



Corporate Social Responsibility Report 2013

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1. About the Report

1.1 Scope of Reporting

This Report is the fourth Corporate Social Responsibility (CSR) summary report published by China Overseas Holdings Limited (“COHL”, or the “Group”). This Report, covering China Overseas Land & Investment Ltd. (“COLI”) and China State Construction International Holdings Limited (“CSCI”) includes updates pertaining to CSR-related strategies, policies and management measures as well as information regarding their implementation, performance and the relevant data for our core businesses of property development and construction. The structure of the Group has changed due to our strategic restructuring during the preparation of the Report. The scope of reporting therefore is slightly different from previous years in terms of description, but the coverage is consistent with previous publications.

The reporting period covers the calendar year of 2013. The CSR performance referred to in this Report includes the Group and its subsidiaries’ operations in Hong Kong, Mainland China and Macau. Although several of our subsidiaries have business operations overseas, those are not included in this Report because the scale and impact of operations are comparatively small. We do nonetheless include information related to their human resources and financial performance in this Report. The Group is improving its data collection related to CSR performance and we plan to include information related of our overseas business operations within the next two years.

This Report is guided by the Global Reporting Initiative (GRI) Sustainability Reporting G3.1 Framework, the Guidelines to the State-owned Enterprises on Fulfilling Corporate Social Responsibilities, issued by SASAC (State-owned Assets Supervision and Administration Commission of the State Council), and ISO 26000: Guidance on Social Responsibility.

1.2 Access to the Report

This Report is published in traditional and simplified Chinese and English. The PDF version of the Report is available on our website: www.cohl.com

The CSR reports of COLI and CSCI can be accessed through the following links (traditional and simplified Chinese and English versions are available):

- China Overseas Land & Investment Ltd. CSR Report 2013: www.coli.com.hk
- China State Construction International Holdings Limited 2013 CSR Report: www.csci.com.hk

1.3 Contact

The Group values stakeholders’ feedback. In order to improve our CSR performance, we welcome any opinions and suggestions. Please provide your feedback by filling in the questionnaire attached in this Report or through other channels.

China Overseas Holdings Limited

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Fax: +852 2865 5939

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2. Chairman's message

In the past year, the global economy was still plagued with various problems and the domestic property market was also under pressure due to state administrative controls. However, under the guidance of our philosophy of "Exercise caution in details and implementation, Build a strong foundation to seek greater success", the Group has achieved favourable economic results through our optimised management system. We carefully analyse the economies of our home market and those abroad, as well as government policies, and we grasp opportunities and address challenges that arise in the market, taking appropriate actions in a timely manner to drive sustainable growth.

The year 2013 is the third year of the 12th Five-Year-Plan for China Construction Engineering Corporation, our parent company, and the Group. At a half way point, the Group has maintained good performance in business growth, increasing profit and maintaining a leading position in our industry. The accumulated property contracted sales of the property development business reached HK\$138.5 billion, the accumulated contracted GFA was 9.23 million square meters; newly added contracts for construction business was HK\$45.5 billion, an increase of 24%; newly added planned investment was HK\$24.5 billion, up by 50%; and annual sales revenue reached HK\$27.19 billion.

In 2013, the accumulated property contracted sales of the property development business reached HK\$ **138.5** billion, the accumulated contracted GFA was **9.23** million square meters; newly added contracts for construction business was HK\$ **45.5** billion, an increase of **24%**; newly added planned investment was HK\$ **24.5** billion, up by **50%**; and annual sales revenue reached HK\$ **27.19** billion.

During the reporting year, whilst focusing on the Group's strategy of "Specialisation, Regionalisation, Standardisation, Informationisation and Internationalisation" and reaping the benefits of our core businesses, we made great efforts to explore innovation and fulfil our social and environmental responsibility. In 2013, we achieved excellence in design, quality, safety and environmental protection by restructuring our management system and reinforcing implementation. For example, CSCI launched the Award Scheme for Comprehensive Management of Sites in Hong Kong to encourage construction sites to improve their overall performance; we continued to support the development of talent for the industry and the education development for the community; we promoted green buildings and green sites, and proactively participated in environmental initiatives organised by the Government and NGOs; and we enhanced the mutual benefits between the company and employees, business partners and customers.

This year, COLI and CSCI were selected again as constituents of the Hang Seng Corporate Sustainability Index, and the constituents of Dow Jones Sustainability Indices for the second and first time, indicating that our CSR performance is recognised externally. In the future, we will continue to maintain our business performance whilst investing in the economy, society and the environment, listen carefully to our stakeholders and work together to achieve sustainable development.



Yi Jun
Chairman
China Overseas Holdings Limited



3. **About the Group**



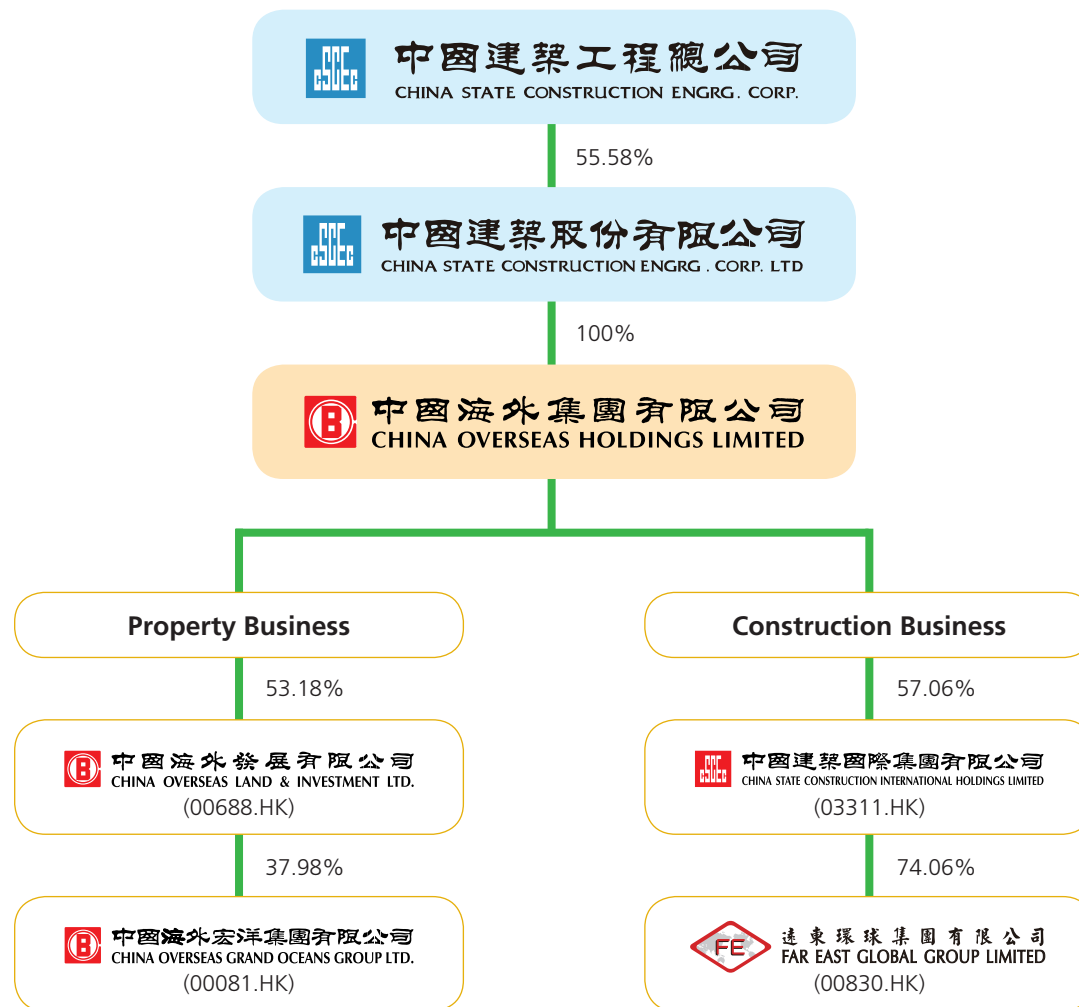
3. About the Group

3.1 Structure and Business

China Overseas Holdings Limited was established in Hong Kong in June 1979. China State Construction Engineering Corporation (CSCEC, ranked 80th in 2013 and 52nd in 2014 among the Fortune Global 500) is affiliated with the Group. For 35 years, the Group has diligently developed by following set strategies, striving to perfect management, building a people-oriented corporate culture and a human resources system that offers employees room for development, a supportive work atmosphere and incentives to motivate employees.

