

The image features a background of a forest with tall evergreen trees in the upper half and a denser forest of deciduous trees in the lower half. A large, vibrant green graphic shape, resembling a stylized leaf or a torn piece of paper, is overlaid on the right side of the image. The word "Sustainability" is written in a bold, white, sans-serif font across the center of the green shape.

Sustainability

Over **HK\$ 40 million**

contributed to charitable causes through
NWS Holdings Charities Foundation since 2006

Approximately

16,000 hours of

community services generated by corporate volunteers in FY2018

Over **1,400**

environmentally-friendly Euro 5 or above buses are in service

Sustainability

At NWS Holdings, **sustainability** is an **indispensable part** of our corporate culture.



Sustainability guides our decision-making and daily operations to ensure that we deliver lasting value and growth, both for our business and the communities in which we live and work.

INTEGRATED MANAGEMENT APPROACH

The Group has a well-established framework of policies, dedicated committees and management systems to guide sustainable development based on integrity, equity and transparency. Our clear, integrated management structure is supported by regular reviews of policies and processes, staff training and communications.

Ultimate accountability for sustainability sits with our Board-level Sustainability Committee, chaired by our Chief Executive Officer. It sets the overarching strategy for sustainability and oversees its progress across the Group. Under the purview of the Sustainability Committee, the Environmental Management Committee acts as the bridge between Corporate Office and each subsidiary, driving green initiatives throughout our operations. The Sports and Recreation Committee oversees activities for staff, while the NWS Holdings Charities Foundation (“Charities Foundation”) and NWS Volunteer Alliance manage dedicated funding for charitable causes and development of corporate volunteering respectively.

SUSTAINABILITY GOVERNANCE STRUCTURE



In January 2017, the Sustainability Committee adopted a new, all-encompassing Sustainability Policy, underpinning the Group's efforts to integrate sustainability into every aspect of our business. Aligning with the Group's vision, mission and core values, and referencing the principles of United Nations ("UN") Global Compact, the policy sets out our commitments under four core pillars of Business Operations, Human Capital, Community Contribution, and Environmental Responsibility, and guides the development of approaches and practices of our subsidiaries and business units.

The Group also has long-standing policies that detail our expectations for the ethical conduct of our staff, prevention of bribery and discrimination, whistleblowing, human rights, and health and safety. Our Corporate Policy on Staff Responsibilities details how staff should regard ethical issues, and informs their dealings with business partners. Our Human Rights Policy, which aligns with the UN Global Compact, highlights our respect for the fundamental rights of our employees. Our corporate governance and risk management policies can be found in the Corporate Governance Report and Risk Management sections of this Annual Report, on page 23 to 53, and on our corporate website <http://www.nws.com.hk>.



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

Sustainability

In FY2018, we began mapping our key initiatives to the UN's Sustainable Development Goals ("SDGs") to ensure our efforts align with the global roadmap for sustainable development. We identified six of the 17 SDGs – those on which we believe the Group can have greatest impact. We therefore aim to align our longer-term objectives with the following goals:



Goal 6
Clean water and sanitation



Goal 7
Affordable and clean energy



Goal 8
Decent work and economic growth



Goal 11
Sustainable cities and communities



Goal 12
Responsible consumption and production



Goal 13
Climate Action

Developing staff capability is vital to our pursuit of a more sustainable business. To keep our employees informed on the latest in sustainability, the Group provides a range of training activities. For example, our annual Sustainability Seminar in FY2018 focused on "Sustaining Growth in the Age of Digitization", with prominent business leaders sharing their views on the opportunities and new business models brought by advancing technologies. About 300 managerial staff from across the Group took part, and the discussion was streamed online to reach employees who could not be there.

To ensure we constantly improve, we track our progress and benchmark our performance against best practices and industry leaders.



Hang Seng Corporate Sustainability Index Series Member 2018-2019

The Group is honoured to have been selected as a constituent stock of the Hang Seng Corporate Sustainability Benchmark Index for the eighth year running and maintained its overall AA rating in the Index's review results announced in August 2018.

In support of the Hong Kong Smart City Blueprint, which also covers the Government's long-term action in combating climate change outlined in Hong Kong's Climate Action Plan 2030+, the Group is taking steps to further reduce emissions, water consumption, and enhance waste management. We are in the process of setting targets against which we can track our progress and accelerate change towards a low-carbon economy.

