



新創建 NWS

NWS HOLDINGS LIMITED

STOCK CODE: 659

SUSTAINABILITY
REPORT

2018



CONNECTING LIVES • BUILDING FUTURES

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).

We invest and operate a wide range of businesses predominantly in Hong Kong and Mainland China. Our Infrastructure division comprises 97 projects in four major segments, namely roads, environment, logistics and aviation, and our Services division covers facilities management, construction and transport, and strategic investments.

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



In the 15 years since the listing of NWS Holdings on The Stock Exchange of Hong Kong Limited (“HKEx”), a focus on sustainability has strengthened our ability to excel in the market and deliver long-term value reaching far beyond financial returns. The progress we have made not only relies on this steadfast effort to enhance sustainability in policies, strategies, practices and staff capacity, but also on our engagement and collaboration with stakeholders and communities to address worldwide trends and issues of concern.

Tackling global challenges — including climate change, diminishing natural resources and socio-economic issues linked to digital technologies — requires the concerted effort of governments, corporates and communities. As a leading player in infrastructure and services, we are committed to playing our part. Since early 2018, we have begun mapping our key initiatives to the United Nations (“UN”) Sustainable Development Goals (“SDGs”), which guides our corporate citizenship as well as shapes our investment strategies and risk management.

In the same spirit, we support the HKSAR Government’s Smart City Blueprint for Hong Kong, a long-term plan to strengthen the city’s

competitiveness and combat climate change. We are in the process of developing environmental targets towards 2030 and beyond, to track our progress to further reduce energy consumption and emissions production. We are also promoting responsible consumption and improving water and waste management, all of which helps Hong Kong accelerate its transition to a low-carbon, innovative economy. Our targets will form a benchmark for the Group as we pursue sustainable development and explore new business models and opportunities.

INVESTING IN THE FUTURE

In the financial year ended 30 June 2018 (“FY2018”), the Group maintained the momentum behind its quest for business growth that is both profitable and sustainable. Especially strong growth among roads, environment, aviation and construction businesses has been the key driver of this year’s record financial results, which came despite an increasingly volatile business environment.

Riding on the strong demand for quality environmental services in Greater China, our two environmental investment platforms, SUEZ NWS Limited (“SUEZ NWS”) and Chongqing Derun Environment Co., Ltd. (“Derun Environment”), continue their growth momentum by securing new projects in five provinces and Chongqing in Mainland China, and in Kaohsiung, Taiwan. In Hong Kong, a joint venture of SUEZ NWS built and operates the recently opened O • PARK1 that recycles source-separated organic waste into useful resources.

Aviation continues to be one of the Group’s fastest growing businesses. Goshawk Aviation Limited placed its first direct orders with Airbus and Boeing in June 2018. The A320neo and 737 MAX aircraft ordered are innovative models known for their fuel efficiency and reduced environmental impact, echoing our pledge to support the global effort of combating climate change.

Our care for the environment underpins operational practices optimized to reduce energy and water consumption, and improve efficiency and

performance through deployment of the latest technology. At the end of FY2018, nearly 90% of our 1,600-strong bus fleet achieved Euro 5 or higher emission standard, and we also run hybrid vehicles while continuing the trial of electric vehicles. Our construction arm, Hip Hing Construction Group, is stepping up its effort following its successful trials of replacing non-renewable fuels with biodiesel in construction equipment.

We are developing environmental targets towards 2030 and beyond. These targets will form a benchmark for the Group as we pursue sustainable development and explore new business models and opportunities.

In addition to investments to reduce our environmental footprint, we also invest in our people and local communities, and in improving our customer services. This reflects the Group's commitment to outstanding customer care, contributing to our communities, and protecting stakeholders' interests.

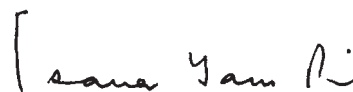
To maintain a committed and innovative workforce, we emphasize staff development opportunities, competitive remuneration and benefits, health and safety, and we provide our staff with a fair and friendly work environment. The rise of millennials has been a key area of focus in our people management. The apprenticeships across the Group provide young talent with training linking practical experience and technological know-how, enriching them as they discover their potential and explore possible career paths.

We work with our supply chain partners to make Hong Kong a digital, inclusive city. Ongoing improvements to the quality of our products and services also ensure we meet customers' evolving needs. The Hong Kong Convention and Exhibition Centre, managed and operated by our subsidiary, Hong Kong Convention and Exhibition Centre (Management) Limited ("HML"), is upgrading a new Wi-Fi system that will simultaneously support 20,000 mobile devices with location-based technology for better customer service and crowd control by the end of 2018.

We are committed to making a positive contribution to society to create a lasting difference. The Group's long-term community programmes, ranging from career planning, environmental protection and geoconservation, exemplify our strong track record in helping the younger generation fulfill their potential. In the reporting year, as part of our support for education and youth development, the Group's charity arm donated HK\$10 million to Hong Kong Shue Yan University. This helped fund the refurbishment of its iconic Academic Building, improving the learning environment for students and supporting the university's mission to nurture the next generation of leaders.

LOOKING AHEAD

Sustainability is an ongoing journey requiring the combined support and determination of everyone across and beyond NWS Holdings. I would like to express my deepest gratitude to all of those who have contributed to the Group's achievements. With the support of all of my colleagues and our stakeholders, I am confident that NWS Holdings will contribute to a brighter, sustainable future.



Tsang Yam Pui
Chief Executive Officer and
Chairman of Sustainability Committee

ABOUT THIS REPORT

REPORTING STANDARDS

This report has been prepared in accordance with the Global Reporting Initiative (“GRI”) Standards: Core option, and satisfies the requirements of the Environmental, Social and Governance (“ESG”) Reporting Guide (“ESG Guide”) set out in Appendix 27 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong (“HKEx”). For detailed information about the “comply or explain” provisions of the ESG Reporting Guide, please refer to the Performance Tables and GRI Standards and HKEx ESG Guide Content Index on pages 49 to 67 of this report. We also endeavor to create social value by aligning the way we conduct business with the UN SDGs.

REPORTING PERIOD

This is the Group’s fifth annual sustainability report, providing an overview of NWS Holdings’ ESG performance between 1 July 2017 and 30 June 2018 (“FY2018”). Historical data has been included for comparison where applicable.

REPORTING APPROACH

We report our management approach, strategy, performance and progress made for the Group’s 22 material topics¹, which were identified based on a process of materiality review that reflected the views and concerns collected via our stakeholder engagement channels. These material topics focus on seven key areas of sustainability: corporate governance, economic, environment, labour practices and decent work, human rights, society, and product responsibility. Details of the Group’s materiality review, stakeholder engagement process and a list of material topics can be found on pages 15 to 21 of this report.

REPORTING SCOPE

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, including the Corporate Office of NWS Holdings (“Corporate Office”) and seven reporting entities listed on pages 5 to 6 of this report.

For further information about the Group’s business portfolio and financial performance, please refer to our Annual Report 2018.

ASSURANCE AND VERIFICATION

The Hong Kong Productivity Council has been commissioned to conduct an independent verification of this report, assuring the fulfilment of the above reporting standards. The assurance statement can be found on page 68.

CONTACT

We welcome your feedback so that we can continue to improve. Please send your comments to sustainability@nws.com.hk.

¹ In the updated GRI Standards, the two compliance disclosures in the society and product responsibility sub-categories of GRI G4 have been combined into one Standard. Subsequently, the number of material topics has been reduced from 23 in the financial year ended 30 June 2017 (“FY2017”) to 22 in FY2018.

REPORTING ENTITIES



Hong Kong Convention and Exhibition Centre (Management) Limited (“HML”)

The Hong Kong Convention and Exhibition Centre (“HKCEC”) is managed by our wholly owned subsidiary, HML. With 91,500 square metres of gross rentable space, the HKCEC is an award-winning venue for international exhibitions and conventions, having firmly established itself as an iconic landmark 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, packaged food and general merchandise at Hong Kong’s cross-border transport terminals, Hong Kong International Airport and Macau International Airport.



Hip Hing Construction Group (“Hip Hing”, mainly comprising Hip Hing Construction Company Limited and Vibro (H.K.) Limited)

As a leading construction company 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 Hip Hing, 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 (“NWCON”)

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



REPORTING ENTITIES



New World First Bus Services Limited and Citybus Limited (“NWFB” and “Citybus”)

With a combined fleet of over 1,600 air-conditioned buses, these two companies operate over 200 routes in Hong Kong, serving more than one million passengers daily.

New World First Ferry Services Limited (“NWFF”)

Operating five main routes between Hong Kong’s inner harbour and the outlying islands, NWFF, with its 17 owned and three chartered vessels, carries over 37,000 passengers a day.



Hangzhou Guoyi Expressway and Bridge Management Co., Ltd. (“Hangzhou Guoyi”)

Hangzhou Ring Road, managed by Hangzhou Guoyi, is one of the largest transportation infrastructure developments in Hangzhou City, Zhejiang Province in Mainland China. Our 103km-long toll road expressway encircles the city with dual two to three-lane carriageways. With an average daily traffic flow of over 82,000 vehicles, the expressway is instrumental in driving the economic and social development of the city and that of the Yangtze River Delta region.

PERFORMANCE HIGHLIGHTS

FOR FY2018



Revenue

HK\$ **35,114.8** million

Attributable operating profit

HK\$ **5,231.9** million

Profit attributable to shareholders

HK\$ **6,068.8** million

Net assets

HK\$ **50,123.8** million



11,989 employees



14.8 training hours per employee on average



SUSTAINABILITY GOVERNANCE

8 consecutive years as a constituent stock of the Hang Seng Corporate Sustainability Benchmark Index



reported incidents of corruption



ENVIRONMENTAL PERFORMANCE

Nearly **90%** of our bus fleet meets Euro 5 emission standard or above



31 new construction projects have received BEAM Plus or LEED green building certification

860,000+ tonnes of construction and demolition waste were diverted from landfills



¹. Total number of employees from the reporting entities, namely the Corporate Office of NWS Holdings, HML, Free Duty, Hip Hing, NWCON, NWFB and Citybus, NWFF and Hangzhou Guoyi.

VALUE CHAIN



Nearly **80%** of procurement expenditure of reporting entities was spent on local suppliers²

8.2+ million visitors attended events at the HKCEC



Around **16,000** jobs³ provided monthly by our construction businesses in Hong Kong



1+ million passengers carried by our bus and ferry fleets every day



3+ million downloads since the launch of NWFB & Citybus mobile app



10+ NWFF ferries have breastfeeding facilities

COMMUNITY CARE



HK\$ **14+** million contributed to charitable causes through NWS Holdings Charities Foundation

200+ secondary schools engaged in the Group's youth development and environmental programmes



Approximately

16,000 hours of service clocked up in



240 community and welfare volunteering activities

Around

1,700 active members in our corporate volunteer team, NWS Volunteer Alliance



². 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 GRI Standards.

³. These include employees of our construction companies and construction workers hired by these companies' subcontractors.

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



SUSTAINABILITY GOVERNANCE

INTEGRATED MANAGEMENT APPROACH

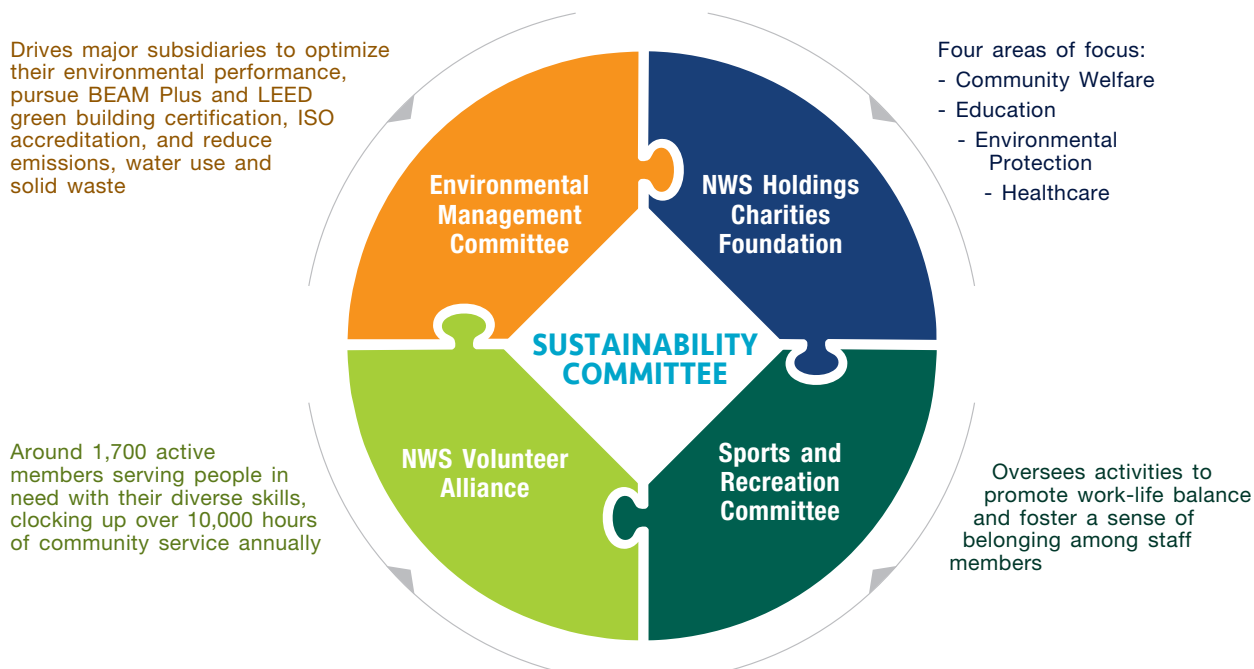
The Group has a well-established integrated management framework, supported by Group-wide policies, dedicated committees and management systems to guide sustainable development based on integrity, equity and transparency. Our clear, integrated management structure is supported by regular reviews of policies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

The board of directors of NWS Holdings (the "Board") as the highest governance body is responsible for promoting the long-term success of the Group and sustainably growing shareholder value. The Board currently comprises seven executive directors, four non-executive directors and six independent non-executive directors. The biographies of our current directors can be found on pages 10 to 18 of our Annual Report 2018.

