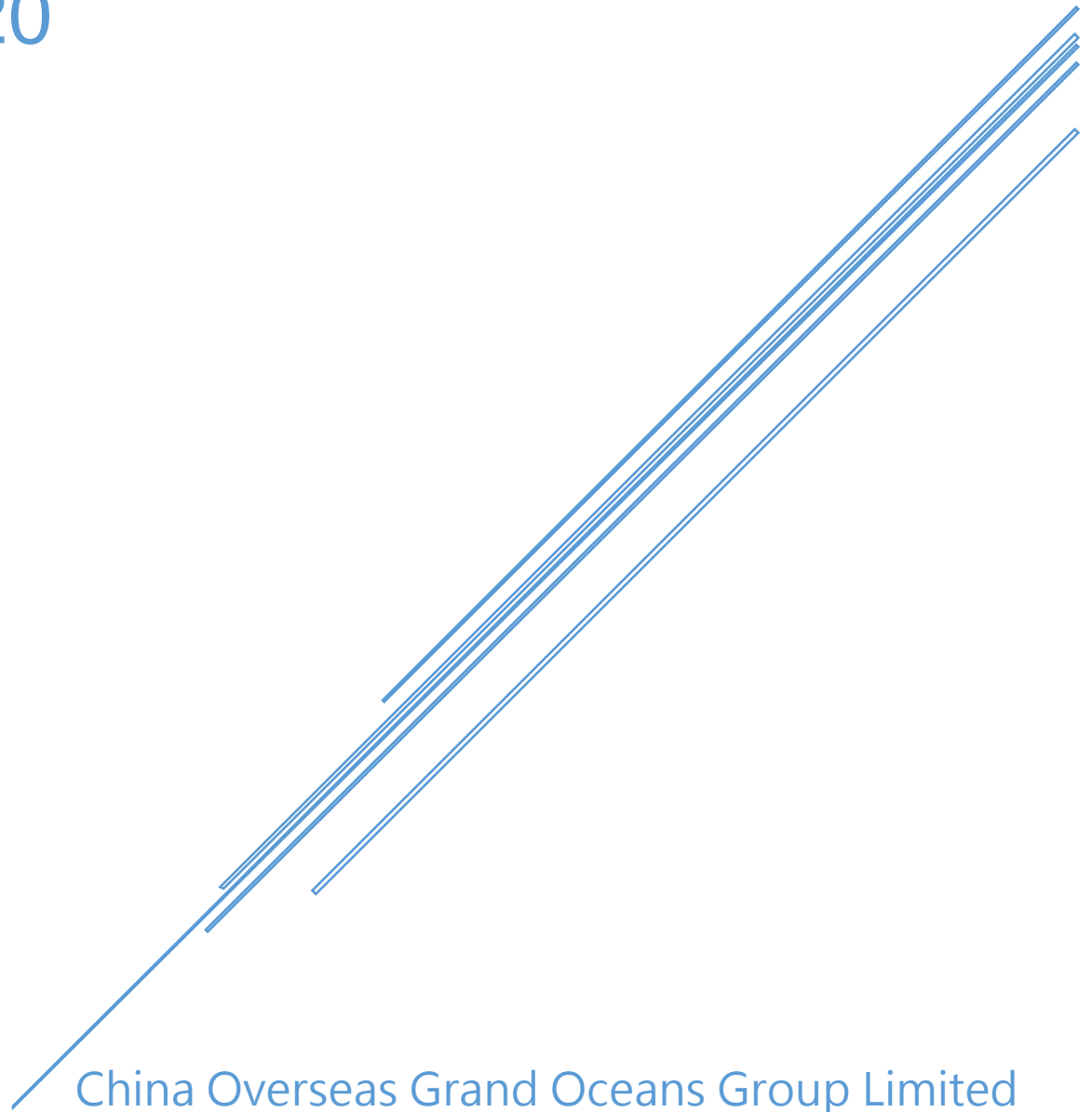


ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2020



China Overseas Grand Oceans Group Limited

Stock Code : 0081.HK

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About the Group

China Overseas Grand Oceans Group Limited (the “Company”) and its subsidiaries (together the “COGOGL” or the “Group”) are principally engaged in property investment and development, property leasing and investment holding.

Property Investment and Development Business	Property Leasing Business	Other Segment Business
Mainly constructs and sells residential and commercial properties in the PRC.	Mainly engages in the leasing of commercial units to provide rental income and benefits from the long-term appreciation in property values to the Group.	Mainly engages in hotel operations and generates service fees in connection with the hotel operations and other ancillary services.

In 2020, the Group has performed well in terms of business expansion and further expanded its operations to ten cities with high growth potential, namely Taizhou, Zhenjiang, Langfang, Tangshan, Jinhua, Zunyi, Tianshui, Zhuzhou, Zhanjiang and Linyi, bringing the number of cities in which the Group currently operates to 37. The Group fully embraced the government’s urbanization and long-term housing policy and is determined to continue its expansion plans in emerging cities with investment value and growth potential. Project developments in popular cities and popular locations remain the investment thesis and primary focus of development of the Group. Setting its sights on customers’ demand for high quality residential properties and development of middle to high-end products is still the core business of the Group.

As one of the leading property developers in the market, the Group has maintained a high standard of product quality and consistently upgrades its property projects with popular layouts and improved material to meet the market increasing demands of customers. As such, the Group’s key product strategy is focused on high quality, green, health, intelligence and technology. At the same time, the Group adhered to the spirit of excellence in craftsmanship, and conducts multi-dimensional research in the aspects of functions and living experiences and establish research centres and model houses to analyze the needs of customers in a timely manner, so as to perfect the details of the property and develop new products.

About this Report

The Group's fifth Environmental, Social and Governance Report (this "report") will continue to help stakeholders¹ understand the environmental, social and governance (the "ESG") performance of the Group by updating the Group's achievements of the ESG issues. This report has been prepared in both English and Chinese and is available on The Stock Exchange of Hong Kong Limited (the "SEHK") and the Group's website at www.cogogl.com.hk.

Reporting Boundary

The boundary of this report will continue to focus on the ESG performance of the Group's "Property Investment and Development" business for the period from 1 January 2020 to 31 December 2020 (this "year"), covering the Group's Shenzhen headquarter, Hong Kong office and 17 district company offices (collectively known as "headquarter and offices"). In the future, the Group will consider the inclusion of the property leasing and investment holding businesses in the reporting boundary in the light of the business development.

