plan which sets out the optimisation and renovation needed for their properties under management. The list should be made with reference to (1) the satisfaction survey results in 2019, (2) research on customer contact points and (3) daily customer complaint, so as to duly respond to customers' demands.

Renovation items for old projects generally include renovation of entrances and exits, lobbies, elevator cars, basements and other parts. As to new projects, the Group combines the property company's clean-up plan and quality improvement plan to solve the remaining problems of the projects, and also address on greening landscape to improve customer experience.



#### Implementation Phase

After the Renovation Plan of each project has been approved by the headquarters, the management office of each property project will inform the property owners of the renovation issues of the project during the first quarter property owners' meeting. During construction, the Group kept the customers abreast of the construction progress, so as to minimise the inconvenience caused by the construction work to the customers. Upon completion of the project, the Group will invite the property owners committee or property owners' representatives to jointly inspect the project to ensure customer satisfaction.



#### Promotion Phase

Upon completion of all the rectification items, the Group conducted a review of the Renovation Plan for the year 2020 and collected feedback from customers to help the Group improve the planning of the Renovation Plan.



## Serving the Community with Commitment (Continued)



### Achievements of the Foshan Project Renovation Plan

During the Year, out of the 55 property projects managed by the city company of Foshan, a total of 41 property projects were renovated under the Renovation Plan. The renovation items range from painting and resurfacing to installing safety monitoring systems, all with the goal of enhancing customer experience and happiness. These improvement projects have been well received by the customers, and some of the improvement details of which are listed below:



#### Huafu Project

The Huafu Project received reports from customers regarding hidden dangers in the water pumps and water pipe network in the park. After analysing the reasons, the Group carried out the following renovations. The existing problems have been resolved and have received acceptance from customers:

- Replacement of basement catchment wells and repair of faulty pumps;
- Replacement of corner tiles in the park;
- Modification of drainage pipe network; and
- Replacement and installation of fire doors.

#### CITIC Belvedere

Since the opening of CITIC Belvedere, the recreational facilities in the park have been ageing and damaged over time, and there are potential safety hazards. In addition, some of the paths in the park had become uneven due to frequent use. After communicating with the customers, in order to improve their experience of using the public facilities, COPL carried out the following improvement items:

- Replacement of children's playground facilities;
- Replacement of basketball court facilities;
- Painting of amusement facilities; and
- Renovation of the asphalt pavement in the park.

- Promoting to Cocreate Harmonious Communities**

COPL hopes to use its influence to promote the concept of sustainable living style to customers. The Group regularly carries out publicity activities on environmental protection, property safety and green property management covering topics of waste reduction and classification, energy conservation, household safety, fire safety, renovation safety, etc. Through the publicity and popularisation of concepts such as energy conservation as well as waste classification and reduction, the Group raises the environmental and safety awareness of customers. The Group encourages them to form the habit of thinking and acting in conserving resources and protecting the environment, and proactively supporting and participating in green property management activities, thus creating a home that is low-carbon, environmentally friendly, safe, civilised and harmonious.

COPL is committed to providing quality services to its customers and considers their feedback as a driving force to improve the quality of its services. In order to ensure effective and timely handling of complaints, the Group has put in place a free 400 Call Centre service to receive complaints from customers across the country regarding service quality, hidden safety hazards, maintenance and management of public facilities, and environmental sanitation. The Group's Customer Complaint Management Measures provides guidelines for handling complaints against the Group, thus ensuring that the Group handles customer complaints with a consistent standard.

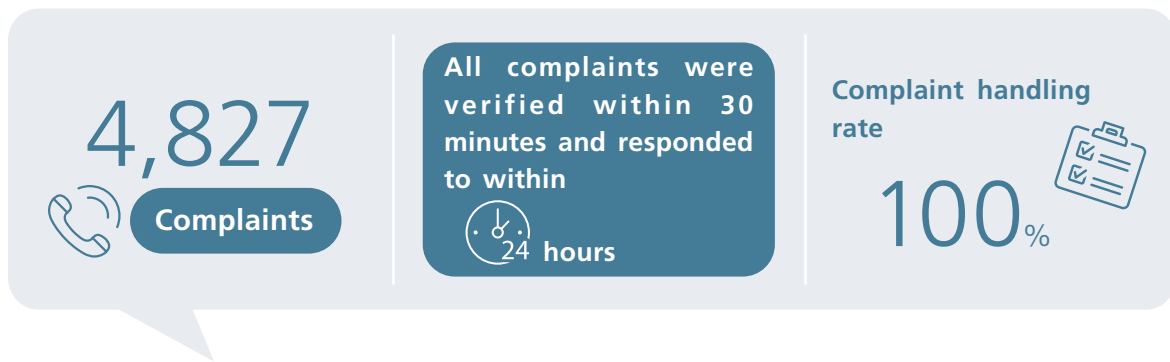
Principles of handling complaints	
<b>Timely</b>	Customers' complaints are dealt with in a timely manner and are handled effectively within the required time frame. If a complaint takes longer time to handle than planned, the Group will continue to follow-up and regularly update customers with the complaints handling progress.
<b>Integrity</b>	Promises and integrity are highly valued. By duly handling customers' complaints, their trust toward the company is earned.
<b>Professionalism</b>	Upholding professionalism and utilising its professional knowledge and skills to handle customers' complaints effectively showcase the Group's professionalism in providing services.



## Serving the Community with Commitment (Continued)

When a customer complaint is received at the 400 Call Centre, the Group adopts the First Person Accountability System, which means it is the responsibility of the receiver to record the information and events described in the complaint handling process and to investigate and verify such complaint in a timely manner. For incomplete information, the receiver should verify with the customer within one hour to confirm that the complaint has been duly received. The receiver will then investigate the complaint and advise the customer of the progress within 24 hours and complete the complaint within 7 days. If the complaint needs to be resolved by multiple departments, the Group will convene the relevant departments to discuss and work out a solution together.

In 2020, the 400 Call Centre received an aggregate of:



The Group plans to review the complaint handling process and quality of work at the 400 Call Centre to identify deficiencies in the process, so as to continuously improve its customer satisfaction rate.

## (2) Customer Health and Safety

Protecting the health and safety of customers is the first principle of the Group's operations. Relevant policies, such as the Safety Management Work Guidelines, the Environmental Management Work Guidelines, and the Emergency Management Regulations, set out the guidelines for the Group's daily operations in relation to the health and safety of its customers, as well as the responsibilities of employees in each department. COPL is committed to minimising safety hazards in its operations to protect the safety of its customers. The Group requires companies in various cities to inspect property projects at least once a month to identify potential safety hazards, classify such hazards by degree of severity, and follow established procedures to manage them.

### Safety Risk Management Procedures

#### Examination 01

In addition to established projects and routine safety checks before major festivals, the Group also conducts daily examination. Every property project shall undergo safety check at least once a month.



#### Report and rectification 02

Upon identification of safety risks, employees shall report immediately to the project manager. They should work together to categorise the identified risks into major risks, notable risks and regular risks in accordance with the Working Guidelines for Safety Risks Categorisation, Control and Accountability and report to the relevant department of the city company. After the categorisation of safety risks, the project unit shall devise a corresponding rectification plan and execute safety rectification measures and conduct rectification examination.



#### Assessment 03

To ensure timely elimination of safety risks at our property projects, the Group requires the city companies' employees to conduct assessment on rectifications for major risks and notable risks. In respect of major risks, the city company should conduct an on-site assessment of risk rectification to confirm that the risk has been eliminated, and only after that shall the risk status be changed to "eliminated". In respect of notable risks, the employees from city company may conduct assessment through video, photo or text instead of on-site inspection depending on the actual situation. After risk elimination, evidence such as relevant inspection videos, photos and texts shall be archived for inspection.



Major safety risk	Description	Response measures
<b>Fire facility management</b>	Problems such as the failure of the automatic fire alarm system or the firefighting system may lead to severe casualties.	Reinforce inspection and conduct regular tests on firefighting system. Implement immediate rectification upon identification of issues to prevent firefighting system failure.
<b>Public area management</b>	Safety risks of public area management, such as unauthorised storage or use of chemical and missing cover for gutter, sewer and well, may impact on the public hygiene. Misuse of chemical or falling into ditches may even threaten our customers' safety.	During the course of daily operation, inspectors should immediately remove any chemical waste discovered in public area and immediately cover any open ditches to prevent injury to customers.
<b>Renovation management</b>	Unauthorised alterations of main structure and loadbearing structure, as well as renovation works such as interior additions and expansions or building and structure construction, may alter the building structure and threaten building safety.	COPL requires owners to notify the Group before any renovation. In the event that the Group identifies any alteration to building structure arising from any unauthorised addition by the property owner, the property owner shall bear the costs of rectification and repair.

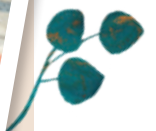
## Serving the Community with Commitment (Continued)

At the beginning of every year, the Group conducts annual safety works in accordance with the annual plan set out in the Safety Production Management Manual. According to seasonal changes, inspection is enhanced for any safety risk arising from the local weather in places of operations, such as blizzard specific inspections in winter and typhoon specific inspections in summer, to ensure that customer safety and property operation remain unaffected by weather conditions. Furthermore, the Group regularly organises different activities to promote property safety awareness, including Safety Production Month and 100 Days Without Accidents series events.