Further details of the specific initiatives that contribute to the SDGs can be found in our standalone Sustainability Report, which will be available by December 2018 on our corporate website <http://www.nws.com.hk>.

The following sections provide an overview of the Group's performance and progress* on key aspects of sustainability in FY2018. To learn more, please read the full Sustainability Report.

* The reporting entities covered in the overview are: Corporate Office of NWS Holdings, Hong Kong Convention and Exhibition Centre (Management) Limited ("HML"), Free Duty, Hip Hing Construction Group ("Hip Hing"), New World Construction Company Limited ("NWCON"), New World First Bus Services Limited and Citybus Limited ("NWFB and Citybus"), New World First Ferry Services Limited ("NWFF"), and Hangzhou Guoyi Expressway and Bridge Management Co., Ltd.

HUMAN CAPITAL

Our subsidiaries operate in diverse sectors and within competitive and rapidly-changing business environments. To build and maintain committed and innovative workforce, we emphasize staff training and development, competitive remuneration and benefits, a healthy work-life balance, diversity and equality, and respect for human rights. Across our businesses, we provide safe and inclusive workplaces in which our employees are motivated to learn, grow and advance in their careers.

FAIR AND EQUITABLE WORK ENVIRONMENT

We respect and protect the fundamental rights of our people, and aim to secure a fair and equitable workplace for all, regardless of age, gender, ethnicity and other aspects of diversity. The Group's Corporate Policy on Staff Responsibilities provides detailed guidelines and instructions on areas including compensation and dismissal, equal opportunities and diversity, health and safety at work, and the environment. Our Human Rights Policy is in full compliance with Hong Kong laws. It stipulates our clear commitments in four areas: human rights, labour, environment and anti-corruption, alongside the whistleblowing mechanism.

DEVELOPING TALENT

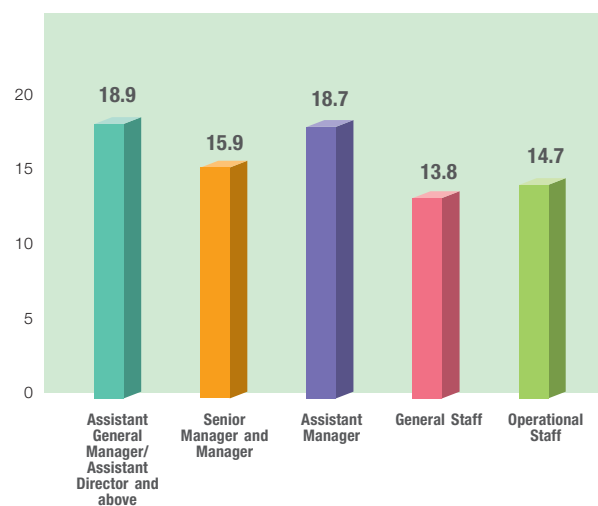
In today's competitive market, it is essential to develop the capabilities of our employees to support business development. Corporate Office staff are provided with a tailor-made career advancement plan and comprehensive training programmes, as well as guidance from assigned mentors. Each employee may apply for examination leave and education and membership fee subsidies, to encourage them to pursue professional development and life-long learning. Similarly, HML employees receive a wide range of in-house and external training, including monthly and yearly refresher courses on topics such as safety awareness and ISO training. New joiners also receive support from their mentors. During the reporting period, average training hours of our reporting entities is 14.8 hours per employee.

HEALTH AND SAFETY

Occupational Health and Safety ("OHS") is of paramount importance to the Group. We have established stringent procedures and dedicated management committees to reinforce health and safety, particularly for our subsidiaries where OHS related risks are high. Our health and safety management systems follow internationally-recognized standards such as OHSAS 18001, and are in full compliance with local legislation and codes of practice. On our construction sites, we go beyond statutory compliance, establishing joint management-worker taskforces to train, monitor and review on-site health and safety processes. Feedback is sought from employees at all levels during regular Health and Safety Committee meetings.

During the reporting period, high-profile bus accidents in Hong Kong have heightened public concern over bus safety and the working hours of bus captains. Following the Transport Department's revisions of bus operational guidelines in February 2018, NWFB and Citybus announced the introduction of new measures including phased reduction of working hours per shift, and more rest facilities. Salary package for frontline staff was also enhanced.