Ultimate accountability for sustainability sits with our Board-level Sustainability Committee, which is chaired by our Chief Executive Officer with 11

members in total. 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, the Environmental Management Committee, which is chaired by an executive director, acts as the bridge between the Group and each subsidiary in driving green initiatives throughout our operations. All members of the Environmental Management Committee are responsible for optimizing environmental performance, boosting staff awareness, and sharing knowledge and best practice. The Sports and Recreation Committee, which is chaired by an executive director and comprises representatives from the Group Human Resources team and each of our subsidiaries, oversees activities for staff. The NWS Holdings Charities Foundation ("Charities Foundation") and NWS Volunteer Alliance manage dedicated funding for charitable causes and the development of corporate volunteering respectively.

Sustainability Governance Structure



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



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

Sustainability-related Policies and Guidelines

Sustainability Policy

Board Diversity Policy

Human Rights Policy

Corporate Policy on Staff Responsibility and Code of Conduct

Supplier Code of Conduct from NWD

IT Policy and Procedure

Guidelines on Risk Management & Internal Control Systems

Disclosure Policy for Inside Information

Whistleblowing Policy

The Group also has long-standing policies that detail our expectations for the ethical conduct of our staff, the prevention of bribery and discrimination, whistleblowing, human rights, and health and safety. Our Corporate Policy on Staff Responsibility and our Code of Conduct detail how staff should regard

ethical issues, and inform 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. The Group's corporate governance and risk management policies can be found in the Corporate Governance Report and Risk Management sections on pages 23 to 53 of our Annual Report 2018, and on our corporate website.

CAPACITY BUILDING FOR SUSTAINABILITY

Developing the capabilities of our staff is vital to the Group's pursuit of a more sustainable business. To keep our employees informed about the latest developments 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 in person.

BENCHMARKING OUR PERFORMANCE

To ensure we constantly improve, we track the progress of our performance against best practices and local and international benchmark schemes. 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 to have maintained its overall AA rating in the Index's review results announced in August 2018.



Hang Seng Corporate
Sustainability Index
Series Member 2018-2019

CONTRIBUTING TO GLOBAL GOALS

The UN SDGs outline the most pressing environmental and social challenges of our time. Businesses have a responsibility to protect the planet, and ensure stable and thriving

societies in which we do not use more resources than necessary. NWS Holdings is committed to aligning with this global roadmap for sustainable development. In FY2018, we began mapping our key initiatives to the UN SDGs and identified six of the 17 SDGs on which the Group could make the greatest impact. We aim to align our longer-term objectives with the following goals:



Goal 6

Clean water and sanitation
(6.3, 6.4)

Our actions and key initiatives

1. We engage in environmental business in 45 cities across Greater China mainly through two strategic platforms, SUEZ NWS and Derun Environment. The combined water and wastewater treatment capacity of SUEZ NWS reaches 9.12 million m³ per day
2. We responsibly manage water use across the Group
 - 70% of water used by NWFB and Citybus is recycled and reused in vehicle washing
 - HML has fitted water-saving fixtures in some of the washrooms at the HKCEC

Learn more

- Environmental Performance



Goal 7

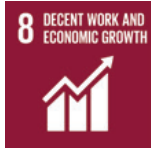
Affordable and clean energy
(7.2, 7.3)

Our actions and key initiatives

1. Apart from seeking investment in projects related to renewable energy, we use renewable energy in our operations as far as possible. NWFF, for example, has installed solar panels on its office building and vessel
2. On-going effort across the Group to reduce energy consumption and improve efficiency
 - 31 new construction projects by Hip Hing and NWCON in Hong Kong received BEAM Plus or LEED green building certification
 - Nearly 90% of our NWFB and Citybus bus fleet meets Euro 5 emission standard or above
3. We are setting reduction targets for energy consumption and emissions production leading up to 2030 and beyond

Learn more

- Environmental Performance



Goal 8

Decent work and economic growth
(8.5, 8.6, 8.8)

Our actions and key initiatives

We continue to invest and create job opportunities across our operations

- The Group has long standing policies, guidelines and practices to ensure the provision of a safe and secure working environment and the protection of labour rights across the supply chain
- We have been nurturing talented young people through our Group-wide apprenticeship programmes since 1993
- We help young people unleash their full potential and prepare them to move from school to employment through our NWS Career Navigator for Youth programme
- Our policies align with the International Labour Organisation and UN Global Compact. We hire people with disabilities, reflecting our commitment to workplace diversity and equal employment opportunity

Learn more

- Human Capital
- Value Chain
- Community Care



Goal 11

Sustainable cities and communities
(11.2, 11.4)

Our actions and key initiatives

1. In Hong Kong, we provide safe, affordable and accessible public transportation services for all
 - Low floors are installed in all of our franchised buses to provide easy wheelchair access
 - Breastfeeding facilities have been established on more than 10 NWFF ferries
2. We engage with the members of the public about the need for geoconservation and heritage protection
 - Since 2008, over 30,000 people have taken part in our NWS Hong Kong Geo Wonders Hike initiative and an array of community activities

Learn more

- Value Chain
- Community Care



Goal 12

Responsible consumption and production
(12.5, 12.6, 12.8)

Our actions and key initiatives

1. We strive to be efficient and adopt ways of minimizing waste where possible
 - We undertake audits to track and improve our waste management
 - Around 90% of inert construction waste was reused by Hip Hing in FY2018
 - HML donates unconsumed food to the needy and was one of the first companies in Hong Kong to deliver food waste to the newly opened O • PARK1
2. We are committed to influencing stakeholders along our supply chain on sustainable practices
 - Hip Hing evaluates subcontractors' environmental practices in its tendering process

Learn more

- Value Chain
- Environmental Performance



Goal 13

Climate action
(13.3)

Our actions and key initiatives

1. A process to formulate Group-wide science-based targets began during the reporting year. This process included the implementation of waste audits, internal engagement with different subsidiaries and commissioning a professional consultancy to develop science-based carbon reduction targets using the available data
2. We are committed to raising awareness of environmental protection among our employees and the communities in which the Group operates
 - Training includes our annual Sustainability Seminar and green visits
 - We endorse practices and run community programmes to promote responsible consumption, reducing use of plastic and other materials

Learn more

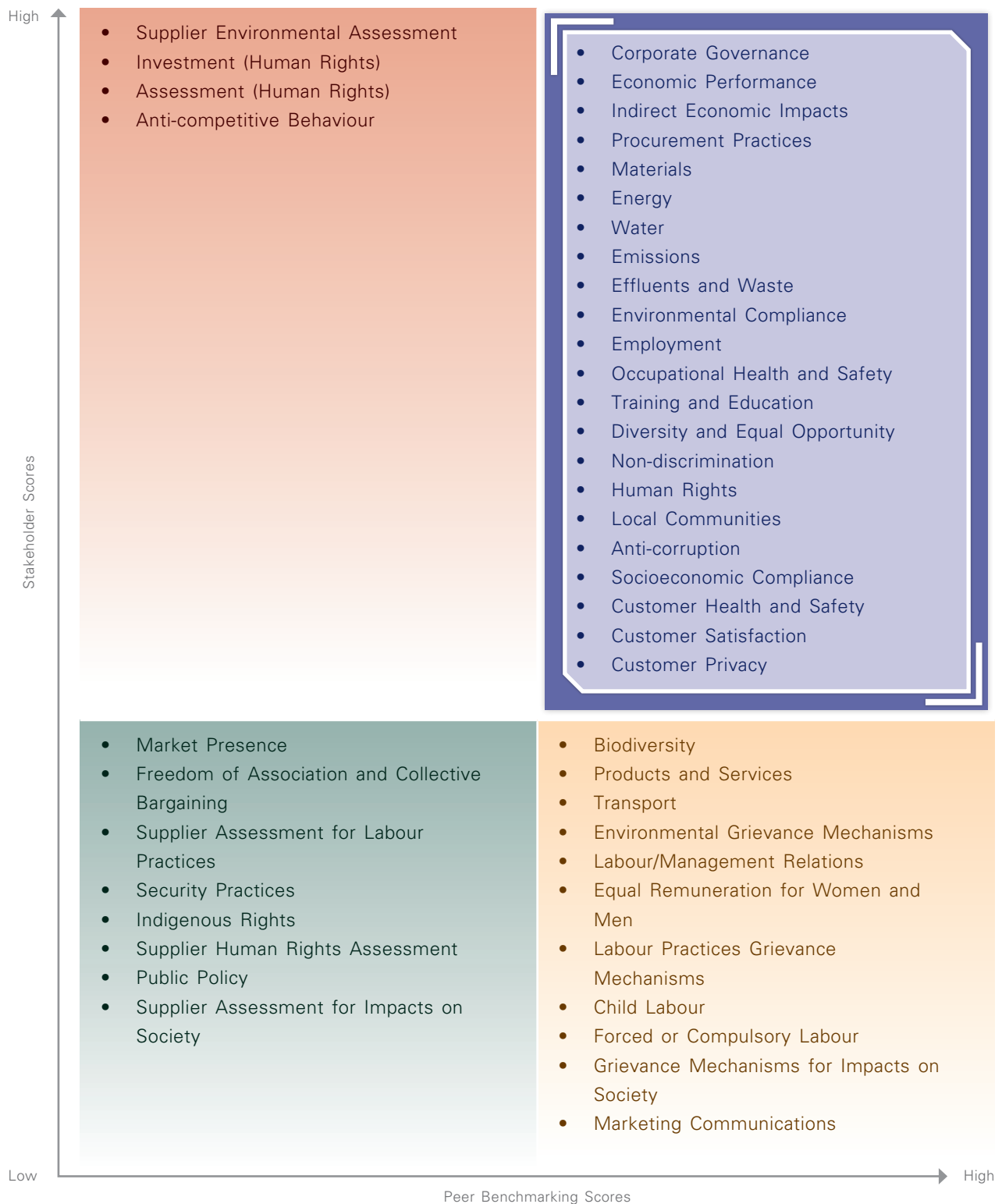
- Sustainability Governance
- Value Chain
- Community Care
- Environmental Performance

MATERIALITY REVIEW

We continued our annual review process, based on the steps below to identify the most pressing issues on which the Group should report.



MATERIALITY MATRIX



MATERIAL TOPICS AND BOUNDARIES

The table below presents a full list of material topics most relevant to our stakeholders, and their corresponding boundaries.




Material Topic	Location of Major Impacts	
	Inside the organization	Outside the organization
Corporate Governance		
1 Corporate Governance	Group	Shareholders, investors, regulators and general public
Economic		
2 Economic Performance	Group	Investors and general public
3 Indirect Economic Impacts	Group	Customers, suppliers, subcontractors and general public
4 Procurement Practices	Group	Suppliers and subcontractors
Environmental		
5 Materials	Group	Suppliers
6 Energy	Group	Suppliers and subcontractors
7 Water	HML, Hip Hing, NWCON, NWFB and Citybus, and NWFF	Suppliers and subcontractors
8 Emissions	HML, Hip Hing, NWCON, NWFB and Citybus, and NWFF	Suppliers and subcontractors
9 Effluents and Waste	Group	Customers, suppliers and subcontractors
10 Compliance	Group	Suppliers and subcontractors
Labour Practices and Decent Work		
11 Employment	Group	
12 Occupational Health and Safety	Group	Subcontractors
13 Training and Education	Group	
14 Diversity and Equal Opportunity	Group	
Human Rights		
15 Non-discrimination	Group	General public
16 Human Rights	Group	Suppliers, subcontractors and general public
Society		
17 Local Communities	Group	General public
18 Anti-corruption	Group	Customers, suppliers and subcontractors
19 Socioeconomic Compliance	Group	Suppliers and subcontractors
Product Responsibility		
20 Customer Health and Safety	Group (except Corporate Office)	Customers, suppliers, subcontractors and general public
21 Customer Satisfaction	Group (except Corporate Office)	Customers and subcontractors
22 Customer Privacy	Group	Customers and general public

STAKEHOLDER ENGAGEMENT

Ongoing and structured engagement is an important way to maintain an open dialogue and build trusted relationships with our key stakeholders. By proactively engaging with them and taking into account their views and concerns, we gain a more comprehensive understanding of their expectations on issues relevant to the environment and the communities where we work. It also helps us identify necessary changes to improve our business and reporting practices. For example, in 2017, "Customer Privacy" was added to our list of material issues - a response to stakeholders' concerns around data protection and privacy.

The table below summarizes our key stakeholder groups and the related engagement channels embedded in our operations.