### Safety Awareness Campaign “Enhance Wellness with Safe Use of Elevators”

During the Safety Production Month in June 2020, COPL, Shanghai Mitsubishi Elevator Co., Ltd., Kone Elevator Co., Ltd. and other elevator maintenance units launched the 7th “Enhance Wellness with Safe Use of Elevators” thematic community campaign to promote awareness of safe use of elevator. The Group held seminars on elevator safety and elevator epidemic prevention, roadshows, graphic displays and emergency rescue activities to raise awareness of safe use of elevator among the residents in the community. In addition, the Group also conducted a special exchange on the screening and rectification of elevator safety hazards and made efforts in the standardisation of elevator machine rooms during the month.



### COVID-19 Prevention Measures

The COVID-19 epidemic ravaged much of China in early 2020. To protect the health and safety of residents, COPL responded promptly by implementing a number of prevention and control measures to maintain property projects clean and hygienic. In addition to basic prevention and control measures, including installing induction disinfection sprayers at the customer service centres of all management offices and in public areas with high pedestrian traffic, such as shopping malls and office lobbies. The Group also formulated Work Manual on Epidemic Prevention and Control and arranged routine prevention and control drills. COPL swiftly initiated imminent emergency response in the early stage to reinforce the frontline of epidemic prevention to safeguard the health and safety of customers.

## Serving the Community with Commitment (Continued)



### Early arrangement

At the onset of the epidemic, COPL issued an alert notice to remind residents the risk of the epidemic outbreak. In addition, the Group also enhanced regional cleaning and disinfection, including enhancing disinfection for key corners, applying protective coat to lift buttons, increasing disinfection frequency and strengthening epidemic control promotion, etc.

### Early initiation

COPL fought the epidemic with a concerted effort throughout the Group. In January this year, COPL initiated its epidemic prevention effort, led by Mr. Yan Jianguo, the Chairman of COHL, and Mr. Ma Fujun, Assistant General Manager of COHL, through national teleconference to reinforce key epidemic prevention tasks, urge COPL to perform its duties and coordinate with the national epidemic prevention effort.

### Early implementation

Subsequent to the national teleconference, COPL adopted the strategy of “prevention of internal spreading and external spill-over cases” and maintained close communication with the subdistrict offices and property committees to immediately initiate various prevention and control measures with technological application, including:

- Implemented enclosed management for property districts — established a joint anti-epidemic work account and ensure that public places are sanitised and safeguard key population, thereby reinforcing community epidemic prevention and control efforts;
- Information circulation, advocacy and education — the Xinghai AI “epidemic manager” robot developed by Xinghai Wulian disseminated updates on the epidemic to customers;
- “Contact-free” delivery — COPL set up a centralised delivery point for express delivery and assigned dedicated staff for delivery, disinfection, categorisation, achieving swift contact-free delivery to each and every property owner.

In the fight against the epidemic, the Group has made concerted efforts to protect the health of residents by providing consistent professional and heart-warming services to the property owners in the community. During the Year, the Group designated 13,500 security guards on duty and 8,600 cleaning staff to dispose household waste, over 550,000 times of disinfections, 98 millions of temperature measurements and 9.7 million times of courier deliveries in aggregate. For more information on COPL’s prevention and control measures, please refer to A Review of the Anti-epidemic Work in 2020 set out in the Annual Report for the Year.



## Serving the Community with Commitment (Continued)



### Hong Kong Chun Yeung Estate Quarantine Centre

At the beginning of the Year, the COVID-19 pandemic wreaked havoc in Hong Kong. To ensure close contacts of infected persons could be isolated in safe facilities, Chun Yeung Estate, a project under the management of the Group was requisitioned for use as a quarantine centre. During the period when Chun Yeung Estate was used as a quarantine centre, it was operated according to the infection control guidelines issued by the Department of Health of Hong Kong with daily cleaning, sterilisation and waste disposal. Waste of all quarantined persons would be regarded as medical waste and collected and treated by licensed clinical waste collectors.

#### Maintaining communication with government departments

As the pandemic gradually came under control, Chun Yeung Estate was returned to COPL by the Hong Kong Government in April and October in phases to manage and assist tenants moving in. Upon completion of its use as a quarantine centre and before the handover, Chun Yeung Estate has undergone thorough disinfection by the Department of Health and the Housing Department according to guidelines for infection control. COPL understood that after being used as a quarantine centre for more than half a year, prospective residents of the estate were concerned with the environmental hygiene in the community. During the period from April to October in particular, when Chun Yeung Estate was not fully returned for residential use, it was COPL's first priority in ensuring the environmental hygiene of the community. To address public concerns, COPL maintained close communication with relevant government departments to implement various preventive measures, so as to avoid residents coming into contact with people under quarantine. Those preventive measures include:

- People under quarantine must stay in the unit, and no contact with outsiders was allowed, except for the working and medical personnel in the quarantine centre;
- The quarantine centre was isolated from the rest of the estate with high partition; and
- There were separate entrances and exits for pedestrians and vehicles. Residents of the estate could enter and exit the housing estate through a specific passage, while people and vehicles travelling to and from the quarantine centre used a special passage so as to avoid contacts with the residents.





### Hong Kong Chun Yeung Estate Quarantine Centre

#### A safe move-in environment

In order to increase transparency, the Group would send letters to prospective residents before they move into Chun Yeung Estate, informing them that whether their residential units had been occupied by infected personnel and listed out the protection and disinfection measures to reassure residents. Before moving into the Chun Yeung Estate office, the Group performed spray disinfection for the office and public areas to ensure employees are safe to work and prospective residents are safe to conduct move-in procedures in the office. The Group has also expanded the activity space by borrowing the unleased office area next to the management office. It adopted additional measures such as rubber floor coverings, wooden partitions installation and air-conditioners to enhance air circulation and ensure social-distancing between prospective residents.

In view of the vast number of residents moving in, the Group arranged for prospective residents to conduct procedures in different time slots and controlled the number of people in the office, to prevent prospective residents from staying in the office for an extended time required for queuing and move-in procedures. Thanks to the joint efforts of various government authorities and the staff of the Group, together with the residents' compliance with the Group's prevention and control measures, there has not been any confirmed case among its employees or visitors since the start of move-in during October, and the current occupancy rate is 90%.

### (3) Smart Optimisation Management

COPL understands that it must seize industry trends and integrate them into its business development strategies to maintain its leading position in the property management business. UN+ and Xinghai Wulian under the Group are the key components of its business development strategy. Through continuous innovation and development of technology products, COPL strives to create smart service experience and smart community to provide quality and innovative services to customers.

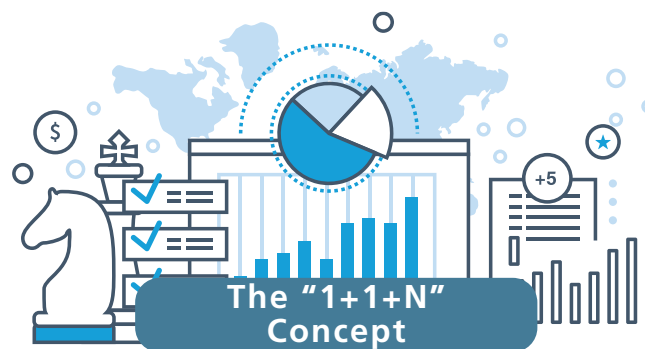
UN+ is a subsidiary established by the Group to enhance the experience of property management service. It leverages the professional service experience the Group accumulated over the years, to build a professional and multi-functional online and offline service platform with community asset operation, customer asset operation and lifestyle service operation as the main lines. The Group's three main service lines provide specialised services in different areas and together form the "U +" internet ecosystem to enhance the Group's property management service and value-added service experience by catering to the needs of our customers for quality property management services.

Serving the Community with Commitment (Continued)

"U +" Internet Ecosystem		
<p><b>Community assets operation</b></p>	<p>By utilising community resources and optimisation, the Group offers community services such as leasing of community space, community media communication and community self-service terminal, etc.</p>	
<p><b>Customer assets operation</b></p>	<p>By means of self-operation or partnership, the Group offers comprehensive solutions for customers in respect of housing asset operations such as real estate agency and home renovation, to facilitate the appreciation of customers' housing assets.</p>	<p>Service platforms: U + premium space, leasing and sales centre of COPL</p> 
<p><b>Lifestyle service operation</b></p>	<p>By means of different applications, the Group offers services covering various aspects of life as well as entertainment and education, to meet the daily living demands of our residents.</p>	<p>Service platforms: U + home services, U + fun life, U + shopping</p> 

## Serving the Community with Commitment (Continued)

In addition to UN+, COPL also develops smart community products and services through Xinghai Wulian, 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. Xinghai Wulian provides services to smart community in different stages, including planning, design, implementation, delivery, maintenance and operation. By providing smart services that run through the entire property lifecycle, the Group strives to establish cloud-based parks managed with technology. Xinghai Wulian provides different smart community solutions in response to customers' professional technical, workflow and management issues, and built a unified cloud platform with the concept of "1+1+N" to achieve digitalised operation.





## Serving the Community with Commitment (Continued)

### Equipment and Facilities Management Platform

Smart community not only brings convenience and comfort to customers' daily life, but also facilitates the Group to manage the sustainability of its properties. By applying IoT and artificial intelligence technologies, the Group monitors the environmental quality of property communities, as well as the health and safety of employees and occupants. With respect to the different types of property facilities, the equipment and facilities management platform of Xinghai Wulian provides services including a unified platform for information management, IoT monitoring and expert support.

#### Operational Intelligence

Intelligent reporting platform manages the baselines of performance metrics, as well as different operational data, including environmental metrics, safety metrics and other operational performance metrics, on a unified platform.

