



**新創建 NWS**

NWS HOLDINGS LIMITED

STOCK CODE: 659

**SUSTAINABILITY  
REPORT  
2017**





## CORPORATE PROFILE

Headquartered and listed in Hong Kong, NWS Holdings Limited (“NWS Holdings”, together with its subsidiaries, the “Group”, Hong Kong stock code: 659) is the infrastructure and service flagship of New World Development Company Limited (“NWD”, Hong Kong stock code: 17). As one of the leading infrastructure players in Mainland China, NWS Holdings possesses an extensive business network in managing and operating 94 projects in four major segments, namely Roads, Environment, Logistics and Aviation. The Services division covers Facilities Management, Construction & Transport and Strategic Investments.



## VISION, MISSION AND CORE VALUES

### Vision

To build a dynamic and premier group of infrastructure and service management companies driven by a shared passion for customer value and care

### Mission

Synergize and develop business units that:

- Nurture total integrity
- Attain total customer satisfaction
- Foster learning culture and employee pride
- Build a world-class service provider brand
- Maximize financial returns

### Core Values

- Reputable customer care
- Pride and teamwork
- Innovation
- Community contributions and environmental awareness
- Stakeholders' interest

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# CEO MESSAGE



At NWS Holdings, corporate sustainability is the bedrock of our success. The principles of sustainability are ingrained in our vision, strategy and decision-making processes to ensure that we take a broad and long-term perspective in running our business. In this spirit, we stay vigilant in managing market risks and economic volatilities, and focus on delivering lasting value to the communities in which we operate.

Over time we have made steadfast progress in our pursuit of a sustainable future, but we would not rest on our laurels. We will continue to strive towards further advances, both by investing in environmental businesses, and by enhancing our management structure, optimizing operational practices, and driving new initiatives.

The global drive towards cleaner growth and low-carbon economies presents tremendous investment opportunities in the environmental sector. We are tapping into growing opportunities in Greater China through Chongqing Derun Environment Co., Ltd. and the restructured SUEZ NWS Limited (“SNL”), the latter of which is an expanded partnership between the Group and our long-time French partner, SUEZ. With a footprint across 27 cities in Greater China and the capability to provide innovative solutions in water and wastewater treatment, waste management, and renewable resource recycling and utilization, SNL is primed to meet the region’s most pressing resource-management challenges.

Our unwavering commitment to sustainability is also reflected in the continuous enhancements being made to our management systems, committees and policies, which together form the backbone of our sustainability management structure. In this reporting year, we elevated our policies in corporate social responsibility and environment to create a focused “Sustainability Policy”, and renamed the Corporate Social Responsibility Committee as Sustainability Committee. This has helped to clearly stamp our commitment to sustainability into the Group’s governance structure.



# CEO MESSAGE

As well as offering competitive remuneration, training and career advancement for our most important assets – our employees – the Group strives to provide development opportunities and a healthy work-life balance. We believe in the value of diversity and equality, and uphold it with policies, guidelines and supervising committees accordingly. We have also established new recruitment and job-shadowing programmes to help disadvantaged people unlock their potential. In addition to building an equitable working environment for staff, we organize family activities, provide medical subsidies for staff's dependents, and adopt flexible working hours schemes whenever possible.

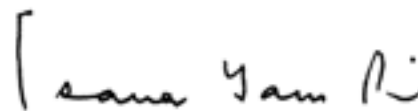
Our care for people extends to local communities. Our NWS Volunteer Alliance and the NWS Holdings Charities Foundation celebrated their 15<sup>th</sup> and 10<sup>th</sup> anniversaries respectively in 2017, marking two important milestones in our social engagement. Over the years, our corporate volunteers have clocked over 165,000 hours of voluntary service for those in need, and we have donated more than HK\$26 million for many social causes. To help nurture the younger generation, a new collaborative programme with schools and community partners was launched in late 2016. The NWS Career Navigator for Youth programme helps equip teachers, students and early school-leavers with career planning skills, and inspires young minds to unleash their full potential.

NWS Holdings' environmental vision is evident in its day-to-day operations. We are on track to upgrade our bus fleet with greener models as they become available. As at the end of this reporting year, over 80% of our 1,600-strong bus fleet met or exceeded Euro 5 emission standards. In response to rising demand for sustainable buildings, our construction company, Hip Hing Construction Company Limited, has formed a partnership with an external research institute to develop green building materials. This has delivered an award-winning technology that can produce high-performance lightweight concrete. This concrete makes buildings significantly less heat-absorbing, reducing air-conditioning and electricity usage and, in turn, emissions.

In working towards a sustainable future, we believe in the power of many working towards a common goal. With this in mind, we always look for new ways to improve sustainability in collaboration with our partners, suppliers, contractors and customers. In the reporting period, our construction arm has introduced new incentive schemes to honour and reward subcontractors' excellence in safety, quality and environmental performance, in tandem with formulating new plans and protocols with subcontractors to mitigate emerging environmental risks. Further to receiving ISO 20121 Event Sustainability Management System certification, Hong Kong Convention and Exhibition Centre, managed by our subsidiary, has been offering a new LoveGreen Meeting Package since July 2016. Event organizers can choose from a range of practical options to support environmental protection and encourage their guests to play their part.

Our sustainability work is underpinned by an on-going review process. By benchmarking our performance against industry peers and sustainability leaders, we get a clearer view of where we stand, learn from the best, develop new priorities and targets, and plan ahead. It is for these reasons that we take part in international and local sustainability benchmarking schemes. I am pleased to report that NWS Holdings has continued to be a constituent stock of the Hang Seng Corporate Sustainability Benchmark Index for seven consecutive years. We have also been named, for the second time, the Index's top performer in Fair Operating Practices, recognizing our effort to promote ethical and responsible business practices.

We would like to extend our gratitude to all of our stakeholders for your immense support to NWS Holdings in the past year. We are confident that, working together, we can in future make even greater strides along our sustainability journey.



**Tsang Yam Pui**  
Chief Executive Officer



# ABOUT THIS REPORT

This year we continue to produce our report in accordance with the Core option of the Global Reporting Initiative (“GRI”) G4 Sustainability Reporting Guidelines, and the Environmental, Social and Governance Reporting Guide (“ESG Guide”) set out in the Appendix 27 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Hong Kong Stock Exchange”). For detailed information about the “comply or explain” provisions of the ESG Guide, please refer to the performance tables and GRI/ESG Guide content index on page 45 to 57.

We report our management approach, strategy, performance and progress, focusing on seven aspects of sustainability: corporate governance, economic, environment, labour practices, human rights, society and product responsibility.

A comprehensive materiality assessment, which considers the views of our internal and external stakeholders, has been conducted to identify the Group’s material issues to guide the preparation of this report. The Reporting Methodology on page 11 to 13 has more information about the process to determine the material issues.

## PROFILE AND SCOPE

NWS Holdings invests and operates a broad range of businesses under the division of Infrastructure and Services respectively, with geographical footprint primarily covering Hong Kong, Mainland China and Macau. The boundary of this report covers businesses over which the Group has major financial and operational control, and those of environmental, social and governance significance to the Group and its stakeholders. The following companies or entities are covered in this report:

- Corporate Office of NWS Holdings
- Hong Kong Convention and Exhibition Centre (Management) Limited (“HML”)
- Free Duty
- Hip Hing Construction Group (“Hip Hing”, mainly comprising Hip Hing Construction Company Limited and Vibro (H.K.) Limited)

- New World Construction Company Limited (“NWCON”)
- New World First Bus Services Limited (“NWFB”) and Citybus Limited (“Citybus”)
- New World First Ferry Services Limited (“NWFF”)
- Hangzhou Guoyi Expressway and Bridge Management Co., Ltd. (“Hangzhou Guoyi”)

For further information about our businesses and financial performance, please refer to our [Annual Report 2017](#).

## REPORTING PERIOD

This report covers the period from 1 July 2016 to 30 June 2017 (“FY2017”). Previous financial years’ information and data are also included for comparison purposes. FY2016 refers to the period from 1 July 2015 to 30 June 2016, FY2015 to the period from 1 July 2014 to 30 June 2015, and FY2014 to the period from 1 July 2013 to 30 June 2014.

## ASSURANCE AND VERIFICATION

SGS Hong Kong Limited (“SGS”) has independently verified the content of this report, assuring the fulfillment of the above reporting guidelines’ requirements. The assurance statement can be found on page 58.

## CONTACT

We welcome your feedback so that each year we can make this report more valuable to our stakeholders. Please send your feedback to: [sustainability@nws.com.hk](mailto:sustainability@nws.com.hk).

# PERFORMANCE HIGHLIGHTS

For the year ended 30 June 2017



## ECONOMIC

Revenue

**HK\$31,385.0 million**

Profit attributable to shareholders

**HK\$5,628.9 million**

Net assets

**HK\$49,275.0 million**



## CORPORATE GOVERNANCE

**Zero**

reported incidents of corruption



## HUMAN CAPITAL

**11,874**

employees from the reporting entities<sup>1</sup>

Over

**160,000**

hours of training accumulated by employees of reporting entities



## COMMUNITY CARE

**HK\$3.45 million**

contributed to charitable causes through NWS Holdings Charities Foundation ("Charities Foundation")

Over

**14,000**

hours of community service clocked up by corporate volunteers



## VALUE CHAIN

More than

**75%**

of procurement budgets of reporting entities were spent on local suppliers<sup>2</sup>

Approximately

**5.7 million**

visitors attended events at Hong Kong Convention and Exhibition Centre

Around

**15,000**

jobs provided monthly by our construction businesses in Hong Kong<sup>3</sup>

Approximately

**1.1 million**

patronage were carried by our bus and ferry fleets per day



## ENVIRONMENTAL PERFORMANCE

Over

**1,300**

Euro 5 or above buses in service

About

**1 million**

tonnes of waste diverted from landfills

**30**

new construction projects in Hong Kong received BEAM Plus or LEED green building certification

<sup>1</sup> As at 30 June 2017, approximately 28,100 employees were employed by entities under the Group's management.

<sup>2</sup> A local supplier is defined as an organization or a person that provides a product or service to the reporting entity and that is based in the same geographical market as the reporting entity, according to the G4 Sustainability Reporting Guidelines. This figure excludes NWSFF, which spent about equal split of its procurement budget on local and non-local suppliers because many specialized items, such as spare parts for ferries, cannot be sourced from suppliers based in Hong Kong.

<sup>3</sup> These include employees hired by our construction companies, and construction workers hired by these companies' subcontractors.

# PERFORMANCE HIGHLIGHTS

## MAJOR AWARDS AND RECOGNITIONS

Award and awardee(s)	Organizer(s)
The constituent stock of the Hang Seng Corporate Sustainability Benchmark Index 2017-2018 (NWS Holdings)	Hang Seng Indexes Company Limited
One of the top 100 Hong Kong Listed Companies (NWS Holdings)	QQ.com and FINET
15 Years Plus and other Caring Company Logos (NWS Holdings and 11 member companies)	The Hong Kong Council of Social Service
Silver Award in the Enterprise category and Bronze Award in the Volunteer Team category at the seventh Hong Kong Corporate Citizenship Programme (NWS Holdings)	Hong Kong Productivity Council
Distinguished Family-Friendly Employers 2015/16 in the Corporations category and the Special Mention (Gold) Award (NWS Holdings)	Family Council
Outstanding Social Capital Partnership Award (NWS Holdings)	Community Investment and Inclusion Fund
Best Employer Brand Award and Dream Employer of the Year at the Asia's Best Employer Brand Awards 2017 (NWS Holdings)	World HRD Congress
Best Convention and Exhibition Centre in Greater China (HML)	<i>CEI Asia</i> magazine
Gold Medal at the 45 <sup>th</sup> International Exhibition of Inventions Geneva (Hip Hing)	World Intellectual Property Organization of the Swiss Government and City of Geneva
Gold Award in Building Sites (Public Sector) at Construction Industry Safety Award Scheme 2016/2017 (Hip Hing)	Labour Department, HKSAR Government and associated institutions
Green Contractor Silver Award 2017 (Hip Hing)	Architectural Services Department, HKSAR Government



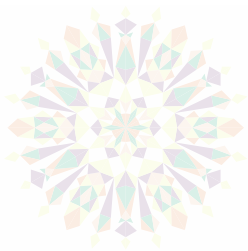
# PERFORMANCE HIGHLIGHTS

## MEMBERSHIPS

Organization	Level of membership
Business Environment Council	Corporate Member
Clean Air Charter	Signatory
Economic Development Commission, HKSAR Government	Member of Working Group on Convention and Exhibition Industries and Tourism
Employers' Federation of Hong Kong	Corporate Member
Environment Bureau, HKSAR Government – Energy Saving Charter on “No Incandescent Light Bulbs”	Signatory
Environment Bureau, HKSAR Government – Food Wise Charter	Signatory
Hong Kong Construction Association	Corporate Member
Hong Kong Exhibition & Convention Industry Association	Executive Committee Member
Hong Kong General Chamber of Commerce	Full Member
Hong Kong Green Purchasing Charter	Founding Member
International Association of Venue Managers	Member
Occupational Safety and Health Council	Green Cross Group Member
The Chartered Institute of Logistics and Transport in Hong Kong	Organization Member
The Hong Kong Council of Social Service – The Caring Company Scheme Patron's Club	Jade Member
The Hong Kong Green Building Council	Bronze Patron Member
The Hong Kong Management Association	Charter Member
The International Congress & Convention Association	Member
UFI – The Global Association of the Exhibition Industry	Member

# REPORTING METHODOLOGY

**NWS Holdings** is a growing conglomerate with an expanding geographical footprint across diverse industries. In this report, we have included businesses over which the Group has major financial and operational control, and those of environmental, social and governance significance to the Group and its stakeholders. Below is a snapshot of the reporting entities.



