



中國海外宏洋集團有限公司

CHINA OVERSEAS GRAND OCEANS GROUP LTD.

Stock Code: 00081



# Creating Wellbeing Building Happiness

2022 Environmental, Social & Governance Report

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<p>05</p>	<p><b>Group</b></p> <ul style="list-style-type: none"> <li>86 5.1 Supply Chain Management</li> <li>88 5.2 Industrial Exchange and Cooperation</li> <li>89 5.3 Social Charity</li> </ul>	<p>Rental relief of approximately</p> <p><b>21.13</b> million RMB during the pandemic</p>	<p>Keeping cooperation with a total of</p> <p><b>8,792</b> suppliers and contractors</p>	<p>Employees participated in volunteer services a total of <b>1,021</b> times, with 4,159 hours</p>	<p>The coverage rate of suppliers who signed the substantial contract <i>Integrity Agreement</i> reached <b>100%</b></p>	
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This report is the seventh environmental, social and governance report released by China Overseas Grand Oceans Group Limited and its subsidiaries (hereinafter referred to as "COGO", "our Group", the "Group", the "Company" or "us"). On the basis of the environmental, social and governance report for the previous year, our Group hopes to disclose the practices and performances of the Group in operation, environmental, social and other fields of responsibilities in 2022 more comprehensively and objectively.

### Basis for Preparation

This report has been prepared in compliance with the requirements set out in Appendix 27 — "Environmental, Social and Governance Reporting Guide" (the "Guide") to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "SEHK"), by reference to the United Nations Sustainable Development Goals Compass (SDGs).

### Reporting Boundary

Except as otherwise stated, the coverage of this report is consistent with that of the 2022 Financial Report of COGO. The time span of this report is from January 1, 2022 to December 31, 2022.

### Reporting Principles and Data Sources

Following the reporting principles of materiality, quantification, balance and consistency as required by the Environmental, Social and Governance Reporting Guide of The Stock Exchange of Hong Kong Limited, the applications of the above principles are properly explained in this report. Except as specially stated, the financial data quoted in this report are derived from the audited Annual Report of China Overseas Grand Oceans Group Limited, while the other data and cases are derived from the internal formal documents and the relevant statistics of COGO.

### Access to the Report

You can download the electronic version of this report from the official website of China Overseas Grand Oceans Group Limited.

Website: <https://www.cogogl.com.hk/esg/report/>

If you have any comment or suggestion on this report, you may contact us in the following ways.

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## Company Profile and Information Overview

China Overseas Holdings Limited is a flagship subsidiary of China State Construction Engineering Corporation which ranked ninth out of Global 500 in 2022. China Overseas Grand Oceans Group Limited, one of the five listed platforms of China Overseas Holdings Limited in Hong Kong, is a building and real estate development enterprise focusing on the development of mid- to high-end residences. China Overseas Grand Oceans Group Limited was formerly known as Shell Electric Manufacturing (Holdings) Company Limited which was incorporated in 1955 and was listed on The Stock Exchange of Hong Kong in 1984. In March 2010, China Overseas Land & Investment Limited (00688.HK) completed the acquisition of Shell Electric Manufacturing (Holdings) Company Limited which was renamed China Overseas Grand Oceans Group Limited (00081.HK) (hereinafter referred to as "COGO").

Focusing on the properties for sale and extending to the properties held and the innovative properties, COGO has its business system and characteristic operation "focusing on the housing real estate development and holding core commercial properties for long terms". COGO has held and operated 4 hotel resorts, 3 office buildings, 3 shopping centers, 7 commercial blocks and 1 residential property for lease. Our business operated and to be developed covers a total area of more than 1.6 million m<sup>2</sup>.

Adhering to the research and development of zero-carbon technologies and putting zero-carbon projects into practice for long terms, COGO leads the construction and real estate industry towards green sustainable development, and now has made multiple technical breakthroughs in the field of super low energy consumption buildings. On the basis of the successful project implementation of model clusters of super low energy consumption, the Group is gradually able to carry out the development of super low energy consumption buildings and zero energy consumption buildings, "carbon peaking and carbon neutrality" planning and consultation, research and development and production of green construction materials and equipment, digital twinning, intelligent operation and maintenance, etc. throughout the whole industrial chain, provides data, technologies, construction methods, products and other scientific and technical supports to the implementation of the national "Carbon Peaking and Carbon Neutrality" strategy in the industry, and delivers professional comprehensive "zero-carbon" construction development solution for its customers, to proactively build an industry-leading service platform for low-carbon buildings. COGO explores the innovative business development path focusing on the low-carbon technologies and builds the green development model that reduces carbon emissions and energy consumption throughout the real estate development process, in a bid to present an industrial chain layout over the whole cycle of zero-carbon buildings.

COGO has been included in the list of eligible securities for Southbound Trading, and has been included in several authoritative indexes such as the Hang Seng Composite Index series of the Stock Exchange of Hong Kong, the Morgan Stanley Capital International (MSCI) Index, the S&P 500 Index, the FTSE indices, etc. The three major international credit rating agencies assigned "investment grade" ratings to us, while China Chengxin International Credit Rating Company Limited ("CCXI"), a domestic credit rating agency, assigned to us the highest "AAA" credit quality.

- In 2022, three international credit rating agencies assigned "investment grade" credit rating and "stable" outlook to us.
- CCXI, a domestic rating agency, assigned to us the highest "AAA" credit quality

 **Moody's: Baa2**

 **Standard & Poor's: BBB-**

 **Fitch: BBB**

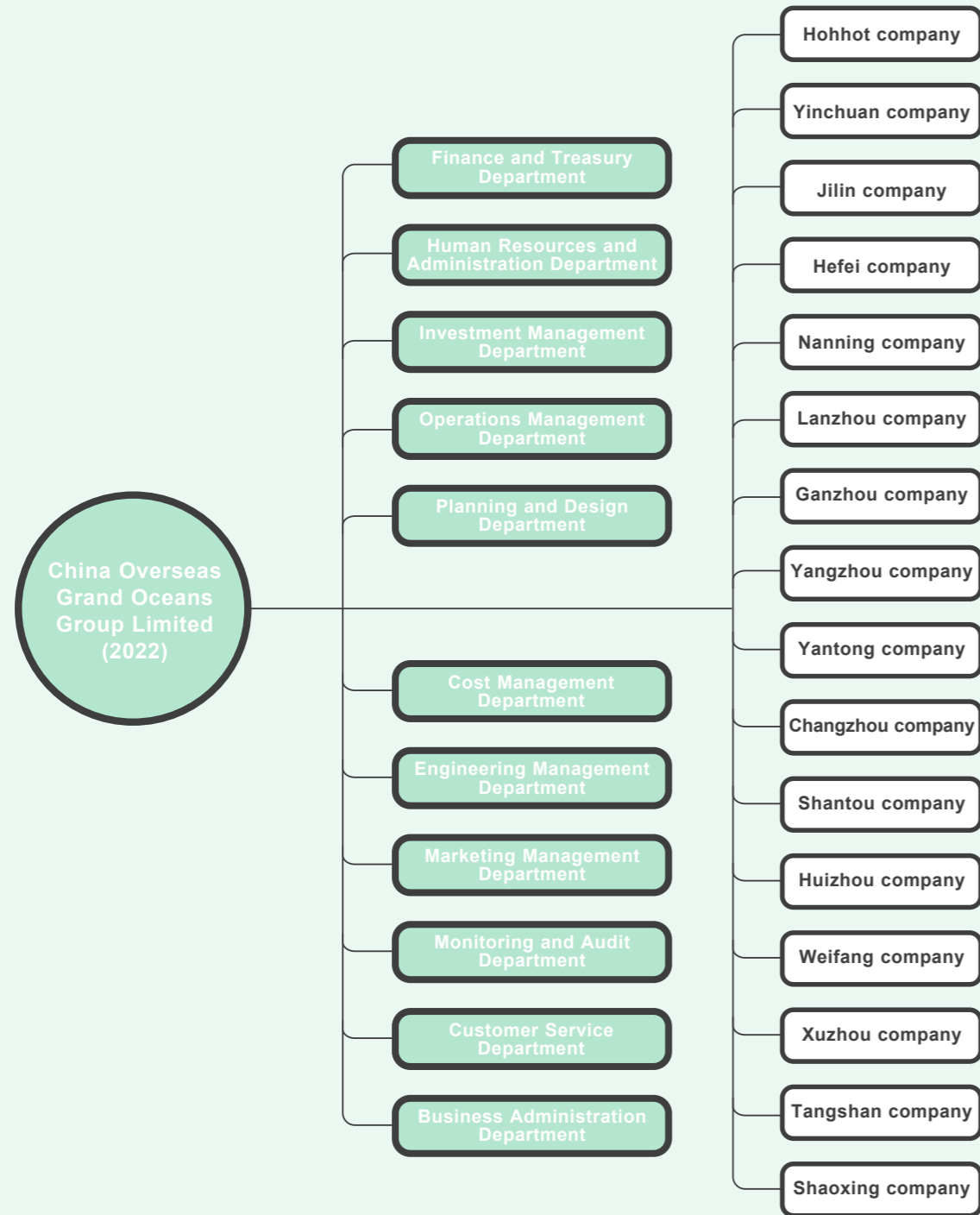
 **CCXI: AAA**

COGO currently has its presence in 40 cities (excluding those cities covered by the properties held by us) in the east, west, central, northeast and other parts of China.

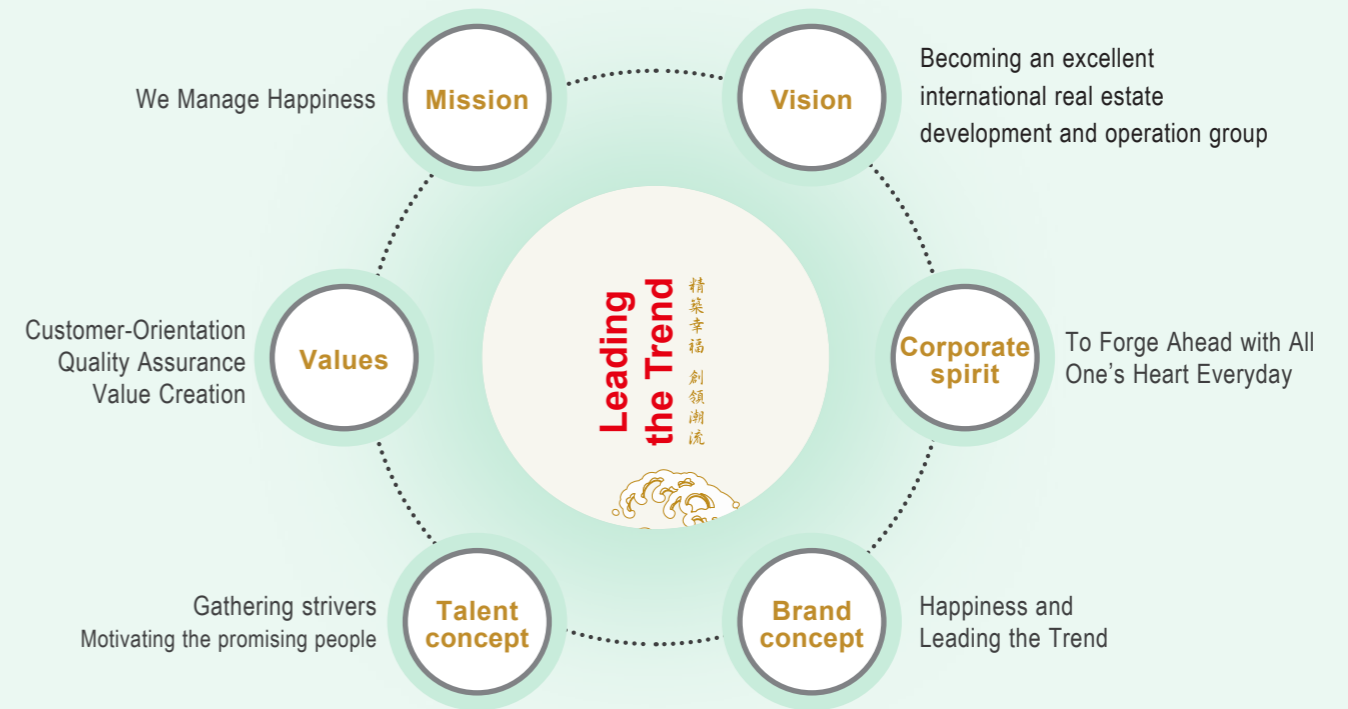


The map of China has been drawn on the basis of No. GS (2016) 2923 map  
The world map has been drawn on the basis of No. GS (2016) 1613 map

## Organization Structure



## Corporate Culture



Adhering to the "Four-Virtue" enterprise principle: **Good Products | Good Services | Good Benefits | Good Citizens**

Adhering to the product design philosophy of **Enjoyable Space | Intelligent Internet of Things | Green Technologies | Healthy Life plus**

Adhering to the business strategy of **Main Cities | Mainstream Locations | Popular Products with High-Quality**

Adhering to the quality concept of **Achieving Superb Quality in Each Process | Making Each Property of Superb Quality**

Adhering to the service philosophy of **Customer-Orientation | Taking Prudent Measures with Perseverance**

Adhering to the "12345" system concept for **Good Products**



Chairman and executive director  
Zhuang Yong

## Unremitting Solid Pursuit for Sustainability

— COGO 2022 ESG Report Chairman's Statement

Against the ever-changing backdrop, 2022 is a remarkable year with twists and turns amid achievements. The recurrence of COVID-19 has repeatedly tested the limit of global supply chain while energy crisis and inflation has cast a heavy shadow on the economic prospect. In addition, ideological confrontation and local military conflicts disturb the progress of worldwide peace.

Faced with various uncertainties and challenges, COGO always speaks with conviction that sustainability capacity is a ballast stone and a navigation beacon for the healthy and stable operation of the Company. As a leading player in the domestic real estate market and in a significant year to thoroughly implement the 14th Five-Year Plan, we push forward the Company's high-quality growth, and accelerate and prompt our pace of sustainable transformation, opening up a new chapter of environmental, social and governance responsibilities.

### Governance

We comprehensively integrate ESG concepts with the Company's top-level design, improve our ESG management system from four perspectives, strategic deployment, organization establishment, policy formulation, and culture development. Furthermore, we spare no efforts to lead strategic transformation, value creation, and cultural development of China Overseas Grand Oceans Group Limited.

To this end, this year, the Company has developed and put into practice the sustainable development strategy "GO.ESG", and propelled deep combination of sustainable development concept with operation management, business practice and organization culture. We have set up an ESG taskforce led by the Board of directors, kept in close touch with stakeholders, optimized the management mechanism of significant topics, and constructed a complete sustainability management chain covering from information collection, topics response, to decision evaluation and highly efficient execution. Meanwhile, we reinforce management of anti-corruption, commercial ethics and compliance of legal risks, conduct investigation, assessment and improvement for major risks. Also, we make continued efforts to complete the Company's management system, underpin the foundation of safety and steadiness, and hold fast to the bottom line of incorruptibility and compliance.

### Environment

The Company remains steadfast in coexistence between human and nature in its development. Capitalizing on its own business strengths and affluent resources, the Company has upgraded its environment performance and explored potential business opportunities incessantly.

This year, we have formulated "Carbon peaking and carbon neutrality" strategies of COGO to respond to the national policies. We have taken a further step to achieve the "Carbon peaking and carbon neutrality" goals from three dimensions, building green operation model, fulfilling low carbon management of projects' entire life cycle, and driving transition of green low-carbon value chain. Simultaneously, we are closely bound up with research and development of zero-carbon technologies and practice of projects. In cooperation with upstream and downstream enterprises, we jointly seek for comprehensive solutions for constructing zero-carbon buildings, accomplish projects such as "Hohhot Glorioushire (Grand View of Hohhot Rivers and Mountains)" and Hefei Shangdong District and other ultra-low energy projects. The topics that we have participated in have passed the review of the "14th Five-Year Plan" National Key Research Topics, marking the Company's engagement in the national highest-level technological research and development for the first time. The Hohhot Glorioushire debuted in the 2022 Technology Demonstration Projects of Ministry of Housing and Urban-Rural Development as the sole zero-carbon housing construction and was showcased in the "Great Power Construction" Series-Themed Exhibition hosted by Hong Kong government, leading the industry's trend of green low-carbon transformation. Moreover, we focus on developing a green workplace, and create a healthy atmosphere of low-carbon office and green life through a series of "Let's embrace low carbon" special actions, making macro strategies penetrate into the organizational operation at all levels and pass on to each member to jointly safeguard our blue sky, lucid waters, lush mountains, and clean environment.

### Opus

As a "Technological COGO", the Company has always been pursuing a meticulous attitude towards engineering quality and top-class requirements for our products. We insist on delivering excellent products and prominent service to gain market shares and making unremitting efforts in improvement and innovation.

This year, as guided by "delivering high-quality and safe products to clients", we have and reinforced process evaluation and supervision, perfected products quality management system via PDCA cycle, engaged customers in product quality management and supervision through "Construction site opening". On this basis, the Company puts efforts into propelling products upgradation and technology innovation. In the meantime, the Company focuses on clients' experience, develops "12345" outstanding product systems, and shapes "ABC" product brands, creating industry-leading product capacity. When caught in a market downturn, COGO has made a commitment of "Strive to safeguard happiness while ensuring secure delivery", controls quality without compromise, and delivers quality residences on schedule. The Company builds a positive reputation amid difficulties, marches ahead with high praise from the market, and unswervingly fulfills the responsibilities during fluctuations of the industry.

### Adhering to people-oriented and Group

COGO has always been active in fulfilling its responsibilities as a corporate citizen, being highly concerned with common growth with internal and external partners. While striving to build an internal people-oriented culture, the Company vigorously supports the construction of a win-win industry ecology. The Company is passionate about public service and social responsibility.

We have established recruitment, training, evaluation and appointment systems for different employees, provided a diverse, inclusive, fair and transparent environment for career development to employees through an integrated, vertically deepened and refined HR management system, and built a leading employer brand in the industry. We communicate the concept of sustainable development to upstream and downstream enterprises and promote ecological construction of responsible supply chain through responsible procurement. In the meantime, we've played a positive role in joining in sustainable development associations to keep close communication and cooperation with industry partners, and jointly promoting the green transition of the real estate industry. We have extended a helping hand to pandemic-stricken industries and implemented rent relief and business support for small and micro enterprises and individual businesses in the service sector, assisting them in resuming development and overcoming difficulties. Apart from that, we have devoted ourselves to public service undertakings, thorough implementation of rural revitalization, and support for development of education and poverty alleviation, injecting significant impetus into rural development.

As the Book of Later Han indicates, "Success and progress is made with pursuit through difficulties and challenges." During the 14th Five-Year Plan, COGO will take the sustainability concept as its guidance, and leading the sustainable transformation of the construction and real estate industry as its vision. COGO will make persistent and unremitting down-to-earth efforts, seize opportunities, and pursue long-term goals, in an effort to make unswerving and remarkable contribution to building a wonderful future.

Building **risk management** system with technology information

No corruption **litigation case** during the reporting period

Coverage rate of the employees who signed the Statement of Integrity Commitment

**100%**



Coverage rate of new bid-winning units that signed the Integrity Agreement reached

**100%**

**Conducting stakeholder survey**

Committing to respect and **protection** of employee and customer **privacy**

**GO.ESG**



Establishing four-level **social responsibility** governance structure

# Governance

# 01

**ESG-related material topics responded in this chapter:**

Operating performance and long-term value, communication with stakeholders, risk management and internal control, corporate governance and compliant operation and anti-corruption

**SDGs-related topics responded in this chapter:**



**1.1**  
**Corporate Governance**

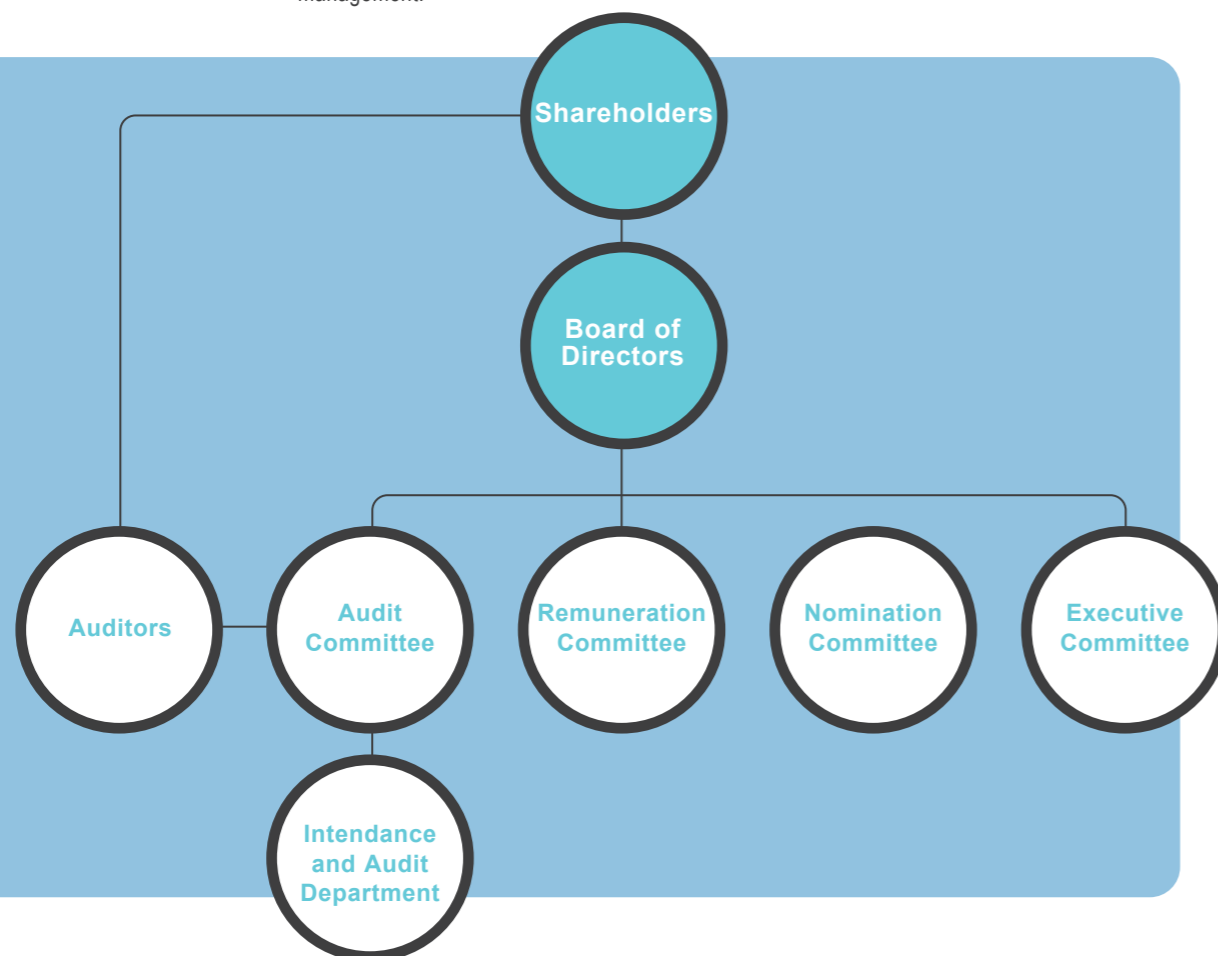
**Management of the Board of Directors**

The Board of Directors is dedicated to improving the corporate governance system of the Company. Its main responsibilities include setting the overall strategic direction of the Company, determining long-term performance and management objectives, formulating policies and monitoring the implementation of policies, ensuring compliance with laws and regulations and business ethics, overseeing the performance of the management, and supervising the operation of risk management systems.

We formulated the *Diversity Policy for Members of the Board of Directors* to realize the goal of diversity of Board members. In reviewing the composition and selection criteria of directors and searching for qualified candidates, the Nomination Committee will take into account the diversity requirements of the Nominating Policy and the Diversity Policy, including but not limited to gender, age, cultural and educational background and professional experience.

