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

(Incorporated in Hong Kong with limited liability)
Stock Code : 00688

上市30年
HK0688

2021

Environmental, Social
and Governance Report

CONTENTS

MESSAGE FROM THE CHAIRMAN

Responding to the Call of Green Development with Eyes on the Long Term

China Overseas Land & Investment Ltd. ("COLI", "China Overseas", the " Company" or the " Group"), commenced its operation as a contractor in Hong Kong back in 1979, is currently underpinned by three major business lines, namely Property Development, Urban Services and Design Services, with presence established across Hong Kong, Macau and over 80 cities in Mainland China, as well as in countries such as the United States, the United Kingdom, Australia and Singapore. COLI is also active in diversifying into upstream and downstream business activities. The 42-year journey witnessed our unchanged commitments to our dream and belief of "Creating a Better Life Together", sustainability strategy of "Four Excellences (四好公司)" and green development path amid our corporate social responsibility practices.

During the year, we were named China's Real Estate Industry Leading Company Brand for the 18th consecutive year, and ranked No. 1 in China's real estate brand value and among the Top 30 Listed Mainland Real Estate Companies. Taking sustainability management as a necessary agenda towards our corporate vision and mission, we took initiatives to integrate ESG and other sustainability elements into our business model, where the Board of Directors is responsible for overall sustainability governance as well as assessing, determining and supervising the ESG risks related to our business. Each year, the Board of Directors reviews the implementation and achievements of ESG work through the Corporate Governance Committee. The Board of Directors is in charge of our sustainability management structure, the details of which are disclosed in Chapter 5 of this report.

COLI has firmly adhered to its "Four Excellences" philosophy namely "Good Products, Good Services, Good Effectiveness and Good Citizen". Given its strong performance in ESG rating, COLI continued to be included as a constituent of the Hang Seng Corporate Sustainability Index and Hang Seng ESG 50 index, and was rated as "low risk" by Sustainalytics in 2021. We were rated BB in MSCI ESG Ratings, received 2-star rating under the Global Real Estate Sustainability Benchmarks (GRESB), and won the "ESG Benchmark Awards – The ESG Leader (Platinum)" by the Institute of ESG & Benchmark. During the year, our headquarters, Technology Company, Harbin Company, Hong Kong Huayi Design Consultants (Shenzhen) Co. Ltd., China State Grand Wealth Investments Limited, Heshan Tian Shan Metal Materials and Products Co., Ltd. and "China Overseas Jinnian" senior living project in Qingdao successfully obtained international certifications of the ISO9001:2015 Quality Management System and/or 14001:2015 Environmental Management System.

During the year, we also assessed the materiality of ESG issues through communication with internal and external stakeholders, where occupational health and safety was selected as the issue with the highest priority. Sticking to the talent-empowered philosophy and regarding employees as the cornerstone for "Good Effectiveness", we strictly followed the Safety Management Handbook of China Overseas Property, and continued to enhance and implement the safety responsibility checklists set by respective functional departments for projects under construction aimed at safe and disciplined construction practices. In 2021, 100% of our employees participated in safety related training for a total of 2,500 hours. We worked with our employees to create shared value, seeking to improve employee satisfaction, individual training and career development to achieve "Good Effectiveness".

We always bear in mind corporate social responsibility and strive to act as a responsible "Good Citizen". An enterprise could go nowhere without supports from the community. With a commitment to "revitalising society and giving back to people", we strive to contribute to the community where we operate, participate in community development and construction, and contribute to a harmonious and sustainable community through diverse community activities. On education-related aids, since the second half of 2020, we have donated over RMB3.5 million to Wenjiahe Hope Primary School, the 15th COLI Hope Primary School, and established three artificial intelligence innovation classrooms. On consumption aid and support, we continued to draw upon our own advantages and the strengths across the industry chain to promote and make full use of tourism resources in three counties. During the year, we were awarded the CSCEC Outstanding Contribution Prize in Poverty Alleviation. A key initiative during the year was our investment of over RMB5.07 million in creating the plateau quinoa brand "Vale of Clouds" for Zhuoni County, Gansu Province, driving the sale of 250,000 boxes of agricultural products. Meanwhile, we hosted over 70 sessions of "Sea of Hope, Rural Revitalization" activities across China.

Under China's goal of achieving carbon neutrality by 2060, green and low-carbon development will become a key note for real estate enterprises in the future. We gradually refined TCFD climate-related disclosure and actively carried out assessment of regional climate risks, proactively carried out research on the development strategy and implementation roadmap for achieving carbon peak and carbon neutrality, and formulated the China Overseas Green and Low-carbon Technology System and China Overseas Standards for Green and Healthy Residential Properties (Low-carbon Upgraded Version). By identifying suitable low-carbon technology initiatives specific to investment, development and operation stages, we fully integrated the green and low-carbon concept into our overall strategy, so as to refine, substantiate and accomplish the targets of achieving carbon peak and carbon neutrality. On the financing side, we released the green finance framework and successfully issued the second green bond in 2021, the first green carbon neutrality bond among domestic peers.

We are dedicated to reducing carbon emissions and quantifying relevant targets on an ongoing basis. Based on historical data from 2016 to 2020, we predicted and conducted analysis on our operating carbon emissions in the next 40 years. A series of carbon reduction technologies and initiatives will be adopted to effectively reduce our operating carbon emissions from 2021 to 2060, thus meeting China's requirements on "early peaking, low peak value, less back-loaded emissions, short plateau period and deep carbon neutrality". In 2021, a total of 80 projects obtained green building certifications, including our first LEED platinum certification. Besides, we developed quantitative targets for energy use, seeking to reduce carbon emission density by 3% (2019 baseline year) for office projects and reduce energy consumption density by 5% and water consumption density by 5% (2020 baseline year) for innovative projects by 2023. Providing customers with "Good Products" and "Good Services" is the basis of our sustainability strategy of "Four Excellences". During the year, 98% of our commercial projects met the COOC Healthy Building Standards, and the air quality inspection coverage and occupancy qualification rate of new projects in operation in cities including Shanghai, Shenzhen, Dalian and Foshan reached 100%.

Looking ahead, we will adhere to our brand philosophy of "building happiness and leading the trend", core value of "Four Excellences" and the responsibility concept of "Each and Every Detail of Each and Every Project", earnestly respond to the low-carbon green development goal and undertake our commitment to building a healthy and sustainable community for the new era.

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

ABOUT THIS REPORT

China Overseas Land & Investment Ltd. ("COLI", "China Overseas", "the Company" or "We") has disclosed our governance strategies, initiatives and achievements in corporate social responsibility and operational sustainability to the public annually in a highly transparent manner through an independent report since 2012.

This report is the seventh annual Environmental, Social and Governance Report of COLI (i.e. the eleventh corporate social responsibility report; the last report was published in May 2021). The Company reports non-financial information through this report and communicates with stakeholders about the progress and achievements of COLI in sustainable development.

2.1 Reporting Principles

This report was prepared in accordance with the Environmental, Social and Governance Reporting Guide (the "Guide") set out in Appendix 27 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited issued by the Stock Exchange of Hong Kong Limited (the "Stock Exchange") and the Core Option of the Global Reporting Initiative (GRI) Sustainability Reporting Standards ("GRI Standards"), and with reference to various reporting frameworks, including the United Nations' Guide for Business Action on the Sustainable Development Goals (SDGs) ("SDG Guide for Business Action") and the Standards of Sustainability Accounting Standards Board (SASB) ("SASB Standards"), in order to continuously enhance the disclosure transparency of the Environmental, Social and Governance Report and respond to the demands of the capital market for information disclosure. Recently, with increasing global attention on the climate change issue, the Group took actions during the period to assess in detail the enterprise's risks and opportunities arising from climate change and disclosed its performance and achievements in management of climate change in accordance with the Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) ("TCFD Recommendations").

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

- **Materiality:** After collecting the opinions of stakeholders, we re-evaluate the importance priorities of various sustainable development issues to the Company, thereby defining the disclosure focus of this report and providing accurate and detailed responses to the issues that stakeholders are most concerned about and use them as a reference basis for the Company to formulate sustainable development targets.

- **Balance:** In addition to disclosing the Company's progress in sustainable development management, this report also discusses the Company's sustainable development challenges and future response measures and plans and explains the undisclosed information.

- **Quantitative:** We set annual targets for various indicators, and present quantitative data in this report. All departments and business lines used the data collection tools to continuously record the Company's economic, environmental and social indicators during the year, and monitor the progress and results in achieving the targets. This report also contains some historical data of the Company to present a full picture of its annual performance changes.

- **Consistency:** Unless otherwise stated, the way the information was collected and presented in this report is consistent with the previous year's practices to ensure information comparability.

2.2 Reporting Scope

This report covers the achievements of the work of the Company and its subsidiaries at all levels in environmental, social and governance aspects for the period from 1 January 2021 to 31 December 2021. China Overseas Grand Oceans Group Limited (stock code: 00081), an associate of the Company, is also listed on the Stock Exchange. The details of its performance in environmental, social and governance aspects are available in the 2021 Environmental, Social and Governance Report of China Overseas Grand Oceans Group Limited (website: cogogl.com.hk/en/esg/report), the information of which is not included in this report.

The reporting scope of performance indicators in this report covers three operation scopes, including residential, commercial and innovative business, of the Company. In particular, the reporting scope of environmental KPIs includes the Company's 39 offices and 187 projects under construction, and 44 commercial projects in operation held by the Company up to the end of 2021 (there are 29 office buildings, 9 shopping malls and 6 hotels, respectively, when measured in terms of number of buildings). This annual report also includes 5 matured innovative business projects in operation for the full year.

2.3 Confirmation and Approval

The Board of COLI is committed to monitoring the report content and ensuring that it does not contain false records, misleading statements or material omissions. This report was approved by the Board for publication on 19 May 2022.

2.4 Access of the Report

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

Contact Us

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

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Brand website:	www.coli688.com
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LinkedIn:	China Overseas Land & Investment Ltd.

COLI'S STRENGTH

3.1 Business Structure

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

Having gone through multiple rounds of economic cycles over 42 years, COLI remains committed to the strategic goal of "becoming an exceptional global property development corporation", continuing to position its development in "major cities, mainstream areas and mainstream products". It expands its business around three major operations: Real Estate Development, Urban Services and Design Services. It focuses on the challenges and opportunities arising from sustainable development. In addition to deeply cultivating the principal business of residential properties development, COLI will also commit resources to commercial projects and look into the education, senior care, logistics and public utilities to strategically grow new profit engines. In 2022, COLI will usher in the 30th anniversary of our listing on the Hong Kong Stock Exchange. The past year again witnessed a brand value upgrade of COLI, which has continued to rank first among the top 50 Chinese real estate developer brands for years by virtue of its resilient and top-rated growth, leading lean management and value creation ability as well as increasingly diverse operations.

Resource Allocation among Three Major Business Lines during the 14th Five-Year Plan

90%	Properties Development	8%	Urban Services	2%	Design Services

3.1.1. Property Development

As a pioneer and leader in the real estate industry in Mainland China, COLI has over 40 years of experience in property development, operation and management. COLI has developed more than 1,700 projects in the Mainland, Hong Kong, Macau, New York, Sydney and Singapore with a total GFA of nearly 200 million m². We are committed to the concept of "Each and Every Detail of Each and Every Project", pursuing green and healthy features, smart initiatives, and industrial orientation as the three major directions for product upgrade. In close partnership with technology companies including Huawei, the Company maintained its leading position in the development and application of smart communities and smart homes, building the world's first 5G community, ZhenRu Mansion, in Shanghai; the Company participated in preparing several national construction standards such as "Smart Community Construction Code" and "Smart Building Design Standard".

3.1 Business Structure (Continued)

3.1.2. Urban Services

As the largest single-ownership office developer and operator in Mainland China, we own and operate 55 Grade A office buildings through our subsidiary China Overseas Commercial Properties Co., Ltd. ("China Overseas Commercial Properties"), as well as four century-old commercial landmarks in the City of London. Under OFFICEZIP, our brand for flexible-working space, we operated 17 projects in 7 cities including Beijing and Shanghai with over 10,000 seats in operation. In Beijing, Shanghai, Jinan, Chengdu and Zhuhai, we invested and operated 18 integrated shopping malls including Unipark, Uni ELITE, UniFUN and Mid-Town, 12-star hotels including COLI, Guotai and Tangquan hotels, and 14 long-term rental apartments under the Unilive Residence and Unilive Apartment brands, while operating logistics parks with a total GFA of over 400,000 m², being the largest single-ownership office developer and operator in Mainland China.

3.1.3. Design Services

Under the national strategy driven by technological innovation, taking advantage of the Company's wide-scale application of new technologies and new products, the Company expanded upstream and downstream investments, built a technology investment ecosystem and a number of investment oriented subsidiaries driven by technology, which have fostered the Company's second growth curve. Shenzhen Haizhichuang Technology Company Limited, which focuses on empowering real estate development with technology, aims at digital transformation, product upgrade and technological ecology in fields such as digital system, intelligence, green health. It is committed to becoming an outstanding prop-tech platform and an investment company driven by technology. Lingchao Supply Chain Management Company is committed to build an integrated, industry-leading B2B service platform for buying and selling building materials. Guojian Smart Energy Technology Co., Ltd focuses on investment, construction, operation and related technology research and development of electric charging piles, so as to promote industrial ecology, technological innovation and application.

With strong resource allocation capabilities, the Company proactively participates in the fields of education and senior living as a crucial step for business diversification. The Company has established the Zhonghai Education brand, owning and operating K12 schools, kindergartens, nurseries and camp projects across the country such as in Beijing, Shenzhen and Jinan. The Company also launched its senior living brand, "China Overseas Jinnian", owning and operating several senior apartments in Qingdao, Jinan, Tianjin and Wuxi, all of which rated as four- or five-star national standard.

For details, please refer to <u>COLI's Annual Report 2021</u>.

3.2 Overview of COLI[1]

Financial Performance

1. Corporate brand value in 2021: RMB139.20 billion
2. Total assets: RMB869.91 billion
3. Net assets: RMB357.11 billion
4. Revenue: RMB242.24 billion
5. Contracted sales: RMB369.50 billion
6. Profit attributable to shareholders: RMB40.16 billion
7. Land reserve: 80.77 million m²

[1] Data up to 31 December 2021

COLI'S SUSTAINABILITY OVERVIEW

Green Finance

Successfully issued the second green bond, the first-ever green carbon neutrality bond among domestic peers.

Sustainability Strategy

Carried out research on COLI's development strategy and roadmap for achieving carbon peak and carbon neutrality, while extending in both directions to fully integrate the concept of green and low-carbon development into its overall development strategy.

Management of Climate Risks

Planned to conduct detailed assessment on climate risks in terms of exposure and sensitivity to understand the impact of climate change on COLI's business in selected areas.

Community Investment

COLI's key rural revitalization project Sea of Hope created the quinoa brand of Vales of Clouds for Zhuoni County, successfully driving the sale of 250,000 boxes of agricultural products.

External Recognition

- Continued to be included as a constituent of the Hang Seng Corporate Sustainability Index and Hang Seng ESG 50 Index
- Rated as low risk by Sustainalytics
- COLI's headquarters obtained ISO9001 and ISO14001 certifications
- Shenzhen Haizhichuang Technology Company Limited obtained 6 ISO certifications

Product Innovation

Through integrated management featuring design, construction, operation and maintenance by COLI as well as the green electricity trading market or carbon trading, China Overseas Building will become the first domestic 5A high-rise office building with nearly zero energy consumption.

Green Leasing

Lessees undertook to incorporate environmental management into their daily business operations in accordance with the requirements of the China Overseas Sustainable Decoration Manual and China Overseas COOC Healthy Building Standards while we promoted and implemented green standards, secured customers with green concepts and developed online customer platforms.

Green Supply Chain

Implemented the China Overseas Standards for Green and Healthy Residential Properties, with 74 suppliers in categories reaching green standards and accounting for 46% of the enterprises, and took the initiative to issue proposals to encourage existing collaborative suppliers to obtain and provide green product certifications and acquire various types of green certification to encourage them to carry out green product certification.

SUSTAINABILITY MANAGEMENT

Echoing the United Nations' goal of "Developing Sustainable Cities and Towns" and responding to China's 14th Five-year Plan and vision for 2035, we continued to pursue sustainable and harmonious development among the economy, the environment and society in 2021 on the basis of sound operation. China has announced its goal to achieve carbon peak by 2030 and carbon neutrality by 2060. As part of our efforts in contributing to better cities and the future towards the 2060 carbon neutrality goal of China, we have started relevant strategic planning to fully integrate the green and low-carbon concept into our overall development strategy.

We are committed to improving our sustainable development concept, which is incorporated in our policy framework in a bid to contribute to climate change solutions. Under our comprehensive management framework and policies, we developed sustainability management strategies and targets and closely monitored relevant progress and results, so as to improve our operational sustainability performance constantly.

Corporate Vision

To be an Exceptional Global Property Development Corporation
- Provide customers with comprehensive solutions that meet their residential and business needs in the fields of real estate development, investment and operations, and further embark on the journey of global expansion

Corporate Mission

We manage happiness
- Satisfying customers – focus on customers' short- and long-term interests to create more valuable space with dedication and creativity
- Empowering employees – unite and empower employees, build and share the future
- Rewarding shareholders – continuously strive to stay as an attractive investment target and create value for investors to gather their strength
- Giving back to society – promote and implement energy conservation and environmental protection, enthusiastic in charity causes, satisfy the needs of a progressing civil society
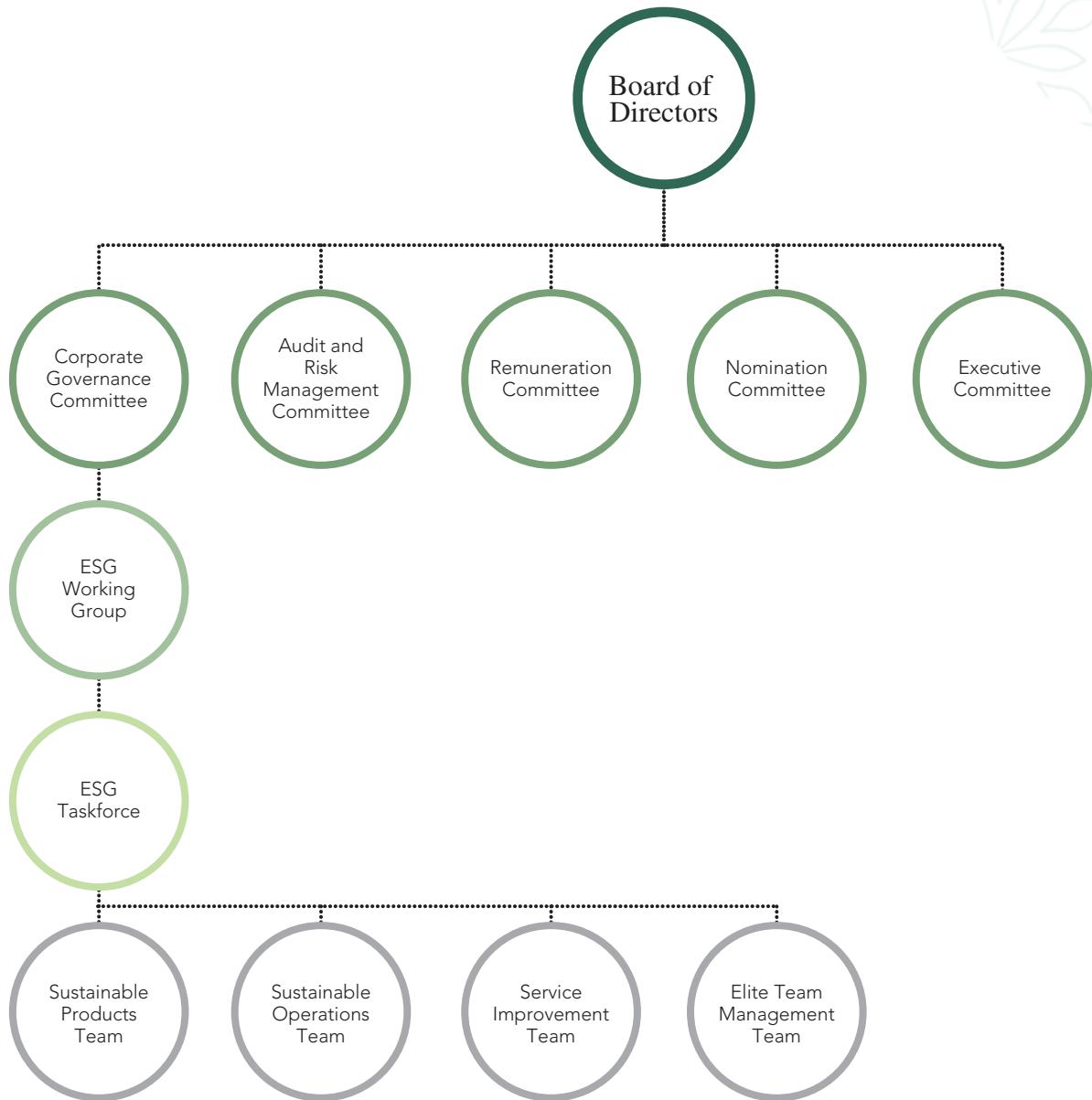
Corporate Values

Customer-oriented, Quality Assurance, Create Value
- Adhere to the principles of behaving properly, strictly complying with rules, seeking truth and being honest and pragmatic, and achieve personal value and COLI's ambitious objective of building a century-old company through continuous innovation

5.1 Sustainability Management Structure

Board of Directors

- Corporate Governance Committee
- Audit and Risk Management Committee
- Remuneration Committee
- Nomination Committee
- Executive Committee

ESG Working Group

ESG Taskforce

- Sustainable Products Team
- Sustainable Operations Team
- Service Improvement Team
- Elite Team Management Team

5.1 Sustainability Management Structure (Continued)

To ensure the effectiveness of sustainability management and implement sustainability management policies and measures systematically, we have formulated the Measures for Environmental, Social and Governance Management of China Overseas Property to clearly define the responsibilities and reporting mechanism for sustainability affairs.

Board of Directors	• To take charge of the Company's overall sustainability governance • To assess and determine the ESG risks related to the Company's business • To supervise the management and review the Company's ESG performance • To review the risk management and internal control system related to ESG
Corporate Governance Committee	Perform managerial and supervisory duties on ESG issues under the authority of the Board: • To formulate and monitor the Company's sustainability strategies, policies, goals, etc. • To assess and determine the material ESG risks related to the Company's business • To review the implementation of ESG work and the achievements • To review the Company's ESG disclosures • To report to the Board on sustainability work each year
ESG Working Group	An inter-departmental body with the Vice Chairman of the Board cum Executive Vice President as the team leader and Chief Executive Officer and those in charge of the Corporate Communications Department and Operations Management Department as the deputy team leaders. Its duties are: • To develop annual targets based on the Company's sustainability targets • To develop the total budget and annual budget for ESG • To supervise ESG performance of subordinate units • To conduct research, discuss and make decisions on specific sustainability topics • To continuously monitor the Company's overall sustainability performance and risks concerning material issues • To formulate the annual work schedule and action plan • To review its working mechanism and terms of reference each year • To arrange preparation of the ESG report • To report to and advise the Executive Committee on the above matters • To notify the Executive Committee of any major cases in which the Company may potentially violate ESG-related laws and regulations

5.1 Sustainability Management Structure (Continued)

ESG Taskforce	Four dedicated, cross-departmental executive teams comprising relevant departments are formed by the ESG Taskforce to focus on respective sustainability topics of higher relevancy to them and implement various policies and measures

Name	Area of focus
Sustainable Products Team	Development of green and healthy building products; responsible for the investment, positioning, design, construction and delivery of projects developed by the Company
Sustainable Operations Team	Operation of green and healthy buildings; responsible for the operation of projects held by the Company
Service Improvement Team	Management of customers' rights and interests, needs and satisfaction; responsible for customer service throughout the life cycle of projects
Elite Team Management Team	Team efficiency and competitiveness; responsible for the Company's staff development and satisfaction, performance management and professional ethics

The Company has established an institutional structure for risk management to carry out risk assessment and monitoring for various segments on an ongoing basis, which is as follows:

Board of Directors and Audit and Risk Management Committee	• To conduct final review of annual risk issues and risk management procedures
Risk Management Committee	• To determine and rank the Company's annual risk management issues • To formulate risk management procedures and designate responsible departments for various risks
Risk Management Team	• To collate and conduct analysis on the Company's risk events in the year • To coordinate with functional departments and relevant units and follow up on changes in major risks and implementation of countermeasures
Functional Departments at the Headquarters	• To complete the score assessment and preliminary ranking of annual risk issues • To implement risk management measures

5.1 Sustainability Management Structure (Continued)

In additional to monitoring the Company's risk management and internal control system (the "System") continuously, the Intendance and Audit Department also reviews the relevant work and the System every six months and reports the progress of the relevant work to and advises the Audit and Risk Management Committee and the Board. We have included "climate change risk" and "ESG risk" into our risk database and incorporated it into our corporate risk management framework, and currently it has become one of the strategic, planning and positioning risks of the Company. Various departments will conduct more detailed and robust risk assessment targeted at business management and control, disclosure compliance and market ratings to ensure the formulation of highly effective risk management measures in this respect.

For details on the structure and terms of reference of the Board and its committees, the business risk management and internal control of the Company, please refer to section "Directors and Organisation" on page 77 to page 85 of the Annual Report 2021 of China Overseas Land & Investment Ltd.

5.2 Sustainability Roadmap

> **2022: officially launching the strategy of achieving carbon peak and carbon neutrality**

▼

> **2023: achieving outstanding performance by the end of the 14th Five-Year Plan period**

▼

> **Striving to achieve carbon peak by 2030 and carbon neutrality by 2060**

▼

> **Becoming a leader in implementing the United Nations 2030 Agenda for Sustainable Development in the domestic real estate industry in the long run**

COLI believes that integrating sustainability concepts into business strategies and creating value for stakeholders in the long run are essential for attaining the goal of sustainable operation in an ever-changing social environment. We vigorously strive to implement our sustainability strategy based on the timeframe of China's 14th Five-Year Plan and the United Nations Sustainable Development Goals (UN SDGs).

5.2 Sustainability Roadmap (Continued)

Our key tasks in 2021, the third year of COLI's sustainability strategy period, include:

Scope of Work	Tasks	Achievements	Relevant Sections of This Report
Formulating development strategy and implementation roadmap for achieving carbon peak and carbon neutrality	• To sort out basic data, including conducting analysis on our current status, carbon emissions, and operation, maintenance and management, etc. • To set up the goals of achieving carbon peak and carbon neutrality and formulate the action plan	✓ Completed background analysis and competitor analysis ✓ Arranged relevant departments to initiate the work, and the third-party consultant hosted the seminar on the progress and accomplishments in achieving carbon peak and carbon neutrality	• Sustainability Strategy
Following up and reviewing sustainable development goals	• To review the gaps between the ESG report and the requirements of the regulators and the capital market for sustainability management, and formulate an improvement action plan • To follow up and review the progress and achievements of the 2023 sustainability targets	✓ Quarterly ESG Working Group meetings were held to discuss and resolve on relevant issues ✓ Fully amended 73 annual sustainability goals	• Sustainability Strategy • 2023 Sustainability Targets
Pushing ahead management system certification	• To push ahead Quality Management System (ISO 9001) certification and Environmental Management System (ISO 14001) certification for the headquarters of COLI	✓ COLI's headquarters obtained ISO 14001 and ISO 9001 certifications ✓ Shenzhen Haizhichuang Technology Company Limited obtained 6 ISO certifications ✓ The commercial project of Chengdu China Overseas International Center obtained ISO 14001 certification ✓ Harbin Company, Hong Kong Huayi Design Consultants (Shenzhen) Co. Ltd., Technology Company, China State Grand Wealth Investments Limited, Heshan Tian Shan Metal Materials and Products Co., Ltd. and "China Overseas Jinnian" senior living project of Qingdao Company successfully obtained certifications of the ISO 9001	• Product and Service Innovation

5.2 Sustainability Roadmap (Continued)

Scope of Work	Tasks	Achievements	Relevant Sections of This Report
Conducting research and development on innovative low-carbon projects	• To participate in the preparation of the national standards for zero-carbon buildings, and lead the preparation of the industry standards for low-carbon office buildings • To attend the Summit on Achieving Carbon Peak and Carbon Neutrality of the China Science Conference as the only real estate developer invited • To release the report on Green and Low-carbon Office Building R&D and Practices of China Overseas	✓ Our headquarters obtained the Nearly Zero Energy Consumption Building design certification, the first domestic 5A high-rise office building with nearly zero energy consumption	• Good Citizen—People and the Environment in Symbiotic Harmony

5.3 Sustainability Strategy

Our sustainability strategy of "Four Excellences" is built on four key areas, i.e. "Good Citizen, Good Services, Good Products and Good Effectiveness", in line with our corporate mission and the UN SDGs, creating sustainable value for key stakeholders while guiding us to expand business through effective measures and regular review of the established objectives.

As a part of our efforts during the year in relation to carbon peak and carbon neutrality, we completed the background and peer analysis, which will be followed by a survey covering group management, project development, operation management and ESG data. The workflows include determining the general algorithm for each environmental performance metric, establishing the General Algorithm for ESG Environmental Performance Metrics of COLI and incorporating it into the Green and Low-carbon Technology System of COLI to be prepared. Based on the status quo analysis, we will establish the general carbon reduction target and sub-targets by business line, and develop strategies from different dimensions including product upgrade, evaluation standards, improvement and assurance mechanisms, which are expected to complete in the first half of 2022.

Area	Policy	Vision	Strategy	Value Creation
Good Effectiveness	• Create Shared Value • Balance the long-term interests of stakeholders and strive to create a fairer and sustainable industry and society	• To enhance COLI's value creation capabilities and expedite the progress of sustainability by matching current social needs with COLI's competitive strengths and actively expanding internal and external cooperation	• Improve corporate governance • Establish a corporate culture of integrity and sustainability, and promote partners' recognition of COLI's values and code of conduct • Build an efficient team • Strengthen employee satisfaction surveys, improve employment policies, the environment, staff training and development and performance management, and enhance COLI's international competitiveness • Promote cross-industry cooperation • Pool the efforts of various sectors of the community to create a greater positive impact on the sustainability of the environment and society	Shareholders, employees, partners, customers

5.3 Sustainability Strategy (Continued)

Area	Policy	Vision	Strategy	Value Creation
Good Products	• Create a Healthy Life with Enjoyable Space • Study customers' pursuit of a quality life in depth and integrate sustainability into the strategic positioning of products	• To create communities integrating functional, healthy and humanistic elements based on modern living and working patterns by adhering to "Each and Every Detail of Each and Every Project"	• Integrate customer needs into architectural design and facility planning, actively explore product and business innovations, and conduct strict supply chain management and construction quality control	Space users
Good Services	• Full-cycle Customer Service • Conduct analysis on and listen and respond to the needs of different customer groups to build long-term trust and support	• To continuously improve customer satisfaction and strive to become an industry leader in customer relationship management	• Proactively listen and respond to customer needs, and improve customer communication, satisfaction surveys and inter-departmental collaboration at all stages of the project life cycle	Customers
Good Citizen	• Sustainable architectural design and construction • Adopt a business development model that is harmless to the environment and the interests of future generations	• To assist the state and society in coping with sustainability and climate change challenges by putting environmental and social benefits first in terms of products, services and business management model	• Explore environmental issues and social development needs, leverage our own advantages, resources and influence to manage environmental and social factors throughout the cycle of business activities, and take an active part in community building	The overall environment, community and future generations

5.3 Sustainability Strategy (Continued)

COLI fully understands and closely follows social, economic and environmental changes and trends, and regularly conducts analysis and materiality assessment on sustainability issues to ensure that our strategy can effectively address them while remaining highly flexible. During the year, we engaged an independent consultant to carry out an industry analysis and communicated with stakeholders through multiple communication channels such as questionnaires and ESG Working Group meetings to review the materiality of various issues and define the disclosure scope of this report, and finally identified 24 sustainability issues to match and consolidate with COLI's "Four Excellences" strategic framework.

List of Sustainability Issues

1	Green and sustainable architectural design	9	Customer safety, health and well-being	17	Labour relations and labour rights
2	Climate change	10	Customer feedback and satisfaction	18	Employee engagement and satisfaction
3	Energy efficiency and renewable energy	11	Fair treatment of customers and marketing	19	Training and development
4	Greenhouse gas emissions	12	Customer privacy and information security	20	Occupational health and safety
5	Water resources	13	Rural revival	21	Corporate and supplier code of conduct
6	Waste and sewage management	14	Management and employee diversity	22	Anti-corruption and unfair competition
7	Land risk and biodiversity	15	Equal opportunities and anti-discrimination	23	Green and sustainable supply chain
8	Environmental awareness and capacity building	16	Employee well-being	24	Protection of intellectual rights

5.3 Sustainability Strategy (Continued)

Material sustainability topics	Area of focus	Coverage of issues					Value creation ability	Customer and community interests	Relevant sections of this report
		Investment	Purchasing	Design	Construction	Operation			
(2) Climate change	Risks and opportunities brought by climate change, and how to identify, manage and deal with them	✓	✓	✓	✓	✓			Good Citizen— Climate Risks and Opportunities
(9) Customer safety, health and well-being	Giving due consideration to customer safety, health and well-being and incorporating green and healthy building standards from project design, planning to operation		✓	✓	✓	✓	✓	✓	Good Services— Full-cycle Customer Management
(10) Customer feedback and satisfaction	Collecting customer feedback through multiple channels and conducting further survey on customer satisfaction						✓	✓	Good Services— Enhancing Customer Experience
(12) Customer privacy and information security	Protecting sensitive customer information from being leaked, strictly regulating the data approval process; providing employees with special training on information security					✓		✓	Good Services— Enhancing Customer Experience
(17) Labour relations and labour rights	Regularly reviewing the rules, systems and operation of the trade unions and employee representative meetings as well as employee complaint channels					✓	✓		Good Effectiveness— Talent Diversity and Inclusiveness
(18) Employee engagement and satisfaction	Employee communication mechanism, satisfaction and engagement						✓		Good Effectiveness— Employee Engagement

5.3 Sustainability Strategy (Continued)

Material sustainability topics	Area of focus	Coverage of issues							Relevant sections of this report
		Investment	Purchasing	Design	Construction	Operation	Value creation ability	Customer and community interests	
(20) Occupational health and safety	Occupational safety and health management system, accountability and risk monitoring mechanism; covering employees and business partners of COLI		✓	✓	✓	✓	✓		Good Effectiveness— Health and Safety
(21) Corporate and supplier code of conduct	Code of conduct for the Company's management, employees and affiliates, as well as its supply chain and business partners		✓	✓	✓	✓	✓		Good Effectiveness— Business Ethics and Integrity
(22) Anti-corruption and unfair competition	Signing the Work Integrity Responsibility Statement, reviewing the corporate creditability and integrity record of business partners		✓	✓	✓	✓	✓		Good Effectiveness— Business Ethics and Integrity
(23) Green and sustainable supply chain	Selecting materials with low environmental impact, setting standards for eco-friendly materials, and incorporating environmental and social responsibility requirements into supplier evaluation criteria		✓					✓	Good Citizen— Sustainable Construction Process

5.4 2023 Sustainability Targets

To implement the company's "Four Excellences" strategies, we set sustainability targets with 2019 as the benchmark year and 2023 as the target year[2], which have been approved by the senior management.