Reporting Standard

This report is prepared based on the four reporting principles (i.e., Materiality, Quantitative, Balance and Consistency) set out in the Environmental, Social and Governance Reporting Guide under Appendix 27 of the Rules Governing the Listing of Securities of SEHK. Also, in order to disclose the Group's performance comprehensively, some of the "recommended disclosures" have been included in this report.

Reporting Principles	Definition	Responses
Materiality	Focus on the ESG issues that have a significant impact on the Group's various stakeholders.	A board survey was conducted during the year to understand the key ESG issues that are concerned.
Quantitative	The key performance indicator (the "KPI") must be measurable and, where appropriate, comparable.	The Group's social KPIs are sourced from relevant department. In addition, the professional consultant, Carbon Care Asia, has been engaged for the calculation of environmental KPIs.
Balance	Issuers should report objectively and honestly on their ESG performance for this year.	In preparing this report, the Group has focused on the ESG achievements as well as describing the difficulties encountered and how they were resolved.
Consistency	Consistent disclosure measures should be used in reporting so that the ESG-related KPIs can be compared to understand corporate performance.	In this report, the Group has used the same statistical methodology as in previous years and compared the selected ESG data of this year with those of previous year. Please refer to the "Key Performance Indicator Summary" section for details.

¹ "Stakeholders", referring to groups and individuals that have a significant impact on the corporate business or may be affected by the business, including the board of directors, management, executives and general staff, as well as the shareholders, business partners, customers, government, regulatory authorities, banks, investors and community organization, etc.

Confirmation and Approval

The Group is committed to making effort to ensure that all information presented in this report is accurate and reliable and is managed through the establishment of internal controls and formal review procedures. The contents of this report have been acknowledged and approved by the board of directors (the "Board") and the executive committee of the Company (the "Executive Committee").

Opinion and Feedback

The Group welcomes any comments or suggestions from stakeholders on the ESG performance of the Group. Please contact the Group through the following channels:

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Chairman's Statement

With the concept of sustainability development gradually becoming a part of modern corporate development strategies, COGOGL, as one of the leading property developers in the market, has been striving to fulfil its commitment to sustainability development by enhancing its technical and management capabilities. The Board is responsible for formulating corporate sustainability management strategies and regularly reviewing and advising on the development status of different issues. In addition, the Executive Committee is authorized by the Board to oversee and implement matters related to corporate sustainability, considering all sustainability factors at all levels of operating management. As the expectations for sustainability governance from regulators and stakeholders continue to rise, the Group will respond proactively to enhance its sustainability performance across the board.

During this year, the Group has further enhanced its communication with stakeholders by inviting a total of eight Board members to participate in a questionnaire survey on the material issues initiated by the Group, which was analyzed by an independent consultant company. The results showed that the Board members were highly concerned about issues of "Employment and Labour Practices", where all issues in this area are considered as material. In addition, the Board members were also highly concerned about the issues of "Prevention of Bribery, Extortion, Fraud and Money Laundering". The Group has formulated policies and measures to address these material issues and has responded to them in different sections of this report.

In the first half of 2020, the pandemic of Covid-19 was rampant, with countries around the world initiating lockdown and other preventive measures to control the pandemic. The Group has actively complied with the national policy on pandemic prevention by limiting the number of workers who need to return to work and reducing staff movement. For those who have returned to work, the Group has also procured hygiene products for employees to create a safe and healthy working environment.

In addition, climate change control, as part of the latest regulatory disclosure requirements and national development strategies, has been given full attention by the Group. During the property investment and development phase, the Group will strive to build and operate green property projects for reducing the impact of property projects on the surrounding environment. By the end of 2020, all of the Group's new development projects have been obtained Green Building Design Certification-Basic Level or above, with 55.8% of them have obtained Green Building Design Certification-One Star or above.

In the future, the Group will further follow the national strategies and integrate the concept of sustainability development into corporate development objectives, while further enhancing the management of sustainability risks and striving to fulfil its corporate social responsibility.

Zhuang Yong
Chairman and Executive Director

Sustainability Governance


Governance Structure

With the rising expectations of the government, industry and the public on corporate sustainability development, the Board is now responsible for managing the Group's overall sustainability performance and has delegated to the Executive Committee the responsibility of handling the day-to-day ESG matters, such as identifying, assessing and prioritizing the ESG issues that have significant impact on the Group; ensuring the establishment of appropriate and effective ESG risk management and internal control systems; reviewing the implementation progress against the ESG goals; and reviewing and approving the annual ESG report, and reporting to the Board on a regular basis. In the future, the Board will further evaluate and review the terms of reference of the Executive Committee and devote more resources to better enhance the Group's performance in sustainability development.

Risk Management

The Group places emphasis on managing sustainability risks in its daily operations, ensuring that risks associated with the business can be identified, assessed and managed in a timely manner to minimize the impact on the Group. The Group has established a risk management and internal control systems and the Board is responsible for overseeing the effectiveness of the relevant system. The audit committee of the Company (the "Audit Committee"), authorized by the Board, is responsible for reviewing and evaluating the controlling measures of corporate risks and management risks on a regular basis and submitting the review results and improvement recommendations of business risks management to the Board for reviewing and determining the effectiveness of the internal control system. The Company has also established Intendance and Audit Department to conduct internal audits and report regularly to the Audit Committee and the Board on risk management and internal controls.

Given that the nature of the Group's business and the reporting boundary have not changed significantly, the ESG risks identified in the previous year and the corresponding management measures will continue to be applied in this year.

Major risks	Impact	Control measures and performance	Risk Identification Process
Reputational Risk	The Group attaches great importance to the quality of construction and customer services in its daily operations. If the quality of construction work or customer services deteriorate due to poor management or other unknown factors, the reputation of the Group will be adversely affected.	The Group is committed to improving the level and efficiency of post-delivery maintenance, as well as ensuring the openness, transparency and accuracy of all sales information during the sales process, and striving to improve customer satisfaction.	<ol style="list-style-type: none"> 1. Identify potential risks 2. Assess the identified risks 3. Establish control measures to manage risks 4. Monitor risk changes 

Major risks	Impact	Control measures and performance	Risk Identification Process
Occupational Safety Risk	<p>The Group understands that there is a high risk of occupational safety during the construction of properties. If an unfortunate safety accident happens, it will not only have a material impact on the project progress, but also affect the image of the Group and lead to staff turnover.</p>	<p>The Group has formulated different types of safety policies, such as "Construction Safety Management Policy" and "Self-Checking Standards of Office Environment Management", to facilitate construction workers as well as office workers to refer to different safety standards. In addition, the Group also provides regular medical check-ups, medical insurance, psychological counseling and other health and safety services to its employees to create a safe working environment.</p>	<p>Same as the above.</p>

Stakeholder Engagement

The Group has always attached great importance to communicate with different stakeholders and has organized various activities during this year to understand the views and suggestions from stakeholders on the sustainability development of the Group. As there was no significant change in the Group's business and the ESG approach during this year, the previous communication approach was still used as follows:

Employees

- Conducted communication regularly with employees through satisfaction surveys, employee seminars, sharing sessions and other trade union events.

