



中國海外集團有限公司
CHINA OVERSEAS HOLDINGS LIMITED



領潮

Building Happiness and
Leading the Trend

2019
Sustainability Report



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In 2016, the United Nations launched 17 Sustainable Development Goals (SDGs), including poverty elimination, climate change mitigation, and infrastructure construction, with a total of 169 specific indicators, urging organisations globally to accomplish these goals by 2030.

We have disclosed our performance in alignment with SDGs in our sustainability report since 2018, analysing goals that are closely related with the operations of the Group. We will continue to monitor our relevant sustainability performance, fine-tune our internal corporate goals, formulate specific action plans, and gradually promote the realisation of these SDGs.

SUSTAINABLE DEVELOPMENT GOALS



BUILDING HAPPINESS FOR LIFE AND LEADING THE INDUSTRY TREND

“Leading Culture” is the corporate culture of COHL. Pursuing the mission of “We Manage Happiness” and vision of “Becoming a World-class Investment, Construction and Operation Service Provider”, the Group continues to strengthen its sustainability management in four areas, namely employees, operations, environment and community. This report discloses the Group’s sustainability performance in these four areas, responding to the concerns and expectations of its stakeholders.

Building Happiness
for Employees and
Leading a Safe and
Harmonious
Working Team in a
Safe Environment



Building Happiness
for Clients and
Leading an Excellent
and Efficient
Operation



Building Happiness
for Environment and
Leading a Green
and Low-carbon
Environment



Building Happiness
for Community and
Leading a
Harmonious and
Prosperous Society



ABOUT THIS REPORT

REPORTING OBJECTIVE

China Overseas Holding Limited (hereinafter referred to as “COHL”, the “Group”, or “We”) released its first stand-alone CSR Report in 2010. Responding to the increasingly stringent disclosure levels of the corporate non-financial data demanded by the wider community, the Group elevated its CSR Report to Sustainability Report in 2016. In preparation for this report, we have reviewed the Group’s previous sustainability performance and summarised our strengths and shortcomings for future reference, aiming to improve the disclosure level and transparency on an ongoing basis.

REPORTING PERIOD AND SCOPE

This report covers the period between 1 January 2019 and 31 December 2019 and contains information of the Group, its three subsidiaries, namely China Overseas Land & Investment Ltd. (hereinafter referred to as “COLI”), China State Construction International Holdings Limited (hereinafter referred to as “CSCI”), and China Overseas Property Holdings Limited (hereinafter referred to as “COPL”) (hereinafter referred to as the “subsidiaries”), and affiliates thereof operating in Hong Kong, Macau and Mainland China, the Group’s three major regions of operation.

REPORTING STANDARD

This report is prepared with reference to the Global Reporting Initiative (GRI) Standards, the “Guidelines to State-owned Enterprises Directly under the Central Government on Fulfilling Corporate Social Responsibilities” issued by the State-owned Asset

Supervision and Administration Commission under the State Council, the International Standards Organisation’s “ISO26000: Guidance on Social Responsibility” and the “Environmental, Social and Governance Reporting Guide” of the HKEX.

HOW TO ACCESS THIS REPORT

This report is published in traditional Chinese, simplified Chinese and English, and all versions are available on our website: www.cohl.com. The report is also available at our official WeChat and can be accessed by scanning the QR code on the right.



WeChat ID: COHL1979

For detailed information about sustainability performance of the Group’s subsidiaries, please refer to the annual report and other relevant reports via the perspective links below:

China Overseas Land & Investment Ltd.:
www.coli.com.hk

China State Construction International Holdings Limited:
www.csci.com.hk

China Overseas Property Holdings Limited:
www.copl.com.hk

CONTACT

The Group values feedback from all stakeholders. Should you have any comments or suggestions regarding this report or the Group’s sustainability performance, please feel free to contact us:

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Email: csr@cohl.com

2019 SUSTAINABILITY PERFORMANCE OVERVIEW

OVERVIEW AND HIGHLIGHTS OF THE GROUP'S PERFORMANCE

Overview of Group Performance

Finance

Revenue

HKD **252.6** billion (**10.55%** year growth rate)

Sum of newly signed contracts

HKD **480.1** billion (**13.34%** year growth rate)

Total assets

HKD **991.2** billion (**13.27%** year growth rate)

Net assets

HKD **302.5** billion (**-3.54%** year growth rate)

Employees

Training hours per employee

30.83 hours

Accident rate per thousand employees

5.74

Operation

0 major corruption risk and incidents

Environment

74 new projects received Green Building Certification (**68.18%** year growth rate)

Total new Green Building space about

15.82 million m² (**79.98%** year growth rate)

Community

Have built affordable housing

with area of more than **31.9** million m² so far

Donated for building of all

14 China Overseas Hope Schools to provide opportunities to receive education to more than **10,000** students



Property Business

- **74** new projects obtained Green Building Certification
- Newly built affordable housing of **2.939** million m²
- Number of customer complaints reduced by **35%**
- **100%** coverage rate of employees receiving physician examinations and supplementary medical insurance



Construction Business

- Over **50%** of employees participated in anti-corruption training
- More than HKD **1.8** million was invested in staff training and development
- A drop of **17%** in GHG emission intensity compared to 2018
- Accredited BEAM Professionals was accelerated by **61%**



Property Management Business

- Customer satisfaction rate hit **91%**
- Launched an online learning platform covering **100%** workforce
- Conducted **1,505** fire drills
- Launched a national community project maintenance fund amounting to RMB **109.79** million

2019 Sustainability Performance Overview

AWARDS AND RECOGNITIONS

Hang Seng Corporate Sustainability Index and FTSE4Good Index

COLI is selected as a constituent of Hang Seng Corporate Sustainability Benchmark Index whilst CSCI has been included in the FTSE4Good Index for the third year running, confirming the environment, social and governance performance of the Group



恒生可持續發展企業
指數系列 2019 - 2020 成份股



FTSE4Good

GOALS Green Office

Adhering to the Group's green office philosophy, it has been recognised by the World Green Organisation (WGO)'s "United Nations Sustainable Development Goals-Green Office Awards Labeling Scheme (GOALS)" for 7 consecutive years, and received the "7+ Green Office" and "Eco-Healthy Workplace" logo.



ECO-Healthy
WORKPLACE

Caring Company Logo

The Group and its subsidiaries have been awarded the "Caring Company Logo" by the Hong Kong Council of Social Service, in which the Group has been named a Caring Company for 10 consecutive years. The logo affirms the spirit of the Group and its subsidiaries in fulfilling social responsibilities.



Family-Friendly Employer

The Group has been recognised by the Family Council as "Family-Friendly Employer" (Enterprise Group) for the third consecutive year, indicating the public recognition of the family-friendly employment policies and measures adopted in recent years.



MANAGEMENT MESSAGE

2019 was a year that is hard to forget. While it was the Group's 40th anniversary, we have carried out the consolidation work of corporate culture and formed the "Leading Culture", representing our vision and mission of building happiness. Through instilling this culture into our sustainable development strategies, we are committed to improving our performance even under complicated circumstances, aiming to create happiness for employees, clients and society, as well as leading the industry's sustainable development.

BUILDING HAPPINESS FOR EMPLOYEES AND LEADING A HARMONIOUS WORKING TEAM IN A SAFE ENVIRONMENT

Employees are at the centre of corporate value creation and realisation. We always respect and respond proactively to employees' demands and are committed to providing them both tangible and intangible rewards. In 2019, by upholding our talent nurturing philosophy "To Assemble the Enterprising Ones and Motivate the Promising Ones", we have continuously optimised our talent development mechanism and implemented the professional manager system, so as to build a team of top management with entrepreneurial spirit and professional managerial qualities. We have also established the standards of leadership and employees' core competence, improving the quality of talent. Leveraging on the platform of COHL Management Institute, we have implemented the Group's talent cultivation strategy and organised nearly 6,000 training sessions, covering over 400,000 people.

Due to the nature of our business operations, the Group attaches great importance to occupational safety and health. While steadily implementing safety measures in production management and inspection procedures, we have also reinforced training of our safety management personnel. In 2019, we established our first "COHL Safety Management Talent Pool", providing specialised training to safety management staff to enhance their capabilities in safety management.

In 2019, we enhanced monitoring of grievances and appeals, refined the anti-corruption monitoring system and developed anti-corruption training programmes, aiming to create an honest and efficient working environment.

BUILDING HAPPINESS FOR CLIENTS AND LEADING AN EXCELLENT AND EFFICIENT OPERATION

Customers are the drivers and adjudicators of corporate values. Despite immense market competition, we have been implementing our core values "Customer-oriented, Quality Assurance, Value Creation", committed to persisting on improving product and service quality. In 2019, we strengthened our efforts for technological innovation, by increasing the application of new technologies in our subsidiaries based on their respective business characteristics. For instance, COPL's innovative service model made use of the "Internet of Things (IoT) + Community" approach in building a new technological property management system, raising customer service quality and efficiency in the process.

BUILDING HAPPINESS FOR THE ENVIRONMENT AND LEADING A GREEN AND LOW-CARBON ENVIRONMENT

Deeply involved in property development and construction industry for decades, the Group realises that "green" is the future development trend of the industry. In recent years, we have actively practiced the concept of "Smart Technology & Green and Healthy Development" and vigorously promoted green building projects. As at the end of 2019, nearly 300 projects have obtained green building certification, and the number of qualified professionals for BEAM Plus has increased to 37 from 23 last year. One of our subsidiaries, the China Overseas Land & Investment Limited, has received a number of accolades including the "Second runner-up in China's Green Property 2019", recognising its efforts in green building development.



Management Message

BUILDING HAPPINESS FOR COMMUNITY AND LEADING A HARMONIOUS AND PROSPEROUS SOCIETY

The survival and development of business stems from community. Leveraging its own operating edge, the Group actively participates in projects such as construction of affordable housing. These projects not only improve residents' quality of life, but also spur economic development of local communities. 2019 was an important year for the country to promote poverty alleviation. The Group commenced target-oriented poverty alleviation initiatives from the industry and educational aspects, supporting the countrywide poverty alleviation work, in addition to providing economic assistance and working opportunities for local residents. In the future, the Group shall continue to stay passionate about programmes for public good, spreading the seeds of community care, practising corporate social responsibility, and facilitating the peaceful development of the society.

For the past 40 years, the Group has taken up the responsibility of "Developing the motherland, Building Hong Kong and Macau". We are grateful for opportunities presented to us and the care and support we have been receiving from stakeholders around different industries. Bridging the past and the future, the year 2020 signifies multiple significances. The year marks the starting point for COHL entering the next "40-year journey". We will not forget the ways we started our business and will continue to forge the entire industry chain of investment, construction, operation and services by offering strong competitive advantages. Upholding the mission of "We Manage Happiness", we will strengthen our sustainability governance and strive to achieve the vision of "Becoming a World-class Investment, Construction and Operation Service Provider".

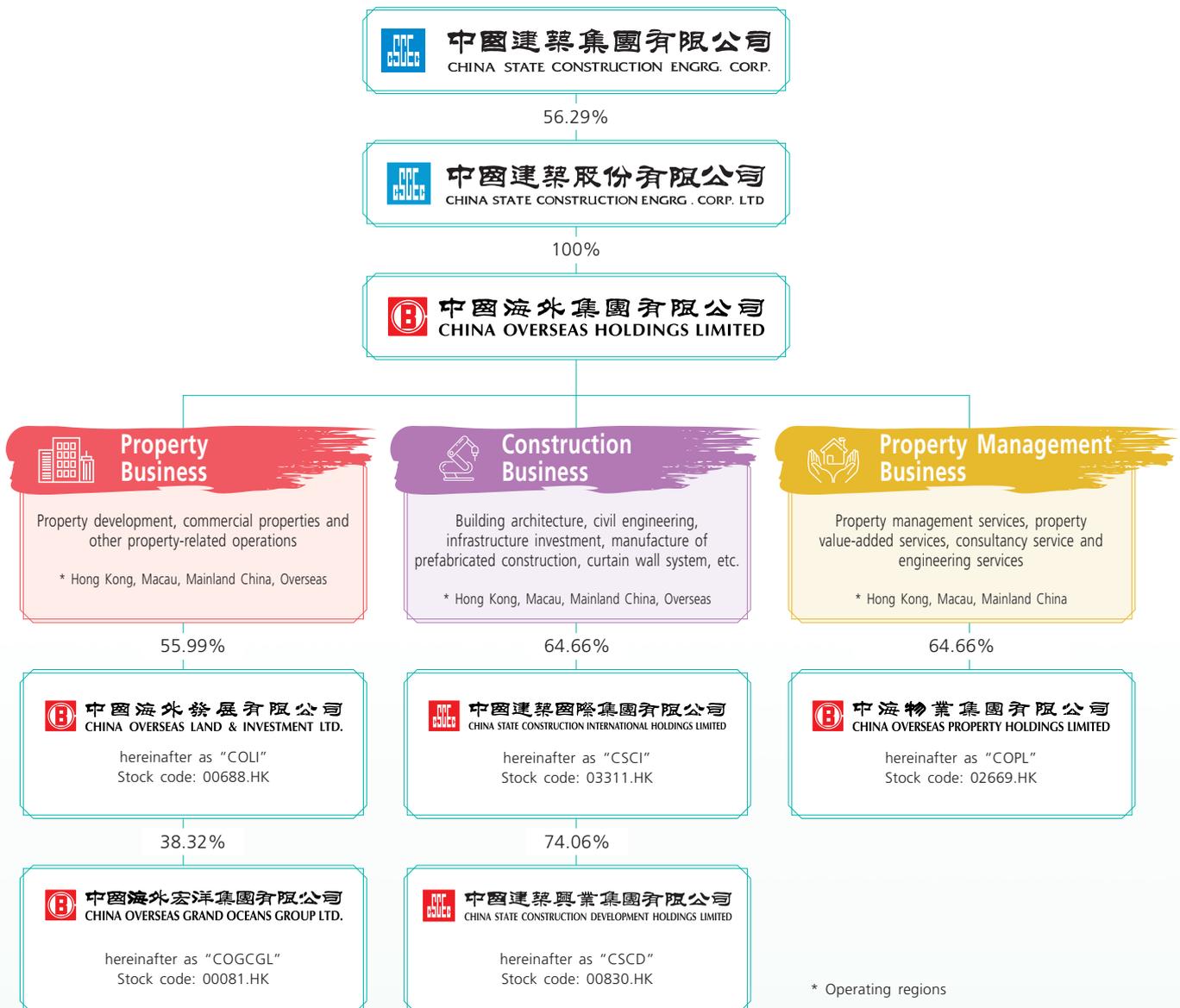
Mr. YAN Jianguo
Chairman and President



ABOUT COHL

COHL, a subsidiary of China State Construction Engineering Corporation (hereinafter "CSCEC", ranked 18th on the "Fortune Global 500" list), was established in Hong Kong in June 1979. In 2019, COHL has five subsidiaries listed on the Hong Kong Stock Exchange with a total combined market capitalisation of HKD350 billion. This constitutes integrated capability of coordinating the "two markets and resources in overseas geographies and Mainland China". Its operating business is as follows (Shareholding percentage as at 31 December 2019):