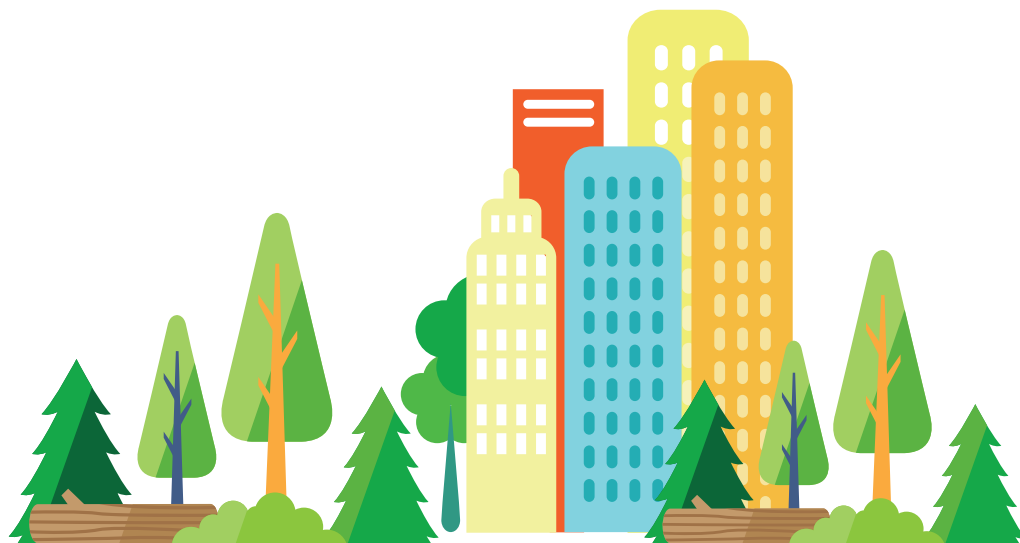
The Group owns four listed companies, including China Overseas Land & Investment Ltd. ("COLI", 00688.HK, Hang Seng Index constituent), China State Construction International Holdings Limited ("CSCI", 03311.HK, MSCI China Index constituent), China Overseas Grand Oceans Group Ltd. ("COGOGL", 00081.HK, Hang Seng Global Composite constituent, MSCI Global Standard Index-China Index constituent) and Far East Global Group Limited ("Far East Global", 00830.HK). By the end of 2013, the total asset value of the Group reached HK\$370 billion and the total market value exceeded HK\$250 billion.

Organisational Structure of the Group (updated on December 31, 2013)



By the end of 2013, the total asset value of the Group reached HK\$ **370** billion and the total market value exceeded HK\$ **250** billion.

The primary businesses of the Group include property and construction. Our property business is operated mainly through COLI and COGOGL via land acquisition and investment, construction planning, design and execution, sales and marketing, after-sales service and property management; the construction business is operated via CSCI and Far East Global includes construction and infrastructure investment. (For more details on property and construction businesses, please refer to COLI and CSCI CSR Reports published in 2013)



Summarised Economic Data of the Group in 2013

Direct Economic Value	HK\$ (thousand)
Revenue	106,195,656
Distributed Economic Value	
Operating cost (cost of construction and sales and direct operating expenses)	75,203,817
Total employee salaries and benefits	3,869,058
Total donations	10,433
Payment to capital providers	622,109
Tax paid to national governments	10,740,416

For more information about our Group, please visit our website www.cohl.com.

3.2 Awards and Honours

In 2013, the Group continued to actively fulfil its corporate social responsibility and achieve good economic, environmental and social performance. Our achievements are recognised in the community. We will continue to advance our agenda on CSR through continuously improving our management and performance in the future.

Awards and Recognitions in 2013

Award	Awarded Units	Awarding Bodies
Caring Company Logo 2011/12	China Overseas Holdings Limited China Overseas Land & Investment Ltd. China State Construction International Holdings Limited	The Hong Kong Council of Social Service
Hong Kong Outstanding Corporate Citizen Award - Enterprise Category - Merit Award	China Overseas Holdings Limited	Hong Kong Productivity Council and the Committee on the Promotion of Civic Education
CSR Advocate Mark	China Overseas Holdings Limited	Hong Kong Quality Assurance Agency
United Nations Millennium Development Goals - Green Office Awards Labelling Scheme, Better World Company Label and Green Office Label	China Overseas Holdings Limited	World Green Organization and Junior Chamber International North District
Hang Seng Sustainability Index Series	China Overseas Land & Investment Ltd. China State Construction International Holdings Limited	Hang Seng Indexes Company Limited



3. About the Group

Award	Awarded Units	Awarding Bodies
Index Component of the Dow Jones Sustainability Indices	China Overseas Land & Investment Ltd. China State Construction International Holdings Limited	Dow Jones and Company
The Asset Corporate Awards (Titanium) - Financial Performance and Social Responsibility	China Overseas Land & Investment Ltd.	The Asset
2013 China Corporate Social Responsibility Awards on Real Estate Enterprises (Leadership) 2013 Real Estate Listed Company Award: Best Financial Value	China Overseas Land & Investment Ltd.	China Business News
Corporate Governance Asia Recognition Awards 2013 - Asia's Outstanding Company on Corporate Governance	China Overseas Land & Investment Ltd.	Corporate Governance Asia
No. 1 in 2013 Chinese Real Estate Enterprise Brand Value Top 50 No. 2 in 2013 Best Employer in Chinese Real Estate Top 30	China Overseas Land & Investment Ltd.	China Real estate Research Association, China Real estate Association and China Real estate Appraisal Center
The Best Board of Directors of Listed Companies in Hong Kong	China Overseas Land & Investment Ltd.	Moneyweek
China Blue Chip Real Estate Developer (No. 1 for the 10th consecutive year)	China Overseas Land & Investment Ltd.	The Economic Observer, Sina Leju



3. About the Group

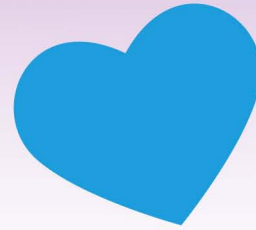
Award	Awarded Units	Awarding Bodies
Construction Industry Safety Award Scheme 2012/2013-several sites was awarded: Building Sites (Public Sector) (Gold), Building Sites (Public Sector) (Bronze), Civil Engineering Sites (Merit) and Safety Teams (Merit)	China State Construction International Holdings Limited	Labour Department and various organizations
Hong Kong Awards for Environmental Excellence (HKAEE) scheme-several sites were awarded: Energywise (Class of Good) and Wastewise (Class of Excellence)	China State Construction International Holdings Limited	Environmental Campaign Committee (ECC)

For more awards of COLI and CSCI, please refer to their CSR Report 2013.



4.

Inside-out CSR Development



4. Inside-out CSR Development

CSR is a multi-faceted concept with broad spectrum. To fulfil our corporate social responsibility and achieve win-win results with stakeholders, the Group recognises the importance in laying down a solid foundation to facilitate this. With our philosophy of “Exercise caution in details and implementation; Build a strong foundation to seek greater success” and sound corporate governance, we are determined to improve our CSR performance with the support from an outstanding workforce and our stakeholders.

4.1 Corporate Governance and CSR

The Group is committed to maintaining sound corporate governance and transparency, ensuring the Group’s business portfolio achieves business growth and providing enhanced value in a responsible way for our employees, stakeholders, communities and the environment.