Customers

- Organized activities regularly, such as home visits and evening parties, to enhance the communication and maintain the good relationship with customers; and
- Developed "China Overseas e-Family" system for reporting to and following-up with customers.

Business partners

- Conducted quality assessments regularly for different areas and projects according to established quality standards to ensure the quality of the buildings.

Community

- Encouraged employees to participate in community activities, including anti-pandemic volunteer activities, cultural activities and parent-child activities.

Investors and shareholders

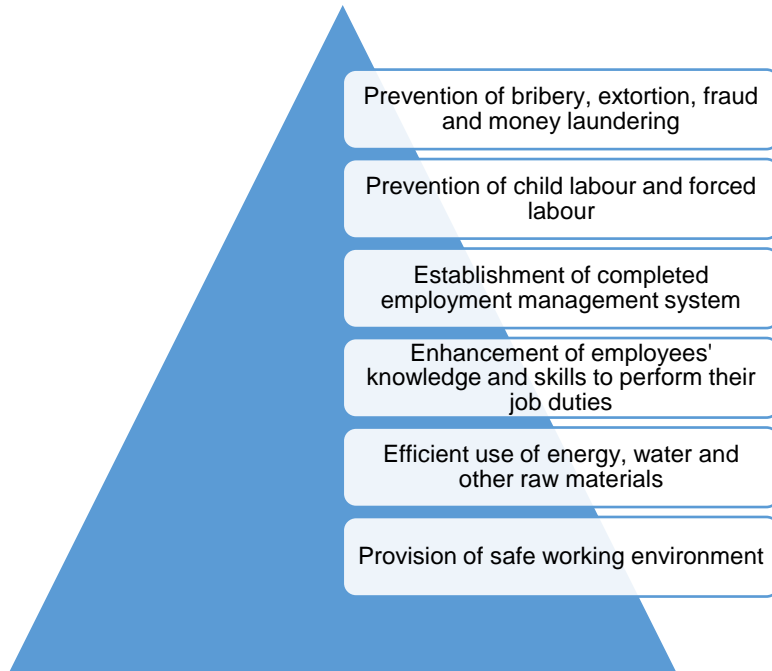
- Organized meetings regularly with securities analysts, fund managers and investors, where management can answer the inquiry on the Group's operation and financial status; and
- Convened shareholders' meeting every year to provide shareholders with the opportunities to reflect their opinions.

Regulators

- Responded to inquiries on the Group's various matters from regulators in a timely manner orally or in writing to ensure that the Group complies with relevant laws and regulations.

Material Issues

During this year, the Group has conducted a board survey to understand the Board's level of attention on different ESG issues. According to the ratings from eight Board members, six ESG issues were selected as material issues, among which "Prevention of Bribery, Extortion, Fraud and Money Laundering" was selected as the most important issue. It is also worth noting that all the issues in the area of "Employment and Labour Practices" are considered as material, indicating the Board's close attention on this area. The Group has described the management measures for different material issues in different chapters to enhance the management efficiency. All the material issues are listed below in order of importance.



Environmental Aspects

Protecting the ecological environment, addressing climate change, maintaining the security of energy and other resources are common challenges around the world. As one of the leading property developers in the market, the Group understands and recognizes its corporate responsibility for the environment in which it operates and has therefore formulated and implemented the “Environmental Policy” in 2018, which specifies that each business unit should manage its emissions properly, save resources, and protect the environment and natural resources, as well as implement green office and support green buildings to promote green value chain.

Emissions

Emissions from the Group's headquarter and offices are mainly:

- greenhouse gases (“GHG”) and air emissions from the use of energy; and
- waste and sewage.

The Group has managed its emissions in accordance with the “Environmental Policy”. The following table shows the disclosure of relevant emissions and management measures:

Emissions	2020 Disclosures	Measures to manage emissions
GHG Emissions	<p>Commissioned a professional consultant to conduct a carbon emission assessment. Such quantification process was conducted in accordance with the guidelines compiled by the Environmental Protection Department and Electrical and Mechanical Services Department of Hong Kong.², and also references the guidelines published by National Development and Reform Commission of the People's Republic of China.³ and relevant international standards.⁴ The assessment showed that the total GHG emissions of the headquarter and offices were 4,692 tonnes of carbon dioxide equivalent, among which:</p> <p>Scope 1.⁵: accounted for 38.9% Scope 2.⁶: accounted for 39.1% Scope 3.⁷: accounted for 22.0%</p>	<ul style="list-style-type: none"> • Establish data collection system to monitor emissions; • Promote electronic communications to reduce the need for employee's business travel; and • Set targets for reducing pollutant emissions.

² Guidelines to Account for and Report on GHG Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong.

³ Guidelines for Accounting and Reporting GHG Emissions – China Public Building Operation Units (Enterprises) (Trial).

⁴ Such as ISO14064-1 and the GHG Protocol.

⁵ Scope 1 refers to the direct GHG generated by the consumption of natural gas and gasoline as a direct energy source.

⁶ Scope 2 refers to the indirect GHG generated by purchased electricity.