In addition, the Nomination Committee is responsible for implementing and overseeing the diversity objectives of members of the Board of Directors. To achieve progress in implementing the Diversity Policy, the Nomination Committee reviews the *Board Diversity Policy* per annum and recommends changes to the Board of Directors for adoption. By the end of 2022, COGO had a total of eight directors, including three executive directors, two non-executive directors and three independent non-executive directors.

COGO continuously deepened its sense of responsibility, established an effective management system of sustainable development, promoted communication with stakeholders, selected important substantive topics for key disclosure, and constantly improved the level of sustainable management.



**1.2**  
**Sustainable Development Management**

**Management system of sustainable development**

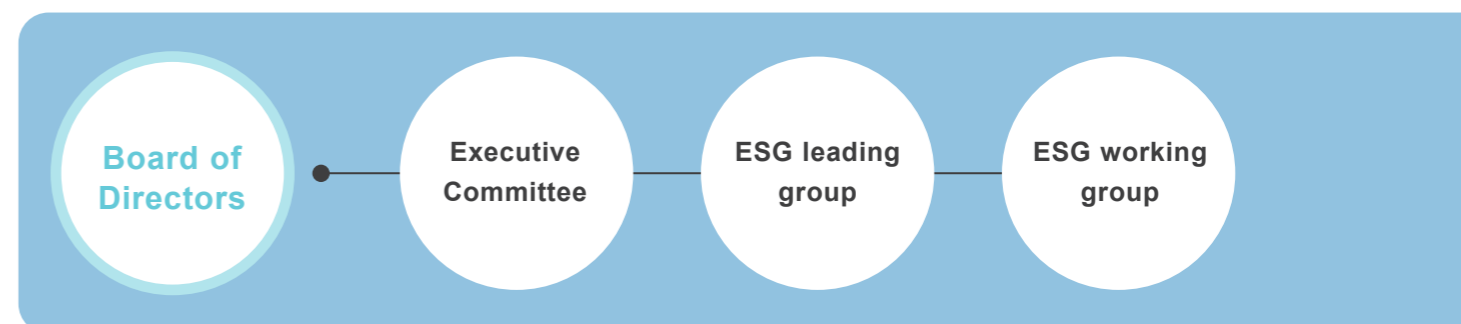
The Group established a four-level social responsibility governance structure to promote steady implementation of sustainable development.

**ESG governance structure**

We established an ESG governance structure system and a robust ESG working mechanism. The Board of Directors authorized the ESG regulatory function to the Executive Committee and set up an ESG leading group to coordinate the implementation of ESG-related matters and reported to the Executive Committee regularly. In the meanwhile, an ESG working group was set up to promote the implementation of daily matters related to sustainable development.

In terms of ESG management membership, the Executive Committee authorized to supervise ESG matters is composed of all the executive directors of the Company; the members of the ESG leading group and the working group are mainly executive directors, senior management, and principal leaders and responsible persons of each business unit in the Group.

**ESG Governance Structure Chart of COGO**



**Composition of ESG Management Members**

Entity of Duty	Composition
Board of Directors of the Company	Executive directors, non-executive directors and independent non-executive directors
Executive Committee	Executive Directors
ESG leading group	Chairman of the Board of Directors, Chief Executive Officer, Chief Financial Officer, leaders in charge of each business and the responsible person of the Company's ESG matters
ESG working group	Chief Executive Officer, Chief Financial Officer and responsible persons of departments in the headquarters



### Statements of the Board of Directors

The Board of Directors gives top priority to sustainable development management. We have established the four-level ESG governance structure, forming a practical closed-loop management system from decision-making, communication and actual implementation to reporting and assessment.

The Board of Directors assumes the overall responsibility for the ESG work of COGO and is responsible for supervising the ESG development direction and strategy of the Company; identifies, listens and manages material ESG risks related to the Company's business; periodically listen to reports from the ESG Leadership Group or other relevant managements; deliberates and approves COGO's sustainable development report and other ESG management policies.

The Company has complied with the regulation of listing rules to set key ESG targets covering greenhouse gas emissions, pollutant emissions and resource consumption. The Board of Directors reviewed and discussed the setting of the targets and will regularly review the progress of achieving the relevant objectives.

This report, which discloses detailed information on the above environmental, social and governance issues, was deliberated and approved by the Board of Directors on March 27th, 2023.

### Stakeholder participation

COGO has always maintained positive two-way communication and cooperation with internal and external stakeholders, and provided various communication channels for them. The Company works with all parties to promote economic, environmental and social sustainable development. We attach importance to the opinions and suggestions of stakeholders. The Company set up special departments and personnel to collect and assess the feedback from stakeholders, and adjust the strategy and action of the Group's ESG work according to the feedback.

Categories of stakeholders	Communication mechanism and method
Company employees	The Group periodically conducts satisfaction surveys, employee seminars, sharing meetings and other activities to understand employees' opinions and suggestions on the Group's operation and management.
Shareholders and investors	The Group holds periodic results announcement press conference and general meeting to report the Group's operating results, financial position and strategic development trends to shareholders and investors, and answer their questions; conducts investor questionnaire survey at the end of each year to understand the suggestions and opinions from the capital market on the communication with stakeholders, and develops annual plans to improve the work. We also set up an investor relations mailbox to timely receive and answer investors' inquiries on a daily basis.
Customers	The Group organizes periodic home visits, evening parties and other activities for owners, and uses the online system to receive, track and give feedback on customers' consultation, complaints and maintenance needs.

Suppliers and other business partners	The Group issues periodic questionnaires to suppliers and business partners to understand their satisfaction with the cooperation process and their suggestions on partnership enhancement.
Government and regulatory authorities	The Group works closely with local governments to timely report project preparation schedule and construction progress to relevant authorities to ensure that the operation complies with relevant laws and regulations. We will also receive site visits from various government authorities to gain their opinions on project planning and the process of project construction and operation.
Industry organizations	The Group actively joins the industry association and alliance, participates in industry communication meetings, and discusses the improvement and upgrading of process technology together with outstanding peers to promote the green transformation of the construction industry.
Media	The Group answers media inquiries by holding media conferences and attending media interviews.
Community and public	Before the construction of the project, the Group invited community residents to participate in the project investigation and collected their opinions on the project construction. In addition, the Group actively supports local folk culture and education, and encourages its employees to actively participate in community services, such as sponsoring local folk activities and assisting communities in the prevention and control of the COVID-19. We are dedicated to maintaining good relations with the local community with a sincere and open attitude.

### Management of material topics

This year, with the assistance of an independent third party, we distributed questionnaires to internal and external stakeholders such as directors, the management, employees, shareholders and investors, customers, suppliers and business partners. Through investigations on material topics, we understand the sustainability topics that are material concerns of stakeholders and consequently guide the management and disclosure of sustainable development affairs in the Group.

The steps of our investigation and determination of material topics are presented as follows:

# 01

## Topics identification

Based on comprehensive consideration of regulatory compliance requirements and ESG focuses of the capital market, combining with the industry trend analysis and COGO's strategic and sustainable development work plan, we identified and sorted out the data base of ESG material topics in COGO in 2022, including a total of 28 topics in such three levels as environmental, social and governance aspect.

## Investigation on stakeholders

We conducted a questionnaire survey for 10 types of internal and external stakeholders, including directors, the managements, employees, shareholders and investors, customers, suppliers and business partners, and invited stakeholders to rate the importance of each ESG topic. A total of 1,449 valid questionnaires were collected for the assessment on material topics.

# 02

## Topic review

The management of the Company reviewed the data base and ranking of material topics and permitted disclosure.

# 03

## Importance assessment

Based on questionnaire data, focuses of the capital market and peer disclosure practices, we assessed the importance of each topic to stakeholders and companies and ranked the topic to generate the matrix of material topics in 2022.




# 04

## Material topic matrix and topic ranking

The ESG material topic matrix and list are presented as follows:

### 2022 ESG Material Topic Matrix of COGO



2022 ESG Material Topic List of COGO			
Importance	Ranking	Category	Topic
 <b>Highly important topic</b>	1	Social	Product quality and safety
	2	Governance	Corporate governance and compliance
	3	Social	Quality service and customer satisfaction
	4	Social	Talent absorption and training development
 <b>Important topic</b>	5	Environment	Green and sustainable building
	6	Governance	Anti-corruption
	7	Governance	Management of the responsible supply chain
	8	Social	Employee compensation and benefits
	9	Social	Occupational health and safety
	10	Governance	Risk management and internal control
	11	Social	Technological innovation and industry development
	12	Environment	Use of energy
	13	Environment	Waste management
	14	Social	Privacy protection and information security
	15	Governance	Communication with stakeholders
	16	Social	Responsible marketing
	17	Social	Diversity and equal opportunities
	18	Environment	Pollutant discharge management
	19	Environment	Response to climate change
	20	Social	Compliant employment
	21	Environment	Reduction of greenhouse gas emissions
	22	Environment	Rational development and conservation of biodiversity
	23	Social	Community communication and common prosperity and development
	24	Environment	Use of materials
	25	Governance	Operating performance and long-term value
 <b>Less important topic</b>	26	Environment	Water resources management
	27	Social	Social charity
	28	Social	Protection of intellectual property

### Sustainable development strategy

In order to continuously improve the Company's ESG level, COGO has formulated and put into practice the development strategy of "GO.ESG". Through the concerted efforts of the five dimensions, COGO comprehensively promotes the deep integration of the sustainable development concept with the Company's operation management, business practice and organizational culture, and strives to take the lead in ESG in the industry.

#### G: Governance (Governance)

The ESG philosophy is infused into the top-level design. The Company improves the management system of corporate governance and sustainable development to ensure that the management and operation conform to the requirements of laws and regulations and business ethics. Communication and collaboration with stakeholders are maintained to ensure the stable operation of the risk management system.

#### O: Opus (Opus)

The complete implementation of the sustainable development concept is realized in business practice. COGO, a master in engineering, builds the good product system of "12345" with ingenuity. The supervision of product quality is strengthened, and products and services are constantly updated to maintain excellent product competitiveness and industry leadership.

#### E: Environment (Environment)

Environmental management is integrated into the overall development of the enterprise. COGO develops the "carbon peaking and carbon neutrality strategy", promotes green construction and green operation, and vigorously pushes the research and development and application of ultra-low energy consumption building technology, leading the zero-carbon development of the building and real estate industry.

#### S: Support (Support)

Employees' rights and interests are protected and career development is promoted. A diverse and harmonious work culture is advocated and a comprehensive training system is implemented to create a fair, just and open environment for career development.

#### G: Group (Group)

The concept of sustainable development is promoted to the society, industry and supply chain partners. The Company is enthusiastic about social welfare, promoting rural revitalization, and continuously improving the supply chain management system. We are dedicated to building the responsible supply chain, actively support and promote the green transformation of the construction industry, to build an industry ecology of win-win cooperation.



Through the five-dimensional ESG strategic planning, COGO responds to all 28 ESG material topics and 17 UN SDGs:

Strategic Dimension	Material Topics Responded	SDGs-related Topics Responded
Governance	Governance	Operating performance and long-term value, communication with stakeholders, risk management and internal control, corporate governance and compliant operation and anti-corruption
GO.ESG	Opus	Responsible marketing, product quality and safety, quality service and customer satisfaction, privacy protection and information security, protection of intellectual property, technology innovation and industry development.
	Environment	Climate change response, green and sustainable buildings, greenhouse gas emission reduction, energy use, waste management, management of pollutant emission, material use, water resources management, and rational development and protection of biodiversity
	Support	Employment compliance, diversity and equal opportunity, talent absorption and training development, employee compensation and benefits, occupational health and safety
	Group	Responsible supply chain management, social charity, community communication and common prosperity and development

## 1.3

## Compliant Operation

COGO strictly abides by relevant national and industrial laws and regulations, and gradually improves the internal risk control and compliance management systems and related measures. We abide by business ethics and integrity standards, to ensure that the business development meets the compliance requirements, realizing steady development of enterprises.

## Key performance

In 2022, the number of legal cases regarding corrupt practices was 0 during the reporting period.  
In 2022, the coverage rate of the employees who signed the *Statement of Integrity Commitment* and the new bid-winning units that signed the *Integrity Agreement* reached 100%.

## Risk Management

## Compliance and legal risk management system

The Board of Directors of COGO is fully liable for the risk management of the Group, and the Audit Committee shall conduct professional deliberation on the material business risks of the enterprise. Moreover, we set up a legal working group, with the chief executive officer as the group leader, liable for coordinating and promoting the overall work of the legal construction and compliance management of COGO. This group establishes a sound risk control and internal and external compliance audit mechanism for development and operation projects, guides the Group's legal affairs, compliance risks and material litigation, and makes routine reports and approval decisions. In addition, we have formulated the *Measures for the Management of External Lawyers* to standardize the Company's selection, use and appraisal of external lawyers. The Company makes full use of the resources of external lawyers to improve the level of legal services, provide solid legal support for the enterprise development and operation, help the enterprise identify and manage legal risks, jointly build a complete risk management system, and improve the compliance and competitiveness of the enterprise.

## Risk identification and countermeasures

The Group is dedicated to systematically improving the enterprise risk management ability. By building and launching an information-based risk management system, the Group focuses on risk control throughout the project process, realizing risk identification management, dynamic risk monitoring, risk elimination follow-up and risk data accumulation. On top of that, the system of risk management is embedded with the risk standard library, which sorts out and divides 6 first-class risks, 47 second-class risks and third-class risks divided according to the business nature. For special risks, we have developed a sound identification and management mechanism:

- **Annual risk identification and management:** Based on the system of risk management, the Group arranges and summarizes risk events of each unit per annum, carries out risk assessment on the risk events, and sorts out the annual material risk events of the Company. In view of annual material risks of the Company, the Group will assign them to corresponding responsible departments to deal with them, and the risk specialist at the headquarters will prepare countermeasures simultaneously and give feedback regularly.
- **Legal risk identification and management:** We identify and input legal risks through the online system, comprehensively assess the input risks from the aspects of impact and vulnerability to determine the high, medium and low level of legal risks, and then carry out targeted risk countermeasures. We apply for risk elimination according to the progress of risk resolution, and summarize and generate risk case examples for the Group to educate and warn its employees.
- **Operational risk identification and management:** Through the risk management system and information means, the risk statistics pressure of each unit is effectively debased, and the speed and effectiveness of operation are increased. In the meantime, we establish risk warning module and operation tool management module. We conduct online risk control for the whole process of the project, form the Company's operational risk data base to achieve real-time risk management tracking. We regularly update the risk progress, timely urge the responsible person to follow up and eliminate risks on schedule, and break down the tasks and work on a monthly basis to effectively mitigate the operational risks in the whole process of the project.

In addition, we set up an emergency task team headed by the Company's chief executive officer, which is liable for reviewing various emergencies and making decisions or suggestions. Meanwhile, the Group has formulated *Measures for Emergency Management* to clearly standardize and strengthen the emergency management, and enhance the risk identification, analysis and assessment of all kinds of emergencies. The Group also prepares special emergency plans, so as to improve the capability of preventing and resolving matters related to construction safety, product quality, illegal behaviors, extreme weather and other emergencies, protect the interests of the Company and maintain the corporate image.

**Business ethics management**

The Company carried out 238 clean culture construction activities this year,

with more than  
**20,000**  
participants

**Combating corruption and upholding integrity**

COGO strictly abides by the relevant provisions of the *Criminal Law of the People's Republic of China*, the *Criminal Procedure Law of the People's Republic of China*, *Law of the People's Republic of China on Penalties for Administration of Public Security* and the *Basic Law of the Hong Kong Special Administrative Region of the People's Republic of China*, and opposes all forms of corruption, including extortion, blackmail, bribery and corruption. The relevant work is under the overall supervision of the Board of Directors and carried out and managed by the Intendance and Audit Department. We actively promoted the establishment of the anti-corruption system. With reference to the above laws and regulations, we formulated the *Anti-Corruption Policy*, *Intendance and Audit System*, *Tendering Management Methods* and other policies, which are reviewed regularly. In 2022, we added *Guidelines on Internal Audit Work* and *Guidelines on Collection of Standard Materials*, clarified the principles of anti-graft, anti-corruption, informant protection, intendance and trial, compliance procurement, and handling methods for different violations. At least every three years, we assess and conduct audits of our business ethical standards, anti-corruption policies and business practices in all areas of our operations.

In order to resolutely protect the Company's business ethics and to create a good atmosphere of honesty and integrity in the industry, for internal employees, COGO requires all levels of leadership teams or department heads to sign the *Statement of Integrity Commitment*, in which they promise to abide by the relevant regulations and systems and lead by example in practicing integrity and self-discipline; for external partners, COGO signed the *Integrity Agreement* with the successful bidder, which prohibits suppliers from providing any form of benefits to the Group's employees, and requires all suppliers to have anti-corruption policies and conduct regular audits on their performance to verify compliance.

**Reporting handling mechanism**

COGO has set up an accountability committee to handle complaints and reports, continuously performed the relevant internal systems and governance structure, standardized the working procedures, and built a sound working mechanism.

In order to strengthen handling of internal and external reporting, effectively combat corruption and create an honest working environment, COGO revised the *Whistleblowing Policy* in 2022 to optimize the process of reporting information acceptance, registration, audit, decision-making, disposal and other links, further improving the efficiency of corruption reporting and disposal. The Group accepts anonymous reports, but also encourages real-name reports, and provides various reporting channels such as the official website, independent reporting hotline, email and letter box to receive reporting information from the public and employees. Also, we resolutely protect the personal safety and privacy information of the whistle-blower, strictly keep confidential the name, work unit, home address and other relevant information of the whistle-blower, protect the basic rights and interests of the whistle-blower from being infringed, and prevent any form of retaliation. The units under investigation and the person being reported shall not retaliate against the whistle-blower. Once found, they shall be dealt with seriously according to the requirements of the law. We ensure that there are channels for reporting and procedures for accepting cases, and that corruption, malpractice and other irregularities are dealt with in a responsible and effective manner.

Intendance procedure



Acceptance and registration

Clue disposal

Investigation inquiry

Issue investigation report

Disposal and rectification

Closure and archiving

**Protection of intellectual property rights**

**Business ethics and anti-corruption training**

In order to establish the core integrity concept of “compliance, honesty, self-discipline and integrity”, and create a clean atmosphere of the Company, this year, we have formulated the implementation plan of “Integrity of COGO” integrity culture development. In the meanwhile, we carry out anti-corruption training and moral education for all kinds of members, covering the publicity theme of compliant operation and clean practices. This year, the Company carried out 238 clean culture construction activities, with more than 20,000 participants, covering all directors and employees of the Group (including part-time employees) and contractors, and the average participation time was more than 10 hours.

In compliance with the *Trademark Law of the People’s Republic of China*, the *Patent Law of the People’s Republic of China*, the *Copyright Law of the People’s Republic of China*, the *Anti-Unfair Competition Law of the People’s Republic of China* and other laws and regulations, COGO protects its intellectual property through patent application and other means, also respects the intellectual property rights of our partners, and strictly abides by the scope of licensed use. In 2022, we strengthened the management of the Group’s intellectual property rights, sorted out the registration of intellectual property rights, strengthened the follow-up management of patent applications, and constantly improved the protection of intellectual property rights.

**Information security and privacy protection**

COGO strictly abides by the *Personal Information Protection Law of the People’s Republic of China*, the *Law of the People’s Republic of China on the Protection of Consumers’ Rights and Interests*, the *Cybersecurity Law of the People’s Republic of China* and other laws and regulations, formulates the *Information Management Measures*, guides the Company’s network and information security management, and promises to respect and strictly protect the privacy of employees and customers.

In order to reasonably assess and control network risks, we have established a rigorous network and information security risk management and evaluation system, and clearly established network and information security boundaries, technical specifications, management processes and corresponding emergency preventive measures. We used a special system of data encryption to encrypt and save all files in the office computer, and set operation logs to record key actions such as decryption and transmission in the background for easy traceability. In addition, we set up network monitoring, intrusion monitoring, vulnerability scanning and other network security defense equipment, and organized internal experts to carry out offensive and defensive drills on the network of regional companies to strictly prevent data leakage.

We are highly concerned with the cultivation of employees’ awareness of network and information security. We conduct annual privacy and data security training for all employees. In the on-boarding stage, we publicize the Company’s network and information security management requirements to new employees by signing confidentiality agreements with them and conducting on-boarding training. In addition, during the Publicity Week of annual network information security and privacy protection, we popularize information security knowledge to employees through videos, provide special online courses on network security for all employees, and require employees in key positions to complete exams.

**COGO Practice**

**COGO Practice: “Integrity of COGO” Integrity Culture development**

In order to build the characteristic clean culture system of COGO, strengthen the shock and awe of “dare not corrupt”, tie the cage of “cannot corrupt”, enhance the consciousness of “don’t want to corrupt”, we carry out a series of clean culture construction activities themed by “Integrity of COGO”, from five aspects including the “principle, law, system, emotion and publicity”: strengthen the construction of theory, idea and ideal; carry out education on laws, regulations and cases; improve systems, mechanisms and policies; strengthen connection, friendship and kinship management; adhere to publicity and education management, to provide a strong “clean power” for the Company’s reform and development goals.



Poster on the Theme of “Integrity of COGO”

**COGO Practice: “Integrity of COGO | Prevention and Elimination of Corruption” Themed Meeting of the Headquarters**

In April 2022, in order to develop an honest and self-disciplined corporate atmosphere, COGO held an educational meeting on integrity. The meeting publicized the accountability system for violations of COGO, notified the recent typical accountability cases, and proposed three requirements for business ethics managers at all levels: scrupulously implementing work tasks, meticulously managing warning and publicity, and practically carrying out self-inspection and rectification. COGO employees at all levels are required to integrate supervision into corporate governance with the pursuit of “achieving new progress with concerted efforts”, the tenacity of “never giving up”, and the perseverance of “down-to-earth and hard work”. Furthermore, COGO employees should be guided to reflect on themselves at all times, strictly abide by laws and rules, and be honest at their work.



COGO Held an Educational Meeting on Integrity



Our quality test score driven up to

**90.05** points  
by an authoritative third party

Adhering to

**“12345”**

Good Product System

Customer satisfaction  
score for repair services

**89.43**  
(95th percentile of the industry)



Delivery satisfaction score was

**89.52**  
points (90th percentile of the  
industry)

Customer satisfaction  
score for house quality

**84.33**  
(95th percentile of the industry)

Holding construction site  
process opening activities in

**23** cities

Carry out **“Four-  
season  
Action”** series of  
customer brand activities

# Opus

# 02

**ESG-related material topics responded in this chapter:**

Responsible marketing, product quality and safety, quality service and customer satisfaction, privacy protection and information security, protection of intellectual property, technology innovation and industry development

**SDGs-related topics responded in this chapter:**





2.1

Quality with Ingenuity

According to laws and regulations, COGO has established a sound product quality and safety management and audit system, actively promoted the innovation of product process and technology, strictly controlled product quality, and constantly improved the health and green attributes of products.

Product innovation

COGO is closely bound up with the establishment of its brand reputation, focuses on the promotion of product capacity innovation, and shores up customer awareness and recognition of the Group's products. In combination with aesthetic experience renewal and actual function convenience, we start from customer experience, stay steadfast in the "12345" Good Product System, and put utmost efforts in building "COGO Happy Garden System" and shaping "COGO Product ABC Brand", further enhancing the product capacity of the Company.

In 2022, COGO focused on the theme "Year of Landscape Enhancement", established a "Five-dimension (ABCDE) Assessment System for Happy Garden" of COGO, empowered the product renewal and technological innovation of the projects with "experience enhancement, innovation as priority, cost optimization, fine workmanship creating and objective achieving", in which many projects had become the benchmark of the product capacity in the local places. This year, more than 40 projects have been included in the "Happy Garden Module", renewing the home-coming route scenarios above and under the ground, obviously improving the project quality and providing every customer with a better living experience.