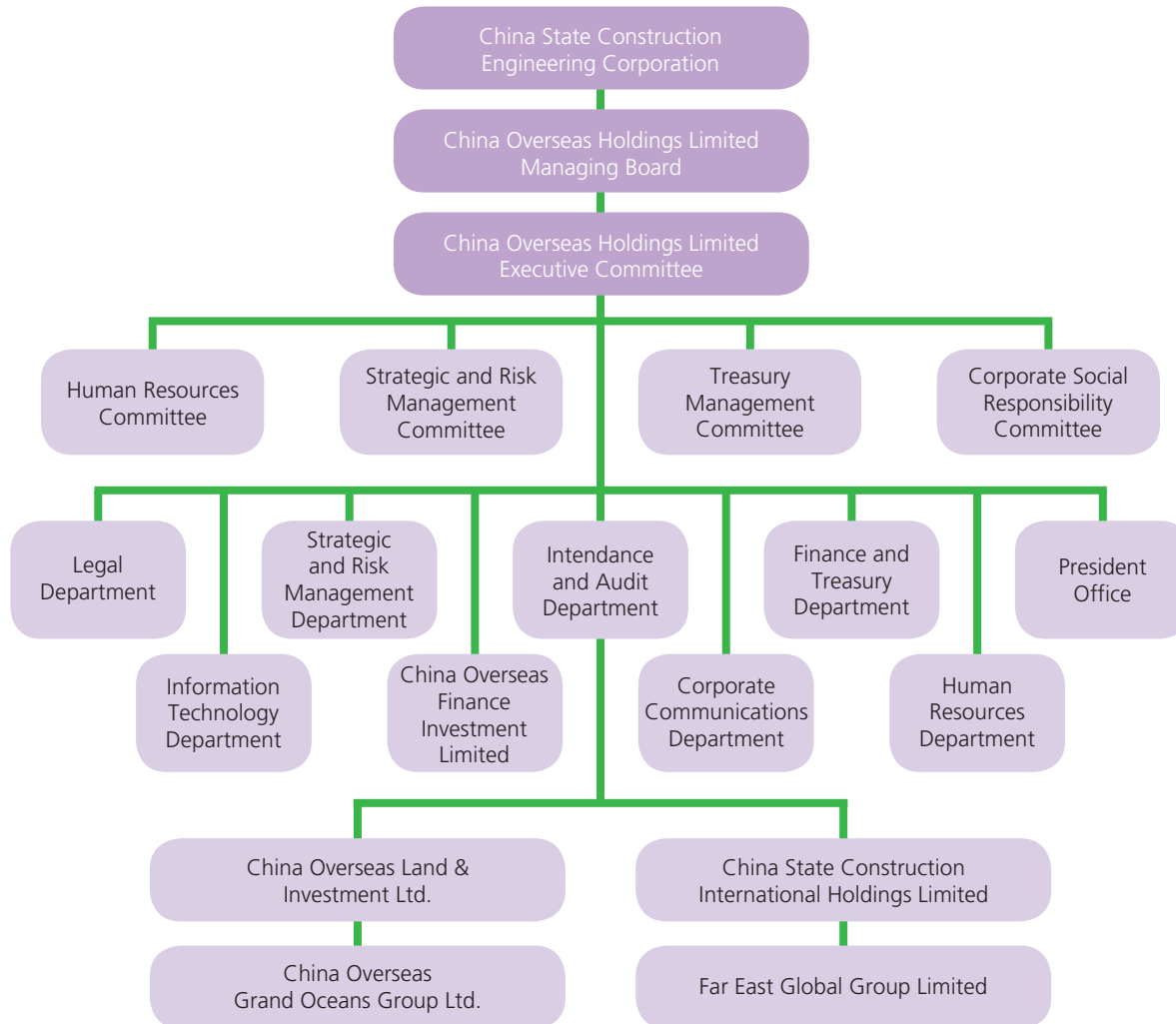
The Management Board and the Executive Committee have developed procedures and established decision-making mechanisms to encourage every employee to strive for continuous improvement in our operations.

The Group’s CSR Committee was established in 2008 and is the overall responsible body to manage and supervise CSR activities. The CSR Committee comprises senior management staff and department heads. The Management Board supervises the CSR Committee in order to develop and coordinate CSR policies and practices across the Group and our subsidiaries.

In 2013, we continued to promote sound corporate governance and ensure the management of CSR across the Group through our existing governance structure and CSR Committee.



Corporate Governance Structure



4.2 Caring and Supporting Employee Development

The Group adopts an innovative approach to support the development of our employees and our long term business development. We have recruitment and training programmes in place to support the sustainable development of the Group. We provide adequate support and care for our employees to grow and develop, and hence support the growth of the Group and meet the needs of our employees.

To adapt to evolving developments in the economy and in our industry, various training programmes are provided to our employees to strengthen their professional skills and competitiveness. Based on *COHL Employee Continuous Education and Training Measures*, the Group and our subsidiaries organised several training sessions for employees during 2013. A series of trainings covering management and leadership skills and professional courses were organised. For example, 10,072 courses were completed by COLI employees through the “E-learning Academy of China Overseas Property”, 20,712 online learning hours were accumulated; and the average participation rate for online learning was 21.8 times per person. More than 90% of staff participated in the training. CSCI had organised 88 training sessions for 2,518 participants. The satisfaction rate was 85.2% for course content and 87.5% for trainers. CSCI also approved 960 external training sessions.



4. Inside-out CSR Development

With property development and construction as our major businesses, occupational health and safety has always been our priority. In order to implement health and safe practices in our operations, we recognise the importance of raising awareness and enhancing the knowledge of safety as well as the implementation of various systems, policies and the use of safety devices among staff. For example, around 25,000 employees attended sites orientation training provided by CSCI, and around 100,000 employees attended training sessions for on-site operations in 2013. Health and safety issues were covered in those training sessions.

The Group is committed to enhancing human resource management, collecting feedback from employees and providing competitive remuneration packages. During the reporting year, we introduced a human resource management system, PeopleSoft, and launched a new online platform and portal in Hong Kong. Employees can set up personal profiles, check e-pay-slip and tax statements and apply for annual leaves online with the system. This self-help system makes information related to human resources selectively accessible to employees. This system not only reduces our paper consumption as stipulated in our Paper Free policy, it also enables employees to review and modify their profile and resume timely and accurately at anytime and anywhere. The system is currently implemented for our employees based in Hong Kong and we will expand this to more regions in the future. During the reporting period, we also improved the medical coverage of contracted employees, which was positively received.

To develop our corporate culture and enrich employees' lives, we continued to organise various sports, leisure and community activities through our Staff Association. For example, the Group's Staff Association organised the seventh "Voices of COHL" theatre festival, the fifth "Impressions of COHL" photography competition, the "Enjoy life, Show Talent and Promote Health" cooking competition, as well as activities to promote reading and writing themed "Bright CSCEC, Happy China", and the "Expand Space for Happiness" questionnaire survey. CSCI's Staff Association organised outward bound training, monthly birthday parties, weekly badminton games, and basketball and table tennis tournaments for staff. COLI's Staff Association organised several festival activities, birthday parties, built a corporate culture wall in the Intranet and etc., in line with the activities organised by the Group.

PeopleSoft does not only reduce our paper consumption as stipulated in our Paper Free policy, it also enables employees to review and modify their profile and resume timely and accurately at anytime and anywhere.



PeopleSoft, a HR management system introduced in 2013



The Seventh “Voices of COHL” Theatre Festival

The seventh “Voices of COHL” theatre festival was organised on November 15, 2013. The performance was organised to praise the acts of kindness that take place around us and provided an opportunity for employees to voice their feelings and reflect on their contributions to the Group’s businesses, CSR initiatives and talents development programme.

First act: Showcased the “Badge” musical poem and the “I Believe” dance to tell the stories of employees carrying out their job duties and provided highlights into the construction business in recent years.

Second act: Showcased a fashion drama “Rose” and a “Let Love Stay at My Home” dance video with the storyline based on a real estate office in a colourful community to act out the benefits of a value chain built around property development.

Third act: Showcased the “Moving into a New Residence” drama which expresses the relationship between staff from urban-rural development projects and villagers in a humorous way.

Forth act: Showcased the children’s play, “Listen to Me”, with the storyline based on the China Overseas Hope School’s students’ and teachers’ perspectives of activities organised under “The Sea has No Limit and Love has No Boundary” campaign.

Fifth act: Singing and recitations of “Because of a Dream”, “Love of the Sea” and “One Name” which depicted the pride and entrepreneur spirit of “Sons of the Sea”.



The Fifth "Impression of COHL" Photographic Competition

COHL and the Shenzhen Entrepreneur Photographic Association co-organised the fifth "Impressions of COHL" photographic competition in Huayin, Shaanxi Province on October 18, 2013. Over 6,400 photographs which captured COHL's development, economic achievements and harmonious living in Mainland China were submitted for the competition. After the review, the photograph "Melody" and other works were awarded in various categories.



