

**KW** 嘉華國際集團有限公司  
K. WAH INTERNATIONAL HOLDINGS LIMITED

於百慕達註冊成立之有限公司 Incorporated in Bermuda with limited liability

Stock code 股份代號 00173



**Environmental,  
Social and  
Governance Report  
2017**

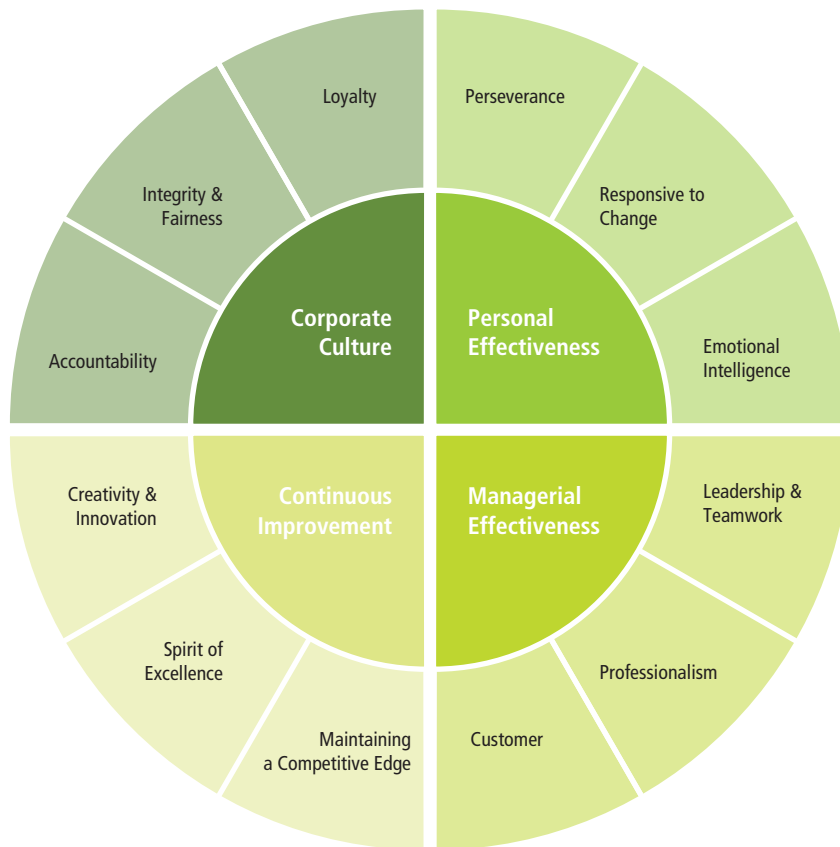
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# 1. Our Sustainability Vision

Operating sustainably is key to our success as businesses all around the world face the impacts of globalised environmental and socioeconomic megatrends, such as climate change, population growth and urbanisation. At K. Wah International Holdings Limited (“KWIH” or “the Company”), we believe that understanding our environmental and social impacts and risks are crucial for us to face future challenges and adapt to changes.

KWIH’s core values and the principles of sustainable development guide our efforts in building a sustainable future. As a people-oriented property developer, our employees are our greatest asset as we highly depend on their professionalism and excellence in reducing any adverse environmental and social impacts, whilst delivering quality properties to our customers and enhancing shareholders’ value.



**Our Core Values**

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## 2. About this Report

To report on our sustainability progress, KWIH is pleased to present its 2017 Environmental, Social and Governance Report (“ESG Report” or “this Report”). This Report covers our approach to, and performance on, material environmental, social and governance issues during the reporting period of 1 January 2017 to 31 December 2017.

Unless otherwise indicated, the scope of our environmental and workplace data includes all business premises and investment properties across the Company’s geographical regions. Our emissions have been calculated in accordance with the guidelines outlined by the Environmental Protection Department of the Hong Kong SAR government.



### How we report

The content of this report has been prepared with reference to Appendix 27 “Environmental, Social and Governance Reporting Guide” of the Listing Rules (“ESG Guide”) of The Stock Exchange of Hong Kong Limited (“HK Stock Exchange”)<sup>i</sup> required for all Hong Kong listed companies. To facilitate reader navigation, a comprehensive HK Stock Exchange content index has been included in this Report.

Supplementary material such as financial data and corporate governance information can be found elsewhere in KWIH’s 2017 Annual Report.

This ESG Report has been endorsed by KWIH’s senior management team. Our deepest gratitude extends to all those who have contributed to this Report and who have strived for improved environmental, social and governance (“ESG”) performance at KWIH.



