



中國海外宏洋集團有限公司
CHINA OVERSEAS GRAND OCEANS GROUP LTD.

Stock Code : 00081

2021

ENVIRONMENTAL, SOCIAL &
GOVERNANCE REPORT



About the Group

China Overseas Grand Oceans Group Limited (the “Company”) and its subsidiaries (collectively referred to as “COGO” or the “Group”) are principally engaged in property investment and development in the People’s Republic of China (the “PRC” or “China”).

Business	Description
Property investment and development	Mainly engages in the construction of the residential and commercial properties in China.
Property leasing	Mainly holds office units, commercial units and hotel properties located in the China for leasing to generate rental income and gain from appreciation in property values in the long-term.
Other segment	Mainly engages in hotel operations and generates service fee income in connection with the hotel operations and other ancillary services.



About this Report

Reporting Standards

COGO reports on its sustainability performance for the period from 1 January to 31 December 2021 (the “Reporting Year”) in accordance with the requirements set out in Appendix 27 — “Environmental, Social and Governance Reporting Guide” (“Guide”) to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “SEHK”).

The Group has followed the reporting principles set out in the Guide in defining the contents of this Report and ensuring the accuracy and reliability of the information presented in this Report. All information has been subject to internal control and review procedures and has been validated and approved by the board of directors (the “Board”) and the executive committee (the “Executive Committee”) of the Company, which comprises all Executive Directors of the Company.

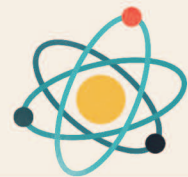
Materiality

The Group communicates with the stakeholders sincerely and conducts materiality assessment through questionnaires annually to identify material issues related to sustainable development. This also ensures that the Group’s sustainability strategies could respond to the issues that the stakeholders consider most important.



Quantitative

The Group strives to establish clear, quantifiable, achievable, relevant and time-sensitive key performance indicators (KPIs) and sets out the standards and methodologies used for calculation in the “Key Performance Indicator Summary” of this Report.



Balance

To ensure that the stakeholders can rationally and objectively evaluate the Group’s overall sustainability performance, the Group adheres to the principle of impartiality reporting so as to cover both positive performance and performance which requires improvement in a comprehensive manner.



Consistency

The reporting standards and methodologies for calculating KPIs remain consistent, and any changes will be specified to facilitate stakeholders’ evaluation of the Group’s performance over the years.





About this Report

Reporting Boundary

Consistent with the reporting principles of the 2020 Environmental, Social and Governance Report, this Report focuses on the Group's property investment and development business in China. Revenue from sale of property projects accounted for over 99% of the Group's total revenue in 2021; whereas revenue from property rental, hotel operations and other services only accounted for a relatively small portion of the Group's total revenue in 2021 and therefore the latter does not form part of the reporting boundary in this Report. The Group will review the reporting boundary regularly in the light of business development. In addition, the Group's Shenzhen headquarters and Hong Kong office are also included in the reporting boundary.

Opinion and Feedback

The Group welcomes any comments or suggestions from the stakeholders on the environmental, social and governance performance of the Group. Please contact the Group through the following channels:

Email: esg81@cohl.com

Tel: (852) 2988 0600

Fax: (852) 2988 0606

Chairman's Statement

The Central Government has pledged to reach carbon dioxide emissions peaking by 2030 and achieve carbon neutrality by 2060 (the "Dual Carbon Goals"), and implement a number of institutional policies and measures to achieve the Dual Carbon Goals during the year. As one of the leading property developers in Mainland China, the Group is accelerating the pace of sustainable development to contribute to the country's achievement of the Dual Carbon Goals.

In 2021, COGO made a breakthrough in environmental, social and governance development by formulating corporate sustainability strategies to provide clear guidance to the Group and all employees, and is committed to integrating the concept of sustainable development into its business and management practices. The sustainability strategies will establish KPIs, long-term and short-term targets, and roadmaps for the implementation of each initiative in a phased manner in various areas, including green positioning, green design, green construction, green supply chain, green operations and green office.

The "14th Five-Year Plan for Building Energy Conservation and Green Building Development" issued by the Ministry of Housing and Urban-Rural Development has set a target for the construction industry in China that by 2025, all new buildings in urban areas will be built as green buildings, the efficiency of building energy use will be steadily improved, forming a green, low-carbon and recycling approach to construction development. During the Reporting Year, the Group actively expanded into the field of green and intelligent buildings, including the development of universal application of ultra-low energy buildings. The Group's Hohhot Glorious Project in Inner Mongolia Autonomous Region is the first large-scale demonstration project of ultra-low energy clusters in the severe cold region of Mainland China. It adopts passive technology to significantly reduce the heating and cooling needs of the building, improve the efficiency of energy equipment and systems, and bring an energy-saving and healthy living environment to the community.

In addition to developing high quality, green, healthy, smart and economical property projects, the Group actively practices low-carbon management of energy saving and waste reduction by incorporating green concepts into different property projects, practicing green principles in planning, designing, construction and operation to reduce the intensity of pollution emissions and enhance the efficiency of resources utilization. The Group also promotes green office and formulated the "Self-Checking Standards of Office Environment Management" during the Reporting Year, together with regular inspections and different reward and punishment measures to reduce waste of various resources such as energy, water, and paper.

In the face of the COVID-19 pandemic, the Group worked with internal and external stakeholders to fight against the virus. In terms of employee safety, the Group set up emergency responding team, implemented flexible working hours, encourages virtual meetings to reduce the risk of employee exposure, and has provided epidemic prevention materials to employees and their families. Moreover, the Group's regional companies organized and distributed epidemic prevention materials to neighbouring schools, organized free medical consultations with property owners and epidemic prevention materials distribution activities.

The Group believes that talent is an important factor for the success and sustainable development of a company. The Group promotes diversity in the workplace to create a people-oriented and flexible working environment, and is committed to nurturing potential employees to prepare for the rapid development of the Group through our talent development program.

I would like to express my sincere gratitude to all fellow directors, management team and colleagues for their support and dedication in driving the Group's environmental, social and governance development, as well as to all the stakeholders, customers, partners and the community for their feedback and comments, the Group will continue to work towards the Dual Carbon Goals.

Chairman and Executive Director

Zhuang Yong

Governance

Sustainability Governance Structure

The Group believes that improving sustainability performance will not only create value for shareholders but will also promote healthy and quality development of the Group. Authorised by the Board, the Executive Committee directly sets and manages the Group's sustainable development strategy, work plans and performance goals.

Board of Directors

In face of various environmental, social and governance issues, the Board has played an active role in formulating corporate sustainable development strategy and is primarily responsible for its effectiveness. The Board authorises the Executive Committee to coordinate matters related to sustainable development. The committee discusses on a regular basis the implementation of strategies and reviews KPIs. Continuous communication is conducted with departments with the provision of guidance to ensure that all business units are fully aware of environmental, social and governance concerns during daily operations.

In addition, the Board oversees the corporate risk management and internal control systems. The Intendance and Audit Department is responsible for conducting significant risk identification, analysis and audit management procedures, as well as reporting to the Audit Committee and the Board on audit results and improvement suggestions to determine the effectiveness of the monitoring system. In 2021, the Group engaged external sustainability consultants to identify sustainability risks and review the existing management procedures, and submit risk assessment reports and recommendations. For details, please refer to the section "Sustainability Risk Management System" in this Report.



Environmental, Social and Governance Working Group

The Group established an environmental, social and governance task force and a working group in April 2022 to implement the Group's environmental, social and governance initiatives and to ensure comprehensive coverage of the environmental, social and governance initiatives of the Group. The task force will be responsible for the formulation of the Group's sustainable development strategy and objectives, and will be required to report to the Executive Committee on a regular basis, members of the task force are mainly executive directors and senior management of the Group. The working group will be responsible for the pragmatic implementation of sustainability initiatives in its daily operations, and members of the working group are the heads of the Group's various business units.



Governance

Climate-related Financial Disclosure Recommendations

Regulators in Hong Kong are actively driving climate-related disclosure and strengthening relevant requirements. The Green and Sustainable Finance Cross-Agency Steering Group requires institutions of the financial services sector to make financial disclosures recommended by the Task Force on Climate-Related Financial Disclosures (“TCFD”) by 2025. The SEHK has formulated the Guidance on Climate Disclosure for listed companies based on the recommendations of the TCFD to help the companies take action to tackle climate change, effectively manage both opportunities and risks related to climate change, and facilitate a smooth transition to a more sustainable, lower-carbon economy.

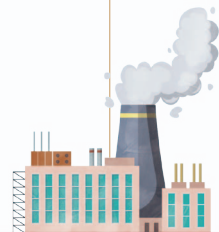


The Board understands its leadership role in the governance of climate-related issues and will be proactively involved in the preparation works, including the development of the climate change risk management policy. The Group will also provide relevant training for employees to enhance their awareness of climate disclosure.