"Melody" received the Gold Award

During the reporting year, the Group increased the workforce with new recruits through its "Sons of the Sea" programme. In 2013, it was the seventh year of the programme and 44 forums were organised in 27 cities in Mainland China. The Group and our subsidiaries successfully recruited 169 people from university campuses.

169 fresh graduates joined COHL in 2013 through the program "Sons of the Sea".

4. Inside-out CSR Development

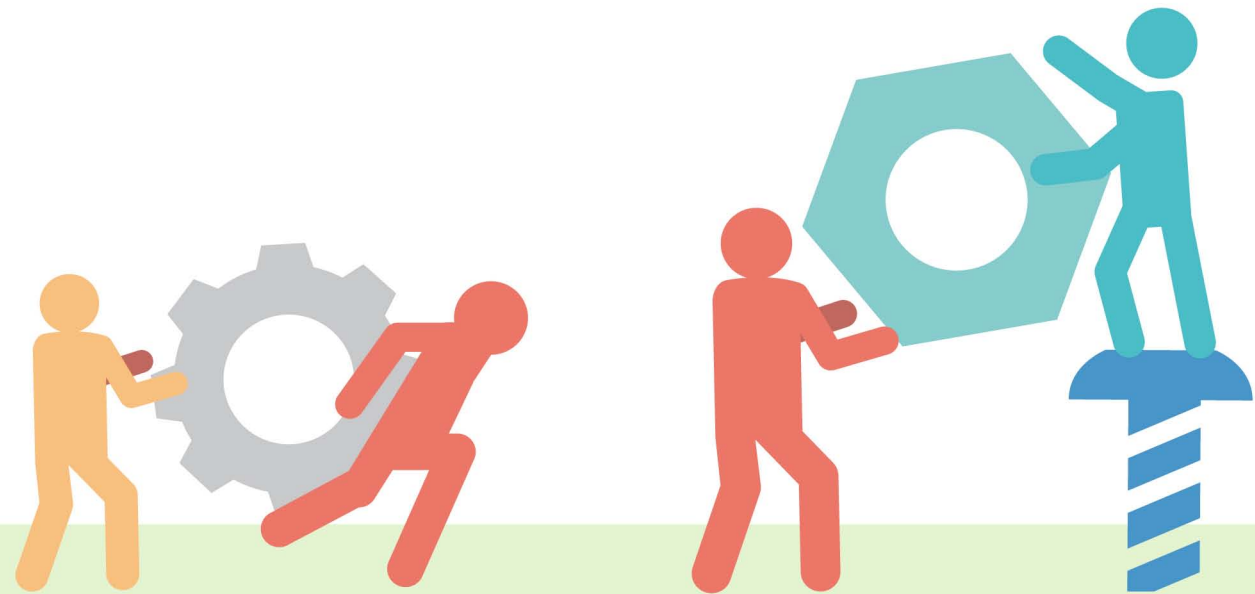
A two-year “China-Europe Leadership Development Partnership Programme” was co-organised by COHL Management School and China Europe International Business School (CEIBS) in November 2011. It was one of the important initiatives to enhance the capacity of senior management. The programme’s six modules covered topics such as macroeconomic analysis, financial management for decision-makers, strategy, human resource management, risk analysis and return, and leadership innovation. The training programme concluded in March 2013 and 22 students completed the course, giving positive feedback.



The graduation ceremony of “China-Europe Leadership Development Partnership Programme”.

22 employees completed the course of “China-Europe Leadership Development Partnership Programme”, and provided positive feedback.

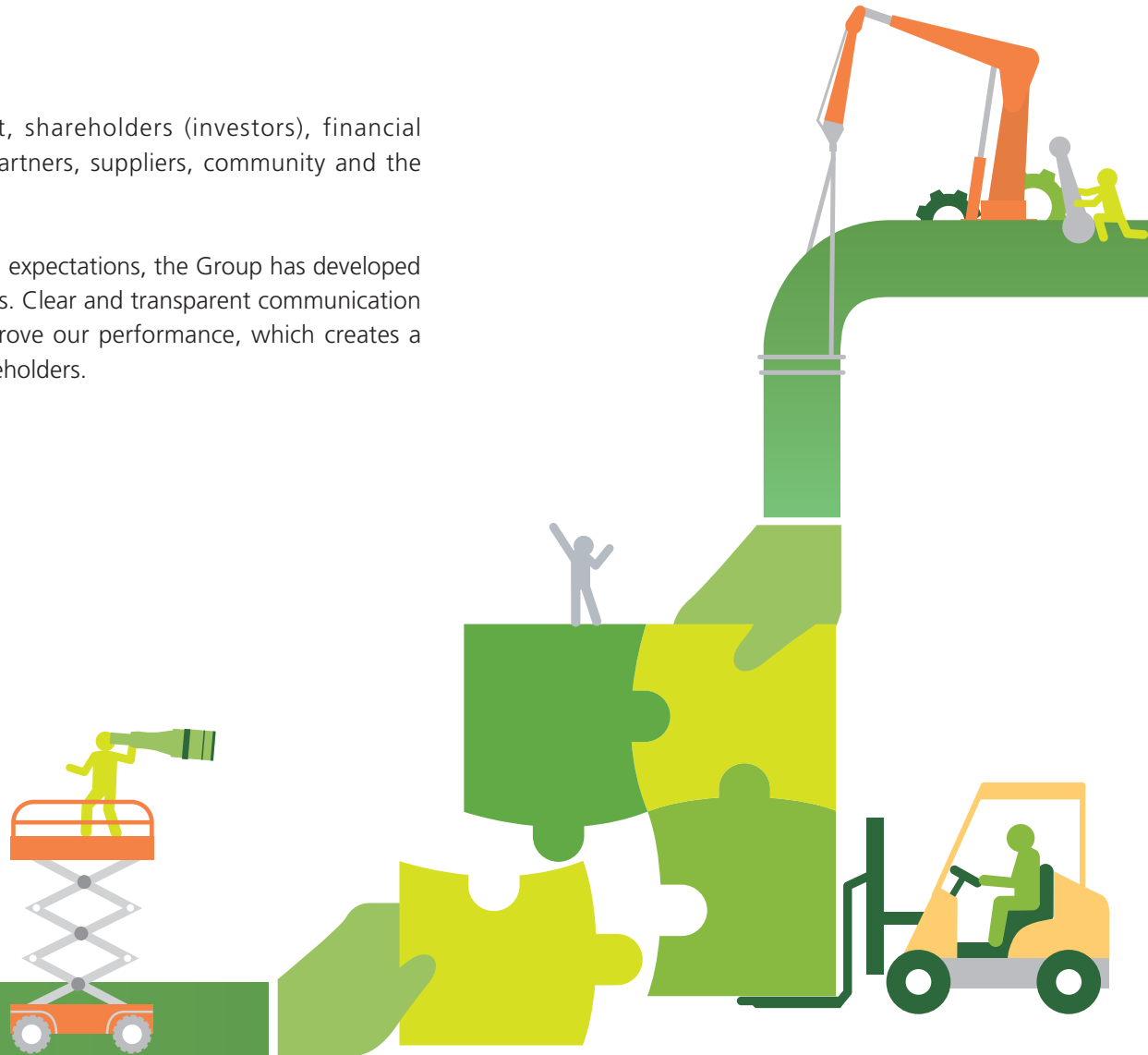
5. **Outside-in Development**



5.1 Stakeholder Engagement

The Group's stakeholders include government, shareholders (investors), financial organisations, employees, customers, strategic partners, suppliers, community and the general public.

To fully understand stakeholders' diverse needs and expectations, the Group has developed appropriate and effective communications platforms. Clear and transparent communication facilitates the sustainability management and improve our performance, which creates a win-win situation between the Group and our stakeholders.