## REPORTING ENTITIES

### Hong Kong Convention and Exhibition Centre (Management) Limited

Hong Kong Convention and Exhibition Centre ("HKCEC") is managed by HML, our wholly owned subsidiary. With 91,500 square metres of gross rentable space, HKCEC is an award-winning venue for international exhibitions and conventions, having firmly established itself as a local icon and repeatedly winning awards for being the best convention and exhibition centre in Asia.



### Free Duty

Free Duty retails duty-free tobacco, liquor, perfume, cosmetics, package food and general merchandise at MTR Lo Wu, Hung Hom and Lok Ma Chau stations, Hong Kong-Macau Ferry Terminal, China Hong Kong Ferry Terminal and Hong Kong International Airport.

# REPORTING METHODOLOGY

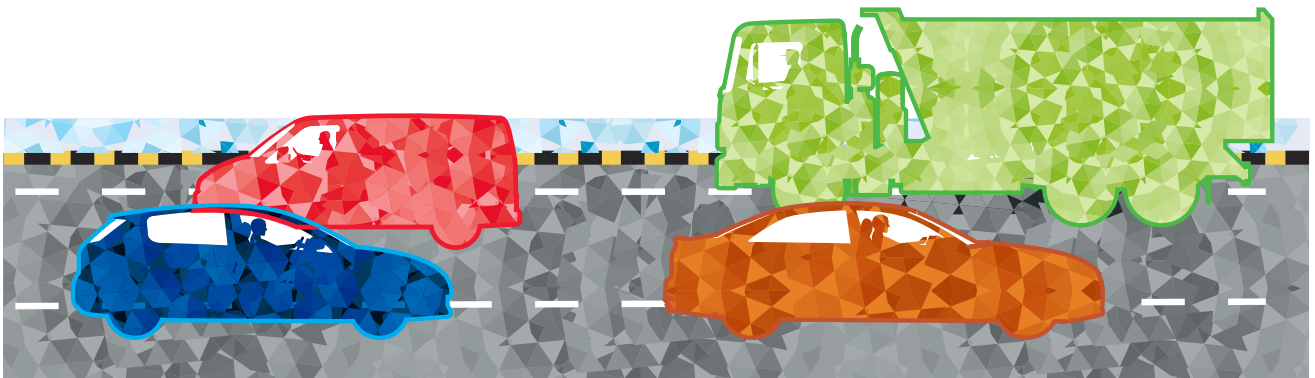


## Hip Hing Construction Group

As a leading construction contractor in Hong Kong, Hip Hing provides professional design, procurement, engineering and construction services to a wide range of public, commercial and private projects. As a member of the Hip Hing Construction Group, Vibro (H.K.) Limited is principally engaged in the design and construction of foundations and civil engineering works, as well as site investigation for clients in both public and private sectors.

## New World Construction Company Limited

The Company specializes in contracting and construction management, delivering reliable and efficient construction services to NWD.



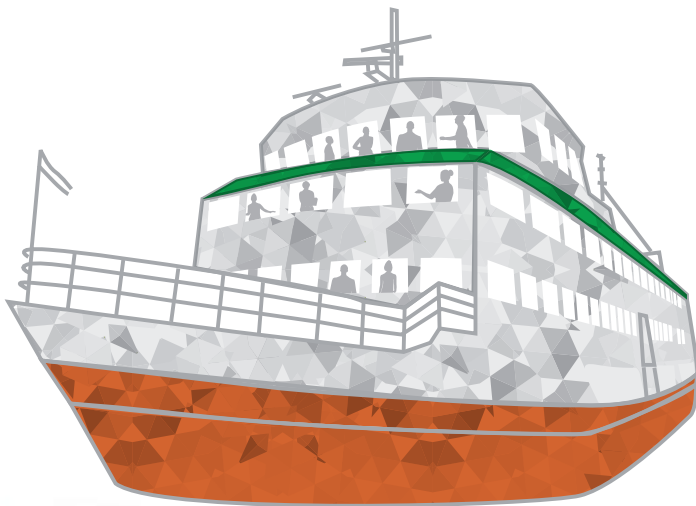
## Hangzhou Guoyi Expressway and Bridge Management Co., Ltd.

Managed by Hangzhou Guoyi, Hangzhou Ring Road is one of the largest transportation infrastructure developments in Hangzhou City, Zhejiang Province in Mainland China. Our toll road expressway encircling the city extends to a total length of about 103km in dual two to three-lane carriageways. With an average daily traffic flow of over 78,000 vehicles, the expressway is instrumental in driving the economic and social development of the city and that of the Yangtze River Delta region.

# REPORTING METHODOLOGY

## **New World First Bus Services Limited and Citybus Limited**

Becoming wholly owned subsidiaries of the Group in FY2017, these two bus companies provide safe, reliable, and efficient bus services in Hong Kong. With a combined fleet of over 1,600 air-conditioned buses, these franchised bus operators operate over 190 routes, serving more than one million passengers daily.



## **New World First Ferry Services Limited**

Operating five main routes between the inner harbour and the outlying islands of Hong Kong, NWFF carries approximately 40,000 passengers a day on its 17 owned vessels and three chartered vessels. NWFF became a wholly owned subsidiary of the Group in FY2017.

# REPORTING METHODOLOGY

## MATERIALITY ASSESSMENT

To ensure that this report addresses the issues that are of concern to the Group and are most significant to our stakeholders, we conducted a four-step assessment process to identify and prioritize the most pressing issues.



### Stakeholder Engagement

- Invited staff representatives to be surveyed on their concerns relating to specific sustainability issues.
- Engaged external stakeholders representing analysts, green groups, the media, and non-profit organizations with a questionnaire to seek their views on the issues they believe are most important for the Group to consider. We also make reference to feedback collected through our established channels, such as customer focus groups and online surveys.



### Industry Benchmarking

- Analyzed sustainability reports of peer companies in Hong Kong to identify commonly disclosed issues.
- Considered macro-sustainability trends that are relevant to the industries and locations of our operations.



### Prioritization

- All issues under review were plotted into a matrix based on survey results and peer disclosure research. From this, we determined the most important issues to prioritize in this report.



### Validation

- Engaged the Group's senior management to review and validate the key issues that had been identified and prioritized.
- Compared against our previous sustainability reports to arrive at 22 material issues for inclusion in this report, together with Corporate Governance.

# REPORTING METHODOLOGY

## MATERIALITY MATRIX



# REPORTING METHODOLOGY

## ISSUES AND BOUNDARIES

The following table presents the full list of material issues and corresponding boundaries that were most relevant to our businesses and stakeholders, based on the materiality assessments and stakeholder engagement conducted over the past two years.

#	Material Issue	Boundaries	
		Inside the organization	Outside the organization
<b>Corporate Governance</b>			
1	Corporate Governance (a standard disclosure required by the Hong Kong Stock Exchange and GRI)	Group	Shareholders, investors, regulators, general public
<b>Economic</b>			
2	Economic Performance	Group	Shareholders, investors, general public
3	Indirect Economic Impacts	Group	Customers, suppliers, subcontractors, general public
4	Procurement Practices	Group	Suppliers, subcontractors
<b>Environmental</b>			
5	Materials	Group	Suppliers
6	Energy	Group	Suppliers, subcontractors
7	Water	HML, Hip Hing, NWCON, NWFB, Citybus, NWFF	Suppliers, subcontractors
8	Emissions	HML, Hip Hing, NWCON, NWFB, Citybus, NWFF	Suppliers, subcontractors
9	Effluents and Waste	Group	Customers, suppliers, subcontractors
10	Compliance	Group	Suppliers, subcontractors
<b>Labour Practices and Decent Work</b>			
11	Employment	Group	
12	Occupational Health and Safety	Group	Subcontractors
13	Training and Education	Group	
14	Diversity and Equal Opportunity	Group	
<b>Human Rights</b>			
15	Non-discrimination	Group	General public
16	Human Rights	Group	Suppliers, subcontractors, general public
<b>Society</b>			
17	Local Communities	Group	General public
18	Anti-corruption	Group	Customers, suppliers, subcontractors
19	Compliance	Group	Suppliers, subcontractors
<b>Product Responsibility</b>			
20	Customer Health and Safety	Group (except Corporate Office)	Customers, general public, suppliers, subcontractors
21	Customer Privacy <b>(newly added this reporting year)</b>	Group	Customers, general public
22	Customer Satisfaction	Group (except Corporate Office)	Customers, subcontractors
23	Compliance	Group (except Corporate Office)	Suppliers, subcontractors

# REPORTING METHODOLOGY

## RESPONSES TO STAKEHOLDERS' FEEDBACK

We value stakeholders' feedback and suggestions, and work diligently to address their concerns in a timely manner. From past stakeholder engagement exercises, we have identified three areas of concerns to our stakeholders. The following highlights our response and the progress that we have made in the reporting year.

### VIEWPOINT

#### Address Labour Shortage

Hong Kong's labour shortage continues to be a pressing challenge to our operations across the Group, particularly in the construction and transportation sectors, which require a strong and stable supply of labour to support day-to-day operations. Stakeholders have advised the Group to take more measures to attract new recruits, and make improvements in staff well-being to improve retention.

### RESPONSE

The Group takes a comprehensive, long-term approach to this challenge, focusing on both recruitment and retention, and strengthening our position as an "Employer of Choice" in a competitive market. Recruitment and training schemes have been developed in response to people's desire for clear career prospects and personal development. These include NWFF's Marine Officer Trainee programme, which is designed to appeal to ambitious young recruits. We also partner with vocational schools and universities to identify outstanding students and provide them with targeted support and scholarships, and we tailor opportunities to suit the skills of disadvantaged people who might otherwise be excluded from the workforce. To retain capable staff, we provide competitive remuneration and benefits, while cultivating a caring and family-friendly corporate culture. (See more in the Human Capital section)

### VIEWPOINT

#### Engaging Customers

It was suggested that we should use a broader range of communication channels and initiatives to engage customers, so that continuous improvements can be made to our services.

### RESPONSE

We value input from our customers and strive to make use of every avenue available to get their feedback. To underline our commitment to customer satisfaction, we launched the Thumbs Up to Bus Captains programme in 2016, encouraging passengers to commend bus drivers who delivered outstanding service. Our passengers came forward with many heart-warming stories.

We also strive to reduce our environmental impact by working with our customers. HML's LoveGreen Meeting Package is a case in point. This package enables organizers of events at HKCEC to adopt various green measures, such as low-carbon menus, recycling facilities, and food donation. (See more in the Value Chain section)



# REPORTING METHODOLOGY

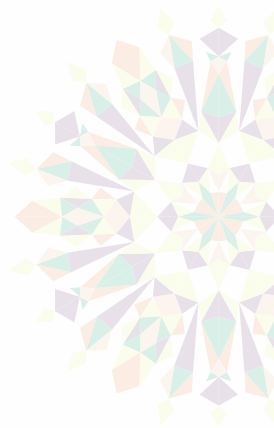
## VIEWPOINT

### Environmental Performance

The Group should work to improve its environmental performance wherever possible. Buildings consume up to 90% of electricity used in Hong Kong, so there is an increasing demand for greener buildings. As our construction companies are key players in the local building industry, we are expected to make a greater contribution to the sustainability of the cityscape.

## RESPONSE

We are well aware of the impact of energy consumption on the environment, and the Group's construction companies have been putting increasing attention and resources on the development of more sustainable buildings. In FY2017, Hip Hing helped invent a new form of strong lightweight concrete. This has lower thermal conductivity than regular concrete, so reduces the need for air-conditioning and in turn cuts energy consumption. Hip Hing has also trained up talents to support clients who are developing green buildings. (See more in Environmental Performance section)



# CORPORATE GOVERNANCE



# CORPORATE GOVERNANCE



NWS Sustainability Seminar 2017 gathers about 300 managerial staff from the Group to examine emerging sustainability trends and issues.

**SOUND** and effective corporate governance is essential to the value creation and risk mitigation of corporations. At NWS Holdings, we have established an integrated and robust management framework supported by Group-wide policies, dedicated committees and staff training to ensure corporate sustainability is on the radar of every staff member. We communicate with stakeholders, and regularly review our performances in order to stay at the forefront of sustainable development.