Sustainability Risk Management System

The Group strictly complies with all applicable regulations. During the Reporting Year, the Group did not have any violations or lawsuits related to environmental protection, employment management, product liability and corruption. No new laws and regulations that might have a significant impact on the business had been identified. For more details, please refer to the section “Compliance Performance” in the “Key Performance Indicator Summary” of this Report. In addition, the Group carried out sustainability risk assessment during the Reporting Year, covering both physical and transitional risks. The Group will continue to review and enhance the effectiveness of relevant management procedures based on the reports and recommendations.

Governance

Risk	Description	The Group's Follow-up Work
 <p>Carbon Emission</p>	<p>The climate change issue is increasingly pressing, which has been leading to reduced biodiversity. According to the "2020 Global Status Report for Buildings and Construction" published by the United Nations Environment Programme, the carbon dioxide emissions from the operation of buildings account for 28% of total global energy-related carbon dioxide emissions, and global warming is on the horizon.</p>	<p>The Group prudently implements the corporate responsibility policy, incorporating the impact of the environment and biodiversity on real estate costs into project designs. Environmental impact assessments are conducted on large-scale projects in accordance with the law, especially for those involving ecologically sensitive areas, in order to protect natural habitats and foster biodiversity.</p> <p>In addition, trees are recognised as a resource of natural and cultural value. The Group endeavours to monitor, assess and strengthen the care of trees when planning and constructing real estate projects to reduce the risk of tree collapse incidents.</p>
 <p>Climate Change</p>	<p>Various signs including the rapidly changing weather conditions and the frequent natural disasters in recent years show that climate change has become imminent, and its impact on business operations has become increasingly noticeable, such as the impact of extreme weather on the construction activities and progress.</p> <p>To ensure resilience to climate change, companies must conduct comprehensive assessment on the property project portfolio's sensitivity and resilience to climate change.</p>	<p>The Group has started the formulation of sustainable development strategy, with the construction of sustainable buildings and a low-carbon operation model being the key elements. In the future, the Group will conduct climate scenario analysis to identify extreme and chronic physical risks, and evaluate the impact of such risks on assets in detail to ensure that the projects have resistance to climate change.</p> <p>Besides, the Group has conducted in-depth research on market opportunities under the strategic goals of "Carbon Peaking" and "Carbon Neutrality", actively explored innovative business models, and created breakthrough points for growth.</p>
 <p>Brand Image</p>	<p>In view of climate change risks, the real estate industry also has reputational risks, with pressure mainly coming from external factors including investors, policy supervision and public opinions.</p> <p>Investors are increasingly inclined to incorporate climate change risk as one of their investment considerations, consumers also have growing preference in purchasing real estate products with low-carbon and energy-efficient designs.</p>	<p>The Group will continue to design and launch green building projects in combination with climate change response strategy and green building development strategy to build an environmental friendly brand image.</p>

Governance

Risk	Description	The Group's Follow-up Work
 <p>Cyber and Data Security</p>	<p>Under the digital transformation, the real estate industry continues to deepen data management, and continuously improves and adopts advanced technologies and information systems to enhance operational efficiency. The daily operation of enterprises involves a large amount of confidential information, including property design, financial information, customer personal data, etc., increasing network and information risks, including information or system damage due to network incidents, corporate data or customer privacy data leakage, etc.</p>	<p>The Group works on both the management and technical levels to manage the risks. The Group has established a rigorous cyber and data security risk management and assessment system, as well as clearly defining the boundary for cyber network and data security, technical specification requirements, management procedures and corresponding emergency precautionary measures to enhance risk management capabilities. In addition, the Group adopts cyber security defence equipment such as network monitoring, hacker detection and vulnerability scanning systems to ensure network communication, data and personal data security etc.</p>
 <p>Fraud Risk</p>	<p>With the adjustment of macroeconomic policies and the slowdown in economic growth in recent years, the growth of the real estate industry has slowed down. The continuous pandemic has also caused the industry to face multiple internal and external pressures ranging from the market, capital, cost to supervision, thereby increasing the risks of fraud such as misappropriation of funds and improper procurement. The Group shall identify the relevant risks as early as possible, otherwise it may have a serious impact on its daily operations and the reputation, operations and finances of its stakeholders.</p>	<p>The Group 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.</p>

Sustainable Development Strategy

The Central Government has been striving to achieve the Dual Carbon Goals. As a leading real estate developer in the Mainland China market, the Group is committed to the implementation of new urbanization and the Dual Carbon Goals, and is determined to develop high-quality, green, healthy, smart and economical property projects to contribute to the country's realization of the Dual Carbon Goals.

During the Reporting Year, following a series of planning work including meeting and discussion with stakeholders, industry benchmarking and strategic review, the Group took a bold step to establish a visionary sustainable development strategy, serving as a guide for the Group and all employees to promote sustainable development works, ensuring that sustainable development elements are integrated into all aspects of operations and business decisions. The "Green Sustainable Development Strategy" will set up clear KPIs, long- and short-term goals and implementation roadmaps for each strategic area in stages. The first phase starts in 2022.

Green Positioning

- ✓ Prepare annual environmental, social and governance report in accordance with global sustainability reporting standards such as the Global Reporting Initiative standards;
- ✓ Respond to the United Nations Sustainable Development Goals and regularly report on specific progress made in relation to the Group's business-related goals;
- ✓ Participate in Global ESG Benchmark for Real Assets ratings and initiatives, and actively respond to stakeholders' expectations for our environmental protection works;
- ✓ Participate in international conferences and seminars to share the Group's experience and expertise, and strive to play a guiding and leading role in the industry;
- ✓ Communicate with stakeholders regularly to understand their demands on corporate sustainability performance and respond in a timely manner;
- ✓ Promote the development of consulting business for green and low-carbon buildings, and accelerate the building of talented teams for green and sustainable development.



Green Designs

- ✓ Promote quality development of green buildings and develop ultra-low energy consumption buildings;
- ✓ Consider the embodied carbon emissions of major building materials (e.g. concrete, rebar and structural steel) to improve the structural design of a property development;
- ✓ Analyze the building's climate adaptability and formulate targeted design plans based on future climate scenarios;
- ✓ Increase participation in more green building assessment programs and obtain relevant certifications, such as China Green Building Label and the Leadership in Energy and Environmental Design (LEED) system;
- ✓ Enhance internal building design standards, clarify requirements for the use of energy, water resources and materials, and promote the application of green, clean energy and renewable energy;
- ✓ Collaborate with universities and research institutes to push the boundaries of traditional building management and explore innovative opportunities in materials and technologies;
- ✓ Continue to promote innovative research on healthy and green communities, and promote the construction of sustainable communities.



Sustainable Development Strategy

Green Construction

- ✓ Support contractors to promote carbon reduction construction projects, implement site carbon emission management, and strengthen the collection, compilation and disclosure of relevant information;
- ✓ Improve the green construction management system, formulate clear and high-standard construction environmental supervision requirements, and strengthen the control of noise, air, sewage, waste, and soil pollution;
- ✓ Comprehensively consider the impact of construction on the surrounding environment, carry out ecological restoration actions, and create a green community environment.



Green Supply Chains

- ✓ Establish a green supply chain database and promote smart monitoring to regularly assess suppliers' green performance;
- ✓ Set standardized green and low-carbon procurement guidelines to identify qualified green suppliers;
- ✓ Provide funding to green suppliers to help companies improve sustainable operations, such as providing training and financial support;
- ✓ Strengthen communication with the industry to promote green supply chain, such as participating in environmental supply chain actions in the real estate industry.



Sustainable Development Strategy

Green Operation

- ✓ Continue to promote e-marketing strategies and expand the scale of applications, such as the application of virtual reality and live apartment tour;
- ✓ Optimize internal delivery guidelines and standards to ensure customers enjoy high-standard green products;
- ✓ Strengthen the promotion of green, healthy and sustainable development ideas, such as organizing green activities and training for tenants, leading the implementation of conservation and recycling programs;
- ✓ Promote the "Green Lease" scheme and develop a pilot scheme to ensure that the measures can meet actual operational needs;
- ✓ Develop a smart property management system to deepen the operational management of green building projects, such as the use of automated monitoring to track and analyze resources consumption and emissions;
- ✓ Conduct resources audits on existing projects, study energy-saving renovations and strengthen resource management.



Green Office

- ✓ Set science-based carbon reduction targets to achieve carbon neutrality by 2060;
- ✓ Establish a comprehensive low-carbon office operation program, comprehensively monitor office's carbon emissions, and regularly review the effectiveness of carbon reduction measures;
- ✓ In the future, new offices will adopt green and low-carbon design, and give priority to energy efficient applications and clean energy.