Huaian • Huaishang Jingming



Huizhou • Baixianfu Community



Shantou • Haiyi Peninsula



Huizhou • Zhenrufu Community

"12345 Good Product System"



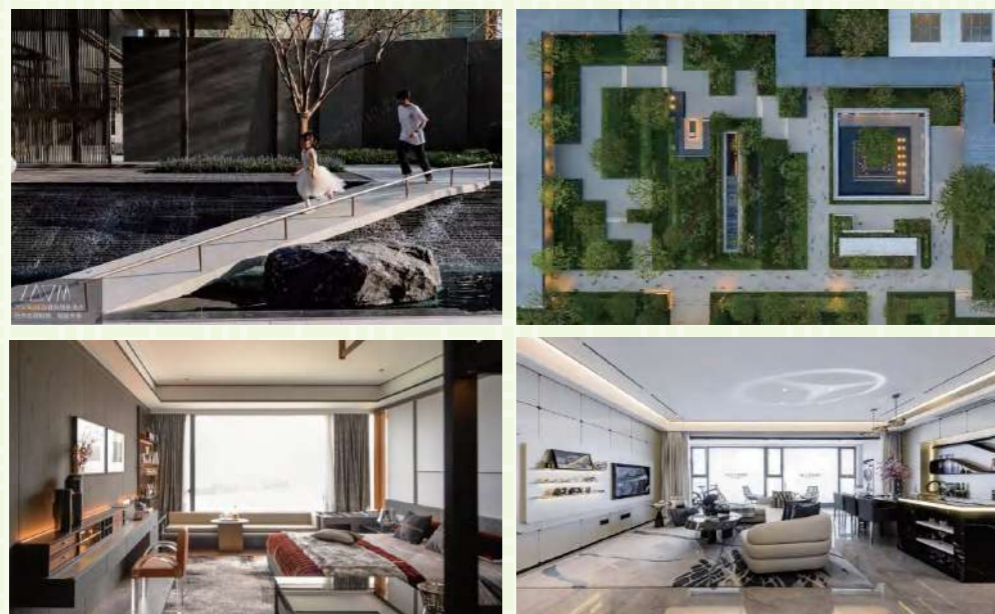
## COGO Practice

### We Built the Housing Products with a Tabbed Advantage, and Created a Comfortable Living Experience

We prioritize the living experience of housing products, established a product standard of "Feeling-shared House 9+1 Assessment", forged the advantages of a tabbed product, and improved the trust of our customers in the products of COGO.

- The scientific house type planning may satisfy the core demands of every customer, with the design of various featured functions including integrated LDK, queen's throne, super assembly room, super bedrooms, and enhanced storage and the combination with scenario renewal, finally improving the indoor living experience of the housing products.
- A reasonable route design in the community may guarantee easy access for the residents and such convenient facilities for people as courier stations and convenience stores were available, providing a high-efficient and convenient living experience for the residents.

Through new house types, new scenarios, new materials, and excellent workmanship quality control designs of soft and hard decorations, by the combination of hardware with software, we designed multiple new neighborhood spaces and indoor scenarios, satisfying the demands of every customer with high quality and creating various competitive and innovative products.



### Real Scene of the Project Satisfying the Standard of "Feeling-shared House 9+1 Assessment"

In the course of the project design, we also sufficiently considered the health and well-being of the residents, took into consideration various health factors, such as sound insulation and noise reduction, natural lighting, natural ventilation, and comfortable temperature and humidity, and designed and provided every customer with a safe, healthy, comfortable and excellent product by health impact assessment and integrated design process with multiple departments involved. In the meantime, we conducted housing construction by referring to the green building standards, with safety and durability, health and comfort, and resource-saving as orientation. We also sufficiently guided every owner and tenant after the project completion and tracked and assessed the health and safety performance of the building in the form of a satisfaction survey.

## COGO Practice

### The Jiuyue Project in Jinhua Aimed to Build a High-Quality, Healthy and Comfortable Residential Community in Accordance with the Two-Star Design Standards for Healthy Buildings

The Jiuyue project in Jinhua was designed to build a high-quality, healthy and comfortable residential community, providing a healthy environment, facilities, and services for the residents in accordance with the two-star design standards for healthy buildings, by sufficiently considering the geographical environment of the place where the project was located, adopting the integrated design method, comprehensively combining several green building and healthy building technologies, and efficiently utilizing various energy resources.

- The site of the project was finalized to be an area with a good acoustic environment, guaranteeing the sound insulation effect of every sensitive room.
- The residence of every house type featured good indoor natural lighting; nine ventilating shafts were established in the underground parking garage, in which the underground lighting environment was improved with natural light.
- The plane layout of every house type was reasonable, and the exterior windows of every functional room could be opened, forming several ventilation channels in the rooms and reaching the level-II requirements for thermal and humid environments with non-artificial cold and heat sources.
- By virtue of the multi-connected air-conditioning system with variable refrigerant volumes, the residents could regulate the indoor thermal and humid environment as needed.
- The water supply plant satisfying the national requirements was finalized, in which the water quality and water supply pipe network may satisfy the drinking water standards.
- A household unidirectional-flow fresh air system was assembled, with a filtering function of PM 2.5, reaching 95% purification efficiency; every exterior window and various kitchen and toilet doors featured good gas tightness, guaranteeing the indoor air quality and satisfying the living health requirements.
- Outdoor fitness fields and indoor fitness rooms with several types of fitness equipment were provided, encouraging the residents to do sports.



Jinhua Jiuyue Project

## Product quality management system

In 2022, Shenzhen Ridge Engineering Consulting, an authoritative institution of third-party evaluation and consulting for construction projects, drove up our quality test score to 90.05 points, and our roughcast house delivery quality score, decorated house delivery quality score, and total score were among the top of real estate enterprises in the mainland. We also procured a number of provincial and municipal certifications and awards for quality.

Project	Award	Level
Ganzhou Xuefuli	"Excellent Construction Site in Annual Project Assessment" of Hunan Province Building Construction Quality Management Standardisation Assessment	Provincial
Hohhot Glorioushire	Golden Award for Quality Structure of Construction Engineering in Inner Mongolia Autonomous Region	Provincial
Hohhot Glorioushire	Demonstrative Project for Fine Management in Inner Mongolia Autonomous Region	Provincial
Hohhot Glorioushire	Demonstrative Construction Site for Building Construction Safety Standardisation in Inner Mongolia Autonomous Region	Provincial
Hohhot Glorioushire	Demonstrative Project for BIM in Inner Mongolia Autonomous Region	Provincial
Hohhot Junnan Community	Quality Engineering Award in Inner Mongolia Autonomous Region	Provincial
Lanzhou Heshan Community	"Jiangheyuan" Cup Award for Building Construction in Qinghai Province (Provincial Quality Engineering)	Provincial
Nanning Tianzuan	Quality Structure Award for Building Construction in Guangxi	Provincial
Yinchuan Xinduhui	First Prize of Trustworthy Group for Quality of Building Construction in 2022	Provincial
Yinchuan Xuefuli	Second Achievement Award for 2022 Excellent Quality Management Group of Building Construction in Shaanxi	Provincial
Changzhou Yunyueli	Quality Structure Engineering in Changzhou City	Municipal
Hefei Jiuyue Commercial	Quality Structure Engineering Award in 2022	Municipal
North Area of Hohhot Heshan Community	Golden Deer Cup Award for Quality of Building Construction in Baotou City	Municipal
Jilin Yuejiang Community	"Jiangcheng Cup" Award for Building Construction in Jilin (Municipal Quality Engineering)	Municipal
Jilin Xinduhui	"Jiangcheng Cup" Award for Building Construction in Jilin (Municipal Quality Engineering)	Municipal
Nanning Tianzuan	"Longcheng Cup" Award for Quality of Building Construction in Liuzhou City, Guangxi Province	Municipal
Xuzhou Huaihai Community	Quality Structure Engineering in Xuzhou	Municipal
Yangzhou Shidai Metropolis	Quality Structure Engineering	Municipal
Yinchuan Xuefuli	Second Prize of 2022 Excellent QC Group Activity of Construction Work in Xi'an	Municipal
Weifang Xi Garden	Quality Construction Unit	District-level
Weifang Jiuyue	District-level Demonstrative Red Construction Site in 2022	District-level

**15** projects  
with opening activities of  
the site process

**23** cities  
with opening activities of  
the site process

The quality test score of Ridge  
was increased to  
**90.05** points

COGO adheres to providing safe products of high quality for customers. We strictly abide by the *Construction Law of the People's Republic of China, Law of the People's Republic of China on Product Quality, Regulations on Construction Project Quality Management*, and other relevant laws, regulations and standards, and establish a quality and safety management system in line with the Company's business characteristics, including the *Measures for Project Quality Management, Property Handover Inspection Standards* and other internal systems, which clearly standardize the technical requirements and quality and safety standards for various projects of the Company from planning to acceptance, covering all projects; and specify the workflow in detail to ensure the quality and safety level of projects and products.

According to the internal system requirements, we have established a sound quality management system from top to bottom. The headquarters has set up a structured team. The Engineering Department has set up quality and technical professionals responsible for the overall quality control, and technical leaders in the project to supervise the project quality. We also make use of special instant quality reward and punishment, "COGO Star" quality assessment indicator, and other ways to clarify the quality-linked process assessment and reward and punishment requirements, assign responsibilities to specific people, and strictly control quality problems.

We actively build a business team that attaches great importance to quality and safety, and carry out training related to quality standards and specifications for employees within the Group to constantly enhance their awareness of product quality and safety protection. Through the characteristic "master craftsmen operation", we promote the technical exchange between the new and old engineers. Through on-site inspections, professional training, and other ways, we give full play to the professional level and influence of "master craftsmen" and improve the quality and safety level of the project.

We provide product quality and safety training and technical disclosure to main contractors and suppliers in every process of the project to ensure that the product delivery meets the quality and safety standards of the Group. Before the construction unit enters the site, technical disclosure shall be organized for each project to clarify product quality standards, and ensure that all contractors are clear about the product quality requirements of COGO. Before large-scale construction starts, material samples shall be confirmed, and sample training shall be organized for contractors in each project to ensure that the materials and processes used in construction meet the standards. During the construction process and before delivery, we regularly engage a third party to carry out external audits and assessments on the project quality. Meanwhile, based on the results and problems of external audit, we conduct corresponding training and rectification for contractors, which helps contractors improve quality problems and optimize quality management level. In addition, we carry out trainings on engineering quality system and policy standards and requirements for contractors many times each year, and share quality management experience; the trainings covers all contractors. We encourage contractors to obtain certification of quality management system, to help contractors improve quality management ability and delivery quality.

We hold construction site process opening activities, work with the local government, and show the project progress to the outside, to help customers feel the quality of COGO in advance and present a better life scene in the future. In 2021 and 2022, we carried out opening activities of the site process for 15 projects respectively. By the end of 2022, we have held opening activities of the site process in 23 cities.



Xining Heshanjun Demonstration  
Construction Site Exhibition



Liuzhou Tianzuan Project  
Construction Site Open Day

## Quality inspection and assessment

To make sure that the project quality is under control and delivery quality is satisfactory, COGO carried out inspection and assessment for the project quality on a quarterly basis, assessed and inspected every project by important time nodes before its delivery, and identified any project quality and safety risk. In the meantime, we formulated product quality management objectives and assessed every project by the bottom lines of the quality safety targets. Finally, the quality of all the engineering projects satisfied the internal quality safety standards in 2022. Moreover, we also performed irregular quality inspections for the construction sites, including the external wall insulation inspection, namely the "Sky-eye Action", the special inspection for pile foundations, and the external wall decoration inspections, strictly guaranteeing the product quality.

We also formulated various specific requirements for the contract performance of contractors at all tiers and the quality of materials supplied by party B, and regularly conducted quality assessments and inspections. As for the tier 1 suppliers and tier 2 suppliers, our headquarters carried out unannounced inspections each quarter, and we assigned a project supervisor to implement a spot check during the project, and reviewed the facilities and devices and various management flows of the suppliers. In terms of the tier 3 suppliers (materials from tier 2 suppliers supplied by Party B), we designated a cooperative brand for the tier 2 suppliers upon investigation, the project supervisor checked and controlled the material quality, and the Group headquarters also carried out unannounced inspections for the quality and performance index of the materials.

Aside from this, in 2022, we established and applied the first business intelligence system in the industry for quality assessment management, realizing uniform recording, visual presentation, and intelligent analysis for the results of the process assessment, delivery assessment, safe unannounced inspection, special inspection on refined decorations and special inspections on foundation pits, mastered the assessment results of each cooperative unit in each dimension, conducted performance assessment management more efficiently, and realized the intelligent extraction of various quality issues and risk data, making a contribution to accurate management.

2.2

Excellent Services

COGO respected the privacy of every customer, abided by the responsible marketing requirements, provided the customer with various excellent, transparent, and normalized services, improved the customer satisfaction with services by collecting the opinions and suggestions from customers and taking various targeted measures, and built a stable and good customer relationship.

Key performance

In 2022, COGO received a total of 278 customer complaints, with a response time within 30 minutes, a handling rate of 100%, and follow-up satisfaction of 58% (higher than the 95th percentile value of the industry).

Service quality assurance system

COGO is dedicated to the provision of various excellent service experiences to its customers. The Group formulated various policies and work guidelines, such as the *Customer Service Management System* and the *Home-coming Work Guideline*, satisfied the quality requirements for various customer services, actively responded to customer service demands, and continuously improved the customer service quality. We implemented standardized management for the repair center, and improved the customer satisfaction with the repair services by setting up a standardized repair center, requiring all the repair personnel to dress in uniforms, and setting standardized actions for repair. In 2022, the satisfaction score provided by the special customers for the repair services was 89.43 (95th percentile of the industry), reaching the benchmark of the industry; the satisfaction score for the house quality was 84.33 (95th percentile of the industry), both at the forefront of the industry.

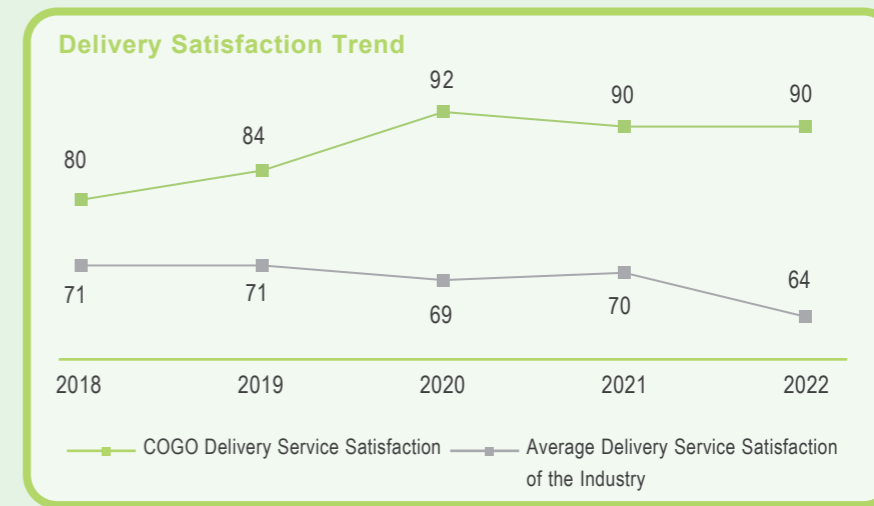
(95th percentile of the industry)	(95th percentile of the industry)
Customer satisfaction score for repair services	Customer satisfaction score for house quality
<b>89.43</b> points	<b>84.33</b> points

Stable delivery guarantee

In 2022, the overall satisfaction score obtained by COGO for delivery was

**89.52**  
(90th percentile of the industry)

In the context of frequent negative news in the market, COGO still insisted on the idea of "Cultivation of Good Things and Guarantee of Stable Delivery" and stuck to product improvement, high quality guarantee and punctual delivery. In 2022, the delivery area of COGO in the whole year reached 7,319,000 square meters, hitting a new high. The delivery of every project was propagandized and reported by various mainstream medias, with 25 special reports and 15 reports from provincial or municipal medias and earning extensive attention from the government and the society. In 2022, the satisfaction score provided by the special customers for the delivery services of COGO was 89.52 (90th percentile of the industry), ranking top in the industry.



## Customer privacy protection

COGO strictly abided by various privacy protection laws and regulations, such as the *Cybersecurity Law of the People's Republic of China*, the *Measures for Data Security Management (Draft for Comments)*, and performed the requirements set forth in various internal systems, such as the *Informatization Management Methods*, the *Employee Handbook (Hong Kong)*, and the *Employees' Code of Conducts*, guaranteeing the legal and compliant collection, management, processing, disclosure and use of customers' data, and undertook to respect the privacy of every customer and protect the information and materials of the customer. We encrypted all the customers' data, set internal information permission, and strictly controlled the disclosure risk of any privacy information of customers. Furthermore, we established a sound information security software and hardware system and regularly reviewed it, and formulated a perfect cyber-security accident response plan, providing multi-protection for the privacy information security of customers.

## Responsible marketing

COGO strictly abided by the *Advertising Law of the People's Republic of China*, the *Law of the People's Republic of China on the Protection of Consumer Rights and Interests*, and other relevant laws and regulations, carried out responsible marketing and promotion and respected the right to know of every consumer. We formulated the *Administrative Measures of COGO for Project Marketing*, articulately explicating the content standards and approval flows regarding the materials adopted in the project promotion and presentation, and required the publicity of various important sales documents at the site of sales, guaranteeing the information transparency. We also formulated and conformed to the *Stopping Point Inspection System*, and conduct systematic responsible marketing audit accordingly, covering all projects. After the project was awarded, before the opening of the project and at the time of the presentation of the project, we inspected the project site with many departments, guaranteeing the actual situation was consistent with various marketing and publicity documents. We commit to conducting responsible marketing and ethical promotion, aiming at providing fair, real and comprehensive information for customers.

In 2022, we proactively carried out responsible marketing training, which was available to all the staff. We assured that all employees of sales and marketing related positions are trained. The training theme covered the laws and regulations of the real estate industry and various internal system requirements, sales risks and responses, administrative punishments and corresponding measures, reinforcing the fair marketing awareness of the staff. We also required all the sales personnel to provide necessary explanations to customers, sufficiently explaining the adverse factors, contract terms, and other important content to customers and offering a guide for them, and making the marketing more normalized.

## Customer Satisfaction Improvement

### Customer complaint management

COGO attached importance to the feelings of customers and respected the opinions and suggestions of customers. We implemented a whole-process control for the complaints and opinions of customers by referring to our internal systems, such as the *Customer Complaint and Claims Management Methods*, the *Whole-process Customer Risk Control Guideline*, and so on.

- **Risk management:** We regularly sorted out the risk points regarding customer management, took the initiative to monitor and control various negative public opinions, and put the management of and response to the opinions of every customer into practice.
- **Complaint handling:** We had sound customer complaint handling flows, in which we received customer complaints through a unified complaint platform hotline, and assigned every case to the corresponding responsible person by the complaint content for analysis and handling, guaranteeing that every complaint would be timely responded to and solved.
- **Tracking records:** We recorded the full course of every customer's complaint in the customer relationship management system, and tracked the complaint content, complaint handling, and return visit satisfaction; the system was able to generate the instant response rate, the instant response time and other indicators, supporting the analysis of the customer complaint handling efficiency.
- **Return visit and inspection:** We carried out a spot check for the complaint handling processes, and performed a satisfaction return visit after the complaint was closed, guaranteeing every customer complaint was handled effectively and factually. Also, the complaint handling was improved by the appraisal feedback of every customer.

### Management of customer satisfaction

Starting from every customer, COGO always tried its best to provide services fully satisfactory to every customer. This year, we updated the *Customer Satisfaction Work Guideline* by the working practice and business changes, perfected the content of the customer satisfaction survey, and supplemented and covered various refined decoration projects and other new businesses. Since 2018, we have consistently carried out a customer satisfaction survey, actively contacted every customer, knew about its expectation, evaluated the customer satisfaction risk points by the survey results, and formulated and promoted a customer service improvement plan. We entrusted a third-party agency to carry out a random sampling survey for all the owners, and select appropriate topics from the survey question bank according to different phases of the customers, interviewed them, and quantized and collected their satisfaction information. The survey question bank included five systems and ten dimensions, covering all the contacts between COGO and every customer, comprehensively knowing about the expectation and appraisal of a customer, and acquiring the quantized result information regarding the multi-dimensional service quality performance.

Customer Satisfaction Score of COGO in 2018-2022



Customer Loyalty Score of COGO in 2018-2022



### Customer relationship management

COGO carried out varied customer activities for the owners and potential customers as per the *Guidelines for Customer Care (China Overseas Club)*, reinforcing the contact and exchange with every customer and improving customer satisfaction. We carried out the "Four-season Action" series of customer brand activities, and conducted six seasonal customer activities in each season. In addition to this, by the demands of the customers in each community, we also irregularly carried out various types of convenient service activities, such as the blood pressure measurement for the elderly, the scissor sharpening for the residents without any charge and so on. In 2022, we carried out the "Repair Service Day" activity 250 times, providing various types of convenient services for customers, such as free house maintenance, house inspection, and winter heating inspection, establishing a good communication channel for the owners and setting up a fine repair brand value.

## COGO Practice

### We Carried Out the Mid-Autumn Festival Activities with the Theme of "Love for Mid-Autumn Festival and Passion for COGO", Inviting the Owners to Enjoy the Festival

During the Mid-Autumn Festival of 2022, COGO carried out various owner activities for the Mid-Autumn Festival for every project, enjoying the festival with the owners. In these activities, an autumn evening gala was held jointly for the six projects of Shantou, in which some celebrities were invited to perform, and some owners were also invited to show their talents. Besides, various activities were available at each project site, such as the internet-famous and photo taking place for the "Supermoon", the mooncake DIY activity, and so on, creating a cheerful festive atmosphere for the owners.



Autumn Evening Gala Held Jointly for the Six Projects of Shantou



Mid-Autumn Festival Activities for Each Project of COGO

### We Provided the Owners with Sweet Care on the Convenient Repair Service Day in the Spring

A "Convenient Service Day" was established for each project of COGO in April 2022 for the purpose of providing services. On this day, COGO organized each project to provide the owners with various repair service activities, including the maintenance of aluminum doors and windows, the filter mesh cleaning for taps, kitchen knife sharpening, carpet cleaning, shoe repairing, and so on, which were demanded in a high frequency by the owners. In addition to this, we built a "face-to-face" owner communication station at the activity site to accept the consultation of the owners and listen to their suggestions. We hoped to serve every owner with our greatest enthusiasm and care and provide more convenient living assistance to them.



The Activity Site of the "Convenient Service Day"

Developing the “**Let’s embrace low carbon**” campaign

The projects meeting green building standards covers an area of **26.88** million square meters, accounting for **92%**

Water consumption: **14.62** m<sup>3</sup>/Contract volume of RMB million



As the only residential zero-carbon buildings, **Glorioushire project** was successfully listed in the 2022 science and technology demonstration project of the Ministry of Housing and Urban-Rural Development.

Participate in the “**14th Five-Year Plan**” National Key Research Topic: Research and Demonstration of Key Technologies for Environmental Monitoring, Evaluation and Protection in Healthy Residential Areas

Greenhouse gas emission density: **0.53** tCO<sub>2</sub>e/Contract volume of RMB million

Number of projects that meet green buildings standards: **167**

Building COGO “**3+10+5**” carbon neutrality action

Achieving Active Carbon Reduction Through the Energy and **Carbon Asset** Management Operation and Maintenance System on the Basis of **Digital Twin** Technologies



# Environment

# 03

### ESG-related material topics responded in this chapter:

Climate change response, green and sustainable buildings, greenhouse gas emission reduction, energy use, waste management, management of pollutant emission, material use, water resources management, and rational development and protection of biodiversity

### SDGs-related topics responded in this chapter:



## Special Topic

### Put into Practice “Carbon Peaking and Carbon Neutrality” Green Development, Lead Industrial Transformation, and Upgrading

COGO has attached great importance to the national “carbon peaking and carbon neutrality” policy, formulated the “carbon peaking and carbon neutrality” objectives with its characteristics in accordance with the unified arrangement and relevant requirements of China, and actively carried out research on the identification of climate change-related risks and opportunities and the “carbon peaking and carbon neutrality” path, striving to improve the governance performance of climate-related topics. The Group has since long adhered to the practice of zero-carbon technology R&D and project implementation and led the zero-carbon development of the construction and real estate industry. At present, it has made technological breakthroughs in ultra-low energy buildings and accumulated the technological strengths of need-end energy saving and utilization-end carbon reduction, striving to create a comfortable, sustainable and high-quality life for customers and vigorously creating a leading service platform in the low-carbon construction industry.