BUSINESS STRUCTURE



About COHL

FINANCIAL AND BUSINESS PERFORMANCE

2019 Economic Performance Summary (Unit: HKD'000)



Income

252,642,401

Distributed Economic Value



179,481,583

Operating Costs



11,115,962

Employee Remunerations
and Benefits



12,430

Employee Training
and Development



26,550,618

Payment to
Government



13,682,107

Payment to Investors



14,617

Community Investment

2019 Business Performance Summary



Property Business

- Property business covers 70 cities, as well as Hong Kong and Macau
- Total assets RMB723.9 billion (About HKD817.9 billion)
- Operating income RMB163.65 billion (About HKD187.8 billion)
- Contract sales HKD377.17 billion
- Land reserves 89.23 million m²



Construction Business

- 248 projects under construction with HKD396.57 billion attributable contract value
- 96 new projects with HKD110.62 billion attributable contract value
- 39 completed projects
- Prefabricated construction industrialisation base in 6 locations[#]



Property Management Business

- Area under management covers 104 cities
- 806 contracted management project
- Total construction area under property management covers 151.4 million m²
- Full-year revenue recorded as HKD5.46 billion

[#] Two of the bases have not become fully operational in 2019

About COHL

GROUP BUSINESS OPERATING MODEL

Key Inputs



Financial Capital

- Acquired through a variety of channels such as placement of new shares, corporate bonds, bank borrowings and financial leases



Production Capital

- Property and equipment, etc.



Social and Relationship Capital

- Our stakeholders include shareholders/investors, customers, employees, partners, suppliers and communities



Human and Intellectual Capital

- Total number of employees: 63,708
- BEAM Professionals: 37
- Green Building R&D Centers: Suzhou and Wuxi



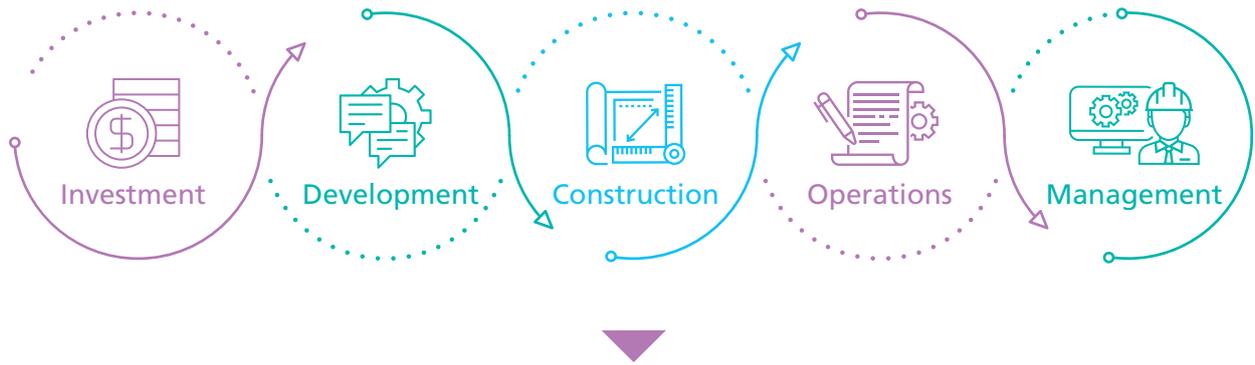
Environmental Capital

- Energy Consumption: 63,811.77 kWh
- Municipal water consumption: 51,552,639.9 m³



About COHL

Operating Activities



Outcome



Key Economic Performance:

- Annual revenue as at 31 December 2019: HKD252,642,401,000



Key Employee Performance:

- Average training hours for employees: 30.83
- Work-related injuries: 364
- Lost day due to work injuries: 32,419



Key Product and Service Performance:

- 0 customer complaints of privacy violation and loss of information
- Industry-leading level of customer satisfaction



Key Environmental Performance:

- Greenhouse gases emissions: 1,219,905.14 tCO₂e
- Handling volume of hazardous waste: 3,460.30 tonnes
- Disposable volume of non-hazardous waste: 33,015,168.83 tonnes



Key Community Performance:

- Newly built affordable housing of 2.939 million m²
- Donated for building of all 14 China Overseas Hope Schools

SUSTAINABILITY MANAGEMENT

We have a Corporate Social Responsibility (CSR) Committee in place reporting to the Board of Executive Directors to advance sustainability management. The CSR Committee is dedicated to planning and supervising the Group’s initiatives on the economic, environmental and social fronts, reviewing and consolidating progress regularly and reporting to the Presidents. In 2018, we established a standardisation administration to fine-tune the management policy and system of the headquarters, and optimise the integrity, procedure and structure of the Group’s sustainability governance framework.

SUSTAINABILITY MANAGEMENT

Board of Executive Directors

It is the decision-making body, with the mechanism for significant decision-making set out in the rules of procedures.

Strategic Management Committee

Fund Management Committee

Human Resources Management Committee

Corporate Social Responsibility Committee

Compliance and Comprehensive Risk Management Committee

Corporate Social Responsibility Committee

- Chairman:** President of the Group
- Member:** Department managers and management of subsidiaries
- Responsibilities:**
- Formulate and co-ordinate CSR policies and related work of the Group and its subsidiaries
 - Carry out annual summary and review, and report work progress to the President of the Group



CSR Working Group

- Member:** Representatives of departments in the Group and subsidiaries
- Responsibilities:**
- Implement the CSR policies and objectives decided by the Committee and ensure the smooth rollout of measures set by the Committee
 - Assist in planning and organising relevant CSR work and measures

Sustainability Management

MANAGEMENT APPROACH ALIGNED WITH SUSTAINABLE DEVELOPMENT GOALS

Building Happiness for Life

Building Happiness for Employees and Leading a Harmonious Working Team in a Safe Environment

Corresponding SDGs aligned:



Risk and Opportunity

- Safeguarding occupational health and safety of employees is our top priority as the Group is in construction business, conventionally identified as a high-risk industry
- Talent is classified as the most valuable asset in the Group since attracting and retaining talent magnifies the team spirit, productivity and innovation. It is important for our employees to keep up with the rapid advancement of the industry and technology. Inadequate preparation might impose a negative impact on the operational efficiency and sustainability of the Group
- Creating a safe, harmonious and egalitarian workplace with the provision of sensible and scientific training is a critical factor in forging a sustainable workforce
- Integrity is a crucial element of the Group’s corporate culture and we focus on creating an honest working environment for our employees. Occurrence of corruption may severely disrupt the operation, potentially resulting in significant financial risks and inevitable goodwill impairment

Actions taken by the Group in 2019

- Introduced “caring paid leave”, “birthday paid leave” and “volunteer compensatory leave”, extended lunchtime and provided overtime transportation reimbursement
- Conducted 5 spot checks on key projects and lead by management
- Created the first cohort of “COHL Safety Management Talent Pool” for empowering the responsible party with safety management capability
- Strengthened the supervision of complain handling and internal investigation coordination
- Formulated 9 internal Integrity Supervision System
- Arranged declaration of business relationships for leaders and their spouses and children
- Established 5,901 employees’ integrity checklist
- Conducted integrity training such as organising 2 assemblies and Hong Kong Independent Commission Against Corruption (ICAC) seminars themed as “Business Ethical Management and Staff Integrity Training”

Sustainability Management

Building Happiness for Life

Building Happiness for Clients and Leading an Excellent and Efficient Operation

Corresponding SDGs aligned:



Building Happiness for Environment and Leading a Green and Low-carbon Environment

Corresponding SDGs aligned:



Risk and Opportunity

- The Group’s business has a strong relationship with people’s living environment. Through varied measures such as applying innovation technology and improving customer engagement, the Group makes contribution to build a participatory, integrated and sustainable human living environment
- The Group faces corruption risk in the collaboration with suppliers. Occurrence of corruption may impact on a fair and transparent procurement and severely disrupt the operation, potentially resulting in significant financial risks and inevitable goodwill impairment

- Construction business is heavily dependent on natural resources. The energy consumed during construction and operations accounts for 36% of final global energy use and 39% of energy and process-related carbon dioxide (CO2) emissions
- Creating a resource-saving and environment-friendly society is a trend. The Group’s business may encounter regulatory transformation risks, which pose a challenge to sustainable development. Environmental issues like climate change may also risk the asset strandings
- Leverage the positive impact on the environment through continuous innovation and adoption of technology

Actions taken by the Group in 2019

- Completed 121 smart home show flats and 32 smart community projects, carried out trails in 25 smart sales offices
- Promoted the application of building information modelling (BIM) in projects and utilised technology for managing every key stage to precision
- Adopted the “Internet of Things (IoT) + Community” approach to construct a new technology property management system and created an internet ecosystem to improve service quality
- Provided communication and grievance platforms, and conducted customer satisfaction surveys in order to strengthen customer communication and improve customer engagement regarding living environment
- Focused on the anti-corruption management of supply chain. Prohibited bribery, kickbacks, fraud, etc.
- Advocated “Energy Saving and Emission Reduction” scheme in the office and adopted various resources management approaches, such as utilisation of sustainable paper and construction materials
- The Group’s construction business developed emergency plans, typhoon precautionary measures and other actions. In 2019, HK\$348,660.1 was invested by the corresponding business to prevent climate risk
- Mitigated the environmental impact in project design, construction and operation
- 74 new projects received Green Building Certification with 15.82 million m² newly certified construction areas and 3 new patents acquired

Sustainability Management

Building Happiness for Life

Building Happiness for Community and Leading a Harmonious and Prosperous Society

Corresponding SDGs aligned:



Risk and Opportunity

- Building a good reputation provides a robust social license for the Group to operate and reinforce its corporate social responsibility status
- Optimise the business advantage to establish sustainable communities in addition to social investment and welfare projects

Actions taken by the Group in 2019

- Donated for building China Overseas Hope Schools
- Expanded the construction area of affordable housing by 2.939 million m² in which 576,000 m² were set going
- Launched job fairs for employment and poverty alleviation, more than 260 people participated, out of which 10 were employed
- Carried out over 60 charitable activities with more than 4,500 volunteering service hours, including home improvement, community visits etc.
- Organised education poverty alleviation plan “Spring Bud Action”, provided a 5-day training to 50 teachers from three counties of Gansu Province and visited 8 schools in the 3 counties of Gansu Province
- Established Longkang Old-Tree Walnut Kernel Poverty Alleviation Brand, a total of RMB2.0825 million of agricultural products were purchased from three counties of Gansu Province, and sales amount was RMB4.7093 million
- Launched Sea of Hope e-commerce poverty alleviation platform and received RMB17 million in poverty alleviation orders

STAKEHOLDER ENGAGEMENT

COHL understands the significance of engaging stakeholders for the Group's sustainable development. The multiple one-way and two-way communication channels enable us to encompass and consider the concerns of the stakeholders and extend them to the relevant business activities or decisions for delivering greater value.

REVIEW OF KEY ISSUES

With an aim to stay abreast with the key issues that both stakeholders concern and are highly related to the Group, we have appointed an independent consultant to take responsibility for stakeholder engagement exercise. Through diversified engagement channels including interviews, workshops and focus group discussions, combined with the results of the questionnaire survey, we identified the perspectives and expectations of internal and external stakeholders. In 2019, we made reference to requirements of the GRI Standards for identifying material topics. The Group's CSR Committee evaluated the feedback from stakeholders, and hence scrutinised the latest developments in the core business and external environment to ensure consistency of approach to the key issues.