Feature Stories

Feature Story 1

Promote the Green and Low-carbon Buildings with Ultra-low Energy Consumption Buildings

The construction industry is one of the main sources of energy consumption and carbon emissions in China and the world. The distribution structure of energy consumption and carbon emissions in the whole life cycle of buildings in China is different from the global overall structure, and the emission level of the construction stage in China is higher than the world's overall level. With the yearly reduction of the completed construction area in recent years, the energy consumption and carbon emissions in the construction phase have stabilized and gradually reduced, while the energy consumption and carbon emissions in the operation phase of the building will continue to grow. However, the construction phase is the least costly and most effective phase to tap the carbon reduction capacity of the building. With planning and design as the core, energy conservation and promoting low-carbon buildings are the important ways to reduce carbon emissions in the real estate industry.

The "14th Five-Year Plan for Building Energy Conservation and Green Building Development" issued by the Ministry of Housing and Urban-Rural Development sets development goals for the nation's construction industry. By 2025, all new buildings in urban areas will be fully constructed as green building. More than 50 million square meters of ultra-low energy and near-zero energy buildings will be built. Prefabricated buildings shall account for 30% of new urban buildings of the year. The installed capacity of solar photovoltaics in new buildings will be more than 50 million kilowatts. The application area of geothermal buildings will be more than 100 million square meters, and the replacement rate of renewable energy in urban buildings will reach 8%. The proportion of electricity consumption in building energy consumption is more than 55%. With these goals, a green, low-carbon, and circular construction and development mode will be formed, and a solid foundation will be laid for carbon peaking in urban and rural construction by 2030.

The green building concept of the Group encompasses all steps of the entire building life cycle, from site planning and design, construction, post-completion operation management and maintenance to renovation and demolition, so as to minimize the impact of buildings on the ecological environment. As of the end of 2021, the Group had 139 green building certified projects with a floor area of 26.84 million square meters. In 2022, the Group's projects under construction and newly started will be all in green building design. Meanwhile, the Group is committed to promoting the adoption of green buildings with ultra-low energy consumption buildings as a breakthrough point.



The Group's green building certification as at the end of 2021

Projects

139

Floor Area (square meters)

26.84 million

Feature Stories

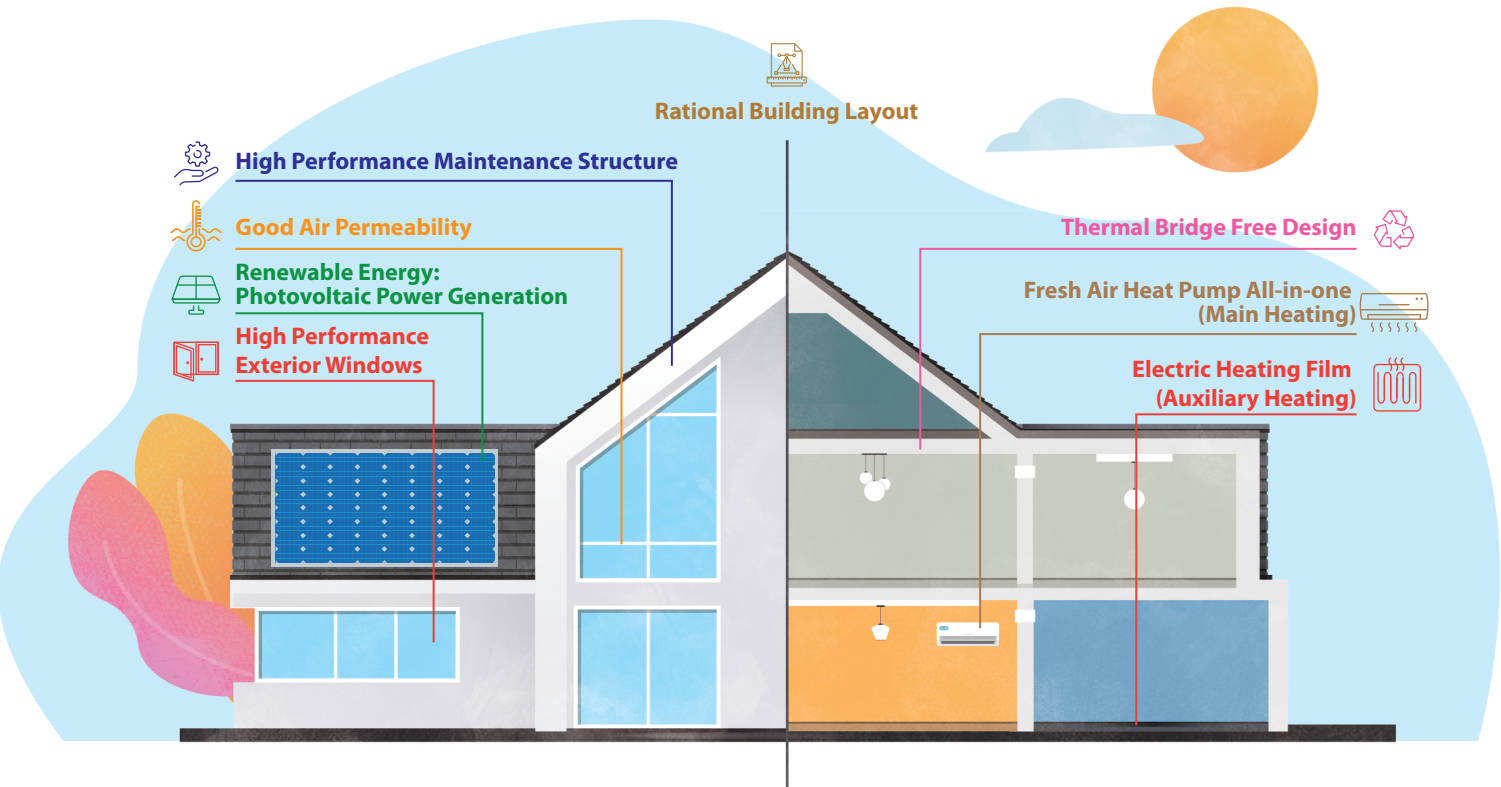


Design rendering of the Hohhot Glorioushire Project in Hohhot, Inner Mongolia

Hohhot Glorioushire Project in Hohhot, Inner Mongolia — Ultra-low Energy Building Project

Hohhot Glorioushire Project in Hohhot, Inner Mongolia is the first large-scale ultra-low energy consumption residential project in the severe cold area of Mainland China. The project has nine residential buildings which adopt passive technology to greatly reduce the demand for active heating and cooling in the building, and use low-energy consumption energy equipment to provide comfortable indoor environment with less energy consumption. The heating and energy saving rate of the project has been reduced by 92%, which is at least 50% lower than the energy consumption of China's residential building energy-saving design standards, greatly reducing the dependence on active energy consumption.

Feature Stories



Rational Building Layout

- Due north-south orientation
- Shallow to deep and large surface spacing
- Full use of natural ventilation and lighting

High Performance Maintenance Structure

- Insulation structure: Graphite polystyrene sheet and rock wool isolation belt are used as insulation material
- The first high-performance exterior window: Recessed exterior window installation
- Good air permeability: Reduce cold air infiltration in winter and reduce the need for cooling in summer
- Thermal bridge free design

Efficient Energy Use

- Main heating: Fresh air-cooled heat source heat pump integrated machine
- Auxiliary heating: Electric heating film
- Renewable energy: Photovoltaic power generation

Intelligent Operation and Maintenance Applications

- Collect and monitor energy consumption data to optimize the operation strategy of the equipment

Feature Stories

In addition, a physical display house was built for residents to participate in, experience and perceive the building environment. The all-in-one air-conditioning unit in the display house is monitored in real time with intelligent technology, which not only reflects the data indicators closely related to health such as indoor and outdoor temperature, humidity, PM2.5, and carbon dioxide but also connects the indoor equipment system with the mobile application, and residents can thus control and adjust flexibly the equipment by themselves.

The project is designed in accordance with the ultra-low energy consumption, green building three-star, and healthy building three-star certification standards. At present, it was awarded the “Ultra-low Energy Building” certificate (“超低能耗建築”認證證書) by the China Association of Building Energy Efficiency. It has obtained the ultra-low energy consumption and healthy building two-star certification. It is planned to obtain green building and healthy building three-star certification after delivery and operation commences. The project will create an indoor “five balances systems”, namely balanced temperature, balanced oxygen level, balanced humidity, balanced cleanliness and balanced tranquility. The project can effectively reduce the consumption of non-renewable resources such as coal, natural gas, electricity and water, ease the pressure of energy shortage, reduce the emission of pollutants such as carbon dioxide, and realize the friendly symbiosis of people, buildings and the environment. According to the preliminary calculations, the annual emission of carbon dioxide in the operation of the ultra-low energy consumption building of the project is 0.07 tonnes of carbon dioxide equivalent per square meter. Compared with the conventional residential buildings in the 1980s, the project can achieve an annual emission reduction of carbon dioxide per square meter of 0.058 tonnes.