#### Platform Intelligence

Through standardisation, digitisation and horizontal management system, the equipment and facilities platform not only improves the efficiency of data management but also reduces management cost and pressure. The equipment and facilities platform also connects to proprietary applications and social media platforms such as WeChat, making it easy for relevant employees to check system information at any time.

#### Information Management System

- One-Stop Help Desk
- Property Management
- Inspection Management
- Personnel Management
- Knowledge Management
- Inventory Management
- Procurement Management
- Environment, Health and Safety Management
- Quality Management
- Engineering Renovation

#### IoT Intelligence

In tandem with the environmental monitoring system in communities, the system would automatically issue immediate monitoring alerts in the event that abnormal readings are detected. Besides, the system is capable of making smart dispatch based on employees' work schedule, so as to improve inspection efficiency.

#### Monitoring Building Conditions

- Temperature and Humidity
- Smoke
- Vibration
- Air Quality
- Flooding
- Noise

#### Monitoring Equipment Operation

- Electricity Distribution Facilities
- Elevator
- Centralised Air Conditioning
- General Electricity Consumption
- Water Supply and Drainage

This equipment and facilities platform can effectively manage the lifecycle of properties, as well as keep clear records of maintenance and failures, which helps the Group's in analysing environmental risks, such as climate change, against property projects. In addition, the platform is also equipped with an automatic meter reading function, which can accurately record energy and water consumption data of each property community in real time.



#### (4) Responsible Procurement Practices

The Group has established the Administrative Measures for Bidding and Material Procurement to regulate bidding and material procurement activities including procurement methods, bidding procedures, contract management and supplier list management. In addition, the Group has a bidding and procurement management committee in place, led by the professional management and intelligence department at the headquarters of the Group, while the engineering department, safety and environmental department or professional department of the city companies are responsible for the administration of the Group's bidding and procurement management. Its main responsibilities include:

- Establish and optimise the Company's bidding and procurement management system to define the regulatory mechanism;
- Approve bidding and procurement activities according to the required approval process of the current bidding and procurement mechanism of the Group;
- Regularly convene meetings for the selection of tenderers to approve bidding projects to ensure the standardisation of the bidding process and the rationality of the recommended selection of tenderers;
- Manage the Group's supplier management system and regularly give recognition to outstanding suppliers;
- Enhance the supplier relationship management system and be responsible for promoting the use of and improving the system mechanism; and
- Review and resolve material issues in the bidding and procurement of the Group.

The Group adheres to six major principles when it comes to the process of bidding and selecting tenderers, which include transparency and fairness, overall bidding, competition, integrity and impartiality, reputation protection and confidentiality.

## Serving the Community with Commitment (Continued)

Six principles of the process of bidding and selecting tenderers	
<b>Transparency And Fairness</b>	The entire bidding process shall be fully transparent to eliminate black-box operation.
<b>Overall bidding</b>	Splitting an overall bidding project into parts or otherwise circumventing the bidding process is prohibited.
<b>Competition</b>	The bidding process shall allow full competition and include no fewer than two rounds of bid openings in general.
<b>Integrity and impartiality</b>	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.
<b>Reputation protection</b>	Bid shortlisting, bid openings, tender assessment and selection of tenderers shall be conducted objectively and impartially. The Group's good reputation and image in bidding shall be established and upheld.
<b>Confidentiality</b>	Bid's base price, procurement project amount, tender documents, bid openings, tender assessment and selection of tenderers shall be kept confidential. Information leak or inappropriate undertakings shall be prohibited to prevent any impact on the fairness and effectiveness of the bidding.

COPL believes that good procurement practices rely on systematic supplier management. During the Year, the Group fully implemented the online Supplier Relationship Management System and updated its Administrative Measures for Bidding and Material Procurement in conjunction with the digitalised management of suppliers to establish a more efficient and comprehensive management system. Units at all levels are required to upload the Supplier List Report to the supplier relationship management system at the end of each year. Contents of which include the total number and classification of suppliers in the current year, the number of suppliers in the list for the previous year, the number of new suppliers in the current year, the number of unqualified suppliers in the current year, breakdowns of suppliers, annual evaluation results and performance of suppliers, etc. During the Year, the Group's Supplier Relationship Management System recorded a total of 13,729 suppliers. In addition, COPL also provided training for employees responsible for supplier management during the Year to ensure that relevant employees clearly understood the revised content.

## Serving the Community with Commitment (Continued)

The Group adopts a stringent attitude towards the preliminary review and inspection of qualifications of suppliers and contract performance assessment system. All potential suppliers shall complete the preliminary review of qualification, and the relevant business departments shall conduct qualification review in terms of operation qualifications, business performance, reputation and technical capacity, etc. Furthermore, in order to ensure the service and product quality of potential suppliers, the Group assesses whether the management and technical capabilities of potential suppliers can meet the requirements through interviews and on-site visits. For existing cooperating suppliers, the Group shall conduct a contract performance assessment on them after each cooperation. Those failing the contract performance assessment will be included in the list of “unqualified” suppliers. “Unqualified” suppliers shall not participate in the Group’s tender within two years. During the Year, there was no case where a supplier was considered as “unqualified” due to its failure to meet the requirements of the Group. In addition, different units have access to the contract performance assessment records of other units on specific suppliers in the Supplier Relationship Management System, allowing each unit to understand supplier’s performance and improve the efficiency and consistency of approval.

As a responsible corporate, COPL requires all suppliers to uphold stringent standards of social responsibility principles and sign the Integrity Agreement to commit to avoid corruption and anti-competitive behaviour. The contracts entered into by the Group and all its suppliers stipulate the responsibilities in respect of environmental protection and labour rights being borne by the suppliers. When purchasing detergents and other supplies, the property cleaning business unit of the Group ensures the formulations do not contain substances that violate relevant environmental laws and regulations of regions where it operates. The Group will prioritise products whose formulations create less environmental burden. The Group is planning to conduct a study on the increasing ratio of green products such as organic fertilisers for gardening and eco-friendly detergents, and plans to incorporate sustainable procurement into the content of the existing Administrative Measures for Bidding and Material Procurement to provide guidelines for procurement of products with lower environmental impact for various property projects.

### (5) Caring for Community Welfare

COPL is committed to listening and reaching out to the communities in which it operates as it expands its business. The Group’s domestic operations and the Hong Kong and Macau branches continue to seek to understand the needs of customers through various channels, such as customer questionnaires, daily communication with customers, and cooperation with government departments and local organisations. The Group is proactively engaged in corporate social responsibility, where it helps the poor and the underprivileged by participating in a wide range of charitable activities such as education support. In addition to enhancing service quality, COPL leverages its property management strengths to build inclusive communities.

## Serving the Community with Commitment (Continued)

- ### Community Caring in Mainland China

The Group's operations in Mainland China are committed to seeking to understand the needs of its customers. Through various means such as questionnaires and daily greetings, it enhances the participation of customers (such as property owners and residents) in community activities and provides inputs for community care activities. COPL expects to increase customer engagement while fulfilling their social needs, respect needs and self-fulfilment needs. To this end, COPL has established the Customer Care Activity System, intending to systematically organise and standardise customer care activities so that they become a regular feature of COPL's properties.



### Community Customer Care Activities

COPL aspires to leverage its business nature to communicate its corporate mission of "We Manage Happiness" to its customers. During the Year, with the theme of "Care for You", COPL emphasised the needs of its customers and organised a variety of activities for those living in its mainland operations. Through this, it hopes to create a community cultural atmosphere in the regions where COPL operates, as well as to facilitate communication between the Group and its customers, thereby understanding the needs and interests of customers in the community. To raise employees' awareness of caring for the community, the Group encourages frontline employees to participate in the design of community care activities in order to cater for the needs of customers in various regions.

COPL has designed different activities for specific customer groups, such as visits and convenience services. For empty nesters and those who lost their only child, the Group arranged bi-monthly visits by the management office housekeepers to chat with them, help clean their homes, cook for them, and show care. In addition, during holidays such as the Mid-Autumn Festival and the Lantern Festival, the management office housekeepers will also set up a canteen and invite the elderly residents to share a meal with them and to show their care.



Besides, the Group is also concerned with the economic development of disadvantaged areas in the country. To this end, COPL works with local governments to proactively understand the needs of economic relief in different regions. Since 2019, COPL has responded to the national call for poverty alleviation and adopted the "industry, employment, consumption" model as the basis for implementing poverty alleviation work. The Group has successively carried out activities such as poverty relief, school donation and epidemic materials donation in various regions.



### Poverty Alleviation in Zhuoni County

During the Year, COPL focused on the poverty alleviation in Zhuoni County, Gansu Province to assist in the economic development of the area. In August, Mr. Zhang Guiqing, Chairman of the Board of Directors of COPL, visited Zhuoni County and in the presence of the Governor and Vice Governor of Zhuoni County, he signed a donation contract and a sale & purchase agreement for the Angelica Chicken Farming poverty alleviation project. On the day of the visit, in order to better understand the difficulties that the poor were facing in the area, Mr. Zhang Guiqing visited the homes of the poor, getting to know about their health conditions, financial and living situations as well as listening to their major demands. At the same time, Mr. Zhang Guiqing also patiently explained the poverty alleviation policies and distributed gifts such as rice, noodles, grains, and oil.



In addition, COPL maintained communication with Zhuoni County, such as holding poverty alleviation seminars to review the results of poverty alleviation through industrial development, employment, consumption and education. In addition, the Group discussed with the local government to keep focusing on the research and development and sales of poverty alleviation products in order to promote the local economy and employment in Zhuoni County.