During the year, the ESG Working Group held quarterly working meetings to review the target progressions and the results achieved during the year. It will formulate action proposals and detailed plans at the beginning of each year to further improve sustainability management and performance, report to the management to seek guidance, support and approval. COLI insists to continuously report on the progress of sustainability targets and strives to ensure the achievement and attainment of sustainability targets, which will be detailed in the sections on "Four Excellences".

[2]   Unless otherwise specified, the benchmark year of the sustainability targets set out herein is 2019 and the target year is 2023.

STAKEHOLDER ENGAGEMENT

COLI has been placing emphasis on maintaining close communication with customers, employees and investors. We have established various types of communication channels to maintain genuine communications with stakeholders and listen to the opinions of various parties, and created more value for stakeholder communities by continuously enhancing our products, services and business models and adjusting the sustainable development strategies of COLI.

6.1 Continuous Communication Strategy

COLI has defined the following key stakeholder categories and their main concerns. Various departments and business lines continued to actively communicate with the stakeholders through various channels during the year amid the pandemic:

Type	Focus	Main Communication Channel
Employees	Equal opportunities Employee communication Welfare protection Health and safety Career development path	• Employee satisfaction surveys • Employee seminars and regular meetings • General manager/president luncheons • Chairman's mailbox • Management meetings • Union activities • Employee gatherings • OA intranet system • China Overseas magazine
Labour	Health and safety Employment opportunities Labour rights and interests	• Contract and salary administrative measures • Project safety assessment and training • Safe and Disciplined Production Month campaign • Proposal to Partners and other daily communication channels
Customers	Information transparency Product and service quality Healthy lifestyle Customer experience Handling of feedback and complaints	• Customer satisfaction surveys • "Knock-Knock" homeowner visits • China Overseas Property Club ("COPC") customer platform, customer service hotline and mailbox • CRM system and customer App • Official WeChat • School-parent meetings • LED display in lobbies • LED display in lifts • Short videos

6.1 Continuous Communication Strategy (Continued)

Type	Focus	Main Communication Channel
Business partners	Performance of contracts with integrity Mutual beneficial relationship Deepening cooperation Joint development	• Cooperation agreement provisions • Open Letter on Tender Management • Project meetings • Supplier training • Central Procurement Communication Month activity • Central procurement suppliers' conferences • Contractor conferences
Shareholders/ Investors	Information transparency Investment return Protection of rights and interests Operational risk control	• Press conferences • Roadshows • Investor and analyst meetings • Corporate interviews • Project site visits • Stock Exchange announcements • Investor relations webpage
Community and the media	Calibrated aids Employment opportunities Affordable housing Synergistic community development Public's right to know	• Sea of Hope poverty alleviation scheme • Donations and visits to Hope Primary Schools • Employee volunteering • Official WeChat • News centre of the Company's website
Government	Compliance with the law Paying taxes in accordance with the law New urban development	• Participation in governmental projects • Meetings and interviews • Project site visits

6.2 Compliant and Transparent Disclosure

COLI actively responds to the demands and expectations of stakeholders on corporate information. We disclose sustainable development-related policies and data to investors in this report and on the Company's website to demonstrate information compliance and transparency.

During the year, COLI continued to be included as a constituent of the Hang Seng Corporate Sustainability Index Series (HSSUS) and Hang Seng ESG 50 Index; and was included in the newly launched HSI ESG Enhanced Select Index and HSI Low Carbon Index in November. COLI had higher weightings in the latter two indexes than the Hang Seng Index due to its lower ESG risks and carbon emission intensity compared with its peers. In addition, COLI was rated as "Low Risk" by Sustainalytics, an internationally leading ESG rating agency, with the lowest risk score among domestic developers, and an overall ranking of 9th place among 272 real estate developers around the world.

The Company continued to actively respond to investor-oriented sustainability indexes and rating requirements, such as the MSCI ESG Ratings, Dow Jones Sustainability Index (DJSI) and Global Real Estate Sustainability Benchmark (GRESB) (property development unit).

In addition to actively responding to the questionnaires from the above rating agencies, COLI's management and corporate communications departments also proactively maintain close communications with the investment community through other channels. After publishing the interim and annual results announcements, we will regularly arrange press conferences, analyst meetings, and post-results announcement roadshows to listen to the opinions and answer the questions of shareholders, bond and ESG investors, analysts, etc. on corporate governance, business operations, results performance as well as sustainability strategies. Meanwhile, we will also communicate with investors through means such as investment bank meetings, teleconferences, company interviews and real estate project visits. During the year, we carried out over 1,000 communication sessions with investors through meetings and teleconferences.

6.3　Industry Communication and Cooperation

To further enhance the development and innovation of industry technology and management standards, COLI's business departments continue to actively participate in external bodies. During the year, we participated in the following industry bodies, carried out collaboration and exchange with various parties, engaged in the development of technical standards and demonstrated COLI's case studies:

Industry Institution	Participating Unit	Membership Qualification
Professional Committee on Low Carbon and Healthy Real Estate of China Association of Building Energy Efficiency	COLI/ China Overseas Property	Chair
China Green Building Council of Chinese Society for Urban Studies		Leader of the Property Team
Open Link Association		Council member
China Communications Standards Association		Member
National Technical Committee of Digital Technique of Intelligent Building and Residential Community of Standardization administration of China - Smart Park Standards Working Group (SAC/TC426)		Member
China Engineering & Consulting Association	Hua Yi Design	Executive Council Member
The Architectural Society of China		Group member
Guangzhou Engineering, Exploration & Design Association		Vice-president
The Civil Engineering and Architectural Society of Guangdong		Deputy chair of the Council
Guangdong Building Energy Conservation Association		Council member
Guangdong Provincial Construction, Sustainable & Prefabricated Industry Association		Council member
Shenzhen Exploration & Design Association		President
The Civil Engineering and Architectural Society of Shenzhen		Deputy chair of the Council
Shenzhen Green Building Association		Vice-president
Building Industrialization Association of Shenzhen		Vice-president
Shenzhen Green Building Society		Vice-president
Shenzhen Urban Renewal and Development Enterprises Association		Vice-president
China Index Academy	China Overseas Commercial Properties	Member of the China Commercial Property Index System Advisory Committee
Building Owners and Managers Association (BOMA)		BOMA China Platinum Member
The International WELL Building Institute (IWBI)		Keystone Member of IWBI

6.3 Industry Communication and Cooperation (Continued)

During the year, COLI received a series of key awards in recognition of its contributions to and efforts in various aspects of sustainable development:

Awarded By	Award
Corporate Governance and Overall Performance	
Real Estate Capital, China Yabuli Think Tank	The 2nd Financial Strength Award of the Tao Zhu Gong Awards among Listed Chinese Real Estate Companies 2021
Real Estate Capital, China Yabuli Think Tank	The 4th Golden Building Award 2021: Real Estate Professional Awards – Most Influential Real Estate Enterprise, The Media's Most Preferred Real Estate Brand Financial Capital Award – Listed Real Estate Enterprise with Highest Investment Value
Guandian Property & Co.	Influential Commercial Real Estate Operator 2021 Commercial Operator Performance Award 2021 Commercial Real Estate Enterprise Performance Award 2021
Guandian Index Academy	No. 1 in China's Top 30 Listed Real Estate Companies 2020 (Property G30)
The Economic Observer	Awarded China's Blue Chip Real Estate Developer 2021 for the 18th year
China Enterprise Evaluation Association, Institute of Real Estate Studies of Tsinghua University, Beijing China Index Academy	Leading Brand of China Real Estate Companies
China Real Estate Association, Shanghai E-House Real Estate Research and Training Institute, China Real Estate Appraisal	No. 1 in China's Real Estate Industry Brand Value 2021
Institute of ESG & Benchmark	ESG Benchmark Awards – The ESG Leader (Platinum)
National Business Daily	Awarded City Operator of Value 2021

6.3 Industry Communication and Cooperation (Continued)

Awarded By	Award
Green Development	
China Lianhe Equator Environmental Impact Assessment Co., Ltd.	G-AAA Grade in Green Rating (the first domestic real estate green entity certification)
China Passive Building Alliance of China Association of Building Energy Efficiency	China Overseas Building—Certificate in Ultra Low Energy Consumption Building Certification
Friends Green Think Tank	China's Low Carbon Property Pioneer Award 2021
Standard Ranking	No.1 in China's Top 30 Green Property Index 2021 No.1 in China's Top 10 Green Property Index 2021 (State-owned Enterprises) Top 10 in China's Green Property Index 2021 (Commercial) Top 10 in China's Green Property Index 2021 (Residential) Top 10 in China's Green Property Operation Index 2021 No. 1 in China's Top10 Full-decoration Enterprises 2021 Top 10 in China's Prefabricated Buildings Enterprises 2021 Top 10 in China's Green Property Projects 2021—Project of Guanlan Palace, Guangzhou
Excellent Employer	
Zhaopin Limited & Social Survey Research Centre of Peking University, China Association of Labour Economics, Harvard Business Review	Top 30 in China's Best Employers 2021
Caring the Community	
China State Construction Engineering Corporation Ltd.	CSCEC's Outstanding Contribution Award for Poverty Alleviation
The Hong Kong Council of Social Service	10 Years Plus Caring Company

Good Products – Creating Enjoyable Space

COLI upholds the philosophy of "Each and Every Detail of Each and Every Project" and strives to create various "good products" that are safe and comfortable. We make reference to international, national, industry and local standards, consider the needs of customers from the four aspects of "good design, good materials, good quality and good facilities" when developing projects, and seek innovation and change to construct for customers living space that is green and liveable.

This section aligns with the following international goals and reporting indicators:

UN SDGs

HKEX ESG Guide

GD-A2, GD-B4, KPI B4.2, GD-B5, KPI B5.1, KPI B5.2, KPI B5.3, KPI B5.4, GD-B6, KPI B6.3, KPI B6.4, KPI B8.1

GRI Standards

2-6, 3-3, 203, 308, 403, 414, 416, 417, 418

Good Products — Key areas of progress in 2021

Target	Achievements in 2021[3]	Overall Progress
Green and sustainable buildings		
• Proactively participate in the development of sustainable building-related technological standards to increase COLI's influence in the sustainable building industry	• Participated in the development of the group standards Smart Architectural Design Standard (T/ASC 19-2021); Healthy Building Assessment Standard (T/ASC 02-2021); Commercial Complex Green Design BIM Application Standard (T/CCIAT 0038-2021) and all of them were published in 2021. • Continued to participate in the development of 6 standards at national and association levels, in particular, newly invited in 2021 to participate in the development of the national standards Zero Carbon Building Technology Standards; Smart Urban Building and Residential Community Part 2: Smart Community Assessment, newly invited to participate in the development of the group standard Smart Building 5G Design Norms, led in the project initiation and development of Assessment Standards for Healthy Buildings and Human Habitat, a set of group standards led by China Association of Building Energy Efficiency.	**
• Provide training in sustainable architectural design, strengthen awareness of sustainable architectural design	• In 2021, conducted 5 training sessions including SASAC Special Lecture and Training on Energy Conservation and Low Carbon; Goals, Roadmap and Measures on Achieving Carbon Peak and Caron Neutrality for the Building Field; Training on China Overseas Green and Healthy Residential Property Standards, with cumulative training attendances of over 2,000.	**
For projects under construction • When the local conditions permit, use clean energy as an alternative in projects under construction, and regularly collate statistics on energy consumption of projects during this stage	• In 2021, 41.3% of the projects on newly acquired land were designed to use renewable energy such as solar energy and air energy when the local conditions permitted	**

N/A Not applicable   *Target not yet achieved/yet to start   **Progressing   ***Achieved

[3]   Achievements up to the end of 2021

Good Products — Key areas of progress in 2021 (Continued)

Target	Achievements in 2021[3]	Overall Progress
Green and sustainable buildings		
For residential projects • 100% of newly built full-decoration projects meet 1-star green building standard or above from 2020 to 2023 while taking policy changes into account	• All newly built full-decoration projects met at least 1-star green building standard in 2021	**
For office building projects, by 2023 • Obtain LEED certification for 15 projects cumulatively • Obtain WELL certification for 11 projects in operation and under construction cumulatively and actively seek BOMA certification, etc.	• Obtained LEED certification for 15 projects cumulatively • Obtained WELL HSR certification for 4 projects cumulatively	**
For newly developed hotel projects, by 2023 • All obtain China green building certification • Not less than one project obtains 2-star certification or above	• The Company did not have any new hotels on the market in 2021 • The design standard of 1 hotel project under construction met the 2-star green building certification requirements	**
With reference to the China Green Building Assessment Standard and WELL Healthy Building Standard: • By 2023, complete the development of the COOC Healthy Building Standards and apply it to commercial projects	• Completed the development of the COOC Healthy Building Standards, the initial rate of projects in operation that met the standards reached 98%, with 67% Grade I buildings, 22% Grade II buildings and 3% Grade IV buildings	***

N/A Not applicable   *Target not yet achieved/yet to start   **Progressing   ***Achieved

7.1 Policies and Guidelines

We developed the China Overseas Green and Healthy Residential Property Standards (《中海綠色健康住宅標準》) in 2020 by making reference to more than 20 international, national, industry and local standards and taking into consideration the living environment and lifestyle of the Chinese people, and provided guidance on extensive application to residential projects completed in the future. The 300 Tailored Design Details of COLI (《中海300項 人性化細節》) that we developed is a design manual to guide our design team with examples of tailored design in four areas: refined interior decoration, refined public area decoration, landscaping, and intelligent Internet of Things. For our commercial projects, we developed the COOC Healthy Building Standards (《COOC健康建築標 準》) with reference to International WELL Building Institute (IWBI), the implementation of which is expected to be completed in 2023.

To properly manage the supply chain, the Supplier Code of Conduct of COLI (《中海供貨商行為守則》) that we formulated requires that suppliers undertake to comply with ten aspects of code of conduct, including business ethics, remuneration and labour rights, occupational health and safety, prohibition of child and forced labour, environmental and safety standards of products. The code of conduct is applicable to business partners of the Company and its subsidiaries as well as regional and project companies, including suppliers of materials, supplies and services, which has been made public on our official website for viewing by the public.

We also formulated the Guidelines for Management of Qualified Central Procurement Suppliers of COLI (《合資 格中海集採供應商管理工作指引》) and the Guidelines for Management of Qualified Contractors of COLI (《合資格 中海承建商管理工作指引》), which specify the established procedures and criteria for the screening of all potential central procurement suppliers and included specific requirements for environmental and social performance.

In addition, the Material Management Measures of COLI (《中海物資管理辦法》) strengthen our supply chain management and regulate the Company's procurement procedures to ensure that the supply chain, construction equipment and materials all conform to strict quality and safety standards.

7.2 People-oriented Living Space

COLI's Research and Development Principles for Green and Healthy Residential Properties
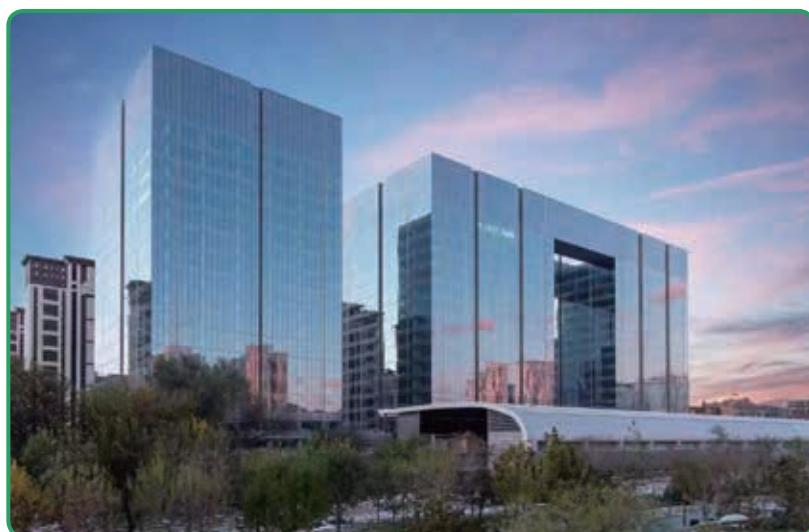
COLI always adheres to the customer-centric principle. By gaining in-depth insights into customer needs, we proposed six major scenarios featuring "Quality, Health, Safety, Convenience, Comfort and Social Interaction", dedicated to designing "people-oriented" living space, and committed to developing COLI's Good Product IP of "together with COLI to create a green, healthy, low-carbon and smart lifestyle". Nowadays, COLI has become an industry-recognized "engineering student" and "layout expert". Based on structural planning, we strictly observe the "20/80 principle", push ahead with the improvement of project quality across the board through innovative benchmark products, and accumulate and learn from outstanding experience to carry out standard, modular and industrial scale product research and development. We continued to improve our product system standards in 2021 and completed the preparation of 16 standards and guidelines, including the Standard Guidelines for Residential Basement Design, Guidelines for Residential Facades Leveraging Public Structure Designs, Standards for Facilities of Products with Refined Decoration, Standards for Visual-based Residential Landscape Modules, Standards for Visual-based Shopping Mall Interior Design Modules, etc.

7.2 People-oriented Living Space (Continued)

COLI's Research and Development Principles for Green and Healthy Residential Properties

(Continued)

Under the green and healthy product strategy of "GO, 2030!" and the China Overseas Standards for Green and Healthy Residential Properties launched in 2020 in line with the national strategic goal of Healthy China 2030, we started the research on zero carbon emission and ultra-low energy consumption buildings and accelerated the development of green products to cater for future health and green demand for residential properties. During the year, we continued to develop "green, healthy, intelligent and industrial scale" products in line with China's carbon neutrality goal. Breakthroughs were made in green buildings and zero carbon emission buildings through a string of successful benchmark projects of green buildings. In particular, The U World Chongqing obtained the first national three-star green building label in Chongqing, and Beijing China Overseas Fortune Center and Uni ELITE won the first LEED platinum certification within the Group. Furthermore, China Overseas Building has obtained five pre-certifications including national three-star green building, three-star healthy building, nearly zero energy consumption building, WELL and LEED, with an aim to become the first Grade 5A high-rise office building in China with nearly zero energy consumption and zero carbon emission (operating stage). The OFFICEZIP project at Beijing China Overseas Fortune Center was the world's first unconventional office project obtaining the WELL V2 CORE platinum certification.

COLI's product development hub has established the "customer-oriented, technology-driven and green-based" research and development principle and forged the "perceivable, quantifiable, trustworthy and reliable" research and development strategy to construct the perceivable healthy environment, implement the quantifiable technical measures, offer trustworthy green and healthy products and continue to serve customers as a trusted and reliable COLI brand. Adhering to the people-oriented concept, we developed the Product Standards for Green and Healthy Residential Products, seeking to establish emotional connections between people and space through scenario classification. The product standards include seven major scenarios featuring "Home, Travel, Social Interaction, Fitness, Health Care, Service and Emergency" across 24 sectors with 120 metrics, covering all-dimensional information for project implementation to ensure the feasibility of green and healthy residential products, which enable COLI to deliver green and healthy products in three aspects: standard system, scenario module and individual technology.

7.2 People-oriented Living Space (Continued)

Guanlan Palace in Pursuit of All-dimensional Health System

Guanlan Palace, one of our model projects located in Guangzhou, introduced an all-dimensional high-quality health system equipped with home facilities to meet typical needs of adults and children.

Room temperature: The central air-conditioning system helps keep target temperature constant, allowing children to stay under comfortable temperature for a long time

Air: HEPA filters adopting comparable technology of Tesla ensure ideal indoor air conditions for children's health

Water health: The central direct drinking water plant has a circulating disinfection function, as a solution starting from the community drinking water source

Noise prevention: Noise-proof facilities such as same-floor drainage, hollow Low-E glass and floor sound insulating pads are adopted

In addition, COLI offers rich life experience in a comfortable and livable community through diversified supporting facilities. Drawing on Singapore's experience in building a garden city, COLI has designed a central garden with water fall, trestle bridge and observation deck to provide residents with a comfortable and pleasant living environment. In the future, COLI's Guanlan Palace will serve as a pilot community to cooperate with South China Agricultural Research Institute (華南農業研究所) in creating a pastoral community where families can enjoy planting vegetables, observing the growth of plants and making specimens in the nature.

7.2 People-oriented Living Space (Continued)

In addition, we are active to give full play to our guiding role in healthy buildings. During the research and development process, we continued to integrate resources and carried out joint R&D to verify effectiveness of technical solutions with various stakeholders, including research institutes, higher education institutions, authoritative institutions and central procurement suppliers. Under the strategic partnerships with leading technological players such as China Academy of Building Research and Delos, we expect to jointly explore new market opportunities in healthy residences by carrying out R&D related to healthy buildings and products, so as to establish a mutually beneficial and win-win business model for jointly promoting healthy residences.

Smart Residential Style Empowered by COLI Technology

COLI Technology Company embraces a technology-empowered real estate approach to conduct analysis on scenarios and improve users' living space experience. With a focus on user experience, it rolled out a six-in-one product system featuring "Safety, Convenience, Health, Comfort, Joy and Care", and launched the COLI Smart Residence Platform and the COLI Smart Home Cross-scenario Solution to upgrade smart residences for users. In 2021, thanks to the joint efforts of COLI Technology and COLI Zhengzhou, our creative smart show flats debuted at Yunzhu Lake Cove. During the year, such show flats were self-developed for 6 projects respectively in Chongqing, Dongguan, Xiamen, Foshan, Zhengzhou and Tianjin.

We combined an IoT platform and a cross-scenario business mid-office to implement the COLI Smart Residence Platform for the show flats at Yunzhu Lake Cove in Zhengzhou, integrating the concepts of health, convenience, family, social interaction, elderly-and-children friendly to deliver better smart home services to users.

7.2 People-oriented Living Space (Continued)

COLI also actively conducted academic activities. During the year, we hosted the 17th Chengdu International Green Expo – COLI Forum for Future Green and Healthy Residences, participated in the Green Smart Building Expo sponsored by China International Exhibition Center and hosted a forum of the 20th National Connectivity Conference to promote green development of the industry and build up the green and healthy brand of COLI.

Our Healthy and Smart Residence Achievements Exhibited at the China Building Science Conference and Green Intelligent Building Expo

To promote industry communication, we participated in China Building Science Conference and Green Intelligent Building Expo during the year, where we exhibited the latest achievements of our three green business lines, i.e. "Green Health, Smart Construction and Prefabricated Construction". The special exhibition titled "Smart and Healthy Living Space in the Future" on the day became a highlight of the expo.

Our green health technologies exhibited at the expo, such as medical-grade air purification system and international leading patented rhythm lighting technology, demonstrated our determination to create a quality, comfortable and healthy living environment, while the special exhibition of "Smart and Healthy Living Space in the Future" focused on the innovative interaction model between people and space. On green construction, we exhibited innovative prefabricated construction technologies designed to solve residents' concerns and create a low-carbon lifestyle.

In view of the rising green and healthy products, we actively participated in the development of national and industrial standards and contributed to initiation of projects in enterprise standards, seeking to promote common development and progress across the industry. During the year, we participated in developing the national Technical Standards for Zero Carbon Emission Buildings, and promoted enterprise standard upgrades (the project on the Assessment Standards for Healthy Buildings and Human Habitat, a set of group standards led by China Association of Building Energy Efficiency, has been initiated). We also participated in the development of the Assessment Standards for Healthy Buildings, another set of association standards already published, to which we contributed 17 enterprise provisions to guide the development of healthy buildings.

7.2 People-oriented Living Space (Continued)

We made reference to international, national, industry and local standards, including the WELL Building Standards (《WELL健康建築標準》), Assessment Standards for Healthy Buildings (《健康建築評價標準》) and Assessment Standards for Green Buildings (《綠色建築評價標準》), and selected certain projects for trial implementation to improve the product standards in terms of professionalism, authoritativeness and leadership. In addition, we continued to boost product quality and strengths through formulating various standards, including China Overseas Property Guidelines on Kitchen and Bathroom Standards (《中海地產廚衛標準化指引》), COLI Smart Home Four-in-one Switch System (《中海智慧家居•四關網關系統》), China Overseas Property Residential Design Norms (《中海地產住宅設計規範》), China Overseas Property Guidelines on Refuse Room Standards (《中海地產垃圾用房標準化指引》) and the Designer Manual of CRAFT Product Series (《CRAFT匠心產品設計師手冊》).

7.3 Stringent and Demanding Supply Chain System

COLI actively promotes central procurement to ensure that supply chain management, construction equipment and materials conform to unified and strict quality and safety standards. The Material Management Measures (《物資管理辦法》) are management guidelines for our procurement procedures. We closely monitor the information about suppliers that might have a significant impact on our products to carefully assess environmental, social, safety and quality risks of the supply chain.

Each year, the Company assesses the performance of potential suppliers in areas such as management mode, production process, material quality, and social and environmental code of conduct through data verification, management interviews, site visits, material inspection, enterprise benchmarking and internal and external research. Only the suppliers that pass the assessment can be admitted to our list of qualified suppliers and are qualified to participate in biddings. ESG performance of suppliers is also reviewed, including the availability of three assurance system certifications and pollutant discharge permits, contribution to employee social security plans and other indicators, coupled with a peer comparison before we generate a shortlist.

Suppliers are managed in accordance with the Supplier Management Manual, and are required to sign the Supplier Code of Conduct provided by us. In 2021, all of our 171 suppliers signed the Supplier Code of Conduct and the Integrity Agreement. No supplier was included in the List of Unqualified Suppliers for violating requirements on environmental, social and other aspects during the year. During the year, we began to implement factory audit for suppliers and added the Supplier Code of Conduct into the new version of supplier assessment standards. So far, more than 50 suppliers have completed the audit process according to the new standards. We will require suppliers that violated the code to make rectifications. Suppliers that repeatedly or seriously violate regulations may be subject to warnings, fines and termination of cooperation, and may even be listed as unqualified suppliers and disqualified from bidding.

7.3 Stringent and Demanding Supply Chain System (Continued)

Each year, our Cost Management Department coordinates with multiple functional lines including design, engineering, customer service and marketing to conduct annual integrated performance assessment of constructors and suppliers at all levels from areas to regions, up to the headquarters to review supply chain risks. The assessment mainly covers progress, quality, safety, cost, effect and cooperativeness in project maintenance for contractors, as well as review of management system documents, project acceptance, quality testing and unannounced third-party inspection of production plants for product suppliers. In 2021, we carried out a total of 1,657 assessments. Supplier performance is classified into four grades: Grade A (excellent), Grade B (qualified), Grade C (poor) and Grade D (unqualified). Those falling into Grade D are deemed as "unqualified suppliers" and may not participate in bidding for two years. The split of our central procurement suppliers is as follows: Grade A (16 suppliers), Grade B (125 suppliers), Grade C (9 suppliers) and Grade D (0 supplier). We also strengthened management over contractors. In 2021, a total of 36 Grade A project contractors and 16 Grade A centrally procured material suppliers were selected as our "strategic suppliers" and enjoyed priorities in procurement, while 129 contractors were rated "unqualified suppliers" for reasons concerning timeliness of supply and cooperativeness in project construction management.

Our material inspection system includes material inspection at project sites (only for supplier partners) and material inspection at factories (both for bidders in the shortlist and supplier partners). Depending on supply volume and importance of materials, the frequency of sampling inspection could be monthly, quarterly, semi-annual or annual. In case of any unqualified materials upon inspection, the relevant suppliers will be interviewed. Recurrent failures in inspection will lead to re-assessment of eligibility for relevant suppliers, which may be blacklisted in serious circumstances. During the year, we inspected 2,649 batches of materials in 41 categories.

In addition, the Company attaches importance to sustainable supplier chain management and strives to promote green supply chain and green procurement, and actively develops standards for procurement of green and healthy materials (details are set out in the section on Good Citizen).

7.4 Construction Attending to the Details of Each and Every Project

Construction Process Management

Embracing the concept of "high standards and strict requirements" for construction quality control and management, we are committed to establishing a quality management system that covers the entire project life cycle. Combining the system with the evaluation and monitoring mechanism of the COLI teams, we exercise strict quality and safety control over every process detail of our products. The headquarters conducts a 100% comprehensive process assessment of projects on a quarterly basis, with 752 assessments completed during the year to quantitatively evaluate project process management from four aspects (actual measurement, quality risks, safety and discipline, site management), coupled with rewards and punishments accordingly.

We attach great importance to product quality and safety standards as well as relevant knowledge training for employees. Throughout the year, we offered training sessions to engineering staff with a total of 1,247 attendances and 100% coverage, covering process practices, project management experience, safety management experience and house delivery summary. The training on Perfect Project Delivery in Light of Craftsmanship Spirit recorded a participation rate of 96% for a single session.

Delivery Quality Inspection

To further ensure project safety and product quality, COLI actively promotes and adopts industry-accepted quality standard certification. Up to March 2022, six subsidiaries or professional companies of the Group obtained the ISO 9001 quality management system certificates, including our Harbin Company, Hong Kong Huayi Design Consultants (Shenzhen) Co. Ltd., Technology Company, China State Grand Wealth Investments Limited, Heshan Tian Shan Metal Materials and Products Co., Ltd. and "China Overseas Jinnian" senior living project of Qingdao Company.

COLI upholds its principle of flawless delivery, and has implemented project delivery appraisal systems, internal control indicators and external evaluation indicators with multi-dimensional coverage since 2021 to improve delivery quality on an ongoing basis. It conducts analysis on measures and learns from experience; and grants special awards. Moreover, we continued to rigorously supervise quality inspection across four stages (before construction, during construction, before project delivery and after project delivery), follow up the areas to be improved and listen to customers' opinions and suggestions on product quality, so as to upgrade product quality and safety in the long run.

7.4 Construction Attending to the Details of Each and Every Project (Continued)

Scope of Four Comprehensive Assessment Categories

Stage	Measure
Before Construction	• Survey the geology of project sites and surrounding areas, such as the impact of groundwater and soil on safety of building structures • Confirm that the geology is suitable for construction • Conduct project planning for the entire project life cycle, and define management targets and roadmap • Develop construction standards for each engineering action according to the national standards
During Construction	• Conduct regular quality assessment on the four areas including "quantitative & quality inspection ", "safety and civility", "site management" and "quality risks" in accordance with regulations such as the Operation Manual on Comprehensive Assessment (《綜合評估操作手冊》), Operation Manual on Monthly Assessment (《月度評估操作手冊》) and Operation Manual on Weekly Assessment (《週評估操作手冊》) • The headquarters conducts comprehensive assessment on all projects on a quarterly basis • Set the "quality red line" (i.e., minimum requirement for the quality qualification rate) for process items prone to frequent quality problems • Issue the China Overseas Property Comprehensive Assessment Report on Quality and Safety (《中海地產質量安全綜合評估報告》) and conduct analysis on quality and safety risks • Implement improvement measures, including rectification, reward and punishment under the "Stars of the Sea" system, group-wide notice, and admonishing talks • Carry out training and promotions in relation to product quality and safety at the headquarters and companies at the regional level
Before Project Delivery	• Appoint a professional team to conduct spot checks on project risk controls • Accurately identify risk items and supervise the risk disposition plan • All projects are required to meet an indoor inspection rate of 100% • Engage a third-party professional agency to conduct 2-3 rounds of project inspection from the perspective of customers • Check problem inspection and resolution progress on the dashboard in real time to ensure effective rectification • Appoint a professional team to assess project delivery from four perspectives i.e. indoor, public area, landscape and water testing • Sum up and quantify the assessment conclusion, and include it into reward and punishment assessment on the project team
After Project Delivery	• Carry out customer satisfaction survey • Continuously collect customers' opinions and suggestions on product quality within two years • Forward customer feedback to responsible departments at the front end in the project development process

7.5 Product and Service Innovation Staying Current

Addressing the pursuit of life quality and hence the increasing community expectations in the evolving society, we strive to innovate in the residential sector to cater for the present and future needs for residential and ancillary community facilities. While steadily expanding high-quality education and elderly care business lines, we started strategic cooperation with innovative technology companies, academic and international institutions on customer research, intelligent technology and management mode to create a green, smart and healthy community and provide quality life experience for customers.

Customer Safety and Health

In 2021, as a part of green and healthy habitat for our residents, we designed mosquito prevention facilities at all residential projects to ensure residents' health and boost customer satisfaction. With a focus on physical, chemical and biological control, we improved garbage collection points, ground drainage system, mosquito killing frequency and mosquito repellent plants to resolve the problem of mosquito breeding at residential quarters. During the tough pandemic, we took a series of pandemic prevention and control measures at our commercial and residential sites to ensure safety and health of customers to reduce their chance of virus infection.

WELL Healthy Building Certification – the OFFICEZIP Project at Beijing China Overseas Fortune Center

While observing domestic architectural standards, we benchmarked against international architectural design standards, seeking to provide broader protection to customer health. The OFFICEZIP project at Beijing China Overseas Fortune Center was the world's first unconventional office project obtaining platinum certification of WELL Healthy Building Standard, an internationally accepted authoritative building evaluation system with a focus on human health and well-being. Adopting an enhanced solution to 10 key topics of office workers covering air, water, nutrition and health, fitness and physical activity, sunlight and lighting, it passed the review process with a high score of 98/100. The project aims not only at addressing health concerns technically, but also promoting healthy life and work style to occupants through regular health workshops and fitness check-off activities in the course of operation, thus effectively improving occupants' awareness of healthy lifestyle.