## INTEGRATED MANAGEMENT FRAMEWORK

As the highest governance body of the Group, the board of directors of NWS Holdings (the “Board”) is responsible for promoting the long-term success of the Group and sustainably growing shareholder value. It is tasked with directing business strategies, supervising executive management and ensuring corporate governance policies and practices are properly executed. As at 30 June 2017, the Board comprised six executive directors, four non-executive directors and five independent non-executive directors. Their biographies can be found on page 12 to 19 of our [Annual Report 2017](#).

Five board committees are charged with responsibilities pivotal to our continuous advancement in corporate governance. In FY2017, the Corporate Social Responsibility Committee was renamed as Sustainability Committee to better reflect its broader remit, which is to steer full-spectrum sustainable development at the Group level. Chaired by our Chief Executive Officer, the Sustainability Committee meets twice a year to review work progress, direct new strategies and oversee the implementation of the newly adopted “Sustainability Policy”.

# CORPORATE GOVERNANCE

## SUSTAINABILITY POLICY OF NWS HOLDINGS

Effective from January 2017, the new, all-encompassing “Sustainability Policy” replaces our “Corporate Policy on CSR” and “Environmental Policy” as our highest

governing policy on sustainable development. It sets out the broad range of commitments and principles we uphold, spanning Business Operations, Human Capital, Community Contribution, and Environmental Responsibility.

### *Business Operations*

- We create long-term value for our shareholders through a focused strategy and by developing synergy between business units.
- We observe high standards of corporate governance and ensure the effectiveness of our risk management and internal control system.
- We maintain the highest standards of ethics and integrity, and comply with all laws and regulations in our business transactions and operations.
- We deliver services and products that are safe and reliable, and do so in an environmentally responsible manner. We also strive to attain total customer satisfaction and to build our brand as a world-class service provider.
- We influence businesses in our supply chain to share our approach to corporate sustainability, and encourage our suppliers, business partners and customers to adhere to our principles on sustainable development.

### *Community Contribution*

- We strive to create a positive impact in the communities where we operate, by leveraging our strengths and resources, and through the Group’s charity arm, NWS Holdings Charities Foundation.
- We provide strategic, relevant and long-term support in the focused areas in line with those of NWS Holdings Charities Foundation.
- We form partnerships with like-minded civil society organizations that can provide the necessary expertise to enhance the impact of our community investment initiatives.
- We encourage and empower our employees to contribute to society by volunteering, and seek to raise their awareness of social and environmental issues.

### *Human Capital*

- We provide a safe and healthy working environment for our employees and are committed to preventing accidents, injuries and illness related to work.
- We promote equal opportunities and ensure that all employees are treated with dignity and respect regardless of age, gender, ethnicity and other forms of diversity.
- We provide competitive, fair and equitable remuneration, and invest in training and professional development to help our employees realize their full potential.
- We promote a healthy work-life balance and create an inclusive, family-friendly workplace to improve employee satisfaction and productivity.

### *Environmental Responsibility*

- We comply with all relevant environmental laws and regulations, and strive to exceed this basic requirement wherever possible.
- We take every reasonable and practical measure to conserve resources and minimize waste in our operations.
- We strive to contribute to the reduction of our greenhouse gas emissions by investing in clean and energy-efficient technologies and by reducing our energy consumption.
- We dedicate resources to increasing awareness, motivation and participation in environmentally-friendly initiatives among our staff as well as stakeholders in our supply chain.

# CORPORATE GOVERNANCE

The Environmental Management Committee, chaired by an executive director of NWS Holdings, is responsible for spearheading environmental progress at the operational level. Committee members meet twice a year to review performance, establish new targets and programmes, and share experience from across the Group. At our Corporate Office and within each individual operation, either an environmental committee or a Green Manager takes responsibility for optimizing environmental performance, boosting staff awareness, and sharing knowledge and best practices.

In addition to policies on corporate governance, risk management and sustainability, we have a “Corporate Policy on Staff Responsibilities”, which guides all staff on ethical issues and conduct, and informs their dealings with business partners. Our “Human Rights Policy”, drawn up from the United Nations Global Compact, complements this policy to further highlight our respect for the fundamental rights of our employees and our commitment to prohibit human rights abuses, such as child, forced and other unlawful forms of labour. The Group’s “Disclosure Policy for Inside Information” and “Whistleblowing Policy” guide employees in handling sensitive company information and reporting any misconduct.

For more information on the Group’s governance structure and practices, as well as our approach to risk management, please refer to page 24 to 57 of our [Annual Report 2017](#).

## ENABLING KNOWLEDGE SHARING

Our staff members are at the frontline of our pursuit of a more sustainable business, and we provide a range of ongoing training schemes to build staff knowledge in emerging trends and topical issues. One major training platform is the annual NWS Sustainability Seminar, which in FY2017 brought together about 300 managers from our business units for an interactive discussion, and was webcast live to benefit a broader pool of staff. The seminar covered the business outlook for Hong Kong and Mainland China and the impact of global economic policies; opportunities and risks presented by an aging market; and waste and resources management in building a smart city.

We also organize talks, workshops and site visits to keep staff members abreast of environmental trends and

innovations. In early 2017, about 30 Green Managers and managerial staff visited T•PARK, Hong Kong’s newest environmental landmark, to learn about the city’s waste issues and explore the latest waste-to-energy technologies.

The opinions of our stakeholders are invaluable in enabling us to gauge issues, risks, social expectations and impacts that are material to our operations. We therefore regularly engage with our stakeholders, including government officials, business partners, investors, the media, customers, suppliers, subcontractors and non-profit organizations, through focus groups, surveys and regular face-to-face meetings. In view of the wide array of our businesses, each member company has full autonomy to identify its own key stakeholders and the best ways of engaging with them.



**Green Managers and the Group’s management explore waste-to-energy technologies during a visit to T•PARK.**

## IN PURSUIT OF EXCELLENCE

Our drive for continuous improvement leads us to benchmark our performance against best practices and industry leaders. We also take part in sustainability benchmarking schemes in Hong Kong and around the world. The Group has been a constituent stock of the Hang Seng Corporate Sustainability Benchmark Index in Hong Kong since its inception in 2011. We have been named the highest-scoring constituent company in Fair Operating Practices for the second year, recognizing our high standards in upholding ethical behaviour and integrity.

# HUMAN CAPITAL



# HUMAN CAPITAL



Staff members of Corporate Office spell out “NWS” during a team-building activity.

**WE** treasure our staff for the enormous value they create, and regard our talents as our most important assets. We strive to recruit and retain high-calibre talents, to strengthen our workforce. Our approach to people management comprises broadening of the talent-recruitment platform, offering competitive remuneration and benefits, fostering professional training and development, and promoting a healthy work-life balance. Across our operations, we are consistently building a safe, inclusive and caring workplace.

## WORKPLACE DIVERSITY

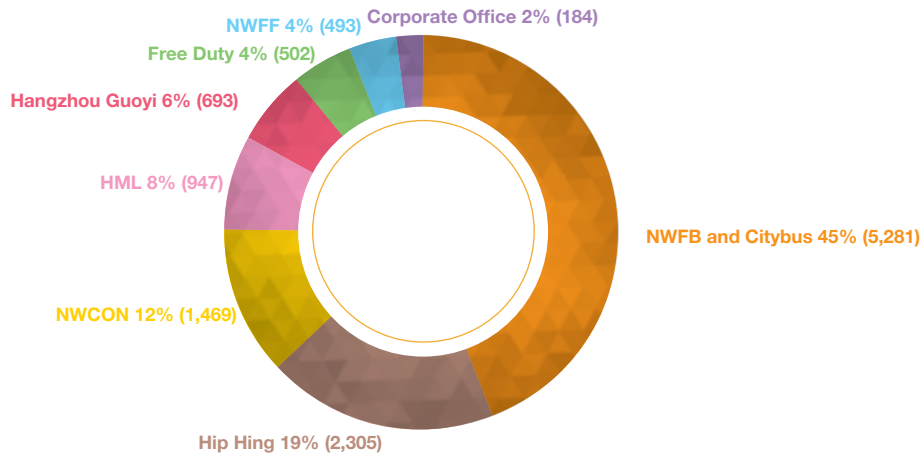
As at the end of the reporting period, our reporting entities together had a workforce of approximately 12,000. The gender mix of our individual businesses remained by and large the same over time. The Group’s Corporate Office and Hangzhou Guoyi have a fairly balanced gender distribution. At Free Duty, our staff is mainly female, whereas the Construction and Transport businesses remain predominantly male, reflecting sectoral characteristics.

The Group respects every member of staff and recognizes the value of diversity and equality. Our comprehensive “Corporate Policy on Staff

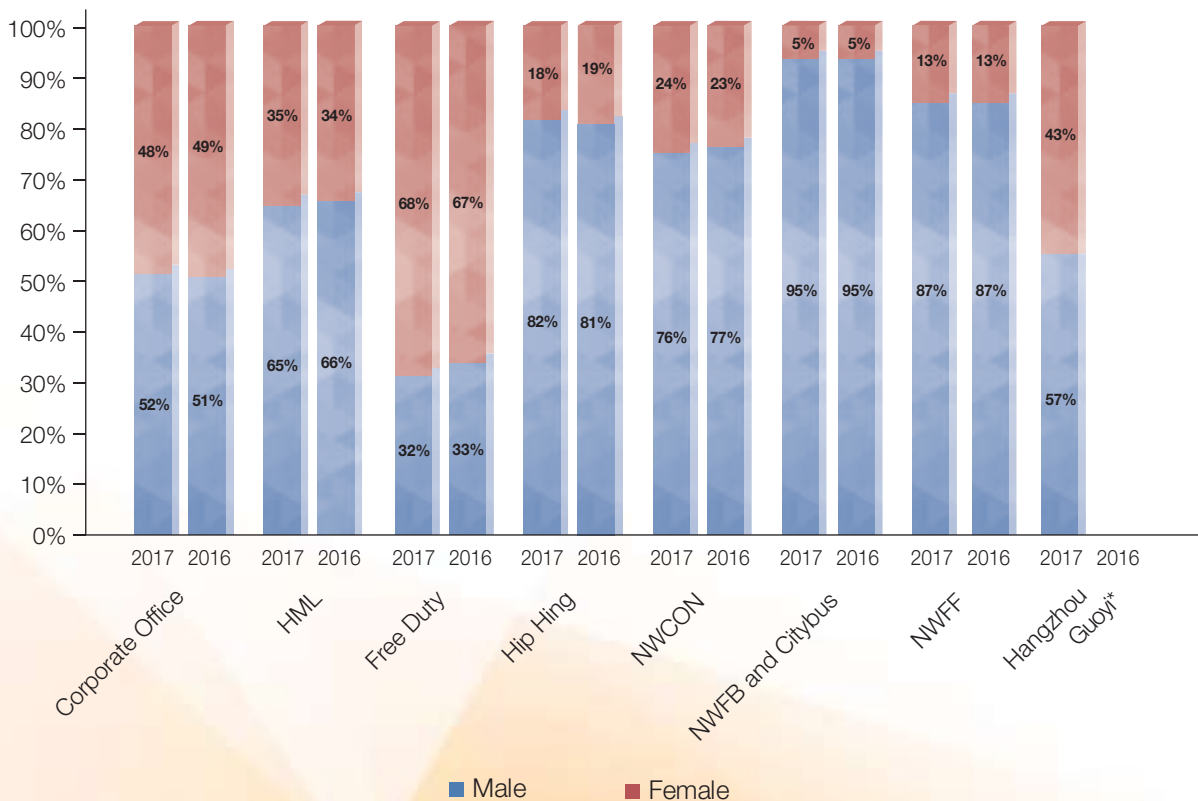
Responsibilities” includes detailed guidelines on compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare, to ensure compliance with relevant laws and regulations. As stipulated in our policies, we do not condone any form of workplace discrimination. In practice, equal opportunities in employment, remuneration, training and career development are offered to our staff regardless of age, gender, ethnicity or other aspects of diversity. These guiding documents, alongside a group-level whistleblowing mechanism and dedicated personnel at individual businesses, help ensure a fair and equitable working environment for our employees.

# HUMAN CAPITAL

**Distribution of Employees from Reporting Entities**  
as at 30 June 2017



**Gender Profile of Reporting Entities**  
as at 30 June of the years below



\*Hangzhou Guoyi started to report its sustainability data in FY2017.



# HUMAN CAPITAL

## Celebrating Diversity

Our commitment to workplace diversity and equal employment opportunity is reflected in our efforts to recruit and help people whose talents may have been overlooked.

HML has been working closely with St. James' Settlement to recruit people with intellectual disabilities. Lau Yee Wai, nicknamed "Wai Wai", was one of those hired in 2014 to join the Stewarding Team of the Housekeeping Department. Wai Wai is responsible for cleaning the staff canteen. Tailored training courses were provided for her when she first started, and she can now handle a range of duties with minimal supervision. The job has not only enabled Wai Wai to master new skills and develop her confidence, but also boosted her ability to look after herself.