5. Outside-in Development



5.2 Quality and Safety

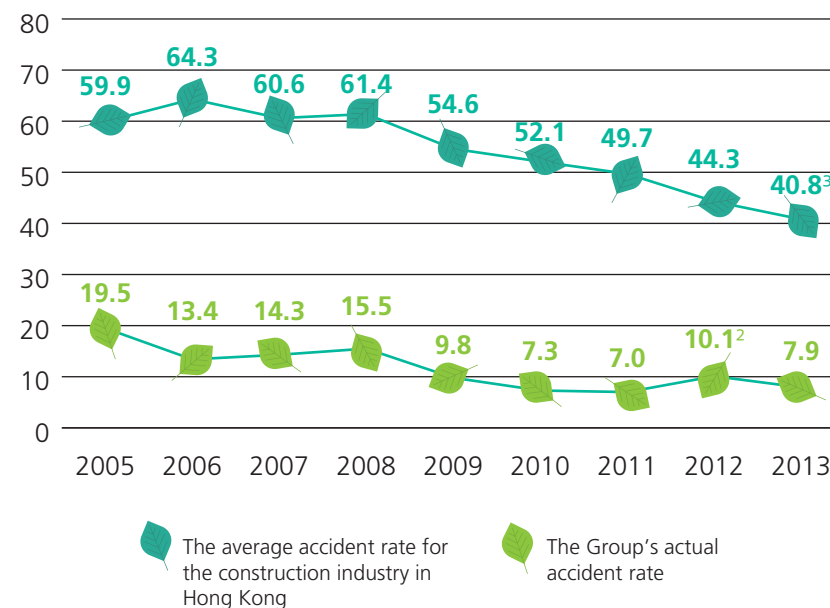
An effective management system is the key to ensuring project quality and safety. The Group endeavours to improve our management system and maintain our good performance through rigorous implementation.

Since its establishment, the business units of the Group have been improving quality and safety management systems. In the property development business, we developed *COLI Engineering Quality Management Handbook*, *COLI Engineering Planning Management Handbook*, *COLI Safe Construction Management System*, *Engineering Standard*, and *Prevention Guidance for Common Traits of Engineering Quality*; and in the construction business, we developed *Standard Working Protocol*, *Quality Management Handbook*, *Quality Monitoring Procedure for Key Steps of Engineering Project*, and *Requirements for Improving the Construction Quality of Property Engineering*.

In 2013, new management mechanisms have been added to strengthen our quality and safety performance. For example, our newly developed Environment and Safety Management System clearly defines the responsibilities of site managers in different areas of our construction sites. Over HK\$330,000 in cash incentives has been awarded to site managers with outstanding performance during the year. Since the introduction of the System, the overall safety performance at our construction sites has now improved and site managers are now more motivated to work on safety issues. Another example is the introduction of our Safety Management Award Scheme for Supervisors¹ and Workers of Sites in Hong Kong. Based on two previous schemes — the Safety Award Scheme for Sites Workers and the Stamp Incentive Handbook for Sites Safety, the new scheme provides awards to subcontractors' managers, enlarges the scope of the awards, and aims to encourage the supervisors to reinforce safety management among their workers. Under the new scheme, workers with sound safety performance can be nominated as Safety Officers, further improving the safety management of sites. The new scheme also makes our management approach clearer and easier to understand. The scheme defines safety duties for supervisors. They are required to hold pre-shift toolbox talks, explain the arrangement of work assignments in different areas, identify potential hazards and clearly inform workers of hazards in working area on a daily basis. The Group presents awards to the best performing supervisors and workers based on their monthly safety performance. In 2013, the Group awarded HK\$980,000 to the supervisors and workers of our subcontractors, who actively promoted safety awareness.

During the reporting year, CSCI also launched the Award Scheme for Comprehensive Management of Sites in Hong Kong to improve our management approach and enhance our overall operations. Taking into consideration of quality control, safety management, environmental management, security, corporate identity, property management and evaluation by the property owner, the Scheme provides awards to sites or units which fulfill the overall assessment instead of a single criteria. The overall performances of various sites have improved since the introduction of the Scheme.

Accident rate per 1,000 employees: sites constructed by COHL vs. industrial level



¹ The supervisors are sub-contractors' managers who manage their workers on sites.
² In our last report, we disclosed that the Group's accident rate of 2012 was 8.9. However, we found that it was incorrect and should be 10.1. It is updated in this report.
³ This data was released by the Commissioner for Labour of Hong Kong SAR in his speech at the kick-off of 2014 Construction Safety featured events. The speech content is available at this link (Chinese only): <http://www.info.gov.hk/gia/general/201405/09/P201405090817.htm>.



5.3 COHL and Community

Throughout the year, different activities have been organised by COHL to build a harmonious community.

During the reporting year, China Overseas Property Club (the “Club”) organised over 200 activities in various cities to foster friendships among property owners from different age group and background, as well as three nation-wide campaigns: Lohas Sports Season, Children’s Experience Camp, and Happiness Talent Show. Each was attended by members from more than 100 communities in over 20 regions in China and received positive results. The “Children’s Experience Camp” was awarded with “Insight of Customers Award” at the 2013 Horizon Golden Bell Award.

The Club also strengthens communications with and care for the future property owners who are waiting to move in. For example, it delivers and shares timely updates of their properties’ construction process via Weibo, WeChat, online forums and other social media and invites them to participate in activities organised in the community, which allow them to experience the living environment of the community created by the Group in advance.

Case study: Children’s Experience Camp

As a flagship community activity organised by COLI, the Camp was first launched in the COLI Hangzhou community in 2010 and it has now been rolled out across all communities developed by COLI in China with nearly 10,000 children of the property owners participating, becoming the featured activity in the China Overseas communities every summer. It is designed for children of property owners aged seven to fourteen who are invited to participate in “role-play” section such as being “little security patrols”, “little customer service officers” and “little gardeners”. It provides opportunities for participants to understand and respect the work of the people they meet every day and enhance their skills through open learning. The “public classroom” section promotes a civilised living concept among the children and teaches them the skills and knowledge to counter theft and fraud and ways to prevent and escape from fire, with the aim to enhance their ability to handle aspects of their life independently. Moreover, the Group has also organised a special cultural and arts performance to demonstrate the development and growth of the children, so that their parents can share their children’s experience and rewards from participating in this activity.



5. Outside-in Development

COHL has always been committed to education particularly for youth and growing talent in the property industry. In 2013, the Group continued to assist college students to plan for their future careers and develop to their full potential. We support the construction of Hope Schools funded by the China Overseas Charity Fund and promoted love beyond boundaries as reflected in our slogan —“The Sea has no Limit and Love has no Boundary”.

The Group continued to run our flagship programme, the “Sons of the Sea” to train talent for the property development industry in 2013. By providing internship and research opportunities for undergraduates and postgraduates, this helps them to plan their future career and provides employment opportunities to college graduates all over the country. In 2013, 169 people were recruited under this programme.



Forums and recruitment programs for employment under “Sons of the Sea” programme

By providing internship and research opportunities for undergraduates and postgraduates, the “Sons of the Sea” helps them to plan their future career.

5. Outside-in Development

In addition, the Group also encouraged our subsidiaries to take the initiative to support talent development. COLI, for example, developed the “Career Development Workshop” to facilitate the selection and training for those who have potential in the property development industry. Aimed at “Participation-based Training, Matrix Management, Competitive Cooperation and Product-style Output”, we organised various activities such as campus forums, recruitment programmes and school exchange seminars, as well as centralised courses, project visits, simulated company operations, internships and charitable activities. All of these activities can facilitate the career transformation of outstanding college and university students and enrich their corporate experiences. The year 2013 witnessed the seventh career development workshop of its kind, which attracted 237 students from 27 universities in 12 cities, such as Shanghai, Nanjing, Hangzhou, Dalian, Xiamen, Xi’an, Ji’nan, Chongqing, Wuhan and Shenyang, etc. The workshop lasted 36 days, provided three nationwide courses, nearly 20 regional courses, 28 campus promotions, generated 38 research reports, 37 innovative activities, 20 briefs, 20 videos and more than 700 questionnaire responses.

The “Career Development Workshop” organises various activities such as centralised courses, project visits, simulated company operations, internships and charitable activities to facilitate the career transformation of outstanding college and university students and enrich their corporate experiences.



Scene of Career Development Workshop



5. Outside-in Development

As of 2013, the Group has provided financial donations to build ten Hope Schools in Mainland China through the China Overseas Charity Fund. We carried out a series of activities to support the development of local teachers and students.