7.5 Product and Service Innovation Staying Current (Continued)

Customer Safety and Health (Continued)

Key Topic	Concern	Solution
Light	Circadian rhythm disorder may lead to chronic diseases such as obesity, diabetes and depression	OFFICEZIP strictly selects lighting fixtures according to illuminance, colour rendering index and other metrics while attaining maximum use of natural lighting and improving indoor lighting comfort, complemented by circadian rhythm-friendly artificial lighting to help sustain a healthy circadian rhythm system
Physical Activity	Physical inactivity has become a global concern, as witnessed by 23% of adults falling below the benchmark provided in the International Guidelines for Sports and Physical Activities by the World Health Organization (WHO). Compared with those meeting the internationally recommended benchmark, people who are not sufficiently physically active are exposed to a 20-30% higher risk of death	Provides adequate fitness equipment and space, including gym and yoga rooms. OFFICEZIP publishes regular activity notices via its WeChat official account, with experts in place to guide occupants for correct and effective physical activities
Thermal Comfort	An overheated or overcooled office environment may reduce productivity by up to 9%	OFFICEZIP app provides an intuitive user interface, and ensures the maximum thermal comfort for all occupants through an intelligent module that automates thermal comfort parameter control
Mental Health	Various environmental attributes may have a direct impact on mental health and well-being, such as housing conditions, crowded environment, noise, indoor air quality and daylighting. The interaction between mental and physical health may significantly affect health and well-being, resulting in depression, cardiovascular disease, diabetes and upper respiratory tract infections. Depression alone is considered one of the largest causes of disability in the world, accounting for 4% of the global burden of disease	OFFICEZIP regularly publishes mental health related knowledge and activity notices via its WeChat official account, covering yoga, fitness, carpentry, etc., for occupants to sign up according to their interests. Experts are invited to provide quarterly onsite mental health education and training sessions. The topics include proper mental health habits, mental health at work and common mental health issues (depression, anxiety, etc.)

7.5 Product and Service Innovation Staying Current (Continued)

Improving Ancillary Community Facilities

Amid the accelerating aging trend across China, we offer multi-channel, multi-form quality services under the "China Overseas Jinnian" senior living brand, and provide corresponding community services and support in terms of ancillary facilities at senior living communities. Our senior service apartments in Jinan and Qingdao are rated as "Five-star Senior Care Facilities", establishing a benchmark and model for our peers in Shandong. The China Overseas Jinnian Project in Qingdao has successfully passed the ISO9001 quality system certification, demonstrating professional recognition of its operating performance and service management. The China Overseas Jinnian Project in Tianjin is rated as "National Four-star Senior Care Facility". During the year, the "China Overseas Jinnian" elderly home in Wuxi became a designated service provider both for medical insurance and long-term care insurance and was awarded as "Wuxi city-level elderly friendly organization".

Creating and Embracing a Smart Future

An active promoter of "green health, smart initiatives, and industrial scale" across the industry, we pressed ahead with technological R&D and innovation capacity build-up to enhance technological innovation capacity and secure our industry leadership. We join hands with technology companies and research institutes to explore technological innovation for smart life. During the year, the Group incorporated the concept of "green health, smart initiatives, and industrial scale" and advanced technologies into its projects, receiving high recognition from customers and the industry. Shenzhen Haizhichuang Technology Co., Ltd., a subsidiary of the Company, obtained software enterprise certification, CMMI3 certification and six ISO certifications in 2021. Up to 15 February 2022, it has obtained 74 computer software copyrights and 36 domestic patents, with an in-house development rate of 70%. Furthermore, we were invited to participate in the development of national and group standards for zero carbon emission buildings, healthy buildings, smart communities, smart parks and smart buildings, as well as the Assessment Standards for Comprehensive Digital Strength of Real Estate Enterprises led by China Real Estate Association. In particular, the Assessment Standards for Healthy Buildings (T/ASC 02-2021) has been issued and implemented, which adopted 17 enterprise provisions proposed by us as approved by government authorities. In 2021, our six smart community projects rolled out smart-home show flats, and connected over 7,000 households to our smart residence platform under a strategy of common platform for common products. In the first quarter of 2022, we further launched 10 smart show flat projects of which 9 projects were replaced with smart residences under a common solution.

7.5 Product and Service Innovation Staying Current (Continued)

Creating and Embracing a Smart Future (Continued)

In 2021, Shenzhen Haizhichuang Technology Limited obtained six ISO certifications:
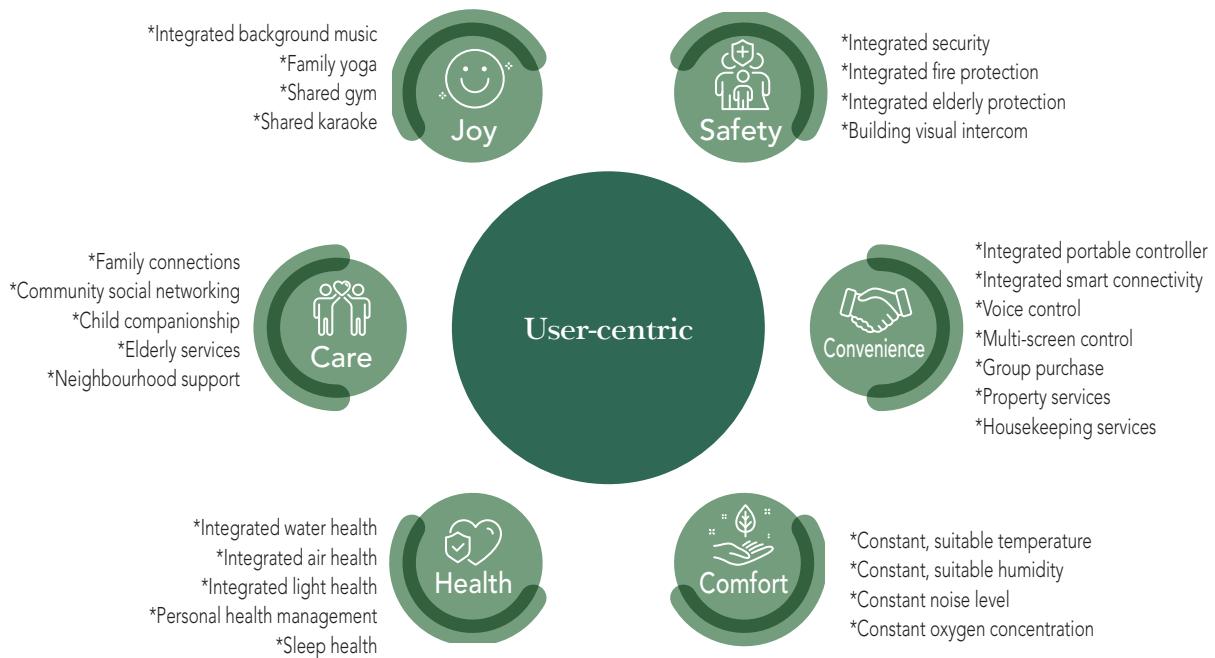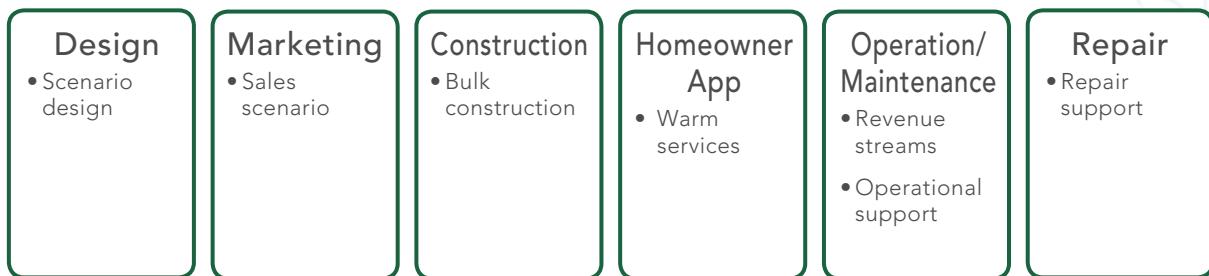
1. Quality management system certification (ISO 9001)

2. Environmental management system certification (ISO 14001)

3. Information technology service management system certification (ISO 20000)

4. Information security management system certification (ISO 27001)

5. Occupational health and safety management system certification (ISO 45001)

6. Intellectual property management system certification

We are also employing digital technologies to move towards the carbon neutrality goal and group-wide transformation. We have rolled out smart cashier, electronic signature modules and customer service workbench through our corporate WeChat account which helped significantly unleash frontline productivity, while upgrading the Lingchao Supply Chain E-commerce platform to facilitate procurement transformation as an industry enabler. We embedded VR three-dimension visual technology into our fine finishing add-on platform and digital show flats, reducing the number of physical show flats to boost cost effectiveness. Our self-developed smart residence platform made a breakthrough by growing our smart home business from scratch, featuring proprietary technologies, unified interactive experience and innovative product format to make good products more intelligent.

7.5 Product and Service Innovation Staying Current (Continued)

Creating and Embracing a Smart Future (Continued)

Centering on the Smart Residence Platform to Serve Multi-dimensional, Multi-category Scenarios

Design	Marketing	Construction	Homeowner App	Operation/ Maintenance	Repair
• Scenario design	• Sales scenario	• Bulk construction	• Warm services	• Revenue streams • Operational support	• Repair support

Joy
- *Integrated background music
- *Family yoga
- *Shared gym
- *Shared karaoke

Safety
- *Integrated security
- *Integrated fire protection
- *Integrated elderly protection
- *Building visual intercom

Care
- *Family connections
- *Community social networking
- *Child companionship
- *Elderly services
- *Neighbourhood support

User-centric

Convenience
- *Integrated portable controller
- *Integrated smart connectivity
- *Voice control
- *Multi-screen control
- *Group purchase
- *Property services
- *Housekeeping services

Health
- *Integrated water health
- *Integrated air health
- *Integrated light health
- *Personal health management
- *Sleep health

Comfort
- *Constant, suitable temperature
- *Constant, suitable humidity
- *Constant noise level
- *Constant oxygen concentration

7.5 Product and Service Innovation Staying Current (Continued)

Creating and Embracing a Smart Future (Continued)

Smart Home Pilot Project – Commercial Floor at Sanlixi Lakeside, Maison De Renouveau, Weat Lake, Hangzhou

Maison De Renouveau, a smart home pilot project in Hangzhou, combines innovative technologies and scenarios based on our customer insight to offer a new lifestyle for customers. To advance the smart home solution, we teamed up with Moorgen and Huawei HiLink to explore integrated smart home, with a focus on key health elements including air, water and light. We combine intelligent IoT technology with traditional space design to deliver an iteratively upgraded version 3.1 of COLI Smart Life, featuring technology-empowered residence experience and "perceptible, quantifiable, trustworthy and reliable" health. In this way, we truly achieved all-dimensional intelligence featuring "quality, health, safety, convenience, comfort and social interaction".

The health care system of our smart home solution places emphasis on indoor air health and water health. Health indicators such as air temperature, humidity, PM index and water quality can be checked directly on screen or through remote mobile app to monitor indoor environmental health conditions in real time. There are also intelligent furniture and systems, such as quad-filter water purification system, temperature and humidity balance air conditioner, etc. to ensure indoor comfort.

At Maison De Renouveau, according to residents' living needs and frequent scenarios, door lock, light, doors and windows, curtain, air conditioner, floor heating, infrared curtain detectors and other equipment are highly integrated in an intelligent way, with one-key quick control for pre-set scenarios allowing easy, intuitive and convenient operation by users.

In addition, we drew upon innovations of technology companies to cater for customer needs, and expanded our cooperation on major innovative R&D projects including the following:

i. We worked with Huawei HiSilicon to jointly develop PLC technology based smart home system, taking the lead in launching the world's first 5G smart community. Since then, we have launched a string of 5G smart communities such as the Guangming New District project in Shenzhen and the Songshan Lake project in Dongguan.

ii. Partnering with Shenzhen Construction Technology Promotion Center and leading technology companies, we started research on key technologies and implementation path for AIoT-based digital home as well as exemplary zero carbon emission headquarters.

7.5 Product and Service Innovation Staying Current (Continued)

Creating and Embracing a Smart Future (Continued)

Last year, we launched the "Innovation Award" and 14 design teams were granted the award for their innovative and efficiency-boosting project designs in recognition of their trailblazing spirit in product development. The Research on Prefabricated Standard Products for Inpatient Buildings of Hospital, a programme of the Ministry of Housing and Urban-Rural Development co-developed with CCT Technology Holdings, was certified as an "Internationally Advanced" technological achievement.

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Based on the trend of prefabricated buildings and the increasing demand for medical housing in the country and Shenzhen, the programme employed a scientific research method to present a research report with a view to satisfying current and future demand. Starting from standard and modular design, the research report established a multi-layer module system to conduct analysis on prefabricated standard products for inpatient and outpatient buildings of hospitals, justifying the prefabricated construction solution to high-quality, high-standard hospital buildings.

Taking ordinary inpatient buildings of hospitals as the research object, it adopted an industrial and commercial approach to delve into standard/prefabricated modules and blocks and their combination for inpatient buildings, as well as multiple solutions for facade. With a focus on staggered truss system, it conducted analysis on the key technologies from the perspective of functionality, safety, economy and applicability. The key innovative achievements are as follows:

(1) The proposed standard/prefabricated modules and blocks and their combination can help achieve industrial scale production and prefabricated construction for general inpatient buildings of hospitals.

(2) The proposed "New Staggered Truss System with Shear Walls and Double Hollow Internodes" can effectively satisfy the needs from ordinary inpatient buildings for various functional rooms.

(3) The design of structural nodes featuring laminated layer, truss reinforcement in hollow floor hole and concrete fillings enables effective transfer of horizontal force. By setting corbels on prefabricated columns, the force to the structure becomes more reasonable and easier for construction. All these measures help ensure the safety of the structural system.

Several achievements of the programme have been successfully applied to the construction of the structure of Longhua District General Hospital and the renovation and expansion EPC project of Nanshan Hospital, resulting in significant economic and social benefits.

Good Services – Full-cycle Customer Management

COLI adheres to the customer-centric sustainable development concept of "Good Products, Good Services" to offer full-process quality services to customers. Under a well-established service system, we actively communicate with customers, collect customer feedback through multiple channels, and conduct in-depth research on customer satisfaction. We combine forward reasoning from the customers' stance and the guiding mechanism focusing on customer satisfaction to offer products and services that meet customer needs and exceed their expectations. We stick to the marketing bottom line, ensure compliance of promotional activities and guard against marketing risks, which is taken as a cornerstone of the trust between COLI and customers.

This section aligns with the following international goals and reporting indicators:

UN SDGs

HKEX ESG Guide
GD-B6, KPI B6.2, KPI B6.4, KPI B6.5

GRI Standards
3-3, 413, 416, 417, 418

Good Services – Key areas of progress in 2021

Target	Achievements in 2021[4]	Overall Progress
Customer Feedback and Satisfaction		
Residential projects • Maintain customer satisfaction score at sales sites at 90 or above • Maintain homeowner satisfaction score at 70 or above • Maintain industry-leading third-party customer satisfaction score	• Mystery guest score at sales sites: 91 • Mystery guest score at residential projects: 82 • Overall satisfaction score was 88 in 2021, ranking third among top 20 real estate enterprises in terms of sales in 2021 • The third-party customer satisfaction survey covered all residential projects, with 1,090,291 sample frames taken during the year (covering 1 month after contract signing, 6 months after contract signing, 1 month after delivery, 6 months after delivery, 1 year after delivery, 1-2 years after delivery, 2-10 years after delivery and over 10 years after delivery)	**
Commercial projects • Conduct customer satisfaction survey once a year • Incorporate environmental issues into survey indicators • Maintain customer satisfaction score at 80 or above	• During the year, surveys were conducted on office buildings and shopping malls, with environmental issues incorporated into survey indicators • Office customer satisfaction score: 91 • Customer satisfaction score of shopping malls: 88	**
• Implement the first-handler responsibility system for reported incidents, and the response rate within 30 minutes from incident reporting should be 90% or above	• The handler must respond to the customer within 30 minutes from incident reporting (response rate for reported incidents in 2021: 95%)	**

N/A Not applicable   * Target not yet achieved/yet to start   ** Progressing   *** Achieved

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[4] Achievements up to the end of 2021

China Overseas Land & Investment Ltd. | 2021 Environmental, Social and Governance Report
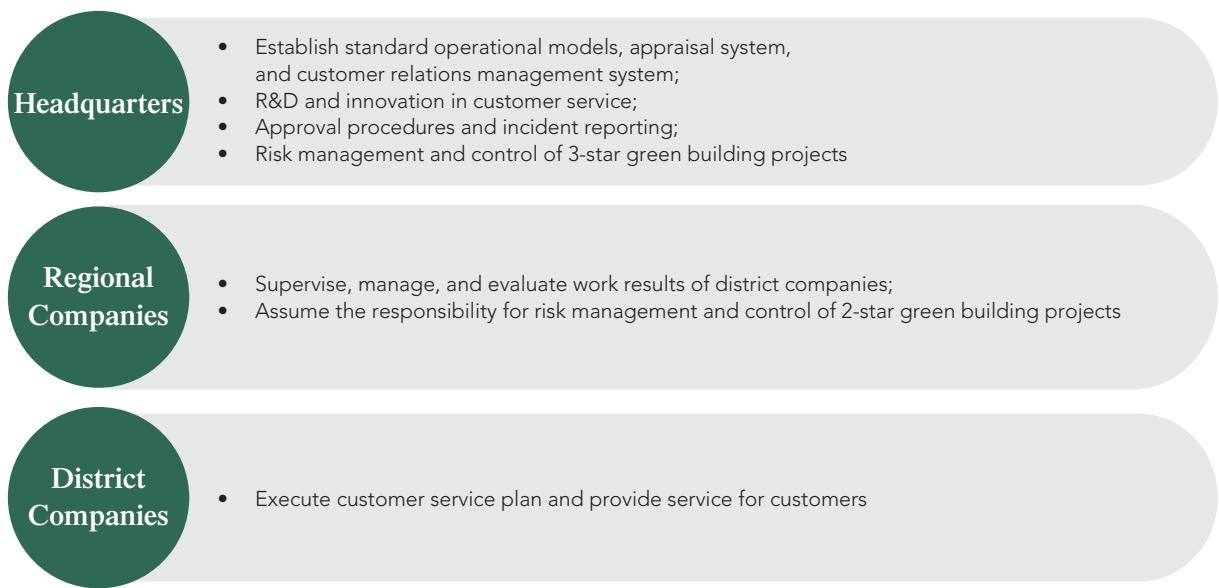
8.1 Policies and Guidelines

COLI always regards customer service as a driver to business growth. We continue to improve our service system, upgrade service quality and enrich service experience to strengthen long-term consumer trust in our brand. On the basis of consumer trust, we protect basic customer rights and interests through internal rules and communication channels, while aligning quality products with customer needs to create business value.

In strict accordance with the Law of the People's Republic of China on Protection of Rights and Interests of Consumers and other laws and regulations, we formulated internal rules such as the Sales Management Measures of China Overseas Land & Investment Ltd. and the Operational Guidelines for Risk Avoidance at Sales Sites of China Overseas Property to govern marketing practices and strictly prevent the use of unfair marketing means, guide consumers towards rational purchase and effectively protect customers' rights and interests. During the year, we updated the Customer Information Management Specifications, revised the requirements on responsible marketing, advertising and sales and followed the management guidelines of COLI customer service system to unify customer services and enhance management process.

COLI's Customer Service System

Headquarters
- Establish standard operational models, appraisal system, and customer relations management system;
- R&D and innovation in customer service;
- Approval procedures and incident reporting;
- Risk management and control of 3-star green building projects

Regional Companies
- Supervise, manage, and evaluate work results of district companies;
- Assume the responsibility for risk management and control of 2-star green building projects

District Companies
- Execute customer service plan and provide service for customers

8.2 Customer Needs Analysis

COLI employs the industry-leading "customer journey" method to identify key customer requirements in five scenarios – sales, contract signing, delivery, maintenance and occupancy, and conduct analysis on them in terms of physical contact, interpersonal interactions and digital alteration to accurately target customer needs and deliver the best experience to customers.

8.3 Project Risk Management

Under the approach of delivering premium products, COLI formulated the Project Risk Management Measures to define the matters related to customer needs in the course of project development as well as corresponding guidelines. We successfully applied the "7+1" structure to all projects, which is employed by our project development team to align the headquarters closely with projects. All functional departments collaborated closely and established a visual-based customer database for regular early warnings. In this way, we strengthened front-end customer risk management under a full-process risk management system.

COLI's Project Operation Structure

General Manager of Regional Company

Regional Operation Director	Leader in Charge of Design	Leader in Charge of Construction Submissions	Leader in Charge of Contracts	Leader in Charge of Engineering	Leader in Charge of Marketing	Leader in Charge of Customer Service	Leader in Charge of Finance

Operation Management Department/ Operation Centre	Design Management Department	Construction Submissions Department	Contract Management Department	Engineering Management Department	Marketing Planning Department	Customer Service Department	Finance and Treasury Department

Project Director	Project Design Manager	Project Construction Submissions Manager	Project Contract Manager	Project Engineering Manager	Project Marketing Manager	Project Customer Service Manager	Project Finance Manager	Project Legal Manager

	Design Team	Construction Submissions Team	Contract Team	Engineering Team	Marketing Team	Customer Service Team	Finance Team	Legal Team

8.3 Project Risk Management (Continued)

Project Development Cycle

COLI continues to strengthen risk management to create safe, reliable and quality projects. Seven "checkpoints" are set up for each project development cycle to assess key risk factors, and 587 actions in total were taken during 2021. The teams are required to take measures specific to each checkpoint under corresponding action plans, so as to manage matters related to customer needs and satisfaction.

	Seven "Checkpoints"	Corresponding Measures	Review Method
Land acquisition	1. Project Initiation Meeting	• In the early stage of the project, the Marketing Management Department analyses customers' family structure, purchasing power and other factors to understand the needs of different customers and gain insight into the dynamics of market demand • The Customer Service Department conducts analysis on the major concerns, product preferences and demand for floor plans and supporting facilities of target customers at the stage of product positioning through field inspections and other means, then identifies product, community and environmental factors affecting customer satisfaction, and reports them to the project development team	Inter-departmental risk prevention and control meetings are held monthly to review the implementation of customer risk management measures
	2. Construction Commencement	• Carry out risk assessment on customer satisfaction issues affecting customers' occupancy process and quality of life, and take countermeasures	

8.3 Project Risk Management (Continued)

Project Development Cycle (Continued)

	Seven "Checkpoints"	Corresponding Measures	Review Method
Commencement of construction	**3. Pre-sale Risk Screening**	• The Marketing Management Department conducts relevant reviews to evaluate sensitive factors such as noise, peculiar smell and industrial activities that may affect the health and experience of customers, and ensure that the actual construction results are in line with the commitments made in contracts and promotional materials	Inter-departmental risk prevention and control meetings are held monthly to review the implementation of customer risk management measures
	4. Mid-phase Operation Review	• Conduct analysis on the satisfaction and loyalty of prospective homeowners, and formulate and implement improvement plans	
Project's main structure	**5. Pre move-in Meeting**	• Follow up and conduct analysis on customer needs, manage customer complaints and make a handover plan with the property management service team	
	6. Construction Site Open Day	• Customer service, marketing, engineering, design and property management teams jointly conduct comprehensive acceptance inspections on the project according to internal quality inspection standards	
	7. Post-project Assessment	• Evaluate the operation of the project according to the targets set at the pre move-in meeting to provide reference for the development of subsequent projects	

8.4 Enhancing Customer Experience

COLI attaches great importance to customer needs and strives to improve customer experience. We developed diverse customer survey tools to establish efficient and smooth feedback channels, and made timely and effective rectifications according to customer feedback to attain maximum customer satisfaction.

Customer Satisfaction Survey

During the year, COLI continued to engage a third-party agency to carry out a customer satisfaction survey for residential projects, in order to objectively review customer service performance. We randomly selected 10% customers of residential projects for telephone interview, and collected ratings and feedback on our products and services from would-be, new, and existing homeowners at six stages after contract signing and after delivery and occupancy. The 125,383 completed questionnaires saw an overall customer satisfaction score of 88, representing the 90th percentile among peers, with satisfaction scores for Category I/II would-be homeowners reaching 97/96 respectively, staying at the 95th percentile among peers; and satisfaction scores for Category I/II running-in periods reaching 84/86, a level above the 85th percentile among peers.

88
Score

Overall customer
satisfaction score

In 2021, we introduced additional customer evaluation monitoring tools. Six real-time evaluation contact points were launched, including first visit to sales site, contract signing service, opening of construction site, central delivery and daily maintenance requests, which would be followed by the contact points' online evaluation and telephone survey on the next day to collect customer evaluation on our products and services at different contact points in a more real-time and faster manner. In 2021, we sent 1,851,883 questionnaires through six contact points, and 877,842 or 47% of them were collected. The customer evaluation was used in assessment on our service employees and business partners, iterative development of products and service standards, and correction of management weaknesses.

COCP (China Overseas Commercial Properties) and the Innovative Business Management Department give high priority to customer needs, health and well-being, and carry out customer satisfaction surveys respectively. During the year, the customer satisfaction surveys on our commercial projects covered shopping malls, office buildings and long-term rental apartments (commercial renovations), while the innovative business line focused on collecting parents' feedback and satisfaction survey on the quality of teachers, quality of courses and classroom environment of COLI Academy and kindergartens.

8.4 Enhancing Customer Experience (Continued)

Customer Satisfaction Survey (Continued)

The results of customer satisfaction surveys in 2021 are as follows:

	Residential project			Commercial project			Innovative project
	Overall	Sales Sites	Homeowners	Office Buildings	Shopping Malls	Long-term Rental Apartments	Kindergartens
Number of interviews		1,003,225		20,512	1,547	683	1,290
Customer coverage ratio		>10%		80%	85%	85%	100%
Satisfaction target	88	≥ 90	≥ 70	88	80	80	97
Satisfaction score	88	91	82	91	88	88	97
Industry benchmarking	Ranked third among top 20 real estate players by overall sales in 2021			Benchmarked against the 2021 Commercial Building Tenant Satisfaction Benchmark Report by BOMA China			Provincial level model public kindergarten, high-end private kindergarten, domestic renowned kindergarten
Key survey indicators	Overall evaluation, service and product evaluation, cost effectiveness			• Product and service quality: The environment & supporting facilities, property management, operations and maintenance • Environmental health and comfort: Landscaping, air conditioning comfort, indoor air quality, environmental tranquillity			1. Curriculum implementation 2. Teaching and research topics 3. Indoor and outdoor environmental innovations 4. File management 5. Healthcare 6. Logistics services

Overall Customer Satisfaction Scores for Residential Projects

Mystery Guest Inspection Mechanism

We continue to improve the mystery guest inspection mechanism, in order to establish an iterative product upgrade and value creation system under a corporate culture of pursuing excellence in products. We combine forward reasoning from the customers' stance and the guiding mechanism focusing on customer satisfaction to offer products and services that meet customer needs and exceed their expectations through benchmarking research, unification of standards, iterative upgrades and implementation of standards.

The mechanism covers publicity materials, sales rhetoric, public display of adverse factors, physical environment, reception service quality, etc. Rewards and punishments according to the results of mystery guest spot checks help ensure strict compliance with customer reception rules and customer service quality across our regional companies. We follow up mystery guest inspections thoroughly, and we are the first in the industry to conduct mystery guest inspections via face-to-face video visits. During the year, our headquarters commissioned a third-party research agency to conduct quarterly mystery guest inspections on 204 residential projects and 196 sales sites, covering all of our 34 regional companies.

8.4 Enhancing Customer Experience (Continued)

Mystery Guest Inspection Mechanism (Continued)

Third-party Mystery Customer Survey at Commercial Office Buildings	Third-party Mystery Customer Survey at Sales Sites	Third-party Mystery Customer Survey for Residential Projects
• Fully, objectively and fairly comprehend the overall operation of commercial office buildings, identify deficiencies in project management, understand tenants' feelings and expectations, and further enhance management and improve operational service measures • Ensure the effective implementation of the Guide on 100 Operation Standards and continuously improve operational service standards • Develop an assessment system for project service standards and survey indicators • A mysterious customer conducts surveys and monitoring on 31 office building projects each month, and produces analysis reports on a monthly, quarterly and annual basis • Monitoring covers 7 sensing areas and 100 operational contact points, including the surrounding of office buildings, parking lots, lobby environment and services, lifts, office floors, leasing centres and telephone enquiries.	• Based on the customer experience process, inspect and observe the work status of the team and the environment of the sales site, and the compliance of signs, risk warnings and other factors • In principle, each regional company randomly inspects one sales site every month • The indicator system covers online survey, telephone reception, sales centre environment, creative show flat visit, ex-post communication, etc. • There are a total of 84 indicators and 3 other special inspections for sales site survey	• Design customer experience roadmap based on the "customer experience process" • Conduct analysis on 5 business modules – environmental management, safety performance, customer service, operation & maintenance and renovation management, covering 99 indicators • In 2021, 10 new red-line indicators were added • The inspection results are ranked internally, benchmarked against peers, and reviewed by the management and customer service and marketing departments

To ensure continuous improvement in customer satisfaction, our Customer Service Department further refined the granularity of customer satisfaction assessment under a customer satisfaction enhancement plan. In 2021, the Customer Service Department at our headquarters coordinated functional departments to pool customer evaluation and reward and punishment data under the "Stars of the Sea" system, and introduced sub-indicators for punishments over product and service functions in the running-in period (e.g., the persons in question that failed to meet sub-indicators will be held accountable and responsible for rectification). COCP and the Innovative Business Management Department conducted all-round and multi-angle analysis on customer feedback to ensure that the problems raised by customers are handled in a timely and effective manner. The improvement measures taken during the year included addressing construction defects and strengthening customer relationship management (CRM) system training, which was carried out at least bi-monthly in our regional companies with over 600 training hours and 9,500 attendances during the year. Meanwhile, we took a series of actions to tighten inspections on cleanliness and air quality control of commercial projects.

8.4 Enhancing Customer Experience (Continued)

Mystery Guest Inspection Mechanism (Continued)

Additionally, our regional companies also set customer satisfaction targets, requiring their projects to be assessed on a monthly basis. We set up a customer satisfaction test score and a dynamic early warning mechanism on our business intelligence platform, so that employees can see the customer satisfaction rate in real time on the display board and make correction timely and effectively. We have incorporated customer satisfaction related indicators including customer satisfaction rate, mystery guest inspection score, frontline staff training and compliance management into the KPIs for performance appraisal of all departments at the headquarters and regional companies.

Fair and Responsible Marketing

COLI has set up the Operational Guidelines for Risk Avoidance at Sales Sites of China Overseas Property and the Customer Information Management Specifications and clarified important information such as adverse factors within and beyond the red line, complaint channels and public display standards. In sales training, the notification process of adverse factors is clearly defined and false promises are prohibited, thus constituting a responsible marketing system to protect consumers' rights and interests. In accordance with local government regulations, we post the Measures for Transparent Public Display at Sales Sites at each sales site and undertake to comply with relevant laws and regulations and prohibit any illegal acts such as bribery.

We display various documents at all sales sites, including business permit, sales certificate and relevant permits, sales price lists, sales contract template, and notification on adverse factors and facility uncertainties to provide customers the access to key sales information, protect their right to know and appeal, and assist them in making rational purchase decisions. The marketing materials of all our projects for sale in Hong Kong are in strict compliance with the Residential Properties (First-hand Sales) Ordinance.

We clearly stipulate that adverse factors of the project and its surroundings, together with their potential impact, must be fully and truthfully stated in text, and must not be deliberately downplayed or converted into descriptions beneficial to sales. Obvious adverse factors with significant risks must also be set out in the schedules to the contract to ensure fairness and transparency of the sales process and product information. In addition, we have clear requirements for the display model of each project to ensure that the display is accurate for customers' reference. The sales team is required to use the Company's sales management forms and electronic system. Templates for contracts and subscription agreements are also put in place to ensure transparency of the sales process and relevant information. In third-party mystery guest inspections, explanation to adverse factors is taken as an important inspection indicator. An independent question is included in the post-contract signing questionnaire to investigate whether the real estate consultant has explained the adverse factors to supervise effective implementation of the step.

To deal with customer feedback in a timely and effective manner, we maintain unobstructed incident reporting channels to ensure convenient and efficient customer feedback. Offline feedback channels include sales sites, property management office and maintenance centre, where information of the complaint hotline and the whistleblowing hotline for professional ethics-related matters is made public. Customers can also report incidents through the 95112 national hotline and the WeChat official account for China Overseas Property Club ("COPC"). During the year, we fully built and launched our corporate WeChat account COLI Fine Maintenance (中海精工維修) and a virtual dialling platform as our official online customer service channels, which are required to be used by all maintenance and service personnel for customer communication. All communication records are associated with incident reporting form to ensure traceability of the service process, open and transparent progress and traceable information, govern standard services and upgrade customer experience. In 2021, 34 regional companies were connected to the virtual dialling platform and activated 795 users in total, with average call time per week exceeding 3,000 minutes. Our corporate WeChat account had a total of 56,333 customer subscribers one year after its rollout, with more than 5,000 messages conveyed per day.
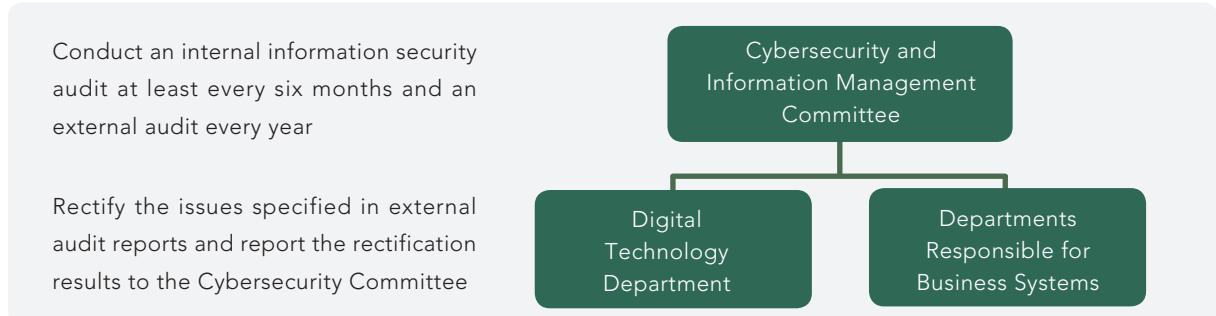
8.4 Enhancing Customer Experience (Continued)

Cybersecurity and Customer Privacy

COLI attaches great importance to customer information security and privacy protection. We have developed the Information Security Management Measures of China Overseas Land & Investment Ltd. in accordance with the Cybersecurity Law of the People's Republic of China and other relevant laws and regulations. We have an information security management system in place for managing the use of passwords, networks, systems and data. During the year, COLI renewed the ISO 27001 information security management system certification after it had completed the level II evaluation of national network security level protection and the level III filing and evaluation of national network security level protection in 2020.

