



SUSTAIN

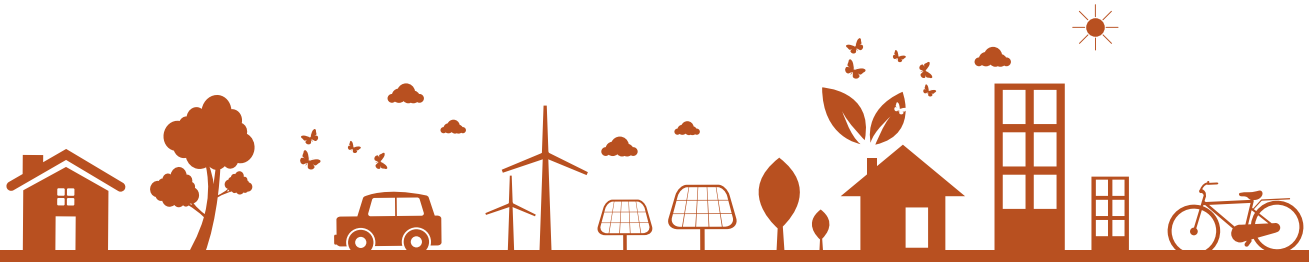
Contributed
over **HK\$ 26 million**
to social causes through
NWS Holdings Charities Foundation
since 2006

Over **165,000** hours of
community services accumulated by members of
NWS Volunteer Alliance

Over **1,300**
environmentally-friendly Euro 5
or above buses

ABILITY

Corporate Sustainability



Corporate sustainability is a cornerstone of our success at NWS Holdings. Our vision for a sustainable future guides both our long-term business strategy and our daily operations. This vision helps us identify opportunities and assess risks in a fast-changing world, and guides our focus on delivering long-term value to the communities in which we operate.

We have established effective mechanisms and practices across the Group to ensure that corporate sustainability is an integral part of our business. A clear and integrated management structure is supported by Group-wide policies, dedicated committees, staff training, stakeholder engagement and communications with the broader community. To ensure we make headway on sustainability, we conduct regular reviews so that best practices from across the Group and beyond can be built into the way we do business.

Integrated Management Approach

Management committees and our policies underpin our approach to managing sustainability. In FY2017, the board-level Corporate Social Responsibility (“CSR”) Committee was renamed as Sustainability Committee, to better reflect its broader remit to steer full-spectrum sustainable development at the Group level. The Sustainability Committee, chaired by Chief Executive Officer, meets twice a year to review our progress, direct new strategies, and oversees the implementation of a newly adopted “Sustainability Policy”.

Effective from January 2017, the new, all-encompassing “Sustainability Policy” replaces our “Corporate Policy on CSR” and our “Environmental Policy”, as the highest governing policy on sustainable development, stipulating our commitments and the principles we uphold in four key areas: Business Operations, Human Capital, Community Contribution, and Environmental Responsibility.

The Environmental Management Committee, chaired by an executive director from the Company and including senior management from our key

subsidiaries, is the body in charge of spearheading environmental progress at the operation level. Members meet twice a year to review performance, develop new targets and programmes, and share experience from across the Group. From our Corporate Office to our subsidiaries, each operation either has an environmental committee or Green Managers to optimize environmental performance, boost staff awareness and share knowledge and best practice.

In addition to our policies on corporate governance, risk management, and sustainability, we have a “Corporate Policy on Staff Responsibilities”, which guides 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.

Fostering New Knowledge

Our staff are at the forefront of our pursuit of a more sustainable business, and we have a range of on-going training schemes to equip them with the latest knowledge on emerging trends and topical issues. These include the annual NWS Sustainability Seminar, which in FY2017 brought together about 300 managers from across the Group for a close



Scan the QR code to read the full version of NWS Holdings Sustainability Policy

Corporate Sustainability



The Group's management and Green Managers visit environmental projects to build new knowledge.

examination and was webcast live to reach a broader audience 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 Green Managers 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. This was an opportunity to learn more about the city's waste issues and the latest waste-to-energy technologies.

In Pursuit of Excellence

Delivering on our sustainability goals requires constant engagement with our stakeholders. We work closely with government officials, business partners, investors, customers, suppliers, subcontractors and non-profit organizations. We also seek their views on material issues, risks, and impacts on our operation through focus groups, surveys, regular face-to-face meetings and other means.