Feature Stories

The project was honored to participate in the China Building Science Conference and Green Intelligent Building Expo during the Reporting Year and the “Spirit of the Times in Hong Kong” exhibition organized by the Liaison Office of the Central People’s Government and the HKSAR Government, showcasing one-stop industry solutions, cutting-edge trends and latest achievements in the planning, design, construction and operation and maintenance of the entire industry chain in the construction field.

河山大觀

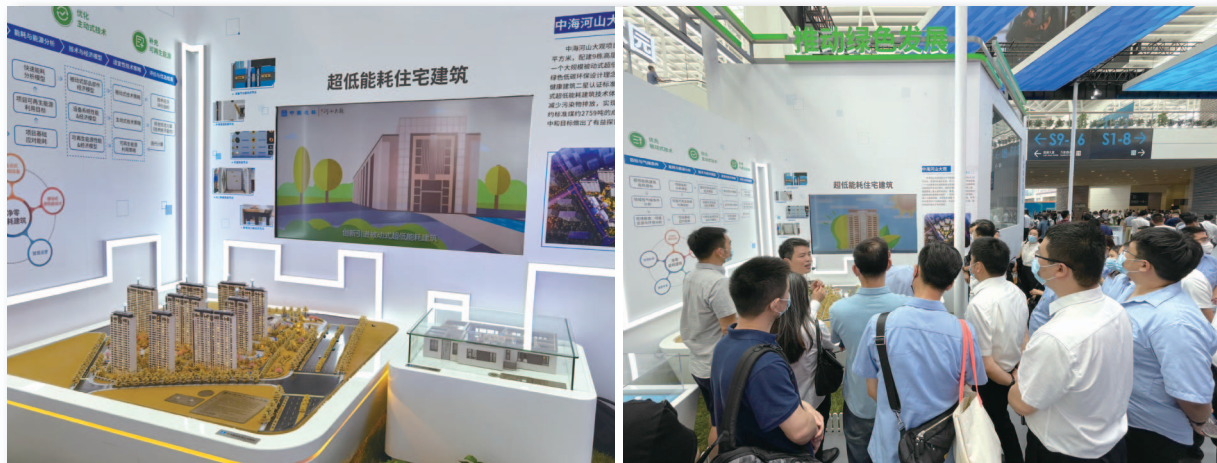
位於內蒙古呼和浩特市，建築面積13.1萬平方米，是嚴寒地區第一個大規模被動式超低能耗住宅建築項目。

該項目全面貫徹綠色低碳環保設計理念，按照近零能耗、綠色建築二星、健康建築二星認證標準設計、建造，採用“嚴寒地區被動式超低能耗建築技術體系”，可有效實現降低能源消耗、減少污染物排放，實現每年減排7638噸二氧化碳，年節約標準煤約2759噸的成效，為實現建築領域碳達峰、碳中和目標作出了有益探索。

防風避塵效果更佳，能夠保持室內環境干淨清透

干净
清潔

The “Spirit of the Times in Hong Kong” exhibition in Hong Kong



Both left and right photos are China Building Science Conference and Green Intelligent Building Expo

Feature Stories

Feature Story 2

Putting Low-carbon Business Management Philosophy into Practice

The Group actively practices low-carbon management of energy conservation and waste reduction, and integrates the concept of environmental protection into different property projects, including China Overseas International Center in Beijing and China Overseas Plaza in Huizhou.

China Overseas International Center is located in Xicheng District, Beijing, with a project operation period of about 15 years. The Group adopts a low-carbon management model, and improves energy utilization efficiency by enhancing the quality of air-conditioning direct-fired units, power supply equipment, lighting facilities, and basement renewal, ensuring operational quality and project sustainability, in order to build market reputation. In 2021, the Group has accumulatively invested over RMB12 million in China Overseas International Center, with the following quality enhancement works:

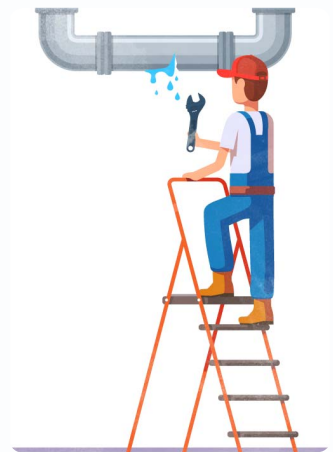
Overall Safety Inspection and Maintenance of Curtain Wall



Two-thirds of the facade of the building is glass curtain wall. The Group regularly conducts inspections and maintenance for safety, durability and protection against glass breakage, stone cracks, and cracking of external glass glue.

Top Roof's Waterproofing

Through waterproof rectification, new technology waterproof construction, old roof renovation, waterproof membrane paving construction, etc., the waterproof material is regularly replaced to strengthen the roof waterproof protection for higher durability.



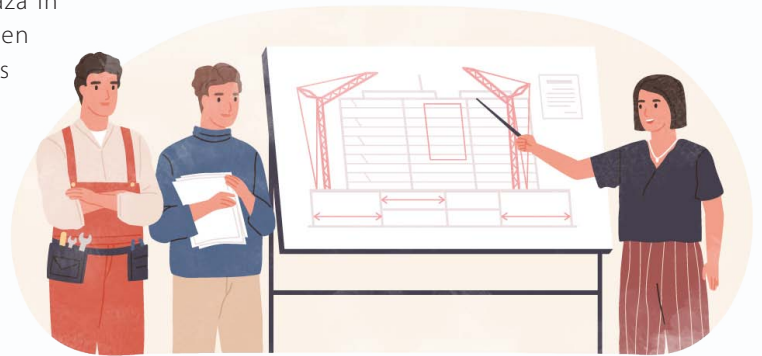
Underground Garage Upgrade and Renovation



Based on the idea of people-oriented, safety and environmental protection, the Group focuses on flooring and marking renovation, traffic facilities renovation, wall and column surface renovation, low-power LED light source lighting system renovation, elevator vestibule glass door renovation, parking sign upgrade renovation, etc., to improve the parking lot environment and enhance the quality brand image.

Feature Stories

In addition, the Group's Huizhou China Overseas Plaza in Huizhou City, Guangdong Province also adopts green innovation as its architectural theme, with all processes including planning, design, construction and operation implemented in "Green Sustainable Development Strategy" to reduce the intensity of pollution emissions and enhance the efficiency of resource utilization. The Group is committed to making this project the Group's first "Green Building two-star" project in Huizhou, setting a benchmark for green and low-carbon development in the city, with the Huanyu World commercial district expected to open at the end of 2023.



Looking forward, the Group will continue to adopt innovative thinking, and all new projects will be based on green building standards. The Group has established Zhonghong Low Carbon Building Technology Limited in Qianhai, Shenzhen, setting up a research and development center as the research and innovation platform of COGO to integrate industry resources and promote the applications of ultra-low energy consumption buildings. Meanwhile, employees will be provided regular internal training to have a more comprehensive understanding of environmental, social and governance issues and "Green Sustainable Development Strategy". The Group will promote relevant information to external stakeholders to increase the social recognition of green buildings. In addition, the Group also actively recruits talents in the innovative environmental protection technology and other fields to contribute professional strength to the sustainable development of the Group.

Material Issues

Stakeholder Engagement and Material Issues

COGO attaches great importance to stakeholder engagement and regards it as the basis for realising its sustainable development plan and fulfilling social responsibilities. Through regular communication, the Group understands stakeholders' concerns and expectations for the Group's sustainable development, and in response, formulating operational strategies aligning with the Group's businesses.