While solidly reducing our emissions, we will join hands with upstream and downstream enterprises in the industry to explore comprehensive solutions for zero-carbon buildings and promote value chain stakeholders to head towards a more sustainable future.

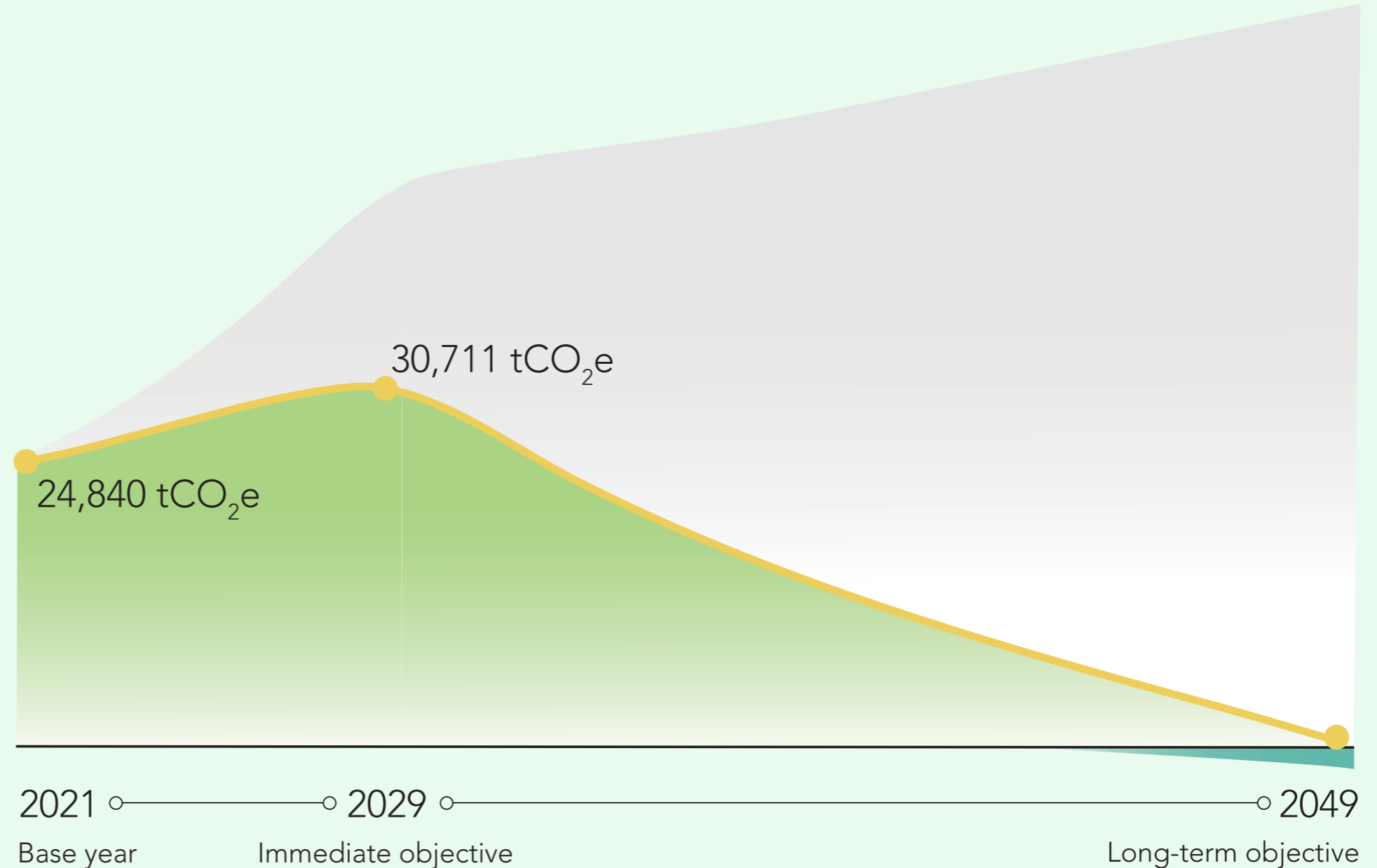
#### Vision and objective of carbon neutrality

In 2022, we launched the strategic project of planning the “carbon peaking and carbon neutrality” objectives and path, and incorporated the “carbon peaking and carbon neutrality” into the overall development of the Group. While keeping improving on the road of zero-carbon development, we fulfilled the mission as a state-owned enterprise, led the trend, and played a leading and exemplary role in promoting the national “carbon peaking and carbon neutrality” action.

#### Our commitments:

- By 2029, the Company will achieve carbon peaking within the operational boundaries, realize comprehensive electrification, and stop using fossil fuels;
- By 2049, the Company will fully secure 100% renewable energy utilization, and achieve carbon neutrality within the operational boundaries, with a significant increase in the implementation ratio of ultra-low energy buildings, near-zero energy buildings, and zero energy buildings, a continuous reduction in carbon emission intensity compared with the base year, and a significant emission reduction in the whole life cycle of the buildings.

#### COGO’s “Carbon Neutrality” Vision





Special Topic

Carbon emissions in the base year and third-party verification

In accordance with the ISO 14064-1:2018 international standard, we made a comprehensive inventory of the Company's carbon emissions at the operational level in 2021. Taking 2021 as the base year for setting the "carbon neutrality" objectives, our total greenhouse gas emission was 24,840 tCO<sub>2</sub>e. The greenhouse gas emissions at the corresponding organizational level and the reporting boundaries are as follows:

Category (ISO 14064-1: 2018)	Emissions	Scope (reported in accordance with the GHG Protocol)	Category Description	Emission Sources	Percentage
Category 1: Direct greenhouse gas emissions and removals	1,638 tCO <sub>2</sub> e	Scope 1	<ul style="list-style-type: none"> <li>Emissions from stationary combustion sources</li> <li>Emissions from mobile combustion sources</li> <li>Fugitive emissions from human activities</li> </ul>	<ul style="list-style-type: none"> <li>Canteen natural gas stoves</li> <li>Canteen LPG stoves</li> <li>Official gasoline cars</li> <li>Official diesel cars</li> <li>Air conditioning refrigerants</li> <li>CO<sub>2</sub> fire extinguishers</li> </ul>	6.6%
Category 2: Indirect greenhouse gas emissions from input energy	21,351 tCO <sub>2</sub> e	Scope 2	<ul style="list-style-type: none"> <li>Indirect emissions from input electricity</li> <li>Indirect emissions from input energy</li> </ul>	<ul style="list-style-type: none"> <li>Electrical equipment</li> <li>Municipal heating</li> <li>Property heating</li> <li>Heating companies</li> </ul>	86.0%
Category 3: Indirect greenhouse gas emissions from transportation	1,424 tCO <sub>2</sub> e	Scope 3	<ul style="list-style-type: none"> <li>Emissions from business travel</li> </ul>	<ul style="list-style-type: none"> <li>Business flight</li> </ul>	5.7%
Category 4: Indirect greenhouse gas emissions from products used by the organization	428 tCO <sub>2</sub> e		<ul style="list-style-type: none"> <li>Emissions from purchased goods</li> </ul>	<ul style="list-style-type: none"> <li>Printing paper</li> <li>Water-based pens</li> <li>Printer cartridge</li> <li>Bottled water, barreled water, etc.</li> </ul>	1.7%

In order to increase the credibility of corporate carbon disclosure and win the trust and support of customers and stakeholders, we introduced qualified third-party institutions to carry out carbon verification. The 2021 greenhouse gas inventory report of COGO has passed the verification in accordance with the requirements of ISO 14064-3:2006 and met the requirements of the verification criteria, reaching the reasonable assurance level and substantive requirements.



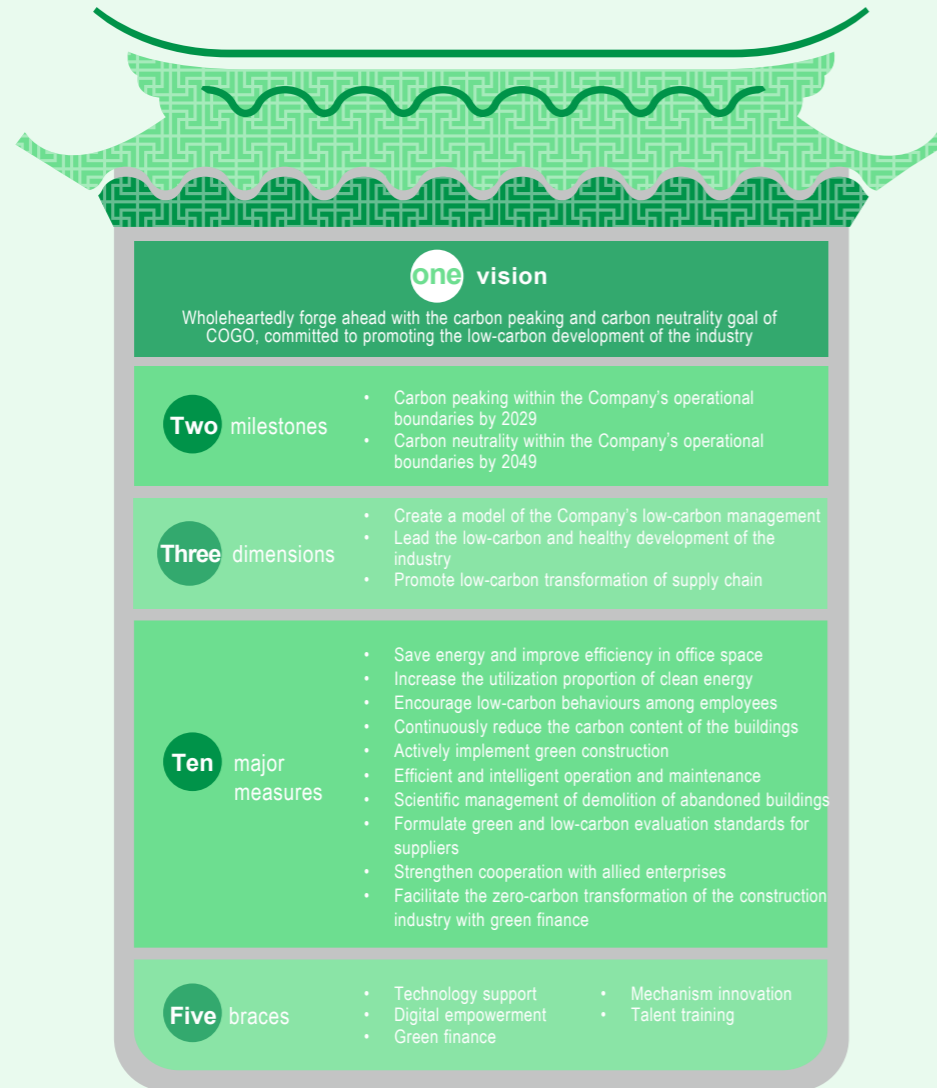
Third-party Verification Information

Carbon neutrality pathway

Based on COGO's calculation and analysis of the future "carbon peaking and carbon neutrality" within the Company's operational boundaries, as well as the future outlook of the carbon emissions of the whole life cycle of the project buildings, we put forward the carbon neutrality action plan catering for COGO centered on the carbon neutrality vision and the carbon neutrality objectives in two stages, building a "3+10+5" carbon neutrality action system of COGO covering three dimensions, ten major measures, and five braces.

- Create a model of the Company's low-carbon management:** We will promote the Company's low-carbon management from such aspects as saving energy and improving efficiency in office space, increasing the utilization proportion of clean energy, and encouraging low-carbon behaviours among employees.
- Lead the low-carbon and healthy development of the industry:** Based on the emission reduction targets in the whole life cycle of the building, we will tap the emission reduction potential of various key processes, and formulate scientific and feasible emission reduction strategies for the stages of building materials production and transportation, construction, operation and maintenance, and demolition of abandoned buildings.
- Promote low-carbon transformation of supply chain:** While solidly reducing our emissions, we will join hands with upstream and downstream enterprises in the industry to explore comprehensive solutions for zero-carbon buildings and promote value chain stakeholders to move towards a more sustainable future.

Special Topic



COGO's "3+10+5" Carbon Neutrality Action System

Green and Low-Carbon Healthy Demonstration Projects

In order to actively implement the strategic deployment of Healthy China, build high-quality healthy buildings, and continuously enhance the competitiveness of related fields and products, in 2022, the project of COGO has passed the review of the National Key Research and Development Program of the 14th Five-Year Plan, marking the Company's engagement in the highest-level national research and development work for the first time. The project leads the transformation and upgrading of the industry with practical actions by sorting out the key practical projects of healthy settlements and their highlights, empowering the environmental monitoring and evaluation of healthy residential areas as well as securing key technologies.

Meanwhile, COGO continues to tap in the field of green and low-carbon buildings, and landed the first and largest ultra-low energy consumption cluster demonstration project in the cold area of China through the COGO Glorioushire Project. As the only residential zero-carbon buildings, this project was successfully listed in the 2022 science and technology demonstration project of the Ministry of Housing and Urban-Rural Development, and it was showcased in the series of the themed exhibitions of "Great Power Construction" hosted by the Hong Kong government as the only selected ultra-low energy consumption building demonstration project.

COGO Practice

COGO's Glorioushire Ultra-Low Energy Building

Located in Hohhot, Inner Mongolia, COGO's Glorioushire Project was the first and largest demonstration project of ultra-low energy cluster in China's severe cold area. This project conducted research in such aspects as the design method, construction technology, monitoring, and operation and maintenance to solve the technology application bottleneck of ultra-low energy buildings in severe cold area and develop a technical system with sound practicality and implementation, winning recognition and continued attention of the ministries of China, Inner Mongolia Autonomous Region, China Real Estate Association, China Energy Conservation Association, and other governmental and industrial associations.

- In terms of construction, we established the construction technology system of ultra-low energy buildings, improved the construction process and construction method, and summarized and extracted the process criteria and guidelines for ultra-low energy buildings. In the implementation stage, the model-first strategy was implemented to ensure the high-quality construction of ultra-low energy buildings.
- In terms of intelligent operation and maintenance, we built an energy control system and an air quality control system. The energy and environmental monitoring of typical apartment types of the buildings was also conducted for energy consumption statistics and analysis, and problem diagnosis. Combined with the ultra-low energy building technology, green and low-carbon building technology, and intelligent technology, we created a healthy living environment of high quality, low-energy consumption, and low-carbon emission.
- In terms of energy consumption monitoring, the two-year monitoring results of model house tests showed that the energy saving and carbon reduction benefits generated by ultra-low energy building were significant, reaching the level of ultra-low energy and micro-level carbon emissions, and meeting the indoor comfortable temperature and humidity targets, specifications and requirements for ultra-low energy consumption design.
- The construction of ultra-low energy buildings of the project boasts four new national patented technologies, the application of two construction techniques suitable for the autonomous region, one excellent QC achievement in the autonomous region, the publication of three papers, and the formulation of two ultra-low energy consumption standards.

COGO's Upper East Side Green Residence

Located in Hefei City, COGO's Upper East Side Green Residence Project was a successful practice of reducing emissions through prefabricated technology and green energy-saving technology for residential buildings. This project used prefabricated technology to reduce the waste of building materials and reduce carbon emissions in the transportation and construction of building materials through key processes such as optimization of prefabricated shear walls and prefabricated bay windows, and prefabricated construction. In the operation of the buildings, green energy-saving technologies such as high-efficiency air conditioning system, air-source heat pump hot water system, and energy-saving lighting system were used to achieve carbon reduction benefits.

Through this project, COGO actively explored the linkage of green, healthy and low-carbon buildings, and obtained the label of healthy building and healthy community based on the green building pre-evaluation. Based on the project's carbon reduction research, a series of academic papers and local normative results were developed to facilitate the zero-carbon development of residential buildings.



COGO's Glorioushire Project in Hohhot, Inner Mongolia



Hefei Shangdong District Project

3.1

Environmental Management

In order to improve the environmental performance, China Overseas Grand Oceans Group Limited (hereinafter referred to as "COGO" or the "Group") continuously inspects the application of the system during the operation, updates and improves the environmental management system, and consolidates the management foundation. In 2022, we formulated the *Environmental Policy* that laid down comprehensive environmental management requirements in the fields of addressing climate change, energy management, water resources management, waste management, biodiversity management, sustainable building, and green procurement. The Company devotes itself to improving environmental performance across all aspects of our business, and avoiding and reducing the risks and impacts of business operations on the environment.

Environmental management goals

In addition, COGO has formulated environmental management goals and conducts assessments and supervision on a regular basis. The Group improves environmental management by carrying out environmental compliance inspections, formulating emergency plans for environmental accidents, and carrying out environmental protection training, to lay a solid foundation for our green development.

Compared with 2022, we set environmental management goals as follows:

Indicator	2025 Goals	2030 Goals
Carbon emissions	Emissions per unit of contract volume reduced by <b>25%</b>	Emissions per unit of contract volume reduced by <b>55%</b>
Energy consumption	Consumption per unit of contract volume decreased by <b>15%</b>	Consumption per unit of contract volume decreased by <b>35%</b>
Water resources consumption	Consumption per unit of contract volume decreased by <b>17%</b>	Consumption per unit of contract volume decreased by <b>35%</b>
Waste discharge	Reclaim rate of renewable resources reaching <b>20%</b> Recycling treatment rate of kitchen garbage reaching <b>30%</b> Harmless disposal rate of hazardous waste reaching <b>30%</b>	Reclaim rate of renewable resources reaching <b>30%</b> Recycling treatment rate of kitchen garbage reaching <b>50%</b> Harmless disposal rate of hazardous waste reaching <b>50%</b>

3.2

Green Building

The Group consistently advocates the design of products that meet green building and healthy building standards and actively promotes the development and application of green building systems, aiming to reduce the negative impact on the environment and contributing to the building of an environmentally friendly and resource-efficient society. We commit that 100% of the projects under construction and newly started in 2023 will meet green building design standards.

Key performance

- ✓ Number and area of projects that meet green building standards: **167** and **26,883,248** square meters
- ✓ Proportion of the number of projects that meet green building standards: **92%**

Green building design concept and practice

Green building design concept

The Group develops green building design strategies, implements refined design schemes during project design and construction, and vigorously promotes the use of environmentally friendly green building materials, technologies and equipment that help economize on energy, water, and raw materials. Practicing the principles of green and low-carbon development, we establish comfortable, efficient, healthy, and environmentally friendly buildings from design. Furthermore, the Group is dedicated to the popularity of green buildings by making ultra-low energy buildings a breakthrough and has been invited to serve as vice chairperson of the China Passive Building Alliance.

Green building technology

Following the sustainable building concept of the *Environmental Policy*, the Group takes green and energy conservation, safety, and health into consideration during design and construction. The Group continues to explore new opportunities to increase resource consumption efficiency, reduce greenhouse gas emissions and improve the health and well-being of building users.

Building energy efficiency

To improve energy efficiency in buildings, we adopt energy-saving building materials, products, and equipment and prioritize the procurement of sustainable building materials, such as renewable materials, easily recyclable materials, and materials with low carbon content. We have implemented building energy efficiency standards, including the Net Zero Energy Building Technology Standard and the Ultra-Low Energy Building Standard. We properly design the insulation performance of building envelope structures such as exterior walls, roofs, and exterior windows, and improve the operational efficiency of heating, cooling, lighting, and ventilation systems. Besides, we take full advantage of renewable energy to reduce energy consumption in buildings and use energy rationally and effectively.

Building health

In terms of healthy building design, we fully consider the characteristics and geographical environment of different projects. With the concept of integrated design, we adopt a variety of healthy building technologies, including ventilation systems, environmentally friendly building materials, elder-friendly design, fitness centers, sound insulation treatment, and water quality control to provide users with a healthy environment, and healthy facilities and services.

### Green building planning and certification

#### Persistence on green development

During the site selection and preparation of the project, we assessed the local environment and the surrounding ecosystem to reasonably avoid environmentally sensitive areas. We adopted a near-nature, localized, easy-to-maintain and sustainable approach to ecological construction to improve the urban ecosystem, protect the natural landscape of the urban mountains, and avoid alteration of or encroachment on the river and lake systems, promoting the optimization of the urban ecological structure and ecological function. We are committed to avoiding as much as possible the impact on green areas during development. If unavoidable, we will only develop green-certified properties in greenfields, obtain approval from relevant departments before using the land, and devote ourselves to ecological protection and restoration during the development process.

In addition, COGO is committed to the transformation and regeneration of urban brownfield. Through the mode of "environmental restoration + development and construction", the land with industrial pollution meets environmental assessment requirements for commercial residential development, effectively driving the integrated development of ecological and environmental governance projects and resource development projects.

#### Contribution to urban revitalization

The Group has carried out urban revitalization projects in multiple regions, being committed to creating convenient, comfortable, and safe spaces and environments, enhancing the development potential of the surrounding areas through road planning and renovation, and awakening the city's development vitality.

### COGO Practice

#### Huizhou COGO Plaza Green Building Project – Two-star Green Building

Huizhou COGO Plaza is a mixed use project that integrates the four business forms of business landmarks, residential, commercial, and hotel. It is also the Group's first "Two-star Green Building" project in Huizhou. With all processes including planning, design, construction, and operation going around "green construction", the Group is committed to reducing the intensity of pollution emissions and enhancing resource utilization efficiency, setting the project a benchmark for green and low-carbon development in the city.

The project uses rainwater collection and irrigation systems, natural thermal ventilation, and other technological means to enable the self-circulation of renewable resources such as water, wind, light, and heat around the project. Through the extensive use of recyclable and renewable materials, the project makes the best use of waste. By adopting low-E glass curtain walls with surface coating layer for effective insulation, the project is able to reduce the frequency of central air conditioning. The application of VRV air conditioning and ventilation systems enables the introduction of natural air inside the building. The Group keeps driving green and low-carbon development of cities while creating high-end commercial projects.



Huizhou COGO Plaza

#### Brownfield Development of the Former Choline Plant Lot in Jining City – Jining COGO City Project

Jining COGO City Project is located at Rencheng District, Jining City, Shandong Province, covering an area of about 190,000m<sup>2</sup>. It has 9 high-rise residential buildings, 7 small high-rise residential buildings, and 16 townhouses with the building area of about 420,000 m<sup>2</sup>. As a high-end ecological residence built by the Company with all efforts, it has reached the national two-star standards for green buildings. There was a choline plant in Jining City in the project lot previously, mainly used for production of choline chloride, so the concentration of some pollutants in the soil of the lot exceeded the standard in the earlier stage. Through such restoration measures as hazardous waste disposal, soil maintenance after restoration, exhaust gas and wastewater disposal, secondary pollution prevention and control, various numerical values are in line with the environmental protection standards according to the test result. By "environmental restoration + development and construction", COGO effectively promotes the coordinated and sustainable development of cities and regions in the economic, social and environmental aspects.



Jining COGO City Project

### COGO Practice

#### Shanty-area Renovation of Lantuo Factory in the Qilihe District of Lanzhou

The shanty-area renovation project, located at the South Plaza of the West Railway Station in the Qilihe District of Lanzhou, has a total land use area of 38,035.50 square meters and a total floor area of 181,952.49 square meters. In 2022, we ensured the development of the surrounding area through the planning and repair of roads in the area.

- Two-lane expressways were widened to four lanes to address traffic congestion
- More residential roads and urban roads were connected to create a community transportation network
- A network of municipal water pipes was connected to the community, and roads in the area were upgraded

The project has had a huge impact on the surrounding traffic. By connecting local planned roads in the area, we effectively address the travel difficulties of residents in the area where the project is located, practically improving the travel experience of residents, and accelerating urban renewal and urban construction.