Development of eight agricultural specialties

Working with **37** cooperatives

The cumulative sales of poverty alleviation products from Zhuoni County amounted to approximately **RMB 1.278** million

Working with four leading local companies

A total of **2,035** cooperative farmers

Purchasing poverty alleviation products of approximately RMB **0.759** million

### • Community Caring in Hong Kong

In the face of the COVID-19 pandemic in 2020, a considerable number of charity events were limited by social distancing measures. However, the Group remained committed to the community and encouraged employees to volunteer for charity work, so as to live out the spirit of reciprocity. COPL's subsidiaries in Hong Kong and Macau has established the COPL Volunteer Branch, which is responsible for communicating with different social welfare institutions and organising the participation in volunteering activities.

## Serving the Community with Commitment (Continued)



Aggregated hours  
of volunteering: **1,084**



Number of  
participants: **266**



### Activities Summary

#### Walk for Millions of The Community Chest of Hong Kong

In January 2020, the Group's Volunteer Branch participated in the fundraising activity, "2019/2020 Hong Kong & Kowloon Walk for Millions", organised by the Community Chest of Hong Kong, aiming to establish a close relationship among our employees that promotes the spirit of reciprocity, and also strengthen ties with their family members. The event started at Hong Kong Stadium and ended at the tourist centre in Aberdeen Country Park. The event aimed to raise fund for the Community Chest of Hong Kong to subsidy 24 social welfare institutions that provide "Family and Child Welfare". There were 103 employees and their family members who participated in the event.

#### "Together. We Plant"

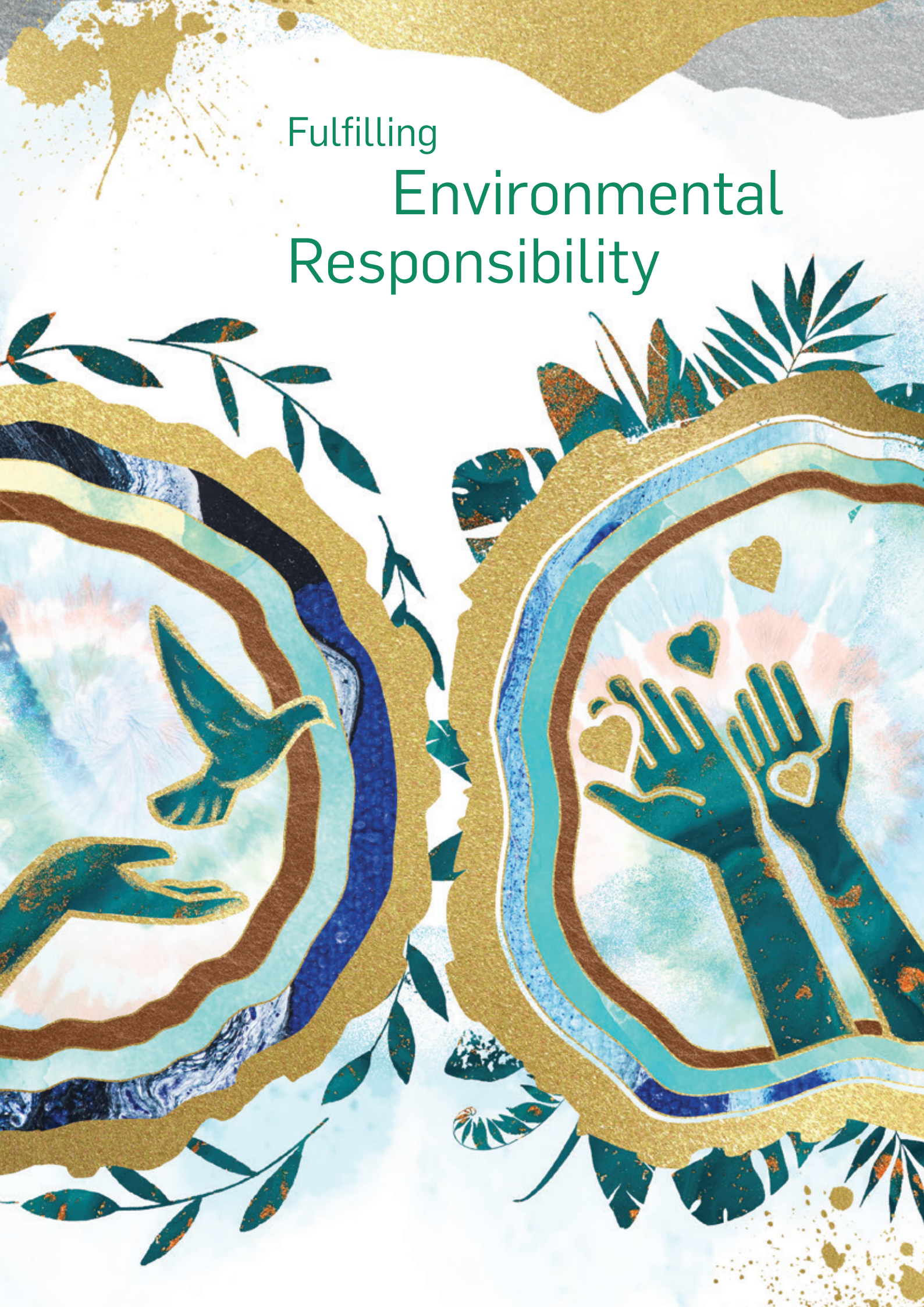
In July 2020, the Group's Volunteer Branch participated in "Together. We Plant", an event jointly organised by the Agency for Volunteer Service and the World Green Organisation. 9 employees of the Group participated and planted native species of trees in Shing Mun Country Park. The purpose of the event is to encourage the public to care about the environment and the Earth and to practice a green lifestyle.

#### Anti-epidemic and Caring Actions

COPL Volunteer Branch cooperated with the Agency for Volunteer Service to help distribute anti-epidemic resources and support district anti-epidemic work. During the "Anti-epidemic and Caring Actions" in December, the volunteer team of public project unit visited the renovation contractor and public facility booth in Chun Yeung Estate to share anti-epidemic information and give out epidemic care packs to elderly residents as a sign of care. A total of 200 epidemic care packs were distributed in the event to fight against the epidemic with the elderly in the estate.



Fulfilling  
Environmental  
Responsibility





## Fulfilling Environmental Responsibility (Continued)



### Section Highlights

As a manager of property projects during the operation stage, COPL is committed to reducing the negative impacts of operations on the environment through proper management on water consumption, GHG emissions and waste treatment in its daily operations. The Group has formulated a number of environment related policies, including the Waste Water/Exhaust Gas Control Procedures, the Solid Waste Control Procedures, the Hazardous Chemicals Control Procedures and the Energy Saving Assessment Method, so as to manage the Group's emissions such as GHG, exhaust gas, waste; resource consumption such as electricity, water, and natural resources. In addition, the Group has obtained the certification of ISO 14001 Environmental Management System.

#### (1) Tackling Climate Change

- Commenced the formulation work of Climate Change Policy

#### (2) Managing Emissions

- Commenced data integrity optimisation work
- GHG intensity: 3.42 tCO<sub>2</sub>-e/'000 sqm

#### (3) Reducing Waste

- Implemented the Beijing Municipal Domestic Waste Management Plan
- Non-hazardous waste intensity: 1.97 tonnes/'000 sqm

#### (4) Conserving Energy

- Carried out energy-saving renovation projects for 175 projects
- Energy intensity: 5.94 kWh/sqm

#### (5) Managing Water Resources

- Five properties were rated as water-saving communities in Dongguan
- Water consumption intensity: 0.14 m<sup>3</sup>/sqm

### (1) Tackling Climate Change

Climate change is regarded as one of the most imminent risks in the world. COPL understands that the impacts of climate change can hinder the corporate's business development. In the face of extreme weather conditions caused by climate change, property management companies will be the first to be affected. Extreme weather conditions such as hurricanes and floods can damage property projects or disrupt the supply chain, which not only increases operating costs, but also threatens customers' safety. The Group understands that the risks of climate change to operations will be more than that. The immediate or long-term physical risks caused by climate change, as well as the risks associated with the transition to a low-carbon economy, including changes in policies and regulations, technological requirements, and market trends, may have an impact on the Group's operations.

## Fulfilling Environmental Responsibility (Continued)

The Group plays an active role in addressing the risks relating to climate change. The Group was devising the Climate Change Policy to manage relevant risks and opportunities. The policy is based on the four orientations of mitigation, adaptation, resistance and disclosure, and provides guidelines to various business units on how the Group tackles climate change:

Approaches and Guidelines for Coping with Climate Changes	
<b>Mitigation</b>	Implement various measures to reduce GHG emissions from daily operations and contribute to the mitigation of climate change.
<b>Adaptation</b>	Identify and respond to risks and opportunities related to climate change in a timely manner, and formulate emergency management plans.
<b>Resistance</b>	Regularly evaluate property projects and maintain close communication with suppliers to ensure that the property and its supply chain are adequately capable of withstanding extreme weather conditions caused by climate change.
<b>Disclosure</b>	Continually disclose climate change management information to improve transparency.