Stakeholders	Engagement Channels	Concerned Issues	Corresponding Chapters
Customers	<ul style="list-style-type: none"> • WeChat • Website • Telephone • Email 	<ul style="list-style-type: none"> • Customer health and safety • Customer privacy 	Building Happiness for Clients and Leading an Excellent and Efficient Operation
Employees	<ul style="list-style-type: none"> • Employee training • Staff Recreational Associations • Questionnaire • Seminar • Employee redressal mechanism 	<ul style="list-style-type: none"> • Employee system • Employee health and work safety • Training and development • Employee diversity and equal opportunities • Elimination of discrimination • Child labour • Forced or compulsory labour 	Building Happiness for Employees and Leading a Harmonious Working Team in a Safe Environment
Business partners and suppliers	<ul style="list-style-type: none"> • Tender meeting • Telephone • Email • Meetings 	<ul style="list-style-type: none"> • Anti-corruption 	Building Happiness for Clients and Leading an Excellent and Efficient Operation

Stakeholder Engagement

Stakeholders	Engagement Channels	Concerned Issues	Corresponding Chapters
Stakeholders/Investors	<ul style="list-style-type: none"> • Investment meeting • Shareholder meetings • Announcement • Sustainability Report 	<ul style="list-style-type: none"> • Anti-corruption • Economic performance 	Building Happiness for Clients and Leading an Excellent and Efficient Operation; Building Happiness for Employees and Leading a Harmonious Working Team in a Safe Environment; About COHL: 2019 Annual Report of Subsidiaries
Community	<ul style="list-style-type: none"> • Charity Events • Community research 	<ul style="list-style-type: none"> • Indirect economic impact • Care for local community 	Building Happiness for Community and Leading a Harmonious and Prosperous Society
Government	<ul style="list-style-type: none"> • Regular meeting • Government advocacy 	<ul style="list-style-type: none"> • Material • Energy • Water • Emissions • Sewage and waste 	Building Happiness for Environment and Leading a Green and Low-carbon Environment



Building **Happiness for Employees and**
 Leading **a Harmonious Working Team in a Safe Environment**

Employees are at the centre of corporate value creation and realisation. COHL adheres to the vision “To Assemble the Enterprising Ones and Motivate the Promising Ones”, continually improving the Group’s human resources (HR) management mechanism. COHL provides employees with an equal and safe working atmosphere, with adequate development opportunities and a harmonious environment. The Group respects employees’ values and demands, aiding their pursuit of work-life balance.

Corresponding SDGs aligned:



- 3.3 End combat hepatitis, water-borne diseases and other communicable diseases
- 3.4 Prevent, treat and promote mental health and well-being
- 3.8 Achieve universal health coverage



- 8.6 Reduce the proportion of youth not in employment, education or training
- 8.8 Promote safe and secure working environments



- 10.3 Ensure equal opportunity and reduce inequalities



- 16.5 Reduce corruption and bribery in all their forms

BUILDING HAPPINESS FOR EMPLOYEES AND LEADING A HARMONIOUS WORKING TEAM IN A SAFE ENVIRONMENT

HUMAN RESOURCES MANAGEMENT

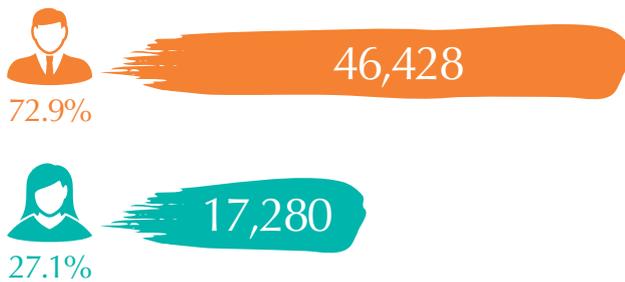
Talent Management

Adhering to the “COHL Human Resources Management System” and the “Staff Manual”, the Group has put in place a comprehensive management approach which covers employment and welfare policies, performance appraisals, training and the provision of equal opportunities. While the Group’s HR department oversees the coordination, the HR departments of its subsidiaries take the responsibility of policy implementation and personnel deployment, as well as annual policy evaluation.

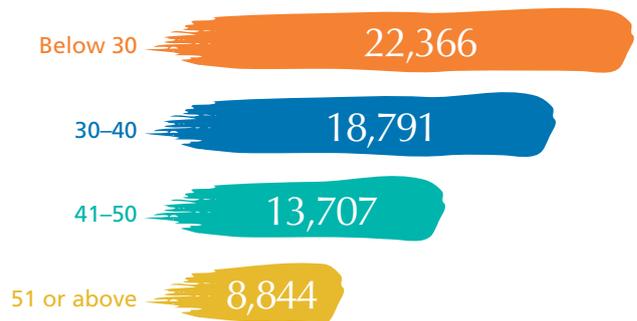
Total number of Employees (Unit: Headcount):

63,708

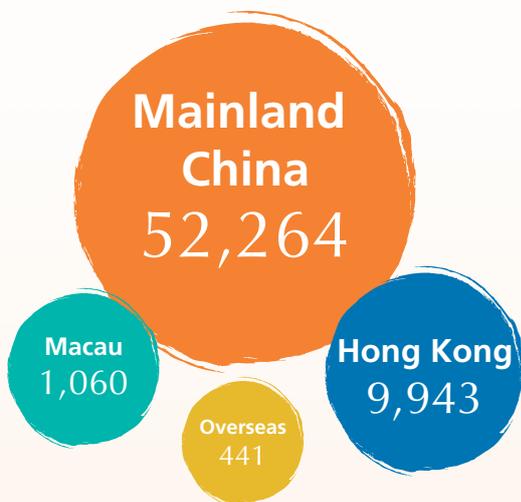
By gender:



By age :



By region:



By position:



Building Happiness for Employees and Leading a Harmonious Working Team in a Safe Environment

The Group complies strictly with labour laws in location where it operates, and optimises its labour policies on an ongoing basis to ensure effective HR management. In addition, the Group proactively participates in market research to facilitate annual salary adjustments in accordance with market standard, raising employees' compensation level including salary, subsidies, bonuses and other benefits. In 2019, the Group has set aside two days of "Caring paid leave", one day of "Birthday paid leave" and four days of "volunteering compensatory leave", and introduced the policies of lunch hour extension and transportation reimbursement for overtime work. Starting from 2020, the Group will add two Mandatory Provident Fund providers and offer the choice of employers' voluntary contribution to maintain our Group's labour benefits above the market standard.

Following our talent concept "To Assemble the Enterprising Ones and Motivate the Promising Ones", we actively recruit talents to build a strong talent pool. The Group has set up a stand recruitment platform, including the "Sons of the Sea" campus recruitment program for fresh graduates and the "Sea's Recruits" recruitment program. The property management business has also implemented the "Stars of the Sea" program for meeting the needs of multiple business segments and graduate positions. The Group's new employment rate was 34.14% in 2019. Additionally, the Group attracted 404 employees through "Sons of the Sea" program, 24 employees have been engaged in the job rotation program and 18 employees of "Sons of the Sea" have been sent to Hong Kong for interaction and communication.

Supporting local employment

When entering a new regional market, the Group assigns a core team to the market and recruits general staff locally. The Group also organises the "Sea's Recruits" program in different cities to recruit talents locally. Both initiatives provide employment and development opportunities for the local working population, driving towards the regional economic development.

Uniform Selection Criteria

In the selection of employees or candidates, the Group makes reference on the experience, academic qualifications and skillsets required for the job openings objectively. The selection also depends on the candidates' abilities, qualities and potential. The candidates' gender, marital status, pregnancy, and family roles do not affect the selection process.

The Group is committed to creating an equitable and diversified working atmosphere for employees, maintaining all relevant indicators above the average for the real estate and construction industry. In terms of recruitment, promotion, training, dismissal and terms of employment, the Group adopts the "Uniform selection criteria" for preventing discrimination based on gender, age and race. We implement the "Policies on Prevention of Discrimination and Harassment", providing concrete and target-oriented guidelines for all employees. Every year, the Group and its subsidiaries analyse the employees' composition for providing a reference for ongoing recruitment plan. In particular, COLI has committed to establish a monitoring mechanism with benchmark by 2021, for evaluating the implementation of gender pay equality and the fairness of promotion.

To better understand each employees' expectations of the Group and facilitate a harmonious working environment, the Group proactively supports employees to exercise their rights of voicing concerns and put forth suggestions and complaints through the redressal mechanism. The HR department implements the resolutions made by the Human Resources Management Committee, which include managing employees' complaints, organising employees' forum and appointing third party independent advisory to conduct yearly survey on employees' dedication and satisfaction of the company.

Building Happiness for Employees and Leading a Harmonious Working Team in a Safe Environment

The Group strives to prevent the occurrence of child labour or forced labour by strictly complying with the national and regional labour laws in locations where its business operates. When the Group and its subsidiaries recruit employees, we strictly control the recruitment process and inspect identity documents for ensuring compliance. In 2019, the Group had no reported case regarding discrimination, child labour or forced labour.

HEALTH AND SAFETY

Putting strong emphasis on employees' occupational safety and well-being, the Group is committed to improving its management mechanism for safeguarding employees' health. In accordance with the actual situation of the Group and its subsidiaries, we have established COHL Safety Production Management System and a series of relevant polices, including the "Management Measures for Safe Productions of COHL", "COHL Safe Production Management Handbook", "Responsibility List for Safe Productions of COHL". These polices clearly state the Group's safety production policies, in addition to duties and requirements that safety management personnel need to comply. We uphold the safety production policy of "Safety First, Prevention-based and Comprehensive Governance" together with the belief of "Life First" in daily operations.

The Group's HR Management is in charge of setting policies related to occupational health and safety, providing all employees with work-related injury and medical insurance. Besides, the Group and its subsidiaries offer employees with health checks, or monetary subsidies for health checks and travel insurance.

The Group's safety production target is to prevent any major accident related to safety production such as fire, traffic accident, poisoning, etc. In fulfilling this target, the Group and its subsidiaries have signed the "COHL Safety Production Responsibility Letter", clearly stating the safety production requirements and targets while its implementation is an essential part of the performance appraisal. We proactively control the fatality rate within 0.008 per 100 million output value and achieved the goal in this year. In 2019, the Group recorded two work-related fatalities, and the accident rate was 5.74 per thousand employees. CSCI, the Group's subsidiary has included contractors, interns and volunteers in the data collection since 2019, resulting in an increase of accident rate per thousand employees from 2018 to 2019.

To enhance safety in the production management system, the Group has set up a safety production monitoring committee which is responsible for planning the Group's safety related activities. The committee meets twice a year to examine safety production issues, through which the committee implements safety management initiatives, review the efficiency of the Safety Production System and optimise the system in accordance with requirements provided by government and supervisor units and the actual situation.

The Group conducts the large-scale safety-production related inspections twice a year, monitoring the safety management of its subsidiaries and following up on modification measures for reducing safety risks. For key projects, the Group carried out regular spot checks for five times in 2019 and implements "Leaders-led Safety Inspection System" in accordance with which each subsidiary constructs its own leaders-led safety management system, ensuring all the key projects are covered.

Responding to the multiple country-wide chemical explosion incidents in 2019, the Group takes precautionary measures for the units involved in storing and using dangerous chemicals. We organised a series of initiatives for the purpose of monitoring the management of dangerous chemicals, such as video conferences, field checks, employing professional safety rating units, as a means to carry out a comprehensive safety assessment and implementing rectification measures.

Building Happiness for Employees and Leading a Harmonious Working Team in a Safe Environment

In 2020, COHL plans to hold the “Safety Production Rectification Activities” which including three stages, aiming to eliminate health hazards from both the company level and the project level. The Group will continuously encourage qualified projects to actively participate in the industry well-recognised safety management awards, hoping to raise the overall safety management level of the Group.

To ensure the implementation of safety production, the Group set up the first batch of “COHL Safety Management Talent Pool” in 2019, which organises topical training for safety management personnel of its subsidiaries to enhance their safety management capabilities.



COHL Safety Management Talents training activity

In 2019, the Group organises a two-day “COHL Safety Management Talents Training” activity at the COHL Management Institute, inviting four experienced security management experts including representatives from the CSCEC safety department to conduct four sessions of training and teaching. The activity enhances interactions and communications between security management staffs from the Group’s three main business streams. A total of 44 participants joined the activity, including security management talents, leaders and Safety Production Supervision and Administration Department of the Group.

For protecting employees’ safety, the Group places a strong focus on employees physical and mental health, creating a healthy working environment for employees proactively. The Group organised various networking events in 2019, such as basketball competition and 40th-anniversary hiking activity, etc. These activities push forward internal communications and cultural sharing. Besides, the Group’s subsidiaries follow their business streams to commence occupational safety and health management work.

Property Business

The property business highly values construction safety. Under internal policies, COLI conducts strict management and inspections for developing projects and self-owned, self-operated commercial projects. Examples include conducting random sample inspections on project sites in different locations quarterly for assessing occupational safety and health risks. Besides, appointing a professional agency to start third-party safety risk assessment, conducting safety training, and other management strategies. COLI encourages contractors to obtain third-party certifications such as OHSAS18001 and incorporates safety and quality incident rate into the key performance indicators of the headquarters and regional engineering teams, imposing penalties on companies performing poorly in safety management.

Building Happiness for Employees and Leading a Harmonious Working Team in a Safe Environment



Construction Business

Construction business has set up a comprehensive Production Safety Management System, guiding production safety planning, day to day management, inspection and emergency response etc. CSCI has appointed the Production Safety Supervision and Management Committee as the highest leadership and decision-making authority in the production safety management mechanism. In order to strengthen health and safety management, CSCI recruited nearly 800 safety management employees in 2019. These are in charge of the occupational health and safety work at the construction sites and they conducted 23,727 safety checks in various forms. The company's five branches obtained the OHSAS18001 certification, while four branches completed its transfer to the new ISO45001 standards.

Case Study: A combination of technology and occupational health and safety initiative

With continuous advancement of technology, CSCI has introduced the concept of smart construction site progressively.