In FY2017, our Corporate Office also initiated a job-shadowing scheme to support young people with disability. In collaboration with the Ebenezer School & Home for the Visually Impaired and CareER, five young people were recruited to shadow staff in various departments. Each was assigned a manager-grade mentor who guided them and shared useful tips on navigating the business world.

“

**I am lucky to be part of the HML family. My colleagues give me all the guidance and support I need to do my job. I become more confident at work and my self-esteem is strengthened.**

”

Lau Yee Wai  
Stewarding Team, Housekeeping Department  
HML



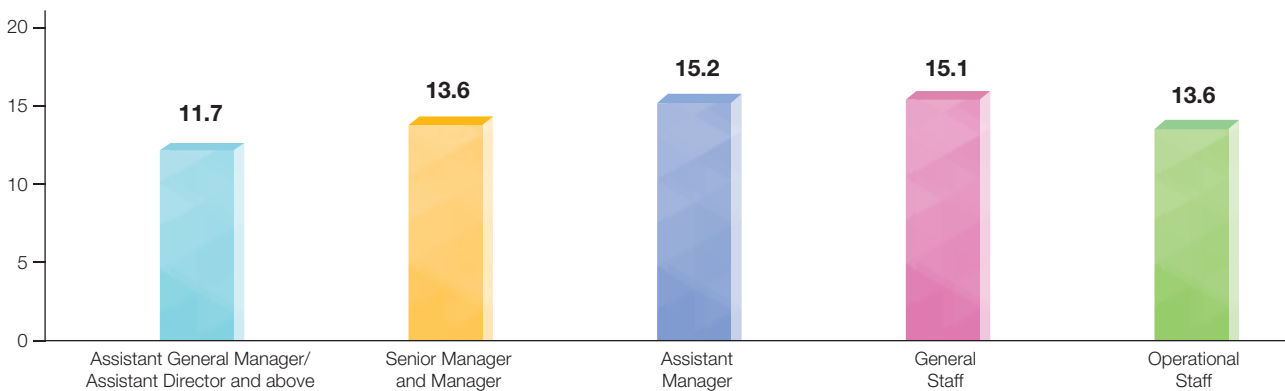
# HUMAN CAPITAL

## TALENT DEVELOPMENT

Beyond identifying and retaining the best talents, we offer employees the opportunity to develop their knowledge and skills. This helps them at a personal level, but also helps the Group consolidate our strengths and maintain business success in a fiercely competitive market. We provide staff with a comprehensive career-development plan and training programme to foster their professional growth. Life-long learning initiatives are offered to our staff, including education subsidies, examination leave, and career-progression study opportunities.

We continue to provide general development training as well as customized, skill-based courses to enable staff members to thrive in the ever-changing business context and perform their duties more efficiently. During the reporting period, each staff member from our reporting entities clocked up around 14 hours of training.

**Average Training Hours by Employee Category in FY2017**



In industries where recruitment remains a challenge, we have developed comprehensive career-development programmes to attract new talents. At NWFF, the Marine Officer Trainee Programme, a well-structured recruitment and training platform unique to the ferry industry in Hong Kong, ensures there is a steady stream of trained coxswains and professional marine officers rising through

the ranks. The “Shipmaster Mentor Training Programme” encourages veteran shipmasters to mentor new hires and help them realize their potential by sharing their knowledge and experiences. Crewmembers are entitled to training subsidy to help attain advanced professional qualifications through examinations.

# HUMAN CAPITAL

## The Path to Professional Excellence

Recognition is instrumental in motivating employees to strive to achieve more. The Group has established an Outstanding Employee Awards scheme to honour top-performing employees. In FY2017, awards were presented to 12 individuals from the managerial, general and operational staff categories as well as four employee teams.

Jin Mei, a toll collector of Hangzhou Guoyi, was the winner of the operational staff category in FY2017. Located at the heart of China's eastern economic hub, Hangzhou Ring Road serves over 78,000 vehicles on a daily basis. Jin Mei is awarded for her exemplary customer service skills. She greets every driver passing through her toll booth with courtesy and a smile. These golden rules of customer-service etiquette exemplify the customer-centric spirit we aim to uphold. What's more, she is active in passing along her knowledge and skills to

fellow frontline staff through internal sharing opportunities and training sessions.

We work to make Hangzhou Ring Road a stellar example of what a modern toll road can be, with customer satisfaction a top priority, alongside road safety and environmental protection. Resources have been allocated to enhance facilities and employee training, aiming to take service quality to even greater heights.

“

**I consider my role as being an 'air hostess on the ground', and we should always do our best to provide drivers with the same first-class experience they would expect from airlines.**

Jin Mei  
Toll Collector  
Hangzhou Guoyi

”



# HUMAN CAPITAL

## HEALTH AND SAFETY

The safety of employees remains a top priority for the Group. Most of our subsidiaries in Hong Kong have established management committees; they have designated occupational health and safety personnel to review and reinforce in-house policies. In our construction businesses that have higher exposure to risks, we use an OHSAS 18001-compliant management system to ensure the highest standards of occupational health and safety are factored into planning, design, and construction processes.

Staff education and training are regularly provided to improve staff well-being and enhance people's preparedness for emergencies. Our construction businesses run safety campaigns from time to time to raise awareness of site workers. NWFB, Citybus and NWFF have also developed comprehensive occupational health and safety training package, including workshops and talks, to equip frontline employees to help prevent occupational injuries and accidents.

We also invest in initiatives to promote the health and wellness of our employees. On top of providing essential check-ups and medical subsidies, our Corporate Office provides flu vaccinations for employees. NWFB and Citybus have also introduced mandatory check-ups for all bus captains aged 50 or above, to ensure they remain physically fit to perform their duties. Group-wide sports competitions in table tennis, football and other sports are also organized to promote an active lifestyle while cultivating team spirit.

During the reporting period, the overall injury rate of the Group was around 25.6 per 1,000 workers, with the majority being minor injuries occurred in construction sites, as well as the workplaces of HML, NWFB and Citybus. Unfortunately, one fatal incident involving a rescue team member from Hangzhou Guoyi was reported in FY2017. Investigations and follow-up actions were immediately undertaken, and we provided the family of our colleague with financial assistance and other support. In order to prevent similar events in the future, we have reviewed and strengthened our road safety risk-management systems for frontline workers.

## WORK-LIFE BALANCE

As a family-friendly employer, NWS Holdings continues to build a culture in which employees feel respected for making their family a priority. Our approach includes developing new initiatives to support employees' family needs. At the NWS Corporate Office and HML, we have already established well-equipped, private and comfortable breastfeeding rooms to support nursing mothers. Since 2012, the Group has been providing scholarships to employees' children with outstanding academic or non-academic accomplishments. Furthermore, HML, Hip Hing and NWFF have arranged flexible working hours, with which employees can take care of their families while ensuring their duties are duly exercised.

We have also extended the range of leisure activities we offer to employees' families. Popular activities range from parent-child cookery classes and art-jamming sessions, to Family Movie Day and Family Visit Day. The bi-annual NWS Adventure Day at Hong Kong Disneyland is a highly anticipated group-wide family fun day, always attracting thousands of staff and their families. In FY2017, the Group launched a new programme for staff and their families, treating them to subsidized accommodation and meals at a local five-star hotel.



One of the recipients of NWS Scholarships for Employees' Children shares her tips to improve learning and personal development.

# HUMAN CAPITAL



New joiners and promoted staff of Corporate Office gather at a cocktail party.

## STAFF ENGAGEMENT

Active engagement and communications with staff is central to our ongoing efforts to promote unity and growth. We have established various communication channels, including intranet, website, social media platforms, staff newsletters and staff meetings, to keep everyone up to date with corporate developments. We also encourage employees to express their views through surveys. For the most important announcements, such as financial results, we bring together our managerial staff from various business functions and units for Management Briefing, where our Chief Executive Officer and executive directors give an in-depth account of business performance and present strategies for the future. The monthly Executive Director Luncheon, launched in FY2016, continues to foster open dialogue between the Group's top management and employees from across different subsidiaries, functionaries and levels of seniority. Social events, such as staff outings, festive gatherings and cocktail parties, help enhance bonding among our employees.

Our subsidiaries run a range of staff engagement programmes in accordance with their industry nature and operational needs. For example, NWFB and Citybus host both regular and ad-hoc meetings with unions to discuss health and safety, remuneration, and other matters of concern to frontline workers. With subcontracted workers playing a key part in construction, Hip Hing and NWCON arrange regular meetings with these workers to seek their views on how construction sites could be improved to ensure safety and well-being. NWCON has also established a dedicated team, called "Family Circle Caring", to extend care to subcontractor workers and their families, through home visits and other caring activities.

In FY2017, our holistic approach to people management delivered the Group the "Best Employer Brand Award" and "Dream Employer of the Year" awards at the Asia's Best Employer Brand Awards 2017, organized by the World HRD Congress. These awards recognize our efforts to enhance employee wellness, retain and nurture talents, and advance workplace well-being.

# VALUE CHAIN



# VALUE CHAIN



We constantly engage with our partners and customers to discuss ways of improving our operations and services.

**OUR** value chain is not only critical to our business growth, it is also of vital importance as we look at ways to improve our sustainability performance. In managing environmental and social risks across our value chain, it is essential that we communicate our priorities to partners, provide clear guidance on our expectations, and establish mechanisms to ensure legal and regulatory compliance. We also create new initiatives through which our suppliers, customers and other stakeholders can make contributions to sustainability endeavours. We actively engage customers and clients as part of the process to enhance the scope and quality of our services.

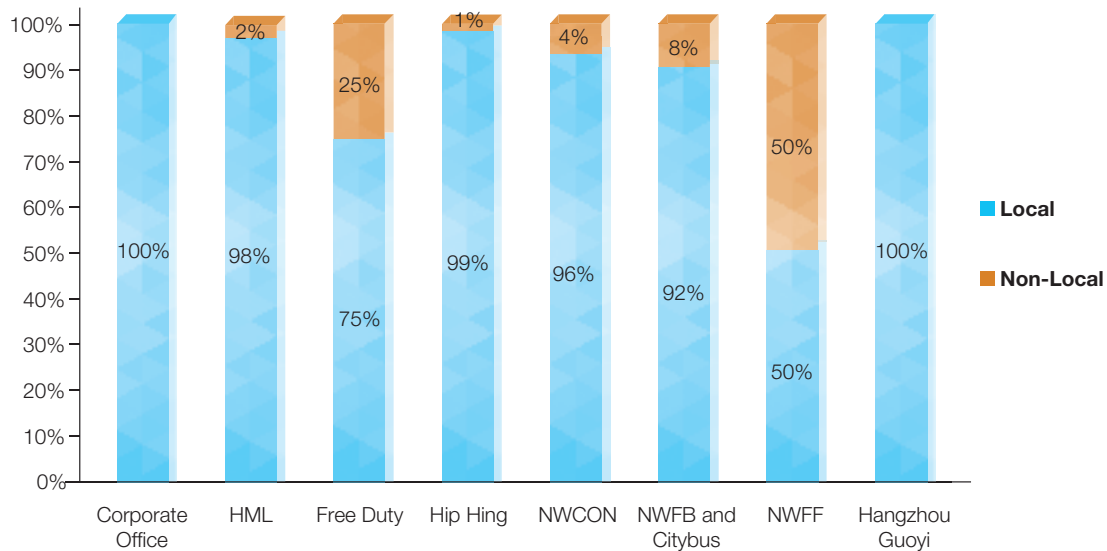
## INDIRECT ECONOMIC CONTRIBUTION

Creating economic values shared by our many stakeholders is at the heart of our approach to foster sustainable growth for all. Given the diversity of our operations across multiple business sectors, our member companies offer a wide range of products and services. This means we have a relatively complex supply and procurement chain. For instance, our purchases vary from materials for construction and development, to

specialized vehicle parts for buses and ferries, food produce for HKCEC's restaurants, and cosmetics and luxury goods for Free Duty. We make it a priority to source locally whenever feasible to support local economies, create local jobs, and reduce our carbon footprint for the benefit of the environment. The majority of our procurement budget in FY2017 was spent with local suppliers, though some branded products for Free Duty and specialized bus or ferry parts had to be sourced from overseas vendors.

# VALUE CHAIN

**Proportion of Procurement Expenditure  
on Local Suppliers\* and Non-Local Suppliers in FY2017**



\* For the definition of "local suppliers", please refer to footnote 2 on page 5.

HKCEC is a major Hong Kong and regional landmark, drawing international events, exhibitions and visitors to Hong Kong. During FY2017, HKCEC hosted over 1,100 events, with a total patronage of approximately 5.7 million. This convergence of people from around the world promotes the sharing of knowledge and creativity and fuels local economic development and provides local jobs. Among the events held in the reporting year, 44 were new exhibitions and conferences featuring increasingly important themes, such as cloud technology and medical science. Ongoing events at HKCEC help create job opportunities, through direct employment by exhibition organizers, and in supporting sectors such as hospitality, food and beverage, and retail and logistics.