### (2) Managing Emissions

The energy consumption of property management is the main source of GHG emissions from COPL's operation. In order to minimise the adverse impact on our business and the environment, the Group is committed to reducing GHG emissions during its operations. In 2020, the total GHG emissions<sup>7</sup> from the Group's operation in the PRC was 630,393 tCO<sub>2</sub>-e, among which, GHG emissions were mainly from emissions of purchased electricity<sup>8</sup> in Scope 2 (Energy indirect GHG emissions), accounting for approximately 87% of the total emissions; while the remaining was generated from Scope 1 (Direct GHG emissions) and Scope 3 (Other indirect GHG emissions), the former includes the emissions from combustion of fossil fuel from kitchen equipment, generators and automobile factories, as well as fugitive emissions of refrigerants and fire extinguishing agents in the property, and the latter includes emissions related to business travel and flights. The major air pollutants of the Group come from kitchen equipment, generators and vehicle usage.

The overall environmental emissions and resources consumption of the current year have increased as the data during the Year was collected from a wider scope as compared to the previous year. The Group has detailed the changes in the collection scope of each data in the section "Performance Data Summary" to facilitate stakeholder's understanding on COPL's environmental performance. The Group will continue to evaluate, record and disclose GHG emissions and other environmental data annually, and review the effectiveness of current measures to formulate emissions reduction targets in the future.

<sup>7</sup> The Group engaged a sustainability consultant to quantify the GHG emissions generated from its operation during the Year. The standards for quantifying GHG are based on national and international standards such as the Greenhouse Gas Emissions Auditing and Reporting Guidance for Public Construction Operation Corporation issued by the National Development and Reform Commission of the PRC, ISO 14064-1 and Greenhouse Gas Protocol.

<sup>8</sup> According to the Notice Regarding Proper Work Related to Carbon Emissions Reporting and Investigation and Delivery of the List of Major Emissions Units of the Power Generation Industry in 2019, the calculation of GHG emissions of purchased electricity during the Year has changed to average emission factor of national power network.

## Fulfilling Environmental Responsibility (Continued)

CO<sub>2</sub>

### GHG Emissions Overview

Scope 1 — Direct GHG emissions: 63,051 tCO<sub>2</sub>-e

Scope 2 — Energy indirect GHG emissions: 567,226 tCO<sub>2</sub>-e

Scope 3 — Other indirect GHG emissions: 116 tCO<sub>2</sub>-e

Total GHG emissions: 630,393 tCO<sub>2</sub>-e

GHG emissions intensity: 3.42 tCO<sub>2</sub>-e/’000 sqm

### Air Pollution Emissions Target

The majority of the Group’s air pollutant emissions originated from stationary sources, such as the use of fossil fuel in its kitchen equipment of the property projects. To act in concert with the national clean energy policies, the Group will gradually rule out stationary sources that use fossil fuel in its electrical facilities. The Group expects that air pollutant emissions will decrease as the nation increases the proportion of clean electricity in power generation.

The Group understands that comparable environmental targets must be set with the basis of reliable and accurate environmental data. Therefore, COPL has engaged a sustainability consultant to inspect and improve the quality of the Group’s environmental and social data. The consultant reviewed the process of collection, storage, documentation, summarisation and reporting of the Group’s environmental data, and gave improvement suggestions for different stages in order to enhance the data collection system. In order to better demonstrate the impact of COPL’s operation on the environment, the Group began to collect environmental data from Hong Kong and Macau this year, and plans to disclose complete data from next year onward. In addition, the consultant also assisted the Group in preparing the Data Quality Manual so that the Group can regularly conduct internal audits for data quality in the future and continue to report reliable data to stakeholders.

### (3) Reducing Waste

The Group has in place a series of procedural documents to manage domestic waste, construction waste and hazardous waste generated in the course of our services, and is committed to recycling waste as far as possible to reduce environmental impacts. The Group strives to reduce, recycle and properly dispose of waste to minimise impacts caused by its operations to the environment. The daily waste of COPL is mainly generated by its tenants, residents and clients in the properties. It is the goal of COPL to work with each stakeholder to ensure that waste is properly disposed in accordance with local waste disposal regulations. In addition, the Group procures environmentally friendly materials in view to reduce the environmental damage caused by its waste generation. For more details regarding procurement principles, please refer to the section “Serving the Community with Commitment — Responsible Procurement Practices”.

## Fulfilling Environmental Responsibility (Continued)

Guidelines for disposal of various types of wastes	
<b>General domestic waste and recyclable waste</b>	General domestic waste and recyclable waste are collected, transferred and disposed of by waste disposal companies on a centralised basis. All waste collection facilities adopt pollution prevention and control measures such as airtight, energy-saving, anti-odour, anti-permeation, dustproof and anti-noise, etc. Compression is used whenever possible to collect and transport domestic waste to prevent secondary pollution. Site environment is maintained by prompt cleaning.
<b>Construction waste</b>	Construction waste and renovation waste are disposed separately from domestic waste. The Group removes construction waste during the construction process in a timely manner and conduct waste disposal in accordance with the regulations of the local government to prevent pollution of the environment.
<b>Electronic waste</b>	All electronic waste, such as old computers and photocopiers, are recycled by the manufacturers of electrical and electronic products, maintenance agencies, after-sales service agencies or recyclers.
<b>Hazardous waste</b>	<p>All hazardous wastes, such as pesticide waste, mineral waste oil, paint waste, mercury-containing waste, and cleaning fluids, will be clearly labelled with their contents. Safety labels should be affixed to remind the recycler of precautions.</p> <p>In addition, the Group promotes the disposal of empty pesticide containers in a non-hazardous manner, which means such containers must be thoroughly cleaned before disposal. Thoroughly cleaned pesticide containers with no residual liquid can be regarded as general solid waste and deliver to garbage removal units for disposal. Empty containers and packaging materials contaminated by dangerous chemicals must not be casually discarded but to be collected and stored safely before disposed of on a centralised basis.</p>

The total amount of hazardous waste and non-hazardous waste generated in the Mainland were 1.5 tonnes and 363,933 tonnes, respectively. The hazardous waste consists of waste toner cartridges and waste batteries, and the non-hazardous waste consists of general domestic waste. Disposal of hazardous waste such as toner cartridges and waste batteries is carried out by qualified contractors, while general waste is collected by waste disposal contractors and delivered directly to landfills. In addition, COPL has commissioned qualified recyclers to collect recyclable waste from properties in Hong Kong, Macau and the Mainland.



## Fulfilling Environmental Responsibility (Continued)

### Waste Reduction Target

The Group's property projects are mainly composed of residential projects. To encourage residents to engage in daily waste reduction, COPL will consistently raise their awareness through posters, workshops and other means. In addition, the Group will explore solutions to promote our properties' waste reduction rate and launch pilot programmes in cities with better domestic waste management.



### Beijing Municipal Domestic Waste Management Plan

COPL has gradually expanded its domestic waste management system in recent years. Following the respective implementation of waste classification by city companies in Shanghai, Guangzhou and Hangzhou in the last year, our city company in Beijing has also implemented a domestic waste management system during the Year to strengthen waste classification management.

#### Enhance promotion and education

The Group believes that a successful domestic waste management system needs to be developed in collaboration with residents. Therefore, the Group has placed banners, posters, roll-up banners and notices at prominent locations of properties to promote the proper ways of waste classification to residents.

#### Improve waste collection facilities

The Group attached clear labels on litter bins in the projects to enable easier domestic waste classification, while waste classification stations have been set up within the project area and staff are deployed to give guidance to residents regarding waste classification. In addition, there are designated large litter bins and disposal zones for renovation waste and construction waste within the project area, so that these kinds of waste will be disposed separately from the domestic waste.

#### Regular inspection

In order to enhance the effectiveness of its waste classification system, the Group carries out inspection twice a day to check the hygiene condition of each waste collection point and the effectiveness of classification. Inspectors are required to perform and record the inspection for the Group to carry out targeted review and make improvement.



## Fulfilling Environmental Responsibility (Continued)

### (4) Conserving Energy

The Group's property management services involve a large amount of energy consumption, with the majority of which originates from the electricity consumption of elevators, pumps, lighting and central air-conditioning systems. To effectively manage energy consumption, the Group's energy management system operates on a "sub-metering" basis, whereby different energy consumption sources in a property are divided into various sub-systems with their consumption measured separately, so that the Group can identify systems with high energy consumption and enhance energy management efficiency with clear targets. In addition, COPL actively sought to source renewable energy. During the Year, the Group obtained 5,103 MWh of renewable energy through geothermal systems. The Group will continue to proactively seek to understand the types of renewable energy available in each of its operating regions and gradually expand the Group's renewable energy usage.

#### Energy Consumption Overview

Renewable energy obtained from the geothermal system: 5,103 MWh  
 Total energy consumption: 1,095,550 MWh  
 Energy consumption intensity: 5.94 kWh/sqm



#### Energy Conservation Target

In 2021, COPL aims to keep incorporating energy conserving initiatives into existing and new properties under management, and to increase the proportion of renewable energy in energy consumption to help reduce the Group's overall GHG emissions.