- CSCI has introduced physical safety experience zone and virtual reality experience project at various construction sites in Hong Kong, Macau and Mainland China. Workers shall select different experience types according to their job nature to experience the severe consequences under unsafe behaviour, through which their safety awareness has been improved.
- In Hong Kong, the company has implemented the smart safety management system for trench construction projects, using smart bracelets for monitoring worker's real-time position, heart rate and blood pressure, in emergency situations sending warnings to the outside world.
- In Macau, the company applies technological innovation, using the crane anti-collision automatic detection and alarm system for reducing the collision risk of machinery.
- In Mainland China, the company promotes the use of QR code in the construction process. Workers can scan the QR code to identify dangerous situations at the construction site.



Property Management Business

In 2019, the property management business organised 1,505 fire drills, and 6,274 hours of safety and health training, continuously enhancing employees' safety awareness and crisis management ability. COPL established the "Month for Health Care" in 2019, inviting specialists to conduct free caring clinics, lectures, training, health check-up and related activities, enhancing employees' health, safety, and critical illness prevention awareness.

Building Happiness for Employees and Leading a Harmonious Working Team in a Safe Environment

Mutual care and epidemic prevention

In the Chinese New Year of 2020, an unexpected coronavirus epidemic threatened the entire country. The Group responded immediately following the epidemic prevention requirements "*Staying confident, displaying solidarity, virus prevention with scientific knowledge, accuracy in governance*" and established an Epidemic Prevention Leading Group, consistently implementing a series of scientific preventive measures covering all operations in Mainland China, Hong Kong and Macau, putting in the most significant efforts to safeguard employees and clients' health and safety.

The Group printed multiple copies of notices about enhancing prevention work for fighting against the epidemic, widely posting the epidemic prevention posters, recording employees' health status daily and commuting records, besides carrying out sanitisation and sterilisation in offices. We also distributed articles for epidemic prevention to office employees, safeguarding their health.

Furthermore, COLI initiated online sales of flats for reducing crowds. The Group's Wuhan office established the "contingency leadership advisory body", for inspecting health conditions of employees comprehensively. CSCI established epidemic prevention working group to protect the health and safety of employees and site co-workers, distributing epidemic prevention equipment such as masks, goggles and disinfectants. Also, purchasing epidemic prevention tools and resources to implement preventive controls in the working environment. COPL follows the disposition, promoting knowledge of epidemic prevention in multiple channels, carrying out large-scale and regular sanitisation at service projects, providing purchase and delivery services for tenants. The prevention works ensure every employee's and client's safety protection. The Group actively implements epidemic prevention work for its associated properties and communities.

In 2019, the Group did not involve any laws and compliance issues, related to violation of the provision of a safe working environment and protecting employees for avoiding occupational hazards which imposed significant impacts to the Group.



Building Happiness for Employees and Leading a Harmonious Working Team in a Safe Environment

TRAINING AND EDUCATION

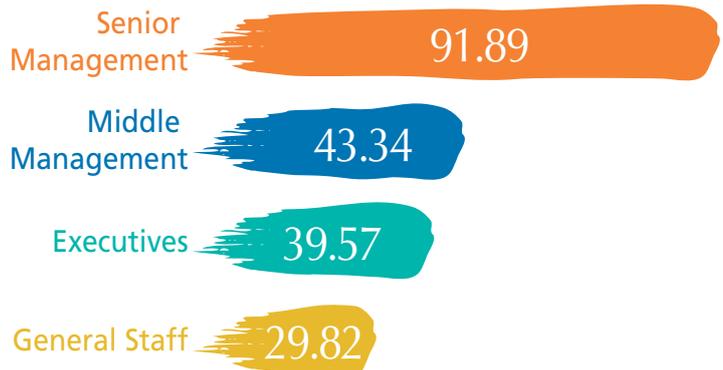
The Group encourages employees to continuously keep enhancing their professional development. We invest adequate resources on employees training every year, supporting employee’s lifelong learning and self-improvement. In 2018, the Group founded the COHL Management Institute in Hong Kong and Shenzhen, and commenced training activities in accordance with its internal training policies, such as the “Administrative Measures on COHL’s Staff’s Ongoing Education and Training”, “Administrative Measures on COLI’s Staff’s In-service Degree Education Subsidisation”, etc. The Group carries out unified planning, stratified implementation, resources sharing, closed-loop impacts as management strategies, promising 100% employees training coverage rate. The Group will continue to assess the effectiveness of training, giving timely adjustments in maintaining the learning effectiveness.

Average training hours for employees (Unit: Hours):

By gender:



By position:



“Career Cornerstone Action” training for headquarters employees

In 2019, COHL Management Institute organised the “Career Cornerstone Action” training program for our headquarters staff, with the theme of “Positive leadership abilities — enhancing psychological capital”. Through teaching, assessment, group discussion, games, and case study, we enhanced communication and integration between departments of the headquarters. The coverage of the “Career Cornerstone Training” exceeded 80%.

Building Happiness for Employees and Leading a Harmonious Working Team in a Safe Environment

The Group provides target-oriented training for different employees. In 2019, we offered a three-month Cantonese training programme for mainland staff stationed in Hong Kong, helping them to integrate into the lifestyle and workplace of Hong Kong smoothly. We also invited a professor from Tsinghua University to commence a two-day workshop, namely the “Leadership development training — emotional leadership workshop for senior and middle management”. A total of 48 employees participated in this training from the Group’s headquarters and its subsidiaries. Designated for fresh graduates, we implemented the “Sons of the Sea” navigation programme to help them immerse into the COHL culture. The Group commissioned CSCI to set up a one-year training programme for “Sons of the Sea” participants stationing in Hong Kong.



“Sons of the Sea” forum for employees stationing in Hong Kong



“Leadership development training — emotional leadership workshop for senior and middle management”

Building Happiness for Employees and Leading a Harmonious Working Team in a Safe Environment

ANTI-CORRUPTION AND INTERNAL CONTROL

Anti-corruption is a crucial component of COHL's corporate culture. To ensure the effective development of the Group's anti-corruption measures, the Group's Supervision Department is responsible for reviewing the management system and related guidelines to ensure integrity of all departments, subsidiaries, branches, business units, joint ventures and operational sites. The Group also elucidates the monitoring function of its subsidiaries and listed entities. Supervisors are required to receive professional training in project management and discipline supervision. Besides, the Group has formulated the "Management Measures for Remuneration and Business Expenses of COHL Headquarters Personnel", "Management Measures for Remuneration and Business Expenses of COHL Subsidiaries Manager" to clarify the performance benefits and business expenses of the headquarters employees and managers of subsidiaries.

In 2019, the Group embarked on the following initiatives to enhance its integrity culture.

1. Strengthening the Grievance and Complaint System

The Group processed a total of 87 complaints during the year, including those related to employee integrity and conflict of interests. We organised self-examination to create an ethical business environment. At industry level, we signed the "Integrity Convention" with more than 20 real estate companies, established a shared "blacklist" of violators and resigns, and used social forces to strengthen the punishment of violators, raising the cost of violations of the laws and regulations.

2. Improve the Integrity Supervision System

We formulated 9 internal Integrity Supervision Systems through the year to ensure that the system construction is complete and scientifically standardised. We organised declarations of related transactions between leaders and their spouses and children with enterprises. And we established a 5,901 employee integrity checklist.

3. Carry Out Integrity Education

The Group organised two integrity education conferences covering 2,612 people in total. 11 lectures were delivered on the topic of "Corporate Integrity Governance and Employee Ethics" from the Independent Commission Against Corruption (ICAC) of Hong Kong, covering more than 600 participants. We promoted the "Integrity Culture Promotion Week" under which 469 integrity activities of various forms were organised with 104 branches covering a total of 38,000 participants.

The Group and its subsidiaries had established and implemented supervision and management systems and anti-corruption-related policies to prevent corruption, creating a corporate culture of integrity and effectiveness. In 2019, there were no significant corruption risks found or occurrence of confirmed corruption incident.



Building Happiness for
Clients and
Leading an Excellent and
Efficient Operation

Keeping in mind the mission of “ We Manage Happiness”, COHL is dedicated to creating a corporate culture of integrity and efficiency. Adhering to the core principle of “ Customer-Oriented, Assuring Quality and Creating Value”, we endeavour to maintain a green and sustainable supply chain management, insist on quality-priority approach, provide customers with products of demand and excellent services.

Corresponding SDGs aligned:



11.3 Enhance the participatory, integrated and sustainable human settlement planning and management



16.5 Reduce corruption and bribery in all their forms

BUILDING HAPPINESS FOR CLIENTS AND LEADING AN EXCELLENT AND EFFICIENT OPERATION

PRODUCTS AND RESPONSIBILITIES

COHL is committed to its core value of “Customer-oriented, Quality Assurance, Value Creation”. Keeping customers’ interests at its heart, the Group focuses on ensuring product and service quality, while offering a full cycle of top-notch services through innovative business models, product offerings and service systems, so as to satisfy customers’ pursuit of a blissful life.

Quality Management

The Group strongly believes that high quality is the foundation for realising sustainable development. In order to raise product and service quality while ensuring customers’ safety and health, various business sectors under COHL have been incessantly enhancing their quality management. We have promulgated the “Overseas Business Compliance Management Guideline” in 2019, actively prompting our subsidiaries to incorporate relevant systems according to the actual situation. In 2019, the Group did not record any cases of penalty associated with product or service violation.

Property Business

- Carry out site reconnaissance and assessment of construction sites before the commencement of work
- Implement stringent controls on construction processes to monitor safety standards
- Random selection of projects to evaluate on a quarterly basis, so as to analyse the risks of safety hazards and propose mitigation plans accordingly
- Before delivering the project, hire third-party personnel to liaise with each department on cross checks, ensuring the quality of the project

Construction Business

- Setting and enforcing relevant measures enables a clearly defined organisational framework and construction management process standard, ensuring the systemisation and standardisation of quality management
- Monitor quality performance through regular internal audits, followed by improvement suggestions
- Key branches have already been certified by ISO9001 management systems auditing standards

Property Management Business

- Construct science-based contingency systems to effectively handle sudden events
- Regular emergency drills and promotion of educational events
- COPL is the industry’s first corporate that has obtained a triple-certification (ISO9001, ISO14001 and OHSAS18001)

Building Happiness for Clients and Leading an Excellent and Efficient Operation

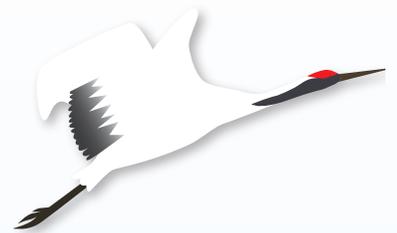
Smart Community

The Group understands the importance of technological innovation in improving product and service quality. Hence it has been actively devoting to developing and applying new technologies, materials, skills and methods.

In the property business, we researched from three aspects, namely “Smart Community”, “Smart Home” and “Smart Sites”, analysed critical concerns of customers and constructed a Smart System covering 4 segments, 20 scenarios and 50 sub-items. Currently, there are 121 smart home show flats, 32 smart community projects and 25 smart sales offices pilot sites in place. During the year, we collaborated with leading technology companies including Huawei, Microsoft, Alibaba and Tencent to jointly launch “Smart Life 3.0”, driving fifth-generation premium projects, further integrating technology to build a people-oriented living space and realise a comprehensive interconnected smart home system.

Our construction business strongly promoted the use of reusable construction materials and building information modelling (BIM) in our projects, constructing a digital management platform that can be applied throughout the property development process, while utilising technology for managing every key stage to precision.

Regarding property management business, we innovated our service model by utilising the “Internet of Things (IoT) + Community” approach to build a new technology property management system. Meanwhile, we actively developed diversified services based on mobile internet platforms. Through resource integration, we created the “Well +” Internet ecosystem encompassing four main business streams, namely property services, community assets, customer assets and lifestyle service operation, and fully leveraged information technology to enhance service quality.



Building Happiness for Clients and Leading an Excellent and Efficient Operation

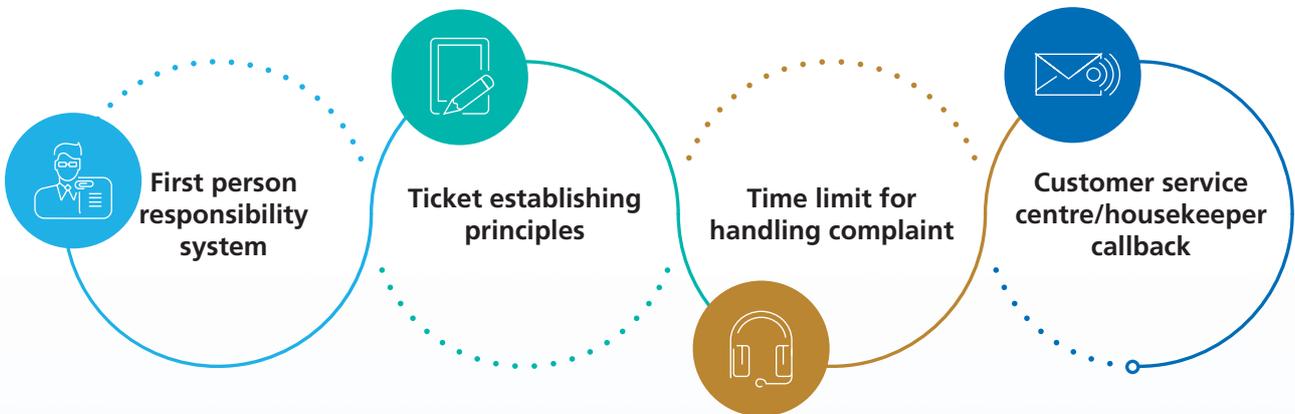
Customer Satisfaction

The Group is committed to customer orientation; from determining our work approaches and factors to consider, to exploring any rooms for improvement from customers’ perspective, we aim to exceed customers’ expectations on products and services offered. Through multiple communication channels including meetings with customers, site visits, and activities like “construction site open day”, we are able to listen to customers’ needs and strengthen bilateral communication in order to further enhance service quality.