Our construction and transport businesses, as leading players in their respective sectors, help drive Hong Kong's economic development by implementing large construction projects and providing safe, comfortable and reliable public transport services. In the reporting year, Hip Hing and NWCON, on a monthly basis,

provided about 15,000 construction-related jobs, including directly-employed staff and subcontracted construction workers. NWFB, Citybus and NWFF serve more than one million passengers every day, supporting local residents and visitors alike with world-class connectivity and accessibility.

## SUPPLY CHAIN MANAGEMENT

We see our commitment to sustainability as extending beyond our own practices and supply chain. We draw on every possible avenue to share our core values with suppliers. On top of compliance with laws and regulations, suppliers are expected to uphold social, environmental and business ethics as stipulated in the Supplier Code of Conduct developed by our parent company. In tandem with promoting responsible practices throughout our supply chain, we also require our staff to conduct themselves with the highest standards of integrity and professionalism. To this end, we arrange anti-corruption briefings and training sessions to ensure that our employees and suppliers are clear on how to avoid bribery, conflicts of interest and favours.



## VALUE CHAIN

Stringent measures and monitoring systems are applied to our construction business activities, which run relatively high risks of environmental and social impacts due to the nature of the sector. For instance, it is compulsory for construction project tenders to disclose their policies, practices and track records related to compliance, occupational health and safety, environmental practices, and community engagement. We also require them to provide evidence or references proving their quality of service and financial capability. This forms a key part of the tender process and ensures that our partners align with our demands for sustainable project management and operations. After contracts are awarded, monitoring and evaluation continue throughout the course of our relationship with subcontractors.

Our business partners are also expected to fulfill the requirements stated in our individual subsidiaries' policies, which are updated regularly as new risks or practices emerge. For example, Hip Hing strengthened its existing waste disposal policy immediately after an incident in 2016 to enhance subcontractors' responsibility for proper and legal waste disposal. Subcontractors are closely monitored, and failure to comply with the new protocol will result in a penalty.

### Rewarding Sustainable Practices



Responsible supply chain practices are duly recognized within the Group, especially within our construction businesses, in which subcontractors play a vital role. In FY2017, Hip Hing introduced a new awards scheme to acknowledge exemplary contributions by subcontractors on three critical aspects of construction work: safety, environmental protection, and quality. Yee Hop Construction Co. Ltd ("Yee Hop") was presented with "2016 Outstanding Subcontractor (Environmental Protection)" to commend its exceptional performance and responsible conduct in the industry.

Yee Hop recently worked with Hip Hing on the construction projects in Kai Tak and Tung Chung. In these projects, Yee Hop went the extra mile to put together additional environment-friendly measures to minimize impacts on the environment, which included installing sound insulation on electric motors to control noise levels, and implementing additional waste recycling solutions to reuse excavated mud and sediment for backfilling at other locations.

“

**As a responsible player in the construction industry, we always place sustainability as a top priority. We will continue to uphold this objective and make every possible effort to protect the environment.**

”

Jackin Jim  
Managing Director  
Yee Hop Construction Co. Ltd

# VALUE CHAIN

## CUSTOMER PRIVACY AND SAFETY

At NWS Holdings, we endeavour to equip our businesses with the most pertinent and timely data available to help optimize operations. At the same time, we handle personal data with great care through well-established policies and protocols.

We maintain a rigorous standard of business integrity throughout our operations, requiring our employees to strictly comply with the Personal Data (Privacy) Ordinance when handling staff or customer information. Our member companies have either adopted the Group's policy or formulated their own data privacy policies, to protect customers in accordance with their specific business needs.

Public safety has always been a priority for our transport businesses. Mechanical inspections on our vehicles are regularly conducted to ensure safety provisions are well maintained. All of our buses are equipped with security camera as well as a black box utilizing Global Positioning System technology. Our ferries are installed with Automatic Identification System to enable coxswains to track vessel locations and be alerted in real time about the location of other vessels in the vicinity.

Since 2016, NWFB and Citybus have required bus manufacturers to preinstall two additional rails on the exit doors on all new buses in order to provide further protection for passengers as they get off. In FY2017, we achieved our target to retrofit extra safety rails to all existing buses.

We have further policies to manage road safety when our vehicles are on the move. In addition to limiting bus speeds to 70km/h on the road, our bus companies have a 24-hour operations control centre to monitor and handle any emergencies. Whenever incidents or accidents take place, this dedicated team immediately reports details and provides updates to the operation team and top management, so informed decisions can be made promptly to help those affected. Regular briefings and refresher training sessions are arranged to ensure bus captains are fully equipped to respond to emergency situations.

We are deeply saddened by the unfortunate fatal accident involving Citybus in September 2017, and determine to enhance safety provisions to better protect passengers and pedestrians. In conjunction with the investigation of the accident, the senior management of our bus companies has undertaken a comprehensive review of bus captains' working hour guidelines with major stakeholders including the government and labour unions. Due consideration will be given towards bus captains' working arrangements and effect on their take home pay, operation needs and manpower requirement, with the aim to ensure the provision of safe, reliable and adequate service to our passengers.

## CUSTOMER SATISFACTION

We continue to raise the bar when it comes to customer service, so that we satisfy and exceed customers' expectations. This requires us to continuously gauge people's changing needs by regularly collecting views, and incorporating these into our plans to improve products and services.

Each member company has an established system and its unique way of engaging with customers and eliciting their feedback. For example, HML distributes online customer satisfaction surveys to event organizers, asking for feedback on its service performance throughout the sales, planning, and execution stages of the events. In FY2017, HML continued to receive mostly positive feedback from customers. Among 637 e-questionnaires returned, more than 90% of respondents rated the service they received as "satisfactory or above". In order to promote environmental awareness and more sustainable business practices in the events sector, HML launched a new LoveGreen Meeting Package in July 2016, along with a customer database enhancement. The enhanced customer database incorporates customers' prior requests and order history regarding environmental measures. Our event managers can use that information to customize future events that meet clients' sustainability needs.

Hip Hing, meanwhile, invites key parties involved in all completed construction projects for a customer satisfaction survey. In FY2017, 27 survey responses from 11 completed projects showed an average score of 7.85 out of 10, which exceeded our target of 7.5 and marked an improvement over the previous year.

# VALUE CHAIN

NWFB and Citybus carry out passenger surveys and run Passenger Liaison Group meetings on an ongoing basis. In FY2017, 12 Passenger Liaison Group meetings were held, and an additional survey questionnaire was distributed at some of the meetings to gather further views on bus services. Passengers' top concerns included bus frequency, safety and hygiene, which are the areas our bus companies will continue to focus on when looking to make improvements. Passengers also requested real-time bus arrival information for our entire bus fleet. We are on track to deliver this service in the next financial year.

NWFF also conducts regular passenger surveys and stakeholders' meetings. In response to growing

demand for breastfeeding facilities, NWFF in June 2016 launched the first breastfeeding room on Hong Kong public transport. Similar facilities are now available on three other triple-deck ferries. Additionally, priority seats for nursing mothers on fast ferries were launched in September 2017.

In FY2017, Hangzhou Guoyi conducted surveys to collect customers' feedback, with response rates of over 90%. The overall rating for our services was satisfactory, but we will continue to look for further improvement. Customer suggestions, such as better maintenance of road signs and more regular improvements to facilities, are among the ideas we are looking at.

## Thumbs Up To Bus Captains

Public bus services are a key means of transport in Hong Kong, and bus captains are vital in keeping these services going. In a push to deliver service excellence and encourage drivers to better engage with passengers, NWFB and Citybus launched the Thumbs Up to Bus Captains programme in November 2016. Under the scheme, passengers were invited to nominate bus drivers they felt had delivered outstanding services and had performed a good deed.

Citybus driver Pang Chung Kin was among the six recipients of an award for distinguished services. Pang was nominated for his compassionate care for an unwell passenger, who was carefully attended to and settled on a priority seat during the ride. Pang stopped the bus at a hospital en route and showed the passenger the way to the emergency room.

“

**The passenger's commendation reminds me of my ultimate duty to give a safe and enjoyable ride to everyone on board, and to attend to individuals when they are in need.**

Pang Chung Kin  
Bus Captain  
Citybus

”



# COMMUNITY CARE



# COMMUNITY CARE



The NWS Volunteer Alliance celebrates its 15<sup>th</sup> anniversary with a fun-filled gathering of NGO partners and beneficiaries.

**IN** our drive to generate a positive impact on the community in which we operate, we draw on our internal resources and extensive business networks, and leverage the support of our employees. We adopt a multi-pronged approach that includes funding charitable causes through the Group's Charities Foundation, encouraging volunteering, and establishing long-term, impactful community projects with our strategic partners. Our community projects focus on many pressing issues we face today, including youth development, elderly care, and environmental awareness.

## INVESTING IN THE COMMUNITY

For over a decade, NWS Holdings has been building its support for those in need as well as aiding broader community development through different platforms. Among these platforms is our Charities Foundation, which celebrated its 10<sup>th</sup> anniversary in FY2017. Over time we have contributed more than HK\$26 million towards projects on community welfare, education,

health care, and environmental protection. In FY2017, 34 non-profit organizations received donations or in-kind support from the Charities Foundation. Resources have also been provided to the Hans Andersen Club, the Hong Kong Family Welfare Society and the Hong Kong Young Women's Christian Association ("YWCA") to run multi-year community services.

# COMMUNITY CARE

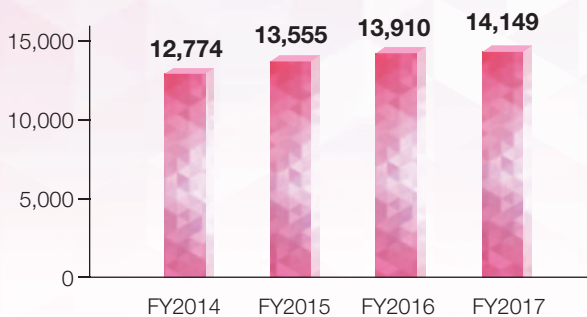
## Reaching Out to the Underprivileged

The Group's corporate volunteer team, NWS Volunteer Alliance, is a pillar of our corporate citizenship. The team's 1,600-strong active members make use of their skills and interests as varied as haircutting, dancing, clown performance and handicraft to serve needy groups. In FY2017, our corporate volunteers have collectively clocked up over 14,000 hours of community service.

In marking the 15<sup>th</sup> anniversary of the establishment of NWS Volunteer Alliance, a series of celebratory initiatives, including a new brand identity and uniform, additional service tools, a commemorative gathering with non-profit partners, and promotional videos, have been rolled out. New members of the NWS Volunteer Alliance Standing Committee were inaugurated to instil energy to volunteering development across the Group.



Annual Volunteer Service Hours



“

**I worked as a barber before becoming a bus captain. To me, the most meaningful part of volunteering is to put my other skills into use and to guide fellow volunteers so that they, too, can serve people in need.**

”

Lam Wing Lok  
Standing Committee Member of NWS Volunteer Alliance  
and Bus Captain of NWFB

# COMMUNITY CARE

## SUPPORTING ELDERLY HEALTHCARE

Hong Kong's ageing population has been exerting growing pressure on the healthcare and social welfare systems. Our community needs to find ways to support the elderly in the community, to help alleviate this pressure. The YWCA NWS Y-Care Centre (North District) ("NWS Y-Care Centre") project is a joint effort between the Group and the YWCA to provide much-needed elderly care services.



**NWS Y-Care Centre provides cognitive training to service users through interactive games.**

Established in 2013 and funded by a HK\$3 million donation from the Charities Foundation, the NWS Y-Care Centre provides a comprehensive range of day care, rehabilitation, physiotherapy and cognitive-training services. Now in its fourth year of operation, the centre has served more than 30,000 elderly users. As an accredited social enterprise, the centre has been recognized as a service provider for the governmental Community Care Service Voucher for the Elderly Pilot Scheme, which provides additional resources to support its financial independence.

Following the conclusion of the three-year Joyful Age volunteering programme in 2016, the Group and YWCA kept the volunteering momentum going by launching a new, two-year initiative in 2017, called the "We Care – Elderly Friendly Community Programme". Home visits and community events are used to foster a better public understanding of common health conditions affecting the elderly.

## GREEN AND WELLNESS

Hong Kong is not just a global financial centre, it is also home to world-class geological sites listed by the United Nations Educational, Scientific and Cultural Organization ("UNESCO"). The Group has for almost a decade promoted geoconservation through the NWS Hong Kong Geo Wonders Hike programme, co-organized with the Association for Geoconservation, Hong Kong. Our geoconservation campaign comprises three core elements: the Young Ambassadors for Geoconservation Training Programme, the NWS Geo Hero Run, and guided public tours.

Through the youth programme, we have trained over 1,100 students from 200 secondary schools. In FY2017, the sixth cohort of students learned about geoconservation and geotourism through an array of activities including field trips and classroom training. Furthermore, outstanding students were provided with training on leadership and multilateral thinking, and were given opportunities to study landforms in East Taiwan.