## Fulfilling Environmental Responsibility (Continued)

The Group's Energy Conservation Assessment Method adopts scientific management, technological improvement and behavioural guidance as the energy management guidelines, providing guidance for each property project in respect of energy consumption reduction. The central air-conditioning system, water supply system and public lighting system consume the highest amount of energy in the energy management system. Therefore, the Group requires all property projects to formulate energy conserving operation plans for these three types of systems, and manage those three systems with major energy consumption according to the following guidelines:

Guidelines for energy conserving operation plans	
<b>Public lighting system</b>	<ul style="list-style-type: none"> <li>• Adopt an intelligent control system to control the lighting of public areas by zone, group and time;</li> <li>• Use more natural lighting during daytime;</li> <li>• Install an auto-dimmer that reduces brightness at different times according to the number of people around; and</li> <li>• Adopt sound, light and occupancy-detecting sensor lighting in areas such as staircases.</li> </ul>
<b>Central air-conditioning system</b>	<ul style="list-style-type: none"> <li>• Check and clean the filters, host and pipes of air-conditioners regularly to maintain the cost-efficiency of the air-conditioning system;</li> <li>• Reasonably control the temperature and running time of the central air-conditioning system; and</li> <li>• Regularly check the heat insulation of cold water pipes and air-conditioning ducts to ensure that they are working properly and reduce the loss of refrigerating capacity during transmission.</li> </ul>
<b>Water supply system</b>	<ul style="list-style-type: none"> <li>• Adopt variable frequency water supply technology, and encourage property projects to use variable frequency water supply equipment with no negative pressure.</li> </ul>

In addition, the Group requires each property project to practically implement the energy consumption statistics management, and properly maintain the original records of energy consumption, so as to establish an energy statistics system. The Group regularly analyses the trend of energy usage of each project by comparing monthly electricity consumption of property projects and comparing energy consumption among property projects with similar scales and located at comparable places, so as to monitor consumption and analyse the room for improvement in managing such issue.

## Fulfilling Environmental Responsibility (Continued)

Based on the management and analysis results of the consumption statistics, the Group formulates an Annual Consumption Management Notice to make plans for its energy conservation work. During the Year, its plan for energy saving remodification focused on three aspects: lighting conservation, air-conditioner conservation and water pumps conservation, which involves 175 projects in total. The remodification details of which are as follows:

1. **Energy-saving lighting remodification:** Replace lighting devices in the public areas with LED lights, meanwhile optimise on-and-off hours regularly based on seasonality and natural lighting. Reduce unnecessary electricity usage on lighting devices by smart control modification. During the Year, remodification work involved 69,634 lighting devices in total and saved 6.059 million kWh of electricity.
2. **Smart control remodification for air-conditioners:** Install smart control on split type air-conditioners for automatic control of switching on and off according to temperature or timer. During the Year, remodification work involved the installation of 4,748 air-conditioners and saved approximately 1.554 million kWh of electricity.
3. **Water pumps reconstruction concerning pressure-superposed water supply:** Replace the water supply system with tanks and pumps with a negative pressure-free water supply system so as to reduce energy consumption. During the Year, remodification work involved 55 sets of water pumps and auxiliary piping network facilities and saved approximately 0.519 million kWh of electricity.

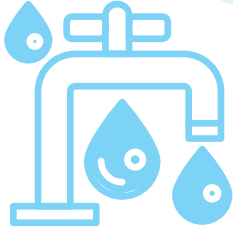
### (5) Managing Water Resources

The water resources required for the Group's daily operations come from municipal water, which mainly involves water usage for daily services, domestic water on properties, office water and greening water consumption, etc. There have been no difficulties in obtaining suitable water sources on the Group's operations. The Group focuses on reducing water consumption from the source, and understand and analyse customers' water consumption as the first line of defence in water management. During the Year, the Group also promoted the use of different water-saving appliances (e.g. sensor faucets and sensor flushing systems) to its customers, and issued water conservation guidelines to staff, tenants and customers to reduce water consumption. In addition, COPL regularly inspects and repairs the water supply system to avoid wastage due to water leakage. As a result of the above water conservation measures, five properties of COPL<sup>9</sup> have been recognised as water-saving communities of Dongguan District during the Year.

<sup>9</sup> Property projects include Sunshine Holiday, Sunny Aoyuan, Tung Tai, Majestic Mansion, Kaixuancheng.



## Fulfilling Environmental Responsibility (Continued)



### Water Consumption Overview

Water consumption: 26,381,149 m<sup>3</sup>

Water consumption intensity: 0.14 m<sup>3</sup>/sqm

### Water Conservation Target

The current target of COPL in respect of water conservation is to control the annual leakage rate under 5%, which was met in 2020. The Group will continuously implement various water conservation measures to enhance the efficiency of water conservation on an ongoing basis.

The Group has formulated the Implementation Plan for Water Leaks (Water Energy Consumption) Control of COPL, which requires properties to identify water leaks using leak detector or listening rod on a regular basis and conduct timely repair after locating water leaks. In addition, the Group arranges personnel specific for the regular inspection of leak causes, such as leakage in pipe networks, measurement error of water meters, water theft, meter reading violations and statistical error. After identifying the reasons, the Group will take corresponding measures to address the issues, such as revamping pipe networks, replacing and calibrating of water meters, investigating and addressing water theft, investigating and addressing meter reading violations, standardisation of information management and maintaining meter reading for each unit. Wastewater produced during the daily operation of COPL mainly includes domestic sewage, which are discharged directly to urban sewage piping network and in turn sewage processing factories.

Clean fresh water is still a scarce resource in many regions around the world and climate change continues to put pressure on water sources. With an aim to achieve sustainable water resources management, COPL strives to reduce the impact of its daily operation on the environment through effective management of water consumption and sewage discharge.

# Performance Data Summary

## Environmental Performance<sup>10</sup>

### Air Pollutant Emissions<sup>11</sup>

Statistical Data	2020	2019	2018	Unit
Nitrogen Oxides	32,695	343	722	kg
Sulfur Oxides	785	3	4	kg
Respirable Suspended Particulates (RSP)	556	27	62	kg

### GHG Emissions<sup>12</sup>

Statistical Data	2020	2019	2018	Unit
Direct GHG Emissions (Scope 1) <sup>13</sup>	63,051	13,605	10,492	tCO <sub>2</sub> -e
Energy Indirect GHG Emissions (Scope 2) <sup>14</sup>	567,226	602,522	515,656	tCO <sub>2</sub> -e
Other Indirect GHG Emissions (Scope 3) <sup>15</sup>	116	400	275	tCO <sub>2</sub> -e
<b>Total GHG Emissions</b>	<b>630,393</b>	<b>616,527</b>	<b>526,442</b>	<b>tCO<sub>2</sub>-e</b>
Total GHG Emissions Intensity <sup>16</sup>	3.42	No data was disclosed in 2018 and 2019		tCO <sub>2</sub> -e/’000 sqm

<sup>10</sup> The 2020 environmental performance data covers the headquarters of COPL, and the following city companies and property projects thereunder: Foshan Company, Dongguan Company, Guangzhou Company, Shanghai Company, Xi’an Company, Shenzhen Company, Chengdu Company, Changchun Company, Beijing Company, Fujian Company, Hefei Company, Huizhou Company, Jinan Company, Nanjing Company, Qingdao Company, Shantou Company, Suzhou Company, Chongqing Company, Shenyang Company and Hainawanshang. The office area, non-outsourced canteens and the public areas of the project properties under the management of the aforementioned are also included. The data of companies in Hong Kong and Macau is not included in the 2020 data.

<sup>11</sup> Sources of air pollutant emissions in 2020 include kitchen equipment, generators and use of business vehicles; The data for 2019 and 2018 included the use of business vehicles. Since stationary sources such as kitchen equipment and generators were included in the calculation of air pollution pollutant emissions for the Year, there is an increase in emission amount compared to the previous year.

<sup>12</sup> The GHG assessment covers the six GHGs listed by the Kyoto Protocol and hydrochlorofluorocarbons (HCFCs) to provide true and fair GHG-related information. The quantification process and the emission factors were based on the Greenhouse Gas Emissions Auditing and Reporting Guidance for Public Construction Operation Corporation (Trial) and the international standards of ISO 14064-1; while the average emission factors of the national grid and the global warming potential values stated in the fifth assessment report of the IPCC were applied in the quantification of emissions.

<sup>13</sup> GHG emissions (Scope 1) were generated from sources including: emissions from combustion of fuels in stationary sources (excluding electrical installations) to generate electricity, heat or steam, such as gas stoves and boilers in non-outsourced employees’ canteens; fuel combustion of business vehicles; and hydrofluorocarbons, perfluorocarbons and other fugitive emissions from the use of refrigeration and air conditioning equipment and fire suppression systems.

<sup>14</sup> For the calculation of energy indirect GHG emissions from purchased electricity, COPL adopted the average emission factors of the national grid in Mainland China.

<sup>15</sup> Scope 3—other indirect GHGs emissions include business trips by staff. The quantification process and emission factors are based on the International Civil Aviation Organization (ICAO) carbon emission calculator.

<sup>16</sup> The calculation of GHG intensity covers emissions from scope 1, scope 2 and scope 3.

## Performance Data Summary (Continued)

Waste Generated at Properties Management<sup>17</sup>

Statistical Data	2020	2019	2018	Unit
Hazardous Waste Generated <sup>18</sup>	1.5	No data was disclosed in 2018 and 2019		tonnes
Hazardous Waste Intensity	8.24			kg/million sqm
Non-hazardous Waste Generated <sup>19</sup>	363,933	2,531	2,109	tonnes
Non-hazardous Waste Intensity	1.97	No data was disclosed in 2018 and 2019		tonnes/ '000 sqm

## Energy Consumption

Statistical Data	2020	2019	2018	Unit	
<b>Direct Energy Consumption</b>	Diesel	1,242	No data for these subcategories was disclosed in 2018 and 2019		MWh
	Gasoline	1,879			MWh
	Liquefied Petroleum Gas	2,354			MWh
	Liquefied Natural Gas	100,471			MWh
	Natural Gas	39,061			MWh
	Renewable Energy	5,103			MWh
	<b>Total Direct Energy Consumption</b>	<b>150,110</b>			<b>36,981</b>
<b>Indirect Energy Consumption</b>	Electricity Consumption	900,664	No data for these subcategories was disclosed in 2018 and 2019		MWh
	Heating	44,776			MWh
	<b>Total Indirect Energy Consumption</b>	<b>945,440</b>			<b>722,332</b>
<b>Total Energy Consumption</b>	Total Energy Consumption <sup>20</sup>	1,095,550	759,313	632,519	MWh
	Energy Consumption Density <sup>21</sup>	5.94	5.0	4.2	kWh/sqm

<sup>17</sup> Disposal of hazardous and non-hazardous waste generated from properties under management is determined by information provided by qualified contractors/collectors.