To make progress, we must measure what we do and identify areas of potential improvement. Benchmarking our performance against best practices and industry leaders is how we do this, and we take part in local and international sustainability benchmarking schemes. The Group has been selected as a constituent stock of the Hang Seng Corporate Sustainability Benchmark Index in Hong Kong ever since its inception in

2011. In this Index's review results announced in August 2017, the Group not only maintained its AA rating for our overall performance, we were, for the second consecutive year, named the highest-scoring constituent company in Fair Operating Practices, one of the seven core assessment subjects.

Our commitment to continuously enhance transparency of sustainability performance brings about an expansion of the reporting scope of this summary and the upcoming standalone sustainability report to be published this December, to include all the major subsidiaries where the Group takes 100% ownership and exercises full operational control in both Hong Kong and Mainland China. These reporting entities are NWS Corporate Office, 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"), and Hangzhou Guoyi Expressway and Bridge Management Co., Ltd.

Further details of our reporting scope, material issues, progress and performance can be found in our standalone sustainability reports, available at our corporate website <http://www.nws.com.hk>.

Human Capital

Talent is the Group's most important asset. Our people are the driving force behind our success, delivering business results and enhancing operational efficiency. We strive to recruit and retain high-calibre talent, to strengthen our workforce. Our approach to people management comprises broadening of the talent-recruitment platform, providing 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.



Employees' children take part in games during the NWS Family Visit Day.

Strengthening Capabilities

The Group respects every member of staff and believes in the value of diversity and equality. In practice, we offer equal opportunity in employment, remuneration, training, and career development to our staff, regardless of age, gender, ethnicity or other aspects of diversity. We do not condone any form of workplace discrimination, and we have policies and guidelines to help our staff understand our position on equal opportunity.

Giving our employees the opportunity to develop their professional knowledge and skills is essential to our business continuity and success in today's increasingly competitive market. We provide our staff with a comprehensive career development plan and training programme designed to foster their professional

growth. Our initiatives to promote life-long learning include education subsidies, examination leave, and career progression study opportunities. Employees from our major subsidiaries clocked about 150,000 hours of training over the last year.

In industries where recruitment remains a challenge, we develop new measures to expand the talent pool. For example, the well-structured Marine Officer Trainee Programme developed by NWFF ensures we have a steady stream of trained coxswains and operational staff rising through the ranks.

Human Capital

Health and Safety

Workplace safety is a top priority of our people management approach. Most of our subsidiaries in Hong Kong have established management committees to review and reinforce health and safety. In our construction businesses, where the risks are relatively higher, we use an OHSAS 18001-compliant management system to ensure high standards of occupational health and safety are factored into the work processes. Regular education and training is provided to improve staff well-being, enhance preparedness for emergencies, and prevent injuries.

Work-Life Balance

We believe that for our staff to perform at their best at work, they need to be happy, healthy, and have the right work-life balance. Our approach in this area includes organizing social and sports activities for employees, and developing new family-friendly measures.

We extend our care to employees' families through popular activities, such as workplace visits, movie days, sponsored hotel stays, and a large-scale theme park party. In FY2017, the NWS Corporate Office introduced medical and dental subsidies for dependents on top of existing scholarships for the children of our staff. Our subsidiaries, including HML, Hip Hing and NWFF, have also introduced flexible working hour schemes to enable employees to take care of their family without compromising their work.

In FY2017, our holistic approach to people management delivered the Group "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 work in enhancing employee wellness, retaining and nurturing talent, and advancing workplace well-being.

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 the people 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 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 has 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 community partners, 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



Value Chain

As we manage the environmental and social risks throughout our value chain, it is essential that we communicate our principles to our partners, provide clear guidance on our expectations, and establish mechanisms to ensure legal and regulatory compliance. We also create new initiatives for our suppliers, customers and other stakeholders to contribute to sustainability endeavours. We actively engage customers and clients as part of the process to enhance the scope and quality of our services.



Together with our partners and suppliers, we build many of Hong Kong's iconic landmarks, including Xiqu Centre in West Kowloon.