We also launched a virtual dialling platform to encrypt customer's telephone number in the CRM system. Frontline service staff must contact customers through the virtual dialling platform to avoid divulgence of customer privacy. Customer sensitive information including telephone number, name and identity certificate is encrypted by the system, which can be viewed and downloaded only by the internal data manager in each region company, and viewing and downloading records will be generated for traceability management.

Information Security Management Framework

Conduct an internal information security audit at least every six months and an external audit every year	**Cybersecurity and Information Management Committee**
Rectify the issues specified in external audit reports and report the rectification results to the Cybersecurity Committee	**Digital Technology Department** **Departments Responsible for Business Systems**

We also formulated the Guidelines for Customer Information Security Management, setting out the working guidelines and confidentiality requirements for data storage, use, processing and destruction, as well as strict approval procedures for such data. The Marketing Management Department is responsible for protecting customer information obtained during the sales process, and the Customer Service Department is responsible for supervising the implementation of relevant rules and guidelines. All personnel in key positions are required to sign a confidentiality agreement to ensure that they assume relevant data security responsibilities. We disclose the terms of our privacy policy on our information disclosure channels, such as our official website and marketing updates on mobile app "Haiketong" (海客通), so as to inform customers and other stakeholders of our personal information management and policies in different stages.

We circulate the information on account security, network use and confidentiality awareness among employees through posters, intranet, billboards, China Overseas Channel and other channels, coupled with regular information security training for employees to prevent and reduce the loss and harm to individuals and the Company as a result of personal information security leakage. During the year, COLI held a security week event to improve the protection awareness of information and network security among all employees.

8.4 Enhancing Customer Experience (Continued)

Safety and Quality of Products and Services

To strictly implement the code of production safety responsibility, we formulated the Production Safety Management Manual of COLI and the Guidelines for Sustainability of Projects under Construction of COLI, among other rules, to exercise strict control over safety risks. While developing projects, we developed the guidelines for environmental management to achieve the dual goals of reducing the environmental impact of projects and delivering project quality that meets expectations.

During the year, the Group launched fine finishing add-on services, i.e. providing customers with value-added home finishing services before delivery. Customers can voluntarily purchase products beyond the standard deliverables before delivery, such as tailored wardrobes, fresh air system upgrade, central air conditioning, installation of floor heating and other products, which will be delivered along with the flat. We draw upon the price strengths from central procurement to provide customers with green, healthy and cost-effective products as well as convenience. In addition, we established a fine finishing add-on online sales system to facilitate the entire online process covering customer development, order, contract signing, payment and evaluation, and defined five core values for products and services, namely ingenious design, selected brands, cost performance, convenient delivery and hassle-free after-sales, to enhance customer experience in our services. In 2021, a total of 11 fine finishing add-on projects were launched.

In an ongoing effort to improve service quality and deliver services effectively, COLI has set up a "Housing Maintenance Centre" in each residential project to rectify problems found in internal inspections, process engineering quality complaints, manage handover affairs, and render after-sales and maintenance services. For quality monitoring before and after project delivery, COLI has set up an industry-first customer delivery early warning system for better tracking and early warning of product quality from 90 days before delivery to after delivery, thus achieving a quantifiable, traceable and assessable process for product quality assessment under a project-based dynamic monitoring platform.

To ensure a standard and orderly process covering early preparation, inspection, property services and shop decoration management for centrally managed commercial properties, COLI has formulated the Move-in SOP Guidelines for COLI's Projects to improve service quality for such properties and meet the needs of merchants during move-in and long-term operation. Each property management company is required to work out a management plan, including safety management handbook, emergency response plan and relevant training programmes, and submit them to the COLI team for review. COLI teams and each property management company hold an operational meeting every two weeks to discuss quality and safety management issues of products and services. Through regular or ad hoc inspections, we classify the problems identified and instruct respective responsible departments to follow up, rectify and report the progress in time.

8.4 Enhancing Customer Experience (Continued)
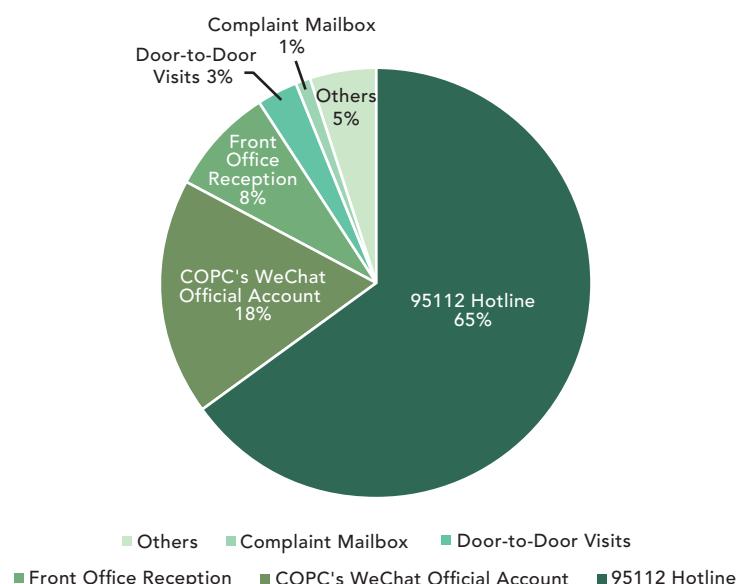
Properly Responding to Customer Requests

COLI attaches great importance to customers' feelings. We actively listen to customer voice and maintain smooth communication and complaint channels to create a quality service system. During the year, we updated functions of the CRM system, connecting customers, projects and employees to improve customer experience and our management process. Through our CRM system, customers may report any product and service related issues to customer service representatives of suppliers and COLI teams. Complaint data are also displayed on large screens installed in regional offices, significantly improving the efficiency of reporting, recording, classification and follow-up.

CRM Functions and Target Audience

Customer App and WeChat Official	Prospective buyers, homeowners, tenants and residents • Report incidents, file complaints, and make service enquiries
Supplier App	Contractors and suppliers • Receive cases, make corrections, and present results
COLI Customer Service App	Project Director, Customer Service Department, Engineering Management Department, and Maintenance Centre • Internal inspection, occupancy process, public area management, daily services, take complaint to a higher level for handling
Back Office	Headquarters, regional and project related departments • Data collation, statistics report, early warning notification and approval process
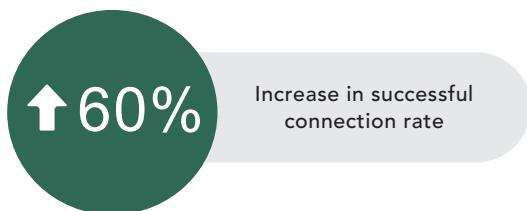
Ratio of Using Electronic and Face-to-Face Complaint Channels

Complaint Mailbox 1%
Door-to-Door Visits 3%
Others 5%
Front Office Reception 8%
COPC's WeChat Official Account 18%
95112 Hotline 65%

Legend: Others · Complaint Mailbox · Door-to-Door Visits · Front Office Reception · COPC's WeChat Official Account · 95112 Hotline

8.4 Enhancing Customer Experience (Continued)

Properly Responding to Customer Requests (Continued)

COLI has formulated the Customer Reporting and Payment Management Measures of China Overseas Land & Investment Ltd. to govern relevant procedures. All incidents reported by customers are classified by severity. After receiving an incident report, the Customer Service Department is responsible for coordinating relevant departments at the headquarters and regional companies to handle the incident. During the year, COLI upgraded its nationwide customer service hotline number from the original 4008301888 to 95112, leading to a simplified hotline number and smoother service channel and an increase of 60% in successful connection rate. With unchanged services, we continue to pool secondary, collective and claim-related escalated complaints for central processing and response, in an ongoing effort to enhance accuracy of customer risk management and service experience.

↑60% Increase in successful connection rate

Response time	By Severity	By Professional Attribute
• Complaints: Response within 30 minutes • Repair: Response within 30 minutes • Enquiries: Response within 30 minutes	• Enquiries • Suggestions • General reports, escalated reports • Material complaints • Crisis-level complaints	• Design • Product quality and safety • Property services • Sales

During the year, COLI received a total of 4,985 complaints nationwide, none of which were related to health and safety, advertising, labelling and customer privacy, nor did they give rise to any legal proceedings. Of the incidents reported to the 95112 customer care hotline, 95% were resolved and 85% were resolved in time; and the overall satisfaction rate for incident handling reached 75%.

8.4 Enhancing Customer Experience (Continued)

Customer Bonding Activities

COLI takes the "China Overseas Property Club" as a bridge to host community activities and cement the ties with customers. During the year, we carried out over 700 bonding activities with 180,000 participations, including variegated cultural activities for community residents which were highly appreciated by homeowners.

Case Study: "We & the Green Future Environmental Carnival"

In April 2021, China Overseas Property, COPL and China Overseas Property Club jointly held an event titled "We & the Green Future Environmental Carnival" in No. 1 Flowery Resort, Guangzhou. The six themed activities attracted a crowd of more than 300 homeowners. In addition to a spectacular environment-themed artistic performance brought by a group of lovely little environmental angels, we offered environment-friendly and practical gifts including tailored toolkits and mystery boxes of green plants, which were widely welcomed.

At the event, we demonstrated the tips of resource recycling and garbage classification, as well as daily things we can do for a green future, allowing more fellow residents to learn how to throw themselves into the cause of environmental protection starting from daily life. We envisage more of them joining the environmental force of COLI to build a green and harmonious community.

Good Citizen – People and the Environment in Symbiotic Harmony

As a corporate citizen, COLI will certainly shoulder responsibility to address the problems of sustainable development and climate change and encourage the industry and society to adopt sustainable development models. We incorporate the sustainable philosophy of "Good Citizen" into design, planning, building and operation based on the principle of "Good Products and Good Services"; and understand environmental issues and the needs of stakeholders to create the sustainability value of future communities.

This section is aligned with the following international goals and reporting indicators:

UN SDGs

HKEX ESG Guide
GD-A1, KPI A1.5, KPI A1.6, GD-A2, KPI A2.3, KPI A2.4, KPI A2.5, GD-A3, GD-A4, KPI A4.1, GD-B5, KPI B5.2, GD-B8, KPI B8.1, KPI B8.2

GRI Standards
2-23, 3-3, 201, 203, 301, 302, 303, 304, 305, 306, 308, 413

Good Citizen – Key areas of progress in 2021

Target	Achievements in 2021[5]	Overall Progress
Climate Change		
By 2021 • Incorporate ESG issues into the risk pool • Identify the types of risks related to climate change • Report to the Audit Committee on the level of risks concerning ESG issues including climate change	• Completion the formulation of the plan for improvement of climate change management for 2020-2023 • Incorporated "climate change risks" and "ESG" risks into the Company's risk management framework as one of its important strategic, planning and positioning risks, and various departments conducted more detailed and stringent risk assessment based on business control, disclosure compliance and market rating to ensure the formulation of highly effective risk management measures • Disclosed the progress of relevant tasks under the TCFD recommended framework (see the section of "Climate Risks and Opportunities" herein for details)	***
Conduct climate change scenario analysis with reference to the guide on climate change risks of HKEX	• Conducted climate change scenario analysis	**
Energy efficiency, greenhouse gas emissions		
Commercial projects • Reduce carbon emissions by 3% by 2023 (2019 baseline year)	• Commenced the formulation of an integrated carbon emission management plan for commercial projects to carry out carbon emission measurement and control for projects under operation	**
Innovative projects (2020 baseline year) • Reduce carbon emission intensity by 3% by 2023 • Reduce energy consumption intensity by 5% by 2023	Commenced the formulation of energy saving renovation plan for educational projects of a larger scale, including Dongguan Nankai Experimental School and Co-future Experimental Primary School: • Completed the renovation on energy saving lamps for the primary section and lower secondary section of Dongguan Nankai Experimental School, as well as for outdoor lamp posts • Completed the renovation on energy saving lamps for the classrooms of Co-future Experimental Primary School	**
Commence research on plans to achieve carbon peak and carbon neutrality for COLI's development and disclose its development strategy and roadmap as well as achievements in research on developing standards systems, etc. in this regard in the annual report	• Completed plans on development strategy and implementation roadmap to achieve carbon peak and carbon neutrality for COLI's development	**

N/A Not applicable   * Target not yet achieved/yet to start   ** Progressing   *** Achieved

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[5] Achievements up to the end of 2021

Good Citizen – Key areas of progress in 2021 (Continued)

Target	Achievements in 2021[5]	Overall Progress
Green and sustainable supply chain		
Formulate standards for green procurement categories by 2021	• Sorted out categories and formulated standards, will update the standards in real time in accordance with national policies, currently 74 suppliers meet green standards for such categories, representing 46% of the total	
Formulate and monitor quantitative targets for green supply chain by 2023	• Procurement of green construction materials and green products will not be lower than 60% by 2023	
Water resources		
Innovative projects • Reduce water consumption density by 5% by 2023 (2020 baseline year)	• Commenced the water conservation project of Dongguan Nankai Experimental School related to the water supply pipe network and separation of rainwater and sewage	**
Regional, district and project companies are required to plan water conservation measures for projects under construction and set up rainwater collection system where conditions permitted	• Set up rainwater collection system in 27 projects where conditions permitted	**
Waste and sewage management		
In 2020-2021, have at least 10 commercial projects pilot waste sorting and strengthen the engagement of homeowners, tenants and residents, so as to increase the waste sorting rate in the community	• Completed garbage classification and formulation of management rules on garbage classification in 10 projects on a pilot basis, Jinan Unipark, Changsha Unipark and Zhuhai Mid-Town, etc., and achieved the classification of 4 types of waste, namely recyclables, other garbage, food waste, and hazardous waste	***

N/A Not applicable   * Target not yet achieved/yet to start   ** Progressing   *** Achieved

Good Citizen – Key areas of progress in 2021 (Continued)

Target	Achievements in 2021[5]	Overall Progress
Land risk and biodiversity		
Establish environmental impact assessment standards for COLI's development projects that meet the requirements of GRESB by taking into consideration policy change to ensure that 100% of the land newly acquired in the year meet the requirements	• As governments of various places gradually lifted the requirements for environmental impact assessment, COLI has started to formulate its own environmental impact assessment standards at the company level to ensure that 100% of the projects in the year meet the requirements	**
Check the risks of 100% of the land lots for projects before acquisition	• 100% of the projects checked the risks of the land lots at the stage of initiating project feasibility study, including risks in land acquisition, geology, topography and soil, demolition and removal, land lot and surroundings, development environment (culture and conservation, environmental pollution, feng shui and public order), etc.	***
Community risk assessment of project development		
Put forward design proposals that can preserve local history and culture for urban renewal projects	• The Shanghai Jianguo Road East project and Beijing Citic City project, etc. adopted design proposals that can preserve local history and culture	**
Regional economy and rural revitalization		
Raise the income of local farmers through industry, consumption and education support and aid	• COLI invested funds of over RMB9.56 million, resulting in community expenditure of over RMB10 million cumulatively • Invested a total of RMB3.50 million in donation for building our 15th Hope Primary School – China Overseas Wenjiahe Hope Primary School	**

N/A Not applicable   * Target not yet achieved/yet to start   ** Progressing   *** Achieved

Good Citizen – Key areas of progress in 2021 (Continued)

Target	Achievements in 2021[5]	Overall Progress
Green finance		
By 2021 • Formulate the Company's Green Finance Framework according to the Green Bond Principles and the Green Loan Principles • Conduct feasibility studies on green and sustainable bonds and loans	• Released the Company's Green Finance Framework • Issued the second green bonds, the first green+ carbon neutrality bonds among domestic peers	***
Infrastructure and supporting services		
Build a total of 5 million m² of affordable housing	• Newly added 502,000 m² of affordable housing in 2021, a total of 3.724 million m²	**
Community integration and coordinated development		
Set up baby care rooms in 100% of shopping malls	• Set up in 100% of shopping malls in operation	***
Set up baby care rooms in 80% of newly developed hotel projects	• Set up in 100% of newly developed hotel projects	***
Develop high-standard senior living projects, provide senior living services for 5,000 families by 2030 cumulatively	• Up to 2022, invested and operated nearly 1,000 elderly care beds in Tianjin, Jinan, Qingdao and Wuxi, actively conducted preliminary investment research in places such as Beijing, Shanghai, Nanjing and Wuxi, with an output of nearly 300 beds in asset-light elderly care services in Wuxi offered in an orderly manner, actively launched home services such as community catering and elderly-friendly family facilities renovation on the basis of institutions in operation. It is estimated that the annual cumulative coverage will exceed 1,500 households	**
Review educational and elderly care ancillary community facilities and management standards, continue to enhance the ancillary software and hardware of educational and senior living projects, and have in place equipment or design that takes into consideration the bodily functions of the elderly	• Set up the product service standards for the Jinnian 101 Senior Care System with a focus on elderly care real estate and elderly care institutions, and explored the fields of travel products, elderly-friendly family facilities and elderly products. At present, it operates four projects in Qingdao, Tianjin, Wuxi and Jinan	**

N/A Not applicable   * Target not yet achieved/yet to start   ** Progressing   *** Achieved

9.1 Policies and Guidelines

COLI observes national and industry codes and standards, including the Healthy China 2030 Planning Outline of the State Council and Green Building Evaluation Standards (2019 revision), and has formulated and regularly updates the Green Building Technical Manual of COLI. To meet various green building star standards, each project must develop a cost effective and eco-friendly construction strategy. To use and promote green construction technology in new generation residential products in full swing, COLI obtained its green building achievements mainly based on the Research Report on Characteristics of Green Buildings, Measures for Promotion and Implementation of Green Buildings and Technical Guide on Green Building Technology to serve as further guidance on the practice of green building design by the Company.

COLI's Sustainable Development Policy demonstrates its commitment to incorporate sustainability into its design, operation, procurement, and use of natural resources.

The Environmental Policy of COLI defines sustainable building policy and principles to manage various environmental indicators of a project, such as energy consumption, water resources, waste and biodiversity, and requires the development team to use materials with low environmental impact which are safe to the human body, and the development team has to monitor, control and manage the environmental impact along the whole supply chain.

The Company has formulated the Guidelines for the Sustainability of Projects Under Construction of COLI to regulate and supervise the environment, energy efficiency, renewable energy consumption and greenhouse gas emissions of construction units.

Guided by and making reference to the Green Bond Principles issued by International Capital Market Association (ICMA) and the Green Loan Principles jointly issued by Loan Market Association (LMA), the Asia Pacific Loan Market Association (APLMA) and the Loan Syndication and Trading Association (LSTA), COLI developed its Green Finance Framework and strived to seek green financing opportunities for projects with suitable conditions.

COCP has implemented the Water Supply Management and Control Procedures targeted for areas with high water consumption such as bathrooms, swimming pools and kitchens and formulated water-saving standards that are linked to the performance-based appraisal for employees.

9.2 Sustainable Architectural Design

Green Building Concept

COLI puts in practice the strategy of "healthy life, green development, and returning to the original aspiration" to support the state's green building policy, so as to ensure a leading position in green building development and practices. We keep pace with the times and strive to develop product standards that fit the post-COVID-19 era and the era of pursuing the goals of achieving carbon peak and carbon neutrality. We conduct research on green and healthy residential properties, and implement projects in seven dimensions – home, travel, fitness, service, social interaction, senior living, and emergency response to ensure the feasibility of execution. Meanwhile, we conduct research on zero-carbon and ultra-low energy buildings in line with national strategies, develop green products, promote low-carbon trends, and accomplish our corporate mission and social responsibility, so as to achieve a better life for people and facilitate urban development.

9.2 Sustainable Architectural Design (Continued)

Green Building Concept (Continued)

We promote the concept of green and healthy building throughout the project life cycle from planning to development. In addition, we use cutting-edge intelligent interactive technology to design a healthy life experience from the perspective of customers and integrate healthy features into green buildings.

In the site selection phase of a project, we start with investigating the local environment and adjacent ecosystems, and uphold the principles of "preferring brownfield over greenfield and giving priority to conservation over compensation" and "preserving and building on the natural green". In the meantime, we will comprehensively assess physical variables such as terrain and climate change, as well as their impact on building functions, with a view to creating a home experience combining technology with nature.

In the process of project development, we mainly adopt green design to provide ideal soil for the growth of various animals and plants, so as to protect the biodiversity of the project. For example, we usually plant middle-aged trees at the project site to achieve the multi-level landscaping effect combining "trees, shrubs and grasses". This enables the planting areas to have good soil depth and drainage capacity to meet the growth needs of different types of plants. In addition, during the construction of outdoor night lighting equipment, we strictly abide by the national standard for light pollution control – "Code for Design of Urban Night Lighting" to reduce the negative impact on nocturnal animals. For new construction and large urban renewal projects, we require each construction site to implement strict environmental measures to safeguard the natural ecosystem and protect and restore the disturbed habitat and soil.

During the year, COLI provided a total of 5 training sessions on sustainable architectural design for employees, including the SASAC Lecture on Energy Conservation and Low-Carbon Development, the Goals, Paths and Measures of Achieving Carbon Peak and Carbon Neutrality in the Building Sector, and the Training on China Overseas Green and Healthy Residential Property Standards, which had a total attendance of over 2,000.

9.2 Sustainable Architectural Design (Continued)

Green Building Concept (Continued)

COLI has invested heavily in green building technology innovation and R&D, and obtained 147 relevant technology patents. In 2021, we continued to invest in green building technology development and obtained 64 new patents. We have made great contributions to the development of green building technology, the development of the real estate industry, environmental protection and the technical readiness of the industry. Set out below are our key patents related to energy conservation.

No.	Patent Name	Licensing Date	Summary
1	A ventilation curtain wall structure suitable for building facades	26 February 2021	In this patent, an open ventilation curtain wall is set up in the recessed part of the building exterior curtain wall frame, the fixed window is located on the outer facade of the exterior curtain wall frame with a light-transmission area larger than that of the openable window. The ventilation curtain wall structure suitable for building facades can solve the problem that the effect of facade of the building curtain wall is uneven when the exterior window is open and the window cannot be opened for ventilation in rainy season, and prevent the building facade from being affected by whether the window sashes are opened, thus ensuring the beauty and integrity of the building facade.
2	A smart home system that controls the environment in real time	30 March 2021	This patent is a smart home system that can control the indoor environment in real time. It uses wireless sensor network technology to collect indoor temperature and humidity data, and then sends adjustment instructions to control the operation of temperature regulating device and dehumidification device after analysis and processing of the data, thus achieving the intelligent regulation of home temperature and humidity. The patent has strong practicability and can save the operation cost of air conditioning caused by too low temperature or too high humidity to a certain extent.

9.2 Sustainable Architectural Design (Continued)

Green Building Concept (Continued)

No.	Patent Name	Licensing Date	Summary
3	A combined wall greening device for home use	7 May 2021	This patent is a combined wall greening device for home use which can form different styles of wall decoration through a combination of multiple greening units. While meeting the functional requirements of a home green wall device, it is flexible and convenient to use and makes it easy to enclose and take care of plants on a daily basis. The device is simple to install and suitable for a wide range of scenarios and has a streamlined shape, which can beautify the living space and create a healthy and green home.
4	A cross-flow heat exchange fresh air system	7 May 2021	This patent designs a cross-flow heat exchange fresh air system where the air inlet pipe and exhaust pipe are cross-arranged in the heat exchange unit, so that the air in and out of the room can be fully heat exchanged in the heat exchange unit, which can increase the temperature of the air entering the room and improve the problem that the existing fresh air system cannot make full use of the heat of the discharged air by effectively using the heat of the discharged air. This enhances the usage rate of heat and reduces energy loss, thus improving the energy efficiency of the building fresh air system.
5	A water-cooled fresh air system	8 June 2021	This patent provides a water-cooled fresh air system which sends the outdoor air into the room through a water-cooling box, a heat exchange pipe and an indoor axial fan. The water-cooling pipe cools the air passing through the water-cooling box, so that the air entering the room can be cooled in advance. With a simple structure, the system can reduce the energy consumption of the building fresh air system at low cost.

9.2 Sustainable Architectural Design (Continued)

Green Building Concept (Continued)
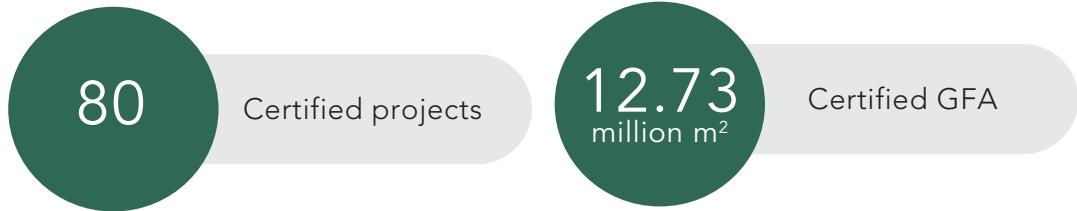
No.	Patent Name	Licensing Date	Summary
6	A multifunctional smart building curtain wall based on new energy	6 August 2021	The patent is a multifunctional smart curtain wall system with a photosensitive device. It can adjust the angle of the exterior curtain wall exposed to sunlight through the photosensitive device, so that the solar panels receive the maximum amount of solar radiation. In addition, through the refraction of the first component module, the light entering the room through the exterior curtain wall and the interior curtain wall is weakened, thus preventing high indoor temperature of the building and avoiding glare caused by too strong sunlight. This not only improves the usage efficiency of solar energy, but also achieves a certain heat insulation effect and avoids the uncomfortableness caused by glare through light refraction.
7	A chilled water storage system	3 September 2021	This patent provides a chilled water storage system where only one set of water pump is set up under the two working conditions of cold storage and cold release, which saves some water pumps, lowers the initial investment, achieves maximal use of water pumps, and solves the problem of idle water pumps. The chilled water storage system of this utility model is not equipped with a base load main engine, but an electric regulating valve is arranged in the pipeline connecting the evaporator water outlet of the water chiller and the heat exchanger to meet the extremely low load demand at night and save water chillers. The chilled water storage system is easy to control, has significant energy-saving effect, operates stably, and enhances the chilled water storage process to the greatest extent, thus achieving a certain energy-saving effect at low cost.

9.2 Sustainable Architectural Design (Continued)

Sustainable Building Certifications

COLI proactively puts the green and healthy building concept into practice and obtains relevant certifications for appropriate new and existing property projects, such as China's Green Building Star Certification, Healthy Building Star Certification, BEAM Plus, LEED, BREEAM and WELL, or benchmarks against the best practices of the certification systems to boost the environmental performance of projects. COLI plans to complete 15 LEED-certified commercial projects and no less than 1 two-star or above certified hotel project by 2023. Up to the end of 2021, all our office building projects in London obtained BREEAM certification (excellent and above), and an OFFICEZIP flexible-working office building project obtained WELL certification.

UP to the end of 2021, COLI had a total of 80 projects (70 residential projects and 10 commercial projects) obtaining green building certifications, with a total certified GFA of 12.73 million m²; including the first national three-star green building project in operation, our first project with LEED Platinum-level certification and the first nearly zero energy consumption building pre-certification.

80 Certified projects

12.73 million m² Certified GFA

Projects Receiving National Three-star or above Green Building Pre-certification or Three-star Green Building Design or Operation Certification in 2021

1. China Overseas Building Project
2. Residential Towers 1 and 2, Phase B03-2, The U World Project, Chongqing
3. Beixin'an Land Parcel 656 Project
4. Land Parcel 1612-822 Project on the East Side of Gucheng South Street, Shijingshan District, Beijing
5. Land Parcel HS08-05-06, Ximen Land Lot, Haishu District (Gaotang Village No. 1)
6. Xingzhou Project, Suzhou (Ancillary Facilities)
7. Central Park, Hefei
8. Cozy Land, Hefei

Projects Receiving LEED Green Building Gold or above Pre-certification in 2021

1. China Overseas Building Project
2. Beixin'an Land Parcel 656 Project

9.2 Sustainable Architectural Design (Continued)

Sustainable Building Certifications (Continued)

Projects Receiving Two-star Green Building Design Certification in 2021

1 Upward Mansion Project

2 Kexun Packaging Plant Land Parcel, Shenbei New District

3 Triangular Land Parcel Project, Gate of Peace, Heping District

4 Quanyun Land Parcel Z-8, Hunnan District

5 Land Parcel to the East of the Consulate

6 Land Parcel 1 - Lingyun Street, Dadong District

7 Land Parcel to the West of Aoyuan

8 Land Parcel No. 3, Gate of Peace, Shenyang

9 Glorious City Project, Yantai

10 Meilin Road Land Parcel Project, Hexi District

11 Apartment Land Parcel No. 1-4 Project, Cop City Plaza Phase III A, Tianjin

12 Office Land Parcel No. 1 Project, Cop City Plaza Phase III A, Tianjin

13 Commercial Land Parcel No. 1-8 Project, Cop City Plaza Phase III A, Tianjin

14 Office Building, Wuhan Qingnian Road (Wuhan China Overseas Center)

15 Land Parcel 1612-805/812 Project on the East Side of Gucheng South Street, Shijingshan District, Beijing

16 Land Parcel 1612-823 Project on the East Side of Gucheng South Street, Shijingshan District, Beijing

17 Land Parcel 1612-759 Project on the East Side of Gucheng South Street, Shijingshan District, Beijing

18 Land Parcel 1608-673-B Land Development Project, Beixin'an Squatter Renovation Area B, Shijingshan District

19 Cuiyuan Project, Hangzhou

20 Huaishu Road Project, Jiangbei District

21 UNIONE Phase II

22 Residential Property A04-06, Hongqi Village Project, Shanghai

23 Public Facilities A04-06, Hongqi Village Project, Shanghai

24 A047-04, Hongqi Village Project, Shanghai

25 A11A-01, Hongqi Village Project, Shanghai

26 La Cite Phase III, Wuxi

27 Land Parcel A-28a, Wuqiao Unit, Lucheng District

28 Land Parcel C, One Meixi Lake Phase IV

29 Commercial Land Parcel 05, Baohe

30 Glorious Palace, Huizhou

31 Metropolis Times Garden Project, Huizhou

32 Land Parcel R19009, Jade Park (Kindergarten)

33 Platinum Residence, Langfang

34 Southern District, Patrimonial Mansion, Tangshan

35 Land Parcel R19009, Jade Park, Nantong

36 Land Parcel R19010, Jade Park, Nantong

37 Land Parcel R19011, Jade Park, Nantong

38 Patrimonial Garden, Yancheng

9.2 Sustainable Architectural Design (Continued)

Sustainable Building Certifications (Continued)

Projects Receiving Three-star Healthy Building Design Label Certification or WELL Pre-certification in 2021

1 China Overseas Building Project
2 Qunli West Land Parcel A3, Daoli District
3 Daganwei Land Parcel, Haizhu District

Projects Receiving One-star Green Building Design Certification in 2021

1 Huashanxi Land Parcel D, Jinan
2 Huashan East Project 3
3 Huashan East Project 11
4 Huashanxi Land Parcel C, Jinan
5 Huashanxi Land Parcel B-2, Jinan
6 Zuoling Project
7 Residential Land Parcel No. 12, Longhubei Block, Zhengdong New District
8 Jin'an Lake Land Parcel, Jin'an District
9 Land Parcel J2020P02, Jimei District
10 Land Parcel 2021P02, Siming District
11 Wanjin Land Parcel T2021P03, Tong'an District
12 Land Parcel to the North of Jingui Road and West of Jinshan Road
13 The Metropolis, Anqing (Commercial)
14 Cheng County, Hefei
15 Royal Mansion, Chuzhou
16 Tangquan Phase 4-1, Huizhou
17 Yuehu Garden, Qingyuan
18 La cite
19 Wenjiahe Hope Primary School
20 Platinum Mansion, Tianshui
21 Elegance Mansion, Quanzhou
22 Northern District, Central Mansion, Tangshan
23 Wanjinxi Garden, Linyi

9.2 Sustainable Architectural Design (Continued)

Sustainable Building Certifications (Continued)

COLI Built China's First 5A High-rise Office Building with Nearly Zero Energy Consumption – China Overseas Building

It has become the consensus of the international community to address climate change, reduce greenhouse gas emissions such as carbon dioxide, and protect the environment where human beings live together. COLI is well aware that developing green and low-carbon buildings is an effective measure to achieve carbon peak and carbon neutrality in the building sector. COLI focused on 11 special designs for energy conservation and carbon reduction, including building energy conservation and efficient use of energy, to develop the China Overseas Building project in Shenzhen. Through the integrated management of "design, construction, maintenance" and based on the green electricity trading or carbon trading market, COLI explored ways to implement the carbon peak and carbon neutrality strategy in construction works, and built it into the first 5A high-rise office building with nearly zero energy consumption in China. According to the assessment of an expert group, the zero-carbon building technical scheme of the project is feasible and reaches internationally advanced standards. The project is a successful case for the promotion and implementation of nearly zero energy consumption buildings and zero carbon buildings in subtropical areas, provides successful experience for carbon neutrality of commercial buildings, and leads the achievement of the strategic goals of achieving carbon peak and carbon neutrality in China's building sector.

The project combines a variety of green technologies, adopts natural green building energy-saving design, and has conducted in-depth analysis on the perennial climate, wind direction, light and heat conditions of the project site to enhance the design in terms of layout planning, enclosure structure, natural ventilation, natural lighting, etc. It adopts a series of technologies, including high-efficiency energy system, chilled beam air conditioning with independent control of temperature and humidity, magnetic levitation high-efficiency computer room, waste heat recovery of data computer room, fresh air heat recovery, high-efficiency smart lighting and roof photovoltaic renewable energy to systematically improve energy efficiency, thus achieving energy conservation and carbon reduction. It also engages in green electricity and carbon trading. In the future, the project will achieve the goal of zero carbon emissions in the operation stage through the green electricity trading market or carbon trading market.

The project applies green technology to improve the energy efficiency of the building which has an overall energy-saving rate of 61% and a renewable energy utilisation rate of 12%. COLI's exploration and application of zero-carbon technologies in the project also received recognition from the government in a letter of praise. The letter gives credit to COLI's positive response to China's carbon peak and neutrality strategy, its creation of a zero-carbon pioneer model in the Houhai area, and its achievements in innovative technology application, IT construction and fine management.