We have developed multiple grievance platforms which created smooth communication channels and allowed us to receive customer complaints and feedbacks in a timely manner. Reporting and complaints hotlines of the labour and environmental division are readily available at construction sites, while means of contact are shown at our sales channels, property management front desks, lobbies, move-in venues and online platforms, effectively making use of information management tools in facilitating communication.

Property projects involve a large number of customers, and hence in order to improve the efficiency of handling complaints, we enforce the principles in responding when customer complaints.

In order to gauge our service level by an objective yet quantitative approach and benchmark with our peers, COLI and COPL have appointed third-parties to carry out customer satisfaction surveys and conduct mystery customer inspections. According to the survey results in 2019, both COLI and COPL were outstanding in the industry in terms of customer satisfaction.



Four principles in complaint handling

Building Happiness for Clients and Leading an Excellent and Efficient Operation

Privacy Protection

We highly value the privacy of customers, staff and business partners and strictly comply with privacy protection rules and regulations in locations where we have operations, while adhering to the Group's internal confidentiality policies.



Property Business

We emphasise the protection of customer information through creating a management system that uses passwords, the Internet, systems and data information, while arranging internal and external information security audits on a regular basis. We also require employees who work closely with confidential information to sign a declaration of confidentiality.



Construction Business

We carefully handle all information provided by customers, staff and business partners, applying the ISO27001 standard on information security across our businesses. In 2019, we constructed a centralised anti-virus system and promoted its use throughout the Group. We have also upgraded our defence system to further guarantee information security.



Property Management Business

Acknowledging that the property management business' service process involves collection of customer information, we strictly follow the rules regarding information collection and usage under Law of the People's Republic of China on the Protection of Consumer Rights and Interests, so as to formulate relevant management systems and closely guard customer information and surveillance videos.

In addition, we also highly value the information security awareness among our staff and business partners. We carried out the safety and security training for suppliers to strengthen our business partners' internet safety awareness, while universal training on information security awareness is provided to staff members by organising the Internet Safety Week.

0 Cases

of customer privacy invasion and complaints of lost customer information

Building Happiness for Clients and Leading an Excellent and Efficient Operation

GREEN SUSTAINABLE SUPPLY CHAIN

We build our foundation of offering quality products by ensuring the safety, health and standards of all materials and facilities. We also value cooperation with suppliers. During the procurement process, we strictly follow relevant monitoring and management regulations stated in the contract, ensuring compliance, probity and efficiency in the bidding and procurement process. Moreover, we actively monitor suppliers’ performance in terms of environmental and social responsibilities, accelerating the formation of a mutually beneficial relationship in achieving sustainable development and building a responsible supply chain.

Property Business

Our property business is among the pioneers of centralised procurement in China, incessantly perfecting supply chain management to fulfil demands for new materials and skills in the pursuit of industry and product development. Suppliers in this sector mainly include materials, facilities and services suppliers, contractors, subcontractors and property management companies. In 2019, we formulated the new Supplier Code of Conduct that regulates suppliers’ behaviours. Depending on the situation, we take subsequent actions against suppliers who violate the relevant regulations.

Supplier Qualification

- All potential suppliers are required to pass the screening according to the established procedures and conditions as set out in the Central Procurement QDSS Management Guidelines

Supplier Assessment

- Carry out annual review and rating to assess suppliers’ performances
- Suppliers that fail to meet the standards are prohibited from participating in biddings
- Select “strategic enterprises” from suppliers with high ratings

Guarantee on Quality of Materials

- Implement green purchasing, take into account national certification marks or higher technical standards when purchasing materials, whilst properly managing the impact of materials on health and the environment
- Set out the standards for green purchasing by 2021
- Formulate and monitor the green supply chain’s quantified targets by 2023

Aside from high standards for materials and facilities, we also value partners’ human rights and labour protection rights. Therefore, we require contractors to comply with relevant rules and regulations; in case of wage defaults or other labour disputes, we urge contractors to resolve the issues according to the actual circumstances, and halt cooperation with serious violators.

Building Happiness for Clients and Leading an Excellent and Efficient Operation



Construction Business

The suppliers for our construction business mainly entail subcontractors, consultants, as well as building materials and facilities suppliers, etc. The selection of suppliers is closely related to the quality of construction projects and therefore we have formulated clear purchasing procedures and codes of conduct for suppliers. This allows us to achieve a multifaceted assessment of suppliers' performances, and prioritise those that have outstanding ESG practices or possess ISO14001 environmental management standards certification alongside OHSAS18001 occupational safety management systems.

In 2019, we expanded the monitoring of major suppliers' ESG performances, by requiring suppliers to report their compliance with regards to business, employment, environmental protection, acceptance of advantages and fair competition, as well as performances in waste reduction.



Property Management Business

The main suppliers for our property management business include material suppliers, security guards, cleaning and greening service subcontractors, etc. We uphold fair, objective and transparent purchasing principles; by signing the Commitment Statement on Integrity Practices with suppliers, we also forbid bribery, extortion, fraud and money laundering activities. At the same time, we have formulated a comprehensive audit and assessment system to adopt different assessment methods tailored to suppliers across various categories.

We also monitor suppliers' performances in terms of environmental and social responsibilities, through requiring materials suppliers to adhere to environmental protection policies and regulations, and requesting subcontractors to purchase social insurance and other relevant business insurance for their employees, achieving synergies in fulfilling environmental and social responsibilities with the group.

Building Happiness for
Environment and
Leading a Green and
Low-carbon
Environment

COHL upholds its belief in the corporate mission of “ We Manage Happiness” and attaches great importance to the environmental impact of the operation process. The Group incorporates the concepts of environmental protection and sustainable development into its daily operations, and is committed to reducing the impact of its operations on the environment through the development of green real estate and buildings, adoption of energy-saving and emission-reduction technologies, as well as promotion of green office concepts, thereby leading the trend in green building development.

Corresponding SDGs aligned:



9.1 Develop quality, reliable, sustainable and resilient infrastructure

9.4 Greater adoption of clean and environmentally sound technologies and industrial processes



12.5 reduce waste generation through prevention, reduction, recycling and reuse



11.3 Enhance the participatory, integrated and sustainable human settlement planning and management

11.6 Paying special attention to air quality and municipal and other waste management



13.3 Improve capacity on climate change mitigation, adaptation

BUILDING HAPPINESS FOR ENVIRONMENT AND LEADING A GREEN AND LOW-CARBON ENVIRONMENT

ENVIRONMENTAL MANAGEMENT

The Group and its subsidiaries strictly abide by all applicable environmental laws and regulations. We are committed to mitigating the impact of our operations on the environment. By launching an “Energy Saving and Emission Reduction” scheme within the Group, we promote green office culture and actively support and respond to the government’s environmental protection initiatives. Subsidiaries also practice the concept of sustainable development in their operations through reducing resource usage, enhancing resource usage efficiency, improving emission management, and actively deploying available green technologies to reduce environmental impacts.

In 2019, we did not find any violations of laws and regulations related to air and greenhouse gas emissions, discharges into water or land, and generation of hazardous or non-hazardous waste that could have a significant impact on the Group.

Environmental Management Approach

Governance	Policy	Environmental Management System	Environmental Commitment
<ul style="list-style-type: none"> The Group and its subsidiaries have set up environmental management departments responsible for monitoring environmental management and related work 	<ul style="list-style-type: none"> The Group and its subsidiaries implement internal environmental protection policies, providing management plans for emission management and resources use The Group urges its subsidiaries to establish an environmental pollution feedback notification mechanism to prevent major environmental pollution incidents 	<ul style="list-style-type: none"> The construction and property management business of the Group has obtained ISO14001:2015 Environmental Management System Certification The construction business obtained ISO50001:2015 energy management system certification, and passed the internal and external audits of the environmental management system 	<ul style="list-style-type: none"> Strictly comply with environmental regulations and relevant requirements Construction and property business formulate environmental protection parameters and targets, such as reducing carbon emissions, enhancing energy efficiency and reducing environmental impacts Research and promote green building

Building Happiness for Environment and Leading a Green and Low-carbon Environment

ADVOCATING GREEN BUILDINGS

The Group has focused on property development and construction business for years, striving to embed the concept of green building in projects, and minimise the impact on the environment through the entire life cycle of the building. The Group closely follows the national and industry requirements, puts strong emphasis on research and development of green construction technologies and promotes green building projects to establish a sustainable built environment.

Our property business actively practices the concept of green building, reducing its environmental impacts during project planning, construction process and project operations. This is achieved by adopting green construction technologies, conducting on-site environmental management, and introducing smart management to monitor resources usage of the building in real time. The property business has also vigorously promoted its projects to obtain green and sustainable building certifications such as the China Green Building Star Certification, US LEED certification and US WELL certification. As of the end of 2019, a total of 281 projects under the property business have obtained green building certification, with a cumulative green building area of 54.86 million square meters, accounting for 68% of the total development project building area.

The property business strongly promotes research and development of green construction technologies, improves environmental performance of buildings, receiving many achievements and industrial recognition. In 2019, the property business obtained a total of 3 new patents, including a device to treat residential sewage for reuse, a system for the operation of two diesel generator sets, and a conversion structure of steel truss supported by a Y-shaped column top. These new technologies can help save water, reduce costs, and contribute to the development of green construction technologies.

Efforts of the Group's property business for promoting green buildings have been recognised by the industry. According to the "Top 30 China Green Property Index 2019" report, the property business was awarded the honour of "No. 3 in China's Green Property 2019" as well as "Top 10 of China's Green Property Operation Model 2019".

In order to enhance employees' knowledge of green building design, construction, and management, the Group arranged employees to participate in "BEAM Plus" training. In 2019, a total of 34 persons in the Group's construction business participated in the "BEAM Plus" training, and the number of qualified professionals increased from 23 in 2018 to 37 in 2019.



In 2019, a total of 34 people in the Group's construction business participated in the "BEAM Plus" training



Number of qualified professionals for BEAM Plus: 37



As of 2019, the Group has obtained a total of 28 green construction technology patents



In 2019, the Group has 74 newly added projects with green building certification and has a newly added green building area of 15.28 million square meters

Building Happiness for Environment and Leading a Green and Low-carbon Environment

ENERGY SAVING

The Group and its subsidiaries regularly examine resource consumption pattern including energy, water and materials, and formulate the corresponding conservation measures to reduce waste and improve resource utilisation efficiency.

Climate action

Climate change not only presents physical risks associated with extreme weather events to the Group, but also the transition risks caused by the progress towards a low-carbon economy. The Group and its subsidiaries identify and manage the impact of climate change on their businesses and projects, and adopt energy-saving and emission-reduction measures to improve energy efficiency of the projects, thereby reducing greenhouse gas emissions, and responding to climate change.

The Group's property business has set a climate change management goal for 2030, integrating climate change risk into its risk management system and strategies. In order to improve its site's ability to tackle climate change, the construction business formulates emergency plans for projects, implements risk-level management and control, and inspects preventive measures for typhoon. In 2019, the construction business invested HK\$348,660.1 to address climate change risk.

Overview of the Group's response to climate change

Governance	The Group has set up a Corporate Social Responsibility Committee, which is responsible for overall planning and supervision of the Group's initiative on the economic, environmental and social fronts, including the direction and strategy of tackling climate change.
Strategy	<p>We have identified the risks and opportunities brought by climate change:</p> <p>Risks:</p> <ul style="list-style-type: none"> National environmental requirements are becoming more stringent and the Group has to comply with legal and regulatory requirements Frequent extreme weather events affect construction progress and destroy the Group's assets <p>Opportunities:</p> <ul style="list-style-type: none"> New energy-saving and emission-reducing technologies continue to emerge, helping to reduce resource consumption and operating costs Promote green building development and enhance the market position of the Group
Risk Management	We conduct climate change risk assessment, plan measures to address the related risks and opportunities, and assess the effectiveness of the corresponding measures. The Group's subsidiaries have formulated energy policies, and we continue to review and optimise the relevant policies and management systems and thereby improve the Group's energy performance.
Metrics and Targets	<p>We monitor our climate change-related performance by regularly measuring the following metrics:</p> <ul style="list-style-type: none"> Greenhouse gas emissions, including Scope 1, 2 and 3 emissions Greenhouse gas emissions intensity Energy consumption <p>The Group's subsidiaries set climate change-related targets and metrics. For example, the construction business sets an office annual power consumption target of less than 120 kWh/sqm.</p>

Building Happiness for Environment and Leading a Green and Low-carbon Environment

Energy saving

The Group is committed to reducing energy consumption of its operations by implementing a number of energy management measures in the office. The Group has been responding to energy-saving actions, pledging to integrate energy-saving measures into its daily operations.

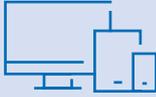
Lighting

- Use LED fluorescent tubes
- Turn off the system when idle



Office Appliances

- Switch off idle office appliances
- Purchase energy-saving office appliances
- Adopt intelligent controls, such as time control or temperature control air-conditioning system



Information Management

- Adopt cloud computing and software-defined network (SDN) technology to reduce the use of physical applications and minimise electricity consumption



Video Conference System

- Encourage replacing unnecessary business travel with video conference



Energy-saving initiatives in offices

The Group has been dedicated to exploring energy-saving opportunities. The construction business adopts energy-saving technologies and equipment on construction sites to reduce carbon emissions. In order to save energy, temporary offices on the construction sites adopt natural lighting design as much as possible, and all temporary lighting on the construction site is replaced with LED lights. Renewable energy is also used on the construction site; solar water heaters are installed to provide hot water for the construction site.