Shanty-area Renovation of Lantuo Factory in the Qilihe District of Lanzhou

we have acquired

24

government-subsidized housing construction projects with a total area of 787,366 square meters

### Affordable housing

The Group is actively involved in the construction of affordable residential properties. By working with the government to ramp up construction and improve product quality, we practically address the needs of affordable housing tenants and continue to create a model of high-quality housing products and services for society. In addition, we are committed to helping people with housing difficulties or low incomes solve their housing problems, and accordingly, we provide a variety of affordable residential properties, including relocation housing, public rental housing, and resettlement housing. By the end of 2022, we have acquired 24 government-subsidized housing construction projects with a total area of 787,366 square meters.

### Green building certification

The Group is dedicated to converting existing buildings it holds and is operating into green buildings and is actively gaining green building certifications with higher than relevant national green building standards. By the end of 2022, the Group has completed a total of 167 projects that meet green building standards with a total area of approximately 26,883,248 square meters.

### Green construction

According to the management regulations such as the *Special Treatment Plan for Ecological Environment Protection of China Overseas Group*, the Group considers the needs of the environment and surrounding communities during the construction. It focuses on the four areas of dust prevention, noise control, drainage management, and waste management, strengthening green construction education and publicity for contractors. In 2022, we won several awards related to green construction. In the future, we will continue to optimize and upgrade the construction, reduce its negative environmental impact through the application of green technologies and low-carbon environmental protection concepts, and create a better ecological environment for the city.

## COGO Practice

### Xuzhou Huayue Project Resettlement Housing

The Xuzhou Huayue Project, located in the Gulou District of Xuzhou City, Jiangsu Province, has a total area of 49,621 square meters of residential and support land. A total of 11 townhouses and high-rise residential buildings are planned, including a 16-storey resettlement housing with a total area of about 8,000 square meters. In terms of transportation, the area where the project is located has a well-established public transportation network and is close to the metro. In terms of education, the project has set up an 18-class kindergarten and is easy access to several one-stop educational resources. The project aims to build resettlement housing as a reassuring home for the public and enhance their sense of well-being.



Xuzhou Huayue Project

Project	Award
Xinduhui	Green construction Demonstration Project in Guizhou in 2022
Huayue	Standardised Star-level Construction Site in Jiangsu Province (Provincial Green Smart Demonstration Area Project)
Shidai Metropolis	Green Smart Demonstration Area of Construction Engineering in Zhenjiang
Boyueshijia	Green Construction Demonstration Project in Gansu Province

### Dust prevention

- Establish fully enclosed construction fences;
- Harden access roads and install flushing facilities;
- Use wet construction for dust-prone operations;
- Cover bare soil and dust-prone materials on site;
- Use dust reduction facilities such as spray and fog guns;
- Check whether the dump truck is on the road with mud and whether the cover is closed;

### Drainage management

- Supervise contractors to treat industrial wastewater as required before discharge;
- Filter the on-site drainage before discharging it to the municipal sewage system;

### Noise control

- Supervise the noise generation of the concrete construction and pile foundation construction of the contractor;
- Take noise control measures during construction;
- Ensure that nocturnal construction permits are obtained for nocturnal construction;
- Ensure that nocturnal operations are conducted during the permitted hours;

### Construction waste management

- Supervise contractors to formulate construction waste disposal plans;
- Formulate and implement the classified treatment system of construction waste;
- Carry out the classification and disposal of domestic waste and toxic and hazardous waste.

## 3.3

### Eco-friendly Operations

COGO places great emphasis on the implementation of green practices, with a steadfast commitment to managing and mitigating the ecological ramifications of its activities. We conduct a rigorous evaluation of our office and managed properties to bolster our energy conservation and consumption reduction efforts, preserve our water resources, and refine our waste management capabilities. In doing so, we endeavour to limit the adverse impact of our operations on the environment and climate change. Additionally, we thoroughly implement green management regulations in the leasing process of our offices and properties, and pursue a green operating environment through collaborative partnerships with our associates.

### Energy conservation and emission reduction

To secure the effective execution of our energy consumption goals, we have stipulated the imperative of energy management within our *Environmental Policy*. The Group has made public commitments to attaining energy consumption targets, augmenting energy efficiency, harnessing renewable energy sources, and optimizing energy-utilizing equipment. In harmony with these commitments, we adopt proactive measures to conserve energy and diminish emissions in our operational undertakings, regularly institute energy conservation and emission reduction protocols in our day-to-day functioning, and verify our corporate greenhouse gas emissions in accordance with the *Guidelines for Verification of Corporate Greenhouse Gas Emission Reports (Trial Version)*. These unwavering endeavours ensure that our energy consumption conforms to our management expectations.

#### Energy-saving transformation

In the year 2022, we made a substantial investment of approximately RMB2 million towards conducting energy-saving upgrades in centrally-managed commercial and office buildings located in Hefei, Yinchuan, Huizhou, and other regions. The upgrades primarily centred on the replacement of lighting systems. At present, a noteworthy proportion of commercial projects have successfully transitioned from conventional lighting fixtures to eco-friendly LED fixtures. These new fixtures exhibit a significantly reduced power consumption rate, while simultaneously maintaining the same level of illumination, thus representing a significant stride in our pursuit of sustainability.

#### Energy consumption control system

We have undertaken a pioneering initiative in the form of an energy consumption control system. Leveraging the power of the Internet of Things, AI, and big data technologies, we engage in comprehensive monitoring and management of water, electricity, gas, and air conditioning-related energy consumption within buildings. This holistic approach enables us to achieve precise energy management, and consequently, we are empowered to effectively implement overall energy consumption control for commercial and office building projects. This visionary endeavour represents a significant leap forward in our relentless pursuit of sustainable practices.

## COGO Practice

### Achieving Active Carbon Reduction Through the Energy and Carbon Asset Management Operation and Maintenance System on the Basis of Digital Twin Technologies

COGO Digital Twin Energy and Carbon Asset Management Operation and Maintenance System introduces active carbon reduction technology, and adopts active interactive control over intelligent operation and maintenance, which are applied to induction lighting, intelligent air conditioning, healthy environment, intelligent sun shading, low-carbon footprint, etc. By setting the intelligent mode of the equipment to sense the environmental status and human location information, making full use of natural conditions, and matching appropriate lighting, air conditioning, and fresh air, the most comfortable environmental experience can be achieved with minimum energy consumption, and the energy consumption and carbon emissions in the process of building operation can be reduced.



COGO Digital Twin Energy and Carbon Asset Management Operation and Maintenance System

## COGO Practice

### Energy Consumption Management at Yinchuan Huan Yu Tian Di

Yinchuan Huan Yu Tian Di is situated in the chilly northern region, in the heart of Yinchuan City's residential area, which experiences high daily foot traffic. To meet our energy-saving target of 3% compared to 2022 by 2023, we conducted comprehensive research and analysis of the project's operational situation. We improved energy consumption management by optimizing the energy consumption system.

**Lighting system management:** To achieve our energy-saving objectives, we have made significant adjustments to the operating times for public area lighting equipment, including the internal lighting switch times and external building illumination start times. We installed time-controlled switches, provided energy-saving training to property engineering staff, enforced lighting equipment operation strategies, and conducted periodic time-control adjustments.

**Air conditioning BA control system:** The project incorporates a BA control system to enable remote monitoring and temperature detection on floors 1-3 of the shopping mall. It also allows for the remote activation of water pumps, main units, cooling towers, and other air conditioning system equipment. The system can remotely detect the working status of each device, automatically start and stop the air conditioning screw machine based on the inlet and outlet water temperatures, and adjust the operating frequency of water pumps, among other functions. This enables intelligent operation of the air conditioning system and significantly reduces electricity consumption.

By adjusting the lighting system and implementing the air conditioning BA control system, Yinchuan Huan Yu Tian Di has substantially lowered its lighting and air conditioning energy consumption. This has improved energy usage efficiency and provided robust technical support for achieving energy consumption objectives.



On-site Photo of the Air Conditioning BA Control System

### Utilization of renewable energy

We ardently advocate for the utilization of photovoltaic technology through the installation of solar photovoltaic panels on building rooftops. By harnessing the transformative power of the sun, we can convert solar energy into electricity, which can be channelled to meet the electricity demands of public areas such as underground parking garages and lighting fixtures. This helps to save energy costs and reduce energy consumption.

Energy Consumption Indicators	Unit	2022 Data
Gasoline	MWh	2,053.17
Diesel	MWh	2.72
Liquefied petroleum gas	MWh	874.03
Natural gas	MWh	97.36
Purchased electricity	MWh	33,543.33
Purchased heat	MWh	575.58
<b>Total energy consumption</b>	<b>MWh-equivalent</b>	<b>37,146.18</b>
<b>Energy consumption density</b>	<b>MWh-equivalent/Contract volume of RMB million</b>	<b>0.92</b>

Greenhouse Gas Emission Indicators	Unit	2022 Data
Scope I direct greenhouse gas emissions	Tonnes of carbon dioxide equivalent	1,408.54
Scope II energy indirect greenhouse gas emissions	Tonnes of carbon dioxide equivalent	19,357.82
Scope III other indirect greenhouse gas emissions	Tonnes of carbon dioxide equivalent	616.83
<b>Total greenhouse gas emissions</b>	<b>Tonnes of carbon dioxide equivalent</b>	<b>21,383.18</b>
<b>Greenhouse gas emission density</b>	<b>Tonnes of carbon dioxide equivalent/Contract volume of RMB million</b>	<b>0.53</b>

### Water resources management

As part of our business operations, we prioritize the effective management of water resources. Our *Environmental Policy* emphasizes the need for comprehensive improvements in water conservation measures, strategies, technologies, and education across the Group. In our commercial project operations, we identify risk points related to water resource management, such as restrooms, cleaning water usage, fire protection, and air conditioning water usage. In 2022, we intensified monitoring of water resource losses through monthly regional water resource reports. We identified relationships between water losses in different areas and equipment and established more specific water-saving targets and measures.

By the end of 2022, existing commercial projects had notably reduced water resource consumption through upgrades in water-saving equipment and strengthened operational management.

Water Resource Management Indicators	Unit	2022 Data
Water consumption	Cubic meters	589,585.44
Water intensity	Cubic meters/Contract volume of RMB million	14.62

### Emission management

The Group adheres to national laws and regulations such as the *Solid Waste Pollution Prevention and Control Law of the People's Republic of China*, *Air Pollution Prevention and Control Law of the People's Republic of China*, *Water Pollution Prevention and Control Law of the People's Republic of China*, and *Soil Pollution Prevention and Control Law of the People's Republic of China* to ensure emissions meet discharge standards and prevent illegal dumping. We regularly evaluate the impact of waste generated during daily development, operation, and other commercial activities of properties, and develop management plans and improvement goals. We have established a waste sorting and recycling system for our self-operated projects, encouraged the participation of property owners, tenants, and residents, and improved the waste sorting rate in our communities.

In addition to managing our own waste, we actively assist merchants and customers in managing various types of waste. We are dedicated to helping tenants and customers develop waste management awareness, enhance waste classification and recycling capabilities, and establish a domestic waste sorting and recycling system in our self-operated projects. We are committed to implementing waste sorting in a meticulous manner.

In 2022, we included waste sorting indicators in the commercial mystery shopper and satisfaction surveys we conducted. This enabled us to assess whether the shopping mall provides waste sorting reminders and sets up classified trash bins.

Emission Management Indicators	Unit	2022 Data
NOx	Kilograms	210.02
SOx	Kilograms	3.38
PM2.5	Kilograms	16.45
Hazardous waste	Tonnes	1.53
Non-hazardous Waste	Tonnes	406.37

## COGO Practice

### Water Resource Management at Hefei Yangshu Huan Yu Tian Di

Hefei Yangshu Huan Yu Tian Di upholds the principle of water conservation and implements rigorous water resource management through measures such as sorting and inspecting water usage equipment and real-time monitoring during project operation.

**Sorting and inspecting, eliminating leaks:** Water usage equipment is sorted and inspected to eliminate running, seeping, dripping, and leaking phenomena during system equipment operation. Regular maintenance and servicing of water usage equipment are carried out to minimize leakage during operation.

**Real-time control and regular maintenance:** Monthly meter readings are used to monitor water usage and inspect water usage equipment. Separate metering is added for cleaning water usage, monthly floor cleaning plans are reported, and water usage is controlled accordingly.

The project adheres to strict inspections of water-used equipment, waste control at source, and provides customers with a sustainable and hygienic consumption experience.



On-site Photo of Hefei Yangshu Huan Yu Tian Di Project



### Green office

We are dedicated to establishing a green workplace within the Group and fostering an environmentally friendly and resource-saving atmosphere. In 2022, we initiated the COGO “Let’s embrace low carbon” special campaign to increase employee awareness of their responsibility for low-carbon office practices and green living. We encouraged employees to become advocates and enablers of low-carbon office work.

#### “Let’s embrace low carbon” campaign

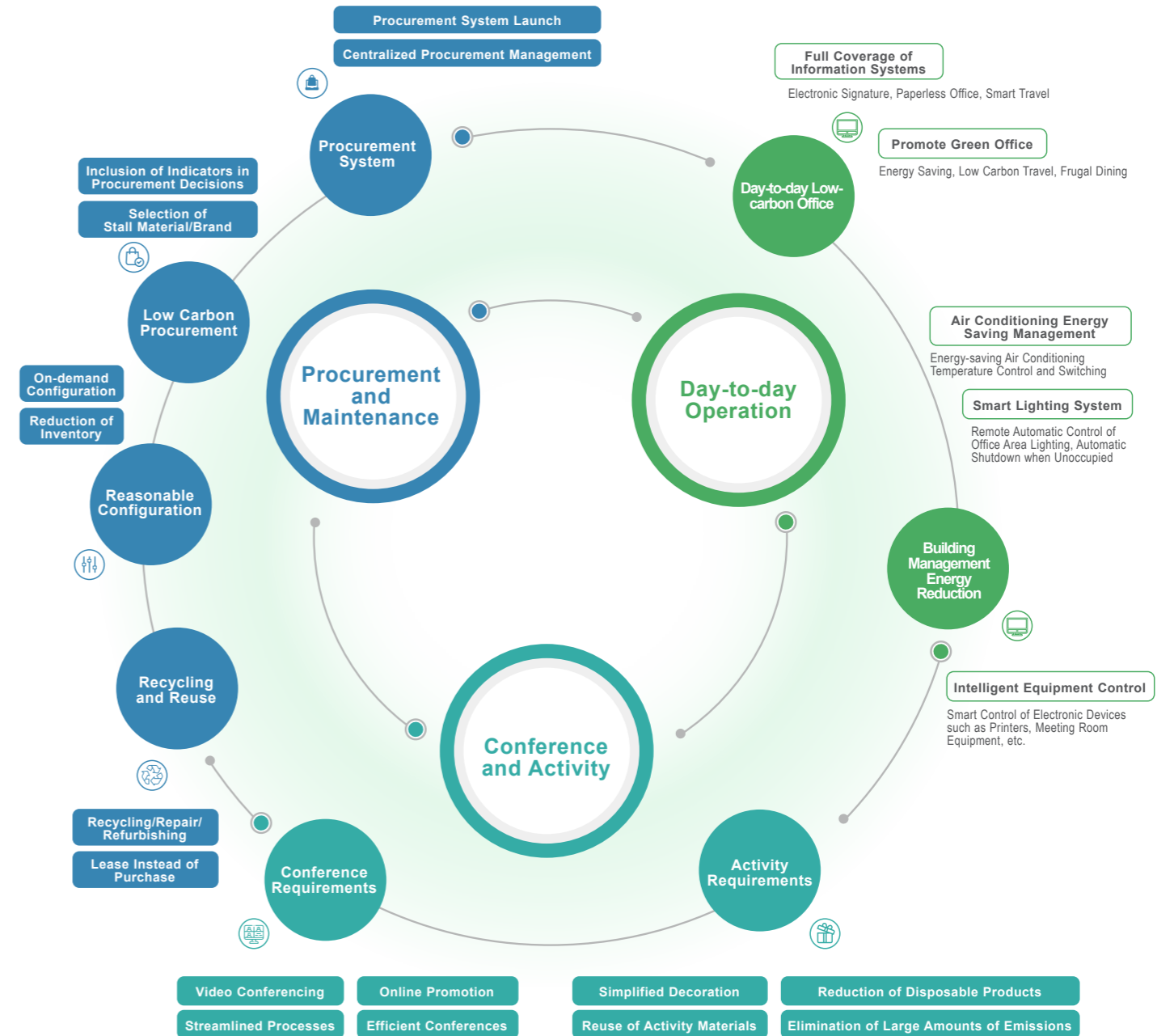
In 2022, we developed the “Let’s embrace low carbon” campaign for the Group, guided by the principle of “promoting frugality and diligent corporate management.” This campaign involved over 60,000 individuals, including headquarters, regional companies, and upstream and downstream units. We focused on three main areas: procurement and operations, daily operations, and meetings and activities. We integrated the principles of “frugality and diligent corporate management” into daily business activities through intelligent transformation, specific practice initiatives, management measures, and excellent case summaries. This approach made low-carbon office work and green living a proactive choice for employees. Furthermore, we planned various themed activities, including the “Simplified Meeting Initiative,” “Exploring Paperless Office,” and “Cherishing Food Special Action,” among others. These activities aimed to promote the low-carbon office concept throughout the production and operation processes. We continuously explored and innovated the “N possibilities of low carbon” in office work.

- Procurement and maintenance:** To minimize office resource waste, we have implemented centralized procurement and leasing alternatives. We prioritize selecting sustainable office supplies and consider product carbon emissions and energy consumption indicators in our procurement decision-making process. Additionally, we promote green recycling of used office equipment, set up office supply recycling stations, repair and refurbish office equipment, and create a recycling-friendly office atmosphere.
- Daily operations:** Our energy-saving efforts primarily focus on two areas: daily office low-carbon practices and building management energy reduction. We use intelligent methods and routine controls to expedite the energy-saving transformation of operational equipment. We aim to enhance energy management in all operational aspects of the Group and reduce greenhouse gas emissions.
- Meetings and activities:** We advocate for internal online meetings to reduce additional carbon emissions caused by travel. We also reduce the use of paper, materials, and disposable items during meetings and other activities, recycle and reuse some materials to reduce resource waste. Furthermore, we streamline meeting processes and ensure efficient meetings, reducing meeting room electricity consumption and overall office energy consumption.

### Green leasing

At the Group, we view our tenants as partners in our shared commitment to green development. To this end, we have formulated the *China Overseas Grand Oceans Commercial Green Environment Convention* and the *China Overseas Grand Oceans Business Office Green Environment Convention* specifically for our centralized commercial and office properties. These conventions, along with various green environmental protection activities, help us create a green and low-carbon business environment.

The two conventions serve as supplementary agreements for tenants to voluntarily sign, aimed at guiding contracted tenants to pay closer attention to waste management, energy conservation, water resource management, circular economy practices, and the use of green products and services. Through these commercial agreements, we promote greater environmental awareness among our tenants, support the low-carbon development of our commercial and office properties, and create a green win-win situation for all parties involved.



COGO's Panorama “Let’s embrace low carbon”

## COGO Practice

### Implementing Low-carbon Meetings, Empowering Green Development

In March of 2022, we introduced the “Simplified Conference Initiative,” which included specific measures aimed at reducing the number of meetings, clarifying participant roles, and improving communication prior to meetings. To further promote our commitment to sustainability, we hosted the “Low-Carbon Conference Challenge” event, which challenged organizers and attendees to hold “the most efficient meetings while using the least amount of energy”. We established requirements for both organizers and participants to encourage frugality and increase awareness of low-carbon office practices, while also promoting good habits for green meetings among all employees. In April 2022, we created a centralized plan for hosting “green conferences” specifically for small and medium-sized meetings with fewer than 200 attendees. This plan focused on reducing carbon emissions throughout the entire meeting process, from location selection to transportation arrangements, catering, and material usage. We developed a comprehensive green conference planning checklist to ensure that all aspects of the meeting were conducted in an environmentally sustainable manner.



the Slogan of the Group “Let’s embrace low carbon”

## COGO Practice

### “Frugality and Low-carbon Office Practices” Special Actions

In an effort to promote “frugality and low-carbon office practices”, our headquarters and regional companies have implemented a special campaign. This campaign includes various measures aimed at promoting frugality, practicing the concept of thrift, establishing clear value orientations, and achieving rigid reduction targets. As a result of these efforts, in 2022, regional companies were able to raise employee green and environmental protection awareness, and create a harmonious atmosphere of green office through office equipment, low-carbon management and low-carbon recycling, and limited supply and recycling of office supplies.

- **Exclusive labelling:** We implemented exclusive labelling for each office supply item and minimized the use of non-consumable supplies.
- **Shared office:** We reduced the cost of printer leasing packages in our office buildings. In addition, we established shared office areas to minimize the use of unnecessary office supplies.
- **Green procurement:** We replaced “small bottles” with “large barrels” and “individual packages” with “bulk packages” to reduce procurement expenses. Additionally, we purchased paper materials such as newspapers and magazines only as needed.
- **Waste paper recycling:** We have implemented a waste paper recycling programme, and reused unused single-sided paper for future printing.
- **Equipment management:** We have implemented a dynamic monitoring system for our office area power facilities, which includes managing equipment power on/off, setting energy-saving temperatures for air conditioning and voltage drop electrical equipment power consumption.
- **Recycling and reuse:** We allocated the idle office suppliers with low utilization rates for use, efficiently driving up the utilization rate of our equipment.



Waste Paper Recycling Bin Setup



Exclusive Labelling of Office Supplies

3.4

**Ecological Environmental Protection**

COGO attaches great importance to the impact of the Group's business activities on the ecological environment. A dual-channel environmental governance framework has been established, and an ecological and environmental protection leading group at the headquarters level has been set up, with the Chief Executive Officer as the group's leader, and all the relevant working groups under the jurisdiction of each region to be responsible for implementing and promoting environmental protection. Moreover, the safety and environmental protection management center is set up under the Engineering Management Department of the Headquarters to guide the regional environmental management personnel to implement the ecological and environmental protection management in various regions, so as to ensure that the ecological environment is effectively protected through practical protection work.