For example, we built China Overseas Libraries for students in underdeveloped regions. The China Overseas Library project has been implemented in the regional subsidiaries of COGOGL, including Dingnan yangtian Primary School in Ganzhou, the Xingke Qiaoxin Primary School in Lanzhou, and the Jiangnan Xiang Central Primary School in Jilin. This project was initiated by our subsidiaries and our employee volunteers also participated in this activity. The project builds libraries for rural primary schools with books donated and money raised from the public. It aims to broaden the vision and unleash the potential of school children through reading different categories of books.

For the first time in 2013, we set up a scholarship fund for outstanding students and provided awards for teachers from China Overseas Hope Schools, aiming at encouraging them to study and work hard, and enhance the interaction between the Group and the schools. In order to implement the focus of CSR on education development, the China Overseas Charity Fund provided scholarship to 162 students and teachers of six schools in 2013.

162 students and teachers
received scholarship from China Overseas
Charity Fund in 2013.

The Group has also been supporting environmental protection awareness and fund raising activities for the communities including the Charity Walk organised by the Community Chest of Hong Kong, "Walk for the Environment" organised by the Conservancy Association, the "Charity Walk" organised by The Hong Kong Island Social Services Charitable Foundation, Wu Zhi Xing Charity Walk and Corporate Challenge organised by Bank of China (Hong Kong).



China Overseas Majin Hope School: Incorporate Traditional Anhui-style Architectural Design Elements into an Ancient Town

The project planning and design for China Overseas Majin Hope School was completed by China Overseas Property Group (Hangzhou) and Huayi Design (Nanjing). To respect local culture and taking the surrounding buildings into consideration, we applied traditional Anhui-style architectural elements with the concept of “white walls, grey tiles” to the design. The project was designed with a unique style of simplified “horse-head-shaped” roof structure and to be cost-efficient. Majin Town, Kaihua, Zhejiang Province is an inspiring and picturesque place that produced outstanding people. Zhu Xi, a Song Dynasty Confucian scholar and educator, once lectured under the two ancient trees where the school was located. The Confucian Academy, “Ting Yu Xuan” is also located not far from the school. Whilst we were constrained by limited space on the building site, we nonetheless conserved existing trees with the respect to history. The school has a U-shaped layout with tracks, fields and basketball court placed to the south of the teaching building, creating conjoint space for students to play outside.



5.4 COHL and Environment

The Group places great emphasis on our environmental responsibility. The Group strives to improve our environmental performance over the building lifecycle including design, construction and property management. The Group promotes green building design, implements energy-saving and emissions-reduction measures on site. We incorporate environmental considerations into property management and office operations.

The Group's commitment to the environment:

- Comply with laws and regulations, contracts' terms and conditions and related requirements on environmental protection
- Reduce pollution
- Reduce construction waste
- Reduce natural resource consumption
- Achieve continual improvement
- Research and design of green buildings

Due to a building's long lifecycle and consequentially the energy consumption and GHG emissions, the design and application of green buildings is of great importance to their environmental performance. The Group follows the green building guidelines including the United States' LEED (Gold) certification, China Green Building Label and the Hong Kong BEAM Plus (Platinum). In 2013, COLI organised a General Analysis of Green Building Certification seminar, launched internal certification of green buildings at the beginning of the year and finalised specific design and operation plans for green buildings to be certified in the next few years. The *China Overseas Green Building Whitepaper*, which was developed based on many years of experience, is also used. Due to these efforts, we were able to deliver good environmental performance in 2013. Please see "2013 Key Performance Data" in the next chapter for details.

Green Building Certification Received in 2013

Project	Certification	Certification Body
China Overseas International Center AB, Chengdu	LEED (Silver Certification)	U.S. Green Building Council
China Overseas International Center CD, Chengdu	LEED (Gold Pre-certification)	U.S. Green Building Council
Uni Park, Shenyang	LEED (Gold Pre-certification)	U.S. Green Building Council
China Overseas Plaza, Shenyang	LEED (Gold Pre-certification)	U.S. Green Building Council

5. Outside-in Development

Construction usually involves large consumption of building materials, resources and energy, and generates dust, noise, emission and waste. To mitigate the negative impacts on the environment, the Group has introduced energy saving measures and improved construction procedures and technology for our construction sites. In 2013, CSCI revised several guidelines including *Environmental Management Handbook (4th Edition B)*, the *Environmental Management Procedures (4th Edition B)* and the *Internal Auditing Procedure for Environmental Management (4th Edition B)*, to improve environmental performance in our construction sites. During the reporting year, two reminders were issued based on the problems identified in the regular green audit for all sites in order to guarantee the excellent environmental performance.

The Group actively promotes environmental protection, sanitation and healthy living in the communities we serve. We engage with our communities and encourage them to take part in activities such as waste separation and recycling initiatives for batteries and clothing. We advocate a green and Lifestyles of Health and Sustainability (LOHAS).

During the reporting period, the Group and our subsidiaries continued to promote the green office. For example, the Group also took part in the United Nations Millennium Development Goals-Green Office Awards Labelling Scheme (GOALS), which is a green program initiated by the WGO and JCI North District. This first-ever programme attracted over 100 SMEs and corporations to participate and it aims to inspire, educate and motivate companies to make the first bold step to implement green best practices in offices. By adopting the best practices for green offices, energy savings, water savings, waste reduction, paper or printing, green procurement, application and disposal of IT, transportation, education and awareness, and green innovation, the Group was awarded both the United Nations Millennium Development Goal's Better World Company Label and the World Green Organisation's Green Office Label.

The Group actively promotes environmental protection, sanitation and healthy living in the communities we serve. We engage with our communities and encourage them to take part in activities such as waste separation and recycling initiatives for batteries and clothing. We advocate a green and Lifestyles of Health and Sustainability (LOHAS).



Green Office Label and Better World Company Label

5. Outside-in Development

In addition to exploring opportunities within our operations to improve our environmental performance, we also participate in green initiatives organised by the government and peers with the aim to build a low carbon society.

During the year, we established the China Overseas Garden, allowing employees to grow plants. The Group also subscribed to the "Greening Partner Charter" launched by the Development Bureau of the HKSAR Government and became a Greening Partner under the Charter. The Charter encourages the public to promote a green environment, effective tree management and to work together towards sustainable development for people and the environment. In 2013, the Staff Association of the Group assisted Hong Kong Chinese Enterprises Association to organise a tree planting activity for the volunteers in Chinese enterprises to enhance their awareness of environmental protection. We also subscribed to the Indoor Temperature Charter and Energy Saving Charter on No Incandescent Light Bulbs (ILB) developed by the Environment Bureau and the Electrical and Mechanical Services Department of the HKSAR Government. The Group made great efforts to observe the Charter, such as asking the property management company to set the air conditioning to between 24 and 26 degrees; installing electric water heaters and providing thermos jugs throughout the offices, thus reducing the energy needs for providing boiled drinking water; replacing office lighting with T5 light tubes to further reduce energy consumption; and setting up separate light switches for each department and room; and encouraging colleagues to turn off lights when leaving the office.