<sup>18</sup> This includes waste batteries and toner cartridges collected by qualified contractors.

<sup>19</sup> General waste from all properties under management was included in 2020; office waste and kitchen waste were included in 2019 and 2018.

<sup>20</sup> The quantification process and emission factors were based on the Greenhouse Gas Emissions Auditing and Reporting Guidance for Public Construction Operation Corporation (Trial).

<sup>21</sup> Energy consumption intensity covers the consumption of fuels (diesel, petroleum, liquefied petroleum gas, liquefied natural gas and natural gas), renewable energy, electricity and heat in the reporting boundary.

### Water Consumption at Properties under Management

Statistical Data	2020	2019	2018	Unit
Total Water Consumption	26,381,149	21,099,526	20,254,560	m <sup>3</sup>
Water Consumption Intensity	0.14	0.14	0.14	m <sup>3</sup> /sqm

### Social Performance Employment

Statistical Data			2020	2019	2018	Unit	
Number of Employees <sup>22</sup>	By Type of Contract	Indefinite or Permanent	8,482	No data was disclosed in 2018 and 2019			Person(s)
		Fixed-term or Temporary	36,916				
	By Gender	Male	31,378	28,870	25,694		
		Female	14,020	12,374	10,421		
	By Employment Category <sup>23</sup>	Senior Management	29	29	24		
		Middle Management	120	119	116		
		Foundation Management	1,328	1,444	1,846		
		General Employees	43,921	39,652	34,129		
	By Age Group	Aged below 30	14,132	14,687	13,641		
		Aged 30–50	23,838	20,164	17,614		
		Aged 50 above	7,428	6,393	4,860		
	By Region	Mainland China	40,636	36,686	32,649		
		Hong Kong	4,350	4,130	3,246		
		Macau	412	428	220		

<sup>22</sup> During the Year, all employees are full-time employees.

<sup>23</sup> The criteria for classification of employment category are as follows:

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

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

General employees: other general staff which are not mentioned above.

## Performance Data Summary (Continued)

Statistical Data			2020		2019		2018		Unit
Number of New Employees	By gender	Male	14,819	22,283	10,532	16,359	No data for these subcategories was disclosed	22,033	Person(s)
		Female	7,464		5,827				
	By Age	Aged below 30	10,618		6,847				
		Aged 30–50	8,929		6,447				
		Aged 50 above	2,736		3,065				
	By Region	Mainland China	19,367		12,379				
		Hong Kong	2,815		3,711				
Macau		101	269						
Percentage of New Employees <sup>24</sup>	By Gender	Male	47.2	49.1	No data was disclosed in 2018 and 2019				
		Female	53.2						
	By Age Group	Aged below 30	75.1						
		Aged 30–50	37.5						
		Aged 50 above	36.8						
	By Region	Mainland China	47.7						
		Hong Kong	64.7						
Macau		24.5							

<sup>24</sup> Percentage of new employees = (number of new employees for the year 2020/number of employees as at 31 December 2020) x 100%.

## Performance Data Summary (Continued)

Statistical Data			2020		2019		2018		Unit
Number of Employees Turnover	By Gender	Male	12,528	18,129	No data for these subcategories was disclosed	18,566	No data for these subcategories was disclosed	15,648	Person(s)
		Female	5,601						
	By Age Group	Aged below 30	8,596						
		Aged 30–50	7,346						
		Aged 50 above	2,187						
	By Region	Mainland China	16,204						
		Hong Kong	1,820						
Macau		105							
Employee Turnover Rate <sup>25 26</sup>	By Gender	Male	39.9	39.9	No data for these subcategories was disclosed	31.0	No data for these subcategories was disclosed	30.2	%
		Female	40.0						
	By Age Group	Aged below 30	60.8						
		Aged 30–50	30.8						
		Aged 50 above	29.4						
	By Region	Mainland China	39.9						
		Hong Kong	41.8						
Macau		25.5							

## Health and Safety

Statistical Data		2020		2019		2018		Unit
Number of Work-related Injuries	Male	72	111	—	162	—	163	Person(s)
	Female	39						
Number of Serious Work-related Injuries <sup>27</sup>	Male	6	9	No data was disclosed in 2018 and 2019				
	Female	3						
Work-related Injury Rate per 1,000 Workers		2.45						
Number of Work-related Fatalities		0						
Number of Lost Days due to Work-related Injuries		6,136		6,854		6,541		

<sup>25</sup> Employee turnover rate = (Number of employees turnover for the year 2020/Number of employees as at 31 December 2020) x 100%.

<sup>26</sup> Employee turnover rate for 2019 and 2018 = (number of employees turnover for the year/(number of employees as at 31 December of the year + number of employees turnover for the year)) x 100%.

<sup>27</sup> Serious work-related injuries refer to an injury that cannot or is not expected to recover to the pre-injury health condition within six months, excluding death.

## Performance Data Summary (Continued)

## Training and Development

Statistical Data			2020		2019		2018		Unit
Number of Employees Trained <sup>28</sup>	By Gender	Male	31,344		28,870		23,410		Person(s)
		Female	13,831		12,374		9,532		
		Senior Management	27		29		24		
	By Employment Category	Middle Management	120	45,175	119	41,244	116	32,942	
		Foundation Management	1,321		1,444		1,696		
		General Employees	43,707		39,652		31,106		
Percentage of Employees Trained <sup>29</sup>	By Gender	Male	99.9		100.0		91.1		%
		Female	98.7		100.0		91.5		
		Senior Management	93.1		100.0		100.0		
	By Employment Category	Middle Management	100.0	99.5	100.0	100.0	100.0	91.2	
		Foundation Management	99.5		100.0		100.0		
		General Employees	99.5		100.0		91.1		
Average Training Hours of Employees <sup>30</sup>	By Gender	Male	3.6		30.2		22.7		Hour(s)
		Female	3.7		18.0		21.6		
		Senior Management	21.7		18.5		17.8		
	By Employment Level	Middle Management	9.6	3.64	8.2	26.5	26.8	22.1	
		Foundation Management	31.2		22.4		34.0		
		General Employees	2.8		24.1		18.5		

<sup>28</sup> Percentage of trained employees by gender: male (69.4%) and female (30.6%); percentage of trained employees by employment category: senior management (0.1%), middle management (0.3%), foundation management (2.9%) and general employees (96.8%).

<sup>29</sup> The average training percentage of employees in relevant categories = the total number of trained employees of a specific category/the number of employees of that specific category.

<sup>30</sup> Average training hours of employees in relevant categories = the total number of trained hours of a specific category/the number of employees of that specific category.

## Performance Data Summary (Continued)

Statistical Data			2020		2019		2018		Unit
Percentage of Employees Receiving Regular Performance Reviews	By Gender	Male	96.1		100.0		100.0		%
		Female	93.1		100.0		100.0		
	By Employment Category	Senior Management	96.6		100.0		100.0		
		Middle Management	100.0	95.2	100.0	100.0	100.0	100.0	
		Foundation Management	100.0		100.0		100.0		
		General Employees	95.0		100.0		100.0		

Supplier Management<sup>31</sup>

Statistical Data		2020		2019		2018		Unit
By Region	Mainland China	13,374		9,497		9,489		Supplier(s)
	Hong Kong	283		287		259		
	Macau	72		12		12		
By Supplier Type	Environment	2,667	13,729	1,865	9,796		9,760	Supplier(s)
	Engineering	4,508		3,216		No data was disclosed		
	Safety Management	801		411				
	Others <sup>32</sup>	5,753		4,304				

<sup>31</sup> All suppliers are subject to the Group's established inspection practices, including annual supplier inspections, access entry inspections, etc.

<sup>32</sup> Other suppliers include those who provide administrative, policy, legal and information technology services to COPL.