9.2 Sustainable Architectural Design (Continued)

Green Finance Framework

COLI strived to implement environment-friendly building practices and formulated the Green Finance Framework to support the development of green finance and respond to the call of China's strategical goals of achieving carbon peak and carbon neutrality. The framework describes COLI's requirements for "qualified assets". The Sustainable Products Group and the Chief Operating Officer are responsible for reviewing and approving the list qualified assets to ensure that the underlying assets contribute to environmental sustainability and low-carbon social development. To ensure that proceeds remain invested in qualified assets during the term of the bonds, the Company's Finance and Treasury Department manages and tracks the status of the use of proceeds, maintains independent and formal internal records, and discloses the status of proceeds from green bonds in the ESG reports.

After issuing the first green asset-backed securities in 2020 under a special scheme, COLI successfully issued the second green bond during this year, the first green + carbon neutrality bonds among domestic peers, a CMBS product at an amount of RMB 2.1 billion with a maturity of 18 years and coupon of 3.6%, the lowest interest rate for issuing similar products during the post-epidemic period. The China Overseas International Center project located at the central business district of Chengdu constitutes the underlying asset of the CMBS product.

9.3 Sustainable Project Planning

COLI has incorporated green features, safety and health elements and climate risk resistance into architectural design and planning, with a view to consistently embodying the people-oriented philosophy and green concept.

COLI undertakes in its Environmental Policy that it will carry out construction and excavation projects only outside World Heritage areas and IUCN Category I-IV protected areas, conduct risk screening including biodiversity factors before land acquisition for any project, reduce the ecological impact of construction works of global projects to the minimum, and proactively restore the original environment by rectifying any degradation through project renovation. COLI is willing to work with all stakeholders to raise the social awareness of biodiversity protection and reduce the impact of the Company's operations on biodiversity and ecosystems.

Site Selection

During the feasibility study stage of a project, COLI requires each project unit to carry out ecological and environmental risk screening in the aspects of geography and topography, soil, environmental pollution and special conservation through site exploration, measurement by equipment and checking relevant information and historical background, etc. to identify the environment risks of the project site. In 2021, 100% of the 57 projects on newly acquired land completed environmental impact assessment for the land parcels, and we also conducted investigations as needed according to the project conditions to ensure that the project has no significant impact on the surrounding environment.

In the Environmental Policy and Green Building Technical Manual, we state our commitment to protect biodiversity and provide that projects must comply with the requirements of China's Regulations on Nature Reserves and the Urban and Rural Planning Law. Before land resumption, we require that assessments that meet the relevant requirements must be carried out during the feasibility study stage for all new construction and large urban renewal projects. We undertake not to construct projects in national nature reserves or develop farmland and greenfield sites to protect local natural ecosystems and rare wild animal and plant species. In addition, we proactively push ahead with the restoration of ecosystems, such as participating in the restoration and use of contaminated and abandoned warehouses or factories, bare rock, gravel land, saline-alkali land, sandy wasteland and waste kilns to help recover brownfield and restore the original natural ecosystems in the area.

9.3 Sustainable Project Planning (Continued)

Preliminary Survey

COLI strictly abides by the Environmental Impact Assessment Law of the People's Republic of China. Before transferring the use rights of state-owned land, local governments request that professional agencies must be engaged to conduct professional environmental assessment for each new project. The assessment covers monitoring of groundwater and soil, raw materials used, possible wastes, design of environmental facilities, geological terrain and soil risks of the project, Besides, the governments put forward measures to mitigate, eliminate, reduce or control adverse environmental impact and repair or compensate for environmental damage caused by these types of impact. We cooperate closely with relevant departments and ensure that projects will only proceed after being approved by local environmental authorities.

Ecological and Cultural Conservation

During the building and construction process of a project, COLI will reduce the environmental impact caused by construction to the minimum and adopt measures for ecological restoration and cultural conservation after completion of the project to reduce changes and damage to the original environment of the project site.

Community Engagement

COLI continues with its undertakings of investing resources in the process of project development and construction based on the Sustainable Development Policy to improve community infrastructure and supporting services and promote coordinated humanity and economic development. Our project development team seeks professional advice on environmental protection and engineering from professional bodies including the environmental authority and construction unit, fully considers the needs of different local stakeholders and actively communicates with community residents. For example, before starting construction, the team will distribute pamphlets to nearby residents and hold exchange meetings to actively explain the impact of construction on the local environment to local residents and respond to their needs. Meanwhile, to collect the suggestions of local residents, the project development team has to post its contact information and WeChat account outside the construction site. In addition, the project development team will collect the suggestions of community residents or building users and works closely with the property management team of each residential or commercial project to effectively improve the operation of the community or property project.

COLI uses its independently developed information management system City Map which covers Hong Kong, Macau and over 80 mainland cities. City Map is built based on four types of data, including current and planned urban resources, the macro economy, home purchaser data and land data, to tap the value of urban communities more effectively. We import the plot to be acquired into City Map for digital analysis in the decision-making process of land investment and it will quickly export a reference investment value of the plot based on relevant variables and parameters to assist in decision-making.

9.3 Sustainable Project Planning (Continued)

Community Engagement (Continued)

Creating a Block with Historical Features Close to a High-end Commercial and Residential Area for Urban Revitalization – COLI's Urban Renewal Project on Land Parcel 70 of Jianguo East Road

The project, which is located in the core of Huangpu District, is one of the few typical residential areas in the west district of Shanghai French Concession. This section is a typical urban area in the west district of the French Concession, which was built during the 1910s to 1930s under unified construction control rules. The historic area has witnessed the urban development history of Shanghai French Concession from east to west. Located in a special geographical location between the French Concession and the Chinese Community along the Jianguo East Road and Shunchang Road, it witnessed a historical period of

coexistence of Chinese and foreigners and integration of the East and the West. The land parcel is a high-density community with comprehensive functions. It has adjoining houses for shops on the outside and primarily residential housing on the inside, as well as scattered industrial buildings and public buildings. The area is divided into small blocks with a large number of buildings, all kinds of lanes and alleys, and various architectural styles, reflecting the urban features of residential areas in the west district of the French Concession in the 1910s-1930s.

In view of the local development needs, COLI plans to build a public green space of no less than 400 m² in the area, and set up a comprehensive service centre for the elderly, a day care centre for the elderly, a committee for fellow residents and an elderly recreation room. In order to rejuvenate the area, COLI has developed requirements for the protection of the features of the project. Except for cultural relics under protection, other historical buildings will be updated, including renovation, enhancement and reconstruction, and texture restoration. Within the scope of texture protection, the building density must not be less than 45%, the height of buildings, including those along the street, must be capped at 12 m.

To the north of the project is Xintiandi, which is a complex focusing on commercial functions. To the south of the project is the Madang Road business district, which is a comprehensive living community dominated by high-end residences. Based on the features of historic buildings and leveraging its advantage in development scale, COLI hopes to build a "UNIONE" community comparable to the "Xintiandi" business district.

9.4 Sustainable Construction Process

COLI strives to reduce environmental pollution during the construction stage and actively regulates the environmental impact of the construction process by using technology. In the whole project planning stage, we use BIM technology to display the project design in a three-dimensional manner in order to identify hidden building defects and boost the efficiency of operation and maintenance. During the project operation stage, we continuously explore opportunities in facility management to boost resource consumption efficiency, reduce greenhouse gas emissions, and improve the health and well-being of building residents.

Using Sustainable Materials

Based on the Environmental Policy of COLI, we require each development team to select materials with low environmental impact and safe for human use without any harm and monitor and manage the environmental impact in the supply chain.

Since 2020, COLI has proposed to use no less than 8% of reusable and recyclable building materials for new residential projects to improve the overall quality and performance of the projects. Recyclable building and green materials refer to building materials that meet environmental requirements, do no harm or little harm to the ecological environment and human health, consume less resources and energy and have high quality throughout the life cycle. These materials can reduce the consumption of natural resources and the impact on the ecological environment, and have the characteristics of energy saving, emission reduction, safety, convenience and recycling. For example, in the JA comprehensive reconstruction project in Laogucheng Village, Shijingshan District, we use 4,847.5 tonnes of recyclable materials including steel, glass curtain walls, gypsum products, aluminium alloy profiles and wood, accounting for 10.03% of the total weight of all building materials. This year, we had 74 certified suppliers that meet our green standards, accounting for 46% of the total. We purchased RMB2.1 billion of materials that meet our green standards, accounting for approximately 20% of the total.

With reference to China's Green Building Evaluation Standard, we have formulated the Green Building Technical Manual, which stipulates that each project has to follow the requirements of green building star rating. For new construction and large urban renewal projects, we promise to give priority to the use of third-party certified sustainable wood, and actively encourage suppliers to adopt sustainable materials in the project construction process. During the year, we developed three categories of metrics (environment, health and safety (EHS); performance; and ingredients) for materials. Approximately 57% of our products have stricter EHS requirements than international or industry standards. We require technical units to submit inspection reports, ISO quality management certification, safety production license, certificates of origin of materials and other related documents each year to prove that their management and supply of materials meet our quality and safety requirements.

9.4 Sustainable Construction Process (Continued)

Using Sustainable Materials (Continued)

As for the third-party inspection or regular inspection system for material suppliers, we carried out the Skynet Campaign covering five categories: materials supplied by Party A, materials supplied by Party B, air quality inspection, engineering quality inspection, and project site performance inspection. A total of 25,104 groups of building materials were inspected throughout the year. There were 12,857 air monitoring points in total, 100% of which were covered by the Skynet Campaign. We monitored the raw material factories and construction sites, and supervised the rectification efforts. Meanwhile, we established a closed-loop mechanism for detection of product defects to address 100% of quality problems in a closed loop. Suppliers with a sustained low qualified rate of materials will be interviewed. When needed, a supplier with materials that are unqualified in key indicators will be required to suspend supply and be supervised to improve its product quality before resuming supply. For suppliers, we have set up a blacklist and a whitelist to eliminate the use of substandard products or counterfeit and shoddy products, reject suppliers that obviously have salary arrears, involve significant financial risks, or have no EIA (Environmental Impact Assessment) reports, pollution discharge permits and other necessary documents, and choose brands with green and related certifications at the company and product levels.

To communicate closely with suppliers, we hold quarterly supplier bid winning conferences to promote communication with suppliers, and set up a complaint mechanism to strengthen the long-term strategic partnerships with them. During the year, due to the epidemic prevention and control requirements, we did not hold any large onsite meeting or annual conference with suppliers, but arranged four online supplier meetings (once a quarter), including a meeting on production plant management and a meeting for suppliers' green certification, with a view to strengthening supplier management.

COLI strives to promote green supply chain and green procurement, and actively sets standards for procurement of green and healthy materials. We completed the development of standards for green procurement by the end of 2021, and formulated the quantitative targets for green supply chain not less than 60% by 2023. Furthermore, we developed green standards which cover green products, green building materials, carbon footprint assessment and 10-ring certification at the product level as well as green factories, green enterprises and ISO5001 energy management system certification at the corporate level; 74 suppliers have been certified to meet these green standards, representing 46% of the total. We purchased RMB2.1 billion of materials that meet our green standards, accounting for approximately 20% of the total. To promote green product certifications among supplier partners, we issued a proposal during the year to encourage our existing suppliers to collect and provide green product certifications and obtain green certifications.

To prepare for our green supply chain targets, we developed the technical standards for central procurement of certain healthy materials during the year. We planned to review the green standards for procurement of 53 product categories in the first quarter of 2021, and collected the GSC whitelist under the China Real Estate Industry Green Supply Chain Initiative and the green assessment and certification data of the Ministry of Industry and Information Technology and the Ministry of Ecology and Environment, with an aim to facilitate the implementation of the China Overseas Green and Healthy Residential Property Standards.

9.4 Sustainable Construction Process (Continued)

Construction Site Environmental Management

COLI strictly guards against environmental pollution at project construction sites, proactively trains and educates construction workers and contractors on water and energy conservation and waste recycling, and encourages contractors to recycle waste building materials.

In an effort to leverage technology to strengthen environmental management of construction sites, COLI develops smart construction sites that cover 100% of its 263 projects under construction. We have developed an environmental data monitoring platform to monitor air pollution, noise pollution, temperature, wind speed and other environmental data at each construction site in real time, so as to detect in a timely manner whether any pollution limits are breached. Once a potential environmental problem is identified, the personnel of the engineering department will report it in real time through a mobile app developed by the Company to enable all employees to keep abreast of and supervise the construction site conditions. During the year, we carried out noise and dust detection at 100% of our construction sites through the smart construction site system. The Group can remotely inspect each project at any time to ensure that the project meets environmental standards. The persons in charge of our regional companies carried out 934 safety inspections on construction sites and more than 20 environment-related training sessions, covering 100% of engineering personnel and with an average of approximately 1 training hour per employee.

Construction Site Monitoring Items

Air Pollution	• The surface of the construction site is hardened as much as possible, and dust-prone equipment is covered with tarpaulin or protective shed net. In addition, some projects will carry out temporary greening works to avoid and reduce dust caused by soil erosion.
Sewage Pollution	• Strictly follow the national and local sewage discharge standards, set up drainage ditches to direct sewage to the sedimentation tank, discharge sewage to the designated place after being treated up to standard, and engage a qualified third-party agency to regularly inspect the sewage quality. • Set up rainwater and sewage pipe networks separately at the construction site to enable rainwater and sewage diversion.
Hazardous Waste Pollution	• Chemicals on the construction site are stored in locations covered with waterproof layers and impermeable concrete. • Each construction site is equipped with at least 3 garbage pools to store all types of hazardous wastes, recyclable materials and other wastes separately. • Hazardous wastes at the construction site must be stored separately in designated sealed containers, and handed over to a qualified professional treatment company for disposal.
Noise Pollution	• Set up temporary sound barriers at the construction site, strictly limit the operation time, and take noise prevention and reduction measures for noisy machinery and equipment to reduce noise nuisance to construction workers and nearby residents.

9.4 Sustainable Construction Process (Continued)

Construction Site Environmental Management (Continued)

The data recorded by the environmental data monitoring platform is disclosed in the waste management statistics table in the "Environmental Management" section on page 137 of this report. During the year, we received no complaints about noise pollution.

COLI also strives to reduce waste at the source. We regularly monitor and restrict the concrete consumption in each construction project to avoid the generation of unnecessary construction waste. For details on material consumption during the year, please refer to the section of "Material Consumption" on page 136 of this report.

Building Materials Management	On-site Facility Management
• Material requisition on quota: The project material department calculates the material consumption and saving rate every month and restricts the amount of building materials allocated each time, thus reducing the waste and excessive use of building materials. • Reuse of building materials: Reuse building materials such as sand, waste ceramic tiles and stones, and collect scrap metal materials such as cables, steel bars, iron wires and iron nails and sell them to third-party companies after classification and storage. • Water conservation: Rainwater collection systems are set up in some construction sites to reuse rainwater for road cleaning, greening, fire fighting and dust prevention.	• Temporary housing: After the completion of the project, the prefabricated box houses built there can be disassembled and transferred to the next construction site for reuse. • Office: The field office adopts an open structure, uses natural ventilation and light, and installs energy-saving lamps to reduce the energy consumption of air conditioning and lighting. • Instrument supervision: The energy consumption of the construction site is supervised by installing metering instruments there and filling in the "energy metering network chart" on a monthly basis.

9.5 Sustainable Project Operation

Since its inception, COLI has been committed to promoting environmental sustainability and low-carbon office. Starting from the architectural design stage, we incorporate the principles and methods of energy conservation and environmental protection into each project to ensure the long-term environmental benefits of the project. COLI has obtained a total of 490 certifications (425 for residential projects and 65 for commercial projects), covering China Green Building Star Certification, LEED Certification, BOMA Certification, WELL Certification and BREEAM Certification and representing a total GFA of 89.27 million m². In addition, our commercial projects have obtained 30 green building certifications, including 15 LEED certifications (pre-certifications inclusive), 5 national three-star green building certifications from MOHURD, 2 BOMA Certificates of Excellence, and one WELL V2 CORE Platinum Certification, representing a total GFA of 2.7 million m². In the project operation process, we employ intelligent and effective property management models to encourage tenants to reduce carbon emissions and improve the resource use efficiency during property operations.

9.5 Sustainable Project Operation (Continued)

Energy Management

We enhance energy use in energy management through big data analysis. Our self-developed energy consumption information platform was put into operation in 2018, covering 100% of self-built office building projects and enabling real-time monitoring of energy consumption. In addition, all commercial projects in operation have replaced high-energy consumption lamps with LED lamps. We have also completed the cold and heat sources and pipe energy saving works of air conditioning and heating systems in some projects, thus reducing energy consumption through system frequency conversion renovation and installation of smart controllers. By implementing the above measures, COLI reduced the energy consumption of its commercial projects and offices by 3.2% compared with that of the previous year.

Renovation of Lighting System with Eye Protection and Energy Saving Lamps in Dongguan Nankai Experimental School

During the year, COLI pushed ahead with the upgrade and renovation of conventional classroom lamps in Dongguan Nankai Experimental School. The existing classroom lamps in the school are double-tube fluorescent lamps, which not only do not meet the energy-saving requirements but also fail to meet the illumination requirements of the school for classrooms. The upgrade and renovation project started in 2021 and is planned to be completed within three years. The lighting upgrade project covers regular classrooms in primary, junior middle and senior middle schools, offices, and dormitories. According to preliminary calculations, assuming the lighting is on for 9 months a year, the school will save 67,320 kWh of electricity (worth over RMB40,000) for lighting in its primary and junior middle schools in 2022.

Water Conservation

Our project operations involve a variety of domestic water facilities, such as toilets, bathroom equipment, restaurant cooking equipment, swimming pools and clean water in shopping malls and hotels. In addition, we have established management guidelines and conservation KPIs for high water consumption facilities such as bathrooms, swimming pools and kitchens, and appointed dedicated personnel to supervise the implementation of water conservation measures and targets, the performance of which is linked to their performance-based rewards. The total water consumption of COLI's hotels and offices declined by 3.09% from the previous year.

Water-saving Project for the Renovation of Water Network Facilities in Dongguan Nankai Experimental School

During the year, COLI also pushed ahead with the renovation of water network facilities at Dongguan Nankai Experimental School by installing a water network monitoring system and water-saving equipment in the living area without affecting the normal operations of the school. The renovation project covers outdoor fire pipe network, outdoor domestic water supply, toilet upgrade and dormitories. COLI expects that after the renovation with water network monitoring system and water-saving facilities is completed in 2022, the school will save at least 10,000 tonnes of water (representing nearly RMB300,000 in water bills) each year.

9.5 Sustainable Project Operation (Continued)

Waste Management

During project operations, we will assist merchants or customers to dispose of all kinds of wastes. In 2021, COCP piloted waste sorting in ten of its shopping malls and successfully sorted approximately 8,500 tonnes of waste. Waste is divided into three to four categories, such as recyclables, other waste, kitchen waste and hazardous waste. We built a domestic waste sorting and recycling system in each pilot project and asked for the engagement of homeowners, tenants and residents to increase the waste sorting rate. We have staff stationed in the garbage room and the garbage station on each floor to give guidance to merchants or customers in order to ensure the correct classification of waste, and engage government-certified waste recycling companies to dispose of waste. During the year, we held 10 training sessions with a total audience of over 5,600, and recycled 600 tonnes of waste.

Green Leasing

In 2018, COCP drafted the Green Environment Pact of COCP as part of the voluntary terms in the lease agreement. The Pact proposes to tenants a series of action initiatives in relation to environmental affairs, with a view to advocating the joint responsibility for building a property ecosystem. In 2021, we made efforts to promote the implementation of green standards to tenants, acquire customers with green concepts and develop online customer platforms, such as a quantitative paperless carbon management platform.

In accordance with the Sustainable Fit-out Handbook and the COOC Healthy Building Standard of COLI, the contracting parties must incorporate environmental management into their daily business operations, including providing and using green and safe products or services, promoting environmental protection and sustainable development to customers, distributors and other stakeholders, actively participating in greening and environment improvement activities and complying with the requirements for the management of waste, sewage and garbage in office buildings. Both the air quality monitoring coverage rate and occupancy standard compliance rate of the 2,318 rooms of our newly opened long-term rental apartment projects in Suzhou, Shanghai and Beijing reach 100%.

For the tenants who have settled in COOC COLI Commercial Project, we adopt the low-carbon point regime, under which low-carbon reward points are granted to the tenants who participate in and accept the carbon peak management. Points are awarded at enterprise level, and the rights and interests carried by the points are credited to the enterprises. The assessment scope includes participation in low-carbon themed activities, the implementation of waste classification, and whether they have signed the green convention.

9.6 Community Development

Construction of Affordable Housing

COLI continuously support and help deliver on the state's policies on improving housing conditions and introducing talents. In order to promote urban and talent development and protect the residential rights of indigenous residents and low-income groups, COLI has set a goal to build 5 million m² of compensatory housing, talent housing and other types of affordable housing by 2023. During the year, COLI started the construction of affordable housing projects in many cities across China. The GFA of newly started affordable housing projects amounted to 502,000 m², and the GFA of projects completed and accepted reached 3.724 million m².

Charitable Activities

On the Thanksgiving Day this year, COLI and Tang Mama Charity Centre held a Thanksgiving charity event in Unilive Residence's serviced apartments (Suzhou Olympic Sports Branch) to closely combine community culture with charity actions based on the platform of Tang Mama Charity Centre. The DIY mugs made by residents in the event were sent to Tang Mama's Charity Supermarket for charity sale, and all the proceeds from the charity sale will be donated to Tang Mama Charity Centre as a fund to help disadvantaged youth.

COLI is committed to helping people integrate into the community. In order to assist the government in completing the renovation of the old area on Jianguo East Road in Shanghai and solving the problem that some people "have no houses to rent and find it hard to rent short-term housing", COLI and the government jointly launched the "Yourui Resettlement" campaign to help relocated residents find new places to settle for transition during the renovation. During the campaign, the staff of COLI proactively helped the old street residents in need to move and clean their rooms, and retrofitted the rooms for the elderly by installing elderly-friendly facilities such as toilet handrails, anti-slip mats in bathrooms, and bathroom handrails, thus making the life of the residents more convenient and comfortable. In addition, COLI prepared a series of heart-warming activities, including eating Dingsheng cakes, making zongzi, etc.

9.6 Community Development (Continued)

Consumption Support and Aid

COLI is committed to carrying out various support and aid activities to give back to the community. Since 2018, COLI has launched the "Sea of Hope" targeted support and aid initiative in a number of poor counties including Lan County of Shanxi Province, Wuxi County of Chongqing, and Kang County of Gansu Province. We created original brands such as "Xiurong Millet", "Wuxi Walnut", "Longkang Old-Tree Walnut Kernel" and "Kangle Mushroom" for local quality agricultural products, and marketed such products nationwide through our business network to help local communities achieve sustainable benefits.

In 2021, COLI helped create a plateau quinoa brand named "Vale of Cloud" for Zhuoni County in Gansu Province. COLI invested more than RMB5.07 million to help sell 250,000 boxes of the product. The Company also purchased the first batch of the product as gifts for customers in marketing and customer service activities such as "Walking into COLI's Communities", Knock-Knock Visits and Customer Service Day. In addition, during the year, we continued to help market the relevant agricultural products such as Kang County's "Longkang Old-Tree Walnut Kernel" launched in 2019 and Kangle County's "Kangle Mushroom" launched in 2020 in Gansu to ensure the long-term operation of their marketing model.

COLI hopes that the "Sea of Hope" support and aid initiative not only creates brands for characteristic agricultural products, but also develops a "sustainable, replicable and circular" support and aid model. Over the past four years, the "Sea of Hope" initiative has benefited nearly 1,000 poor households in local areas. We also encourage local residents to replicate our successful business experience, with a view to laying a more solid and longer-term foundation for poverty alleviation. In 2021, we carried out more than 70 activities of "Sea of Hope, Rural Revitalisation" across the country. Our staff participated in every activity to help reach nearly 10 million customers and homeowners, generating a total of over RMB10 million of sales in the community. During the year, we were awarded the "CSCEC Outstanding Contribution Award for Poverty Alleviation".

9.6 Community Development (Continued)

Education Support and Aid

Since the second half of 2020, COLI has donated over RMB3.5 million to build the 15th Hope Primary School of COLI, namely China Overseas Wenjiahe Hope Primary School. We commissioned the Lanzhou branch of COGO to undertake the construction works and complete and deliver the project with high quality and on time. With a GFA of approximately of 2,174 m², the school is composed of a teaching building, a canteen, a children's activity centre and a single-storey auxiliary building. In addition to classrooms, the teaching building also has 6 functional rooms, i.e. a library, a science and technology innovation centre, a natural science classroom, a music, art and sports classroom, a computer room, and a teacher's room. By building a great primary school in Kangle County, we aim to provide a quality place of learning for hundreds of school-age children in the surrounding areas and improve local education.

From August to December, COLI Education built an "AI science and technology classroom" in each of Wenjiahe Hope Primary School in Kangle County, Changba Town Central Primary School in Kang County, and Liulin No. 2 Primary School in Zhuoni County. Each such classroom can accommodate 40 students, and AI courses covering the six grades of primary school have been introduced. We conducted online live broadcast training under the initiative of "Offering Education to Gansu". In view of the impact of COVID-19 on Gansu and other places in the second half of the year, COLI Education arranged experts to provide a lecture on live broadcast by way of live broadcast for the education bureau officials and teachers in the above three counties in Gansu Province under the theme of "Teaming up with the Greater Bay Area to Promote Growth Together". The 7-hour online lecture gathered 9,600 views and over 24,000 likes in total, and was highly praised by the teachers and officials in the three counties. It achieved interaction and mutual improvement through online and offline teaching, and created a precedent for online education support and aid.

9.6 Community Development (Continued)

Community Health and Safety

In 2021, the COVID-19 pandemic was still affecting global health and safety. COLI continued to assist local communities in fighting COVID-19 to ensure that every employee is well protected. COLI kept abreast of and followed the latest regulations and requirements of the government to monitor COVID-19 developments and main symptoms and deal with COVID-19 cases as soon as possible. During the COVID-19 epidemic, the Group set up an epidemic prevention and control working group and established an internal mechanism for epidemic prevention and control to implement, supervise and inspect epidemic prevention plans. In order to maintain daily operations and ensure the safety of employees, in the face of repeated COVID-19 outbreaks, the Group continuously performed the corporate social responsibility for epidemic prevention and control and established a regular epidemic prevention and control mechanism. Specifically, we used our WeChat public account, app, electronic displays in lobbies, LED displays in lifts, and billboards in buildings to disseminate relevant knowledge and information on epidemic prevention and control, and offered epidemic prevention knowledge training to employees, homeowners and tenants by means of point-to-point communication, small meetings, short videos, etc. In order to ensure the safety of every employee, the Group implemented a shift system during the pandemic to maintain daily operations while assuring the safety of employees, established an internal mechanism for epidemic prevention and control, and prepared an epidemic prevention manual for employees. In addition, the Group provided publicity/assistance for over 3,000 tenants, and stepped up patrols to ensure the cleanliness of its shopping malls and office buildings. In order to strengthen epidemic prevention and control in the community, we disinfected public areas heavily exposed to homeowners, including lifts and other closed spaces, at least four times a day; and checked the health code and travel code and took the body temperature of each customer and construction worker entering and leaving our apartments to safeguard the health of homeowners.

9.6 Community Development (Continued)

Promoting Sustainable Living

COLI has long been promoting the concept of sustainable living. Leveraging the business scale and tenant network of the Group, we continuously enhance stakeholders' awareness of environmental protection, and actively join environmental initiatives and actions at home and abroad. We place emphasis on raising the environmental protection awareness of children and youth and launched courses related to environmental protection in kindergartens and primary schools. The coverage of the course contents is extensive, including garbage handling and classification, protection of the ecology and conservation of resources, etc. Up to this year, we have prepared a total of 62 educational courses on environmental protection and recorded an attendance of 12,599 in training.

Taking Care of the Natural Environment for a Better City – Hainan Beach Clean-up Charity Event

On 14 December 2021, China Overseas Property teamed up with the National Motorboat Team and the Bureau of Tourism, Culture, Radio, Television and Sports of Wanning to launch a coastal beach clean-up charity event in Shenzhou Peninsula, Hainan. The participants swept the beach and cleaned up all kinds of waste, including paper towels, fruit peels, and food bags, which added cleanliness to the beautiful scenery of Shenzhou Peninsula. Through the event, the participants raised their awareness of protecting the natural environment. In addition, when building the Shenzhou Peninsula, COLI only used one third of the 27,000 acre land for development and construction, so as to avoid impact on the ecological environment and live up to its emphasis on environmental protection.

9.6 Community Development (Continued)

Promoting Sustainable Living (Continued)

Community Planting Day to Sow Green Hope

During the eventful Community Planting Day and Lei Feng Month, citizens signed an environmental protection convention and actively performed their civic obligations. In addition, families and employees formed teams to plant trees together. The participants dug pits and planted, earthed up, nourished and watered the seedlings. The event was to help people develop a sense of responsibility for protecting the environment through tree planting.

9.7 Climate Risks and Opportunities
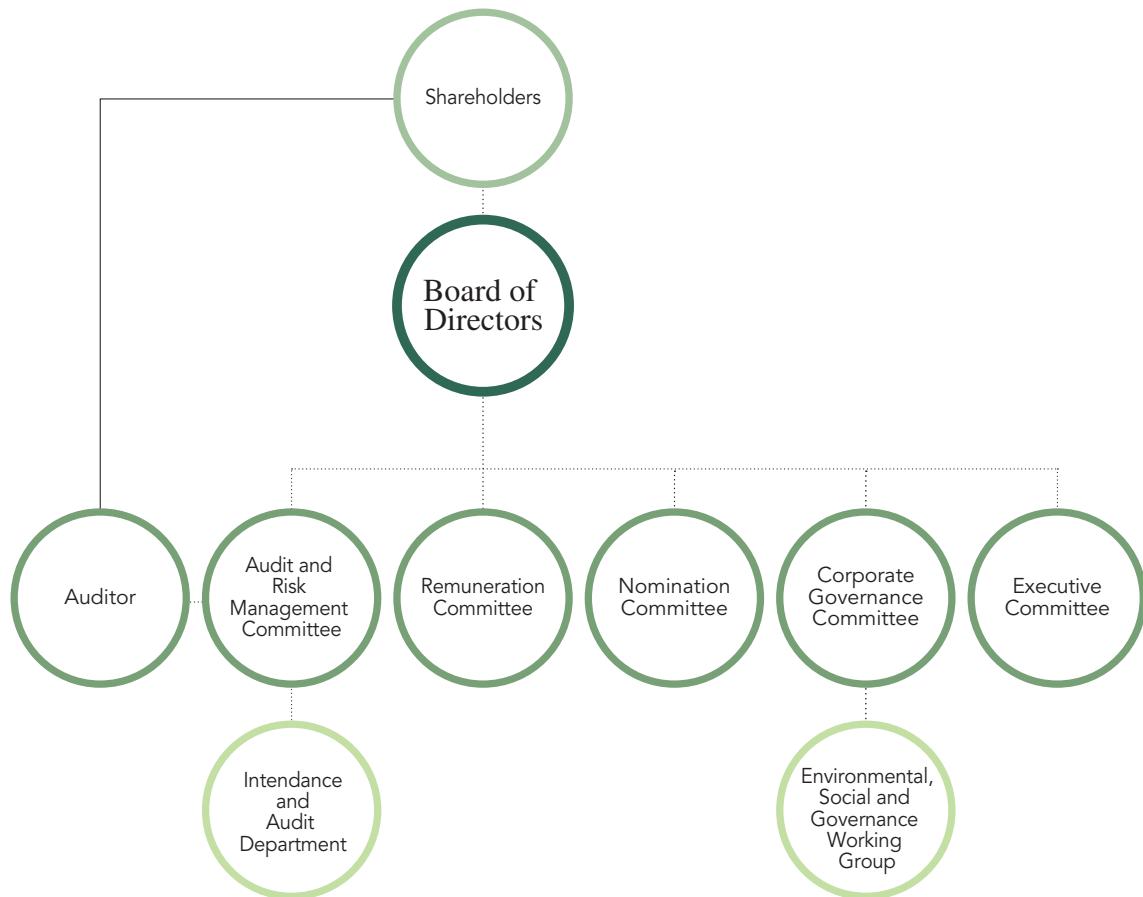
Climate change brings challenges for global business and sustainable development. The Group strives to address and mitigate the risks and impact of climate change, and one of key projects is to construct low-carbon buildings in cities and towns. As a leading comprehensive real estate developer in the industry, COLI makes every effort to enhance our governance performance in climate-related issues, and responds to the call of China's 14th Five-Year Plan and "carbon neutrality" goal.

We have completed the 2020-2023 Enhancement Plan on Climate Change Management and developed a governance framework and assessment mechanism for climate-related risks, and preliminarily identified various climate-related risks. From 2020 onwards, COLI will refer to the TCFD-recommended framework and publicly disclose our work plans and achievements in this report in four areas: "Governance Structure", "Strategy", "Risk Management" and "Indicators and Targets". During the year, we conducted climate change scenario analysis, and a more detailed climate risk assessment for different scenarios will be conducted in 2022 to assist us in assessing climate risks and their impact more effectively for formulation of appropriate plans.

9.7 Climate Risks and Opportunities (Continued)

Governance Structure

To strengthen the participation of the Board in all ESG-related issues, the Group has established the Corporate Governance Committee at the board level, majority of which are independent non-executive directors of the Company. The Board will demonstrate to stakeholders its determination to raise the Group's corporate responsibility and sustainability to a higher standard.

Shareholders

Board of Directors

Auditor

Audit and Risk Management Committee

Remuneration Committee

Nomination Committee

Corporate Governance Committee

Executive Committee

Intendance and Audit Department

Environmental, Social and Governance Working Group

9.7 Climate Risks and Opportunities (Continued)

Governance Structure (Continued)

The Corporate Governance Committee will formulate long-term policies and strategies for sustainability-related issues, identify ESG risks, and review and supervise the progress of the management's implementation of sustainability schemes, including climate change schemes. The Corporate Governance Committee is chaired by an independent non-executive director and responsible for setting targets for the Company's climate change-related goals, and the relevant groups of its ESG Taskforce are responsible for developing and implementing action plans.

The Audit and Risk Management Committee of the Board is responsible for the final review of annual risk issues including climate change risks. From 2021 onwards, the Intendance and Audit Department will regularly report to the committee the level of various risks, including climate risks. The Vice Chairman cum Chief Operations Officer serves as the group leader of the ESG Working Group and guides the functional departments to serve as responsible units of risk management (as the first line of defence) and carry out identification, scoring, management and monitoring of risks every six months. The Risk Management Committee and its office (as the second line of defence) work with the responsible units of risk management to collate, rank and score risks, determine material risks, and develop response plans and risk indicators. The Intendance and Audit Department (as the third line of defence) coordinates the operation of the Company's risk management system, prepares an internal audit plan based on risk ranking, reviews the effectiveness of such system, and reports to the Audit and Risk Management Committee. In respect of climate change, the Intendance and Audit Department will coordinate with the Operation Management Department to carry out assessment of climate-related risks and opportunities. Both departments are members of the ESG Working Group.