In addition to implementing energy-efficiency upgrade projects, the Group’s property and property management business regularly monitor energy consumption and analyse energy consumption data of the buildings, making timely rectifications once abnormalities in energy consumption are found. The property business has an energy management specialist in place to analyse energy consumption and energy-saving results on a monthly basis, and record consumption abnormalities. In 2019, the property business installed 5,315 smart installation in its real estate projects to monitor energy use. In order to reduce fuel consumption, the property business regularly repairs and maintains vehicles to ensure good vehicle performance and improve fuel efficiency.



Building Happiness for Environment and Leading a Green and Low-carbon Environment

WATER CONSERVATION

The Group strives to protect water resources by saving water in its operations. Reminders are posted in the Group's office about the need for saving water in pantry and restrooms. Also, automatic switch and sensor faucets are installed in restrooms to reduce water wastage. The Group's subsidiaries implement water-saving measures and reuse wastewater in their daily operations. The property management business actively promotes the use of water-saving devices and regularly monitors water usage and issues communications to increase awareness about the need for saving water. Water leakage control measures are implemented to reduce water wastage. The property business has established water resources conservation quotas, which are linked to the reward and assessment of the personnel responsible for the management of conservation measures to motivate employees and improve the performance of water conservation.

The Group is committed to improving the efficiency of water use, recycling wastewater and rainwater on construction sites for road and vehicle cleaning, concrete maintenance and dust prevention. The property management business actively recycles wastewater, collects condensate and rainwater for reuse, and adopts methods including progressive water use and water recycling to reuse wastewater.

MINIMISING MATERIAL CONSUMPTION

The major materials used in the Group's operations include office paper and construction materials. The Group is committed to practicing green procurement, minimising the use of resources and increasing the recovery rate and usage of recyclable materials. The Group and its subsidiaries have taken environmental and sustainability factors into the procurement process, giving priority to third-party certified sustainable materials. For example, the Group's office paper and printed materials are all certified by the Forest Management Committee (FSC), and the property business also promises to give priority to purchasing sustainable wood.

To mitigate the waste of construction materials, the Group promotes the use of new technologies, equipment and raw materials to improve resource utilisation efficiency. For example, building information modelling (BIM) technology and modular integrated construction method (MiC) are implemented in the projects. Compared with traditional building models, BIM technology can enhance construction precision, while adopting MiC can help reduce consumption of building materials. The property business has also strengthened the management of building materials consumption and implemented quota collection. The amount of building materials was dispatched each month in accordance with the consumption volume of materials and saving rate, so as to avoid waste. The Group recycles building materials such as sand heads and stones during construction, and also recycles waste concrete to make concrete blocks for site use. In order to increase the recycling rate of building materials, the property business recommends that the projects should use no less than 8% of reusable and recyclable materials.

The Group and subsidiaries are actively promoting paperless offices, using e-books and online office platforms, to reduce paper consumption. We also encourage employees to reduce printing of documents and double-sided photocopying to reduce paper usage. The Group's office has also set up a briefcase collection box, with an aim to encourage employees to reuse the briefcase or use it for internal document delivery. The property management business reasonably controls the printing quantity of publicity material to avoid waste.

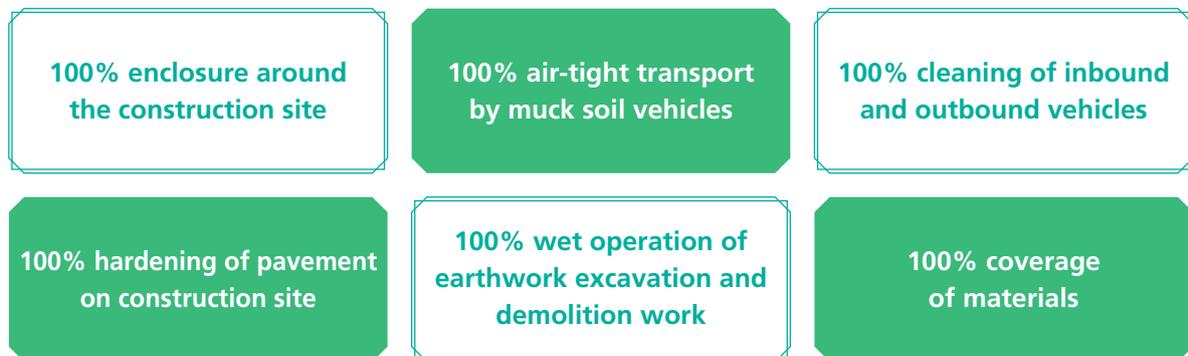
EMISSIONS MANAGEMENT

Attaching great importance to the environmental impact of its operations, the Group is committed to monitoring air emissions and sewage discharge generated during its operation and ensuring that waste is properly handled.

Building Happiness for Environment and Leading a Green and Low-carbon Environment

Air emissions

The building process of construction projects undertaken by the construction business and property business of the Group generate dust and cause air pollution. Thus, the property business has implemented a smart environmental management system at construction sites to monitor air pollution data in real time, so as to timely detect any breach of standards. In conjunction with this, the corresponding mitigation or remedial measures are executed. In order to control dust on the construction site, the property business covers the equipment prone to dust generation with tarpaulins or protective shed nets, while the construction business uses sprinklers and spray systems to regularly spray water on the construction site to control dust. In 2019, the construction business met six “100% requirements” on the site. PM10 detectors and video monitoring equipment were installed to monitor the PM10 concentration on the site in real time to ensure that the air quality meets the standard.



Six 100% requirements

Vehicles and machinery cause exhaust emissions, including nitrogen oxides, sulphur oxides and respirable suspended particles. In order to reduce air emissions, the construction business uses less-polluting fuels and strengthens official vehicles to reduce emissions at source. The Group encourages employees to take public transport as much as possible when they attend activities. A company vehicle team, supervised by the Group’s office, was set up to prevent abuse.

Sewage

Improper treatment of sewage may cause environmental and land pollution. To ensure compliance, the Group strictly complies with the national and local sewage discharge standards to properly treat sewage. Sewage generated by construction projects is first directed to the site’s sewage treatment facilities, and then discharged to designated discharge points after the water quality reaches the standard. The quality of the discharged water is monitored regularly. In addition, the property business implements rain and sewage diversion at construction sites, with independent rainwater and sewage pipe network systems in place. Daily domestic sewage is discharged into the municipal pipe network after being processed by the sewage treatment station.

Waste

Waste generated by the Group’s operations includes hazardous waste, construction waste and domestic waste. The Group strictly abides by regulations of the location where it operates, implements waste separation collection and treatment, and minimises waste generation as much as possible to reduce the impact on the environment.

Building Happiness for Environment and Leading a Green and Low-carbon Environment

Hazardous waste generated by the Group’s construction and property business operations includes chemical waste, electronic waste, waste oil, tertiary contaminated marine sediment and fluorescent tubes. The property business has established a “Hazardous Waste Directory”, which separates hazardous wastes from general garbage, and delivers them to hazardous waste transporters for handling. Certificates and contracts are preserved to ensure that the process complies with laws and regulations. For non-hazardous wastes such as construction waste and domestic waste, the Group classifies them according to their categories. Recyclable waste is recycled and processed by a third party, while other non-recyclable wastes are handled by the waste collectors.

In addition to proper waste disposal, the Group is committed to promoting waste reduction and recycling at source. In terms of office operations, the Group has implemented a number of waste reduction measures, including promoting a paperless office, reducing the use of disposable paper cups, bottled water, and encouraging double-sided photocopying. The Group actively promotes recycling. By setting up various types of recycling bins and briefcase recycling bins in the office, the Group encourages employees to reuse or recycle waste, reducing the burden on landfills. In order to enhance employees’ awareness of recycling, the Group has further carried out education and publicity work on “clean recycling” and “three papers and two plastics” to promote recycling.

“Energy saving and emissions reduction” Scheme

In order to enhance employees’ environmental awareness, the Group has launched an internal “Energy Saving and Emissions Reduction” scheme applicable to the Group and its subsidiaries since 2016 to promote a green office culture. We have formulated the “Green Office Guidelines” for subsidiaries’ reference, covering five aspects including power saving and energy saving, paper reduction, water saving, emission reduction and employee participation. In addition, we regularly review and improve the “Energy Saving and Emission Reduction Action List” and “Annual Energy Conservation and Emission Reduction Targets” on an annual basis. Units with a completion rate of 75% of the “Energy Saving and Emission Reduction Action List” are awarded the “Green Label”. Units that meet both the energy saving and emission reduction targets and the completion indicator of the “Energy Saving and Emission Reduction Action List” receive the “Green+ Label”, recognising their efforts in energy conservation and emission reduction.



Electricity saving target	Paper saving target	Water saving target
Electricity consumption reduced by 4% compared to 2018	Paper consumption reduced by 2% compared to 2018	Formulate and organise relevant water conservation activities

2019 Energy Conservation and Emission Reduction target

In line with the theme of the 40th anniversary of the Group, we have referred to the relevant guidelines of the World Green Organisation and sorted out the “40 Energy Conservation and Emission Reduction Commitments”. We invited representatives of each subsidiary to sign the commitment letter together, calling on everyone to practice energy conservation and emission reduction initiatives in daily life and at work.



Building Happiness for Environment and Leading a Green and Low-carbon Environment

PROMOTE GREEN CULTURE

The Group is committed to promoting a green corporate culture both internally and externally by sharing green news, organising seminars and workshops. The Group announces green environmental protection activities and information on its intranet and official WeChat account to communicate green information to employees. The Group has also set up a “China Overseas Organic Garden” on the platform of the China Overseas Building. Through organic farming workshops, employees can gain the knowledge of organic farming, experience the joy of organic farming in their spare time, and promote green living and work-life balance. In order to improve employees’ environmental awareness, the Group has set up “China Overseas Environmental Protection Day” since 2006, and organises environmental protection activities with various themes around the World Environment Day (June 5) each year to enhance employees’ awareness.

The annual theme of the Group’s “Energy Saving and Emission Reduction” scheme in 2019 was “Waste Reduction at Source, Let’s Go Plastic-Free”. In 2019, marking the 40th anniversary of the company, we organised a series of environmental education activities with the theme of “Energy Saving and Emission Reduction” and “Waste Reduction at Source”. Through environmental protection seminars and workshops, employees of the Group’s subsidiaries could have a better understanding of the current global environmental issues and the daily energy saving and emission reduction tips. They are further encouraged to practise environmental protection and integrate green culture into their daily lives.

Waste recycling workshop and environmental education seminar

In line with the theme of the 2019 “Energy Saving and Emission Reduction” scheme, the Group and the World Green Organization (WGO) jointly organised a waste recycling workshop with an environmental protection education seminar. WGO mentors explained the concept and significance of waste reduction at source and shared specific waste reuse methods to employees of the Group and its subsidiaries. During the event, employees upcycled the Group’s old event banners into practical and beautiful card holders, and they benefited a lot by actively interacting with the instructors.



Building Happiness for Environment and Leading a Green and Low-carbon Environment

“Climate Change Matters to You!” Seminar

On the occasion of the Earth Month, the Group held an educational seminar on the theme of “Climate Change Matters to You!” to deepen employees’ understanding and concern about climate change. The seminar attracted about 30 employees from the Group’s subsidiaries. The Group invited Dr. William Yu, CEO of the World Green Organisation (WGO), to explain the impact of global warming and frequent extreme weather on the environment in recent years to our employees. He pointed out that global warming is closely related to human activities, and employees are encouraged to save energy as much as possible during work and in daily life by saving paper, electricity and water, so as to reduce damage to the environment.



EXTERNAL RECOGNITION AND AWARDS

The Group is committed to promoting a green culture in the office through the “Energy Saving and Emission Reduction” scheme. We have been awarded the “7+ Green Office” and “Healthy Workplace” logos under the “United Nations Sustainable Development Goals-Green Office Award Program” organised by the World Green Organisation for seven consecutive years, in recognition of the Group’s efforts at implementing green initiatives at its offices. The Group successfully passed the on-site audits in eight areas, including energy conservation, water conservation, waste reduction, paper reduction, green procurement, integrated environmental management, education and awareness, and green innovation. A total of 150 green office practice standards were completed and passed, far more than the requirement of 30 indicators.



Building Happiness for
Community and
Leading a Harmonious and
Prosperous Society

Community is the soil for survival and development of enterprises. COHL has always adhered to the concept of giving back to the society. By strengthening community connections, actively participating in poverty alleviation and charitable donations, the Group fulfils its corporate social responsibility and builds harmonious and shared prosperity community life.

Corresponding SDGs aligned:



- 4.1 Ensure that all girls and boys complete free, equitable and quality primary and secondary education
- 4.a Provide safe, nonviolent, inclusive and effective learning environments for all



- 11.3 Enhance the participatory, integrated and sustainable human settlement planning and management

BUILDING HAPPINESS FOR COMMUNITY AND LEADING A HARMONIOUS AND PROSPEROUS SOCIETY

COMMUNITY INPUT STRATEGY

The Group devotes itself to charitable affairs with a focus in education, culture, environmental protection, poverty alleviation and disaster relief, contributing to harmonious development of the society. We have established the “China Overseas ‘Caring for the Society’ Volunteer Association” and China Overseas Charity Fund Limited to strengthen the management of charitable affairs. The Group has actively implemented the vision of serving the community to fulfil its corporate responsibilities.