# HKEX ESG Reporting Guide Content Index

Material Aspect	Content	Relevant sections (page number)	Remarks
<b>A. Environmental</b>			
<b>A1 Emissions</b>			
<b>General Disclosure</b>	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.	Improving Sustainability Governance (22–23); Fulfilling Environmental Responsibility (73–76)	During the Year, the Group was not involved in any confirmed incident in relation to emissions.
<b>A1.1</b>	The types of emissions and respective emissions data.	Fulfilling Environmental Responsibility (73–74); Performance Data Summary (81)	
<b>A1.2</b>	Greenhouse gas emissions in total and intensity.	Fulfilling Environmental Responsibility (73–74); Performance Data Summary (81)	
<b>A1.3</b>	Total hazardous waste produced and intensity.	Fulfilling Environmental Responsibility (74–76); Performance Data Summary (82)	
<b>A1.4</b>	Total non-hazardous waste produced and intensity.	Fulfilling Environmental Responsibility (74–76); Performance Data Summary (82)	
<b>A1.5</b>	Description of measures to mitigate emissions and results achieved.	Fulfilling Environmental Responsibility (73–74)	
<b>A1.6</b>	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	Fulfilling Environmental Responsibility (74–76)	

Material Aspect	Content	Relevant sections (page number)	Remarks
<b>A2 Use of Resources</b>			
<b>General Disclosure</b>	Policies on the efficient use of resources, including energy, water and other raw materials.	Fulfilling Environmental Responsibility (77–80)	
<b>A2.1</b>	Direct and/or indirect energy consumption by type in total and intensity.	Fulfilling Environmental Responsibility (77–79); Performance Data Summary (82)	
<b>A2.2</b>	Water consumption in total and intensity.	Fulfilling Environmental Responsibility (79–80); Performance Data Summary (83)	
<b>A2.3</b>	Description of energy use efficiency initiatives and results achieved.	Fulfilling Environmental Responsibility (77–79)	
<b>A2.4</b>	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Fulfilling Environmental Responsibility (79–80)	There is no issue in sourcing water that is fit for purpose.
<b>A2.5</b>	Total packaging material used for finished products and, if applicable, with reference to per unit produced.	—	The Group's business does not involve packaging material.
<b>A3 The Environment and Natural Resources</b>			
<b>General Disclosure</b>	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Improving Sustainability Governance (17–21)	
<b>A3.1</b>	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Improving Sustainability Governance (17–21)	

Material Aspect	Content	Relevant sections (page number)	Remarks
<b>B. Social</b>			
<b>B1 Employment</b>			
<b>General Disclosure</b>	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.	Improving Sustainability Governance (22–23); Strengthening Employment System (39–41)	During the Year, the Group was not involved in any confirmed incident in relation to employment.
<b>B1.1</b>	Total workforce by gender, employment type, age group and geographical region.	Strengthening Employment System (39–41); Performance Data Summary (83)	
<b>B1.2</b>	Employee turnover rate by gender, age group and geographical region.	Strengthening Employment System (39–41); Performance Data Summary (85)	
<b>B2 Health and Safety</b>			
<b>General Disclosure</b>	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.	Strengthening Employment System (46–48)	During the Year, the Group was not involved in any confirmed incident in relation to health and safety.
<b>B2.1</b>	Number and rate of work-related fatalities.	Strengthening Employment System (46–48); Performance Data Summary (85)	
<b>B2.2</b>	Lost days due to work injury.	Strengthening Employment System (46–48); Performance Data Summary (85)	
<b>B2.3</b>	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Strengthening Employment System (46–48)	

Material Aspect	Content	Relevant sections (page number)	Remarks
<b>B3 Development and Training</b>			
<b>General Disclosure</b>	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Strengthening Employment System (41–45)	
<b>B3.1</b>	The percentage of employees trained by gender and employee category.	Strengthening Employment System (41–45); Performance Data Summary (86)	
<b>B3.2</b>	The average training hours completed per employee by gender and employee category.	Strengthening Employment System (41–45); Performance Data Summary (86)	
<b>B4 Labour Standards</b>			
<b>General Disclosure</b>	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Improving Sustainability Governance (22–23); Strengthening Employment System (41)	During the Year, the Group was not involved in any confirmed incident in relation to labour standards.
<b>B4.1</b>	Description of measures to review employment practices to avoid child and forced labour.	Strengthening Employment System (41)	
<b>B4.2</b>	Description of steps taken to eliminate such practices when discovered.	Strengthening Employment System (41)	
<b>B5 Supply Chain Management</b>			
<b>General Disclosure</b>	Policies on managing environmental and social risks of the supply chain.	Serving the Community with Commitment (65–67)	
<b>B5.1</b>	Number of suppliers by geographical region.	Serving the Community with Commitment (65–67); Performance Data Summary (87)	
<b>B5.2</b>	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Serving the Community with Commitment (65–67)	

Material Aspect	Content	Relevant sections (page number)	Remarks
<b>B6 Product Responsibility</b>			
<b>General Disclosure</b>	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.	Improving Sustainability Governance (22–23); Serving the Community with Commitment (51–64)	During the Year, the Group was not involved in any confirmed incident in relation to product responsibility.
<b>B6.1</b>	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	—	The Group's business does not involve product recalls.
<b>B6.2</b>	Number of products and service related complaints received and how they are dealt with.	Serving the Community with Commitment (55–56)	
<b>B6.3</b>	Description of practices relating to observing and protecting intellectual property rights.	Adhering to Business Ethics (34–36)	
<b>B6.4</b>	Description of quality assurance process and recall procedures.	Serving the Community with Commitment (51–56)	
<b>B6.5</b>	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Adhering to Business Ethics (33–34)	

Material Aspect	Content	Relevant sections (page number)	Remarks
<b>B7 Anticorruption</b>			
<b>General Disclosure</b>	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Improving Sustainability Governance (22–23); Adhering to Business Ethics (30–32)	
<b>B7.1</b>	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.	Adhering to Business Ethics (30–32)	During the Year, the Group was not involved in any confirmed incident of corruption.
<b>B7.2</b>	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Adhering to Business Ethics (30–32)	
<b>B8 Community Investment</b>			
<b>General Disclosure</b>	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Serving the Community with Commitment (67–70)	
<b>B8.1</b>	Focus areas of contribution.	Serving the Community with Commitment (67–70)	
<b>B8.2</b>	Resources contributed to the focus area.	Serving the Community with Commitment (67–70)	

# Global Reporting Initiative Standards Content Index

GRI Standards	Content	Relevant sections (page number)	Remarks
<b>Anti-corruption</b>			
<b>GRI 103: Management Approach 2016</b>			
103-1	Explanation of the material topic and its Boundary	Improving Sustainability Governance (14-23); Responding to Stakeholders' Expectation (24-28)	
103-2	The management approach and its components	Adhering to Business Ethics (30-32)	
103-3	Evaluation of the management approach		
<b>GRI 205: Anti-corruption 2016</b>			
205-3	Confirmed incidents of corruption and actions taken	—	During the Year, the Group was not involved in any confirmed incident of corruption.
<b>Energy management</b>			
<b>GRI 103: Management Approach 2016</b>			
103-1	Explanation of the material topic and its Boundary	Improving Sustainability Governance (14-23); Responding to Stakeholders' Expectation (24-28)	
103-2	The management approach and its components	Fulfilling Environmental Responsibility (77-79)	
103-3	Evaluation of the management approach		
<b>GRI 302 : Energy 2016</b>			
302-1	Energy consumption within the organization	Fulfilling Environmental Responsibility (77-79); Performance Data Summary (82)	
302-3	Energy intensity	Fulfilling Environmental Responsibility (77-79); Performance Data Summary (82)	

GRI Standards	Content	Relevant sections (page number)	Remarks
<b>Waste management</b>			
<b>GRI 103: Management Approach 2016</b>			
103-1	Explanation of the material topic and its Boundary	Improving Sustainability Governance (14-23); Responding to Stakeholders' Expectation (24-28)	
103-2	The management approach and its components	Fulfilling Environmental Responsibility (74-76)	
103-3	Evaluation of the management approach		
<b>GRI 306 : Effluents and Waste 2016</b>			
306-2	Waste by type and disposal method	Fulfilling Environmental Responsibility (74-76); Performance Data Summary (82)	
<b>Establishment of a sound employment system</b>			
<b>GRI 103: Management Approach 2016</b>			
103-1	Explanation of the material topic and its Boundary	Improving Sustainability Governance (14-23); Responding to Stakeholders' Expectation (24-28)	
103-2	The management approach and its components	Strengthening Employment System (41-45)	
103-3	Evaluation of the management approach		
<b>GRI 401 : Employment 2016</b>			
401-1	New employee hires and employee turnover	Performance Data Summary (84-85)	
<b>Occupational Health and Safety</b>			
<b>GRI 103: Management Approach 2016</b>			
103-1	Explanation of the material topic and its Boundary	Improving Sustainability Governance (14-23); Responding to Stakeholders' Expectation (24-28)	
103-2	The management approach and its components	Strengthening Employment System (46-48)	
103-3	Evaluation of the management approach		



GRI Standards	Content	Relevant sections (page number)	Remarks
<b>GRI 403 : Occupational Health and Safety 2018</b>			
403-1	Occupational health and safety management system	Strengthening Employment System (46-48)	
403-2	Hazard identification, risk assessment, and incident investigation	Improving Sustainability Governance (20-21); Strengthening Employment System (46-48)	
403-9	Work-related injuries	Strengthening Employment System (46-48); Performance Data Summary (85)	
<b>Employee Training and Development</b>			
<b>GRI 103: Management Approach 2016</b>			
103-1	Explanation of the material topic and its Boundary	Improving Sustainability Governance (14-23); Responding to Stakeholders' Expectation (24-28)	
103-2	The management approach and its components	Strengthening Employment System (41-45)	
103-3	Evaluation of the management approach		
<b>GRI 404 : Training and Education 2016</b>			
404-1	Average hours of training per year per employee	Strengthening Employment System (41-45); Performance Data Summary (86)	
404-3	Percentage of employees receiving regular performance and career development reviews	Performance Data Summary (87)	

GRI Standards	Content	Relevant sections (page number)	Remarks
<b>Business ethics</b>			
<b>GRI 103: Management Approach 2016</b>			
103-1	Explanation of the material topic and its Boundary	Improving Sustainability Governance (14-23); Responding to Stakeholders' Expectation (24-28)	
103-2	The management approach and its components	Adhering to Business Ethics (30-36)	
103-3	Evaluation of the management approach		
<b>GRI 418 : Customer Privacy 2016</b>			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Adhering to Business Ethics (33)	The Group did not receive any verified complaints concerning breaches of customer privacy and losses of customer data during the Year.



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