Our Key Stakeholder Groups and Channels of Regular Engagement

Topics for engagement of different stakeholders		Key engagement channels
 Employees	<ul style="list-style-type: none"> • Group or company business and policy updates • Occupational health and safety • Working conditions • Remuneration and benefits • Training and development • Corporate culture 	<ul style="list-style-type: none"> • Management briefings • Monthly executive directors luncheons • Intranet • <i>New Voice</i>, a quarterly staff newsletter • Focus groups
 Supply chain partners	<ul style="list-style-type: none"> • Product and service specifications and quality • Construction site safety • Environmental protection 	<ul style="list-style-type: none"> • Tendering and procurement processes • Regular management-worker meetings
 Clients and customers	<ul style="list-style-type: none"> • Pricing • Compliance with new laws and regulations • Safety • Customer satisfaction • Time and budget control • Environmental protection compliance • Service quality 	<ul style="list-style-type: none"> • Passenger liaison groups • Customer satisfaction surveys • NWFB and Citybus and NWFF mobile apps • Social media and company websites • Hotlines
 Shareholders and investors	<ul style="list-style-type: none"> • Financial, economic and operating performance • Growth strategies and business prospects 	<ul style="list-style-type: none"> • Roadshows and briefings • Annual general meetings and results announcement • Annual and interim reports • Site visits

Topics for engagement of different stakeholders	Key engagement channels
 <p>Government</p> <ul style="list-style-type: none"> • Compliance • Service quality • Bus and ferry fares and scheduling 	 <ul style="list-style-type: none"> • Project meetings • Working group under Economic Development Commission (HML)
 <p>Politicians</p> <ul style="list-style-type: none"> • Customer satisfaction • Customer safety • Occupational health and safety • Bus and ferry fares and scheduling • Impact of construction on nearby communities 	 <ul style="list-style-type: none"> • District Council meetings • Site visits
 <p>Media</p> <ul style="list-style-type: none"> • Business performance and new opportunities • Environmental performance • Community investment • Bus and ferry fares and scheduling • Customer safety • Customer satisfaction • Occupational health and safety • Labour issues 	 <ul style="list-style-type: none"> • Press conferences • Press releases • Luncheons • Site visits
 <p>Trade and Industry Associations</p> <ul style="list-style-type: none"> • Labour issues • Safety • Market trends • Experience and best practice sharing 	 <ul style="list-style-type: none"> • Memberships • Seminars and conferences • Award schemes
 <p>NGOs</p> <ul style="list-style-type: none"> • Key sustainability trends • Community investment 	 <ul style="list-style-type: none"> • Sponsorships and donations • Partnership programmes • Award schemes
 <p>Academia</p> <ul style="list-style-type: none"> • Recruitment and job opportunities • Training • Transport policy • New technologies 	 <ul style="list-style-type: none"> • Partnership programmes • Workshops and seminars • Site visits • Student research projects

STAKEHOLDER SUGGESTIONS AND OUR RESPONSE

To ensure that we meet stakeholders' expectations, we have responded to the below recommendations and concerns presented during the engagement process. The following highlights our response and the steps we are taking to address some of the concerns raised.



Employees



Internal stakeholders asked for more internal Group-wide initiatives to improve staff wellbeing, and a continual review of staff benefits and wellbeing practices.

The Group conducts annual performance reviews and regular meetings with employees and labour unions to ensure that employee suggestions and perspectives are considered in our employee wellbeing practices. We provide competitive remuneration and benefits, while cultivating a caring and family-friendly corporate culture. New initiatives include five days of paternity leave; we are in the process of extending maternity leave and work-life balance initiatives, such as the "Steps Challenge" health incentive scheme and free lunch box ordering.



**Green groups
and media
representatives**



Stakeholders think that the Group should play an active role in facilitating Hong Kong's transformation into a smart city. For instance, real-time schedules of bus routes should be made readily available to passengers.

The Group is committed to fostering the application of technology in our services to provide a more seamless customer experience and to contribute to the development of Hong Kong as a smart city.

NWFB and Citybus enhanced their mobile app with new features that gives passengers access to real-time information on bus arrivals and estimated journey times. Passengers can use location-based technology to determine the best routes to their destinations based on their preferences, such as lowest fare or shortest walking distance. Live arrival times for all NWFB and Citybus routes have been made available on the app 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 via the app. HML is upgrading its Wi-Fi system to provide over 600 new Wi-Fi access points in the HKCEC, supporting the city's development into a Wi-Fi Connected City under the Hong Kong Smart City Blueprint.





To better track and review the progress in improving environmental performance, stakeholders wanted the Group to set clear Group-wide targets and demonstrate how NWS Holdings would support its subsidiaries in meeting the targets.

The Group understands the importance of having clear environmental targets. In FY2018, the Group started preparing to develop Group-wide environmental targets. This process included the implementation of waste audits, internal engagement with different subsidiaries and commissioning a professional consultancy to develop science-based carbon reduction targets using the available data. The Group expects to announce the targets in FY2019 with implementation plans.



Stakeholders are aware and appreciative of the Group's good work in community investment. Some stakeholders thought that the Group should go the extra mile to promote environmental education to a broader audience in schools and the wider community.

The Group is keen to expand on the success of our existing community initiatives and to reach more stakeholders. In the area of geological conservation, for instance, we will continue to engage young people and the general public through the popular Young Ambassadors for Geoconservation Training Programme and the NWS Geo Hero Run, both come under the NWS Hong Kong Geo Wonders Hike campaign. In FY2018, we rolled out a plastic-free community campaign to drive behavioral change on plastic usage in Hong Kong. Moving forward, we will also explore how we play a leadership role in promoting environmental awareness along our supply chain.



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



HUMAN CAPITAL

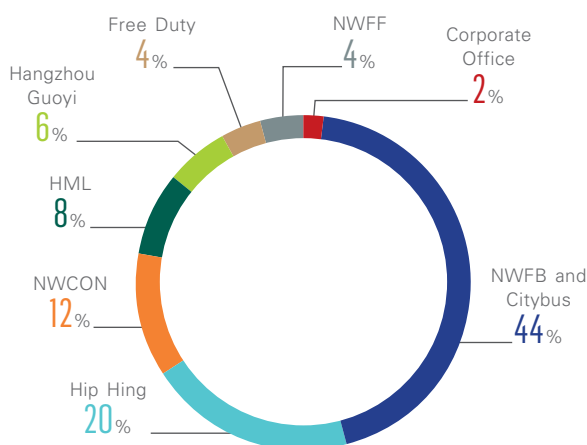
A FAIR AND INCLUSIVE WORKPLACE

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.

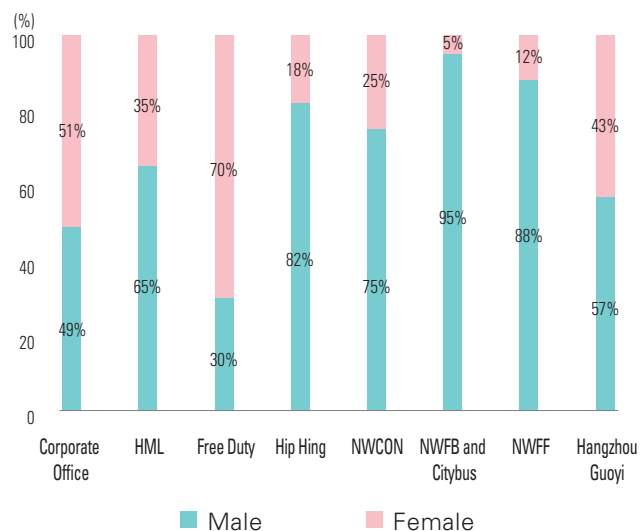
As of the end of the reporting period, we have 11,989 employees across our eight reporting entities. Employees from our construction and transportation operations together account for around 80% of our total workforce. Due to historical employment trends and the nature of the business, we have fewer women than men working in these sectors. However, the Group has made recent progress in narrowing the gender gap by targeting female recruits and providing family-friendly facilities. For Hip Hing, the percentage of female staff among its total workforce has increased from 16% in FY2014 to 18% in FY2018. NWFB and Citybus now provide female bus captains with dedicated rest facilities at Citybus Chai Wan Depot, for their comfort.

The Group's Corporate Policy on Staff Responsibility and Code of Conduct provide detailed guidelines and instructions on areas including compensation and dismissal, equal opportunities and diversity, health and safety at work and the environment. As expressly stated in our policies, we do not condone any form of workplace discrimination. Our Human Rights Policy is in full compliance with Hong Kong laws, and stipulates our clear commitment to strong governance in four areas: human rights, labour, environment, and anti-corruption, alongside our whistleblowing mechanism. It is the duty of every staff member to comply with these policies, which are regularly reviewed by management and our Board committees.

Distribution of Employees from Reporting Entities in FY2018



Gender Profile of Reporting Entities in FY2018



Clear and engaging lines of communication with our staff are instrumental to our people management strategy.

We have established a range of communication channels and engagement platforms, including our staff intranet, corporate website, social media platforms and a staff newsletter, so we can reach every employee — at all levels — within the Group. Each year we also hold management briefings to update managerial staff on our business performance, direction and plans for future growth.

Monthly luncheons with our executive directors, and a regular employee satisfaction survey, are other ways we encourage open dialogue between the Group's top management and employees at all levels. Input from these activities has helped the

Group identify ways to improve human resources practices and policies for the benefit of our staff. For example, in mid-2018, the Group announced five-day paternity leave for new fathers, and launched a dress casual policy.

DEVELOPING TALENT

In today's competitive market, it is essential to develop the capabilities of our employees to drive future business success. To support the enrichment of our talent pool, Corporate Office employees are provided with a tailor-made career advancement plan, and comprehensive training programmes, supported by guidance from assigned mentors. Each employee is also entitled to three days of paid examination leave, and subsidies towards training activities and professional memberships, to encourage them to pursue professional development and life-long learning.

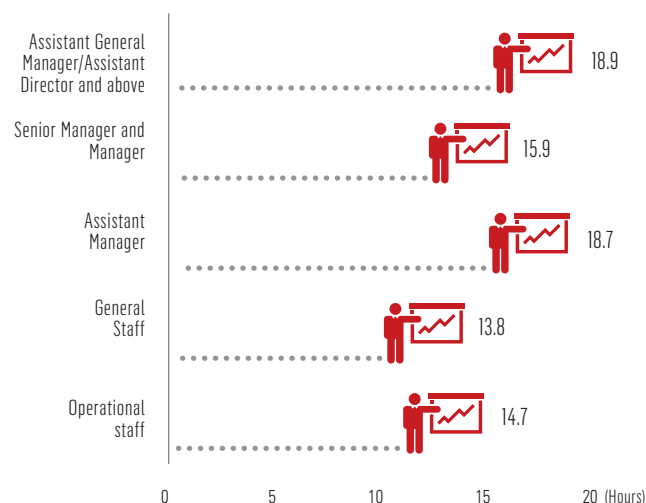


Our quarterly newsletter and corporate website are some of the channels to keep our employees informed of the Group's latest development.

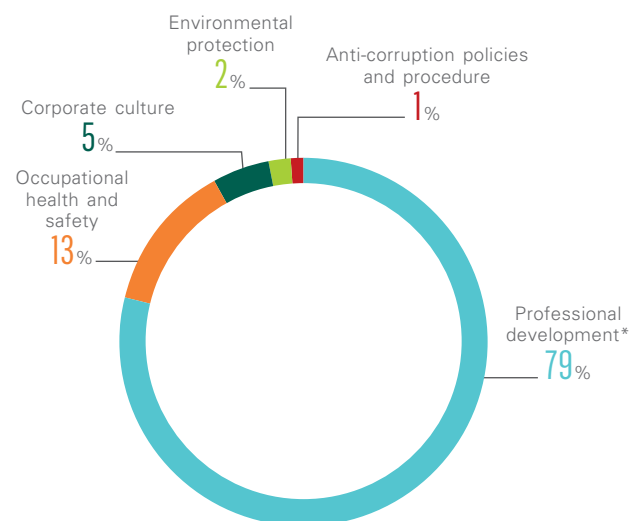
Frontline staff enjoy customized training to enhance their professionalism and service skills. In FY2018, NWFB and Citybus strengthened bus captain training with a special focus on customer service and emotion management. Meanwhile, NWFF enhanced its frontline staff's customer service capability through a series of experiential problem-solving workshops that are designed around authentic customer complaints. As of the end of the reporting period, more than 70% of these NWFF staff took part in the workshops.

To build a stable talent pool in industries where recruitment remains a challenge, we offer comprehensive career development programmes. These include NWFF's Marine Officer Training Programme, which provides young marine officers with continuing support throughout their career and ensures a successive flow of trained coxswains. Similarly, HML's employees receive a wide range of in-house and external training, including monthly and yearly refresher courses on topics such as safety awareness, sustainability, customer services and leadership. To facilitate knowledge sharing within the company, HML sets up a Trainer's Club where more experienced staff are trained to become trainers. Besides, our retail business, Free Duty, focuses on providing quality service and appealing products to customers, as both are intrinsically linked to business success. Each new sales assistant is provided with training in customer service and product knowledge and up to 90% of the employees trained acknowledged that the training had been directly applicable to their daily work.

Average Training Hours by Employee Category in FY2018



Types of Training Programmes in FY2018



* Professional development training programmes cover a variety of topics ranging from leadership and people skills, corporate governance and risk management as well as crisis management.

GROUP APPRENTICESHIP PROGRAMME

We provide young people with extensive apprenticeship opportunities across the Group. Since 1993, talented young people have taken up apprenticeships in functions such as a chef, marine management and 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 passion and career potential. See below the stories of our apprentices in FY2018:

Kyle Fong

Engineering
Trainee
HML



“The apprenticeship programme provided me with a series of customized training and development opportunities, which has helped me identify my professional passion and set career goals.”