 <p>Employees</p> <p>The Group employs staff in Hong Kong and Mainland China, and is committed to providing an inclusive, mutually supportive and equal working environment for all. The Group regularly communicates with employees through satisfaction surveys, employee seminars, sharing sessions and other trade union activities. To encourage staff to provide suggestions for the Group's development, management constantly gives feedback on the adoption and implementation results of the proposals made by employees.</p>	 <p>Customers</p> <p>Customers are one of the major stakeholders of the Group, and the Group strives to establish long-term and close relationships with them. Over the years, the Group has organised regular activities such as home visits and evening parties, and conducted reporting and follow-up works with customers for continuous service quality enhancement.</p>	 <p>Suppliers and Business Partners</p> <p>The Group upholds the most stringent level of ethical and professional conduct with established quality standards. The Group adheres to the principle of fairness and impartiality when communicating and dealing with suppliers and business partners. In addition, questionnaire survey is regularly conducted with business partners and suppliers to understand their satisfaction with the working process with the Group, and to collect their opinions and suggestions on partnership enhancement.</p>
 <p>Investors and Shareholders</p> <p>Results announcement press conference and general meeting are conducted annually to report the latest operating results, financial status and strategic development trends to shareholders and investors, to answer their inquiries, and sincerely listen to their opinions. At the same time, the Group conducts investor survey at the end of each year to understand the suggestions and opinions from the capital market on the stakeholder communications. Annual plans are subsequently developed for improvement. The Group has set up an investor relations mailbox to receive regularly inquiries from investors and answer them in a timely manner.</p>	 <p>Government and Regulatory Authorities</p> <p>The Group works closely with local governments to report the project preparation status and construction progress to relevant departments in a timely manner to ensure that the operations abide by relevant laws and regulations. The Group will also arrange on-site visits for government departments at all levels to collect their opinions on project planning as well as construction and operation processes.</p>	 <p>Community</p> <p>The Group has always maintained a good relationship with the local community with a sincere and open attitude. Before the construction of the project, the Group invites community residents to participate in the project survey to widely collect their opinions on the project. Besides, the Group encourages employees to actively participate in community activities, such as volunteer activities on pandemic precaution, to benefit the community with actions.</p>

Material Issues

During the Reporting Year, the Group conducted a materiality review to understand the sustainability issues of concern to stakeholders. This not only helps the Group further understand its operation situation, but also guides the Group to formulate proactive and targeted implementation plans. The materiality review adopted a combination of qualitative and quantitative assessments to identify the latest issues related to sustainable development trends in addition to existing material issues. The Group identified and defined twenty-one sustainability issues and megatrends related to the real estate industry, covering environmental protection, employment and labour practices, operating practices, community and innovation. Stakeholders from different business sectors were invited to interviews to understand their views on issues and establish sustainability strategies. Besides, through questionnaire surveys, Board members and employees were invited to rank various issues according to their perceived importance to the business and stakeholders. Based on the opinions of different parties, the following seven important sustainable development issues of the Group were sorted out and approved by the Board and the Executive Committee.



Material Issues

Green Buildings

The Group actively promotes green buildings and considers the potential environmental impact of projects during their life cycle from various aspects such as supply chain, building design, construction and operation. During the Reporting Year, the Group developed a number of new green building projects. Among them, Hohhot Glorioushire Project, the ultra-low energy building project in Hohhot, Inner Mongolia is the most representative. The project is the first large-scale demonstration project of ultra-low energy consumption commercial housing in a severe cold region in Mainland China, with a 92% energy saving rate in heating, and has been awarded the certificate of “Ultra-low Energy Consumption Building” and “Healthy Building Two Stars” by the China Association of Building Energy Efficiency.

For more information on innovative green buildings, please refer to the section “Feature Stories”.

Raw Material Management

As a leading and influential property developer in China, the Group understands the importance of developing sustainable buildings to create maximum value for stakeholders. Therefore, the Group adopts a comprehensive approach to integrate sustainable development throughout the life cycle of its properties. The Group has an explicit green procurement policy in its “Environmental Policy”, which gives priority to products and services that promote environmental sustainability, and uses international standards such as ISO14001 environmental management system certification as the standard for assessing suppliers’ environmental performance. To manage social and environmental risks in the supply chain, the Group conducts regular performance assessments and two-way assessments to ensure that issues are summarized and addressed in a timely manner.

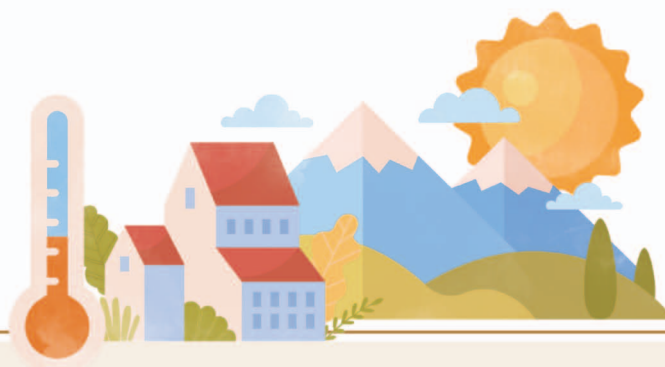
With the development of a sustainable development strategy, the Group is progressively adopting a data management system to track the use of raw materials and the associated carbon emissions.



Material Issues

Environmental Management

COGO actively undertakes the social responsibility of energy conservation and emission reduction and is committed to strengthening its management strategies in environmental protection. The Group has formulated and implemented an “Environmental Policy” that clearly sets out the Group’s environmental principles, guidelines and commitments in energy management, waste management and water conservation.

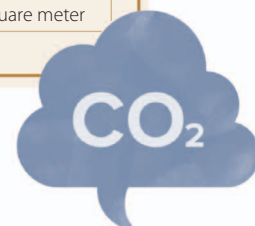


Greenhouse Gas (“GHG”) Emissions

The Group has established a data collection system and commissioned a professional consultant to quantify its greenhouse gas emissions annually in accordance with the guidelines compiled by the Hong Kong Environmental Protection Department and the Electrical and Mechanical Services Department of Hong Kong¹, and with reference to the guidelines issued by the National Development and Reform Commission of the People’s Republic of China² and relevant international standards³. This helps the Group to continuously review the effectiveness of the existing measures and develop more targeted energy saving and carbon reduction plans.

The assessment showed that the total GHG emissions of the headquarters and offices was 5,180.87 tonnes of carbon dioxide equivalent and GHG intensity (by area) was 0.13 tonnes of carbon dioxide equivalent per square meter during the Reporting Year.

GHG Emissions (tonnes of carbon dioxide equivalent)	Mainland China	Hong Kong	Total
Scope 1 Direct GHG Emissions ⁴	1,483.69	0	1,483.69
Scope 2 Energy Indirect GHG Emissions ⁵	2,972.81	16.58	2,989.39
Scope 3 Other Indirect GHG Emissions ⁶	705.08	2.72	707.80
Total GHG Emissions	5,161.57	19.3	5,180.87
GHG Intensity (by Area)	0.13 per square meter	0.04 per square meter	0.13 per square meter



¹ Guidelines to Account for and Report on GHG Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong.
² Guidelines for Accounting and Reporting GHG Emissions — China Public Building Operation Units (Enterprises) (Trial).
³ Such as ISO14064-1 and the GHG Protocol.
⁴ Scope 1 only included GHG generated by natural gas combustion in office boilers, gasoline combustion in vehicles and refrigerants in Mainland China’s offices.
⁵ Scope 2 only included GHG generated by purchased electricity.
⁶ Scope 3 only included GHG generated by air business travel, and Hong Kong office’s paper disposal, use of freshwater and sewage treatment.

Material Issues

Air Emissions

The Group formulates management measures for each type of emission source; when abnormal emissions are detected, investigations are immediately initiated and appropriate actions are taken. During the Reporting Year, the main sources of air pollutants were natural gas combustion from heating boilers and gasoline combustion in cars.

- Nitrogen oxides (240.10 kg)
- Respirable suspended particulates (10.44 kg)
- Sulphur oxides (18.96 kg)



Waste

The Group promotes paperless offices, avoids the use of disposable products and has established sorting and recycling facilities to encourage recycling. During the Reporting Year, the Group's headquarters and offices generated 168.85 tonnes of non-hazardous waste, mainly domestic waste, which were sent to landfills or incinerated by the property management companies. In addition, a small amount of hazardous waste was generated from headquarters and offices, which was handled in accordance with the relevant regulations.



Sewage

The wastewater generated by the headquarters 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.



Green Office Culture

The Group promotes low-carbon office and the green philosophy throughout the Group. On the one hand, the Group uses building management technologies such as air-conditioning energy-saving management, intelligent lighting system, and intelligent control electronic equipment to save energy and reduce carbon emissions. On the other hand, the Group implements paperless offices and has a green recycling station to promote waste reduction and recycling. In addition, the Group promotes online internal meetings to reduce carbon emissions from travel. The Group also organizes environmental training and low-carbon office case sharing sessions from time to time to enhance the environmental awareness of its staff.

The Group has established the "Self-Checking Standards of Office Environment Management", which is supported by regular inspections and various reward and punishment measures to reduce waste of various resources such as energy, water resources and paper. During the Reporting Year, a total of 8,278.65 MWh of energy was consumed at the Group's headquarters and offices, with the use of gasoline, natural gas and purchased electricity accounting for 26.09%, 9.00% and 61.78% of total energy consumption respectively. In addition, the water consumption was 86,536.31 cubic meters, with a water consumption intensity (by area) of 2.23 cubic meters per square meter.