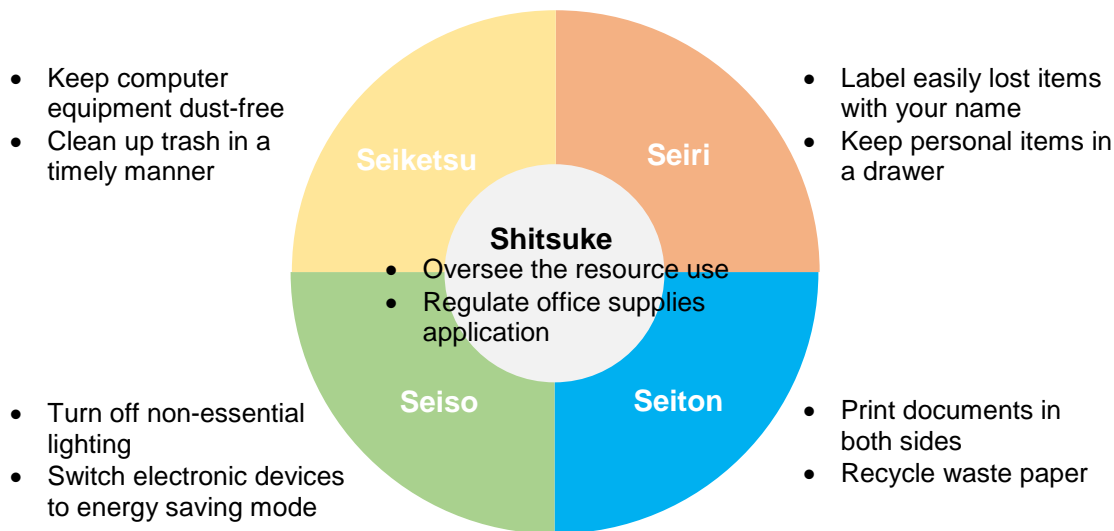
⁷ Scope 3 refers to GHG generated by business travel, waste paper disposal from Hong Kong headquarters, water use and sewage disposal treatment.

Emissions	2020 Disclosures	Measures to manage emissions
	<p>The total GHG emissions for this year increased by 9.4% compared to 2019 due to the increasing in energy use at headquarter and offices. Scope 1 GHG emissions increased by 3.5% compared to 2019, while Scope 2 and Scope 3 emissions also increased by 14.5% and 11.7% respectively.</p>	
<p>Air Emissions</p>	<p>Natural gas combustion in heating boilers and gasoline combustion in cars produce air pollutants, mainly:</p> <ul style="list-style-type: none"> • Nitrogen oxides (292 kg) • Respirable suspended particulates (53 kg) • Sulphur oxides (15 kg) <p>During this year, due to the reduction in vehicle use, both nitrogen oxides and respirable suspended particulates decreased, reaching 5.2% and 44.4% respectively, while sulphur oxides emissions remained essentially flat, increasing by only 1.9%.</p>	<ul style="list-style-type: none"> • Identify emission sources and develop corresponding management measures; and • Immediately launch an investigation and take appropriate action when abnormal emissions are detected.
<p>Waste</p>	<p>The Group's headquarter and offices generate 67 tonnes of non-hazardous waste, mainly are domestic waste, which are sent to landfills or incinerated by the local property management companies. Since the headquarter and offices do not generate hazardous waste, the impact is not disclosed.</p>	<ul style="list-style-type: none"> • Promote a paperless office; • Avoid the use of disposable products; • Establish sorting and recycling facilities to promote recycling; and • Regularly review waste generation and recycling volumes and set future waste reduction targets.
<p>Sewage</p>	<p>The wastewater generated by the headquarter and offices is mainly the domestic wastewater discharged from the washroom and pantry, which are all discharged to the wastewater treatment plant for treatment through the municipal pipeline.</p>	<ul style="list-style-type: none"> • Actively adopt water recycling facilities in project planning; and • Use environmental-friendly cleaning products to reduce harmful substances in wastewater.

Details of the various emission data can be found in the chapter of "Key Performance Indicator Summary" of this report.

Use of Resources

The Group has adopted the 5S⁸ management system as the core principle to reduce the use of resources. Through the five areas namely Seiri, Seiton, Seiso, Seiketsu and Shitsuke, the Group has been able to save resources while improving the work efficiency and staff quality.



The Group has now established a "Self-Checking Standards of Office Environment Management", which is supported by regular inspections and different reward/punishment measures to reduce waste of resources, such as energy, water resources and paper.

During this year, a total of 10,656 MWh of energy was consumed at the Group's headquarter and offices, with the use of gasoline, natural gas and purchased electricity accounting for 61.1%, 11.0% and 27.9% of total energy consumption respectively. Total energy consumption increased by 5.9% compared to 2019.

The Group will continue to monitor the use of resources and implement the contents of the "Environmental Policy".

The Environment and Natural Resources

As a corporate who focus on property investment and development, the Group has a strong commitment to green building. The green building concept encompasses every step of the building lifecycle, from site planning, design, construction, post-completion operation management to renovation and demolition. In addition to minimizing the impact of buildings on the ecological environment, the Group also takes into account the physical and mental health of the customers.

During this year, all of the Group's new projects have attained Green Building Design Certification-Basic Level or above, of which 55.8% have attained Green Building Design Certification-One Star or above. In the future, the Group will continue to implement the relevant certifications and standards. In addition, the Group has also implemented a green procurement policy as part of its "Environmental Policy", using international standards such as ISO14001 environmental management system certification as the standard for assessing the environmental performance of suppliers.

⁸ i.e., Sort (Seiri), Set in order (Seiton), Shine (Seiso), Sustain (Seiketsu) and Standardize (Shitsuke).

Climate Change

The Group is also very concerned about the global trend of climate change, which is closely related to the well-being of all people and has already incorporated this factor into its green property development strategy. The Group will continue to explore how the impact of climate change can be integrated into the Group's service in conjunction with the green property strategy.

The response to climate change can be divided into two directions: "mitigation" and "adaptation". "Mitigation" focuses on reducing GHG emissions into the atmosphere in order to slow down climate change, and the Group has explained the specific emission reduction policies and measures in the chapter of "Emissions" whereas "adaptation" focuses on addressing the existing impacts of climate change. As climate change can lead to extreme weather conditions that affect the living environment of customers, the Group will maintain its drainage and heating infrastructure every year to enhance the community's ability to withstand extreme flooding or cold stream to protect the lives and property of customers.

Social Aspects

Social issues are considered important by stakeholders, with "Prevention of Bribery, Extortion, Fraud and Money Laundering" and "Employment and Labour Practices" being the primary concerns. This chapter discusses the performance of the Group's business in various social aspects to demonstrate the Group's commitment to social responsibility in its real estate business, such as protecting the rights and interests of its employees, operating with integrity, preventing any form of corruption, and working with partners to build a fairer and more harmonious society.