Kyle, a committed young engineering graduate, joined HML’s Facilities Planning and Operations team as an apprentice engineer. After on-the-job training, Kyle now supports the team overseeing the operation and maintenance of the HKCEC, providing technical on-site support to ensure the smooth delivery of events organized there.

“Despite being afraid of heights, I manage to work on a rooftop without fear, as I know we have adequate safety measures and protective equipment.”

Ginny is an aspiring young construction professional. She joined Hip Hing as an apprentice foreman after completing the Building Construction Supervision Course offered by the Construction Industry Council. Apprentices at Hip Hing learn about a range of construction methods and are offered with a wide range of internal training and sponsorships to take work-related external courses.

Ginny Kong

Foreman
Apprentice
Hip Hing



Slava Ho

Marine
Officer Trainee
NWFF



“I learned a lot from observing the navigation skills of the experienced coxswains, especially when dealing with the ever-changing wind and current conditions. These are vital skills that you just can’t get in a classroom.”

With hopes of pursuing a career in seamanship and navigation, Slava joined NWFF as an apprentice marine officer. The six-year apprenticeship programme is an important element of NWFF’s talent development plan. It gives young marine professionals a clear career path as well as helps them acquire the licenses required to become a coxswain or marine officer.

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 construction and transport subsidiaries, where OHS-related risks are high. Our management systems follow internationally recognized standards such as OHSAS 18001, to ensure the highest standards of occupational health and safety are factored into planning, design and construction processes, and are in full compliance with local legislation and codes of practice.

OHS-related education and training are regularly provided to raise our people’s awareness of potential OHS risks and enhance their preparedness for emergency situations. NWFB and Citybus offer comprehensive, ongoing OHS training and an annual driving refresher course. Our construction businesses run periodic safety campaigns, and closely monitor and address OHS risks. New measures include the trial of a new monitoring system at one of the Hip Hing construction sites to enhance workers’ safety in confined spaces. Supported by a newly developed mobile app and the use of on-site radio-frequency identification devices, workers can be immediately checked for valid work permits, and an alarm sounds if a worker stays in a confined space beyond the time limit, or violates any work sequences. Hip Hing also goes beyond statutory compliance with a risk assessment team, which is a joint management-subcontractor taskforce, present at each of their construction sites, to design, execute and review onsite health and safety measures. These ensure a ready exchange of views and information between the frontline staff, subcontractor representatives and workers on site.

We continue to invest in health and wellness initiatives for our employees. Hip Hing invests in improving the indoor air quality of its head office to foster a healthy workplace for office staff. In FY2018,

Hip Hing’s Health and Safety Committee meetings provide opportunities for staff at all levels to work with management to enhance on-site safety processes.

it obtained two indoor air quality (“IAQ”) certifications, namely the IAQ Certificate (Good Class) awarded by the Environmental Protection Department and the IAQWiSe (Good Level) Certificate of the Hong Kong Green Organisation Certification. New technologies at construction sites further improved onsite wellbeing. The redesigned sewage collection tank installed on Hip Hing’s construction sites won the Best Innovation Award at the New World Group Incubation Circle Convention 2017, organized by our parent company, NWD.

During the reporting period, high-profile traffic 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 several new measures, including a phased reduction of working hours per shift, and more rest facilities. Salary packages for frontline staff were also enhanced. Existing practices, such as mandatory health check-ups for bus captains aged 50 or above, underline our continued care for our employees and customers.

In FY2018, the Group’s overall injury rate was 24.1 per 1,000 workers. No fatalities were reported within our workforce in the reporting year. Unfortunately, a fatality of a subcontracted construction worker was recorded in Hong Kong during the reporting period. To mitigate the risk of a similar incident occurring, NWCON has strengthened its safety management system for workers undertaking repair and maintenance works in elevator shafts.

IMPROVING WORKING ENVIRONMENT FOR OUR TOLL BOOTH WORKERS

“We are happy that the company invested in enhancing the ventilation system for our health and wellbeing. The improved air quality at our toll booths raises our overall work efficiency as well.”

Ni Min Jie
Toll Collector
Hangzhou Guoyi



To provide a better working environment for toll booth workers, Hangzhou Guoyi has invested in an upgraded ventilation system, which supplies filtered air to close to 70% of the toll booths across nine toll stations on a high-traffic highway in Mainland China's Zhejiang Province.

The upgraded ventilation systems have gone through multiple air quality tests under different weather conditions and the results were compared with the air quality sample obtained prior to the system upgrade to test its effectiveness. Test results showed significant improvements in air quality in all weather conditions, including rainy and smoggy days, affirming the new ventilation system has significantly decreased the level of pollutants inside toll booths.

STAFF AND FAMILY WELLNESS

We strive to create a culture of collaboration in which ideas are shared and communication between colleagues enhanced. Our corporate team-building programme encourages staff to take part in sporting activities such as table tennis and football, and excursions. New initiatives introduced in FY2018 include the Steps Challenge scheme, which rewards Corporate Office staff with sports gift vouchers if they improve their fitness by hitting the target number of steps.

Each of our subsidiaries runs staff engagement programmes tailored to their industry and business needs. For instance, NWFB and Citybus hold regular and ad-hoc meetings with unions to discuss health and safety, remuneration and other matters of concern to frontline workers. Our intranet and staff newsletters help keep our employees informed about the latest updates and activities across the Group. In FY2018, Hip Hing, NWFB and Citybus updated their intranet, adding new functions that enable staff to more easily share their knowledge.

Recognition is a key part of motivating employees, building loyalty and improving productivity. Since 2004, the Group has run the Outstanding Employee Awards scheme to honour top-performing staff. In FY2018, 12 individuals and four teams across the Group received the awards.

A significant part of caring for our staff is to ensure that they feel supported in their family lives. We therefore extend benefits to staff family members and develop new initiatives to support their needs. There are breastfeeding facilities for nursing mothers across our subsidiaries. We also organize fun activities for our employees and their family members all year round. In FY2018, over 8,000 Hong Kong staff and their family members enjoyed a day at Hong Kong Disneyland, which has become a signature event among our family friendly activities. Flexible working hours for staff at HML, Hip Hing and NWFF make it easier for our employees to carry out their duties at work, without compromising on family time.

The breadth of our operations means the Group affects a broad range of stakeholders. We recognize our responsibility to manage the environmental and social risks throughout our value chain. 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 and help us meet their evolving needs. We encourage our business partners to join us in helping make Hong Kong a sustainable, smart city.



VALUE CHAIN

INDIRECT ECONOMIC CONTRIBUTION

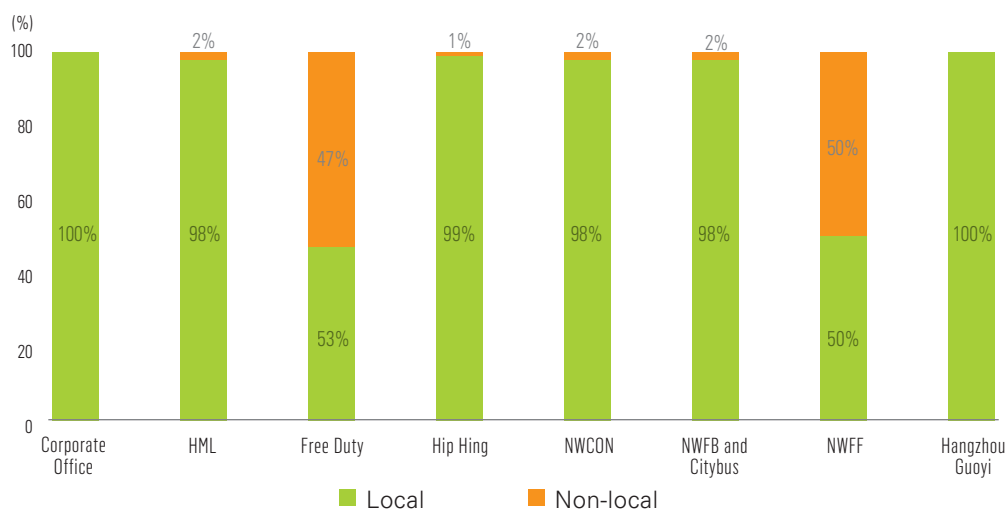
We leverage the diverse nature of our business to foster sustainable growth for all. We proactively source from local suppliers, reducing transport-related carbon and costs, and procure sustainable materials when possible. In FY2018, the Group spent almost HK\$4 billion or nearly 80% of our total procurement expenditure on local suppliers, though selected branded products for Free Duty and specialized bus and ferry parts, had to be sourced overseas.

We also support local economic development by hosting international events and exhibitions; creating jobs; and providing local residents and visitors with a safe, comfortable and reliable public transport. During the reporting period, the HKCEC, an iconic landmark for the city and the region, hosted over 1,000 events attended by more than 8.2 million visitors. To provide services to these events and participants,

HML employed over 900 full-time staff and almost 1.5 million man hours of casual and contract staff. Job opportunities are also created through direct employment by organizers as well as driving employment in supporting industries such as stand construction, hospitality, food and beverage, retail and logistics.

As leading players in the construction sector, Hip Hing and NWCON provided about 16,000 construction-related jobs on a monthly basis in FY2018, including directly employed staff and construction workers hired by subcontractors. Our transport operations NWFB and Citybus, and NWFF serve over one million daily commuters, making all corners of Hong Kong accessible to residents and visitors alike.

Proportion of Procurement Expenditure on Local Suppliers* and Non-local Suppliers in FY2018



* 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 GRI Standards.

MANAGING OUR SUPPLIERS

We are committed to influencing our supply chain to promote strong ethical, social and environmental performance. Our suppliers must maintain the high standards set forth in our Sustainability Policy and the Supplier Code of Conduct developed by our parent company, which outline our approach to ethical conduct, labour practices, environmental conservation and legal compliance. As social and environmental issues vary for each subsidiary, we have a decentralized approach to supply chain management, giving subsidiaries the autonomy to select suppliers and identify partners based on their own business needs, and to apply extra measures to manage social and environmental performance at the operational level.

We encourage our subsidiaries and business units to give preference to sustainable suppliers. The

ability to demonstrate a commitment to the criteria set out in our Sustainability Policy and the Supplier Code of Conduct is a key consideration when we select vendors. Supplier workflow is regularly reviewed so that we can optimize supply chains to be more environmentally friendly. The Group also regularly updates policies and procedures as our business expands and new risks and requirements emerge. We require all staff and suppliers to conduct themselves with the highest standards of integrity and professionalism. To achieve this, the Group organizes anti-corruption briefings and communication sessions to ensure that our employees and suppliers are clear on how to avoid bribery, conflicts of interest and favours.

Four Key Aspects to Supply Chain Management



Given the relatively high-risk nature of the construction sector in terms of social and environmental impacts, our construction businesses have established extra practices, requirements and penalties to mitigate the risk of non-compliance. Hip Hing and NWCON require suppliers and subcontractors to complete a self-assessment questionnaire, which sets out their track record of regulatory compliance including subcontractors, 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 to build trust with our suppliers and identify opportunities for process enhancement and risk reduction.



Hip Hing's cross-disciplinary team works to identify and assess risk, ensuring a safe workplace for all frontline staff and subcontracted workers.

Our subcontractors play a vital role in promoting responsible practices across our Group. To encourage them to move beyond compliance, Hip Hing has been rewarding subcontractors' responsible practices through an award scheme since FY2017 for their significant contributions in three critical aspects of construction work: safety, environmental protection, and quality.

CUSTOMER PRIVACY AND PROTECTION

We manage and protect our customers' personal data through well-established policies and protocols, as stipulated in the Group's IT Policy and Procedure. The Group complies with data privacy laws and regulations while using the most relevant and timely systems for data collection to optimize our operations.

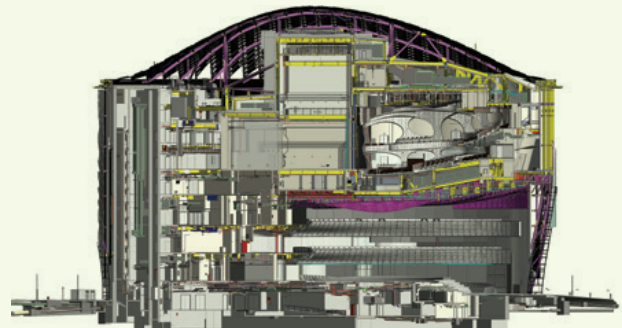
Employees are required to strictly comply with the Personal Data (Privacy) Ordinance when handling the personal data of our staff or customers. At HML, all enquirers are asked through the HKCEC website to read and accept HML's Personal Information Collection Statement before making a booking request, general enquiry or subscribing to the HKCEC newsletter. This ensures they understand their rights, and the reason why we collect personal data.



We strive to ensure compliance with data privacy laws and regulations, which is especially important to our customer-facing business like HML.

LEVERAGING INNOVATIVE TECHNOLOGY TO BRING SPEED AND EFFICIENCY TO THE INDUSTRY

For more than three years, Hip Hing has been using Building Information Modeling (“BIM”) technology across 19 construction projects, with demonstrated improvements in speed, productivity and cost-efficiency. These include the construction of Xiqu Centre, Hong Kong’s landmark performing arts venue located at the West Kowloon Cultural Centre.