Material Issues

Employee Health and Well-Being

Employees power the Group's development and success. The Group invests a lot of resources in their health and well-being and provides them with learning and developmental training opportunities to ensure that they can make the most of their talents.

Safety First Culture

COGO has always put the safety of employees in the first place. By formulating safety policies such as "Construction Safety Management Policy", "Construction Safety Management Reward and Punishment Rules", "Project Safety Management Scheme" and "Self-Checking Standards of Office Environment Management", the safety standards for different positions are clearly defined. Every office designs a program tailored to local conditions to take care of the physical and mental health of employees.



Construction Site

- 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;
- Establishing standard procedures and safety measures for each project area, and conducting safety inspections as required to ensure that such measures are implemented.

Office

- Promoting "Seiri", "Seiton", "Seiso", "Seiketsu" and "Shitsuke" management system to reduce accidents caused by improper placement of objects;
- Inspecting the safety performance of each department regularly and reward them for their performance or follow up on any problems;
- Purchasing medical and comprehensive accident insurance for the employees, providing them with regular medical check-ups and psychological counselling services every year;
- Holding seminars on occupational safety and health to ensure that employees' physical and mental health are properly protected.



During the pandemic in 2021, the Group actively arranged various online activities such as workshops and sharing sessions. In addition, the Group set up emergency responding teams, implemented flexible working hours and encouraged online meetings to reduce the risk of employee exposure during the pandemic. The Group provides epidemic prevention materials to employees and their families and engages external parties to arrange regular disinfection. Since the disclosure of health and safety information in 2017, the Group has maintained zero work-related fatalities.

Material Issues

Diversity and Inclusion

The Group actively promotes diversity in the workplace to create a people-oriented and flexible working environment. The Group has developed employment management system, including “Employee Handbook” of the Hong Kong office and the policies for the Mainland China offices, such as the “Employee Relations Management Methods” and “Employee Salary Management Methods”. The policies set out the general employment practices, including arrangements and requirements for compensation and dismissal, working hours and rest periods.

Recruitment and Promotion

- A fair recruitment system and a transparent promotion mechanism are in place to promote staff based on objective assessment results;
- For candidates at or above the deputy manager level and candidates for special positions, introduce third-party background investigation agencies to conduct risk verification of candidates in terms of personal identity information, credit and financial risks, and litigation risks;
- Amend the “Recruitment Management Regulations” to explicitly include the avoidance of employment risks through background checks in the system; at the same time, adjustments to the hiring of management (LM) and professional (P) personnel must be approved by the relevant headquarters human resources management to ensure the rigor of recruitment and hiring.



Compensation and Dismissal

- “Employee Salary Management Methods” are established to regulate the standard, composition, salary adjustment and payment of monthly salary. When terminating the labour relations with the employees, the expenses will be settled uniformly again;
- “Employee Relations Management Methods” are established to clearly stipulate that the daily working hours shall not exceed 8 hours and the normal working hours shall not exceed 40 hours per week. If overtime work arises due to work requirements, the Group will compensate employees for overtime work, including compensatory time off and overtime payment.



Material Issues

Anti-discrimination and Equal Opportunity

- The Company culture is open to employees in terms of gender, education, sexual orientation, religious beliefs, etc.;
- 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;
- The Mainland China offices are exploring anti-discrimination and equal opportunities policies to improve the corresponding systems.



Benefits and Welfare

- On top of the statutory paid annual leave of the national and regional governments, employees are entitled to additional paid welfare leave according to their length of service, divisional experience, duties, etc.;
- Mandatory Provident Fund Schemes voluntary contributions are provided for Hong Kong employees under the Mandatory Provident Fund Schemes Ordinance, and a medical insurance scheme is provided for employees and their families;
- Mainland China 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, etc.;
- Trade union organizations were established and specific standards were formulated in accordance with the relevant regulations of Guangdong’s trade union management to protect the rights of employees in the areas of basic care, labour recuperation, cultural and sports activities, etc.



Material Issues

Labour Standards

- 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”;
- Employee’s original identity card or household register are to be verified to ensure that (s)he meets the local statutory working age, and the Group will not allow any employee who is under the statutory working age to join the Group.



Employee Communication

- Employee relations questions were answered through the “100 Questions on Employee Relations Work”;
- The “Complaint Management Methods” were established to 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.



As of the end of 2021, the Group employed 3,505 employees, including 11 employees in Hong Kong and 3,494 employees in Mainland China. The ratio of male to female employees was 1.5:1 and the total number of new hires during the Reporting Year was 1,029. Please refer to the “Key Performance Indicator Summary” for details.

Material Issues

Mental Care and Welfare

HRSSC is the EAP project brand of COGO, and is launched by COGO's Human Resources and Administration Department HRSSC Centre, which aims to provide mental care and welfare for all employees and their immediate family members. The Group hopes to ease its employees' mental stress and negativities, and help them work and live happily by providing professional consultation, training, and counselling.

Mental Evaluation
Provide a scientific and comprehensive basis for employees to understand themselves referring to the Big Five personality traits and twelve indicators.

Mental Training
Provide online training courses that help employees open the door of wisdom and obtain the code of happiness.

Mental Consultation
Conduct consultation by phone and video call

Mental Advocacy
Deliver interesting, practical, and easy-to-read mental knowledge regularly to interpret the code of happiness, and enhance psychological resilience.

E-platform for Mental Services
Set up a "one-stop" online mental services platform to provide easier access to various professional services such as mental evaluation, booking for consultation, mental analysing, etc.

Building an Industry-leading Team

COGO has continued to put in resources for employee development, and is committed to providing sound opportunities for career development in building an industry-leading team. A training system with the theme of the "Endless Ocean Training System" is coordinated by the Human Resources and Administration Department of the headquarters, and the training programmes are carried out by various departments and district business offices according to their needs. The Group arranges different training to meet the needs of employees at different levels, for example, providing a training programme called "Leading" for all heads of district companies and department heads at headquarters or above to improve their leadership thinking and organizational management skills.



Material Issues

The Group also organizes training camps from time to time on different topics to meet the needs of employees at different levels, including “Sons of the Sea Cornerstone Camp”, “Haina Inclusion Camp”, “Employee with Potential Training Camp”, “Sales Manager Studying Camp” and “Senior Management Power Camp”. In addition, the Group established a LAMPS system, in which employees can choose to develop themselves in-depth in different parts of the company such as management (LM), professional (P), sales (S), and administration (A). They can also choose to change their professions and develop themselves in breadth. The LAMPS system interrelates with various aspects that run through the human resources value chain such as personnel management, qualification standards, appointment procedures, business performance evaluation, opt-out mechanisms, and remuneration packages and fringe benefits. At the same time, the Group has established a human resources shared service centre to provide induction training and guidance for new employees to help them understand the company culture and integrate into the team quickly.

During the Reporting Year, the Group launched the cultivation projects of T+ (Leading Talents), H+ (High Potential Talents) and Y+ (Young Talents) to promote innovation-driven development. 63 young talented representatives from headquarters and district companies participated in the training. In addition, the Group has used “3 talks, 1 workshop” (which includes the “Talk of Creator”, “Talk of Enabler”, “Talk of Fighter”, and “Creative Thinking Workshop”) and “Target Achievement Action” as the topics of the career-shaping training series that cover all the employees from the general, middle, and senior management levels. During the Reporting Year, employees received an average of 6.5 hours of training with a significant increase of 2.6 times over the previous year. For details, please refer to “Key Performance Indicator Summary”.



The total training hours of employees in 2021 were

22,923 hours

Employees received an average of

6.5 hours of training

Increase over the previous year

2.6 times



Group photo of T+ cultivation project



Training of H+ cultivation project

Material Issues

Excellent Services and Products

Although 2021 is full of challenges for the entire real estate industry, the Group has always provided excellent services and products. With standardized management procedures and efficient teams, the Group pursues excellence in services and products, and actively contacts customers to understand and meet their needs and expectations.

Preliminary Planning and Construction

Develop specific management documents such as “Construction Quality Management System” and “Property Handover Inspection Standards” to set out the detailed workflow and ensure the quality and safety level of the constructions.



Sales and After-sales

Establish the “Whole-Process Customer Risk Management Methods” and “Move-in Management Methods” to ensure that the sales information and delivery process comply with the relevant regulations.



Handling Customer Complaints

Handle customer complaints in accordance with the “Customer Complaint and Claims Management Methods” and set up a complaint task force to analyze and summarize the complaints regularly. During the Reporting Year, the Group received 57 complaints, all of which were handled within the stipulated time.



Customer Communication

Develop applications that provide easy and direct communication channels for customers and employees. Customer service manager must contact the owner within half an hour after receiving a complaint to ensure that all complaints are handed over to the corresponding department within the stipulated time.