Climate Risk Management

The Risk Management Measures of COLI (Provisional) serves as the guiding policy for our enterprise risk management (ERM) system. During the year, the Operation Management Department led relevant departments in identifying various "climate change risks" and incorporating them into the Company's risk pool. Various departments conducted more detailed and stringent risk assessment based on business control, disclosure compliance and market rating to ensure the formulation of highly effective risk management measures. We will gradually conduct risk assessment on climate change, sort out climate change risks in the regions where projects are located, report to the Audit Committee and determine the level of various risks, including ESG and climate risks, and assist the Audit Committee in reviewing and assessing the annual list of significant risks on a half yearly basis.

9.7 Climate Risks and Opportunities (Continued)

Climate Risk Management (Continued)

As part of the strategic planning and positioning risks, "climate change risks" have impact on COLI as a whole in three aspects:

- **Business control requirements:** Climate change has an impact on the Company's construction process, final products and other business procedures.

- **Compliance requirements:** Regulators require enterprises to disclose material risks of climate change, methods to identify them, and response actions taken.

- **Rating requirements:** The sustainability indicator ratings used in the capital market cover climate change management issues.

The scoring of the 10 responsible units of risk management is based on the two dimensions of "probability" and "impact" of risk occurrence. Compared with other corporate risks, the risk level of "climate change risks" is "general".

In order to comprehensively assess the risks posed by climate change, we classify such risks into "physical risks" and "transition risks" and refine the definition of "climate change risks" to sort out the potential impact of various risks on development, operation, marketing, compliance and other business areas. We have also developed a set of scoring tools for each unit to score risks in a more detailed way (also based on "probability" and "impact") for identifying the priority of the sub-items of "climate change risks".

Climate Risk Response Strategies

Making reference to the preliminary assessment and results of departmental interviews, we have conducted analysis and found out three physical risks and three transition risks that are most material to the Company, described their potential business impact and the strategies we have developed to address them based on our climate risk management strategy and approach, including mitigation, control, transfer and acceptance.

9.7 Climate Risks and Opportunities (Continued)
Climate Risk Response Strategies (Continued)

Material Physical Risk	Potential Business Impact	Management Strategies or Measures
Typhoon Climate change increases the probability of high-intensity typhoons (such as strong or super-strong typhoons once every 50 years or 100 years)	• More days of construction downtime/delay and higher construction cost • Land, property and assets may be damaged, and the cost of repairing or replacing damaged or destroyed assets will increase	• Property management: Strictly implement COCP's safety management and emergency measures, and make every effort to guard against typhoon according to the existing procedures in case of typhoon warning, and purchase relevant insurance. • Project development: When reviewing project schedules, consider the possible impacts on the areas greatly affected by typhoon in advance, and consider the estimated completion time of key milestones accordingly. Purchase engineering insurance for all construction sites under construction, covering typhoon disasters.
Extreme rainfall Extreme rainfall is featured by the increase of heavy rainfall days and the increase in maximum rainfall during the year	• More days of downtime/delay and higher construction cost • The risk of flooding in basements or underground parking lots will increase • Need to strengthen building design or equipment to cope with heavy rainfall	• Property management: Strictly implement COCP's safety management and emergency measures, and make every effort to guard against flooding according to the existing procedures in case of flood warning, and purchase relevant insurance. • Project development: In rainy season, strengthen the drainage of the basement for underground structure construction, and intensify inspections on basement leakage and anti-floating and other related items. • Purchase engineering insurance for all construction sites under construction, covering flood disasters.

9.7 Climate Risks and Opportunities (Continued)

Climate Risk Response Strategies (Continued)

Material Physical Risk	Potential Business Impact	Management Strategies or Measures
Flood Climate change will aggravate the rise of water bodies in rivers and coastal areas, making floods and inundations more frequent	• The operations of shopping malls and other properties may be suspended • Buildings in low-lying areas will face increased risk of flooding • The cost of repairing or replacing damaged or broken assets will increase	• Property management: Strictly implement COCP's safety management and emergency measures, and make every effort to guard against flooding according to the existing procedures in case of flood warning, and purchase relevant insurance. • After flood recedes, quickly resume business operations and make insurance claims according to the existing procedures. • When reviewing project schedules, consider the possible impacts on the areas greatly affected by floods in advance.

Major Transition Risks	Potential Business Impact	Responsible units of risk management	Management Strategies or Measures
Energy structure and energy use Faced with climate change and rising demand for electricity, governments of various countries will take more aggressive actions to speed up low-carbon transformation of energy structure	• Adopting building design and construction materials that are energy-saving and involve renewable energy will increase costs • It is necessary to carry out energy-saving renovation for existing buildings and equipment, which increases costs.	• COCP	• Achieve real-time monitoring of energy data in public and leased areas by reconstructing the energy management systems of self-owned projects.

9.7 Climate Risks and Opportunities (Continued)

Climate Risk Response Strategies (Continued)

Major Transition Risks	Potential Business Impact	Responsible units of risk management	Management Strategies or Measures
Green building goals and standards According to national planning documents and the 2060 carbon neutrality goal, China is expected to put forward more aggressive goals for green buildings and building energy consumption.	• The investment in architectural design and technology development will increase. • The budget for green building certifications will increase.	• Design	• Formulate the Company's long-term goals for promoting green buildings, and gradually set annual goals based on national policies.
Technical requirements for green building Will be higher and higher in response to national carbon reduction targets and requirements, which will bring technical risks to the Group	• Extra investment is needed to develop green design technology and patents, which will increase the costs of R&D, design and construction. • Improving the environmental performance of existing buildings will increase costs and may face technical limitations.	• Design	• Establish an incentive mechanism to encourage projects to implement high-level and high-tech green building practices. • Sum up the practical experience in green buildings over the years, establish relevant SOPs, develop standard products, and achieve the goals of improving quality, reducing cost and increasing efficiency for green building construction.

Indicators and Targets

COLI attaches great importance to climate change mitigation and adaptation. We set targets for climate change, energy conservation, emission reduction and sustainable buildings in 2019. For details, please refer to the section "2023 Sustainability Targets" in this report.

In order to disclose COLI's achievements in addressing climate change more specifically, we have disclosed greenhouse gas emissions in Scopes 1, 2 and 3, as well as intensity indicators related to environmental performance in accordance with the Accounting Methods and Reporting Guidelines for Greenhouse Gas Emissions of Other Industrial Enterprises (Trial), the Average CO_2 Emission Factors of China's Regional Power Grids in 2011 and 2012, How to Prepare an ESG Report - Appendix 2: Reporting Guidance on Environmental KPIs issued by the Stock Exchange, and the GHG Protocol. In addition, we have also continued to disclose relevant quantitative indicators, including water resources, energy, land use and waste management, in accordance with the guidelines of the Stock Exchange, and the GRI. We will further report indicators related to climate change risk management in the section "List of Performance Indicators" herein.

9.7 Climate Risks and Opportunities (Continued)

Indicators and Targets (Continued)

During the year, COLI established target indicators and greenhouse gas emission reduction indicators in accordance with TCFD's proposed framework. Meanwhile, the Group also made reference to international indicators, including requirements of initiatives such as SBTi, RE100, EP100 and EV100, to set corresponding emission reduction targets. COLI plans to formulate the Climate Change Action Plan and Climate Adaptation Strategy for office building projects and sustainable development strategies for business departments, which will be carried out in 2023. By formulating targets related to climate change and reporting their progress, we can track target attainment regularly and update targets in a timely manner.

Next Steps

To enhance COLI's climate resilience continuously, the Group will step up its efforts and incorporate more intensively "climate change" risks and opportunities into the Company's business strategies and planning in the coming year, including the following:

- **Governance:** Report the above management results and risk assessment results to the Executive Committee and the Audit and Risk Management Committee at least once a year, and incorporate climate-related risks into their meeting mechanism and discussion agenda.

- **Risk management:** Based on the risk ranking results, select specific regions and/or risk categories to conduct climate change scenario analysis; according to the analysis results, improve the standards and guidelines for climate risk scoring tools, make the scoring more scientific and systematic, and better integrate climate risk scoring tools with the Company's risk management system and procedures.

- **Strategies:** Describe the material climate risks facing the Company and their impact on the Company's business and strategy, and formulate short-, medium- and long-term mitigation and adaptation strategies and measures.

- **Targets and indicators:** Continuously track existing targets, review their progress, and update ESG targets due soon/achieved ahead of schedule; in respect of the material climate change risks and/or opportunities identified by the Company, sort out relevant quantitative indicators, and set medium-and long-term targets related to decarbonisation and nearly zero emissions in line with China's "carbon neutrality" goal.

Good Effectiveness – Creating Shared Value

COLI upholds the corporate philosophy of "creating happiness and leading trends", and the business model of sustainable development. COLI not only focuses on economic value, but also caters for the long-term needs of employees, customers and stakeholders in communities to create shared value through business growth.

At COLI, we attach great importance to developing the capabilities of talents and improving our talent management system. In addition to continuously refining team diversity, performance evaluation and remuneration system, we remain committed to improving the working environment for employees, understanding the needs of our employees through satisfaction survey, and ensuring their health and well-being. Moreover, through a series of training activities, COLI has continuously improved the capabilities of employees and its ability to create value.

The efforts from and cooperation among all parties are of great help to the improvement of the sustainable development management system. To advocate ethical, social and environmental responsibilities and principles, we seek to strengthen anti-corruption awareness within the Company and among our business partners through codes, agreements, policies, systems and training, and prompt the management, employees and partners to adhere to the code of conduct with integrity and professionalism.

This section aligns with the following international goals and reporting indicators:

UN SDGs

HKEx ESG Guide

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

GRI Standards

2-23, 3-3, 205, 206, 401, 403, 404, 405, 406, 407, 414

Good Effectiveness – Key Areas of Progress in 2021

	Target	Achievements in 2021[6]	Overall Progress
Improve corporate governance	**Anti-corruption and unfair competition**		
	• 100% of the Company's management and employees sign the Work Integrity Responsibility Statement on a yearly basis	• Signing rate of the Work Integrity Responsibility Statement was 100%	***
	• Sign the Integrity Agreement with all partners (e.g. suppliers and contractors), check the corporate credit and integrity records of the partners during the procurement process, and keep the completion rate of signing and review at 100%	• Signing rate of the Integrity Agreement was 100%	***
	• Ensure that the coverage of integrity education and training reaches 100%	• In 2021, headquarters and companies at all levels carried out 319 integrity education (especially as warnings) and training activities, with a training coverage of 100%	***
	• Set up an official WeChat account for integrity publicity, and regularly push all relevant policies and cases of violation to all employees	• The official account Integrity E News was set up, with 12 cases pushed and over 5,000 views	**
	• As a member of the Enterprise Anti-Fraud Alliance, the Company continues to exchange information (list) on dishonest employees and dishonest entities with peers through the information sharing system	• In 2021, we held 5 business exchange activities, and shared the list of dishonest employees and suppliers with the Enterprise Anti-Fraud Alliance on an on-going basis	**
	Intellectual property protection		
	• Improve the intellectual property management system and provide internal training on intellectual property for employees	• Released the Intellectual Property Management System of COLI and improved the intellectual property management system • Enhanced intellectual property training, and formulated more than 3 special training plans for 2022 to offer intellectual property training to employees in key fields	***

N/A Not applicable　　* Target not yet achieved/yet to start　　** Progressing　　*** Achieved

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6　Achievements up to the end of 2021

Good Effectiveness – Key Areas of Progress in 2021 (Continued)

	Target	Achievements in 2021[6]	Overall Progress
Build effective teams	**Management and employee diversity**		
	• Maintain employee male-to-female ratio within 2.8:1 • Improve new employee male-to-female ratio	• Employee male-to-female ratio in 2021 was 2.36:1, lower than that of last year • Continued to improve the new employee male-to-female ratio towards 2:1	***
	Equal opportunity and anti-discrimination		
	• Set up a mechanism and indicators to review the implementation of equal pay for equal work for men and women and the fairness of promotion	• We aimed to achieve a male-to-female ratio not higher than 2.8:1 for permanent employees, and strived to provide equal opportunities. • During the review of our salary system conducted at least once a year, we reviewed the median salary of male and female employees at the same level and similar positions, in a bid to achieve equal pay for equal work • For the assessment and promotion of employees, public reporting and competitive employment were adopted to provide employees with equal opportunities for development	**
	Employee well-being		
	• Review the effectiveness of the share option incentive schemes on improving employee satisfaction, reducing turnover or raising work efficiency	• In conjunction with the "Professional Manager" system, we launched the share option incentive schemes in 2018, 2020 and 2021, granting approximately 107.32 million, 285.84 million and 7.13 million share options respectively to 404, 1,131 and 62 directors, senior management, core technical personnel and management, with an aim to motivate employees, boost their performance and retain excellent managerial talents. Up to 2021, the scheme covered a total of 1,597 participants, contributing to year-on-year improvements in satisfaction rate and voluntary resignation rate of the covered employees • We continuously carried out employee satisfaction survey. The survey score in 2021 was the same as the previous year. The Company strove to raise employees' satisfaction and happiness at work by improving system, welfare and management	**

N/A Not applicable   * Target not yet achieved/yet to start   ** Progressing   *** Achieved

Good Effectiveness – Key Areas of Progress in 2021 (Continued)

	Target	Achievements in 2021[6]	Overall Progress
Build effective teams	**Employee engagement and satisfaction**		
	• Maintain employee satisfaction and engagement scores at no less than 80	• Employee satisfaction score in 2021 was 85 • Employee engagement score in 2021 was 91	***
	• Keep voluntary resignation rate within 8%	• Voluntary resignation rate was 7.8%	***
	• Conduct employee satisfaction and engagement survey every year, formulate improvement plans and report on the results	• Completed employee satisfaction and engagement survey for the year, and formulated improvement plans based on the survey results	**
	Training and development		
	• Maintain training hours per employee no less than 75 hours per year	• Training hours per employee was 82 hours	***
	Occupational health and safety		
	• Aim to achieve zero work-related injuries and zero work-related fatality (covering employees of COLI and its contractors)	• Zero work-related fatality	***
	• Maintain 100% physical examination and supplementary medical insurance coverage for employees	• Coverage rates: both were 100%	***
	• Review and refine the Safety Management Handbook of COLI, implement the safety responsibility list of various functional departments for projects under construction, and strengthen the daily safety inspection and management and safety assessment	• The Safety Management Handbook of COLI was refined and officially released • 752 "safe and code-compliant" comprehensive assessments were carried out for conduct management and assessment. The total number of hours of safety-related training activities in 2021 was 2,500 • Morning assemblies were held on each project site on a daily basis to lay emphasis on safe production, through which safety education activities were carried out with 2 million attendances during the year	***

N/A Not applicable   * Target not yet achieved/yet to start   ** Progressing   *** Achieved

Good Effectiveness – Key Areas of Progress in 2021 (Continued)

	Target	Achievements in 2021[6]	Overall Progress
Build effective teams	**Labour relations and labour rights and interests**		
	• Regularly review the rules and systems and operations of trade unions and employee representative meetings as well as employee complaint channels	• Regular reviews were completed and no problems were found • Theoretical study and professional training were held with 552 attendances, through which trade union workers gained a better understanding of labour rights and standards, and their ability to implement trade union rules was strengthened. • During the year, our trade unions at all levels held 121 employee communication activities to hear from our employees • Based on our voting mechanism and members' opinions, the trade unions regularly carried out social activities and implemented the suggestions from employees	***
Promote cross-industry cooperation	**Environmental awareness improvement and capability enhancement**		
	Shopping malls, long-term rental apartments and overseas asset projects • Hold at least 3 community charity or promotional activities with the theme of environmental protection • Hold at least 2 community charity or promotional activities with the theme of community inclusiveness	• Completed more than 3 environmental protection and charity activities: Clean Beach Action in Hainan, Community Arbor Day, We & the Green Future Environmental Carnival, etc. • Completed more than 3 charity activities on community inclusiveness: thanksgiving activities jointly held with Tang Mama Charity Centre as the platform, and "Yourui Home" activities jointly held with the government and enterprises	***

N/A Not applicable   * Target not yet achieved/yet to start   ** Progressing   *** Achieved

Good Effectiveness – Key Areas of Progress in 2021 (Continued)

	Target	Achievements in 2021[6]	Overall Progress
Promote cross-industry cooperation	**Environmental awareness improvement and capability enhancement**		
	Innovative projects • Hold activities to promote sustainable lifestyle to 20,000 households by 2030 • Develop an environmental curriculum system and promote to 100% education projects by 2030	• Taking advantage of the locations of healthcare projects, publicity of environmental protection was carried out via community fences, stairs and billboards of the projects, covering approximately 3,000 households in communities. • Completed the teaching and promotion of relevant environmental protection courses for all projects	**
	Commercial projects • Commercial projects obtain the ISO14001 certification in 2022	• The commercial project of COLI International Center in Chengdu obtained the ISO14001 environmental quality system certification	***
	• Offer development-related environmental protection training to project development teams, contractors and suppliers to raise environmental protection awareness	• Conducted over 20 environment related training, covering 100% engineering employees	***
	Industry exchange, cooperation and innovation		
	• Respond to climate change-related initiatives, including participating in external communications, training sessions or meetings	• Hosted the forums of International Green Expo and Connectivity Conference, enhanced the influence of the Company's future green and healthy products industry, and strengthened the Company's production, study, research and application. Joined hands with Beijing Building Materials Testing Academy Co., Ltd. to launch several rounds of activities related to green procurement and green supply chain, and recommended upstream units to carry out green production and use green building materials.	***
	• Strengthen collaboration with first-class technology companies locally and overseas	• Cooperated with 5 leading building materials testing and research institutes in China by the end of 2021	***

N/A Not applicable   * Target not yet achieved/yet to start   ** Progressing   *** Achieved

10.1 Policies and Guidelines

The Board Diversity Policy of COLI stipulates that the selection of candidates must be based on a range of diversity indicators, including but not limited to gender, age, educational background, professional experience, knowledge, culture and term of service, and the final appointment decisions must be made based on the candidates' merits and potential contributions to the Board.

Based on the basic principles of the United Nations Global Compact, the Labour Rights and Occupational Safety and Health Policy of COLI covers the labour standards advocated in the ILO Declaration on Fundamental Principles and Rights at Work. The policy defines safety management principles and duties of COLI's teams, governs the headquarters and subsidiaries of COLI, and is strictly observed at work premises owned and directly operated by COLI to protect the rights and interests of workers in such premises. The policy also applies to our business partners such as suppliers, contractors, sub-contractors and property management companies, as well as joint ventures and associated companies or strategic partners that carry out business with the Company. COLI pays attention to policies and precautions of its business partners on human rights and labour rights. Related issues are covered in the Corporate Code of Conduct and the Supplier Code of Conduct.

The Administrative Measures for the Personnel Appointment of China Overseas Land & Investment Ltd. defines the employment criteria for the headquarters and subsidiaries; and the Training Guide of COLI provides a clearer guideline on training rights and duties and management efforts. Our trade union operates in accordance with the Measures for the Management of Reception and Expense of Funds of COLI.

During the year, COLI reviewed the existing systems including the Safety Management Handbook of COLI (2020 Edition), which sets forth the safety management framework, responsibilities, management and training requirements at various departments and levels, as well as the safety management regulations and guidelines for construction units to achieve standard safety management of projects under construction and operation.

COLI's Corporate Code of Conduct defines the standards of acceptable conduct that all directors, management and employees of the Company and its subsidiaries and branches are required to comply with. With reference to the Corporate Code of Conduct, we formulated the Supplier Code of Conduct to encourage suppliers, contractors, sub-contractors and property management companies to act in line with COLI's principles.

Based on COLI's Guide on Work Position Risk Prevention and the "risk identification and prevention form", we sum up potential risks at work positions across local and regional companies to identify integrity risk, procedural risk and efficiency risk and develop the corresponding conduct guidelines and preventive measures.

We also updated the business dealing guidelines in the Code of Professional Conduct for COLI Employees, including guiding employees how to reject, disclose or report banquets, entertainments, commissions, kickbacks, gratuities, gifts and other benefits provided by business partners.

The Administrative Measures for COLI Integrity Construction Responsibility System defines the duties of the management in promoting duty hierarchy and assessing integrity performance.

The Measures for Handling Disciplinary Inspection and Supervision Cases defines the standards for whistle-blowing, investigating and handling corrupt practices.

10.2 COLI's Leading Culture: Leading the Tide

In addition to the corporate philosophy of "creating happiness and leading trends", COLI embraces the corporate culture of "leading", which means constantly surpassing limits, leading industry trends, and dauntlessly breaking new ground. Against a backdrop of the pandemic, the declining economic growth, the increasingly complex environment and tightening industrial policies, COLI is in a historical turning period with both challenges and opportunities. We carry forward the excellent tradition of COLI formed in the past 42 years and actively develop the "leading" culture. In terms of talent selection and recruitment, COLI adheres to the talent concept of "where strivers come together and receive recognition for good work", implements a comprehensive performance management system, and measures the efforts and value created by each employee in an open, impartial and fair manner. COLI won the "2021 China Talent Management Excellence Model Award" during the year, a recognition of the market on COLI's achievements in employer brand, talent development and talent management.

10.3 Diversity and Inclusiveness

COLI treats job applicants equally in recruitment without discrimination due to gender, age, family status, disability, race, religious belief and other factors. COLI also attaches importance to the diversity of talents and selects talents of both genders and with different cultural and professional backgrounds. We believe that the diversified background will fuel the Company's business innovation and create more possibilities. Based on system improvement and culture building, COLI systematically balances the common development demands of the Company and employees, encourages employees to align their personal pursuit with the long-term development of the Company, and develops a simple, transparent, and uplifting working atmosphere.

Guided by an inclusive and people-oriented human resource strategy, COLI establishes and operates the human resource brands of "Sons of the Sea" and "Sea's Recruits", selects and recruits talents from colleges and universities and social elites, and builds a systematic talent training mechanism to provide talents for the sustainable development of the Company. We recruit and manage talents based on integrity, ability, merits, performance and public recognition.

10.3 Diversity and Inclusiveness (Continued)
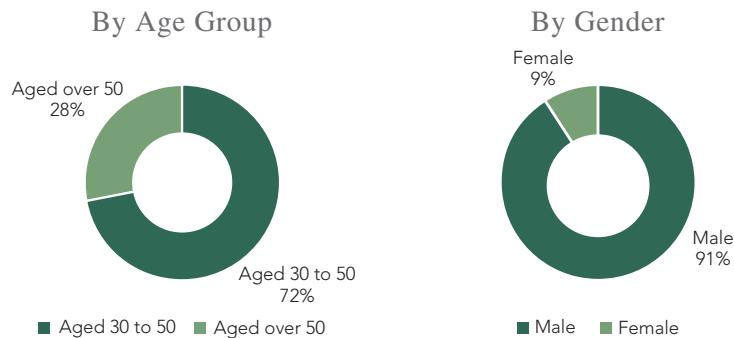
Board Diversity

The diversity of the Board composition can bring thoughts and insights to the decision-making process, and enhance governance efficiency of the business. The Nomination Committee of the Board is responsible for monitoring the implementation of the policy and reviewing the structure and policies of the Board and the procedures for appointment, election and removal of directors (including selection and recommendation criteria) in due course, so as to ensure that corporate governance of COLI is in line with industry trends and requirements.

We closely monitor the diversity indicator for senior management (i.e. persons at general manager level or above, including directors). Up to 31 December 2021, there were nine directors in the Company including three independent non-executive directors, one of whom was female, which represented 11.1% of the members of the Board.

Details of the composition of senior management in 2021 are as follows:

Total number of senior management: 58

By Age Group

Aged over 50
28%

Aged 30 to 50
72%

■ Aged 30 to 50 ■ Aged over 50

By Gender

Female
9%

Male
91%

■ Male ■ Female
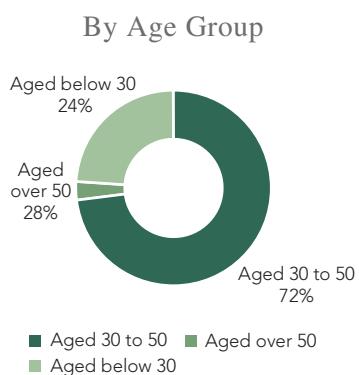
10.3 Diversity and Inclusiveness (Continued)

Talent Diversity

According to the quantitative target for gender diversity of employees set in 2019, COLI will maintain an employee male-to-female ratio at not higher than 2.8:1 from 2019 to 2023, while seeking to improve the new employee male-to-female ratio towards 2:1. In 2021, we had a total of 5,692 employees. The employee male-to-female ratio during the year was 2.36:1, and that of new employees was 2.23:1, lower than those of last year and one step closer to the ideal ratio.

Employee Composition

By Age Group

Aged below 30
24%

Aged over 50
28%

Aged 30 to 50
72%

■ Aged 30 to 50 ■ Aged over 50
■ Aged below 30

By Gender

Female
30%

Male
70%

■ Male ■ Female

By Region

Hong Kong, Macau and overseas
2%

Mainland China
98%

■ Mainland China
■ Hong Kong, Macau and overseas

New Employee Composition

By Gender

Female
31%

Male
69%

■ Male ■ Female

New Employees by Professional Background

New Employees by Professional Background bar chart. No. of employees. Engineering ~4, Others ~2, Economics ~3, Management ~4, Literature ~3, Science ~4, Law ~5.

10.3 Diversity and Inclusiveness (Continued)

Talent Diversity (Continued)

COLI provides candidates and employees with equal and diversified job and promotion opportunities, aiming to foster healthy competition and fair development of talents. We embrace all kinds of talents, make good use of the campus recruitment brand "Sons of the Sea" to speed up internal training, and continue to improve the social recruitment brand "Sea's Recruits", so as to seek and gather high-end talents from all over the world. COLI has been awarded "China's Best Employer" for 14 consecutive years. During the year, COLI continued to expand its recruitment channels through three brands namely "Sons of the Sea", "Sea's Recruits" and "Stars of the Sea". We designed a training plan meeting the development needs of fresh graduates and people with work experience, so as to enhance diversity and capability of talents to fuel our future development. Meanwhile, COLI has unblocked diversified career development channels and separated posts, positions and levels. We lay emphasis on division of labour, choose the most suitable employee for each post, and allow talents to flow horizontally which provides a platform and channel for market-oriented employment.

"Sons of the Sea" Scheme

"Sons of the Sea" is COLI's strategic talent scheme designed to recruit fresh graduates for property development and business management positions, and cultivate them into COLI's management talents through a training and development plan across our six segments. We are an industry leader in establishing a systematic human resource management value chain for college students, a quality talent group. As the core component of the Company's talent strategy, "Sons of the Sea" has been leading the trend of talent development in the industry with its branded, large-scale recruitment and systematic training and management.

Sons of the Sea Study Scheme

- We held study camps and recruited students in 29 target colleges and universities in 15 cities for participants to be acquainted with the career orientation and corporate culture of COLI

Sons of the Sea Internship Scheme

- College students participating in the study camp can be assigned to regional subsidiaries for summer internship

Sons of the Sea Recruitment Scheme

- 12 domestic recruiting stations and 1 overseas online station were set up for recruitment, covering top universities at home and abroad. During the year, certain recruiting stations conducted publicity and interviews online in view of the pandemic

Sons of the Sea Training Scheme

- We closely track the growth of "Sons of the Sea" in their first three years of employment, and appoint assistant general managers or higher-level management professionals as mentors to share their knowledge and experience through intensive training, job rotation and roundtable forums

Sons of the Sea Pilot Training Scheme

- We explained COLI's corporate culture, talent philosophy and strategy, career path and talent development mechanism to newly recruited "Sons of the Sea" through various occasions

Sons of the Sea Experience Scheme

- Candidates of "Sons of the Sea" were Invited to visit the Company and COLI projects and communicate with previous candidates

10.3 Diversity and Inclusiveness (Continued)

Talent Diversity (Continued)

"COLI Sea's Recruits" Scheme

During the year, COLI continued with the "COLI Sea's Recruits" scheme which is the Company's employer brand for people with work experience and a recruitment platform for experienced professionals. "Sea's Recruits" is designed to recruit and offer special training to professionals with at least two years' work experience, constituting an important part of the Company's human resources team. The special training during the year, covering topics such as corporate history, major project progress, finance and human resource management, allowed new employees to quickly understand business operation of the Company.

"Stars of the Sea" Scheme

To meet talent needs from our four business lines of sales, commerce, education and elderly care, we continue with the "Stars of the Sea" scheme which is designed to recruit outstanding fresh graduates for introducing potential talents and provide them with professional training. During the year, "Stars of the Sea" campus recruitment events covered over 50 undergraduate colleges and universities in over 40 cities across China, bringing in over 400 talents to the Company.

The "Stars of the Sea" provides employment opportunities for graduates with different majors. During the year, our training events including outdoor development training, themed activities, special training and progress report helped new members quickly assimilate into COLI for rapid growth.

Talent Training

To fuel our two innovative business lines of elderly care and education, we continued to implement the elderly care talent introduction scheme, recruiting famous teachers from renowned universities in various provinces and cities through the "Sea's Recruits – Famous Teachers Scheme" as well as outstanding graduates from prestigious teachers' college through the "Stars of the Sea" scheme.
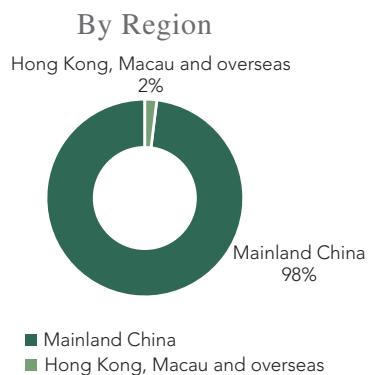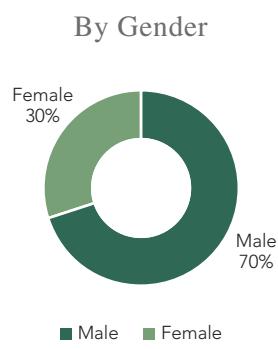
10.3 Diversity and Inclusiveness (Continued)

Human Rights and Labour Rights

We are committed to monitoring and strengthening partners' protection of human rights and labour rights throughout the real estate development cycle. In the process of procurement and cooperation with suppliers, COLI adopts initiatives including annual performance evaluation and production site visits to review whether the employees of partners receive reasonable compensation, as well as their labour management, wage payment, code-compliant and safe construction work plan, in order to evaluate human right risks in our supply chain and ensure that appropriate protection measures for labour rights and interests are implemented by our business partners.

The general terms and conditions of our tender documents also require contractors to comply with the laws and regulations on labour rights and interests, including determining the working hours, work conditions and wages of their employees and purchasing accident insurance for their construction workers. In the event of wage arrears or other labour disputes, COLI will require the contractor concerned to follow up th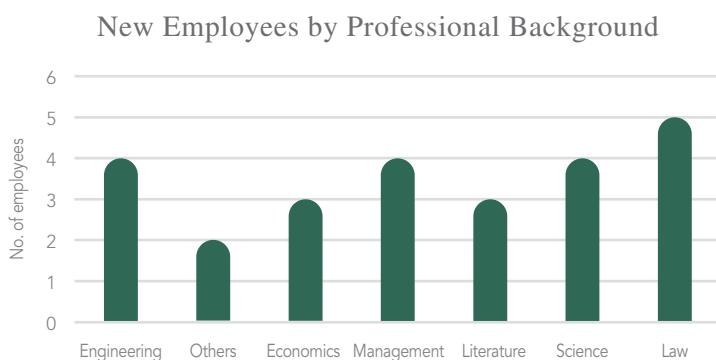e issues within a time limit. In the event of serious cases, we may disqualify the contractor or even stop paying the project funds. During the year, no contractors were disqualified due to their violation of relevant regulations.

In the future, COLI will explore the possibility of carrying out human right risk investigation and evaluation procedures, and more comprehensively evaluate the effectiveness of human right and labour right measures across its business and value chain.

Freedom of Assembly and Association

COLI values the opinions of employees and actively builds a communication channel with front-line employees. To this end, we established the trade union at COLI's headquarters in 2019. All of our 83 subsidiaries have set up trade unions covering all the cities where our business operates, and all employees are trade union members.

It is our major task to safeguard the rights and interests of employees and boost democratic management. During the year, the Company's Party committee and the trade union office worked together to review the rules and systems and operation of trade unions and employee representative meetings of companies at all levels, and no problems were found. We set up employee appeal channels on our intranet, China Overseas Channel and other platforms to timely understand and solve the reasonable demands of employees.

During the year, our trade unions at all levels held 121 employee communication activities to hear from our employees. Based on our voting mechanism and members' opinions, the trade unions regularly carry out social activities and workplace improvement measures, and make arrangements for local employees to participate in community and charity activities from time to time. During the year, we held five cadre training courses, with a total of 552 attendances in the study of advanced theory and business knowledge. Through theoretical study and professional training, trade union workers gained better understanding of labour rights and standards, and their ability to implement trade union rules and carry out business was strengthened.
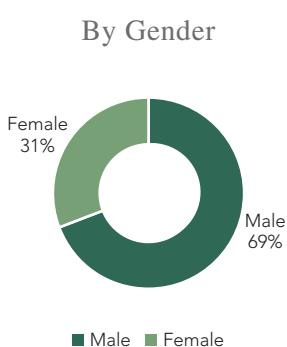
10.3 Diversity and Inclusiveness (Continued)

Human Rights and Labour Rights (Continued)

Equal Pay

COLI's employee remuneration policy follows the principle of equal pay for equal work for men and women, and the remuneration does not vary with gender and other factors unrelated to work experience and performance. We assess performance of employees by unified standards through the performance review system to ensure that employees will not be treated unfairly due to their gender.

During the year, COLI continued to calculate male-to-female ratios in four perspectives, namely salary of executive officers, salary of managers, remuneration (salary and bonus) of managers, and salary of non-managerial employees. During the year, 8.6% of the senior management were female. In the future, we will continue to track, compare and explore these indicators on a yearly basis.

Employee Pandemic Prevention

As trade unions are the mainstay in pandemic prevention, COLI continued to safeguard the rights and interests of employees and distributed anti-pandemic materials amounting to approximately RMB1.9 million. To deal with local outbreaks of pandemic and meet the needs of employees, we conducted more than 400 nucleic acid tests and specially provided vaccinations, with a total of more than 27,000 participants and an employee vaccination rate of 91%.