Employment System

COGOGL actively promotes a fair, trusting and mutually respectful employment relationships to help employees to grow together with the corporate. The "Employee Handbook" of the Hong Kong office and the policies for the Mainland offices, such as the "Employee Relations Management Methods" and "Employee Salary Management Methods (Trial)", provide employees with information on policies relating to compensation and dismissal, recruitment and promotion, working hours and rest periods, etc., which are readily and publicly available online, reflecting the transparency of the Group's employment management.

Employment Issues	Related Content
Compensation and dismissal	<ul style="list-style-type: none">The "Employee Handbook" and the "Employee Salary Management Methods (Trial)" set out the general employment practices, and termination and discharge arrangements and provisions are also provided in the employment contracts.
Recruitment and promotion	<ul style="list-style-type: none">A fair recruitment system and a transparent promotion mechanism are in place to promote staff based on objective assessment results.
Working hours and rest periods	<ul style="list-style-type: none">The "Employee Handbook" and the "Employee Salary Management Methods (Trial)" set out the working hours and leave application mechanism and describe the corresponding regulations and arrangements for overtime work.

Employment Issues	Related Content
<p>Anti-discrimination and equal opportunity</p>	<ul style="list-style-type: none"> • The Hong Kong office has established the “Policy on Prevention of Discrimination and Harassments” to ensure that employees are given fair opportunities from entry to promotion and provide a grievance mechanism for such acts. • The Group will also explore the prevention of discrimination and harassments policy applicable to Mainland offices and improve the corresponding systems.
<p>Benefits and welfare</p>	<ul style="list-style-type: none"> • MPF (Mandatory Provident Fund Schemes) accounts and regular contributions are set up for Hong Kong employees under the MPFSO (Mandatory Provident Fund Schemes Ordinance), and a medical insurance scheme is provided for employees and their families. • Mainland employees are entitled to social security in the form of "Five Social Insurance and One Housing Fund", with the option of contributing to a corporate annuity for additional protection. In addition, employees are also entitled to other additional benefits such as wedding vouchers, long service awards, recreational and sports activities, etc.
<p>Employee Communication</p>	<ul style="list-style-type: none"> • In addition to the "Employee Handbook" and the "Employee Salary Management Methods (Trial)", the Group has also formulated the "100 Questions on Employee Relations" to answer questions about employee relations encountered in daily management to enhance employees' understanding of their job. Also, formal and informal meetings are organized on a regular basis to encourage two-way communication between staff and the supervisors. • The "Complaint Management Methods" regulate the Group's procedures for handling complaints and ensure that reports from staff are handled with care and confidentiality to avoid retaliation against the complainant.

The employment data can be found in the “Key Performance Indicator Summary” section of this report.

Occupational Safety and Health

During this year, the Group has implemented the "Construction Safety Management Reward and Punishment Methods", together with the "Construction Safety Management Policy" and "Project Safety Management Scheme", to ensure the occupational safety and health of staff who work in different roles.

Location	Related measures
Office	<ul style="list-style-type: none">• 5S Management System enhances the health and safety of office workers. The requirements of "Seiri", "Seiton" and "Seiso" can reduce accidents caused by improper placement of objects; maintaining "Seiketsu" can also reduce germs and pests in the workplace;• The Group regularly inspects the safety performance of each department and reward them for their performance or follow up on any problems; and• The Group purchases medical and comprehensive accident insurance for the employees, provides them with regular medical check-ups and psychological counselling services every year, and holds seminars on occupational safety and health to ensure that employees' physical and mental health are properly protected.
Construction site	<ul style="list-style-type: none">• Conducting safety spot checks by third party and communicating with project leaders who are not performing well;• Granting bonuses to person in charge of projects if there are no safety incidents under his/her supervision and performed well in safety management;• Implementing measures such as salary reduction and demotion to punish the person in charge if there are employees who suffered injuries or deaths at the operating sites due to safety incidents; and• Establishing standard procedures and safety measures for each project area, and conducting safety inspections as required to ensure that such measures are implemented.

The data in relation to occupational safety and health can be found in the "Key Performance Indicator Summary" section of this report.

Development and Training

The "Endless Ocean Training System" is the brand name of the Group's training system at all levels, which is updated and improved by the Human Resources Department of the headquarter, and the trainings are carried out by various departments and district business offices according to their needs.

The following are the different training contents designed for different positions of employees:

Training Name	Goals	Target	Content
Setting sail	Leading oneself	<ul style="list-style-type: none"> ✓ All new staff ✓ Senior supervisor and below 	Understand the Company's culture and philosophy, enhance career skills and personal development.
Continuance	Leading others	<ul style="list-style-type: none"> ✓ Assistant manager level or above 	Deepen understanding of the business and improve team management skills.
Racing	Leading the department	<ul style="list-style-type: none"> ✓ Project director and project manager 	Update knowledge, expand vision, and enhance leadership.
Leading	Leading the organisation	<ul style="list-style-type: none"> ✓ Head of district company ✓ Department heads at headquarter or above 	Improve leadership thinking and organizational management skills.

In addition, the Group also organizes training camps from time to time on different topics to meet the needs of staff at different levels:

Training camps	Mentor	Target	Content
Sons of the Sea Foundation Camp	Previous trainees	Trainees	Invite the previous trainees to share their growth in the past year to enhance trainees' sense of belonging to the Group.
Haina Inclusion Camp	Head of each department	New employees	Help trainee to deepen their understanding of corporate culture and clarify their career path.
Employee with Potential Training Camp	Head of each department	Employees with potential	Facilitate trainees' understanding of the corporate control model and business management.
Sales Manager Studying Camp	Manager of Headquarter Marketing Management Department, external instructor	Sales managers	Enhance the professionalism and expertise of sales managers in each district.

Training camps	Mentor	Target	Content
Training Camp for Senior Management	University professors, instructors, and experts in related field	Senior Executive	Corporate strategy, organizational change, and talent building.
Compass for Senior Management	Heads of various business departments of the headquarter	Leaders at all levels and department heads	Management points and work requirements are shared and discussed.

In view of interactive learning platform being the trend in recent years, the Group also actively makes use of information technology to provide online training courses and add more functions such as courses live streaming and Q&A sessions to keep track of the progress and needs of employees. In addition, external training subsidies are also provided to employees, and employees are required to share with other employees upon completion of the training.

The data in relation to employee development and training can be found in the "Key Performance Indicator Summary" section of this report.