Managing Supplier Practices

Our suppliers and contractors are required to firmly adhere to the ethical, social and environmental requirements set out in the "Supplier Code of Conduct" of our parent company, NWD. These business partners are also expected to fulfil the requirements stated in our individual subsidiaries' policies, which are updated regularly as new risks emerge, and new requirements are added. For example, immediately after an incident in 2016, Hip Hing enhanced its existing waste disposal policy, enhancing subcontractors' responsibility for the proper and legal disposal of waste. Subcontractors will be closely monitored, and failure to comply with the new protocol will result in a penalty.

When selecting suppliers and subcontractors, our construction companies, for instance, require all potential partners to disclose their policies and

performances related to compliance, health and safety, environmental practices, community engagement and others. This forms a key part of the tender process and ensures that our partners align with our demands for sustainable project management and operations.

Responsible supply chain practices are duly recognized, 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. NWCON, another of the Group's construction companies, put in place an incentive scheme to reward subcontractors that use only the agreed amounts of steel materials.

Value Chain

Striving for Excellent Service

Our drive to satisfy or exceed customers' expectations of our services is unwavering. To ensure we understand the changing needs of customers, we regularly collect their comments and recommendations through a range of channels and activities, and incorporate their feedback into our ongoing plans for improvement of our products and services.

Since July 2016, HML has been offering a new LoveGreen Meeting Package for customers aspiring to stage an event at Hong Kong Convention and Exhibition Centre ("HKCEC") in a more sustainable way. "Green" options such as low-carbon food menus, recycling facilities, and food donation are available in this new package. In a related move, HML has improved its customer database to incorporate customers' prior requests and order history regarding environmental measures. Our event managers can now use that information to customize future events that meet the clients' sustainability needs.

We strive to enrich our services to meet customer needs and social expectations. In response to the

growing popularity of breastfeeding in Hong Kong, NWFF launched the first breastfeeding room on Hong Kong public transport in June 2016. Similar facilities are now available on three other three-storey ferries. Priority seats for nursing mothers on fast ferries have already launched in September 2017.



A construction subcontractor is recognized for their outstanding performance in environmental protection.

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 service 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 took a further step by stopping at a hospital en route and showing 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

Across NWS Holdings, we work to create a positive impact on the communities in which we operate. We make use of internal resources and business networks, and leverage the support of our employees for community benefit. To bring this about, we work in three ways: we make charitable donations through the NWS Holdings Charities Foundation (“Charities Foundation”), encourage corporate volunteering, and establish long-term, impactful community projects with our strategic partners.

Fostering Community Growth

In the reporting period, the Charities Foundation and our corporate volunteer team, the NWS Volunteer Alliance, celebrated their 10-year and 15-year anniversaries respectively. Over time we have contributed more than HK\$26 million to support meaningful causes in community welfare, education, health care and environmental protection. Our volunteer team, meanwhile, has marked its new milestone with a new brand identity, uniform and other service tools. Volunteers continue to serve needy groups with their established skills in haircutting, dancing, clown performance and handicraft, while seeking new ones, such as wheelchair and home maintenance.

Healthcare for Elderly

In Hong Kong, the ageing population is presenting challenges and heightened demand for social care, both now and for generations to come. The YWCA NWS Y-Care Centre (North District) (“NWS Y-Care

Centre”) project is a joint effort between the Group and the Hong Kong Young Women’s Christian Association (“YWCA”) to provide much-needed elderly care services.

On the back of a HK\$3 million donation from the Charities Foundation and now in its fourth year of operation, the NWS Y-Care Centre has provided a full range of day care and rehabilitation services to over 30,000 elderly users so far. This accredited social enterprise has also been recognized as a service provider for the governmental Community Care Service Voucher for the Elderly Pilot Scheme.

The Group and YWCA kept the momentum of volunteering going in March 2017 by launching a new, two-year initiative named the “We Care-Elderly Friendly Community Programme”. Home visits, community events and educational videos will be used to foster a better public understanding of common health conditions affecting the elderly.



Our corporate volunteers take senior citizens on an outing to the Hong Kong Railway Museum in Tai Po.

Community Care

Environmental Protection

Hong Kong is home to precious geological heritage, and 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.

Through the Young Ambassadors for Geoconservation Training Programme, we have trained over 1,100 students from 200 secondary schools. In FY2017, the sixth cohort of students learnt about geoconservation and a connected subject, geotourism, through an array of activities including field trips. Outstanding students were provided with additional training on leadership and multilateral thinking, as well as opportunities to study landforms in East Taiwan.