AVERAGE TRAINING HOURS BY EMPLOYEE CATEGORY IN FY2018



Sustainability

GROUP APPRENTICESHIP PROGRAMME

We provide young people with a variety of apprenticeship opportunities across our operations. Since 1993, talented young people have taken up apprenticeships in functions such as chef, marine management, bus engineering, construction and human resources. In FY2018, we recruited 152 young people for apprenticeships, giving them valuable first-hand experience of real workplaces to help them discover their career passion and potential.

“Despite being afraid of heights, I managed to work on the rooftop without worrying as I knew we had adequate safety measures and protective equipment. The company also offers a wide range of internal training and sponsors us to take work-related external courses. This allows less-experienced staff, like me, to quickly gain new skills, and ensures our projects proceed smoothly and safely.”

Ginny Kong
Foreman Apprentice at Hip Hing



Over 8,000 local staff and their family members enjoy a trip to Hong Kong Disneyland for quality family time.

A COLLABORATIVE CULTURE

Enhancing the well-being of our people is crucial to maintaining a healthy and productive workforce. We have family-friendly policies in place across the Group, and arrange fun activities for employees and their families, including the NWS Adventure Day that took place at Hong Kong Disneyland in September 2017. New initiatives introduced in FY2018 included the Steps Challenge scheme, which incentivizes colleagues at our Corporate Office with sports vouchers should they achieve the target number of steps on a quarterly and yearly basis to improve their fitness.

We strive to create a culture of collaboration, so that ideas are shared and communication enhanced between colleagues. We organized sporting activities and excursions as part of our corporate team-building programme. To enhance communication between our businesses, Hip Hing, NWFB and Citybus updated their intranet in FY2018, adding new functions that enable staff to more easily connect and share their knowledge.

Our efforts to promote employee wellness helped us earn several industry accolades in the reporting year. These include: Best Employer Award 2017 at the sixth China Finance Summit in Beijing, Best Employer Brand Award and Dream Employer of the Year at the Asia's Best Employer Brand Awards 2017, organized by the World HRD Congress.

VALUE CHAIN

The breadth of our operations means the Group impacts a broad range of stakeholders. Through active engagement and clear communication, we work closely with our business partners to promote progressive, sustainable practices. Ongoing improvements to the quality of our products and services create value for our customers, meeting their evolving needs. We encourage our business partners to join us in helping make Hong Kong a sustainable, smart city.

MANAGING OUR SUPPLIERS

We remain committed to influencing our supply chain to promote strong ethical, social and environmental performance. We ensure that our suppliers meet the high standards detailed in the Group's Sustainability Policy and the Supplier Code of Conduct developed by our parent company.

Given the relatively high-risk nature of the construction sector in terms of social and environmental impacts, our construction businesses have established extra practices, regulations and penalties to mitigate the risk of non-compliance from suppliers. Our construction businesses require suppliers and subcontractors to complete a self-assessment questionnaire, which sets out their track record of regulatory compliance, product and service quality, environmental management, and health and safety performance as part of the tendering process. With existing business partners, we promote knowledge exchange through training, meetings and sharing sessions that help to build trust and identify opportunities for process enhancement and risk reduction.



Hij Hing's cross-disciplinary team identify and assess risk tasks to ensure a safe workplace for all frontline staff and subcontracted workers.

Sustainability

STRIVING FOR SERVICE EXCELLENCE

We continuously enhance our services to meet customers' evolving needs and exceed their expectations. Our customer-facing subsidiaries, HML, NWFB and Citybus, and NWFF regularly obtain feedback from customers through meetings and surveys. In the past, we have improved accessibility and environmental protection measures in response to customers' valuable suggestions. As part of the on-going effort, HML proactively seeks customers' preferences on environmental measures such as the donation of unconsumed food to charitable organizations, separation of waste for reuse and recycling, and selection of sustainable seafood in catering. This helps HML better respond to customers' increasing expectations regarding the reduction of their impact on the environment. Installation of a new Wi-Fi system is also underway and expected to be completed by the end of 2018, allowing 660 new Wi-Fi access points to simultaneously support 20,000 mobile devices. The system also supports location-based technology, allowing event organizers to better monitor crowd flows and understand customer behaviour which in the end enhance guest experience.

(Left) HML is installing a new Wi-Fi system which will support 20,000 mobile devices by the end of 2018.