Labour Standards

As stated in the section "Stakeholder Engagement", the Group considers "Prevention of Child Labour and Forced Labour" as a material issue with specific prevention and control measures as follows:

Labour Issues	Related Measures
Forced Labour	<ul style="list-style-type: none"> The "Employee Relations Management Methods" stipulate that the signing of labour contracts must comply with the relevant provisions of the law, and forced labour is not allowed. In the event of forced work, employees may file a complaint with the Intendance and Audit Department through the procedures set forth in the "Complaint Management Methods".
Child Labour	<ul style="list-style-type: none"> The Group will not allow any employee who is under the statutory working age to join the Group. When applying for employment, the Human Resources Department will verify the employee's original identity card or household register to ensure that (s)he meets the local statutory working age.

Supply Chain Management

The Group has more than 5,000 suppliers, mainly are construction suppliers, with the rest being contractors responsible for construction works. The Group has policies in place to ensure the quality of work and control the costs, while implementing the following measures to manage its environmental and social risks:

Environmental risk

The Group has made the promotion of green value chain as one of the objectives of its "Environmental Policy". Its green procurement policy requires departments to give priority to products and services that promote environmental sustainability in the procurement process and to consider the environmental performance of suppliers when selecting them. In addition, the Group has developed a stakeholder engagement program to enhance communication with external stakeholders on environmental protection issues and to raise their awareness of environmental protection.

Social risk

In respect of tenders, the Group has made reference to "The Bidding Law of the People's Republic of China" in conjunction with its own management system to formulate the "Tendering Management Methods" of the Group and define the duties of various departments in order to protect the legitimate interests of the Group and the tenderers under the principles of transparency, fairness, full competition, integrity and confidentiality.

To address the issue of "Prevention of Bribery, Extortion, Fraud and Money Laundering", which is of particular concern to the Group, the "Tendering Management Methods" stipulate that all suppliers upon successful tender must sign an "Integrity Agreement" and provide a confidential channel for reporting any improper conduct, so as to ensure that the tender process is in line with the principles of transparency, fairness and full competition.

Product Responsibility

With the increasing public demand for products and services, the Group is also aware of the need to assume its responsibility as a product provider at different stages of the project, from planning, construction, acceptance, sales to after-sales services, in order to gain the trust of customers and maintain a good reputation. During the preliminary planning and construction, specific management documents such as "Construction Quality Management System" and "Property Handover Inspection Standards" set out the detailed workflow to ensure the quality and safety level of the constructions.

In the sales and after-sales stage, the Group has established the "Whole-Process Customer Risk Management Methods" to ensure that the sales information complies with the relevant regulations; the "Move-in Management Methods" regulate the delivery process; and the Group's own application "China Overseas e-Family" provides a communication channel between users and staff, for example, the Group can disseminate various messages in a timely manner and collect feedback from customers through this application, so as to closely fulfil users' needs, provide timely responses and improve service quality. At the same time, the Group is committed to strictly abide by any form of misappropriation of customers' privacy.

Lastly, in handling customer complaints, staff are required to effectively handle customers' complaints and claims in accordance with the "Customer Complaint and Claims Management Methods". During this year, the Group received a total of 52 complaints, all of which were handled within the stipulated time.

In addition, in respect of intellectual property rights, the Group's "Employee Handbook" in Hong Kong and the "Employees' Code of Conducts" in Mainland have clearly stated that unauthorized use of any products with intellectual property rights owned by any third party individuals or organizations is not allowed.

The Group's business does not involve in advertising and labelling matters at present and will formulate related policies in accordance with the business development in due course.

Anti-corruption

The Intendance and Audit Department is the major department responsible for anti-corruption in the Group. It has established policies such as the “Intendance and Audit System”, the “Implementation Rules for Separation of Incompatible Positions” and the “Tendering Management Methods” to ensure that employees are clear about the Group's position and requirements. At the same time, the Group also maintains close communication with its business partners to enhance the anti-corruption awareness of all parties, and opens up complaint channels to receive reports from all parties and handle them confidentially. Some of the specific anti-corruption measures are as follows:

Policies/measures	Target	Content
Statement of Integrity Commitment	Leaders at all levels	The leadership team or department heads at all levels shall sign the "Statement of Integrity Commitment" and commit to abide by the relevant laws and regulations and systems, and lead by example in practicing integrity and self-discipline.
Anti-Corruption Code of Conduct	All employees	The “Employee Handbook” in Hong Kong and the “Employees’ Code of Conducts” in Mainland both contain anti-corruption codes of conduct that require strict compliance by staff.
Education and Promotion	All employees	To promote the anti-corruption work, the Group has produced a guideline for Integrity Risk Prevention Education and a TV feature film to raise employees' awareness of integrity and self-discipline.
Integrity Protocol	External parties	The Group published an "Open Letter to Cooperation Partners" to publicly oppose the acceptance of benefits by the Group's employees, and signed an "Integrity Agreement" with the successful bidder to strictly prohibit suppliers from providing any form of benefits to the Group's employees and also provided reporting channels.
Complaint Management Methods	Employees and cooperation partners	Standardize reporting management procedures, and conduct separate investigations or refer them to relevant departments for handling according to the nature of the problem and the report target.

As one of the most material issues to the stakeholders, the Group is committed to continue to strengthen anti-corruption policies and measures to eliminate any form of corruption and bribery.

Community Co-creation

The Group understands that it cannot grow without the support of the local community. As a responsible corporation, the Group is committed to strengthening our ties with the local community and understanding their real needs. As such, the Group will promote cultural conservation and civic awareness through its influence on the community, advocate social harmony and actively contribute to the community.

Community Facilities

To provide customers with a quality living experience, the Group attaches importance to the ancillary facilities of its properties by reserving sufficient areas for various recreational facilities such as parks, jogging trails and gymnasiums during project planning, as well as providing rental subsidies for shops that are beneficial to people's livelihood such as convenience stores or restaurants, thereby reducing the cost of living for residents.

Environmental charity

The "Environmental Policy" states that the Group will actively organize environmental education and promotion activities and set aside a portion of its charitable donations to support such activities. The Group's highlight project, Spring Sowers Campaign (see below) under the Four Seasons Campaign, includes maintaining community's green facilities and organizing community tree planting days, and invites customers to join to promote environmental awareness.