**Biodiversity conservation**

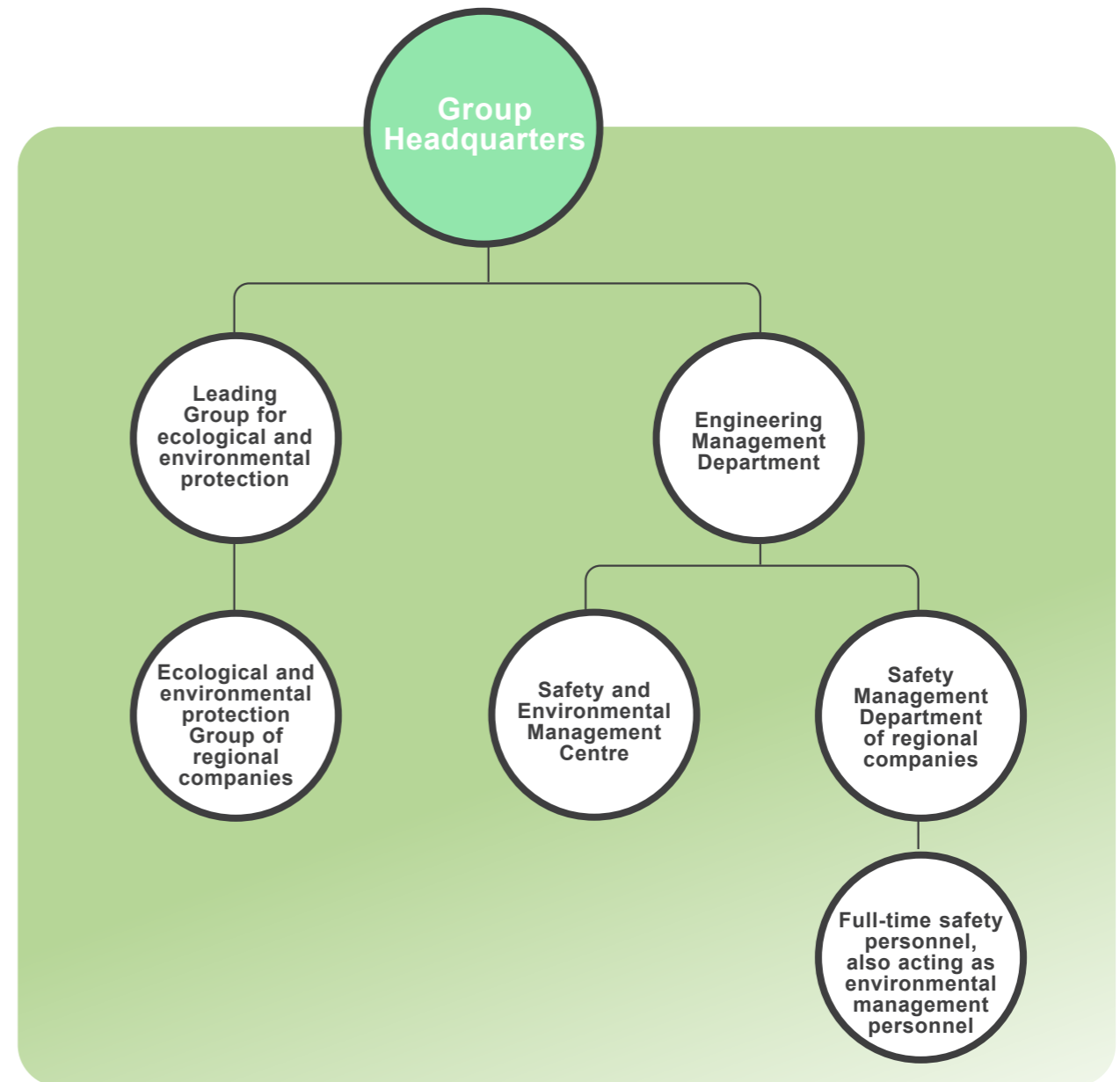
The Group places a high value on the biodiversity protection within and around the business scope. The *Environmental Policy* has been formulated to make explicit provisions on biodiversity conservation. Biodiversity conservation has been taken into consideration for the project site selection, design, development, and even the whole process of operation. COGO commits to reducing habitat disturbance, protecting endangered species and promoting ecosystem restoration, and actively working with parties at interest to maintain the virtuous cycle of the ecosystem.

**Environmental initiatives**

Through education and popularization of science and publicity, COGO promotes the employees, customers, and parties in interest to improve their green awareness and build a low-carbon and green society with us.

In 2022, we held four activities of "Low-carbon Knowledge Base" on green science popularization for employees by focusing on environmental protection, which covered the key points of the national policy of placing equal emphasis on both goals of reaching "carbon peaking and carbon neutrality", the analysis of the action plan of reaching carbon peaking, the focus issues of the United Nations Climate Change Conference and the green and low-carbon building concept. COGO aims to improve the green and low-carbon consciousness of the employees by virtue of these in-depth and comprehensive popularization activities of science.

Moreover, we have launched a series of green publicity activities in residential properties, collective businesses, and office buildings. Through fairs, online and offline publicity and interactive activities, customers get to participate in green activities and understand the importance of green environmental protection actions, which helps promote the customers to practice green environmental protection actions in daily life.



**Ecological and Environmental Protection Management System**

Committing to respect of  
**employee diversity**

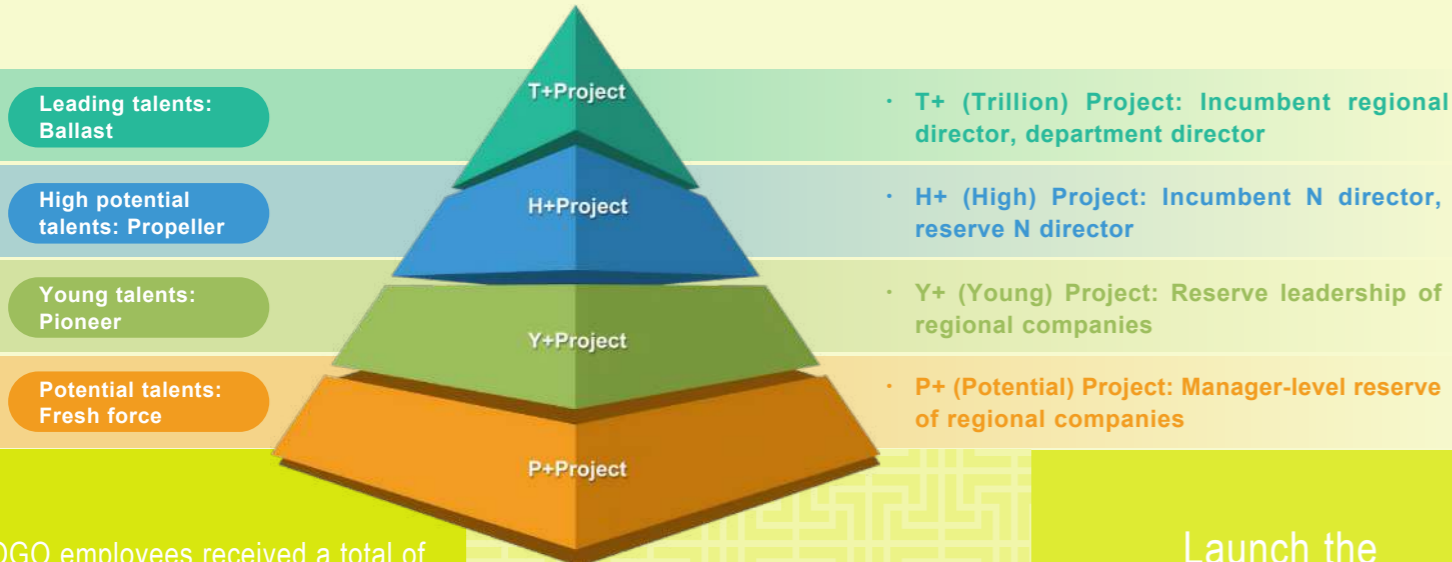


“HRSSC” Provides  
Mental Care Benefits for  
**Employees and Their Families**

**Graduates’ Top Choice Brand of Chinese Real Estate Employers in 2022**

Employee satisfaction score  
was **89** points, and  
employee engagement score  
was **91** points

### COGO Talent Training Project



COGO employees received a total of  
**70,795** hours  
of training, and the number of  
training hours per capita was  
**23.13**

Create a three-year  
training programme for  
**“COGO Cadets”**

Launch the  
**New Sales Elite**  
Programme

# Support

# 04

**ESG-related material topics responded in this chapter:**

Employment compliance, diversity and equal opportunity, talent absorption and training development, employee compensation and benefits, occupational health and safety

**SDGs-related topics responded in this chapter:**



## 4.1

## Rights and Interests of Employees

COGO respects the rights and interests of every employee, insists on employment compliance and employee management, offers attractive compensation and welfare, constructs a diverse and inclusive work environment, and attracts and retains talents to build an excellent and vigorous talent team.

## Key performance

As of the end of 2022, COGO had 3,061 employees, among which, 10 (0.33%) were from Hong Kong, and 3,051 (99.67%) were from mainland China, with a male-to-female employee ratio of 1.5:1.

## Forced labour is forbidden:

The Group forbids the engagement of all types of forced labour in all scopes of business or supply chain partners. In the event of forced work, the employees may file a complaint to the Audit and Intendance Department through the procedures specified by the *Complaint Management Methods*.

## Child labour is forbidden:

The Group forbids the engagement of child labour in all scopes of business or supply chain partners. We engage our employees after verification of their information, ensuring they meet the local statutory working age. It is not allowed to engage any employee under the statutory working age.

## Discrimination is prohibited:

The Group promises to hold the principle of fair opportunity in employment management and operating activities. No discrimination or harassment against employees shall exist regardless of their gender, age, family, disability, race, religion or belief, or other factors determined by laws and regulations.

## Diversity is advocated:

The Group commits to respecting all employees regardless of their gender, age, family, disability, race, religion, and nationality or cultural background. We recognise fair opportunity as well as the core value of talent diversity, helping every employee show their potential in a fair working environment. Fair opportunities are offered in the engagement and promotion of our employees, taking their competency, performance and experience into consideration. No prejudice and discrimination against age or gender shall exist.

## Freedom of association is respected:

The Group respects the freedom of association of our employees, and is devoted to ensuring our employees are free from revenge, threat, or harassment. Employees of the Group may participate in labour unions, employee representatives, or other organizations according to local laws and regulations.

## Labour hour, basic compensation and employment guarantee:

The Group commits to guaranteeing the basic rights and interests of our employees, with the work time, holiday policy, compensation, and employee welfare absolutely meeting the requirements of laws and regulations in the areas where the business is operated.

## Fair recruiting process

COGO respects and protects the lawful rights and interests of our employees, with lawful and compliant employment. According to the *Labour Law of the People's Republic of China*, the *Labour Contract Law of the People's Republic of China*, the *Law of the People's Republic of China on Mediation and Arbitration of Labour Disputes*, and the *Provisions on the Negotiation and Mediation of Labour Disputes in Enterprises*, we formulate related employment management systems including the *Recruitment Management Regulations*, the *Employee Relations Management Methods*, and the *Employee Handbook*, to standardise general employment practices, including the procedure of recruitment and dismissal and the arrangement of labour hours and holidays.

In 2022, based on the basic principle of the *United Nations Global Compact*, the requirements of the *International Bill of Human Rights*, and the national laws and regulations, we formulated the Human Rights Policy and committed to respecting the rights and interests of our employees and supply chain employees. Meanwhile, we promised to respect the diversity of our employees, advocated a diverse and inclusive work culture, and assured them of fairness in engagement, compensation, and promotion. Factors related to human rights are also taken into consideration when we screen our suppliers. Suppliers who promote human rights protection in business are preferred.

We prudently identify and manage the risks in employment. In the *Recruitment Management Regulations*, we make it clear that employment risks shall be identified and avoided by a background investigation. For candidates of key and special positions, the third-party investigation agency is introduced to conduct risk verification of the identity information, personal credit risk, litigation record, working experience, and performance for the candidates; for candidates of other positions, the operation mode of the third-party professional agency is followed and used for the comprehensive verification aiming at the education background and working experience of the candidates to get the qualitative risk rating, which may help to prevent employment risks to the greatest extent. In addition, the employment of management (LM) and professional (P) personnel shall be reviewed and approved by the leader of the human resource of the Headquarters to guarantee the rigour of our employees during the access. Besides, employees' basic rights and interests and related risks of human rights such as child labour and forced labour, work time and environment, compensation, inclusiveness and diversity, and discrimination are identified and managed as well.

We continually improve the talent identification and assessment system. Based on practical needs, internal talent inventory is performed regularly. With multiple rounds of assessment and verification from headquarters, business lines, and regional companies, the talent gap is revealed, based on which we formulate the plan for recruitment, training and allocation. We also introduce external assessment tools to assess the potential of key personnel and assess their competency with such tools as internal interviews and 360-degree assessment. With the performance assessment, the comprehensive report of talent inventory including the position in the nine-box grid and talent map is produced. On the other hand, through democratic recommendation, democratic assessment, employee interview, and project research, we assess the performance of the management personnel in key positions of regional companies and focus on the problems existing in the business development, operation management, and construction of leadership teams in regional companies, producing comprehensive and accurate assessment opinions as well as improvement advice. The details of talent inventory and performance are integrated and presented with the information-based system, which improves refined talent management.

We keep a close watch on the construction and transmission of our brands and strive to maintain our sound reputation in the industry. We have set up multiple employment brands, created an employment system catering to different employee groups, and thus attracted exceptional talents on all fronts.



**Sons of China Overseas Property Project:**

It is a strategic talent project of China Overseas Property, aiming at providing fresh graduates with real estate development and commercial management posts. Based on elitism and internationalization, the Sons of China Overseas Property Project is determined to build "Sons of China Overseas" into comprehensive management elites, the main force of enterprise talent echelon and "industry talents" in the real estate development and operation industry through systematic training.



**Star of China Overseas Property Project:**

It aims to provide inexhaustible human resources for the development of the three major industries of China Overseas Property, and provide sales, commercial supporting business, education, aged care and other positions for fresh graduates. Based on localization, the Stars of China Overseas Property Project gives priority to recruiting outstanding talents from local colleges and universities and cultivating local elite talents, and aspiring to develop "Star of China Overseas Property" into "industry's rising star".



**Premier Talent Recruitment Project:**

It is the employer brand image symbol of the Company for socially experienced people, and it is an important support for the Company's brands and human resources employer brands. Premier Talent Recruitment Project is a recruitment platform for experienced professionals, which can be divided into daily recruitment, elite recruitment and intensive recruitment according to different objects and recruitment organizations.

In 2022, COGO obtained the prizes of "Graduates' Top Choice Brand of Chinese Real Estate Employers in 2022" and "Pioneer Employers of Human Resource in 2022", universally recognised for its reputation of employer brands.



Pioneer Employers of Human Resource in 2022

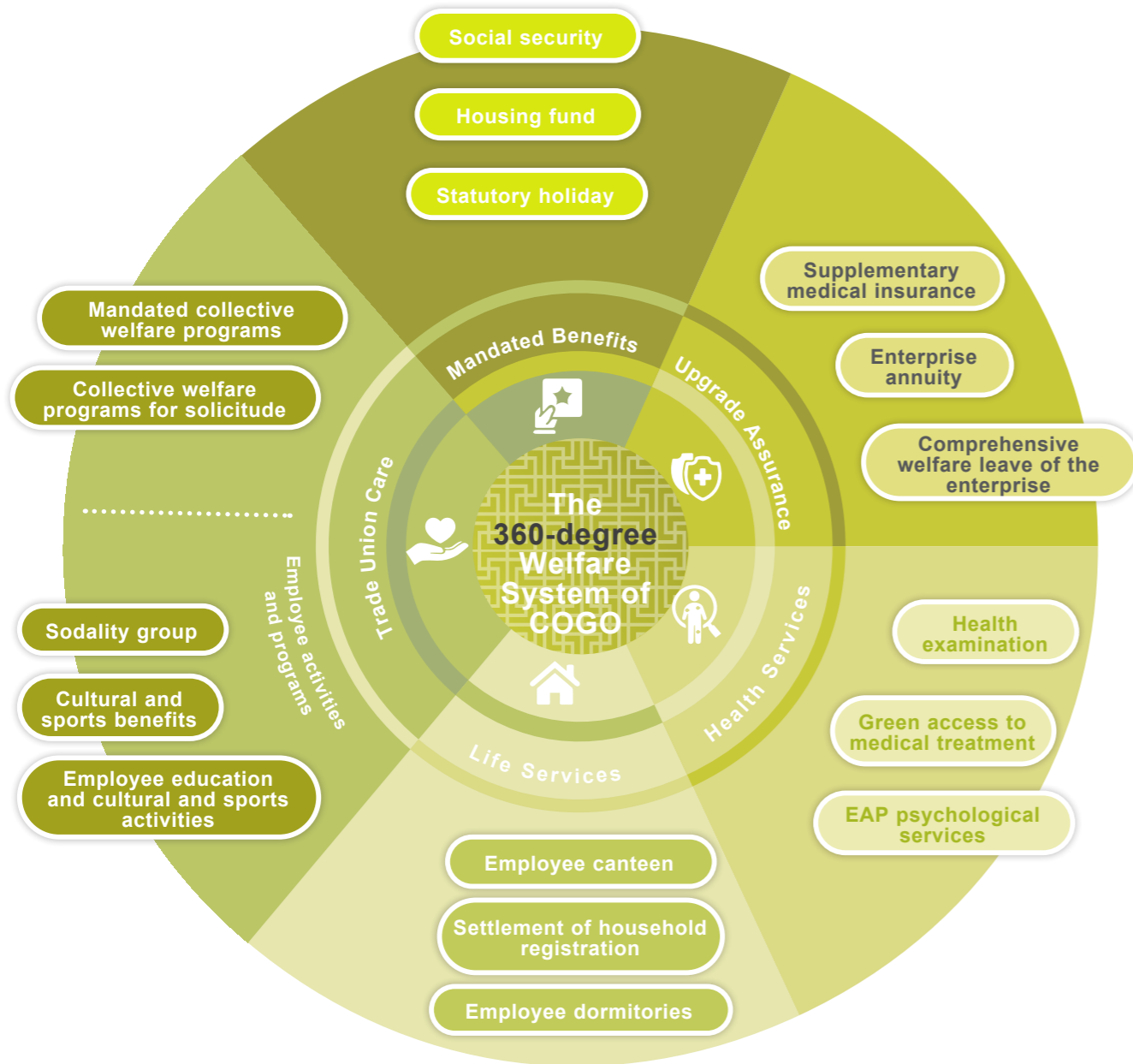


Graduates' Top Choice Brand of Chinese Real Estate Employers in 2022

**Employee compensation and benefits**

COGO formulated the *Employee Salary Management Methods* to clarify the standards, composition, adjustment, and payment of our employees' compensation, standardise the employee assessment management, and insist on equal pay for equal work. Besides, apart from compliance with the national laws and regulations and the provision of due welfare benefits for employees, according to the *Employee Benefits Management Methods*, we establish a 360-degree welfare system, in which extra medical insurance and paid holiday are provided, improving their sense of belonging in the Group.

### The 360-degree Welfare System of COGO



**Five Dimensions (66 Items)**

1. Mandated Benefits (15)
2. Upgrade Assurance (5)
3. Health Services (5)
4. Life Services (3)
5. Trade Union Care (28)

For employees serving in the Company for a long term, a “Golden Service Coin” is sent as a memorial. On such key time points as their birthday and employment anniversary, we convey the best wishes to them as well, enhancing the emotional bonds between the Company and employees. There are also multiple employee interest clubs, including soccer, basketball, badminton, ping-pong, swimming, and workout. With regular activities, friendship and cohesion among employees are promoted, and their bodies and mind are relaxed and a strong body is built.

## 4.2

### Training Development

COGO attaches great importance to the long-term development of employees, and offers comprehensive daily training and special leadership training for employees to help them develop their professional skills and abilities, and creates a smooth promotion channel to ensure the continuous upward transmission of outstanding talents.

#### Employee training

In accordance with the *Staff Training Management Measures*, COGO continues to invest resources in staff development and building an industry-leading team. We have a comprehensive and perfect training system, focusing on the leadership development for special talents, occupational ability development for all employees, and professional ability improvement for key groups, and set up targeted special training in response to changes in the internal and external market environment and the development needs of the Company.

#### Special talent leadership training

Since 2018, the business scale of COGO has been expanding, and the talent reserve for key positions is of particular importance in the process of rapid development. Therefore, the “COGO Talent Training Project” was initiated in 2021 to build a core talent supply chain and provide a solid talent guarantee for the high-quality development of the Company.

#### Enhance the professional quality of key employees

The Group has used the “Three Talks and One Workshop” (which includes the “Talk of Creator”, “Talk of Enabler”, “Talk of Fighter”, and “Creative Thinking Workshop”) as the topics of the career-shaping training series that cover employees at all levels. In 2022, 16 external lecturers were invited to the 28 “Three Talks and One Workshop” training sessions in total.

To meet the demands of key employees, we conducted training for targeted employees on a project-based basis. In 2022, we conducted training for new sales employees, new general managers and project directors in regional companies respectively, which included the “New Sales Elite Programme”, “Special Coaching for Regional General Managers” and “Craftsmanship Programme for Project Directors”. We also conducted comprehensive induction training for new employees, such as a three-year training programme for the campus recruiting group, the “COGO Cadets”, and a standardised induction guidance for new employees to help them understand the corporate culture and integrate quickly into the team.

During 2022, COGO employees received a total of **70,795** hours of training, and the number of training hours per capita was **23.13**, representing an increase of **254%** over the previous year.

## COGO Practice

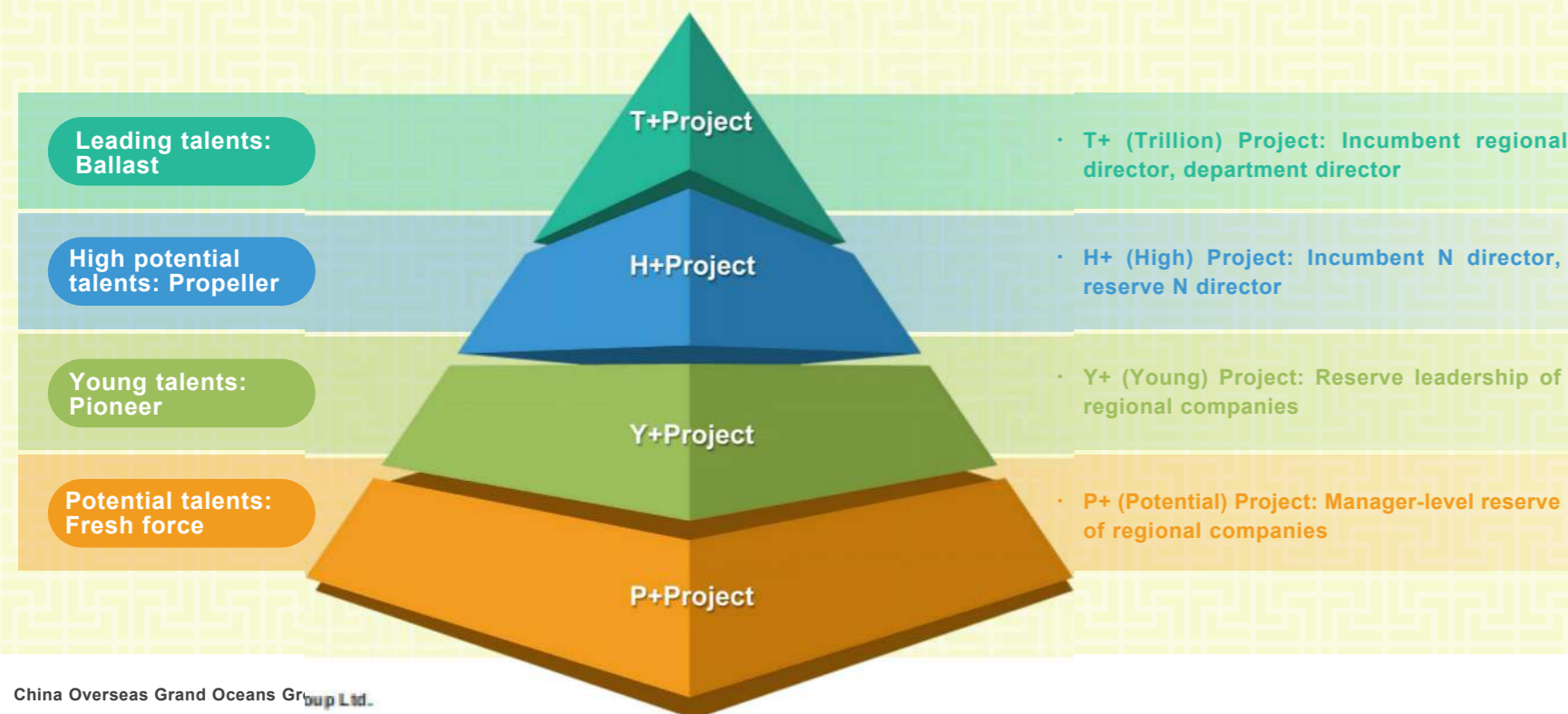
### “COGO Talent Training Project” Enriched the Group’s Talent Pool of Cadres

“COGO Talent Training Project” was a thematic training programme for talents at different levels based on the “LEADER+” leadership model of the parent company to reserve and develop core cadres for the Group. We set the training content in different layers, grades and stages, developed the professional skills, leadership skills and innovation skills of employees through rotation and exchange, mentorship, and special training, designed a ladder-like development pathway for trainees, and built a talent supply chain for the Group.