Another pillar event, the NWS Geo Hero Run, was held in Hong Kong UNESCO Global Geopark, enabling runners to race through Hong Kong's spectacular landscapes while supporting meaningful causes. Through race entry fees and voluntary donations from runners, the event raised over HK\$370,000 for three charities working in geoconservation, youth development and mental health. In the reporting period, about 2,500 members of the public were involved with the run, guided tours and rock-cleaning activities on Hong Kong's outer islands, all in support of geoconservation.



**Some 1,500 runners take part in the NWS Geo Hero Run 2016 to raise awareness of geoconservation, health and wellness, and social inclusion.**

# COMMUNITY CARE

## NWS Career Navigator for Youth

In late 2016, the Group launched a long-term life-skills and career planning programme, the NWS Career Navigator for Youth, to help the younger generation unlock their potential through a multi-partnership collaboration. This programme was developed with the support of the Association of Heads of Secondary Schools of Tsuen Wan, Kwai Chung and Tsing Yi District, Hong Kong Council for Social Services, Po Leung Kuk, YWCA and Hong Kong Playground Association.

Underpinned by this strong community partnership, the programme offers a broad range of career-planning support, including corporate visits, mentoring, career talks, mock interviews, meetings with CEOs, and job shadowing. In its first four years, this career project will benefit more than 400 students and 100 teachers from secondary schools, as well as early school leavers in Tsuen Wan, Kwai Chung and Tsing Yi District.

In February 2017, this project was officially kicked off on NWS Caring Day, an event we hold every year to mark the anniversary of NWS Holdings' listing on the Hong Kong Stock Exchange. The full-day event involved more than 300 students and corporate volunteers in fun-packed job trials at the workplaces of the Group and our NGO partners.

“

**NWS Holdings has the broad industry base, partnership network and corporate commitment we have been looking for to give our students meaningful exposure and pivotal skills in life and career planning.**

”

Principal Cheung Yam Lung  
Chairperson  
Association of Heads of Secondary Schools of Tsuen Wan,  
Kwai Chung and Tsing Yi District





# ENVIRONMENTAL PERFORMANCE



# ENVIRONMENTAL PERFORMANCE



One of our construction projects, Goldin Financial Global Centre in Kowloon Bay, is awarded a Platinum level certification under the LEED 2009 by the U.S. Green Building Council.

**ENVIRONMENTAL** protection is an integral part of the Group's holistic approach to sustainable development. In our environmental efforts, we strive to go beyond merely complying with regulatory requirements, and have instead adopted international management standards and industry best practices to minimize our environmental footprint while making positive contribution to our environment.

Steered by the Group's Environmental Management Committee and the management teams of respective business units, our businesses constantly seek out innovations and new ways of improving the ways they function. They work to manage energy and resource usage, and minimize emissions and waste, in a way that best suits their operational needs. As a group, we also make continuous efforts to raise employee awareness of environmental trends and issues.

## MANAGEMENT SYSTEMS

To benchmark and continuously improve our performance, we apply international standards to our day-to-day operations. For example, HKCEC, managed by HML, is the first venue in Hong Kong to have attained

ISO 20121 Event Sustainability Management System certificate. This certification recognizes our efforts to incorporate sustainability into the end-to-end event management cycle, reaffirming HKCEC's position as a world-leading, sustainable exhibition and convention hub.

When carrying out construction projects, both Hip Hing and NWCON implement ISO 14001 Environmental Management System and ISO 50001 Energy Management System, with 51 certified construction sites in FY2017. As each construction project commences, we carry out preliminary environmental impact assessments in order to prevent potentially adverse impacts on the environment. These tasks include identifying sensitive uses, reviewing construction activities,

# ENVIRONMENTAL PERFORMANCE

formulating effective mitigation measures and defining appropriate monitoring programmes. Assessment results are incorporated into each construction project's Environmental Management Plan, which is kept up to date and implemented as the project progresses.

## ENERGY AND EMISSION REDUCTION

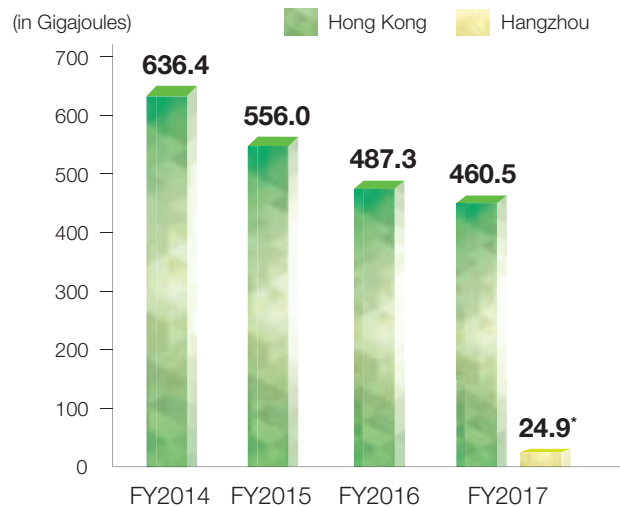
As our construction and transport operations involve considerable fuel consumption, we have devised a range of initiatives to minimize energy usage and the level of emissions from these businesses.

Hip Hing, for example, aims to steadily lower energy used by tower cranes, power generators and other heavy construction machinery. Through operations training and administrative controls, average energy consumption by these equipment and installations has dropped by 33.5% since the baseline year, 2013. Cleaner fuels such as biodiesel are used wherever possible, to help reduce emissions.

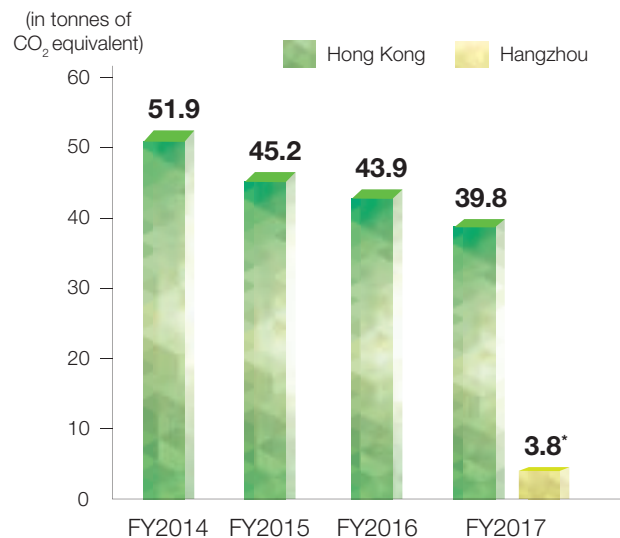
Our transport operations continue with their efforts to reduce emissions by introducing greener vehicle models, retrofitting existing buses with greener technology, and using low-emission energy sources wherever practicable. As at 30 June 2017, our bus fleet had 1,300 environmentally-friendly Euro 5 or above buses, which comprised over 80% of the entire fleet. The vast majority of in-use Euro 2 and 3 buses have been retrofitted with a selective catalytic reduction device to reduce nitrogen oxides emissions. Ten electric buses and three Euro 6 hybrid buses are now in service. In addition, NWFF has built power supply equipment at its Cheung Sha Wan dockyard that enables docked ferries to switch from diesel to the onshore electricity supply.

Through all of these measures, our reporting entities in Hong Kong have been making steady improvements to their energy consumption and greenhouse gas emissions. There has been a 5.5% drop in energy consumption per employee compared to last year, and a 27.6% drop since our first reporting year, FY2014.

### Energy Consumption per Employee



### Greenhouse Gas Emissions per Employee



\* Hangzhou Guoyi started to report its sustainability data in FY2017.

# ENVIRONMENTAL PERFORMANCE

## Turning a New Page in Sustainable Building

As demand for sustainable buildings grows, Hip Hing has partnered with Nano and Advanced Materials Institute Limited to develop an innovative capsule technology for producing strong lightweight concrete, a more environmentally-friendly construction material that is set to benefit developers, users and the environment. This innovation earned its development team a gold medal at the 45<sup>th</sup> International Exhibition of Inventions of Geneva 2017, which is considered one of the most prestigious shows worldwide in innovations.

The concrete produced with this new technology features high fire resistance, lower thermal conductivity and higher acoustic absorption efficiency than regular concrete. With thermal conductivity at only about 0.5W/m.K, 70% lower than standard concrete in the market, less air conditioning is required to achieve acceptable comfort for occupants, thereby reducing energy use, carbon emissions and saving costs.

Hip Hing's broader commitment to sustainable building is also reflected in the expanding number of professionals it employs and trains to support clients in developing BEAM Plus or LEED-certified green buildings. Its project teams also proactively implement green measures across construction sites to reduce the environmental impact of the building process.

“

**We have been taking an active role in developing new construction materials to answer the needs of sustainable building. This innovative capsule technology effectively opens up a new chapter for green buildings.**

”

Derek So  
Executive Director  
Hip Hing Construction Company Limited



# ENVIRONMENTAL PERFORMANCE

## MATERIALS AND WASTE MANAGEMENT

We strive to reduce our environmental footprint along the value chain by using sustainably sourced materials and minimizing waste. We have longstanding and effective recycling practices in place across the Group. Hip Hing and NWCON have adopted Engineered Waste Management Plan, BEAM Plus and LEED Green Building standards.

In addition to collecting typical recyclables such as paper, plastics and metals at all back offices and managed premises, we also seek out meaningful ways to reuse resources. For example, HML donates unconsumed food from HKCEC to needy families and elderly people, through a charitable organization, Food Angel. Hip Hing has also initiated the Inert Materials Transfer Programme to reuse inert construction waste as foundation filler material in other construction projects. For non-inert waste, which is difficult or costly to recycle, Hip Hing works closely with subcontractors to ensure it is properly and legally disposed of. Through various programmes and measures, our construction companies diverted over 860,000 tonnes of waste from landfills in the reporting year.

We also encourage our staff to better utilize and upcycle waste wherever possible. Our new rooftop organic farm at the Citybus depot in Chai Wan is an example of our creative use of waste. Set up in FY2017, the staff farm is topped with soil excavated from Hip Hing's construction sites, while planters and facilities are built from old bus components and used containers. Plants on the farm have bloomed, fertilized by compost from food waste. Windmill and solar panel power a rainwater collection and sprinkler system.

Another important aspect of our efforts to improve environmental performance is in our selection of materials for use in our businesses. We give preference to more environmentally-friendly materials and products. Even for basic office supplies, such as printing paper, we encourage our business units and offices to procure FSC-certified paper to ensure it comes from sustainable sources. The construction materials used by Hip Hing and NWCON are preferably from sustainable and recycled sources, including FSC-certified timber, recycled concrete, and recycled reinforcing steel bars.



Citybus Depot Manager Billy Chung showcases the plants grown at our rooftop organic farm at Citybus Depot in Chai Wan.

## WATER CONSERVATION

Water is an important and precious natural resource. Though our reliance on freshwater resources varies across the Group, we are committed to reducing water consumption in all of our operations as far as possible. For example, water is mainly used for cooling and cleaning at our construction sites, and we are using more recycled rainwater for this purpose. Meanwhile, HKCEC has reduced its daily water consumption by installing water-saving fixtures in washrooms. We will continue to look into methods of boosting water efficiency and reducing consumption. We also seek to ensure that wastewater generated from our construction sites, bus depots and other sites is properly managed and treated.

## COMPLIANCE

The diverse nature of our businesses makes us subject to a range of regulations governing air emissions, noise generation and waste management. In the reporting year, five minor non-compliance cases related to noise control and waste handling during construction process were recorded. We took immediate remedial action and strengthened our corresponding management mechanisms to prevent reoccurrence.

# ENVIRONMENTAL PERFORMANCE

## Promoting Responsible Consumption

Staff awareness and support is crucial to achieving the Group's environmental initiatives. To this end, we run employee campaign every year to inform them of topical environmental issues and call for action towards the betterment of our environment.

The FY2017 employee green campaign featured "Sustainable Procurement and Consumption" as its theme, encouraging employees to source and consume sustainably, both at work and at home. As well as organizing a site visit to a town gas production plant for Green Managers, we held a series of light-hearted activities to promote sustainable consumption as part of everyday life. These included a staff competition to identify environmentally-friendly shops, a family visit to an organic farm, and an Eco Bazaar.

At the Eco Bazaar held at the Corporate Office, employees took part in a talk and mix-and-match games led by Green Ladies, a social enterprise set up by St. James' Settlement to promote green fashion. Employees could also take the opportunity to donate used clothes on site, and buy from a selection of used fashion items and upcycled accessories from Green Ladies.