10.4 Training and Development

82 hours	100%	2,500+	80,000+
Overall average training hours	of employees received training	training activities	attendances in training

Continuous Training and Career Development

During the year, our training efforts had the themes of "focusing on specific situation, strengthening capability and enhancing expertise". Based on the problems found in the process of business development and guided by value creation, we focused on the weaknesses of talents and trained them to boost the Company's business development. We launched talent recruitment and development plans by four series namely "Set sail", "Sailor", "Voyage" and "Headsail" to offer training to respective targets requiring different leadership ability.

Key Training Activities in the Year

"Big shots coming!"	"Team Workshop II"	"Case Study"
The "Big shots coming!" activity invited external celebrities and heavyweight guests to deliver training activities, share cutting-edge views on the industry and broaden the vision of employees. During the year, four phases were conducted with over 2,000 participants.	Our "Team Workshop II" is designed to improve the knowledge and ability of project teams at middle and primary levels and the building of talent teams for project development. During the year, 11 phases were conducted with approximately 3,600 participants and an average satisfaction of 9.86 points.	The "Case Study" platform extracts practical cases of high-performing employees in project and business management for study and progress. During the year, two phases were conducted with approximately 500 participants.

10.4 Training and Development (Continued)

Training Highlights in 2021

175 activities
of project management experience sharing

212 hours
of anti-corruption training to employees and the Board

2,000 hours
of training on personal skills in the workplace

203
training sessions on product R&D, planning and design

3,000 hours
of sustainable development training

2,500 hours
of occupational safety and health training

Training on Environmental, Social and Governance Topics

	Corporate Governance	Good Products	Good Services	Good Effectiveness
All employees (including senior management of the Company)	• Corporate risk management • Anti-corruption policy • Employee Code of Conduct • Integrity education • Corporate management solution • Senior officers media	• Corporate communication practices in the 5G era	• Market consumption and trends • Media communication training	• Training on personal skills in the workplace, e.g. speaking and presentation skills
Specific functions	• The latest requirements of laws and regulations • Compliance training on listed companies	• Intelligent technology-driven transformation in real estate industry • Product R&D, planning and design • Sharing of project management experience	• Service model amid COVID-19 • Calibrated customer pool and marketing	• Human resource system • Practices of building high-performing teams • Employee relationship management • Financial management

10.4 Training and Development (Continued)

Performance Management

COLI has in place a well-established personal performance management system for employees which reflects the Company's "leading" corporate culture. Our employee performance management includes Plan, Do, Check, and Act (PDCA) and covers all management, administration, professionals, and sales (MAPS) ranks. The Company conducts performance evaluation twice a year based on the work-related KPIs set at the beginning of the year, and sorts evaluation results into five performance grades according to mandatory ratios, namely A (far exceeding expectation), B+ (exceeding expectation), B (meeting expectation), B- (meeting basic expectation), and C (below expectation), with each having standard descriptions for evaluating employees' performance. In 2021, COLI's performance management system covered 100% of its employees.

We publicly evaluated the annual contribution and performance level of employees at performance evaluation meetings to ensure that the evaluation results are objective, impartial and fair. We enhanced performance feedback and application, and revealed the evaluation results right in front of our employees to boost their continuous progress. A small number of employees who did not study or make progress with a weak sense of responsibility and poor performance were forced out. Meanwhile, performance is linked with remuneration adjustment, bonus distribution, and promotion. Evaluation results are used as an important reference for employees' remuneration, position and career development. By constantly enhancing our workforce through cultivating a performance-driven culture, we aim at establishing a working environment with healthy competition and enhancing the overall performance of the team.

Components of Performance Evaluation at the Institutional Level

Key Performance Indicators (KPIs)
- Quantitative evaluation indicators for duty and business performance of departments

Key Results (KRs)
- Evaluate the completion of key results (KRs) such as compliance, standard management practices, and management innovation

Team Management (TEAM)
- Evaluate team management capabilities in talent retention and development, based on benchmarking learning, regretted attrition rate and business line satisfaction (i.e. the satisfaction evaluation by other departments)

"Stars of the Sea" Assessment System
- Evaluate the implementation of rules and work plans in management process; assessment outcomes are divided into positive and negative, and can be translated into bonuses or penalties

10.4 Training and Development (Continued)

Performance Management (Continued)

"Professional Manager" and Share Option Incentive Scheme

COLI became a pilot unit of the "Professional Manager" system of China State Construction Engineering Corporation in 2018. The system covers a series of talent management measures targeting our managers in terms of eligibility, performance evaluation, remuneration and incentives, and keeping only the best to strengthen value creation ability of our management team. Up to this year, the "Professional Manager" system of COLI has covered the management personnel at the level of assistant general manager or above. Meanwhile, COLI adopts a performance evaluation system for professional managers with COLI's characteristics, pursuant to which responsibilities and performance indicators are set in agreements for professional managers who are ranked forcedly on a loser-out basis. On the one hand, COLI pays attention to strategic orientation, establishes a complete set of indicator system, flexibly links the Company's institutional objectives to individual KPIs, and formulates the objective responsibility statement for each position. On the other hand, senior executives of the listed company are ranked according to their performance. The number of managers who get a B- (basically competent) must account for no less than 10%. Managers who get a C (incompetent) or a B- for two consecutive years will be removed from their posts. Thus, a mechanism in which assessments are conducted at all levels and responsibilities are rested on all levels can be achieved.

In conjunction with the "Professional Manager" system, COLI launched the share option incentive schemes in 2018, 2020 and 2021, granting approximately 107.32 million, 285.84 million and 7.13 million share options respectively to 404, 1,131 and 62 directors, senior management, core technical personnel and management, with an aim to motivate employees, boost their performance and retain excellent managerial talents. Up to 2021, the scheme covered a total of 1,597 participants, contributing to year-on-year improvements in satisfaction rate and voluntary resignation rate of the covered employees.

Results of the Scheme up to 2021

Total employees covered	Employee satisfaction score	Voluntary resignation rate
1,597	85	7.8%

10.5 Employee Engagement

Over the years, COLI has been committed to promoting communication with employees through establishing different channels, and it has encouraged the management to maintain communications with employees to enhance team cohesion towards the aligned development goals.

Employee Satisfaction Survey

To better understand employees' expectations for their work and for the Company, COLI engages third-party institutions to conduct employee satisfaction and engagement surveys every year. We believe that timely adjustment of COLI's talent management and development strategy is conducive to building an efficient team. The 2021 employee engagement and satisfaction survey contained a total of 63 questions concerning engagement and satisfaction. The survey results showed that COLI's employees scored 91 in engagement and 85 in satisfaction. According to the Group's calculation, the voluntary resignation rate was 7.8%. The above statistics met the goals we set, and employee satisfaction improved significantly compared with that of previous years.

Subsequently, the Group prepared an analysis report on the engagement and satisfaction of COLI's employees according to the survey results, which was used to present the Company's overall engagement, satisfaction and key aspects of management to be improved. The Group also prepared more than 70 documents containing regional data after analysis and summary, which were sent to regional companies and professional companies, so that each company could make improvement and conduct self-examination in respect of management on this basis. In addition, 34 regional companies and professional companies conducted analysis on items with low scores and items that need to be improved according to their engagement and satisfaction scores to formulate specific and independent management improvement plans.

Employee Engagement

Year	Score
2018	88
2019	83
2020	84
2021	91

Target: 80

Employee Satisfaction

Year	Score
2018	83
2019	83
2020	85
2021	85

Target: 80

10.5 Employee Engagement (Continued)

Communication Platforms and Team Building

On a people-oriented basis, COLI is committed to creating a harmonious working atmosphere. The results of employee satisfaction survey as a reference are of high value to team building, from which we can understand and meet the needs of employees and the future development trend of the Company, and effectively formulate policies such as team building, cultural publicity and welfare system improvement. After the satisfaction survey and analysis during the year, all regional companies held internal and external, online and offline training activities such as "Young Employee Symposium", "Cutting-Edge Forum on Three-Year 'Sons of the Sea' Scheme", "Team Workshop (Series Training)" and "Book Reading Plan" based on the analysis results to encourage employees to use the resources provided by the Company to learn, develop and improve working skills. By setting up a "Meritorious Medal System", holding "Electronic Meritorious Medal Award", "Birthday Party", "Annual Recognition Ceremony of Excellent 'Stars of the Sea'" and other activities, the Group aimed to enhance the emotional connection between employees and the Company, rewarded and supported excellent employees and stimulated employees' enthusiasm. In addition, COLI also set up "Rational Suggestion Mailbox", "General Manager Symposium" and "Democratic Life Meeting" to provide employees with feedback channels, listen to employees' voices and promote two-way communication within the team.

To create a harmonious working atmosphere for employees, more than 600 activities were held to care for employees during the year, with a total expenditure of approximately RMB3.5 million. Activities of trade union groups and interest groups were encouraged to ensure that there were activities every week and surprises every month for employees. We enhanced the education for female workers and held a series of themed activities such as "Dedication to Work and Society" and "Women's Health". Team building activities were hosted on a regular basis to strengthen the interaction and communication between employees and improve team cohesion and employees' vitality. In addition, COLI actively implements the principle of "serving the people in a down-to-earth manner" and creates a harmonious working atmosphere for employees.

We regard employees as important members of the Company, so we update employees on the Company's policies and development strategies through regular channels such as OA intranet system-based work meetings, regular meetings and the "China Overseas" magazine. Our trade unions also hold activities and provide communication channels for employees to facilitate communication between them and provide feedback to the Company. For details, please refer to the section "Human Rights and Labour Rights" in this report.

10.6 Health and Safety

The safety, health and well-being of employees and business partners are the top priorities of COLI. Construction sites, operating projects and workplaces of the supply chain are also the focus of our occupational safety and health management. We also constantly communicate with suppliers, contractors, subcontractors, property management companies and other business partners and put forward requirements related to occupational safety and health. During the year, the COVID-19 pandemic spread all over the country. Under the severe situation, we responded promptly and implemented a series of guidelines and measures to help prevent and control the pandemic, in order to ensure the health and safety of our employees at all times.

Employee Safety, Health and Well-being

COLI strives to provide excellent employee welfare and adopts family-friendly measures. We adopt flexible working hours for pregnant and nursing employees, more maternity and paternity leave than statutory requirements for employees, and physical examination aid for employees and their children.

Under strict and high occupational safety and health standards, our teams seek to identify potential occupational safety and health risks in the workplace, strive to provide and maintain a harmless working environment, and ensure that the employees understand and effectively follow safety work procedures while working.

We also attach great importance to employee medical benefits. Employees enjoy a set of health and safety guarantees provided by COLI, including 100% coverage of physical examination and supplementary medical insurance scheme. To better safeguard the health of employees, we launched the "521 Health Management Assurance" covering medical green channel, serious illness support, medical examination, medical insurance, online consultation and post-operative care, and EAP online psychological care plan in 2021 to take good care of employees' health.

10.6 Health and Safety (Continued)

Employee Safety, Health and Well-being (Continued)

"Employee Health 521" Management Plan

In 2021, the "Employee Health 521" management plan was carried out to care for employees from five aspects: online consultation, expert outpatient service, physical examination, green channel for serious diseases and post-operative care. Employees were provided with two benefits, i.e. supplementary medical insurance and psychological care. A health management port on the Company's online office platform was opened to provide convenient health services for employees. The project covers all employees in more than 80 cities of COLI. Moreover, 6 health and psychological activities were carried out during the year with more than 8,000 participants.

Fighting the Epidemic with Concerted Efforts

During the severe period of the COVID-19 pandemic, we strove to come up with and implement a series of safety guidelines and measures to ensure sufficient efforts in pandemic prevention and control and the health of employees.

During the severe period of the pandemic, COLI executed an array of pandemic prevention measures and issued coronavirus prevention guidelines at various premises, striving to sustain business continuity while reducing the concentration of personnel and the risk of virus transmission and ensuring safety and health of our employees, business partners and even customers:

- COLI: Pandemic Prevention Guidelines for Office Buildings, Pandemic Prevention Guidelines for Sales Sites, Pandemic Prevention Guidelines for Business Partners, Pandemic Prevention Management Measures, Three-level Contingency Plan, etc.
- COCP: Notice on COVID-19 Prevention and Control Measures and the counter-measure guidelines for commercial projects
- Universal Commercial Property: Work Arrangement Requirements on Preventing "Imported Coronavirus" for shopping malls projects

Apart from issuing coronavirus prevention guidelines to the premises, COLI also established pandemic control workgroups for each project, primarily responsible for supervising pandemic prevention (health management) and formulating work plans and contingency plans. We divided project sites into different areas, e.g. office area, living area, construction area and quarantined observation area, required workers to carry out temperature check and health registration before work, and formulated 24-hour flexible work system. COLI also actively communicated with employees in charge of project operation and tenants through WeChat, email and other platforms to circulate pandemic information and safety reminders, so as to protect the health and safety of our employees and tenants.

10.6 Health and Safety (Continued)

Key Pandemic Prevention Measures of COLI

Institutional Support

- Set up emergency response teams
- Appoint persons in charge of special prevention and control measures
- Appoint discipline inspection officers to check employee health information

Work Arrangement

- Flexible work system
- Work from home
- Flexible shifts and schedules
- Switch daily work and training activities to online channels e.g. China Overseas Channel, email, WeChat, telephone and video conference

Health Tracking

- Submit personal health information to "China Overseas Channel"
- Check temperature of employees twice a day
- Equip each project team with infrared thermometer, protective clothing and disinfectants

Sanitation

- Regular disinfection at office and project areas
- Suspend dining at staff canteen, and implement dining on a distributed basis

Strengthened Communications

- Promote pandemic prevention and control updates through our WeChat official account
- Issue recommendations on preventing disease transmission to customers
- Distribute disease knowledge brochures
- Promote pandemic prevention knowledge at project level

Safe Construction and Operation

With respect to safe production management, COLI attaches great importance to and vigorously prevents the potential risks in large machinery and equipment and foundation pit support. COLI is one of the first real estate developers to carry out the special management of foundation pit support. It has established an industry-leading review system for foundation pit support solutions, with standard review process and differentiated management mechanism. The headquarters is fully responsible for the review of complex foundation pit design, and manages the foundation pit construction process in a quantitative manner through the standard evaluation of third-party professional companies to eliminate potential hazards in an all-round way. In terms of managing large machinery and equipment, overdue equipment is strictly limited, and all machinery and equipment of projects under construction are tested twice a year. Equipment with potential risks is prohibited once identified until the risks are eliminated.

COLI has strict requirements and management on safe production. Each area, regional company and project department is required to complete the safe production responsibility statement and annual work plan, and determine action plans and work standards for training, supervision, emergency drill, system construction, hazard source identification, health management, etc. Targets and duties of construction units are also defined through contracts and agreements. Furthermore, we carefully identify and record all major hazards in projects, formulate the Control Measures for Major Hazards, and require the project department to submit the Special Scheme for Construction Safety and the Safety Management System specific to the project before the project starts.

10.6 Health and Safety (Continued)

Safe Construction and Operation (Continued)

During the year, to ensure compliance of projects with the Safety Inspection Standards for Building Construction (JGJ59-2011), we established a "safe and code-compliant" comprehensive assessment mechanism, applied it for 752 times, and conducted 3 random inspections on regional project sites within the Group, covering 263 project under construction. We also checked safety equipment, building materials, electricity consumption, fire safety management and other inspection items of business partners, and determined the score weight of the assessment mechanism according to safety risk of projects. We assessed occupational safety risk of construction sites with quantitative criteria, and systematically recorded the data in the Assessment Form for Qualified Rate of On-site Safe and Civil Construction.

In addition, to make a comprehensive and impartial assessment, the Company also engages a professional third-party agency to conduct safety risk assessment quarterly to ensure that 100% projects under construction are compliant with relevant safety management regulations of the Ministry of Housing and Urban-Rural Development of the People's Republic of China. Once violations are identified, we will issue the Rectification Notice on Safety Hazards to follow up the implementation progress of rectification measures. We may issue risk warnings to or impose penalty points on relevant units, and require them to suspend construction in serious case. After years of continuous assessment, the assessment agency believes that the risks arising from human factors in the construction process of COLI's projects are basically defused.

In order to maintain the Company's standards in the qualification and training of safe production management, we require the project department of each construction unit to have a safety director and an appointed safety officer in place, provide all construction workers with safety education and conduct training and assessment once a year. A total of 2,500 hours of safety-related training were provided in 2021. In addition to technical training specific to the project construction stage, the Company also stipulates according to the Safety Production Management Manual that units at all levels must require posts at all levels to carry out safety management and arrange safety management personnel in all regions. In order to further improve the safety awareness of employees, morning assemblies are held on each project site on a daily basis to draw attention to safe production. During the year, safety education activities were carried out with 2 million attendances to ensure the smooth progress of safe production throughout the year. Furthermore, the Company also held safety education and advocacy activities from time to time, such as the special training on large high-risk equipment at Jinan Company and the special training on foundation pit support safety and detection engineering at Shenzhen Company during the year. To establish a sound occupational safety and health management system, we also encourage contractors and sub-contractors to obtain third-party quality and safety management system certification (such as ISO 9001, ISO 14000 and OHSAS 18000). In 2021, the Company's projects under construction and commercial projects maintained zero work-related fatality.

10.6 Health and Safety (Continued)

COLI's Organizational Structure and Duties for Safe Production Management

Headquarters level
- Safe Production Supervision and Management Committee
- Project Management Department of the Headquarters

Area, region, project and subsidiary levels
- Safe Production Supervision and Management Teams

Institution	Major Duties	Top-level Person in Charge
Safe Production Supervision and Management Committee	The Company's top decision-making body for safety management, responsible for: • Determining major policies, standards and systems • Determining regional annual safety assessment indicators • Deploying safe production efforts, including organisation of assessment and evaluation	General Manager of the Company
Project Management Department of the Headquarters	The safe production supervision department at the headquarters, responsible for: • Developing rules and systems, operating procedures, emergency rescue plan, etc. • Developing medium and long term development plans and work targets • Conducting safety assessments and inspections • Conducting safety education, training and excellence-creating activities	Safety Director, i.e. functional chief of the Project Management Department

10.6 Health and Safety (Continued)

Institution	Major Duties	Top-level Person in Charge
Safe Production Supervision and Management Teams	Setting up teams at areas, regions, projects and subsidiaries, responsible for: • Studying and proposing major policies, standards and systems on safety management • Carrying out safety assessment and evaluation • Strengthening the production supervision and management system and coordinating to solve problems concerned • Establishing group work system, scope of duties, meeting rules, etc.	Regional general managers, general managers of regional companies, project directors
Other Functional Departments of the Headquarters	• Each functional department is responsible for safe production of the business within its jurisdiction • The scope of duties includes: emergency response, public opinion monitoring, training and education, education on special safety officers and safety engineers, land safety factor and risk assessment, etc.	14 functional departments

With regard to operation projects, regional companies must comply with the requirements of COLI to ensure that the operating conditions of their tenants, suppliers, service providers and other stakeholders concerned are in compliance with relevant standards on occupational safety and health, and record in detail the investigation findings in the Investigation Form on Work Conditions of Tenants, Suppliers and Service Providers. We also record work injuries of tenants, suppliers and services providers through the Health Records of Tenants, Suppliers and Service Providers, require and support them to take corrective measures with reference to relevant regulations.

In 2021, the Company's projects under construction and commercial projects maintained zero work-related injury and work-related fatality with no lost days due to work-related injury.

10.7 Business Ethics and Integrity

The efforts from and cooperation among all parties are of great help to the improvement of the sustainable development management system. To advocate ethical, social and environmental responsibilities and principles, we expect that the management, employees and partners adhere to the code of conduct with integrity and professionalism. Meanwhile, we seek to strengthen anti-corruption awareness within the Company and among our business partners through codes, agreements, policies, systems and training.

Defining Code of Conduct

COLI requires all employees to sign the Work Integrity Responsibility Statement every year. All tenderees and bidders including suppliers and general contractors are required to sign the Integrity Agreement and commit to comply with our anti-corruption policies. Employees in serious violation of the code will be dismissed, while business partners violating the Integrity Agreement may be warned, fined or disqualified from bidding and cooperation.

100%
employees of COLI

Signed the Work Integrity Responsibility Statement and received training related to anti-corruption, including all employees of the headquarters, regional, project, joint venture and associated companies

100%
business partners

Signed the Integrity Agreement as part of the contract, including suppliers and general contractors

10.7 Business Ethics and Integrity (Continued)

Defining Code of Conduct (Continued)

Anti-corruption	Comply with requirements to manage and report matters related to commission, remuneration, reception and gifts
Conflict of Interest	Concurrent paid work without approval and investment activities involving conflict of interest are not allowed
Confidentiality of Information	Employees can only use internal information in operation and management of the Company for reasons of duty
Prevent Anti-competitive Practices	Employees must comply with applicable competition laws and anti-monopoly laws; all bidding decisions must be transparent among at least three management members of the Company
Anti-discrimination	Regardless of gender, age, family status, disability, race, religion or other factors, employees must respect colleagues, clients and members of associated units
The Environment, Health and Safety	The management must identify the impact on the environment, health and safety at offices or project locations and take corresponding prevention, control and mitigation measures
Whistle-blowing	Any suspected breach of the code must be reported to the Intendance and Audit Department

COLI is also committed to preventing corruption risk from the perspectives of governance, supervision and mechanism. In accordance with the Administrative Measure for Conversations on Integrity, every new leader is required to go through pre-service conversations with the Chief Executive Officer to understand the requirements on exercising authority and maintaining integrity at work. Employees must pass qualification evaluation before taking up the position to avoid serving in positions that are incompatible with their responsibilities; and leaders must rotate their posts after a certain number of years. In addition, we also implement a series of measures to prevent corruption. To monitor and evaluate the performance of regional companies in preventing corruption, we take measures such as self-evaluation, annual appraisal and employee satisfaction surveys, and evaluate bribery and corruption risks of business activities. Anti-corruption requirements are also included in performance evaluation of employees.

"Ethic, laws, rules, emotion and publicity" are the five components constituting the brand of integrity culture COLI is committed to establish. During the year, our headquarters and subsidiaries conducted more than 600 integrity culture activities in 7 categories with the theme of "Clean COLI", with over 110,000 participants involved. The Company continued to distribute electronic files and Integrity e-Materials through the internal employee platform named China Overseas Channel, with a total of 866 hits and over 2,000 views. During the year, our headquarters and regional companies carried out a total of over 319 anti-corruption warning education sessions, explaining relevant compliance requirements of anti-corruption to employees via law interpretations and case studies, so as to deepen employees' understanding of anti-corruption. We also provide employees with training related to the Anti-unfair Competition Law of the People's Republic of China. During the year, through different publicity activities, lectures and training, we ensured that all employees from the Board of COLI to general staff received relevant training on anti-corruption.

10.7 Business Ethics and Integrity (Continued)

During the year, the Company did not have any corruption-related violations and lawsuits.

Protecting Rights of Whistle-blowing

Stakeholders	Public channels to display contact information for whistle-blowing
Property owners/customers	Official website, delivery notice, property management office and maintenance centre
Sales sites	Official website, business cards of sales and customer service staff
Employees, business partners	Official website, the Open Letter to Partners and the Integrity Agreement

To address violations of our code and policies, we make available to employees, customers, business partners and other external stakeholders various reporting channels including mails, calls, visits and internet means, and make public our independent reporting hotline, email and other contact information. We also specified the codes for handling and investigating whistle-blowing information, for instance the investigation group must comprise of at least two members to ensure the independence of investigations and the confidentiality of investigation information and to control the scope of knowledge internally. The Intendance and Audit Department is responsible for conducting analysis and making recommendations, and informing the real-name whistle-blower of the investigation findings and results. To protect the rights and interests of each party, the Company has set up specific punishment provisions for cases where the whistle-blowers, witnesses or supervisors are retaliated for personal grievances, or where the whistle-blowers and witnesses make mis-statements and false reports. The person involved will be dismissed immediately if the misconduct proves true after investigation.

Setting Industry Standards

COLI actively responds to the industry association's anti-fraud initiative and has earnestly implemented relevant standards. The Company participates in the Enterprise Anti-fraud Alliance, which includes more than 500 leading enterprises spanning across industries such as real estate, retail, e-commerce, finance and insurance. During the year, COLI participated in the "Most Influential Teams in Anti-fraud" selection held by the Enterprise Institute for Internal Controls and the Enterprise Anti-fraud Alliance, and was selected as one of the top 10 "Most Influential Corporate Teams in Anti-fraud". During the year, COLI also participated in the "private sharing meeting of clean and innovative famous enterprises" hosted by the Enterprise Anti-fraud Alliance, and added 4 persons to the blacklist of the Enterprise Anti-fraud Alliance.

COLI was awarded one of the top 10 "Most Influential Corporate Teams in Anti-fraud"

OPERATIONAL COMPLIANCE

The Company has set up a Legal and Compliance Department to keep abreast of newly enacted laws and regulations and identify the impact of new requirements and regulations on the current and future development of the Company. During the year, the Legal and Compliance Department further improved the compliance management system to support the Company's operation and management in respect of legal compliance. The COLI Compliance Manual, Guidelines for Compliant Acquisition of Land from the Open Market and Standard Guidelines for the Administrative and Legal Responsibilities of Real Estate Developers were prepared to improve the Company's compliance system, strengthen compliance management and enhance the compliance awareness of all employees. During the year, the Administrative Measures for Intellectual Property Rights of China Overseas Land & Investment Ltd. was officially issued, stipulating the application, use and management of patents, trademarks and copyrights of the Company and further developing the internal control system of intellectual property rights of the Company. According to the classified and hierarchical management requirements in the Administrative Measures for Intellectual Property Rights of China Overseas Land & Investment Ltd., the patent management approval form, trademark management approval form and copyright management approval process were prepared and launched, covering the entire life cycle of managing intellectual property rights including project initiation, approval, transfer and revocation.

During the year, the Company carried out a "World Intellectual Property Day" themed activity on 26 April for all employees, with a view to improving their awareness of using and protecting intellectual property rights. As the Data Security Law and the Personal Information Protection Law were promulgated and implemented, the Company held a training themed "Compliance Practices in Digital Economy from the Perspective of the Real Estate Industry" to improve the data compliance awareness of business personnel.

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

Major Laws and Regulations	Relevant Governance, Environmental and Social Matters
Environmental Protection Law of the People's Republic of China, Environmental Impact Assessment Law of the People's Republic of China, Law of the People's Republic of China on Prevention and Control of Atmospheric Pollution, Law of the People's Republic of China on Prevention and Control of Water Pollution, Administrative Regulations on Environmental Protection of Construction Projects	Management of exhaust gas and greenhouse gas emissions, discharges into water and land, hazardous and non-hazardous waste, and other emissions
Labour Law of the People's Republic of China, Labour Contract Law of the People's Republic of China, Social Insurance Law of the People's Republic of China, Law of the People's Republic of China on Protection of Disabled Persons, Employment Ordinance, Employees' Compensation Ordinance	Compensation and dismissal, recruitment and promotion, working hours, holidays, equal opportunity, diversity, anti-discrimination, and other employment systems Management of occupation safety and health Child labour, forced labour or other human rights and labour rights issues
Product Quality Law of the People's Republic of China, Construction Law of the People's Republic of China, Advertising Law of the People's Republic of China, Regulation on the Quality Management of Construction Projects, Residential Properties (First-hand Sales) Ordinance, Cybersecurity Law of the People's Republic of China	Management of product and service information, health and safety, advertising, labelling, marketing methods, customer privacy, information security and other product responsibility issues
Anti-money Laundering Law of the People's Republic of China, Interim Provisions of the State Administration for Industry and Commerce on Banning Commercial Bribery	Bribery, extortion, fraud, money laundering, and other corrupt practices
Criminal Law of the People's Republic of China	Legal cases regarding corrupt practices brought against the headquarters and regional companies or their employees
Anti-unfair Competition Law of the People's Republic of China (amended in 2019), Implementing Measures for the Accountability for Illegal Operation and Investment of Central Enterprises (Trial)	Legal cases regarding anti-competitive practices brought against the headquarters and regional companies or their employees

LIST OF PERFORMANCE INDICATORS

Economic Value

Indicator	Unit	2021 Total	2020 Total	2019 Total
Economic Value Generated and Distributed				
Net revenue	RMB'000	242,240,783	185,789,528	163,650,953
Direct operating costs	RMB'000	185,214,985	129,968,676	108,570,841
Total finance cost	RMB'000	8,457,255	8,546,017	8,970,167
Dividends recognised as distributions during the year	RMB'000	10,732,163	9,966,289	9,065,709
Tax expenses	RMB'000	20,068,125	21,494,912	22,204,315
Retained profits	RMB'000	269,783,398	240,975,395	207,184,440

Corporate Governance

Indicator	Unit	2021 Total	2020 Total	2019 Total
Concluded Legal Cases Brought Against the Company or Its Employees				
Regarding corrupt practices	Case	0	0	0
Regarding anti-competitive practices	Case	0	0	0
Confirmed Non-compliance with Laws and Regulations				
Regarding air and greenhouse gas emissions, discharges into water and land, hazardous and non-hazardous waste, and other emissions issues	Case	0	0	0
Regarding compensation and dismissal, recruitment and promotion, working hours, holidays, equal opportunity, diversity, anti-discrimination, and other employment matters	Case	0	0	0
Regarding occupational safety and health	Case	0	0	0
Regarding child labour, forced labour or other human rights and labour rights issues	Case	0	0	0
Regarding product and service information, product health and safety, advertising, labelling, marketing, customer privacy, and other product responsibility issues	Case	0	0	0
Regarding bribery, extortion, fraud, money laundering and other corruption practices	Case	0	0	0
Regarding intellectual property rights	Case	0	0	0
Regarding anti-competitive practices	Case	0	0	0

Corporate Governance (Continued)

Indicator	Unit	**2021 Total**	2020 Total	2019 Total
Communication and Training regarding Anti-corruption Policies and Procedures				
Employees who received training on anti-corruption policies	Percentage	**100%**	100%	100%
Employees from subsidiaries, joint ventures and associates who received training on anti-corruption policies	Percentage	**100%**	100%	100%
Employees being regulated under Employee Code of Conduct	Percentage	**100%**	100%	100%
Employees of headquarters, regional companies, projects, joint ventures and associates who signed the Work Integrity Responsibility Statement	Percentage	**100%**	100%	100%
Business partners which signed the Integrity Agreement	Percentage	**100%**	100%	100%

Product and Service Responsibility

Indicator	Unit	Reporting Year				
Customer Relationship Management						
Residential Projects						
Customer satisfaction	Percentage	2021	2020	2019	2018	2017
		88%	91%	89%	85%	70%
Customers covered in the customer satisfaction survey	Percentage	2021	2020	2019	2018	2017
		10%	10%	10%	10%	10%

Product and Service Responsibility (Continued)

Indicator	Unit	2021 Total	2020 Total	2019 Total
Customer Complaints				
Total number of customer complaints	Case	**4,985**	3,451	3,297
Total number of customer privacy related complaints	Case	**0**	0	0
Confirmed cases of breach of customer privacy or loss of customer data	Case	**0**	0	0

Indicator	Unit	2021 Total	2020 Total	2019 Total
Customer Health and Safety				
Engineering staff receiving training regarding product quality and/or product safety	Percentage	**100%**	100%	89%
Commercial project staff receiving training regarding product quality and/or product safety	Percentage	**100%**	100%	100%
Residential projects receiving external assurance certifications regarding product quality and/or product safety	Percentage	**0%**	0%	19%

Supply Chain Management

Indicator	Unit	2021 Total	2020 Total	2019 Total
Geographical Distribution of Suppliers[1]				
Northern Region	Supplier	4	4	3
Northern China	Supplier	25	19	15
Eastern China	Supplier	69	51	53
Southern China	Supplier	60	45	42
Western Region	Supplier	3	1	4
Hong Kong and Macau	Supplier	0	–	–
Overseas	Supplier	0	–	–
Total	Supplier	161	120	117
Assessment of Suppliers				
Percentage of new suppliers screened this year[2]	Percentage	100%	100%	100%
Key business partners receiving annual comprehensive appraisal every year	Percentage	100%	100%	100%
Rectification required by business partners against risks found from the annual comprehensive appraisal	Percentage	5%	8%	6.3%

Community Investment

Indicator	Unit	2021 Total	2020 Total	2019 Total
Community Investment and Public Welfare				
Area of affordable housing completed during the year	m²	502,000	15,670,000	2,939,000
GFA of completed affordable housing relative to the residential projects of the Company	Percentage	10.28%	9.57%	18.1%

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

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

Employment

Indicator	Unit	2021 Total		2020 Total		2019 Total	
Composition of Senior Management (including Board members)							
By Gender							
Female	Person	5		5		5	
Male	Person	53		53		63	
By Age							
Aged 30 or below	Person	0		0		0	
Aged 31 to 50	Person	42		42		49	
Aged 51 or above	Person	16		16		19	
Ratio of senior management hired from the local community							
Mainland China	Percentage	100%		100%		100%	
Hong Kong, Macau and overseas	Percentage	62.5%		66.7%		66.7%	
Total number of senior management (including Board members)	Person	58		58		68	
Employee Distribution							
By Geographical Region							
Mainland China	Person	5,557	97.6%	5,980	97.6%	6,061	98.3%
Hong Kong, Macau and overseas	Person	135	2.4%	148	2.4%	108	1.7%
By Gender							
Female	Person	1,695	29.8%	1,735	28.3%	1,737	28.2%
Male	Person	3,997	70.2%	4,393	71.7%	4,432	71.8%
By Age							
Aged 30 or below	Person	1,349	23.7%	1,576	25.7%	1,994	32.3%
Aged 31 to 50	Person	4,176	73.4%	4,380	71.5%	3,996	64.8%
Aged 51 or above	Person	167	2.9%	172	2.8%	179	2.9%
By Employee Category							
Senior management (excluding Board members)	Person	52	0.9%	52	0.9%	60	1.0%
Middle management	Person	259	4.6%	268	4.4%	363	5.9%
Entry-level employees	Person	1,114	19.6%	1,160	18.9%	1,229	19.9%
General employees	Person	4,267	74.9%	4,648	75.8%	4,517	73.2%
By Type of Employment Contracts							
Full-time	Person	5,692	100%	6,128	100%	6,169	100%
Part-time	Person	0	0%	0	0%	0	0%
Total number of employees	Person	5,692		6,128		6,169	