We created a “133” curriculum system, based on the principle of “following one law, achieving three tops, and using three forms” in the training process, to build a hierarchical and rich training structure. According to the “7-2-1” learning rule, which included 70% job training and rotation exchange, 20% mentorship and action learning, and 10% special training and mass learning, we visited top industries and enterprises, invited top lecturers, introduced excellent courses and innovative methods while carrying out external benchmarking learning, and designed pragmatic training content that is relevant to our business. We devised the “339” training path, which consists of three main lines of “awareness, learning, and practise” and three stages of “appearance, practices, and proficiency” in order to develop nine abilities of employees in a step-by-step manner to “know themselves, to understand majors, to expand their horizons, to develop leadership, to produce thinking results, to learn through practice, to be achievement-oriented, to have the courage to lead innovation, and to promote performance achievement”.

All aspects of the training were used as a means of assessing potential cadres, and senior leaders of the Group were deeply involved in training sessions and examined trainees during that process. Meanwhile, we organized and summarized the management suggestions made by trainees during the training, also screened the excellent programmes to promote the application.

## COGO Talent Training Project



### A Three-year Training Programme for the Campus Recruiting Group, the “COGO Cadets”, to Turn Professional

COGO has long been concerned about the growth of the campus recruiting group, the “COGO Cadets”, and has built a systematic talent training mechanism to provide a talent guarantee for its sustainable development. We built a special three-year training programme for the “COGO Cadets”. In the first year, they will focus on role transformation to start a career, in the second year, they will focus on individual contribution to pursue professionalism, and in the third year, they will focus on the contribution to the Group to strive for comprehensiveness. After years of practising, a large number of excellent “COGO Cadets” has now been promoted to important management positions in the Group.

### “New Sales Elite Programme” to Enhance Professional Capacity of Front-line Teams

To assist the Group in the implementation of innovative development, improve the professional capacity of new employees, enhance the sense of belonging to the Group, and boost the morale of the front-line team, we organized and launched the “New Sales Elite Programme” in June, which was also the first time that the Company had launched systematic training for new sales employees at the Group level, to strengthen the confidence of new employees who chose to join COGO during the market downturn and fought for it. After the training, we summarised the “Pre-job Learning Map for New Sales Employees” to standardise the learning path for new employees and reduce regional differences.

Publicity and On-site Pictures of the Group’s “New Sales Elite Programme”





### Shaping the occupational ability of all employees

At the same time, according to industry changes and the development needs of the Group, we irregularly carried out training on different themes and forms. In 2022, the Group conducted a series of 10 training sessions titled “In-depth Workshop for the Systems” concerning the revised and newly formulated primary and secondary systems of each business line to facilitate the implementation of the new systems.

In 2022, we actively conducted the establishment of the “Digital Course Platform” and launched the online course library “COGO Cloud Classroom” in May, realising the preservation and accumulation of high-quality courses. By far, 28 courses have been updated to the platform and the number of hits every month has exceeded 1,000.

## COGO Practice

### “In-depth Workshop for the System” Training Series to Drive the Implementation of the System

In 2021, all business lines of COGO went through revisions or addition of the business line system on a large scale. In the first half of 2022, to promote the implementation of the system and the understanding of employees towards the system, we organized and conducted an “In-depth Workshop for the System” Training Series. The training included three themes and ten courses, covering 56 primary and secondary systems and some three-level systems, which had been revised. A total of 5,215 employees participated in the training. An examination was conducted after the training series, and the average score of the 1,600 employees participating in the examination reached 97, which showed that it was effective to promote studying through examination.



Publicity Picture of the Group's “In-depth Workshop for the System” Training Series

## Career development

COGO established a transparent promotion mechanism to promote staff based on objective assessment results. We adhered to the selection and promotion principle of “One Demand, Two High and Three Excellent”, which referred to promoting employees demanded by the Group with high political accomplishment and overall quality, and excellent achievements, potentials and reputations. In addition, we established a LAMPS system, in which employees can choose to develop themselves in depth in different parts of the Group such as management (LM), professional (P), sales (S), and administration (A). They can also choose to change their professions and develop themselves in breadth. The *Personnel Appointment Management Methods* stipulate the qualification standards of each position level. Employees can understand the promotion conditions clearly by referring to the system. Furthermore, the Group ensures openness and transparency in the process of personnel appointment through standardised procedures such as recommendation and nominations, deliberation and decision, pre-appointment announcements, occupational conversations and documents of appointment and dismissal. The Group has established a well-functioned feedback channel and solving mechanism for publicity to listen extensively to the views of employees on the appointment of personnel and to strengthen their supervision on the appointment of personnel.

### 4.3

## Occupational Health and Safety

COGO values the safety of production, cares about the health and safety of its employees and the employees of its contractors, takes advantage of multiple measures to ensure the safety of the construction sites, is dedicated to the reduction of the frequency and severity of safety accidents, and strictly controls the safety risk.

## Key performance

- Since the disclosure of health and safety information in 2017, the Group has maintained zero work-related injury and fatality.
- In 2022, there was 0 work-related injury, 0 work-related fatality, 0 lost work day due to work-related injury of COGO contractors' employees.
- In 2022, the coverage of the health and safety training for COGO's employees and its contractors' employees was 100%.

## The physical and mental health of employees

The Group cares about the health and well-being of employees. We have established internal regulations including the *Occupational Health and Safety Policies* and the *Self-checking Standards of Office Environment Management* and regulates the health and safety of employees, specifies the safety standards for the office environment. The *Occupational Health and Safety Policies* applies to all employees within all operations of the Group and the third parties such as contractors. We regularly review the safety performance of each department, and strictly control the safety risk. In 2022, our goal in terms of occupational health and safety of employees was to maintain zero work-related injury and fatality.

We also take multiple measures to protect the physical and mental health of employees.

- We have purchased supplementary medical insurance for employees, allowed them to purchase insurance for their parents, spouse and children, provided them with annual medical check-ups, have taken employees' suggestions to provide the HPV screening service for married women, and provided professional support in terms of physical health for employees.
- We provide a healthy and comfortable office environment for employees by adopting the daylight design as much as possible and ensuring a comfortable temperature, reasonable lighting, and the safety of water quality in offices.
- We have established staff canteens to provide employees with healthy food and drink.
- We hold occupation and health lectures to impart relevant knowledge to employees and remind them to pay attention to their physical and mental health.
- By creating “HRSSC”, an EAP project brand of COGO, we regularly hold occupation and health lectures for all employees to impart relevant knowledge to them and remind them to pay attention to their physical and mental health.

Work-related injury and fatality due to the safety liability:

0%

During the pandemic, we set up special online sharing meetings to improve employees' capability of responding to the pandemic, allowed them to choose to work flexibly, and encouraged online meetings, so as to reduce the risks brought by commuting and contact. Moreover, we provided COVID-19 prevention materials for our employees and their families, trained them on the knowledge of COVID-19 prevention, and set up emergency teams to assist them in urgent matters.

## COGO Practice

### "HRSSC" Provides Mental Care Benefits for Employees and Their Families

"HRSSC" is an EAP project brand of COGO that aims to provide mental care and benefits for all employees of COGO and their immediate family members. Through professional counselling, training and guidance, the Group helps employees better face psychological pressure and negative emotions, so as to help them work and live happily.



Promotion Poster for Thanksgiving Day for "HRSSC", an EAP Project Brand of COGO

## Production safety management

In compliance with the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases*, the *Regulation on Work-related Injury Insurance of the People's Republic of China* and other national laws and regulations, COGO has formulated a series of safety policies, such as the *List of Safety Responsibilities*, the *Construction Safety Management Policy*, the *Construction Safety Management Reward and Punishment Rules* and the *Project Safety Management Scheme*, to standardise the management of production safety, specify the safety responsibilities and requirements for employees at different levels and positions, and stipulate the safety management of the project sites and the contractors.

We adopt a pattern of centralized management for production safety and have set up a Production Safety Committee at the Group level as the highest decision-making body for safety management. The Board of Directors of the Group and General Manager are the first responsible persons for production safety, and the vice president of the Group acts as the safety director to oversee and manage affairs related to production safety. Also, we have set up safety management supervision groups in regional companies, while their general managers are the first responsible persons for production safety, the leader of each regional company acts as the safety director of the regional company to oversee and manage affairs related to product safety in each project. In 2022, we have set safety management targets covering contractors, and linked the compensation of employees responsible for safety management at different levels (including CEOs and senior management) with the achievement of the safety management targets in accordance with the requirements of the *Construction Safety Management Reward and Punishment Rules* and the *Occupational Health and Safety Policies*, so as to effectively reduce the production safety accident rate.

### Our production safety targets were:

- ✗ Material or severer production safety liability accidents should be avoided;
- ✗ Major production safety liability accidents should be deterred;
- ✗ General production safety accidents should be reduced;
- ✗ Accidents or risk events with major social impacts should be avoided;
- ✗ Events related to occupational health that may damage the Group's reputation should be avoided.

In accordance with the *Occupational Health and Safety Policies*, we measured the health and safety for contractors with the same manners and indicators as those for the Group's employees; for example, we required that health and safety training should be provided for all contractors. We conduct internal audits on the production safety management and performance of contractors should be implemented at each stage of a project.

- In the phase of bidding for admittance, contractors are required to submit materials about safety management for the review of their safety management systems and performance.
- After a contractor is admitted, the contractor is required to submit special safety documents for inspection by the Group and relevant governmental departments.
- In the phase of project execution, the safety condition of the construction sites is inspected every week, and daily regular safety meetings and weekly regular safety supervision meetings are held to emphasize the requirements for product safety and report the results of the safety inspections.
- In the phase of payment, the contractor's cost related to safety management is reviewed to ensure that the funds are earmarked for their specific purposes only.
- In the phase of the evaluation of contract fulfilment, the safety management performance is reviewed, and, if there are any problems, the contractor is required to make rectifications and receive economic punishments.

We employ third-party agencies to conduct unannounced safety audits on the safety and civilized construction of the construction sites in all projects every quarter to assess the safety risk of the projects. The scope of inspection covers all construction sites, as well as the office areas and living areas of all projects. For large mechanical equipment such as tower cranes and suspended scaffolding, we employ professional testing agencies to detect and check equipment quality risks. Moreover, in 2022, we carried out special assessments on foundation pits and the "Gate-keeping Action" special inspections with a focus on the inspection of the construction risks in foundation pits and the gate management of construction sites.

We take multiple measures on the project sites to protect the safety of contractors and their employees in production. We actively promote the informatisation of project site management. In 2022, we piloted the implementation of the Zaiot Tech Smart Construction Site System with several functions, such as safety monitoring, staff management and monitoring and early warning, to improve the management and control of safety in construction sites. Moreover, we provide labour protection supplies that meet the national standards for contractors and their employees. We provide safety training for contractors to improve their capability of safety management. We also invite external experts to carry out training that covers all projects every quarter. We also take advantage of several methods, such as the morning meetings on safety, requiring the direct leader in charge of a project to visit the construction site, and the product safety month, to deliver the requirements of laws and regulations related to production safety and the internal safety system standards of COGO to contractors by the leaders and other employees of the Group.

Several of our projects obtained production safety certification at the national or provincial level.

Project	Award	Level
Lanzhou Shanhu Dagan	Standardised Project of Production Safety in China Safety Industry Construction Sector	National
Weifang Xi Garden	Quality Construction Unit	District-level
Weifang Jiuyue	District-level Demonstrative Red Construction Site in 2022	District-level
Nanning Tianzuan	Standardised Construction Site for Safe and Civilized Construction Project in Guangxi Zhuang Autonomous Region	Provincial
Lanzhou Heshan Community	"Jiangheyuan" Cup Award for Construction Project in Qinghai Province (Provincial Quality Engineering)	Provincial
Lanzhou Boyue Community	Civilized Construction Site in Gansu	Provincial
Hohhot Glorioushire	Demonstrative Project for Fine Management in Inner Mongolia Autonomous Region	Provincial
Hohhot Glorioushire	Demonstrative Construction Site for Building Construction Safety Standardisation in Inner Mongolia Autonomous Region	Provincial
Hefei Jiuyue Commercial	Demonstrative Construction Site for Building Construction Safety Standardisation in Anhui Province	Provincial
Hefei Topview Park	Demonstrative Construction Site for Building Construction Safety Standardisation in Anhui Province	Provincial
Hefei Xi Garden	Demonstrative Construction Site for Building Construction Safety Standardisation in Anhui Province	Provincial

Project	Award	Level
Hefei Chengqun	Demonstrative Construction Site for Building Construction Safety Standardisation in Anhui Province	Provincial
Ganzhou Xuefuli	"Excellent Construction Site in the Annual Project Appraisal" for Building Construction Safety Standardisation in Hunan Province for 2021	Provincial
Yinchuan Xuefuli	Civilized Construction Site in Weinan City	Municipal
Weifang Jiuyue	Demonstration Youth Post for Production Safety in Weifang City for 2022	Municipal
Jilin Yuejiang Community	"Jiangcheng Cup" Award for Building Construction in Jilin (Municipal Quality Engineering)	Municipal
Jilin Xinduhui	"Jiangcheng Cup" Award for Building Construction in Jilin (Municipal Quality Engineering)	Municipal
Hohhot Wang Jing Mansion	Demonstrative Construction Site for Building Construction Safety Standardisation in Baotou City	Municipal
Hefei Binjiang Metropolis	Demonstrative Construction Site for Building Construction Safety Standardisation in Anqing City	Municipal

COGO values the suggestions of employees, and provides a variety of communication and complaint channels, including "online conversations with the general manager", to listen to their voices. We provide our employees with a dedicated email complaint channel. After receiving a complaint, the Human Resources and Administration Department and the Audit and Intendance Department will work together to verify and follow up on the complaint and make clear replies to the complainant on the processing result. For routine consultation about human resources problems, we introduced the intelligent customer service robot "Octopus HR Consulting" to provide 24-hour consultation services for all employees. The robot can answer a total of 458 questions about HR procedures, attendance and leave, the five insurances and two funds, supplementary medical insurance, administrative affairs, newcomer strategies, and corporate culture. In 2022, there were 2,051 consultation sessions with "Octopus HR Consulting" for employees.

We conduct engagement and satisfaction surveys for all employees every year, and learn the employees' opinions, and locate the weak spots in management through the analysis of the survey results, so as to adjust the mechanism and measures for employee management. Meanwhile, we conduct targeted communication with employees in daily conversations and activities to enhance employees' understanding of the management measures and improve the efficiency and effectiveness of management. If any problem related to a specific employee is collected during a survey, we will also communicate with the employee and try to solve the problem, with the aim of ensuring that the employee's demands and opinions are implemented.

#### 4.4

### Employee Communication

In 2022, the Group's employee satisfaction score was **89** points, and the employee engagement score was **91** points.

Becoming a member of  
**China Energy Conservation Association Passive Ultra-Low Energy Building Branch**

Employees participated in volunteer services a total of  
**1,021** times,  
 with 4,159 hours

The coverage rate of suppliers who signed the substantial contract Integrity Agreement reached

**100%**



COGO consistently conducted a series of rural revitalization programs such as

“**COGO benefits for all**”

Rental relief of approximately

**21.13** million RMB during the pandemic

Support construction of

**Mobile Cabin Hospital**



Keeping cooperation with a total of

**8,792** suppliers and contractors

**Group**

**05**

**ESG-related material topics responded in this chapter:**

Responsible supply chain management, social benefits and charity, community communication and mutual development

**SDGs-related topics responded in this chapter:**



Carry out “**Build a Dream Together and Manage Happiness**” and other series of charity activities in a number of Hope Primary Schools

5.1

## Supply Chain Management

COGO keeps perfecting the supply chain management system for efficient support to the business at the current stage and for future development and changes. Holding fast to the core values of honesty and integrity, understanding and communication, and improvement and optimization, we are dedicated to building a responsible supply chain to ensure the high-quality delivery of products and services, and build close cooperation relationships with our upstream and downstream partners, so as to build the industry ecology for cooperation and win-win situation.

As of the end of 2022, the Group had kept cooperation with a total of 8,792 suppliers and contractors, covering the cities of its projects.

### Key performances: Number of suppliers by region (supplier(s)):

Hohhot and Baotou	Jilin and Zibo	Yinchuan, Zunyi and Weinan	Hefei, Huangshan, Chuzhou and Anqing	Shaoxing, Jinhua and Yiwu	Lanzhou, Tianshui and Xining	Nanning, Guilin and Liuzhou
470	680	509	703	615	641	468
Ganzhou, Jiujiang and Zhuzhou	Yangzhou, Taizhou and Danyang	Nantong and Yancheng	Changzhou	Shantou and Quanzhou	Weifang and Linyi	Huizhou, Qingyuan and Zhanjiang
641	960	425	225	465	407	693
Tangshan and Langfang	Xuzhou, Jining and Huai'an					
419	471					

### Supplier management system

In strict compliance with the *Law of the People's Republic of China on Tenders and Bids* and other relevant laws and regulations, the Company has formulated the *Administrative Measures for Tenders and Bids*, the *Administrative Measures for Engineering Contracts* and other management systems, to specify the requirements for the management of qualified suppliers, standardize the management standards throughout the process from the admittance of suppliers, assessment of suppliers, to the exit of suppliers, and enhance the quality of tenders and procurement.

#### Admittance of suppliers

In the introduction of suppliers, the Company adopts the enterprise information query, the unannounced joint inspections by the relevant departments organized and other ways to inspect the qualifications and performances of its suppliers in the project management model, the employee compensation model, and the selection and use of materials and equipment, includes those suppliers meeting the national standards and the development requirements of the Company in the library of registers of qualified suppliers, and sorts out, maintains and updates the registers of qualified regional suppliers each year. Besides, we take the *Open Letter to the Cooperative Partners of CO Property* as a part of the bidding document content to reiterate the compliance requirements of tenders, controlling the risks of suppliers in quality, environment, finance, integrity and compliance and other aspects at the source.

#### Assessment and evaluation of suppliers

The Company continuously strengthens its ability to manage the supply chain risks and assesses the suppliers in terms of contract fulfillment, such as the project progress, quality of deliverables, degree of completion of contract fulfillment, etc., in accordance with the *Form of Contract Fulfillment Evaluation for Constructor*, to ensure that high-quality projects can be completed on time. In the meantime, we also evaluate the supplier performances, conduct long-term strategic cooperation with and give preferential treatment in other forms to the suppliers that score highly, while those suppliers that are involved in any serious safety accident, construction quality problem, insufficient business ethics performance, or serious impact on the reputation of the Company or other problems are listed as unqualified suppliers.

### Promote the sustainable development of the supply chain

The coverage rate of the integrity agreement for major contracts, and the publicity of the policies on announcement of prices and integrity in the Group:

100%

#### Exit of suppliers

The Company will gradually eliminate the suppliers that fall behind in safety management and have poor project quality or business ethics performance, in a bid to accelerate the optimization and upgrade of the supply chain. In the current year, we focused on sorting out the suppliers included in the register in our library, interviewed and rectified the suppliers that were unqualified in the contract fulfillment, and removed those suppliers that were still unqualified even after the rectification from the library.

#### Management for Uncorrupted Procurement

Upholding the requirements for high standards for business ethics and abiding by the integrity management philosophy, COGO is dedicated to building a responsible supply chain and creating a nice business environment. We offer the exchange and training platform for the stakeholders, develop the *Supplier Code of Conduct*, prohibiting any form of bribery in the economic intercourse between any supplier and us, promote the synchronized signing by all suppliers of the *Incorruptibility Agreement*, and provide business ethics training to our suppliers, ensuring the compliance, incorruptibility, and orderly progress of our engineering projects. In 2022, 100% of the Group's employees signed the *Incorruptibility Agreement*; and the coverage rate of the publicity of the policies on the announcement of prices and incorruptibility was 100%.

#### Responsible procurement

COGO adopts and gradually enhances the environmental, social and governance requirements in the preliminary review and tender processes and incorporates the requirements for green environmental protection in the scope of procurement prioritized. The following measures are taken:

- Establishing a database for the green supply chain to promote intelligent supervision, and assessing the suppliers in terms of environmental performance;
- Setting the standardized guidance on green low-carbon procurement to define the standards for qualified green suppliers;
- Funding green suppliers to help enterprises improve their operations for sustainable development;
- Strengthening the industrial exchange and actively participating in the green supply chain activities in the real estate industry;
- Giving priority to the procurement of highly recyclable products to avoid or reduce disposable materials and products;
- Taking into consideration the climate change factors in the procurement process and encouraging the use of low-carbon and energy-efficient products and materials.

#### Empowerment of the industrial development

COGO spreads the sustainable development idea to all its suppliers to make progress together with its upstream and downstream partners in the value chain. In the future, COGO will organize and carry out diversified sustainable development training and publicity for its suppliers, to constantly promote the transition to the green and sustainable industry.

## 5.2

## Industrial Exchange and Cooperation

COGO actively participates in industrial alliances and associations to promote industrial progress. In the context of carbon peaking and carbon neutrality, as a responsible real estate enterprise, COGO zealously supports and promotes the transition to the green building industry. We have joined the China Passive Building Alliance of the China Association of Building Energy Efficiency and will work together with the alliance members to conduct the large-scale promotion of buildings featuring super low and nearly zero energy consumption and the study on the zero-energy consumption and zero-carbon architectures in the future. We look forward to strengthening exchanges and cooperation with our business competitors, promoting the advanced technology development for super low energy consumption buildings, and sharing the best industry practices, in a bid to boost more “zero-carbon solutions” in the industry and promote “transition to zero carbon” of the real estate industry.

### COGO's practice

#### COGO participated in the 2022 China-ASEAN Building and Construction Expo

From November 25th to 27th, 2022, COGO Low-carbon Technology, a subsidiary of COGO, participated in the China-ASEAN Building Industry and High-Quality Living Environment Expo with the theme of “sharing new opportunities of RCEP and creating a new future for the building industry”, and showed the public a number of active and passive carbon reduction technologies and products such as the processes and techniques, low-carbon building materials and intelligent operation and maintenance for ultra-low energy buildings in different climate zones. A total of 44 *Fortune* 500 companies, *Fortune* China 500 companies and listed companies attended the Expo, and all enterprises conducted in-depth exchanges on advanced technologies and concepts in the building and construction industry at home and abroad, effectively promoting green and low-carbon product development and technological progress, and serving high-quality development in the new era.



COGO Attended the 2022 China-ASEAN Building and Construction Expo

## 5.3

## Social Charity

Always holding fast to the mission and responsibility of giving back to and contributing to society, our Group stands together with the people for their interests, devotes itself to social charity, and implements the national rural revitalization strategy. Meanwhile, the Company keeps strengthening communication and exchanges with local communities, provides charitable support to communities to meet their actual demands, and unites with the community residents in the fight against the COVID-19 pandemic to fully protect the safety of lives and properties of the masses and facilitate the maintenance of the stable and harmonious social order.

### Key performance

In 2022, the Group's employees participated in volunteer services a total of 1,021 times, with 4,159 hours.

#### Concerted action in the fight against the COVID-19 pandemic

In 2022 when the COVID-19 pandemic broke out from time to time, COGO, without any negligence, organized the pandemic prevention and control groups to earnestly implement the policies on the pandemic prevention and control in the places where its projects operated, and the supervision groups seriously fulfilled their supervision responsibilities. We established effective communication mechanisms to ensure the fast and transmission of accurate information about the pandemic as well as quick response to and active actions upon the outbreak of the pandemic. The Company developed and released the *Emergency Response Plan for the Prevention and Control of the COVID-19 Pandemic in Workplaces of COGO* and completed 2 patrol inspections and 2 emergency drills for the pandemic prevention in total in 2022. Meanwhile, the Company strictly implemented the “white list” management mechanism, and the “application required for visitors/field staff” mechanism, scrupulously controlled business trips, concentrated offline meetings and training to reduce the clustered outbreak, and implemented the nucleic acid testing, health testing, body temperature measurement and information registration for all staff, as well as increased the employee vaccination rate.

In order to make joint efforts in the fight against the COVID-19 pandemic and to spread humanistic care, we paid close attention to the physical and mental health of the people who were infected with the pandemic or were quarantined at home and conducted caring activities for employees and their families. Also, we organized knowledge training for pandemic prevention, strengthened the pandemic prevention knowledge training for the pandemic prevention emergency groups, and hosted an internal study of typical social malpractices in the pandemic prevention and control for vigilance, experience learning, self-inspection and self-correction after the case study, so as to guarantee the production and operation activities with solid prevention of the pandemic. We reinforced working-from-home management and prompted employees to keep in healthy condition and to work more efficiently. This year, we responded to a total of more than 30 notices from the government and the Group on pandemic prevention and control and strictly implemented the relevant policies to achieve zero spreading and zero employee infection at the headquarters and no regional clustered infection, showcasing our fulfillment of responsibilities and duties and protecting the health and stability of the city jointly.