Caring Activities

In addition to hardware facilities, the Group also cares about the community, hoping that our customers can receive support in their daily lives and create a sense of belonging to the community. The "Guidelines for Customer Care (China Overseas Club)" provide a service framework for the establishment of "China Overseas Club" in each district company to organize regular customer care activities such as health check-ups, children's interest classes, ball games, festive parties, etc. The Group's Four Seasons Campaign summarizes the major community activities, details of which are as follows:

Event Name	Activities
Spring Sowers Campaign	<ul style="list-style-type: none">• Organize anti-pandemic activities to pay tribute to frontline workers in the fight against the pandemic;• Promote cleanliness and hygiene awareness; and• Purchase fruit from affected farmers for residents.
Summer Solstice Campaign	<ul style="list-style-type: none">• Produce exhibition boards or banners to support students taking college entrance examination and high school entrance exam, and provide stationery bags for them; and• Provide professional services such as maintenance of air-conditioning facilities via various contractors.
Autumn Harvest Campaign	<ul style="list-style-type: none">• Organize a Mid-Autumn Festival party to socialize with residents;• Set up customer service managers and property reception days to collect feedback from residents; and• Pay tribute to the elderly through activities such as Double Ninth Festival banquets and giving longevity noodles.
Winter Heating Campaign	<ul style="list-style-type: none">• Follow up on the problem of inadequate heating in some districts in the previous year and inspect heating and anti-freezing facilities;• Launch a Safety in the Home campaign to check the safety of electricity consumption for customers; and• Take family photos and give away lucky bags to customers during the Chinese New Year.

Compliance Performance
Overview of Compliance with Relevant Laws and Regulations

Aspects	Relevant Laws and Regulations	Compliance Status
A1 Emission	<ul style="list-style-type: none"> Environmental Protection Law of the People's Republic of China Environmental Impact Assessment Law of the People's Republic of China Water Pollution Prevention and Control Law of the People's Republic of China Prevention and Control of Noise Pollution Law of the People's Republic of China Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste Administrative Regulations on Environmental Protection for Construction Projects Interim Methods for Endorsement of Environmental Protection for Completed Construction Projects Technical Guidelines of Environmental Protection Inspections for Completed Construction Projects — Pollution Impacts Category 	The Group has not identified any cases of non-compliance in relation to emissions during this year.
B1 Employment	<ul style="list-style-type: none"> The Labour Law of the People's Republic of China The Labour Contract Law of the People's Republic of China 	The Group has not identified any cases of non-compliance in relation to employment during this year.
B2 Health and Safety	<ul style="list-style-type: none"> The Production Safety Law of the People's Republic of China The Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases Fire Control Law of the People's Republic of China 	The Group has not identified any cases of non-compliance in relation to health and safety during this year.
B4 Labour Standards	<ul style="list-style-type: none"> The Labour Law of the People's Republic of China The Law of the People's Republic of China on the Protection of Minors 	The Group has not identified any cases of non-compliance in relation to labour standards during this year.
B6 Product Responsibility	<ul style="list-style-type: none"> Product Quality Law of the People's Republic of China Patent Law of the People's Republic of China 	The Group has not identified any cases of non-compliance in relation to product responsibility during this year.
B7 Anti-Corruption	<ul style="list-style-type: none"> Anti-Unfair Competition Law of the People's Republic of China Anti-Money Laundering Law of the People's Republic of China 	The Group did not receive any cases of corruption proceedings against the Group or its employees during this year, and did not breach any relevant laws and regulations that have a significant impact on the Group.

Key Performance Indicator Summary

Environmental Performance

Environmental key performance indicators ⁹	2020		2019		Unit
	China	HK	China	HK	
Air emissions					
Nitrogen oxides	292	0	308 ¹⁰	0	kg
Sulphur oxides	53	0	52	0	kg
Respiratory suspended particulates	15	0	27 ¹⁰	0	kg
GHG emissions					
Scope 1 Direct GHG emissions ¹¹	1,826	0	1,764 ¹⁰	0	tonnes of carbon dioxide equivalent
Scope 2 Energy indirect GHG emissions ¹²	1,814	19	1,583	18	tonnes of carbon dioxide equivalent
Scope 3 Other indirect GHG emissions ¹³	1,033	0	913	12	tonnes of carbon dioxide equivalent
Total GHG emissions	4,673	19	4,260 ¹⁰	30	tonnes of carbon dioxide equivalent
GHG intensity (by area)	0.13	0.04	0.13 ¹⁰	0.07	tonnes of carbon dioxide equivalent /square meter
Non-hazardous waste					
Total generation of non-hazardous waste	3.3	No statistics	2.9	No statistics	tonnes
Non-hazardous waste intensity (by area)	0.0001	No statistics	0.0001 ¹⁰	No statistics	tonnes / square meter
Non-hazardous waste intensity (by employees)	0.0011	No statistics	0.0012	No statistics	tonnes / employee
Consumption of energy					
Direct energy					
Gasoline	6,510	0	6,074	0	MWh
Natural gas	1,172	0	1,397 ¹⁰	0	MWh
Indirect energy					
Purchased electricity	2,974	23	2,594	22	MWh
Total energy consumption	10,656	23	10,065 ¹⁰	22	MWh
Energy intensity (by area)	0.29	0.06	0.31 ¹⁰	0.05	MWh / square meter
Water consumption					
Total water consumption	34,900	86	27,659	102	m ³
Water intensity (by area)	0.94	0.2	0.85 ¹⁰	0.2	m ³ / square meter
Water intensity (by number of employees)	11.7	8.6	11.0	10.2	m ³ / employee
Paper consumption					
Total paper consumption	48,268	52	40,193	563	kg
Packaging material used in finished products					
Consumption	Operations in the reporting boundary did not consume significant amount of packaging materials				

⁹ The Hong Kong office is a shared office, and its purchased electricity, waste paper disposal, fresh water use, and sewage discharge were calculated at 30% of the total shared office. The corresponding by area intensity was also calculated as 30% of the office area.

¹⁰ Such data has been recalculated for 2019.

¹¹ Scope 1 GHG emissions only included GHG emissions from natural gas combustion of gas-fired boilers and combustion of gasoline in vehicles.

¹² Scope 2 GHG emissions only included GHG emissions from purchased electricity.

¹³ Scope 3 GHG emissions only included air business travel and paper disposal in Hong Kong office, use of freshwater and sewage treatment.