(Right) Passengers can access to real-time information on seating status and purchase monthly tickets with the new version of NWFF mobile application.

NWFB and Citybus enhanced their mobile application with new features that give passengers real-time information on bus arrivals and estimated journey times. Passengers can also use location-based technology to determine the best routes to their destinations based on their preferences, such as lowest fare or shortest walking distance. Arrival times for all NWFB and Citybus routes have been made available on the application since the third quarter of 2018. Similarly, NWFF's updated mobile application has new features including instant seating status updates, and enables passengers to buy monthly tickets online.



COMMUNITY CARE

We aim to generate lasting value for the communities we serve through a three-pronged approach: partnering with non-profit organizations to deliver strategic community programmes; empowering our corporate volunteers to serve the community; and contributing financial and in-kind support to charitable causes through the Group's charity arm.

CREATING SOCIAL VALUE

Our relationship with community partners is focused on creating a lasting, positive impact on society. In FY2018, 58 non-profit organizations received donations or in-kind support from our Charities Foundation, which has contributed over HK\$40 million to support charitable causes since 2006.

Volunteering is central to the caring culture of the Group. The NWS Volunteer Alliance consists of employees and their families, who dedicate their time and skills towards enhancing the lives of underprivileged groups, including the elderly, single-parent families, at-risk youth, people recovering from mental illness, and those with intellectual disabilities. Volunteering opportunities organized by the Group and community partners leverage our volunteers' talents in personal care services, performing arts, and handicrafts. In FY2018, our team of volunteers contributed approximately 16,000 hours to 240 community and volunteering welfare activities.



The Charities Foundation donated HK\$10 million to Hong Kong Shue Yan University ("HKSYU") to fund the refurbishment of its iconic Academic Building, improving the learning environment for students and supporting HKSYU's mission to nurture the next generation of leaders.

"I'm grateful for NWS Holdings' volunteers and Hong Kong Sheng Kung Hui Welfare Council for offering me with a safety chair and bathroom bars. I really like the safety chair as it is more stable and secure than normal chair, which gives my family members a sense of comfort."



Wong In Yiu
Beneficiary of
Count on You -
Safe Home for Seniors
programme

COUNT ON YOU - SAFE HOME FOR SENIORS PROGRAMME

An ageing population is putting pressure on Hong Kong's public healthcare system, and there is a growing need to enhance community care services. In FY2018, at our annual NWS Caring Day, the Group launched the Count on You - Safe Home for Seniors programme. In partnership with the Hong Kong Sheng Kung Hui Welfare Council, the programme helps vulnerable, elderly people in Wong Tai Sin district with wheelchair maintenance and small-scale home modifications. The programme enables retired craftsmen and corporate volunteers to help make the homes of elderly residents safer and more comfortable. It also features workshops and activities to promote home safety and inter-generational interaction.

Sustainability

Recognizing the Group's commitment to build powerful partnerships across sectors and cultivate a strong volunteer team to achieve social good, we won gold awards in both the Enterprise and Volunteer Team categories at the Eighth Hong Kong Outstanding Corporate Citizenship Awards.

INVESTING IN FUTURE GENERATIONS

We have a long tradition of helping young people to unleash their full potential. The NWS Career Navigator for Youth programme, set up in 2016, helps young people pursue their career aspirations and enhance their self-confidence. It provides career-planning support, and access to mentors, to prepare them for the transition from school to employment. Together with the Association of Heads of Secondary Schools of Tsuen Wan, Kwai Chung and Tsing Yi District, the Hong Kong Council of Social Service, Po Leung Kuk, Hong Kong Young Women's Christian Association and Hong Kong Playground Association, we have engaged 400 young people and 100 teachers in the first phase of the programme. We are proud that this programme garnered local and regional accolades, including the Asia Responsible Enterprise Awards 2018 (Social Empowerment category) organized by Enterprise Asia.

RUNNING FOR A GREENER FUTURE

For a decade, the Group has supported geological conservation through its partnership with the Association for Geoconservation, Hong Kong. The NWS Hong Kong Geo Wonders Hike initiative, which includes the popular Young Ambassadors for Geoconservation Training Programme and the NWS Geo Hero Run, has involved over 30,000 members of the public since 2008.

The third NWS Geo Hero Run, held in December 2017, set an example in plastic and waste-reduction by engaging participants and partners.