Temperature measurement and QR code verification

Visitor management

Supplies for the pandemic

Makeshift delivery site

## COGO's practice

### COGO Supported Construction of Mobile Cabin Hospital

Faced with the difficult situation of the COVID-19 pandemic, on October 9, 2022, COGO Hohhot Company proactively responded to the government's call and assumed the responsibility to fight against the pandemic with practical actions, extending its care and love. Hohhot Company assembled over 20 employees to support the construction of the mobile cabin hospital in the Inner Mongolia Historical Revolutionary Museum. After over 30 hours of unremitting efforts, Hohhot Company successfully completed the installation of electrical equipment for more than 630 beds.



Acknowledgement Letter for Pandemic Fighting Support



Silk Banner for Pandemic Fighting Support

### Supports the Rural Revitalization

"Agriculture, Villages and Peasants" issues are essential to the national economy and the people's life. Since the implementation of the national "Rural Revitalization Strategy", our Group has deepened the implementation of support to the agriculture and villages, and has offered point-to-point multidimensional assistance to a number of counties and cities in Gansu Province, as well as continuous support to the local residents in connection with the quality of life, basic education and other aspects.

#### Supports through Consumption

Based on our own business needs, we continuously conduct a series of rural revitalization programs such as "COGO benefits for all", and proactively undertake the task of support through consumption to three cities and counties of Gansu to meet the actual needs of impoverished counties and cities of Gansu, and promote the local high-quality agricultural products in forms of procurement, help in sales, etc. We purchase special agricultural products to be used as gifts for our customers and property owners, and for our staff canteens, which are well-recognized by the stakeholders. In 2022, our procurement of agricultural products as support through consumption totaled RMB530,000.



A Series of Rural Revitalization Programs such as "COGO benefits for all"

### Enthusiasm for social charity

#### Basic Education

Our Group commits itself to helping solve the problem with education for the children of the people in straitened circumstances and offers point-to-point help across China through overall planning, linkage and point-to-point implementation. In the meantime, we carry out "Build a Dream Together and Manage Happiness" and other series of charity activities in several Hope Primary Schools, to attract social attention and supports to the students in need. The specific details of the point-to-point help are as follows:

Regional company	Corresponding primary school
Shaoxing company	Majin Primary School
Ganzhou company	Jiangkou Primary School
Yinchuan company	Jinfeng Primary School
Lanzhou company	Wenjiahe Primary School

We actively interact with communities and hear the voice of communities through different channels to ascertain the problems needing help and solutions, and deliver charitable help and care to communities.

## COGO's practice

### Charitable Support to Wenjiahe Village

In 2022, our Group paid visits, carried out investigations and surveys, and visited families in Wenjiahe Village to express sympathy and practically provide support to the local families in need, left-behind children and villagers. Our specific charitable actions taken in the current year are as follows:

- Giving out consolation money and supplies to 45 families in need and 16 families in dire straits in Wenjiahe Village;
- Donating computers, printers and other office supplies to Wenjiahe Village Committee to practically improve the office conditions for the village committee;
- Investing RMB25,000 to donate 18 solar street lamps to the village, which were installed around Wenjiahe Hope Primary School and Wenhua Plaza and benefited all the 1,637 villagers;
- Assisting in the donation of winter school uniforms for Wenjiahe Hope Primary School and distributing winter school uniforms to 112 students, to extend warmth to them.

The charitable support to Wenjiahe Village reinforced the infrastructure construction, improved the living environment for villagers and continuously enhanced the local people's happiness and sense of gain by helping the local people in straitened circumstances solve the actual difficulties.



Consolation and Care to villagers in Wenjiahe Village



Donations to Wenjiahe Hope Primary School



"Little Owner Growth Experience Camp" activity for care



"Health Consultation with Volunteers for Respecting the Elder" activity for care



Care programs

### Community Culture

COGO commits itself to providing healthy and safe environments for communities. In 2022, we worked out the *Policies on Health and Safety* to provide health and safety services for tenants, owners, customers and other groups in our communities in the places where we operate. In the meantime, we continued to implement the *Guidelines for Customer Care (China Overseas Club)* to organize regular customer care activities such as health check-ups, children's interest classes, ball games, festive parties, etc.

### Affordable Commercial Businesses

In active response to the requirements of national policies in 2022, the Company fulfilled its responsibilities as a state-owned enterprise to fully implement the policies on rental abatement and support for small and micro enterprises and individual businesses during the pandemic, and reduced the rentals by approximately RMB21.13 million in 20 projects covering 12 regions in China in the current year, lifting the burden on the small and micro enterprises and individual business in the places of its projects under operation.

### Community Charity

In 2022, our Group proactively participated in the national charity programs and made due efforts to the promotion of the development of the regions facing economic difficulties. We tried our best to solve the actual difficulties of the masses and promoted the construction of a harmonious society by donating charity funds, taking charitable actions, purchasing charitable suppliers, etc.

Reduce the rentals for **20** projects covering 12 regions in China in the current year

The amount reduced is approximately **RMB 21.13 million**



## HKEX ESG Indicators Index

No.	Key performance index	Sections of the Report
	A disclosure of the Board's oversight of ESG issues	Governance
	The Board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses)	Governance
	How the Board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses	Governance
	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change	About this Report
<b>A Environmental</b>		
<b>Aspect A1: Emissions</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Environment
A1.1	The types of emissions and respective emissions data.	ESG Indicators Performance Table
A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	ESG Indicators Performance Table
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	ESG Indicators Performance Table
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, density (e.g. per unit of production volume, per facility).	ESG Indicators Performance Table
A1.5	Description of emission targets set and the steps taken to achieve them.	Environment
A1.6	Description of how hazardous and non-hazardous wastes are handled, and description of waste reduction target(s) set and the steps taken to achieve them.	Environment

No.	Key performance index	Sections of the Report
<b>Aspect A2: Use of Resources</b>		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Environment
A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	ESG Indicators Performance Table
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	ESG Indicators Performance Table
A2.3	Description of energy use efficiency target(s) set and the steps taken to achieve them.	Environment
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Environment
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not applicable
<b>Aspect A3: The Environment and Natural Resources</b>		
General Disclosure	Policies on minimizing the issuer's significant impacts on the environment and natural resources.	Environment
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environment
<b>Aspect A4: Climate Change</b>		
General Disclosure	Policies on identification and mitigation of significant climate – related issues which have impacted, and those which may impact, the issuer.	Environment
A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Environment
<b>B. Social</b>		
<b>Aspect B1: Employment</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Support
B1.1	Total workforce by gender, employment type (for example full – or part-time), age group and geographical region.	Support ESG Indicators Performance Table
B1.2	Employee turnover rate by gender, age group and geographical region.	ESG Indicators Performance Table

No.	Key performance index	Sections of the Report
<b>Aspect B2: Health and Safety</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Support
B2.1	Number and rate of work-related fatalities occurred in the each of the past three years including the reporting year.	ESG Indicators Performance Table
B2.2	Lost days due to work injury.	ESG Indicators Performance Table
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Support
<b>Aspect B3: Development and Training</b>		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Support
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	ESG Indicators Performance Table
B3.2	The average training hours completed per employee by gender and employee category.	ESG Indicators Performance Table
<b>Aspect B4: Labor Standards</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor.	Support
B4.1	Description of measures to review employment practices to avoid child and forced labor.	Support
B4.2	Description of steps taken to eliminate such practices when discovered.	Support
<b>Aspect B5: Supply Chain Management</b>		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Group
B5.1	Number of suppliers by geographical region.	Group ESG Indicators Performance Table
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Group
B5.3	Description of practices relating to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Group
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Group

No.	Key performance index	Sections of the Report
<b>Aspect B6: Product Responsibility</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labeling and privacy matters relating to products and services provided and methods of redress.	Opus
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicable
B6.2	Number of products and service related complaints received and how they are dealt with.	Opus
B6.3	Description of practices relating to observing and protecting intellectual property rights.	Governance
B6.4	Description of quality assurance process and recall procedures.	Opus
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Opus
<b>Aspect B7: Anti-corruption</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Governance
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Governance
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Governance
B7.3	Description of anti-corruption training provided to directors and staff.	Governance
<b>Aspect B8: Community Investment</b>		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Group
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Group
B8.2	Resources contributed (e.g. money or time) to the focus area.	Group

## List of ESG policies and regulations

ESG indicators	Laws and regulations observed	Internal policies
A. Environmental	<p><i>Solid Waste Pollution Prevention and Control Law of the People's Republic of China</i></p> <p><i>Water Pollution Prevention and Control Law of the People's Republic of China</i></p> <p><i>Air Pollution Prevention and Control Law of the People's Republic of China</i></p> <p><i>Soil Pollution Prevention and Control Law of the People's Republic of China</i></p> <p><i>Energy Conservation Law of the People's Republic of China</i></p> <p><i>Environmental Protection Law of the People's Republic of China</i></p> <p><i>Environmental Impact Assessment Law of the People's Republic of China</i></p> <p><i>Guiding Opinions on Planning, Defining and Implementing Three Control Boundaries in the National Land Space Planning</i></p> <p><i>Green Building Evaluation Standards</i></p> <p><i>Land Administration Law of the People's Republic of China</i></p> <p><i>Regulations on Natural Reserves of the People's Republic of China</i></p> <p><i>Urban and Rural Planning Law of the People's Republic of China</i></p> <p><i>Guidelines for Verification of Corporate Greenhouse Gas Emission Reports (Trial Version)</i></p>	<p><i>Environmental Policy</i></p> <p><i>Special Treatment Plan for Ecological Environment Protection of China Overseas Group</i></p> <p><i>China Overseas Grand Oceans Commercial Green Environment Convention</i></p> <p><i>China Overseas Grand Oceans Business Office Green Environment Convention</i></p>
B1. Employment	<p><i>Labour Law of the People's Republic of China</i></p> <p><i>Labour Contract Law of the People's Republic of China</i></p> <p><i>Law on Employment Promotion of the People's Republic of China</i></p> <p><i>Social Insurance Law of the People's Republic of China</i></p> <p><i>Provisions on the Prohibition of Child Labor of the People's Republic of China</i></p> <p><i>Law of the People's Republic of China on the Protection of Minors</i></p> <p><i>Regulations on Minimum Wage</i></p> <p><i>Hong Kong Employment Ordinance</i></p> <p><i>Regulations on Corporate Democratic Management</i></p>	<p><i>Recruitment Management Regulations</i></p> <p><i>Employee Relations Management Methods, Employee Handbook</i></p> <p><i>Employee Salary Management Methods</i></p> <p><i>Employees' Code of Conducts</i></p>

ESG indicators	Laws and regulations observed	Internal policies
B2. Health and Safety	<p><i>Labour Law of the People's Republic of China</i></p> <p><i>Fire Control Law of the People's Republic of China</i></p> <p><i>Production Safety Law of the People's Republic of China</i></p> <p><i>Law of the People's Republic of China on the Prevention and Control of Occupational Diseases</i></p> <p><i>Regulation on Work-related Injury Insurance of the People's Republic of China</i></p> <p><i>Law on Emergency Response of the People's Republic of China</i></p> <p><i>Provisions on the Supervision and Administration of Occupational Health in the Workplace</i></p> <p><i>Regulations on the Reporting, Investigation and Handling of Production Safety Accidents</i></p> <p><i>Interim Regulations for the Accident Investigation and Handling of Potential Safety Hazards in Workplace</i></p> <p><i>Law of the People's Republic of China on Mediation and Arbitration of Labour Disputes</i></p> <p><i>Provisions on the Negotiation and Mediation of Labour Disputes in Enterprises</i></p>	<p><i>List of Safety Responsibilities</i></p> <p><i>Construction Safety Management Policy</i></p> <p><i>Construction Safety Management Reward and Punishment Rules</i></p> <p><i>Project Safety Management Scheme</i></p> <p><i>Occupational Health and Safety Policies</i></p> <p><i>Self-checking Standards of Office Environment Management</i></p>
B3. Development and Training		<p><i>Staff Training Management Measures</i></p> <p><i>Personnel Appointment Management Methods</i></p>
B4. Labor Standards	<p><i>International Bill of Human Rights</i></p> <p><i>Labour Law of the People's Republic of China</i></p> <p><i>Labour Contract Law of the People's Republic of China</i></p> <p><i>Regulation on Public Holidays for National Annual Festivals and Memorial Days</i></p> <p><i>Measures for the Implementation of Paid Annual Leave for Employees of Enterprises</i></p> <p><i>Regulations on the Period of Medical Treatment of Diseases or Non-work-related Injuries of Employees</i></p>	<p><i>Human Rights Policy</i></p> <p><i>Recruitment Management Regulations</i></p> <p><i>Employee Relations Management Methods</i></p>
B5. Supply Chain Management	<p><i>Law of the People's Republic of China on Tenders and Bids</i></p> <p><i>General Provisions of the Civil Law of the People's Republic of China</i></p>	<p><i>Administrative Measures for Tenders and Bids</i></p> <p><i>Administrative Measures for Engineering Contracts</i></p> <p><i>Supplier Code of Conduct</i></p>

ESG indicators	Laws and regulations observed	Internal policies
B6. Product Responsibility	<p><i>Law of the People's Republic of China on Product Quality</i></p> <p><i>Construction Law of the People's Republic of China</i></p> <p><i>Regulations on Construction Project Quality Management</i></p> <p><i>Unified Standard for Constructional Quality Acceptance of Building Engineering</i></p> <p><i>Civil Code of the People's Republic of China</i></p> <p><i>Cybersecurity Law of the People's Republic of China</i></p> <p><i>Measures for Data Security Management (Draft for Comments)</i></p> <p><i>Personal Information Security Specification</i></p>	<p><i>Information Management Measures</i></p> <p><i>Employee Handbook (Hong Kong)</i></p> <p><i>Employees' Code of Conducts</i></p> <p><i>Administrative Measures of COGO for Project Marketing</i></p> <p><i>Stopping Point Inspection System</i></p> <p><i>Measures for Project Quality Management</i></p> <p><i>Property Handover Inspection Standards</i></p> <p><i>Customer Satisfaction Work Guideline</i></p> <p><i>Guidelines for Customer Care (China Overseas Club)</i></p> <p><i>Customer Service Management System</i></p> <p><i>Home-coming Work Guideline</i></p>
B7. Anti-corruption	<p><i>Company Law of the People's Republic of China</i></p> <p><i>Securities Law of the People's Republic of China</i></p> <p><i>Anti-Money Laundering Law of the People's Republic of China</i></p> <p><i>Anti-Monopoly Law of the People's Republic of China</i></p> <p><i>Anti-Unfair Competition Law of the People's Republic of China</i></p>	<p><i>Complaint Management Methods</i></p> <p><i>Anti-Corruption Policy</i></p> <p><i>Intendance and Audit System</i></p> <p><i>Tendering Management Methods</i></p> <p><i>Guidelines on Internal Audit Work</i></p> <p><i>Guidelines on Collection of Standard Materials</i></p>
B8. Community Investment		<p><i>Emergency Response Plan for the Prevention and Control of the COVID-19 Pandemic in Workplaces of COGO</i></p>

## ESG Indicators Performance Table<sup>1</sup>

### Environmental Performance

Indicator category	Indicator	Unit	Data of 2022
Emissions <sup>2</sup>	Nitrogen oxides	kg	210.02
	Sulphur oxides	kg	3.38
	Respiratory suspended particulates	kg	16.45
GHG Emissions	Scope 1 direct GHG emissions <sup>3</sup>	tonnes of carbon dioxide equivalent	1,408.54
	Scope 2 energy indirect GHG emissions <sup>4</sup>	tonnes of carbon dioxide equivalent	19,357.82
	Scope 3 other indirect GHG emissions <sup>5</sup>	tonnes of carbon dioxide equivalent	616.83
	Total GHG emissions	tonnes of carbon dioxide equivalent	21,383.18
	GHG density (calculated by contract volume)	tonnes of carbon dioxide equivalent/ contract volume of RMB1 million	0.53

<sup>1</sup> The scope of data reporting for 2022 includes offices, property projects and commercial projects in the Mainland and Hong Kong. We have improved the data statistics, and the scope of data statistics has been expanded compared to 2021.

<sup>2</sup> Emissions (nitrogen oxides, sulfur oxides and particulates) are mainly derived from the exhaust gas emissions from the process of the use of the Group's own vehicles. The methods of calculating the data of emissions from the Group's own vehicles were determined by reference to *Appendix II: Reporting Guidance on Environmental KPIs*, a document of the Hong Kong Stock Exchange.

<sup>3</sup> Scope 1 GHG emissions are mainly derived from the direct GHG emissions produced by the consumption of fossil fuels (e.g., the consumption of gasoline, diesel and natural gas) and emissions from refrigerants in the operation process of the Company. For the main GHG emissions from the consumption of fossil fuels, the formula adopted was as follows: carbon dioxide emissions from the combustion of fossil fuels = consumption of fuels\*lower heating value\*carbon content per unit heating value\*carbon oxidation rate of fuels\*44/12, while the methods of calculating the data of emissions from refrigerants were determined by reference to the *Appendix II: Reporting Guidance on Environmental KPIs*, a document of the Hong Kong Stock Exchange.

<sup>4</sup> Scope 2 GHG emissions are mainly derived from the indirect GHG emissions produced by the consumption of purchased electricity and heating power in the operation process of the Group, and the methods of calculating them were determined by reference to *Appendix II: Reporting Guidance on Environmental KPIs*, a document of the Hong Kong Stock Exchange. The emission factor of the power grid of 0.5703 tCO<sub>2</sub>/MWh, specified in the *Notice on Doing Well the Management of the Reporting of Greenhouse Gas Emissions from Enterprises in the Power Generation Industry in 2023–2025* printed and issued by the Ministry of Ecology and Environment on February 7, 2023, was adopted as the emission factor of electricity for 2022.

<sup>5</sup> Scope 3 GHG emissions are mainly derived from the indirect GHG emissions produced by business trips. Carbon dioxide emissions from business trips = total mileage of business trips\*carbon emission factor. The carbon emission factor is 0.108 kg CO<sub>2</sub> e/(person-mileage of km), which was determined by reference to the database Ecoinvent 3.8.1.

Indicator category	Indicator	Unit	Data of 2022
Total wastes	Total hazardous wastes	tonnes	1.53
	– Total hazardous wastes landfilled for handling	tonnes	0.64
	– Total hazardous wastes recycled for handling	tonnes	0.89
	Hazardous waste density (calculated by contract volume)	tonnes/contract volume of RMB100 million	0.004
	Total non-hazardous wastes	tonnes	406.37
	– Total non-hazardous wastes landfilled for handling	tonnes	105.99
	– Total non-hazardous wastes incinerated for handling	tonnes	70.03
	– Total non-hazardous wastes recycled for handling	tonnes	228.66
	– Total non-hazardous wastes reused	tonnes	1.68
	Non-hazardous waste density (calculated by contract volume)	tonnes/contract volume of RMB100 million	1.01
Total consumption of energy <sup>6</sup>	Gasoline	MWh	2,053.17
	Diesel	MWh	2.72
	Liquefied petroleum gas	MWh	847.03
	Natural gas	MWh	97.36
	Purchased electricity	MWh	33,543.33
	Purchased heating power	MWh	575.58
	Total energy consumption	MWh equivalent	37,146.18
	Energy density (calculated by contract volume)	MWh equivalent/contract volume of RMB1 million	0.92
Water consumption	Total water consumption	m <sup>3</sup>	589,585.44
	Water consumption density (calculated by contract volume)	m <sup>3</sup> /contract volume of RMB1 million	14.62
Packaging materials	Consumption	tonnes	61.40
	Packaging material consumption density (calculated by contract volume)	tonnes/contract volume of RMB1 million	0.002

## Social Performances

<sup>6</sup> The total energy consumption was calculated by converting the consumptions of gasoline, diesel, liquefied petroleum gas, natural gas, purchased electricity and purchased heating power. The calculation methods were determined by reference to the *General Principles for the Calculation of Comprehensive Energy Consumption* (GB 2589-2020).

Indicator category	Indicator	2022		2021	
<b>Distribution of employees<sup>7</sup></b>					
Region	Chinese Mainland	3,051		3,494	
	Hong Kong	10		11	
Gender	Male	1,842		2,120	
	Female	1,219		1,385	
Function	Senior management	32		31	
	Middle management	106		109	
	General staff	2,923		3,365	
Age	Under 30	1,007		1,315	
	30-50	1,998		2,151	
	Above 50	56		39	
	Total workforce	3,061		3,505	
	Male-to-female employees ratio	1.5		1.5	
<b>Distribution (percentage) of employee turnover<sup>8</sup></b>					
			<b>Percentage</b>		<b>Percentage</b>
Region	Chinese Mainland	544	17.83%	820	23.47%
	Hong Kong	1	10.00%	3	27.27%
Gender	Male	343	18.62%	457	21.56%
	Female	202	16.57%	366	26.43%
Age	Under 30	230	22.84%	416	31.63%
	30-50	306	15.32%	397	18.46%
	Above 50	9	16.07%	10	25.64%
	Total	545	17.80%	823	23.48%

<sup>7</sup> All employees are full-time employees.

<sup>8</sup> The number of employee turnover comprises the number of employees with an employment relationship with the issuer terminated due to voluntary resignation or dismissal (active optimization), retirement or death during the Reporting Period, 311 of whom were those involved in the active optimization, accounting for 57.1% of the number of employee turnover.

Indicator category	Indicator	2022		2021	
Occupational safety and health performances	Work-related injuries		0		0
	Work-related fatalities		0		0
	Lost days due to work-related injuries		0		0
<b>Distribution (percentage) of employees receiving trainings<sup>9</sup></b>			<b>Percentage</b>		<b>Percentage</b>
Gender	Male	2,083	62.10%	1,719	63.88%
	Female	1,271	37.90%	972	36.12%
Position	Senior management	32	0.95%	31	1.15%
	Middle management	106	3.16%	109	4.05%
	General staff	3,216	95.89%	2,551	94.80%
	Total	3,354	109.57%	2,691	76.78%

<sup>9</sup> Percentage of (total) employees receiving training = the number of employees receiving training / total number of employees; breakdown of employees receiving training calculated by the number of employees in related category = the number of employees receiving training in this category / total number of employees receiving training. In 2022, we improved data statistics, revised and restated some data of 2021.

Indicator category	Indicator	2022		2021	
<b>Average employee training hours<sup>10</sup></b>					
Gender	Male		23.82		6.91
	Female		22.08		5.98
Position	Senior management		12.00		16
	Middle management		11.20		16
	General staff		23.68		6.15
	Total		23.13		6.54
Location of suppliers and contractors <sup>11</sup>	Hohhot and Baotou		470		416
	Jilin and Zibo		680		431
	Yinchuan, Zunyi and Weinan		509		641
	Hefei, Huangshan, Chuzhou and Anqing		703		885
	Shaoxing, Jinhua and Yiwu		615		416
	Lanzhou, Tianshui and Xining		641		523
	Nanning, Guilin and Liuzhou		468		373
	Ganzhou, Jiujiang and Zhuzhou		641		641
	Yangzhou, Taizhou and Danyang		960		1,086
	Nantong and Yancheng		425		530
	Changzhou		225		252
	Shantou and Quanzhou		465		469
	Weifang and Linyi		407		346
	Huizhou, Qingyuan and Zhanjiang		693		702
	Tangshan and Langfang		419		345
Xuzhou, Jining and Huaian		471		659	

<sup>10</sup> Average training hours per employee = total training hours/total number of employees. Average training hours for employees in relevant categories = total number of training hours for employees in the specified category/number of employees in the specified category

<sup>11</sup> A small number of duplicate suppliers and contractors between different regions are counted separately by the location where the service is provided.