The Group makes all reasonable efforts to ensure all information for promotion or marketing comply with relevant government regulations and industry guidelines, and respects all property rights, including intellectual property rights. Employees are also required to abide by all relevant laws and regulations regarding the collection, possession, processing, disclosure, and use of personal data, while respecting the privacy of others and keeping the data obtained in the course of business confidentially. Employees from Hong Kong and Mainland China can refer to “Employee Handbook” of the Hong Kong office and the “Employee Relations management Methods” of the Mainland China offices respectively as all relevant requirements in different regions are listed in them. In addition, the Group has implemented firewalls, behavioural analysis tools, anti-virus software, and encrypted all files to enhance network security and protect customer data. The Group reviews its cybersecurity regularly and has formulated a contingency plan that sets out procedures and guidelines for responding to and handling cybersecurity incidents such as cyberattacks that may threaten its business.

Material Issues

Anti-corruption

The Group is committed to operating its business with honesty, ethics, and integrity to ensure fair competition throughout its business operations. The Group adopts a zero-tolerance attitude towards any form of corruption, including bribery, extortion, fraud, and money laundering, and has established policies, such as the “COGO’s Disciplinary and Supervisory Work System”, “COGO’s Disciplinary and Supervisory Work Guidelines”, “Intendance and Audit System”, “Tendering Management Methods” etc., stating the Group’s expectations and demands towards our employees and cooperation partners. In addition, the Group implements “Implementation Rules for Separation of Incompatible Positions” to reduce the risks of corruption and fraud under the principles of horizontal check and balance and vertical restriction. Each party should perform their respective duties and responsibilities under the mutual restraint to reduce the risk of corruption and fraud.

Policies

Hong Kong’s “Employee Handbook” and Mainland China’s “Employees’ Code of Conduct” both contain anti-corruption codes of conduct that require strict compliance by staff. 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 practising integrity and self-discipline.



Protocol

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.



Education and Promotion

To promote the anti-corruption work, the Group has produced a guideline for Integrity Risk Prevention Education and a TV feature video to raise employees’ awareness of integrity and self-discipline. During the Reporting Year, the Group provided a total of 155 hours of anti-corruption training for its employees. On the other hand, the Board has received 2 hours of anti-corruption training during the Reporting Year.



Complaint and Report

The Group establishes “Complaint Management Methods” and standardizes reporting management procedures that allow employees and cooperation partners to report any suspicious actions. All the information of the whistle-blower and reports will be kept strictly confidential to protect them against unfair treatment. The Group has also set up telephone and mailbox for anonymous reporting, and promises to handle the cases promptly after receiving complaints and reports.



Material Issues

Raise Awareness of Prevention

In November 2021, the Group's Nanning Company held a conference about the mitigation of operational risks and case analysis to raise the awareness of various departments and project companies on risk management. To achieve the working requirements of "Integrity of COGO", Nanning Company established an educational activity in December in relation to integrity to remind all employees to demonstrate integrity at work and lower related risks to create a clean, upright, and honest development environment.

The Group also arranges training on different risks issues for assistant manager grade and above employees of various project companies to learn, including the bidding and contract management risks, sales management risks, investment management risks, operation and construction application risks, dynamic cost and design management risks, project management risks, human and general management risks, and financial capital management risks. These training topics ensure all managers at different levels understand their fiduciary responsibilities, improve business management, control business risks, and strictly implement the internal control system.

During the Reporting Year, the Group was fined approximately RMB490,000 by the Jilin Municipal Administration of Market Supervision for failing to advertise the school district in accordance with the public announcement of the Jilin Municipal Education Bureau and the Urban Planning Bureau in 2019. In this regard, the Group has enhanced the approval procedures for external publicity and street advertisements, and set up a WeChat group for online screenshots and joint audits to provide advice on making any amendments.



Material Issues

Community Investment

The Group understands that corporate development is dependent on the support of local communities. As a responsible company, the Group is committed to strengthening ties with local communities, understanding their actual needs, and actively promoting social harmony through its influence on the community.

Building Caring Communities

To provide customers with a quality living experience, the Group attaches importance to the ancillary facilities of its properties and reserves sufficient areas for various recreational facilities such as parks, jogging trails and fitness equipment during project planning. At the same time, rent subsidies are provided to convenience stores and restaurants that are beneficial to people’s livelihood, thereby reducing the cost of living.

Investing in Community Projects

The Group hopes to bring positive changes to the community through the community investment plan. Each district company has to follow the “Guidelines for Customer Care (China Overseas Club)” to establish a “China Overseas Club”, and organize regular customer care activities such as health check-ups, children’s interest classes, ball games, festive parties, etc.

During the Reporting Year, COGO continued to focus on three counties in Gansu Province, and the donation of Wenjiahe Hope Primary School became one of the key tasks. From the eve of National Day in 2020 to the summer and autumn of 2021, the Group actively participated in the planning and construction of Wenjiahe Hope Primary School. The design of Wenjiahe Hope Primary School incorporates the local needs and characteristics of the area, and the original vegetation and 40-year-old spruce trees were intentionally preserved during construction period. The school was awarded the Silver Muse Design Award in the United States, providing a better environment for more than 220 children to learn and grow, which allows them to achieve their dreams and brings infinite possibilities into their lives.



Wenjiahe Hope Primary School Founding Stone Laying Ceremony



Top photo is the interior of classroom
Bottom photo is the exterior of the primary school

Material Issues

Together, We Fight against the Virus

The Group's regional companies, such as Ganzhou Company, Hefei Company, Hohhot Company and Huizhou Company, organized the distribution of epidemic prevention materials to the neighbouring schools, sent blessings to the nucleic acid testing personnel in Qunfeng Town, held free medical consultations with property owners and epidemic prevention materials distribution activities.



Distribution of materials

On the eve of winter solstice in 2021, the employees of Hong Kong office handmade coasters and gift bags and visited elderly homes to distribute the gift bags to the residents there in the hope of bringing a warmer winter solstice to them.



Coasters made by the Group's employees for the residents at the elderly home



Distribution of materials at an elderly home in Hong Kong

At the beginning of 2022, as Hong Kong faced the fifth wave of COVID-19, the employees from the Group's Hong Kong office actively participated in China Overseas' volunteer works and helped donate adult and child face masks, face shields and rapid test kits to various charitable organizations, including Hong Kong Playground Association, Lutheran Church Hong Kong Synod, Han Andersen Club, The Ronald McDonald House Charities (RMHC) Hong Kong, in order to fulfill its corporate social responsibility and join hands with the community in the fight against the pandemic.

Material Issues

Ensuring Customers' Safety

During the Reporting Year, Changzhou Company invited property owners to participate in fire safety drills and safety learning to promote the importance of scientific self-rescue. The activity included two parts, namely fire fighting basic knowledge and fire fighting emergency drill, which aimed to let each participant learn the correct use of fire extinguishers, master the basic methods of fire escape, improve the awareness of self-protection and the ability of self-rescue to resolve risks. The Group will continue to adhere to the basis of safe operation and customer satisfaction to create a quality community that gives owners peace of mind. In addition, under the influence of the pandemic, South Halcyon has temporarily set up a prevention and control team to firmly implement the epidemic prevention instructions in the district, and procured disinfectant water, masks and other epidemic prevention supplies as gifts to the owners.



Above photos are pandemic prevention drill

Customer Care Activities

The Group has taken the lead in organizing four series of customer care activities in each regional company, namely "Spring Farming", "Summer Solstice", "Autumn Solidarity" and "Winter Warmth", including door-knocking program, door-to-door visits to owners; a face-to-face activity day for customer service managers to strengthen direct communication between management staff and property owners. In addition, the Group organized a series of activities including Mid-Autumn Family Banquet and Mother's Day Care to strengthen close ties with property owners and enhance customer satisfaction. During the Reporting Year, the Group's overall customer satisfaction rating exceeded the 90th percentile of the industry.



Repairing and cleaning fans for the property owners

According to the actual situation, the Group held a number of maintenance service days, and the project department, the Precision Maintenance Center, the property engineering team and the construction unit jointly carried out maintenance activities in the community, which were unanimously praised by the property owners.