With the support of a 3D laser scanner, Hip Hing uses BIM to capture and visualize accurate information in the built environment through a simulation model. This allows project teams to identify gaps between design and reality, and make modifications to the design prior to the commencement of a project. Subsequently, avoiding expensive and time-consuming rectification works, and in turn reducing waste produced and enhancing worker safety.

In recognition of its use of innovative technology in the construction industry, Hip Hing won The Hong Kong Institute of Building Information Modelling Grand Award in the Contractor Category in June 2018.



“BIM allows us to deliver with increased efficiency, while lowering costs and enhancing quality. It ultimately helps our clients complete their projects on schedule and within budget.”

Froky Wong
Manager (Building Information Modelling)
Hip Hing

STRIVING FOR SERVICE EXCELLENCE

Outstanding customer experience is key to the success of our customer-facing businesses. As part of ongoing efforts to improve services, HML seeks to understand customer preferences on environmental measures, such as the donation of unconsumed food to charitable organizations, separation of waste for reuse and recycling, and the selection of sustainable seafood in catering. This helps HML better respond to increasing customer expectations regarding the reduction of their impact on the environment. In the reporting year, 99% of the 588 event organizers who responded to HML's online customer satisfaction survey rated the service they received as "satisfactory or above". HML's commitment to excellence led to the HKCEC winning the Outstanding Venue Award at the 2017 AFECA Asian Awards, organized by the Asian Federation of Exhibition and Convention Associations.

Hip Hing strives to deliver projects that exceed client expectations. For each completed project, Hip Hing conducts an online customer satisfaction survey to obtain feedback from key parties involved in the project, including project managers, architects, engineers and quantity surveyors. In FY2018, surveyed responses from three completed projects showed an average score of 7.95 out of 10, a slight improvement compared to last year's 7.85 score. Hip Hing will enhance communications with customers to streamline coordination and completion of projects.

NWFB and Citybus are supported by our 24-hour operations control centre. Adept at handling emergencies and accidents, the centre acts as a conduit for information to allow top management to make informed and timely decisions to help those affected in the event of an incident. NWFF

undertakes additional measures of installing automated external defibrillators ("AEDs") at ferry piers with high passenger flows. Pier staff are trained to use the AEDs in the case of an emergency.

Passenger safety is of paramount importance to our transport businesses.



AEDs are installed at selected NWFF ferry piers to strengthen safety of our passengers.

Collecting customer feedback is critical to our pursuit of service excellence. We continually advance our customer feedback mechanisms and go beyond standard industry practice. Our transport subsidiaries NWFB and Citybus, and NWFF, regularly engage customers through surveys and Passenger Liaison Group ("PLG") meetings. Customer feedback is captured and used to enhance services wherever possible. In FY2018, a total of 14 PLG meetings were held with many suggestions being adopted. For example, safety measures at NWFF ferry piers with high passenger flow had been strengthened.

CONTRIBUTING TO THE DEVELOPMENT OF A SAFER AND SMARTER CITY

The Group is dedicated to fostering the vision outlined in the Hong Kong Smart City Blueprint by embracing innovation and technology to improve quality of living. HML has invested heavily in upgrading the Building Management System at the HKCEC with cutting-edge Internet of Things technology. By installing over 600 sensors to monitor temperature, humidity and indoor air quality, HML is reaching a milestone in ambient intelligence for delivering an even more comfortable environment for its guests. HML is also building a new Wi-Fi system that will allow 660 new Wi-Fi access points to simultaneously support 20,000 mobile devices by the end of 2018. The system also supports location-based technology, which allows event organizers to better monitor crowd flows and understand customer behavior, so that HML can improve customer experience.

NWFB and Citybus have enhanced their mobile application with new features that give passengers real-time information on bus arrival times and estimated journey times. The app has had more than three million downloads since its launch, and responds to over two million daily inquiries on average. Passengers can also use location-based technology to determine the best bus routes to their destination. Arrival times for all NWFB and Citybus routes have been made available via this app since the third quarter of 2018. Similarly, NWFF's updated mobile application has new features, including instant seating status updates, and the option to buy monthly tickets via the app.



“Thanks to the enhanced NWFF’s mobile app, passengers like me who live on outlying islands can now better plan our daily ferry travels, and also check seat availability to avoid the disappointment of not being able to get on board when ferries are full. Smart technology has brought convenience to a new level.”

Iris Cheung
NWFF Passenger

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. We aim to address the most pressing social needs across youth development, elderly care and environmental awareness.



COMMUNITY CARE

CREATING SOCIAL VALUE

Our relationship with community partners is focused on creating a lasting positive impact on society. In FY2018, 58 non-profit organizations, such as the Hans Andersen Club, the Hong Kong Family Welfare Society, the Hong Kong Young Women's Christian Association ("YWCA") and The Mental Health Association of Hong Kong, received funding or in-kind support from the Charities Foundation, which has contributed over HK\$14 million to programmes for community welfare, education, healthcare and environmental protection.

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 care services, performing arts, and handicrafts. In FY2018, our team of volunteers contributed approximately 16,000 hours to 240 community and welfare volunteering activities. Recognizing the Group's commitment to build powerful partnerships across sectors and cultivate a strong volunteer team to achieve social good, we won gold award in the Volunteer Team category at the Eighth Hong Kong Outstanding Corporate Citizenship Awards.

CREATING SOCIAL VALUE WITH COMMUNITY PARTNERS

"Learning bus etiquette and riding rules through role play in a mock-up bus in our school is both an interesting and memorable experience for me. Through interactive activities with the visiting bus staff, and our subsequent visit to the bus depot, my understanding about bus operations has greatly deepened."

Suen Cheuk Fan
Graduate of
HHCKLA
Buddhist Po
Kwong School



Our transportation businesses carry over one million commuters each day, and are leveraging this extensive reach with a focus on empowering and contributing to local communities.

As part of our support for the ProjectGo initiative, developed by the Centre for Advancement in Inclusive and Special Education of The University of Hong Kong ("HKU"), NWFB and Citybus donated retired bus parts, including refurbished bus handrails and handles, bus poles with bells, and passenger seats to HHCKLA Buddhist Po Kwong School, which built a "mock bus" for its 300 students with special education needs. By going on a mock bus journey, these students were able to learn the social skills required to use public transport. Students from the school and volunteers from HKU also took a site visit to NWFB's bus depot.

ENHANCING COMMUNITY CARE FOR THE ELDERLY

An ageing population is putting increasing pressure on Hong Kong's social services. There is a growing need to enhance community care assistance, both to relieve the strain on our healthcare system and enable elderly citizens to continue to interact with society.

For NWS Holdings, this means continuing our long-standing collaboration with the YWCA through the NWS Y-Care Centre (North District). Now in its fifth year, and having served more than 30,000 users,

with a service satisfaction rate of over 90%, the centre continues to provide valuable elderly care including rehabilitation, physiotherapy and cognitive training services. To raise awareness of dementia among the elderly, the Group and YWCA launched a two-year programme called the "We Care — Elderly Friendly Community Programme" in 2017. Home visits, educational talks and outings were organized, involving a total of 360 senior citizens and their caregivers.

COUNT ON YOU — SAFE HOME FOR SENIORS PROGRAMME

"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, which gives my family members a sense of comfort."

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



To meet the growing need for better healthcare for an expanding elderly demographic, the Group launched the Count on You — Safe Home for Seniors programme, at our annual Caring Day event in FY2018. 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.

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 young people in transit from school to employment. Together with the Association of Heads of Secondary Schools of Tsuen Wan, Kwai Chung & Tsing Yi District, the Hong Kong Council of Social Service, Po Leung Kuk, the YWCA and Hong Kong Playground Association, over 5,000 young people and teachers have taken part in over 170 activities spanning more than 25 industries since the launch of the programme.

We are proud that this programme won gold award in the Enterprise category at the Eighth Hong Kong Outstanding Corporate Citizenship Awards, and garnered the Asia Responsible Enterprise Awards 2018 (social empowerment category) organized by Enterprise Asia.



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

RUNNING FOR A GREENER FUTURE

For a decade, the Group has been supporting 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 Young Ambassadors programme has trained over 1,600 participants from 250 secondary schools since its inception in 2011 in Hong Kong.

The year-round youth training programme balances theoretical and practical components, including geological and thematic theory classes, field trips to the Hong Kong Global Geopark, and stakeholder debate workshops. In FY2018, the seventh cohort of students learned about the importance of environmental protection and cultural conservation through a series of activities to understand the interplay between Hong Kong's geology, geographical environment, history and culture. The most outstanding teams and their teacher supervisors were sponsored to take part in a field trip and exchange tour to geoparks in Guizhou Province, China.

The NWS Geo Hero Run, now in its third year with over 1,500 runners participating in the annual event, sets an example for other sports events in how to reduce plastic consumption and waste. Reusable and recyclable cups were used at water stations along the race route, and runners were encouraged to

bring their own bottles and cutlery to enjoy party food and drinks. Recyclables from the event were collected and sent to a community recycling centre for proper processing afterwards, with fruit residue sent to a local non-profit organic farm for composting.



The third NWS Geo Hero Run, held in December 2017, encouraged participants and partners to reduce plastic and other wastes.



10,000
disposable
paper cups
reduced



62 kg
banana peels/
apple cores
collected



104 kg
cardboard/
papers
collected

We endeavour to protect natural resources and closely monitor the environmental impact of our operations. Regular reviews of the Group's environmental performance metrics enable us to identify areas for improvements 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 PERFORMANCE

The Group promotes environmental stewardship throughout our business ecosystem, to encourage staff and business partners to work together in pursuit of our environmental goals. In support of actions against climate change, we are in the process of setting targets on energy consumption and emissions, water and waste, against which we can track our progress and accelerate change towards a low-carbon economy.

ENVIRONMENTAL MANAGEMENT

The Group-wide Environmental Management Committee, chaired by an executive director of the Group, oversees the development and implementation of green strategies, and guides environmental progress at the operational level. Members of the Committee meet twice a year to review performance, establish targets and drive programmes to improve our environmental performance, as well as to share experience across the Group. 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.

Demonstrating their commitment to energy-efficient management systems on construction sites, Hip Hing and NWCON had 46 active sites certified with ISO 14001 Environmental Management System and ISO 50001 Energy Management System in FY2018. Preliminary environmental impact assessments are also carried out at the initial stages of each construction project to prevent potentially adverse impacts on the environment. These tasks include identifying sensitive uses, reviewing construction activities, formulating effective mitigation measures and defining appropriate monitoring programmes. The results are then incorporated into each construction project's Environmental Management Plan, which is kept to date and implemented as the project progresses.

The HKCEC, managed by HML, is the first venue in Hong Kong to have attained ISO 20121 Event Sustainability Management System certification. HML has also crafted an energy conservation plan to progressively improve the HKCEC's energy performance over the next 10 years.

Our collaborative and continuous efforts across the Group have improved our environmental performance during the reporting period.

ENERGY EFFICIENCY AND EMISSIONS REDUCTION




Electricity and fuel consumption is a significant source of greenhouse gas emissions ("GHG") in our operations. To mitigate these emissions, we have introduced energy-efficient equipment and installations across the Group. Each subsidiary is required to develop its own energy-reduction plans, aligned with the Group's overall environmental goals.

We recognize that our transportation businesses involve considerable fuel consumption. Over the years, NWFB and Citybus have been working on reducing our fuel consumption and associated emissions by continuously investing in cleaner, more fuel-efficient vehicles. In FY2018, the two bus companies, which commissioned 10 low-emission Euro 6 buses, achieved an average reduction of 25,293 tonnes of carbon dioxide equivalent compared to FY2017 in Hong Kong.



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

NWFB and Citybus will further reduce fuel consumption and emissions production by:

- 
 Replacing their 126 licensed Euro 3 buses with new Euro 6 buses by June 2019
- 
 Retrofitting their current Euro 4 and 5 bus fleet with enhanced Selective Catalytic Reduction systems to reduce nitrogen oxides emissions
- 
 Actively exploring the feasibility of broadening the use of electric buses powered by the latest technology

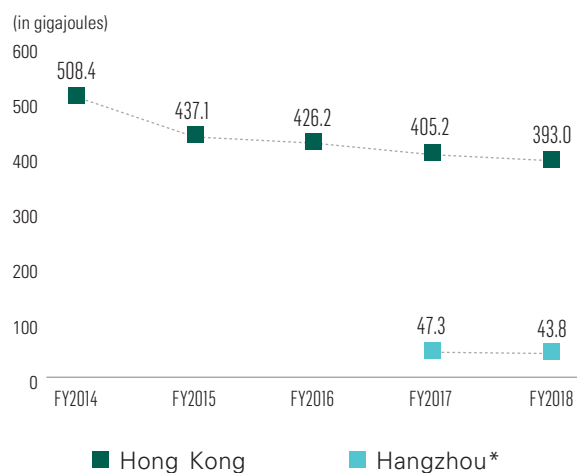
Similarly, NWFF continues its efforts to reduce emissions. An on-shore electricity supply site has been constructed for ferries docking at Cheung Sha Wan dockyard. The site draws its power supply from the local grid, enabling docked ferries to switch from diesel to electricity, improving the air quality around

the dock. NWFF is also broadening its use of renewable energy, installing solar panels on infrastructure and vessel.