“

**There is a general bias against buying second-hand clothes, but after hearing from Green Ladies, I believe it is something we should always support. I wouldn't mind getting my daughter some used clothes in support of environmental protection.**

”

Bruce Ip  
Assistant Director, Group Audit and Risk Assurance  
NWS Holdings

# PERFORMANCE TABLES

GRI Reference	ESG Guide Reference	Indicator	Unit	FY2017
<b>Economic</b>				
G4-EC1*	KPI B8.2	Revenue	HK\$ million	31,385.0
		Attributable operating profit	HK\$ million	4,840.3
		Profit attributable to shareholders	HK\$ million	5,628.9
		Net assets	HK\$ million	49,275.0
		Income tax expenses	HK\$ million	685.2
		Profit before income tax	HK\$ million	6,330.4
		<b>Charitable contributions</b>		
		Total community investment through NWS Holdings Charities Foundation	HK\$ million	3.45
G4-EC9	KPI B5.1	<b>Proportion of spending on local suppliers</b>		
		Corporate Office	%	100
		HML	%	98
		Free Duty	%	75
		Hip Hing	%	99
		NWCON	%	96
		NWFB and Citybus	%	92
		NWFF	%	50
		Hangzhou Guoyi	%	100
		<b>Environment</b>		
G4-EN1	KPI A2.5	<b>Total weight of major construction materials and other materials used</b>		
		<b>Renewable Materials</b>		
		Paper	tonnes	164.2
		Timber	tonnes	459.6
		<b>Non-Renewable Materials</b>		
		Bricks	tonnes	26,729.3
		Cement	tonnes	10,030.1
		Cement mortar	tonnes	12,284.6
		Concrete	tonnes	857,571.9
		Plastic (packaging)	tonnes	75.4
		Reinforcing steel bars	tonnes	119,414.8
		Sand	tonnes	27,229.9
		Stones	tonnes	56,921.8

\* For more details, please refer to NWS Holdings' [Annual Report 2017](#).

# PERFORMANCE TABLES

GRI Reference	ESG Guide Reference	Indicator	Unit	FY2017	
<b>Environment</b>					
G4-EN3	KPI A2.1	<b>Total energy consumption</b>	gigajoules <sup>1</sup>	5,166,304	
		Fuel consumption from non-renewable sources (electricity, towngas, unleaded petrol and diesel oil)	gigajoules	Hong Kong	Hangzhou
		Electricity consumption	gigajoules	5,083,372	17,229
		Towngas consumption <sup>2</sup>	gigajoules	404,495	9,128
		Unleaded petrol consumption	gigajoules	1,119,952	939
		Diesel oil consumption	gigajoules	12,905	1,865
		Fuel consumption from renewable sources (bio-diesel) <sup>3</sup>	gigajoules	3,546,020	5,297
			gigajoules	65,703	0
G4-EN7	KPI A2.3	<b>Reductions in energy requirements of sold products and services achieved</b>			
		Fuel efficiency improvement of franchised bus fleet compared to FY2016 <sup>4</sup>	%	2	
G4-EN8		Municipal fresh water (town water) withdrawn <sup>5</sup>	m <sup>3</sup>	1,412,757	
	KPI A2.2	Water consumption intensity <sup>5</sup>	m <sup>3</sup> / employee	121	
	KPI A1.1	<b>Emissions</b>			
		SOx <sup>6</sup>	tonnes	1.7	
		NOx <sup>7</sup>	tonnes	800.5	
				Hong Kong	Hangzhou
	KPI A1.2	Greenhouse gas emissions in total (Scope 1 & 2)	tonnes of CO <sub>2</sub>	444,918	2,637
G4-EN15	KPI A1.2	Total direct (Scope 1) greenhouse gas emissions <sup>8</sup>	tonnes of CO <sub>2</sub>	369,956	575
G4-EN16	KPI A1.2	Total indirect (Scope 2) greenhouse gas emissions <sup>9</sup>	tonnes of CO <sub>2</sub>	74,962	2,062
G4-EN23	KPI A1.3	<b>Hazardous waste recycled</b>			
		Chemical waste (battery cell) <sup>10</sup>	units	1,662	
		Chemical waste (lubricant and spent non-halogen organic solvent) <sup>11</sup>	litres	614,280.1	
		Fluorescent lamps <sup>12</sup>	tonnes	15.6	
	KPI A1.4	<b>Non-hazardous waste</b>			
		Total construction waste generated	tonnes	923,164.3	
		Inert materials reused <sup>13</sup>	%	86.4	
		Mixed waste disposal to government sorting facilities	%	7.5	
		Mixed waste disposal to landfills	%	6.1	
		Total weight of waste recycled <sup>14</sup>	tonnes	968.2	
		Total food waste diverted from landfills <sup>15</sup>	tonnes	11.7	
		<b>Other non-hazardous waste recycled</b>			
		Cooking oil <sup>16</sup>	litres	18,522.8	
		Waste toner <sup>17</sup>	pieces	935	
G4-EN29	A1(b)	Monetary value of fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	HK\$ no. of cases	45,000 5	



# PERFORMANCE TABLES

## Notes:

1. 1 gigajoule (GJ) = 277.778 kWh
2. By HML, NWFB, Citybus and Hangzhou Guoyi
3. By Hip Hing
4. NWFB and Citybus reduced franchised bus fuel consumption per kilometre travelled by introducing more Euro 5 buses to replace retiring buses.
5. Figure excludes water consumption at Corporate Office, as premises are rented and breakdown of water usage by tenant is not available.
6. By NWFB, Citybus and NWFF
7. By NWFB and Citybus bus fleet
8. Direct greenhouse gas emissions refer to emissions of CO<sub>2</sub>, CH<sub>4</sub> and N<sub>2</sub>O from fuel consumed, but exclude fugitive emissions such as refrigerants. The calculations follow the guidelines of the Environmental Protection Department of HKSAR Government.
9. Indirect greenhouse gas emissions include emissions from electricity generation and town gas production. The calculations follow the guidelines of the Environmental Protection Department of HKSAR Government. Due to data limitation, Hangzhou Guoyi's town gas emission calculation follows the methodology applied to reporting entities in Hong Kong.
10. By NWS Corporate Office, NWFB, Citybus and Hangzhou Guoyi
11. By NWCON, NWFB and Citybus
12. By NWS Corporate Office, HML, NWFB, Citybus and Hangzhou Guoyi
13. As an established practice, inert waste generated from Hip Hing and NWCON construction sites are delivered to public filling facilities for use in other reclamation and site formation projects.
14. Includes aluminium cans (NWS Corporate Office, HML and NWFF), plastics (NWS Corporate Office, HML and NWFF), scrap metal (HML, NWCON, NWFB, Citybus and NWFF), scrap tyres (NWFB, Citybus and Hangzhou Guoyi), glass (HML), and paper (all reporting entities)
15. By HML (includes composted food waste and unconsumed food donated to charity)
16. By HML and Hangzhou Guoyi
17. By NWS Corporate Office, Hip Hing, NWCON, NWFB, Citybus, NWFF and Hangzhou Guoyi

# PERFORMANCE TABLES

GRI Reference	ESG Guide Reference	Indicator	Unit	FY2017			
<b>Labour Practices and Decent Work</b>							
G4-10	KPI B1.1	<b>Total workforce by employment contract and gender</b>	no. of people	11,874			
				Hong Kong		Hangzhou	
				Male	Female	Male	Female
		Permanent contract	no. of people	8,328	1,747	269	205
		Fixed-term contract	no. of people	1,006	95	128	91
		Temporary contract	no. of people	4	1	0	0
		<b>Permanent employees by employment type and gender</b>		Hong Kong		Hangzhou	
				Male	Female	Male	Female
		Full-time	no. of people	9,056	1,740	397	296
		Part-time	no. of people	282	103	0	0
	KPI B1.1	<b>Total workforce by age group</b>		Hong Kong		Hangzhou	
		Under 30	no. of people	1,537		87	
		30-39	no. of people	1,725		298	
		40-49	no. of people	2,659		242	
		50 or above	no. of people	5,260		66	
G4-LA1		<b>Total number of new hires by age group and gender</b>	no. of people	1,285			
				Hong Kong		Hangzhou	
				Male	Female	Male	Female
		Under 30	no. of people	346	137	21	9
		30-39	no. of people	165	81	28	30
		40-49	no. of people	120	65	3	3
		50 or above	no. of people	200	77	0	0
		<b>Rate of new hires by gender and age group</b>		Hong Kong		Hangzhou	
		By gender		Hong Kong		Hangzhou	
		Male	%	7.4		7.5	
		Female	%	3.2		6.1	
		By age group		Hong Kong		Hangzhou	
		Under 30	%	4.3		4.3	
		30-39	%	2.2		8.4	
		40-49	%	1.6		0.9	
		50 or above	%	2.4		0	
	KPI B1.2	<b>Total turnover number by age groups and gender</b>	no. of people	1,368			
				Hong Kong		Hangzhou	
				Male	Female	Male	Female
		Under 30	no. of people	235	98	7	5
		30-39	no. of people	172	84	7	11
		40-49	no. of people	135	70	1	1
		50 or above	no. of people	446	87	7	2

# PERFORMANCE TABLES

GRI Reference	ESG Guide Reference	Indicator	Unit	FY2017	
<b>Labour Practices and Decent Work</b>					
KPI B1.2		<b>Rate of turnover by gender and age group</b>			
		By gender		Hong Kong	Hangzhou
		Male	%	8.8	3.2
		Female	%	3.0	2.7
		By age group		Hong Kong	Hangzhou
		Under 30	%	2.9	1.7
		30-39	%	2.3	2.6
		40-49	%	1.8	0.3
		50 or above	%	4.7	1.3
G4-LA3		<b>Return to work rates after parental leave, by gender</b>		Male	Female
		Total number of employees who took parental leave	no. of people	153	43
		Total number of employees who returned to work after parental leave ended	no. of people	148	39
		Return to work rate by gender	%	96.7	90.7
		Retention rate of employees following parental leave after a 12-month period	%	94.1	89.8

# PERFORMANCE TABLES

GRI Reference	ESG Guide Reference	Indicator	Unit	FY2017			
<b>Labour Practices and Decent Work</b>							
G4-LA5		<b>Occupational health and safety</b> Percentage of total workforce represented in formal joint management-worker health and safety committees <sup>18</sup>	%	1.2			
G4-LA6		<b>Injury, lost day and absentee rate</b>		Hong Kong		Hangzhou	
	KPI B2.1	Fatalities	no. of people	Male	Female	Male	Female
		Injury rate	per 1,000 workers	0	0	1	0
		Occupational disease rate	per 1,000 workers	23	3.5	7.2	4.3
	KPI B2.2	Number of lost days	days	Hong Kong		Hangzhou	
				14,265		640	
		Lost day rate	%	Hong Kong		Hangzhou	
		Absentee rate	%	Male	Female	Male	Female
				0.4	0.1	0.2	0.1
G4-LA9		<b>Average hours of training per year</b> Per employee	hours	13.8			
	KPI B3.2	<b>Average training hours by gender</b>					
		Male	hours	13.7			
		Female	hours	14.4			
	KPI B3.2	<b>Average training hours by employee category</b>					
		Assistant General Manager/ Assistant Director and above	hours	11.7			
		Senior Manager and Manager	hours	13.6			
		Assistant Manager	hours	15.2			
		General staff	hours	15.1			
		Operational staff	hours	13.6			
G4-LA11		<b>Employees receiving regular performance reviews by gender</b>					
		Male	%	92			
		Female	%	90			
		<b>Employees receiving regular performance reviews by employee category</b>					
		Assistant General Manager/ Assistant Director and above	%	91			
		Senior Manager and Manager	%	97			
		Assistant Manager	%	100			
		General staff	%	95			
		Operational staff	%	78			

Note:

18. Formal joint management-worker health and safety committees are present at the Group level, as well as at the subsidiary level. All reporting entities except Free Duty have these committees.