China Overseas ‘Caring for the Society’ Volunteer Association serves the community through organising voluntary work by member organisations, focusing on helping the elderly and the underprivileged, and actively participating in charitable activities related to environmental protection and urban development. China Overseas Charity Fund Limited has established a charitable brand “The Sea has No Limit and Love has No Boundary”, identifying three areas of educational development, environmental protection, poverty alleviation and disaster relief as key focuses, devising medium to long-term corporate social responsibility development plans, and drawing up a community development blueprint.

While actively participating in community investment, we also pay attention to improving the level of our volunteering service. In 2019, Volunteer Division of COHL Headquarters organised a training event with the theme “Corporate Volunteer Training-Volunteer Big Separation” to cultivate a sense of belonging among voluntary members, helping them master the professional knowledge of social services and improve the level of volunteering services effectively.

In 2019, the number of the Group’s volunteers has reached approximately 1,000. Relying on its own business resources, the Group has carried out over 60 charitable activities with more than 4,500 volunteering service hours, including home improvement, community visits, etc, through which the Group actively gives back to the community.

INTEGRATE COMMUNITY DEVELOPMENT WITH OUR OPERATION

Infrastructure and Supporting Services

While developing its operation, the Group fully considers the needs and requirements of the local community by leveraging on its own business advantages, coordinates resources, and actively participates in construction of affordable housing¹ and infrastructure projects to improve the quality of life of local residents and enhance the local economic development.

In 2019, the Group completed infrastructure construction projects such as Expansion of Hong Kong’s Tai Po Water Treatment Plant Works and its water transit facilities, and the investment and construction of infrastructure in Zhengzhou, Henan Province. Also, the Group’s social housing projects scattered around the country have been completed and started one after another. In 2019, the construction area of social housing increased by 2.939 million square meters, and the newly-launched social housing construction area exceeded 576,000 square meters. We will continue to improve affordable housing construction and infrastructure projects to improve living conditions in cities.

¹ Affordable housing refers to standardised, rent-restricted or price-restricted housing for middle-to-low income families experiencing difficulties in securing a dwelling. Constituents of affordable housing generally include low-rent units, for-sale economic units, politically oriented for-rent units and resettlement housing.

Building Happiness for Community and Leading a Harmonious and Prosperous Society

Engagement with the neighbourhood communities

We attach great importance to effective communication between our properties and the surrounding or nearby communities, not only learning the needs of the community, but also ensuring that the development of our business activities takes into account the interests of the society. Before the commencement of the project, we conduct surveys on the project site and surrounding areas, communicate with local communities, and actively meet the needs of different communities. In the planning and construction process, we have formulated a targeted project management system and an engagement plan for neighbourhood community. By conducting strict management at the construction site through setting up dust-proof nets and noise reduction facilities, and publicising whistle-blower telephones, etc., we are committed to reducing the intrusion impact on the surroundings of the project. We also actively seek suggestions from community stakeholders and residents to monitor the construction, taking into account the needs of all parties, and promote the coordinated development of the people and the economy.

TARGETED POVERTY ALLEVIATION

The year 2019 represented a critical stage in which poverty alleviation entered a phase of a decisive victory. The Group supports the development of national poverty alleviation initiative. We are committed to undertaking poverty alleviation through three main areas: industry, education and employment, aiming to provide local residents with economic assistance and job opportunities, and boost the economic and social development of the poverty-stricken areas.

Established Longkang Old-Tree Walnut Kernel Poverty Alleviation Brand

After the establishment of the "Xiurong Millet" agricultural product brand in 2018, this year the Group continued to adhere to a new sustainable and self-circulating poverty alleviation model. After rigorous research and demonstration at the beginning of the year, it established the "Longkang Old-Tree Walnut Kernel" brand for Longkang County, Gansu. We set up exclusive sales outlets, intensively carried out the Sea of Hope targeted poverty alleviation action, and implemented precise marketing strategies, covering a wide range of employees at all levels, sales sites in various cities, and community owners. During the year, the total purchase amount of agricultural products in three counties (Kangle County, Zhuoni County, and Kang County) of Gansu Province was RMB2.0825 million, and sales amount was RMB4.7093 million, helping develop the local economy.



Established Sea of Hope E-commerce Poverty Alleviation Platform

Taking advantage of network technology, the Group established the Sea of Hope e-commerce platform in 2019. Through the "online + offline" interactive marketing model, it built the integration of supply and sales of special poverty alleviation products of China Overseas. The accumulated turnover of the year was RMB17 million, which has effectively helped impoverished areas open the way for agricultural products sales.



Building Happiness for Community and Leading a Harmonious and Prosperous Society

Poverty alleviation must help fulfil aspirations. The education of the next generation is crucial to the development of the country and the society, especially youth education in disadvantaged areas. In 2019, the Group positioned education as a critical task of poverty alleviation initiative, leveraging on the platform and advantages of China Overseas Education Group to show care for the underprivileged teachers and students of Hope Schools, improving the education level of poverty-stricken areas and bearing our share of corporate social responsibility. In 2019, we have organised the education poverty alleviation plan named “Spring Bud Action” in China Overseas Dongguan Nankai Experimental School, Chaotian Experimental Primary School, China Overseas Keli Kindergarten, during which 50 teachers from three counties of Gansu Province were trained for 5 days, covering 55 courses in 4 categories. Teachers’ exchange was deepened throughout varied activities, such as learning from each other, scientific research, focusing on basic abilities, and establishing labour unions, etc. Teachers from China Overseas Education also visited 8 schools in three counties of Gansu Province, communicating with local teachers, which received warm responses.



Ceremony of China Overseas Mei'e Hope School



“Spring Bud Action” Special Plan for Poverty Alleviation through Education

We invited experts from the Gansu Academy of Agricultural Sciences to train more than 30 angelica farming personnel, and also organised monetary donation and donation-in-kind to help the underprivileged.

“Stabilising employment and promoting poverty alleviation”. The Group actively trained local labour in the three counties of Gansu during the year. COPL selected a research team to conduct investigations in the areas utilising on-site inspections, communication and discussion with local officials on issues, and formulated work plans for employment and poverty alleviation. By holding publicity meetings, on-site inspections and job fairs, a total of more than 260 people participated in the job fairs, and 10 people were employed.

Building Happiness for Community and Leading a Harmonious and Prosperous Society

CARING FOR COMMUNITY

Teenagers are the future of the country. The Group devotes itself to support welfare of the youth, caring about the growth of young people. The Group also pays great attention to the elderly group. "Honour old people as we do our own aged parents, and care for other's children as one's own". It is our social responsibility to care for the elderly and widows. In 2019, the Group organised visits and made in-kind donation, bringing warmth and care to the elderly.



Around 300 employees from the company participated in The Community Chest 50th Anniversary Walk for Millions, which raised funds for family and child welfare organisations in Hong Kong. It was also our 27th time supporting this charity event.



"Ronald McDonald House" is the core initiative of Hong Kong Ronald McDonald House Charities, mainly offering services and support to families and their children suffering from serious diseases. In 2019, we organised a visit to Ronald McDonald House, showing care and support to ill children and their families, while initiating the "2019 Charity Raffle Ticket Sale" to donate and contribute.



On the eve of the Dragon Boat Festival, the Volunteers Association of the Group held a volunteer activity with the theme "Warming Hearts in Dragon Boat Festival" in Wang Tau Hom Estate, Kowloon, Hong Kong, sending care and blessings to 300 living-alone or in double living elders.

Building Happiness for Community and Leading a Harmonious and Prosperous Society



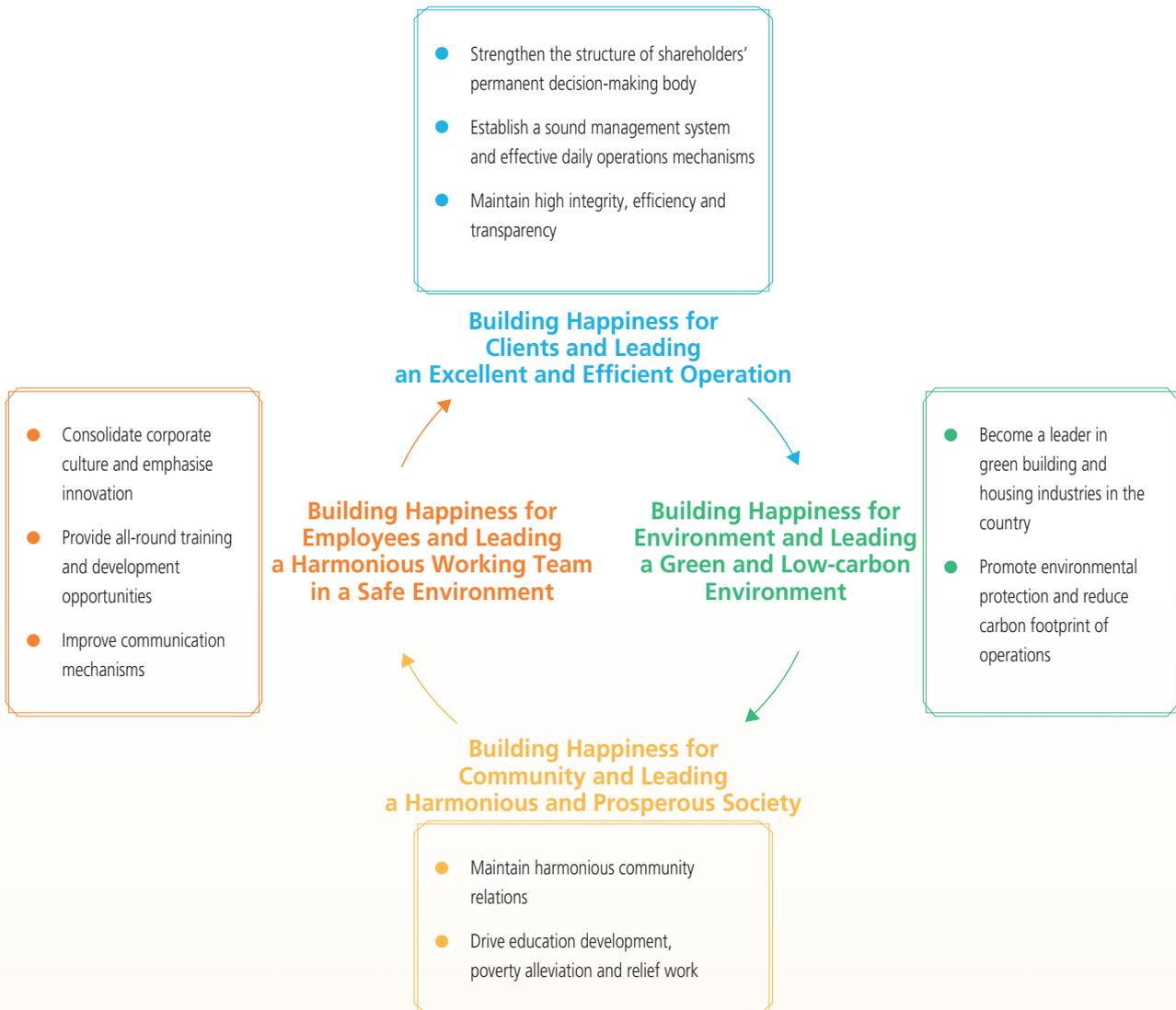
The Volunteers Association of the Group organised an event with the theme "40th Anniversary of Love and Connection in the Greater Bay Area". In cooperation with the Hong Kong charity New Home Association, volunteers were organised to visit the elderly at the Yishou Nursing Home in Liwan District, Guangzhou.



COHL Headquarters Volunteer Association collaborated with China Overseas Property Volunteer Association to organise a visit of 40 volunteers to Haven of Hope Hospital in Tseung Kwan O. They together celebrated the Christmas holiday with the elderly in the hospital and express their care for the elderly patients.

2020 VISION AND OBJECTIVES

2019 marked the 40th anniversary of COHL. 2020 marks the beginning of a new journey for the Group. In the past 40 years, COHL has been striving to “Developing the motherland. Prospering Hong Kong and Macau”. Having taken roots in Hong Kong, as a group that integrates investment, construction, operation and service, we have actively involved ourselves in the development of Hong Kong, Macau and Mainland China. In the next ten years, the Group will continue to utilise its geographical advantages of being based in Hong Kong and shall play a pivotal role. Also, the Group will focus on sustainable development, strengthening risk management of sustainable development, optimising resource allocation, and actively assuming environmental and social responsibilities to march into a new era and start a new journey.