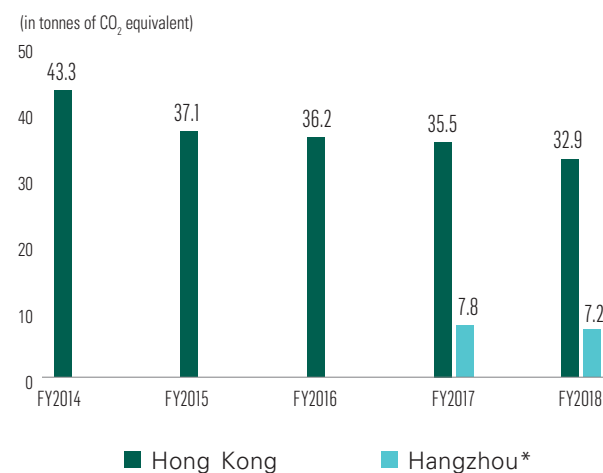
Over a five-year period, Hip Hing has completed trials on the use of biodiesel in mechanical equipment on construction sites. The performance of biodiesel parallels that of regular diesel, while offering significant improvements to air quality and the overall environmental impact of construction activities. Moving forward, Hip Hing will endeavour to replace non-renewable fuels with biodiesel in construction projects.

Through our collaborative and continuous efforts, our reporting entities in Hong Kong have been making steady improvements to their energy consumption and GHG emissions performance. There has been a 5.2% decrease in energy consumption per employee compared to FY2017, and a decrease of 24.4% over a five-year period.

Energy Consumption per Employee[^]



GHG Emissions per Employee[^]



[^] The data regarding towngas of all previous years had been restated due to streamlined collation of some of the reporting entities. In FY2018, we adopted the emission factors corresponding to vehicle types and supply areas of two electricity companies, instead of using a territory-wide emission factor (i.e. 0.7kg/kWh) for all reporting entities.

* Hangzhou Guoyi has become a reporting entity since FY2017.

GREENER CONSTRUCTION SITES DRIVEN BY INNOVATION

“The VC we developed not only alleviates workers’ concerns about exposure to diesel exhaust fumes on construction sites, but also helps reduce pollutants. We will continue to expand the use of the device to create a healthy and safe work environment for all.”

Ken Leung
Manager (Environmental)
Hip Hing

Understanding that exhaust fumes from diesel generators are one of the major sources of air pollution at construction sites, Hip Hing has invented and installed an innovative device called Venturi Cyclone (“VC”). This device effectively uses dynamic energy from the inlet exhaust gas stream to atomize injected water and scrub the gas stream to transform harmful air pollutants into water droplets which are carried through an on-site wastewater treatment facility, before being discharged off-site into the municipal drainage system. The treated water complies with a very stringent water quality standard.

On average, the VC reduces around 90% of the major pollutants generated by diesel generators at construction sites, including unburned hydrocarbon, nitrogen oxide, sulphur dioxide, and carbon dioxide. In addition, the VC has features designed to reduce both the noise and thermal impact of the generator, further improving the site working conditions and the overall environmental impact.



RESPONSIBLE CONSUMPTION

Across our operations, sustainability is a key consideration when we are procuring products and services. We strive to be efficient and opt for sustainable alternatives as well as minimize the amount of waste generated by reusing materials. Effective recycling practices are in place at all back offices and managed premises across the Group for common recyclables such as paper, plastic and metals.

As part of our effort to reduce paper consumption, NWFB and Citybus engineers now make electronic updates to bus maintenance records, eliminating the use of paper. Similarly, Hip Hing has been running trial tests on mobile apps through which their employees can conduct safety inspections and apply for in-house permits for construction sites.



NWFB and Citybus' electronic system helps engineering staff reduce paper usage.

HML continues to lead sustainable practices by engaging exhibitors, event organizers and participants and local charities on food donation and waste recycling. In FY2018, over 10 tonnes of food waste were treated and diverted from landfills, with over two tonnes of unconsumed but still perfectly edible food donated to the needy. Its diversion from landfills in FY2019 is expected to increase significantly as HML becomes one of the first companies in Hong Kong to deliver food waste to the newly opened O • PARK1, which uses anaerobic digestion and composting technologies to convert food waste into biogas for power generation. While effective food waste handling is beneficial, public education and awareness building is critical to the success of food waste reduction. To this end, HML organized a poster design competition to raise public awareness of the concept of waste reduction at source among students, event visitors and patrons of HKCEC restaurants.



Organized by HML, the Waste Less • Save Food HKCEC Poster Design Competition, unleashed students' creativity to promote the importance of food waste reduction at source through posters and slogans.

WASTE MANAGEMENT

Most of our waste is generated by our construction businesses. Hip Hing and NWCON have adopted waste management plan for construction sites, with 25 BEAM Plus and six LEED certifications. Onsite trainings are conducted to ensure workers comply with our waste management procedures.

Reuse of materials is actively promoted across the Group. In construction projects, our construction businesses source Forest Stewardship Council timber and upcycle used wooden pallets. Through Hip Hing's Inert Materials Transfer Programme, which reuses inert construction waste as foundation filler material in other construction projects, 86% of inert construction waste was reused during the reporting period. For non-inert waste, which is difficult or costly to recycle, Hip Hing also works closely with subcontractors to ensure this type of waste is properly and legally disposed of. Through various programmes and measures, 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 in FY2018.

Highlighting its ongoing commitment to waste management and responsible procurement, Hip Hing was awarded the Wastewi\$e Certificate for the seventh consecutive year in FY2018.

WATER CONSERVATION

The Group is committed to conserving water by using it as efficiently as possible. The majority of our water comes from municipal sources, and various initiatives have been introduced across our operations to improve water stewardship. HML has fitted water-saving fixtures in some HKCEC washrooms; NWFB and Citybus deploy a water recycling system in vehicle washing equipment so that 70% of the water can be reused; and Hip Hing and NWCON recycle treated wastewater for cooling construction equipment, suppressing dust and washing vehicle tyres.

COMPLIANCE

The Group's diverse businesses are subject to a variety of regulations governing air emissions, noise generation and waste management. To prevent future incidents of non-compliance related to environmental issues, we ensure that appropriate corrective actions are taken in response to any infringement. During the reporting period, there was one instance of non-compliance at our construction business. Hip Hing will reinforce the related working guidelines with its suppliers to avoid any similar incidents.

RECYCLED COMPUTERS TO SCHOOLS IN NEED

"We are thankful 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 latter can benefit 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

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 waste items were collected for recycling or for refurbishment and used by local schools and charities. As an extension of our community project, NWS Career Navigator for Youth, the Group donated computers refurbished with new software to primary and secondary schools in Kwai Tsing District.



AWARDS AND MEMBERSHIPS

AWARDS

Award and awardee(s)	Organizer(s)
The constituent stock of the Hang Seng Corporate Sustainability Benchmark Index 2018-2019 (NWS Holdings)	Hang Seng Indexes Company Limited
Outstanding Listed Companies Award 2018 (NWS Holdings)	The Hong Kong Institute of Financial Analysts and Professional Commentators Limited
Listed Enterprises of the Year 2017 (NWS Holdings)	<i>Bloomberg Businessweek / Chinese Edition</i>
15 Years Plus and 10 Years Plus Caring Company Logo (NWS Holdings and 9 member companies)	The Hong Kong Council of Social Service
Gold Award in the Enterprise category and Gold Award in the Volunteer Team category at the eighth Hong Kong Outstanding Corporate Citizenship Awards (NWS Holdings)	Hong Kong Productivity Council
Certificate of Excellence in Hong Kong Sustainability Award (NWS Holdings)	The Hong Kong Management Association
Asia Responsible Enterprise Awards 2018 (NWS Holdings)	Enterprise Asia
HR Asia Best Companies to Work for in Asia 2018 — Hong Kong Chapter (NWS Holdings)	<i>Business Media International</i>
Best Recruitment Evaluation Gold Award and Best On-boarding Experience Bronze Award in HR Asia Recruitment Awards 2018 (NWS Holdings)	<i>Human Resources Magazine</i>
Best Employer Award 2018 (NWS Holdings)	China Finance Summit
Best Convention and Exhibition Centre in Asia-Pacific (HML)	<i>CEI Asia</i> magazine
Champion in Outstanding Venue Award (HML)	Asian Federation of Exhibition and Convention Associations
Gold Awards in the 24 th Considerate Contractors Site Awards (Non-Public Works — New Works) and Outstanding Environmental Management Performance Awards (Hip Hing)	Development Bureau, the HKSAR Government and the Construction Industry Council

MEMBERSHIPS

Organization	Level of membership
Business Environment Council	Corporate Member
Clean Air Charter	Signatory
Economic Development Commission, the HKSAR Government	Member of Working Group on Convention and Exhibition Industries and Tourism
Employers' Federation of Hong Kong	Corporate Member
Environment Bureau, the HKSAR Government — Energy Saving Charter on "No Incandescent Light Bulbs"	Signatory
Environment Bureau, the 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
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	Board Member

PERFORMANCE TABLES

GRI Standards	HKEx ESG Guide	Indicator	Unit	FY2018
Material Topics				
GRI 200: Economic Topics				
GRI 201: Economic Performance				
201-1*	B8.2	Revenue	HK\$ million	35,114.8
		Attributable operating profit	HK\$ million	5,231.9
		Profit attributable to shareholders	HK\$ million	6,068.8
		Net assets	HK\$ million	50,123.8
		Income tax expenses	HK\$ million	745.0
		Profit before income tax	HK\$ million	6,865.6
		Charitable contributions		
		Total community investment through NWS Holdings Charities Foundation	HK\$ million	14.1
		GRI 204: Procurement Practices		
204-1	B5.1**	Proportion of spending on local suppliers (i.e. Hong Kong suppliers/PRC suppliers for Hangzhou Guoyi)		
		Corporate Office	%	100
		HML	%	98
		Free Duty	%	53
		Hip Hing	%	99
		NWCON	%	98
		NWFB and Citybus	%	98
		NWFF	%	50
		Hangzhou Guoyi	%	100
GRI 205: Anti-Corruption				
205-3	B7.1	Confirmed incidents of corruption and actions taken	no. of cases	0

GRI Standards	HKEx ESG Guide	Indicator	Unit	FY2018
GRI 300: Environmental Topics				
GRI 301: Materials				
301-1	A2.5	Total weight of major construction materials and other materials used		
		Renewable Materials		
		Paper	tonnes	134.6
		Timber ¹	tonnes	744
		Non-Renewable Materials		
		Plastic (packaging) ²	tonnes	128
		Bricks ³	tonnes	10,141
		Cement ⁴	tonnes	5,901
		Cement mortar ⁵	tonnes	10,716
		Concrete ⁶	tonnes	1,385,541
		Reinforcing steel bars ⁷	tonnes	149,213
		Sand ⁸	tonnes	13,865
		Stones ⁹	tonnes	9,871

Notes:

* For more details, please refer to NWS Holdings' Annual Report 2018.

** NWS Holdings discloses the proportion spent on local and non-local suppliers and not the number, as a more accurate representation of our supply chain and of the use of suppliers in our locations of operation.

1, 9. By Hip Hing

2. By HML and Free Duty

3, 8. By Hip Hing and NWCON

4-7. By Hip Hing, NWCON, and Hangzhou Guoyi

GRI Standards	HKEx ESG Guide	Indicator	Unit	FY2018		
GRI 302: Energy						
302-1	A2.1	Total energy consumption	gigajoules ¹⁰	4,476,408		
		Total energy consumption intensity	gigajoules/ employee	373		
				Hong Kong	Hangzhou	
		Fuel consumption from non-renewable sources (electricity, town gas, unleaded petrol and diesel oil)	gigajoules	4,213,849	29,469	
		Electricity consumption ¹¹	gigajoules	396,040	21,868	
		Town gas consumption ¹²	gigajoules	25,294	651	
		Unleaded petrol consumption ¹³	gigajoules	11,542	2,302	
		Liquefied petroleum gas consumption ¹⁴	gigajoules	19	0	
		Diesel oil consumption ¹⁵	gigajoules	3,780,954	4,648	
		Fuel consumption from renewable sources (biodiesel) ¹⁶	gigajoules	233,090	0	
302-5	A2.3	Reductions in energy requirements of sold products and services achieved				
		Fuel efficiency improvement of franchised bus fleet compared to FY2017 ¹⁷	%	5		
GRI 303: Water						
303-1		Municipal fresh water (town water) withdrawn ¹⁸	m ³	1,441,503		
	A2.2	Water consumption intensity ¹⁸	m ³ /employee	120.2		
GRI 305: Emissions						
	A1.1	Emissions				
		SOx ¹⁹	tonnes	1.6		
		NOx ²⁰	tonnes	798.2		
				Hong Kong	Hangzhou	
	A1.2	Greenhouse gas emissions in total (Scope 1 & 2)	tonnes of CO ₂	371,771.5	4,843	
	A1.2	Greenhouse gas emissions in total (Scope 1 & 2) intensity	tonnes of CO ₂ /employee	32.9	7.2	
	305-1	A1.2	Total direct (Scope 1) greenhouse gas emissions ²¹	tonnes of CO ₂ equivalent	295,825.5	566.0
	305-2	A1.2	Total indirect (Scope 2) greenhouse gas emissions ²²	tonnes of CO ₂ equivalent	75,946.0	4,277.0