# PERFORMANCE TABLES

GRI Reference	ESG Guide Reference	Indicator	Unit	FY2017			
<b>Labour Practices and Decent Work</b>							
G4-LA12		<b>NWS Holdings Board composition by gender</b>					
		Male	%				93
		Female	%				7
		<b>NWS Holdings Board composition by age</b>					
		Under 30	%				0
		30-39	%				7
		40-49	%				7
		50 or above	%				86
		<b>NWS Holdings Board composition by ethnicity</b>					
		Chinese	%				100
		Non-Chinese	%				0
KPI B1.1		<b>Diversity disclosure by employee category and gender</b>			Male		Female
		Assistant General Manager/ Assistant Director and above	%		62.4		37.6
		Senior Manager	%		67.0		33.0
		Manager	%		61.1		38.9
		Assistant Manager	%		62.1		37.9
		General staff	%		54.7		45.3
		Operational staff	%		78.4		21.6
KPI B1.1		<b>Diversity disclosure by employee category and age group</b>		Under 30	30-39	40-49	50 or above
		Assistant General Manager/ Assistant Director and above	%	0	2.0	24.7	73.3
		Senior Manager	%	0	5.5	39.5	55.0
		Manager	%	0	16.3	43.9	39.8
		Assistant Manager	%	3.2	26.8	42.0	28.0
		General staff	%	26.5	28.5	25.3	19.7
		Operational staff	%	13.4	15.9	23.2	47.5
KPI B1.1		<b>Diversity disclosure by employee category and ethnicity</b>			Chinese		Non-Chinese
		Assistant General Manager/ Assistant Director and above	%		97.0		3.0
		Senior Manager	%		100.0		0
		Manager	%		99.5		0.5
		Assistant Manager	%		100.0		0
		General staff	%		99.8		0.2
		Operational staff	%		99.9		0.1
<b>Human Rights</b>							
G4-HR3		Incidents of workplace discrimination reported	no. of cases				0
G4-HR12		Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanism <sup>19</sup>	no. of cases				7

Note:

19. One case has been resolved and the others are being investigated.

# PERFORMANCE TABLES

GRI Reference	ESG Guide Reference	Indicator	Unit	FY2017
<b>Society</b>				
G4-SO1	KPI B8.2	Employee volunteering	hours	14,149
		Percentage of reporting entities with implemented local community engagement	%	100
G4-SO5	B7(b) KPI B7.1	Confirmed incidents of corruption and actions taken	no. of cases	0
		Total reported incidents of non-compliance with laws and regulations related to accounting fraud and corruption, and related significant fines	no. of cases HK\$	0 0
G4-SO8	B2(b)	Total reported incidents of non-compliance with laws and regulations related to providing a safe working environment and protecting employees from occupational hazards, and related fines	no. of cases HK\$	15 174,000
<b>Product Responsibility</b>				
G4-PR1		Percentage of buses and ferries assessed for safety improvement	%	100
G4-PR2	B6(b)	Total incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services	no. of cases	1
G4-PR4	B6(b)	Total incidents of non-compliance with regulations and voluntary codes concerning product and service information, labelling and advertising	no. of cases	0
G4-PR8	B6(b)	Total number of substantiated complaints received concerning breaches of customer privacy		
		from regulatory bodies	no. of cases	0
		from outside parties	no. of cases	0
		Total number of identified leaks, thefts, or losses of customer data	no. of cases	0
G4-PR9	B6(b)	Monetary value of fines for non-compliance with laws and regulations concerning the provision of products and services	HK\$	25,000

# GRI/ESG GUIDE CONTENT INDEX

General Standard Disclosures	ESG Guide Reference	Detail	Page	Section/Remarks
<b>Strategy and Analysis</b>				
G4-1	–	Chief Executive Officer's Statement	2-3	CEO Message
<b>Organizational Profile</b>				
G4-3	–	Name of the organization	Front Inner Cover	Corporate Profile
G4-4	–	Primary brands, products and services	8-15	Reporting Methodology
G4-5	–	Location of headquarters	Front Inner Cover	Corporate Profile
G4-6	–	Number of countries the organization operates	4	About This Report
G4-7	–	Nature of ownership and legal entity	8-15	Reporting Methodology
G4-7	–	Nature of ownership and legal entity	Front Inner Cover	Corporate Profile
G4-8	–	Markets served	Front Inner Cover	Corporate Profile
G4-9	–	Scale of the organization	Front Inner Cover	Corporate Profile
			5	Performance Highlights
			48	Performance Tables
				See also Corporate Profile section of <a href="#">Annual Report 2017</a>
G4-10	KPI B1.1	Number of employees	5	Performance Highlights
			21-22	Human Capital
			48	Performance Tables
G4-11	–	Percentage of employees covered by collective bargaining agreements	N/A	No current employees are covered by collective bargaining agreements.
G4-12	KPI B5.1	Organization's supply chain	29-31	Value Chain
G4-13	–	Significant changes regarding size, structure, ownership/organization's supply chain	N/A	No significant changes during the reporting period
G4-14	–	Report whether and how the precautionary approach or principle is addressed by the organization	17-19	Corporate Governance
			40-44	Environmental Performance
G4-15	–	Charters	7	Performance Highlights
G4-16	–	Memberships	7	Performance Highlights

# GRI/ESG GUIDE CONTENT INDEX

General Standard Disclosures	ESG Guide Reference	Detail	Page	Section/Remarks
<b>Identified Material Aspects and Boundaries</b>				
G4-17	–	Entities included in the organization's consolidated financial statements or equivalent documents	4 8-10	About This Report Reporting Methodology See also Project Key Facts and Figures of <a href="#">Annual Report 2017</a>
G4-18	–	Process for defining report content and the aspect boundaries	11	Reporting Methodology
G4-19	–	Material aspects identified in the process for defining report content	12-13	Reporting Methodology
G4-20	–	Aspect boundary within the organization for each material aspect	13	Reporting Methodology
G4-21	–	Aspect boundary outside the organization for each material aspect	13	Reporting Methodology
G4-22	–	Explanation of the effect of any restatements	N/A	No restatement on information in previous report was made.
G4-23	–	Significant changes from previous reporting periods in the scope and boundary	N/A	No significant changes during the reporting period
<b>Stakeholder Engagement</b>				
G4-24	–	List of stakeholder groups engaged by the organization	11-15	Reporting Methodology
G4-25	–	Basis for identification and selection of stakeholders with whom to engage	11-15 19	Reporting Methodology Corporate Governance
G4-26	–	Approaches to stakeholder engagement	11-15 19	Reporting Methodology Corporate Governance
G4-27	–	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns	11-15	Reporting Methodology
<b>Report Profile</b>				
G4-28	–	Reporting period	4	About This Report
G4-29	–	Date of previous report	N/A	The previous report was published in December 2016.
G4-30	–	Reporting cycle	4	About This Report
G4-31	–	Contact point for report enquiries and its contents	4	About This Report
G4-32	–	GRI Content Index, the 'in accordance' option the organization has chosen and the reference to the External Assurance (if any)	4 53-57	About This Report GRI/ESG Guide Content Index
G4-33	–	Policy and current practice with regard to seeking external assurance for the report	4 58	About This Report Assurance Statement



# GRI/ESG GUIDE CONTENT INDEX

General Standard Disclosures	ESG Guide Reference	Detail	Page	Section/Remarks
<b>Governance</b>				
G4-34	–	Governance structure of the organization	17-19	Corporate Governance See also Corporate Governance Report Section of <a href="#">Annual Report 2017</a>
<b>Ethics and Integrity</b>				
G4-56	–	Organization's values, principles, standards and norms of behaviour	Front Inner Cover 17-19 21-27 29-33	Vision, Mission and Core Values Corporate Governance Human Capital Value Chain
Material Issues	GRI G4 Indicator	ESG Guide Reference	Page	Section/Remarks
Economic performance	DMA G4-EC1	KPI B8.2	2	GEO Message
			5	Performance Highlights
			45	Performance Tables See also <a href="#">Annual Report 2017</a>
Indirect economic impact	DMA G4-EC8		29-33	Value Chain
Procurement practices	DMA G4-EC9	B5 KPI B5.1	5	Performance Highlights
			29-33	Value Chain
			45	Performance Tables
Materials	DMA G4-EN1	A2, A3, KPI A3.1 KPI A2.5	43	Environmental Performance
			45	Performance Tables
Energy	DMA G4-EN3 G4-EN7	A2, A3, KPI A2.3, KPI A3.1 KPI A2.1 KPI A2.3	40-44	Environmental Performance
			46-47	Performance Tables
Water	DMA G4-EN8	A2, A3, KPI A2.4, KPI A3.1 KPI A2.2	40-44	Environmental Performance
			46 N/A	Performance Tables Water used by the reporting entities is supplied by Water Supplies Department of HKSAR Government. Sourcing water is not considered to be a material issue for our reporting entities.

# GRI/ESG GUIDE CONTENT INDEX

Material Issues	GRI G4 Indicator	ESG Guide Reference	Page	Section/Remarks
Emissions	DMA	A1(a), A3, KPI A1.6, KPI A3.1	40-44	Environmental Performance
	G4-EN15	KPI A1.1, KPI A1.2	46	Performance Tables
	G4-EN16	KPI A1.1, KPI A1.2		
Effluents and waste	DMA	A1(a), A3, KPI A1.6, KPI A3.1	40-44	Environmental Performance
	G4-EN23	KPI A1.3, KPI A1.4, KPI A1.6	46	Performance Tables
Compliance (Environmental)	DMA	A1(b)	40-44	Environmental Performance
	G4-EN29		46	Performance Tables
Employment	DMA	B1(a)(b)	5	Performance Highlights
	G4-LA1	KPI B1.2	21-22	Human Capital
	G4-LA3		48-49	Performance Tables There were no confirmed incidents of non-compliance with labour laws and regulations, which would have a significant impact on the Group.
Occupational health and safety	DMA	B2(a)(b), KPI B2.3	26	Human Capital
	G4-LA5		50	Performance Tables
	G4-LA6	KPI B2.1, KPI B2.2		
Training and education	DMA	B3	5	Performance Highlights
	G4-LA9	KPI B3.2	24-25	Human Capital
	G4-LA11		50	Performance Tables
Diversity and equal opportunity	DMA	B1	21-23	Human Capital
	G4-LA12	KPI B1.1	51	Performance Tables
Non-discrimination	DMA	B1	21-23	Human Capital
Human rights	G4-HR3		51	Performance Tables
	DMA	B4(a)(b)	18-19	Corporate Governance
	G4-HR12		21 51	Human Capital Performance Tables There were no confirmed incidents of non-compliance related to child and forced labour, which would have a significant impact on the Group.
Local communities	DMA	B8, KPI B8.1	5	Performance Highlights
	G4-SO1		35-38 45, 52	Community Care Performance Tables

# GRI/ESG GUIDE CONTENT INDEX

Material Issues	GRI G4 Indicator	ESG Guide Reference	Page	Section/Remarks
Anti-corruption	DMA	B7(a)(b), KPI B7.2	18-19	Corporate Governance
	G4-SO4		30	Value Chain
	G4-SO5	KPI B7.1	52	Performance Tables There were no confirmed incidents of non-compliance related to bribery, extortion, fraud and money laundering.
Compliance (Society)	DMA	B2(b)	26	Human Capital
	G4-SO8		52	Performance Tables
Customer health and safety	DMA	B6(a)(b)	32	Value Chain
	G4-PR1		52	Performance Tables
	G4-PR2			
Customer satisfaction	DMA	B6	32-33	Value Chain
	G4-PR5	KPI B6.2		
Customer privacy	DMA	B6(a)(b), KPI B6.5	32	Value Chain
	G4-PR8	KPI B6.2	52	Performance Tables
Compliance (Product responsibility)	DMA	B6	52	Performance Tables
	G4-PR9			

# ASSURANCE STATEMENT

## SGS STATEMENT ON ASSURANCE SUSTAINABILITY REPORT 2017 OF NWS HOLDINGS LIMITED

### NATURE AND SCOPE OF THE ASSURANCE

SGS Hong Kong Limited (hereafter as “SGS”) was commissioned by NWS Holdings Limited (hereafter as “NWS Holdings”) to conduct independent assurance of the Sustainability Report 2017 of NWS Holdings (hereafter as the “Report”). The scope of the assurance, based on the SGS Sustainability Report Assurance methodology, focused on the sustainability performance of NWS Holdings from 1 July 2016 to 30 June 2017.

NWS Holdings is responsible for the collection and presentation of the information presented. SGS is not involved in preparing any material of the Report. Our responsibility is to express an opinion on the text, data, graphs and statements within the mentioned scope of assurance set out below with the intention to inform all NWS Holdings’ stakeholders on the accuracy and reliability of the information presented in the Report.

The Report has been assured at a high level of scrutiny using our protocols for:

- Evaluation of content veracity;
- Evaluation of the Report in accordance with the Core option of the Global Reporting Initiative (“GRI”) G4 Sustainability Reporting Guidelines and the Environmental, Social and Governance Reporting Guide issued by The Stock Exchange of Hong Kong Limited.

The assurance methodology comprised a combination of pre-assurance research, interview, documentation and record review.

Financial data drawn directly from independently audited financial accounts have not been checked against the source as part of this assurance process.

### STATEMENT OF INDEPENDENCE AND COMPETENCE

SGS affirms our independence from NWS Holdings, being free from bias and conflicts of interest with the organization, its subsidiaries and stakeholders.

The assurance team was assembled based on the members’ knowledge, experience and qualifications for this assignment, and comprised lead auditors of ISO 14001, auditors of SA 8000, ISO 26000 and OHSAS 18001 and trainer in Sustainability Reporting.

### ASSURANCE OPINION

On the basis of the methodology described and the verification work performed, we are satisfied that the information and data contained within the Report are accurate and reliable. The Report provides a fair and balanced representation of NWS Holdings’ sustainability performance. The assurance team is of the opinion that the Report conforms to the Core option of the GRI G4 Sustainability Reporting Guidelines and the Environmental, Social and Governance Reporting Guide issued by The Stock Exchange of Hong Kong Limited.

**Signed:**

**For and on behalf of SGS Hong Kong Limited**



**Ben Tsang**  
Senior Director, China and Hong Kong  
Certification and Business Enhancement



**Jacky Yeung**  
Lead Assuror  
Certification and Business Enhancement



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