ENVIRONMENTAL PERFORMANCE

We endeavour to protect natural resources and closely monitor the environmental impacts of our operations. Regular reviews of the Group's environmental performance metrics enable us to identify areas for improvement and manage environmental risks. Through new technologies and the adoption of international management standards and best practices, we are committed to reducing emission levels, minimizing waste and improving our environmental performance.

ENVIRONMENTAL MANAGEMENT

The Group-wide Environmental Management Committee oversees the development and implementation of green strategies, and guides environmental progress at operational level. The Committee also tracks environmental performance outlined in our Sustainability Policy, including environmental management in line with international standards, sustainable use of resources, and compliance with environmental laws and regulations.

In FY2018, Hip Hing and NWCON had a total of 46 active sites certified with ISO 14001 Environmental Management System and ISO 50001 Energy Management System. HKCEC was the first venue in Hong Kong to attain the ISO 20121 Event Sustainability Management System certification.

EMISSIONS REDUCTION AND WASTE MANAGEMENT

Electricity and fuel consumption is a significant source of greenhouse gas emissions, and we have introduced energy-efficient equipment and installations across our Group to reduce these. Each subsidiary is required to develop its own energy-reduction plans, aligned with the Group's overall environmental goals. NWFB and Citybus, for example, continue to invest in more fuel-efficient vehicles. In FY2018, 10 low-emission Euro 6 buses were commissioned, which means that nearly 90% of our bus fleet meet Euro 5 emission standard or above.



Over 1,400 buses meet Euro 5 emission standard or above are in service, representing nearly 90% of our entire bus fleet.

Sustainability

The bulk of our waste is generated by our construction businesses. Hip Hing and NWCON have adopted the Engineered Waste Management Plan, and BEAM Plus and LEED Building standards, to minimize waste. On-site training is conducted to ensure workers follow these procedures. In FY2018, over 860,000 tonnes of our construction and demolition waste was diverted from landfill, and sent to public filling facilities for reuse in reclamation and site-formation projects.

RESPONSIBLE CONSUMPTION

Across our operations, sustainability is a key consideration when we are procuring products and services. As part of our effort to reduce paper consumption, NWFB and Citybus introduced an electronic system for engineering staff to go paperless when updating bus maintenance records. We have a water recycling system in our vehicle washing equipment so that 70% of water can be reused. Our offices and managed premises are fitted with recycling infrastructure, and we run programmes to encourage our staff and customers to separate waste for recycling.

HML continues to lead sustainable practices in the event industry through HKCEC's LoveGreen Meeting Package. By engaging exhibitors, event organisers and local charities through events we run on food waste

separation, waste reduction and recycling. HML was among the first companies in Hong Kong to deliver food waste to the Government's Organic Resources Recovery Centre Phase 1, which opened in 2018. While effective food waste handling is beneficial, consumer education is critical to the success of food waste reduction. To this end, HML has organized a poster design competition to raise awareness among students, event visitors and patrons of HKCEC restaurants. In FY2018, over 10 tonnes of treated food waste were diverted from landfills, with over two tonnes of unconsumed but still perfectly edible food donated to the needy.



The Waste Less • Save Food HKCEC Poster Design Competition, organized by HML, unleashed students' creativity on poster and slogan design to promote the importance of reducing food waste at source.

Sustainability

RECYCLED COMPUTERS TO SCHOOLS IN NEED

In FY2018, NWS Holdings carried out a Group-wide electronic waste recycling campaign in partnership with ALBA Integrated Waste Solutions (Hong Kong) Ltd. Launched a year before the implementation of the Government's Producer Responsibility Scheme on Waste Electrical and Electronic Equipment, the full-year campaign aimed to encourage employees to adopt green concepts both at work and at home. Over 180 electronic items were collected for recycling or for refurbishment and use by local schools and charities. As an extension of our community project, NWS Career Navigator for Youth, the Group arranged to equip refurbished computers with new software and donate them to primary and secondary schools in Kwai Tsing District.



“Thanks to NWS Holdings for the donated computers. I think it’s mutually beneficial to both corporations and schools as the former can better utilize their resources while the later can be benefitted from improved productivity and efficiency in teaching and learning. Such initiative can also help our students understand the concept of reuse.”

Fung Ping Kee

*Panel Chairman of Computer
The Methodist Lee Wai Lee College*