KEY PERFORMANCE INDICATORS

MAJOR AWARDS ATTAINED BY THE GROUP AND ITS SUBSIDIARIES IN 2019

Award	Awarding body	Awarded unit
World Green Organisation Awards Green Office Awards label Eco-Healthy Workplace Label	World Green Organisation	China Overseas Holdings Limited China State Construction Development Holdings Limited
Caring Company Logo	Hong Kong Council of Social Service	China Overseas Holdings Limited
Family-Friendly Employers Award (Corporations category)	Family Council	China Overseas Holdings Limited
Excellence in ESG Award	IR Magazine	China Overseas Land & Investment Ltd.
CarbonCare ESG label	CarbonCare InnoLab	China State Construction International Holdings Limited
Innovative Frontrunner — Merit Award	Hong Kong ESG Reporting Awards	China Overseas Property Holdings Limited
The 8th Outstanding Corporate Social Responsibility Award	Hong Kong The Mirror	China Overseas Property Holdings Limited

THE GROUP HAS TAKEN PART IN THE WORK OF LOCAL ORGANISATIONS AND SIGNED CHARTERS IN 2019

Organisation	Membership grade	Participating unit
The Hong Kong Chinese Enterprises Association	Vice Chairman	China Overseas Holdings Limited
	Commissioner of Committee on Building Industry	China State Construction International Holdings Limited
Hong Kong Construction Association	Vice Chairman	
Hong Kong Facade Association	Board Member	
Hong Kong Occupational Safety and Health Council	Steering Committee of Hong Kong Safety and Health Certifying Scheme — Member	
The Hong Kong Institute of Environmentalists	Vice President	China State Construction International Holdings Limited
Associação Geral do Sector Imobiliário de Macau	Honorary President	
Macau Construction Association	Vice-President	
Association of Study of Environmental Science and Technology of Macau	Vice President	
Macau Construction Safety Association	Honorary President	
China Property Management Institute	Vice Chairman	China Overseas Property Holdings Limited

Key Performance Indicators

Charter	Organiser	Signatory
Energy Saving Charter on "No ILB"	Electrical and Mechanical Services Department, Hong Kong SAR Government	China Overseas Holdings Limited China Overseas Land & Investment Ltd.
Let's Save 10L Water	Water Supplies Department, Hong Kong SAR Government	China State Construction International Holdings Limited
Be Our Greening Partner	Development Bureau, Hong Kong SAR Government	

ENVIRONMENTAL PERFORMANCE DATA

Use of major construction materials

	Unit	2019
Group		
Paper	Tonnes	3
Property Business		
Concrete	Cubic meters	17,955,756
Steel products	Tonnes	2,198,664
Wood	Cubic meters	420,705
Construction business		
Concrete	Cubic meters	6,829,635
Cement mortar	Cubic meters	330,773
Reinforced steel bar	Tonnes	717,764
Joist steel	Tonnes	30,913
Disc	Tonnes	12,084
Cement	Tonnes	216,863
River sand	Tonnes	1,084,685
Stones	Tonnes	709,041
Bricks	Tonnes	74,161
Concrete flooring materials	Tonnes	7,103
Aluminium products	Tonnes	2,622
Steel products	Tonnes	28,273
Silica gel	Tonnes	583
Glass	Tonnes	5,154
Wood	Tonnes	3,696
Other packaging materials	Tonnes	20,120
Property management business		
Paper	Tonnes	193.52

Key Performance Indicators

Energy consumption

	2019			
	Group	Property Business	Construction Business	Property management business
Renewable energy consumption				
Solar power generation	Not applicable	Not applicable	1,234.9 MWh	Not applicable
Non-renewable fuels consumption				
Diesel	287 Kg	944,561 Liters	318,797.2 MWh	1,380 MWh
Petrol	6,398 Kg	1,253,806 Liters	17,650.1 MWh	174,963 Liters
Liquefied petrol gas	Not applicable	Not applicable	826.1 MWh	2,428 MWh
Petrol gas	Not applicable	23,651 Kg	Not applicable	Not applicable
Pipeline coal gas	Not applicable	Not applicable	509.1 MWh	Not applicable
Pipeline natural gas	Not applicable	Not applicable	Not applicable	30,817 MWh
Liquefied natural gas	Not applicable	Not applicable	41.9 MWh	806 MWh
Natural gas	Not applicable	198,518 GJ	23,650.7 MWh	Not applicable
Acetylene	Not applicable	Not applicable	40,473.4 MWh	Not applicable
Methanol	Not applicable	Not applicable	224.2 MWh	Not applicable
Indirect energy consumption				
Electricity	63,811.77 kWh	461,227,708 kWh	189,143 MWh	643,120 MWh
Heat	Not applicable	Not applicable	Not applicable	79,213 MWh
Purchase hot water	Not applicable	266,921 GJ	Not applicable	Not applicable
Steam	Not applicable	Not applicable	14,792.8 MWh	Not applicable

Key Performance Indicators

Greenhouse gas emissions

(Unit: Tonnes of CO ₂ e)	2019
Total greenhouse gas emissions	1,219,905.14
Direct greenhouse gas emissions (Scope 1)	156,196.3
Vehicles of the Group	23.90
Property business	41,320
Construction business	101,247.4
Property management business	13,605
Indirect greenhouse gas emissions (Scope 2)	1,017,488.09
Electricity consumption at the Group's offices	51.69
Electricity consumption of property business	345,034
Electricity consumption of construction business	69,880.4
Electricity consumption of property management business	602,522
Other indirect greenhouse gas emissions (Scope 3)	46,220.75
Property business	1,760.35
Construction business	44,060.4
Property management business	400
Intensity of greenhouse gas emissions(Tonnes of CO₂e/HKD million)	2019
Greenhouse gas emissions/income	4.83

Key Performance Indicators

Water consumption

	2019
Total (Unit: Cubic meters)	51,552,639.9
Property business	12,400,790
Construction business	18,052,323.9
Property management business	21,099,526
Municipal water supply* (Unit: Cubic meters)	49,660,513.9
Property business	11,229,200
Construction business	18,052,323.9
Property management business	20,378,990
Reclaimed water (Unit: Cubic meters)	720,536
Property management business	720,536
Other sources of water withdrawal (Unit: Cubic meters)	1,171,590
Property business	1,171,590

* As water consumption of an office of the Group is managed by the building where the office is located, relevant data cannot be obtained for the Group's offices.

Sewage and waste

	2019
Non-hazardous waste disposed (Unit: Tonnes)	35,015,168.83
Property business	29,272,322.13
Construction business	5,740,315.70
Property management business	2,531.00
Non-hazardous waste recycled* (Unit: Tonnes)	1,908,920.08
Property business	3,931.98
Construction business	1,904,988.10
Hazardous waste disposed (Unit: Tonnes)	3,459.68
Property business	112.38
Construction business	3,347.30
Number of serious leaks accidents	0

* Include internal reuse, sending to public fill reception facilities, construction waste sorting facilities, and other authorized facilities for reuse.

Key Performance Indicators

HUMAN RESOURCES DATA

Distribution of employees

		By age				By Region
		Below 30	31-40	41-50	Above 51	
Hong Kong	Male	1,404	1,322	1,365	2,430	9,943
	Female	368	426	822	1,806	
Mainland China	Male	13,090	12,437	9,335	3,950	52,264
	Female	7,162	4,196	1,846	248	
Macau	Male	202	179	161	195	1,060
	Female	55	71	61	136	
Overseas	Male	69	128	100	61	441
	Female	16	32	17	18	
Total no. of employees		22,366	18,791	13,707	8,844	63,708

		By age				By gender		By nationality	
		Below 30	31-40	41-50	Above 51	Male	Female	Chinese	Non-Chinese
Hong Kong	Senior management	0	7	17	27	44	7	51	0
	Middle management	2	46	38	42	102	26	124	4
	Executives	57	151	223	171	500	102	583	19
	General staff	1,713	1,544	1,909	3,996	5,875	3,287	9,065	97
Mainland China	Senior management	0	17	50	20	82	5	87	0
	Middle management	1	268	321	113	614	89	702	1
	Executives	393	2,213	904	236	2,868	878	3,745	1
	General staff	19,858	14,135	9,906	3,829	35,248	12,480	47,728	0
Macau	Senior management	0	0	0	0	0	0	0	0
	Middle management	0	3	8	6	16	1	17	0
	Executives	26	36	31	28	111	10	121	0
	General staff	230	207	184	301	610	312	844	78
Overseas	Senior management	0	1	1	1	3	0	3	0
	Middle management	0	5	5	2	12	0	7	5
	Executives	5	28	20	11	58	6	23	41
	General staff	81	130	90	61	285	77	25	337
Total no. of employees		22,366	18,791	13,707	8,844	46,428	17,280	63,125	583

Note: A native is defined as a Chinese

Key Performance Indicators

New employees and employee turnover

		New employees		Employee turnover	
		Number	Percentage	Number	Percentage
By region	Hong Kong	6,422	64.59%	4,396	44.21%
	Mainland China	14,948	28.60%	17,775	34.01%
	Macau	331	31.23%	137	12.92%
	Overseas	52	11.79%	184	41.72%
By age	Below 30	9,168	40.99%	9,683	43.29%
	31-40	4,460	23.73%	5,528	29.42%
	41-50	4,468	32.60%	4,135	30.17%
	Above 51	3,657	41.35%	3,146	35.57%
By gender	Male	14,826	31.93%	15,963	34.38%
	Female	6,927	40.09%	6,529	37.78%
Total no. of new employees/turnover		21,753	34.14%	22,492	35.30%

Overall occupational health and safety data

		Number of work-related injuries	Number of work-related fatalities	Total number of injuries and fatalities by region	Accident per thousand employees by region	Lost working days due to work
Hong Kong	Male	138	0	206	20.72	—
	Female	68	0			
Mainland China	Male	130	2	154	2.95	—
	Female	22	0			
Macau	Male	4	0	4	3.77	—
	Female	0	0			
Overseas	Male	2	0	2	4.54	—
	Female	0	0			
Total no. of injuries/fatalities		364	2	366	5.74	32,419



Key Performance Indicators

Training data

Average training hour

By gender	Male	Hour	33.15
	Female	Hour	24.61
By employment type	Senior management	Hour	91.89
	Middle management	Hour	43.34
	Executives	Hour	39.57
	General staff	Hour	29.82



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102-8	Information on employees and other workers	Key Performance Indicators	57-59
102-9	Supply chain	Building Happiness for Clients and Leading an Excellent and Efficient Operation	33-34
102-10	Significant changes to the organization and its supply chain	No significant changes.	Not applicable
102-11	Precautionary principle or approach	Building Happiness for Environment and Leading a Green and Low-carbon Environment	36
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102-16	Values, principles, standards, and norms of behaviour	Management Message Sustainability Management	6-7 12-14
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102-41	Collective bargaining agreements	No employees covered by collective bargaining agreements.	Not applicable
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102-46	Defining report content and topic boundaries	Stakeholder Engagement	16-17
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102-48	Restatements of information	No change from earlier reports.	Not applicable
102-49	Changes in reporting	No significant changes.	Not applicable
102-50	Reporting period	About this Report	3
102-51	Date of most recent report	Last Report published in September 2019.	Not applicable
102-52	Reporting cycle	Issued annually.	Not applicable
102-53	Contact point for questions regarding the report	About this Report	3
102-54	Claims of reporting in accordance with the GRI Standards		3
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102-56	External assurance	This report was not externally verified.	Not applicable
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103-1	Explanation of the material topic and its boundary	Building Happiness for Environment and Leading a Green and Low-carbon Environment	39
103-2	The management approach and its components		
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103-2	The management approach and its components		
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103-3	Evaluation of the management approach		
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305-1	Direct (Scope 1) GHG emissions		55
305-2	Energy indirect (Scope 2) GHG emissions		55
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305-4	GHG emissions intensity		55
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103-2	The management approach and its components		
103-3	Evaluation of the management approach		
306-1	Waste generation and significant waste-related impacts		
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103-2	The management approach and its components		
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403-2	Hazard identification, risk assessment, and incident investigation	Key Performance Indicators	58
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103-2	The management approach and its components		
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103-2	The management approach and its components		
103-3	Evaluation of the management approach		
Topic-specific disclosures			
406-1	Incidents of discrimination and corrective actions taken	No cases about discrimination for the year.	Not applicable
GRI 408: Child Labour			
Management Approach			
103-1	Explanation of the material topic and its boundary	Building Happiness for Employees and Leading a Harmonious Working Team in a Safe Environment	19-21
103-2	The management approach and its components		
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Topic-specific disclosures			
408-1	Operations and suppliers at significant risk for incidents of child labour	Building Happiness for Employees and Leading a Harmonious Working Team in a Safe Environment	21
GRI 409: Forced or Compulsory Labour			
Management Approach			
103-1	Explanation of the material topic and its boundary	Building Happiness for Employees and Leading a Harmonious Working Team in a Safe Environment	19-21
103-2	The management approach and its components		
103-3	Evaluation of the management approach		
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409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	Building Happiness for Employees and Leading a Harmonious Working Team in a Safe Environment	21

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GRI 419: Local Communities			
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103-2	The management approach and its components		
103-3	Evaluation of the management approach		
Topic-specific disclosures			
413-1	Operations with local community engagement, impact assessments, and development programs	100% In compliance with internal guidelines and local regulations, the Group's property and construction businesses communicate with stakeholders in the community concerned and its surrounding before a project begins or during, so as to minimise the impacts of the project on local communities (including environmental aspects).	Not applicable
GRI 204: Procurement Practices			
Management Approach			
103-1	Explanation of the material topic and its boundary	Building Happiness for Clients and Leading an Excellent and Efficient Operation	33-34
103-2	The management approach and its components		
103-3	Evaluation of the management approach		
GRI 416: Customer Health and Safety			
Management Approach			
103-1	Explanation of the material topic and its boundary	Building Happiness for Clients and Leading an Excellent and Efficient Operation	29
103-2	The management approach and its components		
103-3	Evaluation of the management approach		
Topic-specific disclosures			
416-1	Assessment of the health and safety impacts of product and service categories	Building Happiness for Clients and Leading an Excellent and Efficient Operation	29
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	No cases about our products and services that violate customer health and safety.	Not applicable

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103-2	The management approach and its components		
103-3	Evaluation of the management approach		
Topic-specific disclosures			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Building Happiness for Clients and Leading an Excellent and Efficient Operation	32
GRI 419: Socioeconomic Compliance			
Management Approach			
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103-2	The management approach and its components		
103-3	Evaluation of the management approach		