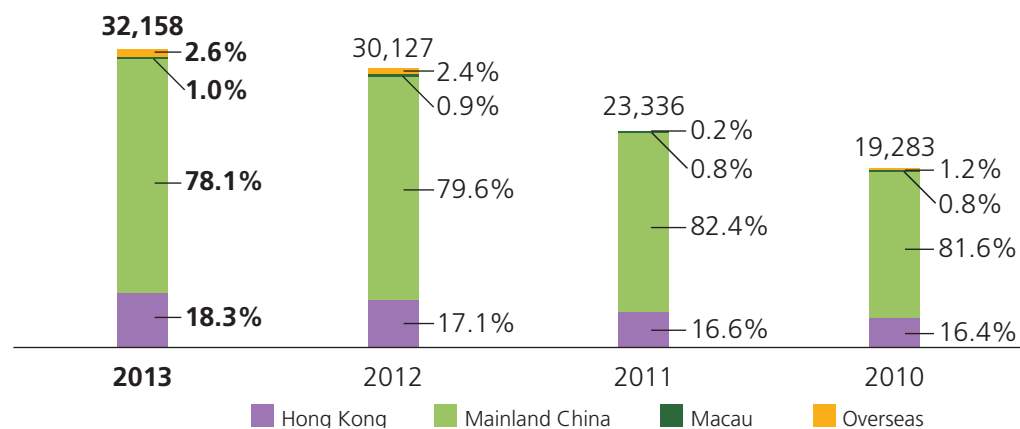


6.
**2013 Key
Performance
Data**



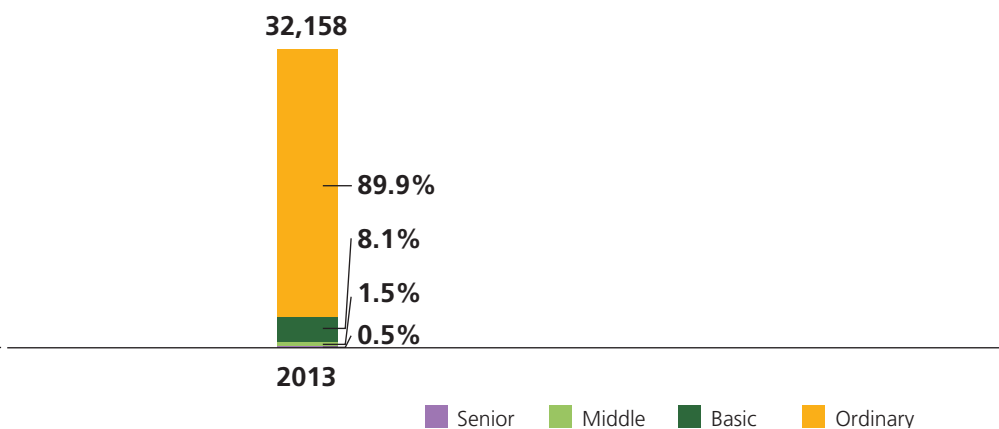
Human Resource Overview

By Location

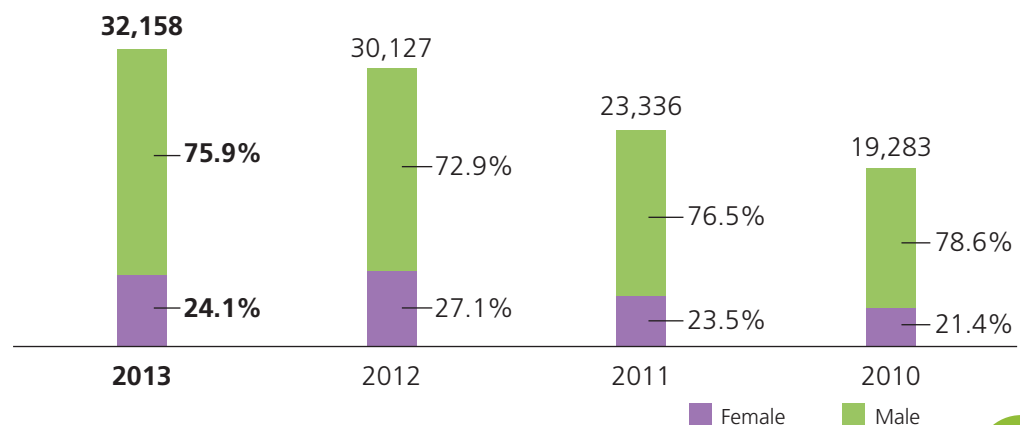


By Position Level

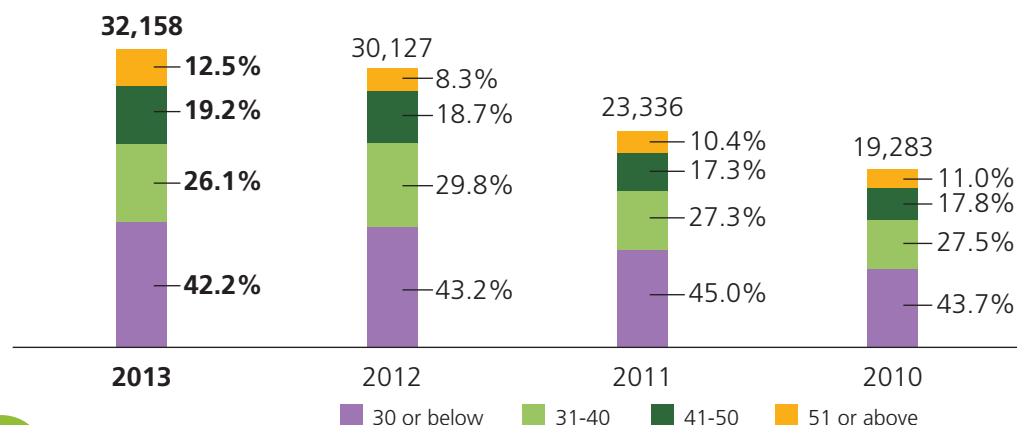
Total no. of employees in 2013: 32,158



By Gender

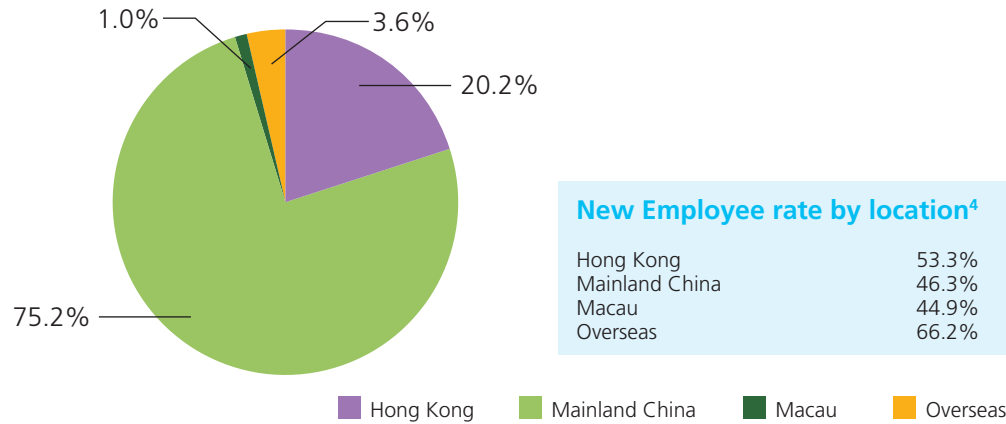


By Age



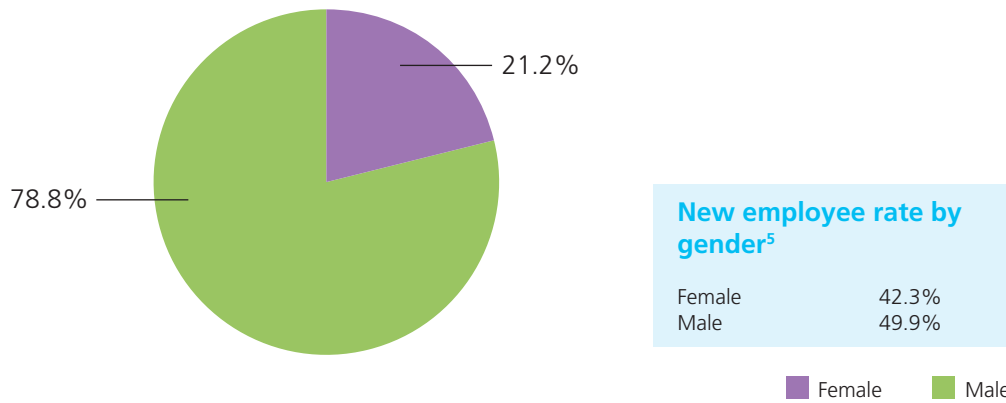
New Employees

By Location

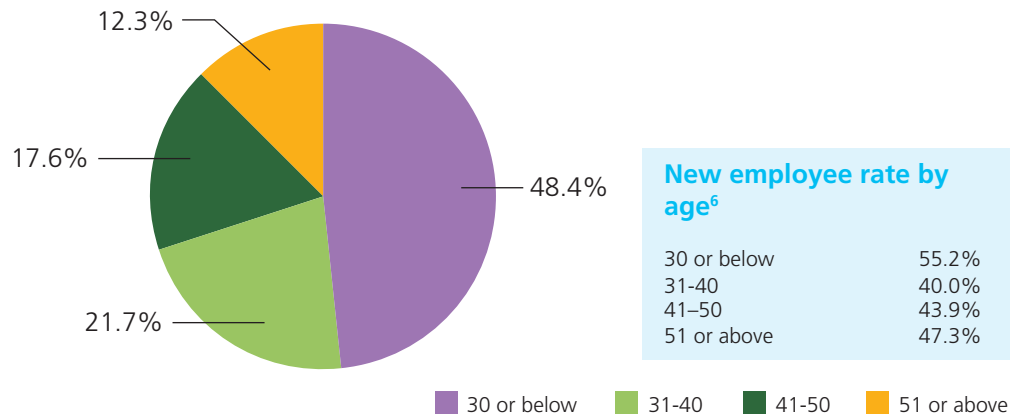


Total no. of new employees in 2013: 15,459
Total new employee rate: 48.1%

By Gender



By Age

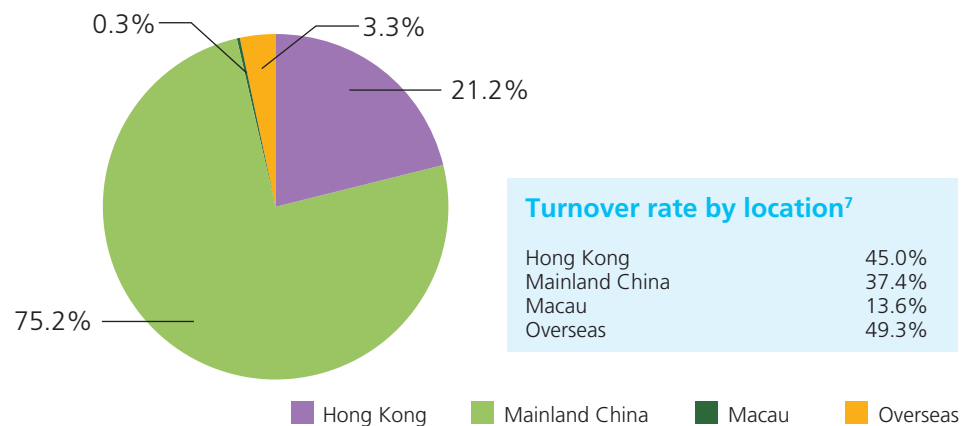


⁴ Total no. of employees by each location/Total no. of new employees by each location
⁵ Total no. of employees by each gender/Total no. of new employees by each gender
⁶ Total no. of employees by each age group/Total no. of new employees by each age group



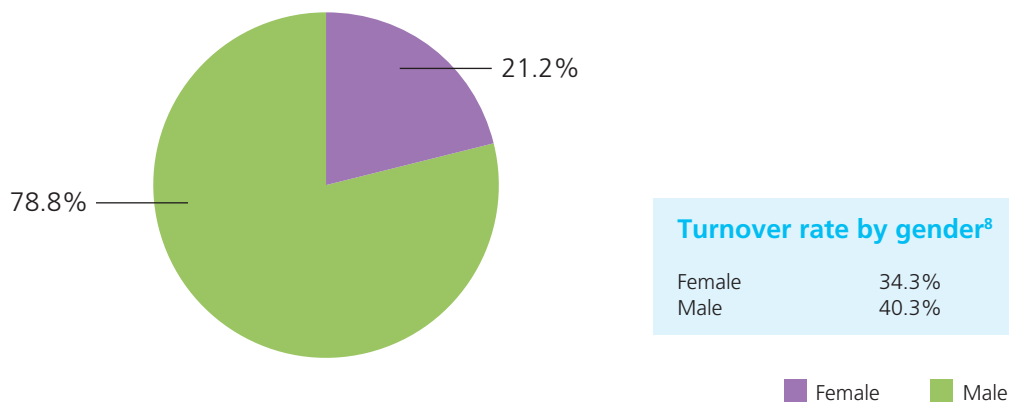
Employee Turnover

By Location

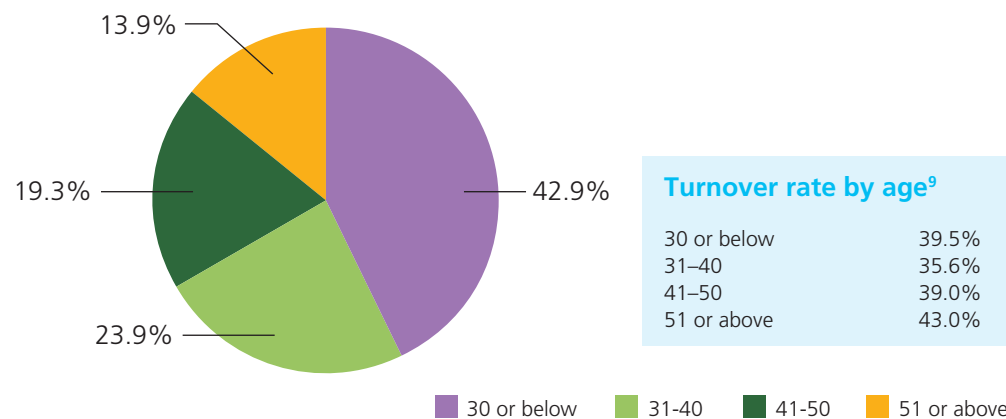


Total no. of employee turnover in 2013: 12,485
Total turnover rate: 38.8%

By Gender



By Age



⁷ Total no. of employees by each location/Total no. of employees turnover by each location
⁸ Total no. of employees by each gender/Total no. of employees turnover by each gender
⁹ Total no. of employees by each age group/Total no. of employees turnover by each age group



Injuries Data

By location	Number	Accident Rate per 1,000 employees ¹⁰
Hong Kong	71	12.1‰
Mainland China	48	1.9‰
Macau	0	0
Overseas	0	0
Total injuries no./Overall accident rate	119	3.7‰

By Gender	Number
Male	98
Female	21
Total	119

Training Data

By Gender	Average training hours per employee (hours)	Total training hours (hours)
Male	68.85	1,681,840
Female	76.14	588,702

By Position Level	Average training hours per employee (hours)	Total training hours (hours)
Senior	51.2	7,527
Middle	52.38	25,618
Basic	61.53	160,225
Ordinary	90.93	2,629,690

¹⁰ Accident rate per 1,000 employees = number of incidents/average number of on-site workers every day

Environmental Data

	Unit	Consumption
Direct Energy Consumption		
Diesel	Litre	20,502,617