Key Performance Indicator Summary

Environmental Performance

Environmental Key Performance Indicators ⁷	2021		Unit
	Mainland China	Hong Kong	
Air Emissions			
Nitrogen Oxides	240.10	0	kg
Sulphur Oxides	18.96	0	kg
Respiratory Suspended Particulates	10.44	0	kg
GHG Emissions			
Scope 1 Direct GHG Emissions ⁸	1,483.69	0	tonnes of carbon dioxide equivalent
Scope 2 Energy Indirect GHG Emissions ⁹	2,972.81	16.58	tonnes of carbon dioxide equivalent
Scope 3 Other Indirect GHG Emissions ¹⁰	705.08	2.72	tonnes of carbon dioxide equivalent
Total GHG Emissions	5,161.57	19.30	tonnes of carbon dioxide equivalent
GHG Intensity (by Area)	0.13	0.04	tonnes of carbon dioxide equivalent /square meter
Generation of Waste			
Total Generation of Hazardous Waste	1.28	0.002	tonnes
Hazardous Waste Intensity (by Area)	0.03	0.004	tonnes/1000 m ²
Total Generation of Non-hazardous Waste	168.29	0.56	tonnes
Non-hazardous Waste Intensity (by Area)	4.38	1.30	tonnes/1000 m ²
Consumption of energy			
Gasoline	2,159.60	0	MWh
Diesel	11.97	0	MWh
Liquefied Petroleum Gas	152.51	0	MWh
Natural Gas	745.30	0	MWh
Biodiesel	94.62	0	MWh
Purchased Electricity	5,091.30	23.35	MWh
Total Energy Consumption ¹¹	8,255.30	23.35	MWh-equivalent
Energy Intensity (by Area)	0.21	0.05	MWh-equivalent/ square meter

⁷ The Hong Kong office is a shared office, and its purchased electricity, waste paper disposal, fresh water use, and sewage discharge were calculated as 30% of that of the total shared office. The corresponding by area intensity was also calculated as 30% of the office area.

⁸ Scope 1 only included GHG generated by natural gas combustion in office boilers, gasoline combustion in vehicles and refrigerants in Mainland China's offices.

⁹ Scope 2 only included GHG generated by purchased electricity.

¹⁰ Scope 3 only included GHG generated by air business travel, and Hong Kong office's paper disposal, use of freshwater and sewage treatment.

¹¹ The actual heating usage data is not available as it is priced on an area basis. Therefore, the heating usage data is not included in the total energy consumption.

Key Performance Indicator Summary

Environmental Key Performance Indicators ⁷	2021		Unit
	Mainland China	Hong Kong	
Water consumption			
Total Water Consumption	86,457.38	78.93	m ³
Water Intensity (by Area)	2.25	0.18	m ³ /square meter
Packaging Material			
Consumption	54.95	0	tonnes

Social Performance

Distribution of Employees ¹²		Number of Employees	
		2021	2020
Region	Mainland China	3,494	2,974
	Hong Kong	11	10
Gender	Male	2,120	1,844
	Female	1,385	1,140
Position	Senior Management	31	30
	Middle Management	109	87
	General Staff	3,365	2,867
Age	Under 30	1,315	1,228
	30–50	2,151	1,716
	50 Above	39	40
Total Workforce		3,505	2,984
Male to Female Employee Ratio		1.5:1	1.62:1

Distribution of Employee Turnover		Number of Employee Turnover (Percentage)	
		2021	2020
Region	Mainland China	820 (23.47%) ¹³	488 (16.41%) ¹⁴
	Hong Kong	3 (27.27%)	0
Gender	Male	457 (21.56%)	347 (18.82%)
	Female	366 (26.43%)	141 (12.37%)
Age	Under 30	416 (31.63%)	171 (13.93%)
	30–50	397 (18.46%)	315 (18.36%)
	50 Above	10 (25.64%)	2 (5%)
Total		823 (23.48%)	488 (16.35%)

¹² All employees are full-time employees.

¹³ The overall turnover rate in Mainland China was 23.47%, with the turnover rate of management (LM), professional (P) and administration (A) has remained steady at 16.30%, the turnover rate of sales (S) was 31.12% due to manpower deployment arrangement.

¹⁴ The overall turnover rate in Mainland China was 16.41%, with the turnover rate of management (LM), professional (P) and administration (A) at 15.67%, and the turnover rate of sales (S) was 17.50%.

Key Performance Indicator Summary

Distribution of New Hires		Number of New Hires (Percentage)	
		2021	2020
Region	Mainland China	1,025 (29.34%)	879 (29.56%)
	Hong Kong	4 (36.36%)	0
Gender	Male	612 (28.87%)	523 (28.36%)
	Female	417 (30.11%)	356 (31.23%)
Age	Under 30	517 (39.32%)	511 (41.61%)
	30–50	509 (23.66%)	366 (21.33%)
	50 Above	3 (7.69%)	2 (5%)
Total		1,029 (29.36%)	879 (29.46%)

Occupational Safety and Health Performance	2021	2020
Work-related Injury	0	0
Work-related Fatalities	0	0
Lost Days Due to Work-related Injury	0	0

Distribution of Employees Received Training		Number of Employees Received Training (Percentage) ^{15,16}	
		2021	2020
Gender	Male	1,719 (81.08%)	1,839 (99.73%)
	Female	972 (70.18%)	1,135 (99.56%)
Position	Senior Management	31 (100.00%)	29 (96.67%)
	Middle Management	109 (100.00%)	84 (96.55%)
	General Staff	2,551 (75.81%)	2,861 (99.79%)
Total		2,691 (76.78%)	2,974 (99.66%)

¹⁵ Percentage of employees received training = number of employees received training / total number of employees.

¹⁶ Breakdown of employees received training calculated by the number of employees in related category = number of employees received training in this category / total number of employees received training.

Key Performance Indicator Summary

Distribution of Employees		Average Training Hours of the Employees	
		2021	2020
Gender	Male	6.91	1.80
	Female	5.98	1.79
Position	Senior Management	16.00	1.47
	Middle Management	16.00	1.90
	General Staff	6.15	1.80
Total		6.54	1.80

Location of Suppliers and Contractors ¹⁷	2021
Hohhot and Baotou	416
Jilin and Zibo	431
Yinchuan, Zunyi and Weinan	641
Hefei, Huangshan, Chuzhou and Anqing	885
Shaoxing, Jinhua and Yiwu	416
Lanzhou, Tianshui and Xining	523
Nanning, Guilin and Liuzhou	373
Ganzhou, Jiujiang and Zhuzhou	641
Yangzhou, Taizhou and Danyang	1,086
Nantong and Yancheng	530
Changzhou	252
Shantou and Quanzhou	469
Weifang and Linyi	346
Huizhou, Qingyuan and Zhanjiang	702
Tangshan and Langfang	345
Xuzhou, Jining and Huaian	659

¹⁷ Due to the duplication of suppliers and contractors in different locations, the aggregate number of suppliers and contractors of all locations does not reflect the Group's total number of suppliers and contractors.

Key Performance Indicator Summary

Compliance Performance

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 the Reporting 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 the Reporting 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 employment during the Reporting 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 employment during the Reporting 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 employment during the Reporting 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 the Reporting Year, and did not breach any relevant laws and regulations that have a significant impact on the Group.

Environmental, Social and Governance Reporting

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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.	23–24, 41
A1.1	The types of emissions and respective emissions data.	24, 37
A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions and intensity.	23, 37
A1.3	Total hazardous waste produced and intensity.	37
A1.4	Total non-hazardous waste produced and intensity.	24, 37
A1.5	Description of emissions target(s) set and steps taken to achieve them.	10–11
A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	11, 24
A2 Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	23–24
A2.1	Direct and/or indirect energy consumption by type in total and intensity.	24, 37
A2.2	Water consumption in total and intensity.	24, 38
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	12, 24
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	The Group has no issue in sourcing water.
A2.5	Total packaging material used for finished products with reference to per unit produced.	The Group does 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.	23–24
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	23–24

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Material Aspect	Content	Page Index/Remarks
A4 Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	7
A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	7–8
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.	20, 26–28, 41
B1.1	Total workforce by gender, employment type, age group and geographical region.	38
B1.2	Employee turnover rate by gender, age group and geographical region.	38
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.	25, 41
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	25, 39
B2.2	Lost days due to work injury.	39
B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	25
B3 Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	29–30
B3.1	The percentage of employees trained by gender and employee category.	39
B3.2	The average training hours completed per employee by gender and employee category.	40

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Material Aspect	Content	Page Index/Remarks
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.	28, 41
B4.1	Description of measures to review employment practices to avoid child and forced labour.	28
B4.2	Description of steps taken to eliminate such practices when discovered.	28
B5 Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	22
B5.1	Number of suppliers by geographical region.	40
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	20, 22
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	22
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	22
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.	31, 41
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	The Group's operation does not involve product recalls.
B6.2	Number of products and service-related complaints received and how they are dealt with.	31
B6.3	Description of practices relating to observing and protecting intellectual property rights.	31
B6.4	Description of quality assurance process and recall procedures.	The Group's operation does not involve product recalls.
B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	31

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Material Aspect	Content	Page Index/Remarks
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.	32, 41
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.	41
B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	32
B7.3	Description of anti-corruption training provided to directors and staff.	32–33
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.	20, 34–36
B8.1	Focus areas of contribution.	34–36
B8.2	Resources contributed to the focus area.	34–36