Social Performance

Distribution of employees		Total employees	
		2020	2019
Region	Mainland	2,974	2,516
	Hong Kong	10	10
Gender	Male	1,844	1,570
	Female	1,140	956
Position	Senior management	30	28
	Middle management	87	74
	General staff	2,867	2,424
Age	Under 30	1,228	1,104
	30 - 50	1,716	1,388
	50 Above	40	34
Total workforce		2,984	2,526
Male to female employee ratio		1.62:1	1.64:1

Workers ¹⁴	Nature and Scope of Work	2020
Interns	Various basic functional work	9
Labour dispatch personnel	Administrative Services	57
Hotel operator	Property Operation	72
Total		138

Distribution of employee turnover		Total employee turnover (percentage)	
		2020	2019
Region	Mainland	488 (16.41%)	219 (10.16%)
	Hong Kong	0	1 (9.09%)
Gender	Male	347 (18.82%)	157 (11.76%)
	Female	141 (12.37%)	63 (7.57%)
Age	Under 30	171 (13.93%)	92 (8.45%)
	30 - 50	315 (18.36%)	127 (12.08%)
	50 Above	2 (5%)	1 (3.70%)
Total		488 (16.35%)	225 (8.91%)

¹⁴ Excluding formal Group's staff.

Distribution of new hires		Total new hires (percentage)	
		2020	2019
Region	Mainland	879 (29.56%)	513 (20.39%)
	Hong Kong	0	2 (20.00%)
Gender	Male	523 (28.36%)	381 (24.27%)
	Female	356 (31.23%)	134 (14.02%)
Age	Under 30	511 (41.61%)	305 (27.63%)
	30 - 50	366 (21.33%)	208 (14.99%)
	50 Above	2 (5%)	2 (5.88%)
Total		879 (29.46%)	515 (20.39%)

Occupational safety and health performance	2020	2019
Work-related injury	0	0
Work-related fatalities	0	0
Number of employees who suffered work-related injury	0	0
Lost days due to work-related injury	0	0

Employees receiving training		Total employees receiving training (percentage) ^{15,16}	
		2020	2019
Gender	Male	1,839 (99.73%)	1,570 (100%)
	Female	1,135 (99.56%)	956 (100%)
Position	Senior management	29 (96.67%)	28 (100%)
	Middle management	84 (96.55%)	74 (100%)
	General staff	2,861 (99.79%)	2,424 (100%)
Total		2,974 (99.66%)	2,526 (100%)

Employee average training hours		Total employee average training hours	
		2020	2019
Gender	Male	1.80	8.03
	Female	1.79	8.01
Position	Senior management	1.47	11.39
	Middle management	1.90	11.74
	General staff	1.80	7.87
Total		1.80	8.02

¹⁵ Percentage of employees receiving training = number of employees receiving training / total employees

¹⁶ Breakdown of employees receiving training calculated by the number of employees in related category = number of employees receiving training in this category / number of employees receiving training

Breakdown of employees receiving training by gender: Female (38.16%) and male (61.84%)

Breakdown of employees receiving training by position: Senior management (0.98%), middle management (2.82%) and general staff (96.20%)

Percentage of employees receiving regular performance and occupational development review	
2020	2019
99.66%	100%

Location of suppliers	2020
Hohhot and Baotou	456
Jilin	330
Yinchuan and Zunyi	300
Hefei and Huangshan	387
Shaoxing and Jinhua	323
Lanzhou, Tianshui, Xining and Weinan	287
Nanning, Guilin and Liuzhou	392
Ganzhou, Jiujiang and Zhuzhou	264
Yangzhou, Taizhou and Danyang	326
Nantong	228
Changzhou	265
Yancheng	197
Shantou and Quanzhou	295
Weifang and Zibo	416
Huizhou and Qingyuan	430
Tangshan and Langfang	132
Xuzhou and Jining	397
Total	5,425
Percentage of suppliers implementing the relevant practices	100%

Community Investment			
Area of contribution	Participation in volunteering	Number of volunteer hours	Amount of investment (RMB 10,000)
Community Health	722	3686	72.33
Environmental Charity	165	1236	58.83
Others ¹⁷	1,389	8,231	493.49
2020 total	2,276	13,153	624.65

¹⁷ It includes projects in education, culture and poverty alleviation.

ESG Reporting Guide Content Index

Material Aspect	Content	Page Index/ Remarks
A. Environmental		
A1 Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	9, 20
A1.1	The types of emissions and respective emissions data.	10, 21
A1.2	Greenhouse gas emissions in total and intensity.	9-10, 21
A1.3	Total hazardous waste produced and intensity.	10, 21
A1.4	Total non-hazardous waste produced and intensity.	10, 21
A1.5	Description of measures to mitigate emissions and results achieved.	9-10, 12
A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	10
A2 Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	9, 11
A2.1	Direct and/or indirect energy consumption by type in total and intensity.	11, 21
A2.2	Water consumption in total and intensity.	21
A2.3	Description of energy use efficiency initiatives and results achieved.	11
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	There is no issue in sourcing water
A2.5	Total packaging material used for finished products and, if applicable, with reference to per unit produced.	The Group's headquarter and offices do not use a huge amount of packaging materials
A3 The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	9, 11
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	11
B. Social		
B1 Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	12-13, 20
B1.1	Total workforce by gender, employment type, age group and geographical region.	22
B1.2	Employee turnover rate by gender, age group and geographical region.	22
B2 Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	14, 20
B2.1	Number and rate of work-related fatalities.	23
B2.2	Lost days due to work injury.	23
B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	14

B3 Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	15-16
B3.1	The percentage of employees trained by gender and employee category	23
B3.2	The average training hours completed per employee by gender and employee category.	23
B4 Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	16, 20
B4.1	Description of measures to review employment practices to avoid child and forced labour.	16
B4.2	Description of steps taken to eliminate such practices when discovered.	16
B5 Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	16-17
B5.1	Number of suppliers by geographical region.	24
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	16-17, 24
B6 Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress. ²⁰	17, 20
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	The Group's operation of the headquarter and offices does not involve product recalls.
B6.2	Number of products and service related complaints received and how they are dealt with.	17
B6.3	Description of practices relating to observing and protecting intellectual property rights.	17
B6.4	Description of quality assurance process and recall procedures.	The Group's operation of the headquarter and offices does not involve product recalls.
B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	17
B7 Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	18, 20
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	There were no corruption lawsuits filed against the Group or its employees during the reporting period.
B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	18
B8 Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	19
B8.1	Focus areas of contribution.	19
B8.2	Resources contributed to the focus area.	19, 24