The wider NWS Hong Kong Geo Wonders Hike campaign also included



Young Ambassadors for Geoconservation closely examine ecological features in East Taiwan.

the popular NWS Geo Hero Run, with runners racing in Hong Kong Global Geopark, along with guided tours and rock cleaning activities in Hong Kong's outer islands. Around 2,500 members of the public were engaged in these activities to raise awareness of geoconservation.

NWS Career Navigator for Youth

In late 2016, the Group launched a long-term programme, NWS Career Navigator for Youth, to help the younger generation unlock their potential.

Underpinned by a strong community partnership, this programme offers a broad range of life-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 400 students and 100 teachers of secondary schools in Tsuen Wan, Kwai Chung and Tsing Yi District, while helping schools improve students' future employability.

In February 2017, this project was officially kicked off on NWS Caring Day, an event we hold every year to mark the anniversary of the Group's 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

In our pursuit of environmental sustainability, we go beyond mere compliance with regulatory requirements and instead adopt international management standards and best practices. We also strive to reduce our impact on the environment, and achieve cost savings through innovations and technology applications. Our member companies constantly seek and apply environmental measures best suited to the nature of their business. As a group, we make continuous efforts to raise employee awareness of environmental trends and issues.

Management System

We adopt international standards in our day-to-day operations, to benchmark and attest our performance. For example, HKCEC, managed by HML, is the first venue in Hong Kong to have attained ISO 20121 Event Sustainability Management System certificate. A total of 51 active sites managed by Hip Hing and NWCON were certified with ISO 14001 Environmental Management System in the reporting period. The ISO 50001 Energy Management System is also adopted in our construction businesses.

Reducing Emissions

Given that our day-to-day operations in construction and transport involve considerable fuel consumption, we have devised a range of initiatives to minimize energy consumption and the levels of emissions from these businesses.

Hip Hing, for example, aims to steadily reduce energy consumption by its heavy construction machinery such as tower cranes and power generators. Through a combination of usage training and administrative controls, the average energy consumption of these heavy machineries has dropped by 33.5% when compared to the baseline year, 2013. Where suitable, Hip Hing also uses cleaner biodiesel for this equipment.

Our transport businesses are working to reduce emissions by introducing greener vehicle models, retrofitting existing buses, and using low-emission energy wherever practicable. At the end of FY2017, around 80% of our 1,600-strong bus fleet met Euro 5 or higher emission standards. Ten electric buses and three Euro 6 hybrid buses are already in service as part of our efforts to introduce even greener transport. The vast majority of Euro 2 and 3 buses have been retrofitted with selective catalytic reduction device to reduce nitrogen oxides emission. NWFF has built a power supply equipment at its Cheung Sha Wan

dockyard that enables docked ferries to switch from diesel to onshore electricity supply.

Materials and Waste Management

Throughout the value chain, we work to reduce our environmental impact, and this involves using sustainably sourced materials and minimizing waste. We procure sustainable products such as FSC-certified printing paper and timber for use in office and construction projects. We have long-standing recycling practices in our workplaces and managed premises. Reusable resources including inert construction materials and unconsumed food from HKCEC are transferred to third parties or donated to the needy for reuse and consumption.

The new rooftop organic farm at the Citybus depot is a new 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, with planters and facilities built from old bus components and used containers. Small windmills and solar panels are deployed to power a rainwater collection and sprinkler system. Fertilizers composted from food waste help plants grow.



The Group's CEO, Tsang Yam Pui, takes a tour of Citybus' new rooftop organic farm, which is built out of unwanted equipment and bus parts.

Environmental Performance

Employee Engagement

Raising staff awareness is part of the Group's commitment to contributing to environmental protection. To this end, we run internal promotional campaign every year to inform employees on topical environmental issues and call for action towards the betterment of our environment.

The FY2017 employee green campaign focused on "Sustainable Procurement and Consumption", encouraging employees to source and consume sustainably, both at work and at home. Apart from organizing a site visit to town gas production plant for Green Managers, we held a series of light-hearted activities to promote sustainable consumption as part of everyday life.



The Eco Bazaar in NWS Corporate Office promotes sustainable fashion to staff members.

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 has earned its development team a gold medal at the 45th 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 carbon emissions and saving costs and energy.

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 team also proactively implements 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