Bio-diesel	Litre	1,200
Petrol	Litre	12,996,799
Indirect Energy Consumption		
Electricity consumption at the Group's offices	Kwh	86,537
Electricity consumption at company offices involved in property development business	Kwh	3,968,306
Electricity consumption at properties managed by the Group	Kwh	7,235,787
Electricity consumption at construction sites and precast fabrication factory	Kwh	191,647,990
Total	Kwh	202,938,620
Water consumption*		
Water consumption at company offices involved in property development business	cubic meters	138,334
Water consumption at properties managed by the Group	cubic meters	284,414
Water consumption at construction sites and precast fabrication factory	cubic meters	9,287,491.8
Total	cubic meters	9,710,239.8

* It is not feasible to calculate the water consumption at the Group's offices due to the facility limitation of the buildings in which the Group is located.



6. 2013 Key Performance Data

	Unit	Consumption
Paper Usage		
Paper used by the Group's offices	tonnes	0.0237
Paper used by the company offices involved in property development and management business	tonnes	260
Paper used by company offices involved in construction business	tonnes	180,975
Total	tonnes	441
Major Construction Materials Usage		
Concrete	cubic meters	3,266,106
Cement mortar	cubic meters	746,640
Reinforcing steel bar	tonnes	331,938
Joist steel	tonnes	24,948
Disc	tonnes	3,766
Cement	tonnes	457,304
River sand	tonnes	1,366,574
Stones	tonnes	3,678,929
Bricks	tonnes	541,534
Concrete flooring materials	tonnes	3,608
Construction Waste		
Solid waste	tonnes	2,162,765
Site recycled materials	tonnes	124,340
Material reutilised on site	tonnes	541,028
Site waste treated by landfill	tonnes	127,914
Site waste treated by fill bank for reuse in reclamation and site formation	tonnes	1,457,405



7. Feedback Form

Thank you for reading the CSR Report of China Overseas Holdings Limited 2013. We hope to receive your feedback to help us to better fulfil our CSR responsibility and make continuous improvements. Please feel free to provide your suggestions and comment.

[Feedback Form](#)