Retention of Talents

Indicator	Unit	2021 Total		2020 Total		2019 Total	
Number and Percentage of New Employees							
By Geographical Region							
Mainland China	Person	746	13.4%	908	15.2%	1,290	21.3%
Hong Kong, Macau and overseas	Person	24	17.8%	23	15.5%	19	17.7%
By Gender							
Female	Person	237	14.0%	263	15.2%	316	18.2%
Male	Person	533	13.3%	668	15.2%	993	22.4%
By Age							
Aged 30 or below	Person	286	21.2%	477	30.3%	638	32.0%
Aged 31 to 50	Person	477	11.4%	450	10.3%	657	16.4%
Aged 51 or above	Person	7	4.2%	4	2.3%	14	7.8%
By Employee Category							
Senior management	Person	0	–	0	–	0	–
Middle management	Person	7	2.7%	3	1.1%	13	3.6%
Entry-level employees	Person	73	6.6%	86	7.4%	103	8.4%
General employees	Person	690	16.2%	842	18.1%	1,193	26.4%
Total number and percentage of new employees	Person	770	13.5%	931	15.2%	1,309	21.2%

Retention of Talents (Continued)

Indicator	Unit	2021 Total		2020 Total		2019 Total	
Employee Turnover in Number and Percentage							
By Geographical Region							
Mainland China	Person	990	17.8%	1,121	18.7%	1,024	16.9%
Hong Kong, Macau and overseas	Person	14	10.4%	0	–	11	10.2%
By Gender							
Female	Person	257	15.2%	280	16.1%	271	15.6%
Male	Person	747	18.7%	841	19.1%	764	17.2%
By Age							
Aged 30 or below	Person	259	19.2%	244	15.5%	262	13.1%
Aged 31 to 50	Person	718	17.2%	843	19.2%	739	18.5%
Aged 51 or above	Person	27	16.2%	34	19.8%	34	19.0%
By Employee Category							
Senior management	Person	1	1.9%	2	3.8%	0	–
Middle management	Person	8	3.1%	19	7.1%	17	4.7%
Entry-level employees	Person	123	11.0%	138	11.9%	119	9.7%
General employees	Person	872	20.4%	962	20.7%	899	19.9%
Total number and rate of employee turnover	Person	1,004	17.6%	1,121	18.3%	1,035	16.8%

Employee Satisfaction						
Participation of staff on employee satisfaction and engagement survey	Reporting Year Percentage	2021 94%	2020 90%	2019 85%	2018 84%	2017 81%
Employee satisfaction	Reporting Year Percentage	2021 85%	2020 85%	2019 84%	2018 83%	2017 78%
Employee engagement	Reporting Year Percentage	2021 91%	2020 92%	2019 83%	2018 88%	2017 81%

Training and Development

Indicator	Unit	2021 Total	2020 Total	2019 Total
Percentage of Employees Receiving Training				
By Gender				
Female	Percentage	**100%**	100%	100%
Male	Percentage	**100%**	100%	100%
By Employee Category				
Senior management	Percentage	**100%**	100%	100%
Middle management	Percentage	**100%**	100%	100%
Entry-level employees	Percentage	**100%**	100%	100%
General employees	Percentage	**100%**	100%	100%
Overall percentage of employees receiving training	Percentage	**100%**	100%	100%
Average Training Hours per Employee				
By Gender				
Female	Hour	**82**	85	74
Male	Hour	**82**	84	73
By Employee Category				
Senior management	Hour	**78**	201	140
Middle management	Hour	**90**	84	67
Entry-level employees	Hour	**88**	83	72
General employees	Hour	**80**	83	73
Overall average training hours per employee	Hour	**82**	84	73
Performance Management				
Employee covered by the performance management system[3]	Percentage	**100**	100	100
Staff participation under the Share Option Scheme[4]	Percentage	**17**	18	7

[3]   Including cases where supervisors and subordinates were requested to agree on measurable or quantitative performance targets for conducting multi-dimensional evaluation and performance ranking of employees

[4]   Calculation only covers employees holding positions below senior management

Labour Rights

Indicator	Unit	2021 Total	2020 Total		2019 Total	
Occupational Health and Safety						
Employees of China Overseas						
Number of work-related injuries	Case	0	0		0	
Number of severe work-related injuries	Case	0	0		0	
Lost days due to work-related injuries	Day	0	0		0	
Number of work-related fatalities	Case	2021	2020	2019	2018	2017
		0	0	0	0	0
Employee covered by medical check up	Percentage	100%	100%		100%	
Employee covered by Supplementary Medical Insurance	Percentage	100%	100%		100%	
Construction Sites of China Overseas						
Number of work-related injuries	Case	0	0		0	
Number of severe work-related injuries	Case	0	0		0	
Lost days due to work-related injuries	Day	0	0		0	
Number of work-related fatalities	Case	2021	2020	2019	2018	2017
		0	2	0	0	0
Employee Grievance						
Number of discrimination incidents reported	Case	0	0		0	
Number of basic human rights, employment and labour rights incidents reported	Case	0	0		0	

Sustainable Building

Indicator	Unit	2021 Total		2020 Total		2019 Total	
Sustainable Building Certification[5]							
Number of new green certified buildings during the year	Project	71		64		74	
Additional green certified area during the year	m²	12,730,000		10,950,000		15,820,000	
Total number and percentage of green certified buildings	Project	490	68.9%	379	66.5%	315	78.1%
Total area and percentage of green certified buildings	m²	89,270,000	77.4%	71,470,000	73.7%	60,520,000	75.2%
Number of additional healthy building certifications during the year	Project	–		16		–	
Material Consumption							
Total construction material used during the year – Concrete	m³	14,316,000		13,288,000		17,955,756	
Total construction material used during the year – Steel	Tonne	1,701,000		1,572,000		2,198,664	
Total construction material used during the year – Wood	m³	251,000		269,000		420,705	

[5]   The Company started to measure the number and percentage area of green certified buildings since the year, while all the cumulative totals are measured from 2016 to 2021

Environmental Management[6]

Indicator	Unit	2021 Total				
		Commercial Projects[7]	Hotels[8]	Offices of COLI	Projects Development and Sales[9]	Innovative Business[10]
Energy Consumption[11]						
Direct Energy Consumption						
Diesel	L	6,510	100,542	4,762	29,007	N/A
Gasoline	L	14,639	44,164	558,208	33,500	N/A
LPG	kg	N/A	N/A	N/A	N/A	N/A
Natural gas	GJ	434,308	43,984	92,348	N/A	1,082
Direct energy consumption intensity	kWh/m²	36.02[12] (383%)	N/A	383.88(+7%)	N/A	10 (+36%)
	kWh/guest night	N/A	49.30 (+0.3%)	N/A	N/A	N/A
Indirect Energy Consumption						
Purchased electricity	kWh	254,239,564	27,813,619	10,404,258	167,525,536	1,147,015
Purchased steam	GJ	N/A	N/A	N/A	N/A	N/A
Purchased hot water	GJ	168,041	N/A	850	830,800	1,969
Indirect energy consumption intensity	kWh/m²	89.69(+7%)	N/A	133.09(-8%)	N/A	56.00 (-20%)
	kWh/guest night	N/A	100.81(-18%)	N/A	N/A	N/A

[6]   The environmental data cover projects that had commenced full-year operation and those under construction during the year

[7]   Covering commercial projects (except hotels) with more than 50% controlling interest held and operated throughout the year by the Company, including offices and shopping centres

[8]   Covering hotel projects with more than 50% controlling interest held and operated throughout the year by the Company

[9]   From 2020, COLI aggregated the operating data of sales centres and constructions sites to calculate the environmental impacts generated by individual projects of the Group throughout the process from project development to sale. Therefore, data recorded in 2021 and 2020 cannot be directly compared with those recorded in 2019

[10]   Covering innovative business projects with more than 50% controlling interest held and operated throughout the year by the Company

[11]   The unit conversion of purchased hot water is conducted with reference to the System of Energy and Water Statistical Statements (commonly used by statistical institutions and survey units) (2017 Annual Statistical Report and 2018 Regular Statistical Statement) issued by the National Bureau of Statistics, and the unit conversion of other types of energy is conducted with reference to the General Rules for Integrated Energy Calculation (GB/T 2589-2008) - Standard Coal Reference Coefficient for Various Energy issued by the Standardisation Administration

[12]   The occupancy rates of certain commercial projects increased significantly in 2021, resulting in an increase in the consumption of natural gas

Environmental Management[6] (Continued)

Indicator	Unit	2021 Total Commercial Projects[7]	Hotels[8]	Offices of COLI	Projects Development and Sales[9]	Innovative Business[10]
Water Resources Management						
Water Consumption by Source						
Municipal water supply	m^3	2,233,707	559,106	106,061	8,603,999	31,658
Other sources of water	m^3	N/A	1,680,000	N/A	463,789	N/A
Total water consumption	m^3	2,233,707	2,239,106	106,061	9,067,788	31,658
Water consumption intensity	m^3/m^2	0.67(+2%)	N/A	1.33(-6%)	N/A	1.05(+66%)
	m^3/guest night	N/A	2.03(-2%)	N/A	N/A	N/A
GHG Emissions[14]						
Direct emissions (Scope 1)	Tonne CO_2e	24,171	2,806	6,468	367	60
Indirect emissions (Scope 2)	Tonne CO_2e	173,596	17,807	6,441	193,595	916
Others (Scope 3)[15]	Tonne CO_2e	N/A	N/A	4,950	N/A	N/A
Total emissions (Scope 1+2)	Tonne CO_2e	197,767	20,613	12,910	193,962	976
Total emission intensity (Scope 1+2)	Tonne CO_2e/m^2	0.06	N/A	0.16	N/A	0.032
	Tonne CO_2e / guest night	N/A	0.07	N/A	N/A	N/A

[14] The emission factors of heat supply make reference to the Accounting Methods and Reporting Guidelines on Greenhouse Gas Emission for Enterprises in Industry and Other Industries (Trial) issued by the National Development and Reform Commission (NDRC), and other emission factors make reference to the Average CO_2 Emission Factors of China's Regional Grid in 2011 and 2012 issued by the NDRC and How to Prepare an ESG Report – Appendix 2 Reporting Guidance on Environmental KPIs issued by the Stock Exchange

[15] Emissions from air travel by employees

Environmental Management[6] (Continued)

Indicator	Unit	2021 Total				
		Commercial Projects[7]	Hotels[8]	Offices of COLI	Projects Development and Sales[9]	Innovative Business[10]
Waste Management						
Volume of Non-hazardous Waste Disposed of						
Renovation/construction/demolition waste	Tonne	32,302	203	N/A	128,008	N/A
Earthwork/muck	Tonne	N/A	N/A	N/A	14,078,487	N/A
General waste/domestic waste	Tonne	15,561	1,590	3,704	7,586	68
Horticultural waste	Tonne	543	260	N/A	124,821	1
Grease trap waste	kg	289,984	10,590	N/A	N/A	61,003
Volume of Non-hazardous Waste Recycled						
Food waste	kg	2,506,987	27,000	21,922	168,934	800
Metal	kg	57,411	2,450	316	744,737	–
Paper	kg	6,426	6,988	4,171	10,914	35
Glass	kg	25,547	1,800	50	4,498	100
Plastic	kg	2,238	3	320	1,750	80
Total volume of non-hazardous waste generated	Tonne	51,295	2,102	27	14,339,832	131
Volume of Hazardous Waste Disposed of						
Waste oil	kg	49,592	9,780	–	656	–
Waste fluorescent tubes/bulbs	kg	4,481	368	240	961	5
Electronic waste	kg	356	125	28	501	2
Batteries	kg	228	1,545	435	350	6
Total volume of hazardous waste generated	Tonne	55	12	1	2	0

Environmental Management[6] (Continued)

Indicator	Unit	2020 Total					2019 Total					
		Commercial Projects	Hotels	Offices of COLI	Projects Development and Sales	Innovative Business	Commercial Projects	Hotels	Offices of COLI	Sales Centres	Projects under Construction	Innovative Business
Direct Energy Consumption												
Diesel	L	11,355	62,635	6,367	286,199	N/A	9,693	77,722	4,080	47,151	837,527	N/A
Gasoline	L	16,775	21,932	616,969	86,810	N/A	17,359	66,518	766,288	49,406	310,273	N/A
LPG	kg	N/A	N/A	14,547	1,126	N/A	3,566	N/A	11,649	N/A	N/A	N/A
Natural gas	GJ	88,802	35,663	81,785	N/A	847	118,057	40,489	73,783	4,247	N/A	N/A
Direct energy consumption intensity	kWh/m²	7.41 (-34%)	N/A	358.00 (+3%)	N/A	7	11.20	N/A	346.95	8.15	N/A	N/A
	kWh/guest night	N/A	49.14 (+41%)	N/A	N/A	N/A	N/A	34.76	N/A	N/A	N/A	N/A
Indirect Energy Consumption												
Purchased electricity	kWh	233,499,825	26,687,018	11,260,246	129,193,902	1,131,873[15]	248,064,483	30,503,700	10,970,384	37,183,468	134,227,189	278,484
Purchased steam	GJ	N/A	N/A	N/A	N/A	0	N/A	N/A	N/A	N/A	N/A	N/A
Purchased hot water	GJ	181,493	N/A	850	N/A	4,000	228,515	2,392	850	35,164	N/A	N/A
Indirect energy consumption intensity	kWh/m²	84.39 (-20%)	N/A	144.84 (+2%)	N/A	69.88 (+39%)	105.52	N/A	141.61	183.44	N/A	50.25
	kWh/guest night	N/A	122.34 (+42%)	N/A	N/A	N/A	N/A	85.95	N/A	N/A	N/A	N/A
Water Resources Management												
Water Consumption by Source												
Municipal water supply	m³	2,161,445	453,266	112,602	15,055,412	20,240	2,083,441	566,124	113,362	1,265,748	7,128,612	1,911
Other sources of water	m³	38,668	1,700,000	N/A	368,885	N/A	N/A	1,650,000	N/A	N/A	1,171,590	N/A
Total water consumption	m³	2,200,113	2,153,266	112,602	15,424,297	20,240	2,083,441	2,216,124	113,362	1,265,748	8,300,202	N/A
Water consumption intensity	m³/m²	0.64 (-9%)	N/A	1.42 (-1%)	N/A	0.63 (+83%)	0.71	N/A	1.43	4.95	N/A	0.35
	m³/guest night	N/A	2.08 (+33%)	N/A	N/A	N/A	N/A	1.56	N/A	N/A	N/A	N/A

[15] The data was restated after verification

Environmental Management[6] (Continued)

Indicator	Unit	2020 Total					2019 Total					
		Commercial Projects	Hotels	Offices of COLI	Projects Development and Sales	Innovative Business	Commercial Projects	Hotels	Offices of COLI	Sales Centres	Projects under Construction	Innovative Business
GHG Emissions[14]												
Direct emissions (Scope 1)	Tonne CO_2e	9,652	4,047	6,117	2,097	47	30,578	3,599	5,885	471	2,892	N/A
Indirect emissions (Scope 2)	Tonne CO_2e	179,145	15,350	7,516	87,933	1,417[13]	195,048	18,357	7,355	30,223	93,818	233
Others (Scope 3)[15]	Tonne CO_2e	N/A	N/A	595	N/A	N/A	36	N/A	1,716	8.35	N/A	N/A
Total emissions (Scope 1+2)	Tonne CO_2e	188,797	19,397	13,633	90,030	1,464[13]	225,986	21,956	13,240	30,694	96,710	233
Total emission intensity (Scope 1+2)	Tonne CO_2e	0.06	N/A	0.17	N/A	0.046[13]	0.08	N/A	0.17	0.12	N/A	0.04
	Tonne CO_2e / guest night	N/A	0.09	N/A	N/A	N/A	N/A	0.06	N/A	N/A	N/A	N/A
Waste Management												
Volume of Non-hazardous Waste Disposed of												
Renovation/construction/demolition waste	Tonne	32,579	31	N/A	395,389	N/A	30,842	40	N/A	N/A	487,268	N/A
Earthwork/muck	Tonne	N/A	N/A	N/A	38,689,990	N/A	N/A	N/A	N/A	N/A	28,667,296	N/A
General waste/domestic waste	Tonne	65,114	1,290	3,883	9,063	55	67,955	1,634	4,899	1,204	10,067	1
Horticultural waste	Tonne	558	141	N/A	3,900	N/A	220	300	N/A	N/A	389	N/A
Grease trap waste	kg	333,992	7,950	N/A	N/A	N/A	276,128	65,000	N/A	N/A	N/A	N/A
Volume of Non-hazardous Waste Recycled												
Food waste	kg	1,347,767	82,500	37,288	83,905	N/A	1,675,859	186,000	37,018	32,913	66,279	N/A
Metal	kg	59,282	380	241	6,655,565	N/A	69,379	800	279	4,504	1,782,688	N/A
Paper	kg	6,989	5,172	3,806	20,810	N/A	5,294	6,372	3,513	3,205	16,814	54
Glass	kg	26,764	1,800	N/A	53,848	N/A	24,972	2,500	N/A	528	5,989	N/A
Plastic	kg	2,472	5	540	36,467	N/A	1,858	4,800	260	52	50	N/A
Total volume of non-hazardous waste generated	Tonne	100,028	1,559	3,925	39,105,140	55	101,071	2,239	4,940	1,245	29,166,892	1
Volume of Hazardous Waste Disposed of												
Waste oil	kg	49,004	7,500	N/A	2,500	N/A	51,238	40,000	N/A	N/A	4,931	N/A
Waste fluorescent tubes/bulbs	kg	4,483	140	249	2,000	N/A	3,972	1,750	172	1,252	3,371	N/A
Electronic waste	kg	258	10	453	750	N/A	315	0	423	158	2,992	N/A
Batteries	kg	379	25	18	1,434	N/A	324	200	12	366	898	2
Total volume of hazardous waste generated	Tonne	54	8	1	7	N/A	56	42	1	2	12	0.002

REPORT CONTENT INDEX

General Disclosure

GRI Standards	HKEx ESG Guide and SASB	Description	References and Remarks	Page
Organisational Profile				
102-1		Name of the organisation	2. About this Report	5
102-2		Activities, brands, products and services	3. COLI's Strength	7
102-3		Location of headquarters		7
102-4		Location of operations		7
102-5		Ownership and legal form	2. About this Report	5
102-6		Markets served	3. COLI's Strength	7
102-7		Scale of the organisation		7
102-8	KPI B1.1	Information on employees and other workers	3. COLI's Strength 12. List of Performance Indicators	7
102-9	KPI B5.1	Supply chain	7. Good Products – Creating Enjoyable Space 12. List of Performance Indicators	27 127
102-10		Significant changes to the organisation and its supply chain	No significant changes to the scale, structure and ownership of COLI and its supply chain during the year	
102-11		Precautionary principle or approach	5. Sustainability Management 9. Good Citizen – Harmony and Symbiosis between People and the Environment	10 61
102-12		External initiatives	6. Stakeholder Engagement	21
102-13		Membership of associations		
Strategy				
102-14		Statement from senior decision-maker	1. Message from the Chairman	3
Ethics and Integrity				
102-16		Values, principles, standards and norms of behaviour	5. Sustainability Management	10
Governance				
102-18		Governance structure	5. Sustainability Management	10

General Disclosure (Continued)

GRI Standards	HKEx ESG Guide and SASB	Description	References and Remarks	Page
Stakeholder Engagement				
102-40		List of stakeholder groups	6. Stakeholder Engagement	21
102-41		Collective bargaining agreements	Employees of COLI are not covered by collective bargaining agreements	
102-42		Identifying and selecting stakeholders	6. Stakeholder Engagement Stakeholders are identified based on their dependence and influence on the Company's decision making	21
102-43		Approach to stakeholder engagement	6. Stakeholder Engagement	21
102-44		Key topics and concerns raised	6. Stakeholder Engagement	21
Reporting Practice				
102-45		Entities included in the consolidated financial statements	2. About this Report 2021 Annual Report – Management Discussion and Analysis	5
102-46		Defining report content and topic boundaries	2. About this Report	5
102-47		List of material topics	6. Stakeholder Engagement	21
102-48		Restatements of information	Certain environmental data in the performance indicator table has been restated. For details, please refer to the remarks in the table	
102-49		Changes in reporting	6. Stakeholder Engagement	21
102-50		Reporting period	2. About this Report	5
102-51		Date of most recent report	2. About this Report	5
102-52		Reporting cycle		5
102-53		Contact point for questions regarding the report		5
102-54		Claims of reporting in accordance with the GRI Standards		5
102-55		GRI content index	13. Report Content Index	142
102-56		External assurance	COLI has yet to obtain external assurance for the report, and will review the report compilation process and data management status to consider adopting such practice in the future	

Economic Topics

GRI Standards	HKEx ESG Guide	Description	References and Remarks	Page
Economic Performance				
103-1		Explanation of the material topic and its boundary	1. Message from the Chairman	3
103-2		The management approach and its components	5. Sustainability Management	10
103-3		Evaluation of the management approach	2021 Annual Report – Management Discussion and Analysis, Report of Directors	
201-1	KPI B8.2	Direct economic value generated and distributed Resources contributed to the focus areas	9. Good Citizen – Harmony and Symbiosis between People and the Environment	61
			12. List of Performance Indicators	127
201-2	GD-A4 & KPI A4.1 & IF-RE-450a.2	Financial implications and other risks and opportunities due to climate change	5. Sustainability Management	10
			9. Good Citizen – Harmony and Symbiosis between People and the Environment	61
			Please refer to the section Sustainability Strategy and the section Climate Risks and Opportunities for the work plans of climate change	
Market Presence				
103-1		Explanation of the material topic and its boundary	5. Sustainability Management	10
103-2		The management approach and its components	10. Good Effectiveness – Creating Shared Value	97
103-3		Evaluation of the management approach	11. Operational Compliance	125
202-2		Proportion of senior management hired from the local community	12. List of Performance Indicators	127

Economic Topics (Continued)

GRI Standards	HKEx ESG Guide	Description	References and Remarks	Page
Indirect Economic Impacts				
103-1		Explanation of the material topic and its boundary	5. Sustainability Management	10
103-2		The management approach and its components	7. Good Products – Creating Enjoyable Space	27
103-3		Evaluation of the management approach	9. Good Citizen – Harmony and Symbiosis between People and the Environment	61
203-1	KPI B8.1	Infrastructure investments and services supported Contribution to the focus areas	7. Good Products – Creating Enjoyable Space 9. Good Citizen – Harmony and Symbiosis between People and the Environment	27 61
Anti-corruption				
103-1		Explanation of the material topic and its boundary	5. Sustainability Management 11. Operational Compliance	10 125
103-2	GD-B7	The management approach and its components		
103-3	KPI B7.2	Evaluation of the management approach		
205-3	GD-B7 & KPI B7.1 KPI B7.3	Confirmed incidents of corruption and actions taken Description of anti-corruption training provided to directors and staff	12. List of Performance Indicators; we had no confirmed incidents or complaints of non-compliance concerning breach of relevant laws and regulations during the reporting period.	127
Anti-competitive Behaviour				
103-1		Explanation of the material topic and its boundary	5. Sustainability Management 11. Operational Compliance	10 125
103-2		The management approach and its components		
103-3		Evaluation of the management approach		
206-1		Legal actions for anti-competitive behaviour, anti-trust, and anti-monopoly practices	12. List of Performance Indicators; we had no confirmed incidents or complaints of non-compliance concerning breach of relevant laws and regulations during the reporting period.	127

Environmental Topics

GRI Standards	HKEx ESG Guide	Description	References and Remarks	Page
Materials				
103-1		Explanation of the material topic and its boundary	5. Sustainability Management	10
103-2	GD-A2 & KPI A2.5	The management approach and its components	7. Good Products – Creating Enjoyable Space	27
103-3		Evaluation of the management approach	9. Good Citizen – Harmony and Symbiosis between People and the Environment; COLI's products do not involve the use of packaging materials	61
301-1		Weight or volume of the materials used	5. Sustainability Management	10
			9. Good Citizen – Harmony and Symbiosis between People and the Environment	61
Energy				
103-1		Explanation of the material topic and its boundary	5. Sustainability Management	10
103-2	GD-A2 & IF-RE-130a.5 & IF-RE-410a.3	The management approach and its components	9. Good Citizen – Harmony and Symbiosis between People and the Environment	61
103-3	KPI A2.3	Evaluation of the management approach		
302-1	KPI A2.1 & IF-RE-130a.3	Energy consumption within the organisation	12. List of Performance Indicators	127
302-3	KPI A2.1 & IF-RE-130a.3	Energy intensity		
Water Resources and Sewage				
103-1		Explanation of the material topic and its boundary	5. Sustainability Management	10
103-2	GD-A2 & IF-RE-140a.4 & IF-RE-410a.3	The management approach and its components	9. Good Citizen – Harmony and Symbiosis between People and the Environment	61
103-3	KPI A2.4	Evaluation of the management approach	11. Operational Compliance	125
303-1	KPI A2.4 & KPI A3.1 & KPI B5.2 & KPI B5.3	Interactions with water as a shared resource	5. Sustainability Management	10
			9. Good Citizen – Harmony and Symbiosis between People and the Environment	61
303-2		Management of water discharge-related impacts	5. Sustainability Management	10
			9. Good Citizen – Harmony and Symbiosis between People and the Environment	61
			11. Operational Compliance	125
303-3	KPI A2.2 & IF-RE-140a.3	Water withdrawal	12. List of Performance Indicators	127

Environmental Topics (Continued)

GRI Standards	HKEx ESG Guide	Description	References and Remarks	Page
Biodiversity				
103-1		Explanation of the material topic and its boundary	5. Sustainability Management	10
103-2	GD-A3	The management approach and its components	9. Good Citizen – Harmony and Symbiosis between People and the Environment	61
103-3		Evaluation of the management approach	11. Operational Compliance	125
304-3		Habitats protected or restored	9. Good Citizen – Harmony and Symbiosis between People and the Environment	61
Emissions				
103-1		Explanation of the material topic and its boundary	5. Sustainability Management	10
103-2	GD-A1	The management approach and its components	9. Good Citizen – Harmony and Symbiosis between People and the Environment	61
103-3	KPI A1.5	Evaluation of the management approach	11. Operational Compliance	125
305-1	KPI A1.1 & KPI A1.2	Direct (Scope 1) GHG emissions	12. List of Performance Indicators	127
305-2	KPI A1.1 & KPI A1.2	Energy indirect (Scope 2) GHG emissions		
305-4	KPI A1.2	GHG emissions intensity		
Waste				
103-1		Explanation of the material topic and its boundary	5. Sustainability Management	10
103-2	GD-A1 & IF-RE-410a.3	The management approach and its components	9. Good Citizen – Harmony and Symbiosis between People and the Environment	61
103-3	KPI A1.6	Evaluation of the management approach	11. Operational Compliance	125
306-2		Management of significant impact related to waste	12. List of Performance Indicators	127
306-3	KPI A1.3 & KPI A1.4	Waste generated	12. List of Performance Indicators	127

Environmental Topics (Continued)

GRI Standards	HKEx ESG Guide	Description	References and Remarks	Page
Environmental Compliance				
103-1		Explanation of the material topic and its boundary	5. Sustainability Management	10
			11. Operational Compliance	125
103-2	GD-A3 & KPI A3.1	The management approach and its components		
103-3		Evaluation of the management approach		
307-1	GD-A1	Non-compliance with environmental laws and regulations	12. List of Performance Indicators; we had no confirmed incidents or complaints of non-compliance concerning breach of relevant laws and regulations during the reporting period.	127
Supplier Environmental Assessment				
103-1		Explanation of the material topic and its boundary	5. Sustainability Management	10
			7. Good Products – Creating Enjoyable Space	27
103-2	GD-B5	The management approach and its components	9. Good Citizen – Harmony and Symbiosis between People and the Environment	61
103-3	KPI B5.2	Evaluation of the management approach		
308-1	KPI B5.2 & KPI B5.3	New suppliers that were screened using environmental criteria	7. Good Products – Creating Enjoyable Space	27
			12. List of Performance Indicators	127
	KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored		

Social Topics

GRI Standards	HKEx ESG Guide	Description	References and Remarks	Page
Employment				
103-1		Explanation of the material topic and its boundary	5. Sustainability Management	10
103-2	GD-B1	The management approach and its components	10. Good Effectiveness – Creating Shared Value	97
103-3		Evaluation of the management approach	11. Operational Compliance	125
401-1	KPI B1.2	New employee hires and employee turnover	12. List of Performance Indicators	127
	GD-B4	Description of policies related to prevention of child labour and forced labour and compliance of relevant laws and regulations	5. Sustainability Management 10. Good Effectiveness – Creating Shared Value 11. Operational Compliance	10 97 125
	KPI B4.1	Description of measures to review employment practices to avoid child and forced labour	Child labour and forced labour are insignificant issues for the purpose of employment by COLI	
	KPI B4.2	Description of steps taken to eliminate child and forced labour practices when discovered	10. Good Effectiveness – Creating Shared Value	97
Occupational Health and Safety				
103-1		Explanation of the material topic and its boundary	5. Sustainability Management	10
103-2	GD-B2	The management approach and its components	10. Good Effectiveness – Creating Shared Value	97
103-3	KPI B2.3	Evaluation of the management approach	11. Operational Compliance	125
403-1	GD-B2 & KPI B2.3	Occupational health and safety management system	5. Sustainability Management	10
403-2		Hazard identification, risk assessment, and incident investigation	10. Good Effectiveness – Creating Shared Value	97
403-3	KPI B2.3	Occupational health services	11. Operational Compliance	125
403-4		Worker participation, consultation, and communication on occupational health and safety		
403-5	KPI B2.3	Worker training on occupational health and safety		
403-6		Promotion of worker health		
403-7	KPI B2.3	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		
403-9	KPI B2.1 & KPI B2.2	Work-related injury	10. Good Effectiveness – Creating Shared Value 12. List of Performance Indicators COLI recorded no cases of work-related injuries of its employees and no lost days from work-related injuries during the year	97 127

Social Topics (Continued)

GRI Standards	HKEx ESG Guide	Description	References and Remarks	Page
Training and Education				
103-1		Explanation of the material topic and its boundary	5. Sustainability Management 10. Good Effectiveness – Creating Shared Value	10 97
103-2	GD-B3	The management approach and its components		
103-3		Evaluation of the management approach		
404-1	KPI B3.2	Average hours of training per year per employee	10. Good Effectiveness – Creating Shared Value 12. List of Performance Indicators	97 127
	KPI B3.1	The percentage of employees trained by gender and employee category	12. List of Performance Indicators	127
Diversity and Equal Opportunity				
103-1		Explanation of the material topic and its boundary	5. Sustainability Management 10. Good Effectiveness – Creating Shared Value 11. Operational Compliance	10 97 125
103-2	GD-B1	The management approach and its components		
103-3		Evaluation of the management approach		
405-1	KPI B1.1	Diversity of governance bodies and employees	10. Good Effectiveness – Creating Shared Value 12. List of Performance Indicators	97 127
Anti-discrimination				
103-1		Explanation of the material topic and its boundary	5. Sustainability Management 10. Good Effectiveness – Creating Shared Value 11. Operational Compliance	10 97 125
103-2	GD-B1	The management approach and its components		
103-3		Evaluation of the management approach		
406-1	GD-B1	Incidents of discrimination and corrective actions taken	12. List of Performance Indicators	127

Social Topics (Continued)

GRI Standards	HKEx ESG Guide	Description	References and Remarks	Page
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103-1		Explanation of the material topic and its boundary	5. Sustainability Management	10
			6. Stakeholder Engagement	21
103-2	GD-B8	The management approach and its components	7. Good Products – Creating Enjoyable Space	27
103-3		Evaluation of the management approach	8. Good Services – Full-cycle Customer Management	46
			9. Good Citizen – Harmony and Symbiosis between People and the Environment	61
413-1		Operation sites with local community engagement, impact assessments, and development programmes	9. Good Citizen – Harmony and Symbiosis between People and the Environment	61
Supplier Social Assessment				
103-1		Explanation of the material topic and its boundary	5. Sustainability Management	10
			7. Good Products – Creating Enjoyable Space	27
103-2	GD-B5	The management approach and its components	10. Good Effectiveness – Creating Shared Value	97
103-3	KPI B5.2	Evaluation of the management approach		
414-1	KPI B5.2 & KPI B5.3	New suppliers that were screened using social criteria	7. Good Products – Creating Enjoyable Space	27
			12. List of Performance Indicators	127
Customer Health and Safety				
103-1		Explanation of the material topic and its boundary	5. Sustainability Management	10
			7. Good Products – Creating Enjoyable Space	27
103-2	GD-B6; KPI B6.1 & KPI B6.4 & IF-RE-410a.3	The management approach and its components	8. Good Services – Full-cycle Customer Management	46
103-3		Evaluation of the management approach	11. Operational Compliance; the procedure of product recall is not applicable to COLI due to the nature of its business activities and products	125
416-2		Incidents of non-compliance concerning the health and safety impacts of products and services	7. Good Products – Creating Enjoyable Space	27
			8. Good Services – Full-cycle Customer Management	46
			12. List of Performance Indicators	127

Social Topics (Continued)

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103-1		Explanation of the material topic and its boundary	5. Sustainability Management	10
103-2	GD-B6	The management approach and its components	7. Good Products – Creating Enjoyable Space	27
103-3		Evaluation of the management approach	8. Good Services – Full-cycle Customer Management	46
			11. Operational Compliance	125
417-2		Incidents of non-compliance concerning product and service information and labelling	12. List of Performance Indicators	127
Customer Privacy				
103-1		Explanation of the material topic and its boundary	5. Sustainability Management	10
103-2	GD-B6	The management approach and its components	7. Good Products – Creating Enjoyable Space	27
103-3	KPI B6.5	Evaluation of the management approach	8. Good Services – Full-cycle Customer Management	46
			11. Operational Compliance	125
418-1	KPI B6.2	Substantiated complaints concerning breaches of customer privacy and losses of customer data	8. Good Services – Full-cycle Customer Management	46
			12. List of Performance Indicators	127
Socioeconomic Compliance				
103-1		Explanation of the material topic and its boundary	5. Sustainability Management	10
103-2		The management approach and its components	11. Operational Compliance	125
103-3		Evaluation of the management approach		
419-1	GD-B1, GD-B2, GD-B4, GD-B6 & GD-B7	Non-compliance with laws and regulations in the social and economic area	12. List of Performance Indicators; we had no confirmed incidents or complaints of non-compliance concerning breach of relevant laws and regulations during the reporting period.	127
	KPI B6.3	Description of practices relating to preserving and protecting intellectual property rights	5. Sustainability Management	10
			7. Good Products – Creating Enjoyable Space	27