GRI Standards	HKEx ESG Guide	Indicator	Unit	FY2018
GRI 306: Effluents and Waste				
306-2***	A1.3	Hazardous waste		
		Hazardous waste treated intensity	tonnes/ employee	0.1
		Hazardous waste treated	tonnes	599.9
		Chemical waste (battery cell) ²³	tonnes	55
		Chemical waste (lubricant and spent non-halogen organic solvent) ²⁴	tonnes	541.9
		Fluorescent lamps ²⁵	tonnes	3
	A1.4	Non-hazardous waste		
		Non-hazardous waste generated intensity	tonnes/ employee	78.6
		Non-hazardous waste generated	tonnes	942,577.2
		General unsorted waste to landfills ²⁶	tonnes	3,913.0
		Total construction waste generated	tonnes	936,202.8
		Inert materials reused ²⁷	%	86.2
		Mixed waste disposal to government sorting facilities	%	6.1
		Mixed waste disposal to landfills	%	7.8
		Total weight of waste recycled ²⁸	tonnes	2,450.4
		Total food waste diverted from landfills ²⁹	tonnes	11.0
GRI 307: Environmental Compliance				
307-1	A1(b)	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and/or regulations ³⁰	HK\$ no. of cases	25,000 1 from Hip Hing

Notes:

- *** Hazardous waste are handled by registered treatment facilities while non-hazardous waste disposed to landfills, reused and recycled are handled by contractors.
10. 1 gigajoule (GJ) = 277.778 kWh
11. Hangzhou Guoyi follows the emission factor published by 2015 Baseline Emission Factors for Regional Power Grids in China.
12. By HML, NWFB and Citybus, and Hangzhou Guoyi
13. By Corporate Office, HML, Hip Hing, NWCON, NWFB and Citybus, NWFF, and Hangzhou Guoyi
14. By NWFB and Citybus
15. By Corporate Office, Free Duty, Hip Hing, NWCON, NWFB and Citybus, NWFF, and Hangzhou Guoyi
16. By Hip Hing
17. NWFB and Citybus reduced franchised bus fuel consumption travelled from 1.5 km/litre to 1.6 km/litre by introducing more Euro 5 buses to replace retiring buses.
18. Figure excludes water consumption at Corporate Office as premises are rented and breakdown of water usage by tenant is not available.
19. By NWFB and Citybus bus fleet and NWFF

20. By NWFB and Citybus bus fleet
21. Direct greenhouse gas emissions refer to emissions of CO₂, CH₄ and N₂O from fuel consumed, but exclude fugitive emissions such as refrigerants. The calculations follow the guidelines of the Environmental Protection Department of the HKSAR Government. In FY2018, we adopted the emission factors corresponding to vehicle types.
22. Indirect greenhouse gas emissions include emissions from electricity generation and towngas production. The calculations follow the guidelines of the Environmental Protection Department of the HKSAR Government. Due to data limitation, Hangzhou Guoyi's towngas emission calculation follows the methodology applied to reporting entities in Hong Kong. In FY2018, we adopted the emission factors corresponding to supply areas of two electricity companies, instead of using a territory-wide emission factor (i.e. 0.7kg/kWh) for all reporting entities.
23. By Corporate Office, NWFB and Citybus, and Hangzhou Guoyi. To improve our measurements in coming years, this data point has been shifted from "units" to "tonnes".
24. By Hip Hing, NWCON, NWFB and Citybus, and NWFF
25. By Corporate Office, HML, NWFB and Citybus, NWFF, and Hangzhou Guoyi
26. By HML, NWFF, and Hangzhou Guoyi (Figures only cover the general unsorted waste of certain operations. NWS Holdings shall work to collect this figure for subsequent reports).
27. 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.
28. Includes aluminium cans (Corporate Office, HML and NWFF), plastics (Corporate Office, HML and NWFF), scrap metal (HML, NWCON, NWFB and Citybus, and NWFF), scrap tyres (NWFB and Citybus and Hangzhou Guoyi), glass (HML), paper (Corporate Office, HML, Hip Hing, NWCON, NWFB and Citybus, and NWFF), waste toner (Corporate Office, Hip Hing, NWCON, NWFB and Citybus, and NWFF), and cooking oil (HML).
29. By HML (includes composted food waste and unconsumed food donated to charity)
30. Hip Hing was imposed with one fine for non-compliance with environmental laws and regulations. To avoid future cases related to out of hours construction works, Hip Hing has enforced time restrictions to relevant construction material suppliers unless separate permission is given by Hip Hing's Head Office, on a case by case basis.

GRI	HKEx ESG						
Standards	Guide	Indicator	Unit	FY2018			
GRI 400: Social Topics							
102-8	B1.1	Total workforce by employment contract and gender	no. of people	11,989			
				Hong Kong		Hangzhou	
				Male	Female	Male	Female
		Permanent contract	no. of people	8,305	1,819	384	289
		Fixed-term contract	no. of people	1,086	97	0	0
		Temporary contract	no. of people	5	4	0	0
		Permanent employees by employment type and gender		Male	Female	Male	Female
		Full-time	no. of people	9,168	1,826	384	289
		Part-time	no. of people	228	94	0	0
	B1.1	Total workforce by age group		Hong Kong		Hangzhou	
		Under 30	no. of people	1,570		66	
		30–39	no. of people	1,811		285	
		40–49	no. of people	2,566		253	
		50 or above	no. of people	5,369		69	
GRI 401: Employment							
401-1		Total number of new hires by age group and gender ³¹	no. of people	1,830			
				Hong Kong		Hangzhou	
				Male	Female	Male	Female
		Under 30	no. of people	418	144	14	10
		30–39	no. of people	303	103	5	14
		40–49	no. of people	248	66	0	3
		50 or above	no. of people	426	76	0	0
		Rate of new hires by gender and age group ³²		Male	Female	Male	Female
		By gender	%	12.3	3.4	2.8	4.0
		By age group		Hong Kong		Hangzhou	
		Under 30	%	5.0		3.6	
		30–39	%	3.6		2.8	
		40–49	%	2.7		0.4	
		50 or above	%	4.4		0	

GRI Standards	HKEx ESG Guide	Indicator	Unit	FY2018			
	B1.2	Total turnover number by age groups and gender³³	no. of people	1,750			
				Hong Kong		Hangzhou	
				Male	Female	Male	Female
		Under 30	no. of people	284	90	18	3
		30–39	no. of people	248	71	7	18
		40–49	no. of people	223	63	3	6
		50 or above	no. of people	623	80	4	9
	B1.2	Rate of turnover by gender and age group³⁴		Hong Kong		Hangzhou	
				Male	Female	Male	Female
		By gender	%	12.1	2.7	4.8	5.3
		By age group		Hong Kong		Hangzhou	
		Under 30	%	3.3		3.1	
		30–39	%	2.8		3.7	
		40–49	%	2.5		1.3	
		50 or above	%	6.2		1.9	
401-3		Return to work rates after parental leave, by gender³⁵		Male		Female	
		Total number of employees who took parental leave	no. of people	111		49	
		Total number of employees who returned to work after parental leave ended	no. of people	108		40	
		Return to work rate by gender	%	97.3		81.6	
		Retention rate of employees following parental leave after a 12-month period	%	86.2		90.0	

Notes:

31. Total new hires apply to permanent, fixed-term and temporary employees.
32. New hires rate is calculated as the total number of new hires in the reporting year divided by the total number of employees as of 30 June of the reporting year.
33. Total turnover apply to permanent, fixed-term and temporary employees.
34. Turnover rate is calculated as the total number of employees leaving employment in the reporting year divided by the total number of employees as of 30 June of the reporting year.
35. 100% of the reporting entities' permanent employees are entitled parental leave.

GRI	HKEx ESG						
Standards	Guide	Indicator	Unit				FY2018
GRI 403: Occupational Health and Safety****							
403-1		Occupational health and safety					
		Percentage of total workforce represented in formal management-worker health and safety committees ³⁶	%				1
403-2	B2.1	Injury, lost day and absentee rate			Hong Kong Male Female	Hangzhou Male Female	
		Fatalities	no. of people	0	0	0	0
		Injury (fatal) rate	per 1,000 workers	0	0	0	0
		Injury (non-fatal) rate ³⁷	per 1,000 workers	20.7	4.0	1.4	10.9
		Occupational disease rate	per 1,000 workers	0	0	0	0
	B2.2	Number of lost days ³⁸	days		Hong Kong 18,045	Hangzhou 536	
		Lost day rate ³⁹	per 1,000 workers		Hong Kong Male Female	Hangzhou Male Female	
				1,006.3	266.4	134.4	593.1
		Absentee rate ⁴⁰	%	4.7	0.5	0.5	2.3
GRI 404: Training and Education							
404-1		Average hours of training per year					
		Per employee	hours				14.8
	B3.2	Average training hours by gender					
		Male	hours				15.2
		Female	hours				12.9
	B3.2	Average training hours by employee category					
		Assistant General Manager/ Assistant Director and above	hours				18.9
		Manager and Senior Manager	hours				15.9
		Assistant Manager	hours				18.7
		General staff	hours				13.8
		Operational staff	hours				14.7

GRI Standards	HKEx ESG Guide	Indicator	Unit	FY2018
404-3		Employees receiving regular performance reviews by gender		
		Male	%	91
		Female	%	89
		Employees receiving regular performance reviews by employee category		
		Assistant General Manager/ Assistant Director and above	%	84
		Manager and Senior Manager	%	98
		Assistant Manager	%	97
		General staff	%	95
		Operational staff	%	90

Notes:

**** Data of workers who are not directly employed by NWS Holdings is not available this year due to operational limitations.

36. Formal joint management-worker health and safety committees are present at the Group level, as well as at the subsidiary level. All subsidiaries except Free Duty have these committees.
37. To improve our measurements in coming years, this data point has followed GRI Standards calculations from this reporting year. The injury (non-fatal) rate represents the number of injuries per 1,000 employees per year. It is calculated as the total injuries multiplied by 2,000,000 and then divided by total hours worked. The factor 2,000,000 is the annual hours worked by 1,000 employees, based on 40 hours per week for 50 weeks a year.
38. When recording and reporting accident statistics, the number of "days" is defined as the scheduled work day, and "lost days" are calculated from one day after the accident occurs.
39. To improve our measurements in coming years, this data point has followed GRI Standards calculations from this reporting year. The lost day rate represents the number of lost days caused by work-related injuries per 1,000 employees per year. It is calculated as the total days lost multiplied by 2,000,000 and then divided by total hours worked. The factor 2,000,000 is the annual hours worked by 1,000 employees, based on 40 hours per week for 50 weeks a year.
40. Absentee rate is calculated as number of actual days lost due to both work-related and non-work related sick leave divided by the number of scheduled work days.

GRI	HKEx ESG						
Standards Guide	Indicator	Unit	FY2018				
GRI 405: Diversity and Inclusion							
405-1	NWS Holdings Board composition by gender						
	Male	%			93		
	Female	%			7		
	NWS Holdings Board composition by age						
	Under 30	%			0		
	30–39	%			7		
	40–49	%			7		
	50 or above	%			86		
	NWS Holdings Board composition by ethnicity						
	Chinese	%			100		
	Non-Chinese	%			0		
B1.1	Diversity disclosure by employee category and gender						
			Hong Kong		Hangzhou		
			Male	Female	Male	Female	
	Assistant General Manager/ Assistant Director and above	%	77.1	22.9	71.4	28.6	
	Senior Manager	%	75.2	24.8	0	0	
	Manager	%	77.1	22.9	85.7	14.3	
	Assistant Manager	%	68.8	31.2	57.1	42.9	
	General staff	%	46.7	53.3	70.6	29.4	
	Operational staff	%	87.1	12.9	54.5	45.5	
B1.1	Diversity disclosure by employee category and age group						
			Hong Kong		Hangzhou		
			Under 30	30–39	40–49	50 or above	
	Assistant General Manager/ Assistant Director and above	%	0	2.9	25.7	71.4	0
	Senior Manager	%	0	8.3	37.2	54.5	0
	Manager	%	0	15.4	44.5	40.1	0
	Assistant Manager	%	1.1	30.1	39.4	29.4	0
	General staff	%	25.8	28.5	24.6	21.1	3.5
	Operational staff	%	13.8	14.7	21.3	50.2	11.1
			Under 30	30–39	40–49	50 or above	
	Assistant General Manager/ Assistant Director and above	%	0	0	57.1	42.9	
	Senior Manager	%	0	0	0	0	
	Manager	%	0	0	85.7	14.3	
	Assistant Manager	%	0	42.9	57.1	0	
	General staff	%	3.5	43.5	36.5	16.5	
	Operational staff	%	11.1	43.2	36.7	9.0	
B1.1	Diversity disclosure by employee category and ethnicity						
			Hong Kong		Hangzhou		
			Chinese	Non-Chinese	Chinese	Non-Chinese	
	Assistant General Manager/ Assistant Director and above	%	97.1	2.9	100	0	
	Senior Manager	%	99.2	0.8	0	0	
	Manager	%	99.1	0.9	100	0	
	Assistant Manager	%	100	0	100	0	
	General staff	%	99.9	0.1	100	0	
	Operational staff	%	99.9	0.1	100	0	

GRI Standards	HKEx ESG Guide	Indicator	Unit	FY2018
GRI 406: Non-discrimination				
406-1	GD-B1	Incidents of workplace discrimination reported	no. of cases	0
GRI 413: Local Communities				
413-1	B8.2	Employee volunteering	hours	15,901
		Percentage of reporting entities with implemented to local community engagement	%	100
GRI 416: Customer Health and Safety				
416-1		Percentage of buses and ferries assessed for safety improvement	%	100
416-2	B6(b)	Total incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services ⁴¹	no. of cases	26
GRI 418: Customer Privacy				
418-1	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
GRI 419: Socioeconomic Compliance				
419-1	B1(b), B2(b), B4(b), B6(b), B7(b)	Non-compliance with laws and regulations in the social and economic area ⁴²	HK\$	378,000

Notes:

41. The non-compliance incidents include 24 from Hip Hing; 1 from NWCON; 1 from NWFB and Citybus.
42. During the reporting period, 24 monetary fines for Hip Hing occurred in the categories of occupational health and safety on construction sites, health and safety impacts of products and services; one monetary fine for NWCON occurred in the category of workplace health and safety; one monetary fine for NWFB and Citybus occurred in the category of the health and safety impacts of products and services.

GRI STANDARDS AND HKEX ESG GUIDE CONTENT INDEX

The GRI has developed an internationally recognized framework for sustainability reporting. The report contains standard disclosures from the GRI Sustainability Reporting Guidelines.

The following table indicates the location of or direct response to GRI Standards disclosures included in this report and other publicly available NWS Holdings documents.

GRI Standards	Disclosure Title	HKEx ESG Guide	Page	Section/Remarks
GRI 100: Universal Disclosures 2016				
GRI 102: General Disclosures 2016				
102-1	Name of the organization		Front Inner Cover	Corporate Profile
102-2	Activities, brands, products, and services		Front Inner Cover	Corporate Profile
102-3	Location of headquarters		5-6	About this Report
102-4	Location of operations		Front Inner Cover	Corporate Profile
102-5	Ownership and legal form		Front Inner Cover	Corporate profile
102-6	Markets served		Front Inner Cover	Corporate Profile
102-7	Scale of the organization		Front Inner Cover	Corporate Profile
			7	Performance Highlights
			49, 54	Performance Tables
				See also Corporate Profile section of Annual Report 2018
102-8	Information on employees and other workers	B1.1	7	Performance Highlights
			23	Human Capital
			54	Performance Tables
102-9	Supply Chain	B5.1, B5.2	7	Performance Highlights
			30-31	Value Chain
			49-50	Performance Tables
102-10	Significant changes to the organization and its supply chain		N/A	No significant changes during the reporting period

GRI Standards	Disclosure Title	HKEx ESG Guide	Page	Section/Remarks
102-11	Precautionary principle or approach		10-11 31-32 42-43	Sustainability Governance Value Chain Environmental Performance See also the Sustainability and Risk Management sections of our Annual Report 2018
102-12	External initiatives		47	Awards and Memberships
102-13	Membership of associations		48	Awards and Memberships
102-14	Statement from senior decision maker		2-3	CEO Message
102-16	Values, principles, standards, and norms of behaviour		Front Inner Cover 10-11 24-25 31-32	Corporate Profile — ‘Vision, Mission and Core Values’ Sustainability Governance Human Capital Value Chain
102-18	Governance structure		10-11	Sustainability Governance See also Corporate Governance Report section of Annual Report 2018
102-40	List of stakeholder groups		18-19	Sustainability Governance
102-41	Collective bargaining agreements		N/A	The majority of NWS Holding’s employees are in Hong Kong where there is no statutory recognition of collective bargaining agreements.
102-42	Identifying and selecting stakeholders		15, 18	Sustainability Governance
102-43	Approach to stakeholder engagement		15, 18 34	Sustainability Governance Value Chain
102-44	Key topics and concerns raised		20-21	Sustainability Governance
102-45	Entities included in the consolidated financial statements		4-6	About this Report See also Project Key Facts and Figures section of Annual Report 2018

GRI Standards	Disclosure Title	HKEx ESG Guide	Page	Section/Remarks
102-46	Process for defining report content and the aspect boundaries		15-21 N/A	Sustainability Governance We continued our annual review process to identify the most pressing issues on which the Group should report. Given our stable yet diverse business nature, we started to adopt a three-year engagement cycle in FY2018. No significant changes in NWS Holdings' material issues were observed from the 2016 and 2017 assessments during the reporting period. We are committed to reviewing our material issues annually and will engage all of the stakeholder groups over a three-year period for a comprehensive assessment.
102-47	List of material topics		17	Sustainability Governance
102-48	Restatements of information		43 N/A	Environmental Performance Hangzhou Guoyi started to report its sustainability data in FY2017. Energy and emissions data of previous years had been restated due to streamlined collation of some of the reporting entities.
102-49	Changes in reporting		N/A	No significant changes
102-50	Reporting period		4	About this Report
102-51	Date of most recent report		N/A	Our previous report was published in December 2017.
102-52	Reporting cycle		4	About this Report
102-53	Contact point for questions regarding the report		4	About this Report
102-54	Claims of reporting in accordance with the GRI Standards		4	About this Report
102-55	GRI content index		60-67	GRI Standards and HKEx ESG Reporting Guide Content Index
102-56	External assurance		4 68	About this Report Assurance Statement

GRI Standards	Disclosure Title	HKEx ESG Guide	Page	Section/Remarks
Material Topics				
GRI 200: Economic Topics 2016				
GRI 201: Economic Performance 2016				
GRI 103	Management Approach 2016		2-3	CEO Message
201-1	Direct economic value generated and distributed	B8.2	49 2-3 7	Performance Tables CEO Message Performance Highlights See also Annual Report 2018
GRI 203: Indirect Economic Impacts 2016				
GRI 103	Management Approach 2016		30	Value Chain
203-2	Significant indirect economic impacts		30	Value Chain
GRI 204: Procurement Practices 2016				
GRI 103	Management Approach 2016	GC-B5	30	Value Chain
204-1	Proportion of spending on local suppliers	B5.1	30 49-50	Value Chain Performance Tables
GRI 205: Anti-Corruption 2016				
GRI 103	Management Approach 2016	GD-B7	11	Sustainability Governance
205-3	Confirmed incidents of corruption and actions taken	B7.1	7 49 N/A	Performance Highlights Performance Tables There were no confirmed incidents of non-compliance related to bribery, extortion, fraud and money laundering.
GRI 300: Environmental Topics 2016				
GRI 301: Materials 2016				
GRI 103	Management Approach 2016	GD-A2, GD-A3, A3.1	42, 44-45	Environmental Performance
301-1	Materials used by weight or volume	A2.5	45 50	Environmental Performance Performance Tables

GRI Standards	Disclosure Title	HKEx ESG Guide	Page	Section/Remarks
GRI 302: Energy 2016				
GRI 103 2016	Management Approach	GD-A2, A3, A2.3, A3.1	42-43	Environmental Performance
302-1	Energy consumption within the organization	A2.1	51	Performance Tables
302-5	Reductions in energy requirements of products and services	A2.3	51	Performance Tables
GRI 303: Water 2016				
GRI 103 2016	Management Approach	GD-A2, A3, A2.4, A3.1	42, 46	Environmental Performance
303-1	Water withdrawal by source	A2.2	51 N/A	Performance Tables Water used by the reporting entities is supplied by Water Supplies Department of the HKSAR Government. Sourcing water is not considered to be a material issue for our reporting entities.
GRI 305: Emissions 2016				
GRI 103 2016	Management Approach	GD-A1, A3, A1.5, A1.6, A3.1	42-44	Environmental Performance
305-1	Direct (Scope 1) GHG emissions	A1.1, A1.2	51	Performance Tables
305-2	Energy indirect (Scope 2) GHG emissions	A1.1, A1.2	51	Performance Tables
GRI 306: Effluents and Waste 2016				
GRI 103 2016	Management Approach	GD-A1, A3, A1.6, A3.1	42, 45	Environmental Performance
306-2	Waste by type and disposal method	A1.6 A1.3, A1.4	45-46 52	Environmental Performance Performance Tables
GRI 307: Environmental Compliance 2016				
GRI 103 2016	Management Approach	GD-A1	42, 46	Environmental Performance
307-1	Non-compliance with environmental laws and regulations	A1(b)	52	Performance Tables

GRI Standards	Disclosure Title	HKEx ESG Guide	Page	Section/Remarks
GRI 400: Social Topics 2016				
GRI 401: Employment 2016				
GRI 103	Management Approach 2016	GD-B1, B4	23-24 N/A	Human Capital There were no confirmed incidents of non-compliance related to child and forced labour, which would have a significant impact on the Group.
401-1	New employee hires and employee turnover	B1.2	54-55	Performance Tables
401-3	Parental leave		20 23-24 55	Sustainability Governance Human Capital Performance Tables
GRI 403: Occupational Health and Safety 2016				
GRI 103	Management Approach 2016	GD-B2, B2.3	27-28	Human Capital
403-1	Workers representation in formal joint management — worker health and safety committees		27 56	Human Capital Performance Tables
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	B2.1, B2.2	56	Performance Tables
GRI 404: Training and Education 2016				
GRI 103	Management Approach 2016	GD B3	24-26	Human Capital
404-1	Average hours of training per year per employee	B3.2	7 25 56	Performance Highlights Human Capital Performance Tables
404-3	Percentage of employees receiving regular performance and career development reviews		57	Performance Tables

GRI Standards	Disclosure Title	HKEx ESG Guide	Page	Section/Remarks
GRI 405: Diversity and Inclusion 2016				
GRI 103 2016	Management Approach	GD-B1	23	Human Capital
405-1	Diversity of governance bodies and employees	B1.1	58	Performance Tables
GRI 406: Non-discrimination 2016				
GRI 103 2016	Management Approach	GD-B1	11 23	Sustainability Governance Human Capital
406-1	Incidents of discrimination and corrective actions taken	GD-B1	59	Performance Tables
GRI 413: Local Communities 2016				
GRI 103 2016	Management Approach	GD-B8, B8.1, B8.2	37	Community Care
413-1	Operations with local community engagement, impact assessments, and development programs	GD-B8, B8.1, B8.2	37-38 59	Community Care Performance Tables
GRI 416: Customer Health and Safety 2016				
GRI 103 2016	Management Approach	GD-B6	31-32, 34	Value Chain
416-1	Assessment of the health and safety impacts of product and service categories		59	Performance Tables
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services		59	Performance Tables

GRI Standards	Disclosure Title	HKEx ESG Guide	Page	Section/Remarks
GRI 418: Customer Privacy 2016				
GRI 103 2016	Management Approach	GD-B6, B6.5	32	Value Chain
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	B6.2	59 N/A	Performance Tables No substantiated complaints concerning breaches of customer privacy and losses of customer data were received.
GRI 419: Socioeconomic Compliance 2016				
GRI 103 2016	Management Approach	GD-B4, GD-B7	31-32	Value Chain
419-1	Non-compliance with laws and regulations in the social and economic area	B1(b), B2(b), B4(b), B6(b), B7(b)	59	Performance Tables

ASSURANCE STATEMENT



NWS Holdings Limited ("NWS Holdings") has prepared its Sustainability Report 2018 (the "Report") in accordance with the Global Reporting Initiative ("GRI") Standards: Core Option and the Environmental, Social and Governance Reporting Guide ("ESG Guide") published by The Stock Exchange of Hong Kong Limited ("HKEx"). The Hong Kong Productivity Council ("HKPC") was commissioned by NWS Holdings to provide independent limited assurance¹ for the Report, which covers the sustainability data and information of NWS Holdings between 1 July 2017 and 30 June 2018.

Objectives

The main objective of HKPC's assurance work was to provide independent assurance on the completeness, accuracy and reliability of the data and information presented in the Report. More specifically, the objectives were to:

- assess whether the scope of the Report covered all significant aspects of NWS Holdings' sustainability performance;
- check whether the Report is conformed to the Core option of the GRI Standards and the "Comply or Explain" provisions² of the HKEx ESG Guide;
- evaluate whether the selected data and statements presented in the Report are accurate; and
- review whether the data and information collection and management mechanisms used to prepare the Report are reliable.

Approach

The assurance assessment was performed with reference to the International Standard on Assurance Engagements 3000 (ISAE 3000). HKPC's assurance procedures³ consisted of a comprehensive review of the Report, followed by the selection of a representative sample of data and statements pertaining to the significant sustainability aspects of NWS Holdings for assurance. We reviewed and examined the supporting materials related to the selected statements and data as well as NWS Holdings' relevant management practices and initiatives.

Conclusion

The data and information disclosed in the Report are generally considered to be reliable. The Report conforms to the Core option of the GRI Standards and the "Comply or Explain" provisions of the HKEx ESG Guide. It presents an overview of the sustainability governance and performance on economic, environment, labour practices, human rights, society and product responsibility with respect to the material services, activities and initiatives within the reporting boundary of NWS Holdings. In terms of the accuracy and reliability of the Report, the selected sample of statements and data examined during the assurance process was consistent with the source materials reviewed and reflects a fair account of NWS Holdings' sustainability performance.

A handwritten signature in black ink, appearing to read 'Peggy', is written over a light blue horizontal line.

Peggy Tang
Senior Consultant
Hong Kong Productivity Council
10 December 2018

¹. This assurance statement has been prepared for NWS Holdings for the purpose of assuring the data and statements presented in its Sustainability Report 2018 only. The statement was prepared based on HKPC's review of data and information provided by NWS Holdings during the assurance process. HKPC will not accept or assume any responsibility or liability (legal or otherwise) in relation to this assurance statement.

². The "Comply or Explain" provisions cover the "General Disclosures" and "Key Performance Indicators" of "Subject Area A. Environmental" and the "General Disclosures" of "Subject Area B. Social" of the HKEx ESG Guide.

³. Our assurance did not cover data and information which had already been published in the press releases, on NWS Holdings' or its subsidiaries' websites, or in the annual reports of NWS Holdings.



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