### Engaging our stakeholders

With reference to international guidelines on ESG reporting, HK Stock Exchange encourages reporting organisations to better understand the expectations, perceptions and concerns of their stakeholders. An independent consultant was commissioned by KWIH to conduct an internal stakeholder engagement exercise. KWIH took into account the views and suggestions of its employees via an online survey. KWIH’s employees were asked to rank the importance of various Aspects of the ESG Guide as well as express their views on KWIH’s performance and future strategies in relation to ESG issues.

<sup>i</sup> The Appendix 27 “Environmental, Social and Governance Reporting Guide” of the Listing Rules issued by The Stock Exchange of Hong Kong Limited is organised into two ESG subject areas — Environmental and Social. There are various aspects under the two subject areas and each aspect sets out key performance indicators (“KPIs”) for listed companies to report on so as to demonstrate their performance.



## Material ESG issues

To provide a relevant and concise view of our ESG performance, this Report focuses only on ESG issues material to the Company. Materiality is defined by HK Stock Exchange as “the threshold at which ESG issues become sufficiently important to investors and other stakeholders that they should be reported”<sup>ii</sup>.

To identify material sustainability issues for disclosure, KWIH undertook a three-step materiality assessment. The independent consultant was commissioned to carry out boundary scoping and materiality assessments, along with an independent engagement exercise with key internal stakeholders across the Company. This Report also takes into account industry and location specific ESG issues as well as global trends. The methodology employed referenced the Global Reporting Initiative (“GRI”) Guidelines and other international best practices. Material issues and reporting content were derived through the following steps:

### Step 1: Identification

A comprehensive peer benchmarking was conducted. The independent consultant reviewed the ESG disclosures of five peer companies to identify industry-specific material issues.

Employees were also invited to complete an online survey, ranking ESG issues faced by KWIH in order of importance. As employees possess in-depth operational knowledge, highly ranked ESG issues are likely to be considered material.

### Step 2: Prioritisation

The results from the peer benchmarking exercise and employee online survey were consolidated to identify a list of high and medium-priority ESG issues for KWIH.

### Step 3: Validation

The findings from steps 1 and 2 were consolidated and discussed with KWIH’s senior management team, who considered the relevance of the ESG Guide Aspects and Key Performance Indicators (“KPIs”) in relation to the Company’s business operations. A set of material Aspects and KPIs were then confirmed for disclosure.

<sup>ii</sup> HK Stock Exchange ESG Guide Section 11.1

### 3. Major Awards

In 2017, KWIH proudly received the following awards in recognition of the great work by the Company and employees in driving sustainability.

Awards/Certificates	Awarding Bodies	Issue Year(s)
BCI Asia Top 10 Developers 2017 Hong Kong	BCI Asia	2017
Caring Company Award	Hong Kong Council of Social Service	2012–2017
Certificate of Excellence 2017	Hong Kong Investor Relations Association	2017
China Human Resources Pioneer Employer Award 2017	Tophr.net	2017
Employer of Choice Award 2017	Job Market	2016–2017
Employer of Choice Award 2017 – Work-life Balance Award	Job Market	2017
Manpower Development Award	Employees Retraining Board	2014–2018
Outstanding Corporate Governance Award 2017	Quamnet	2016–2017
Outstanding Corporate Social Responsibility Award	The Mirror Post	2015–2017
The Spectra – Provisional Gold Rating of the assessment under the BEAM Plus NB V1.1	Hong Kong Green Building Council	2015 (project completion in 2017)



## 4. Empowering Our People

At KWIH, recruiting and retaining a group of engaged talents is essential in the sustainable growth of the Company. Thus, we strive to provide a safe, healthy and harmonious working environment for our employees, and invest in their career development to unleash their greatest potential.



### Employment and equal opportunities

Our employees receive competitive compensation packages and medical insurance. As a family-friendly employer, we also offer flexible work hours to accommodate the different needs of our employees. All our remuneration mechanisms, such as staff bonuses, are provided based on a set of transparent policies and principles to ensure fairness.

#### KWIH as a family-friendly employer

Apart from offering flexible work hours, we offer the following staff facilities and benefits to promote work-life balance.



##### Lactation room

A private room is set up at the Staff Training and Leisure Centre at our office for working mothers. During work, they are free to use the facility, which includes a refrigerator, cleaning supplies, a table and comfortable chairs.



##### Medical and dental benefits for family members

Employees can enroll their family members for dental benefits and medical check-ups at a preferential corporate discounted rate. Medical insurance is also provided to dependent family members of employees who are at Assistant Manager level or above.



##### Family Fun

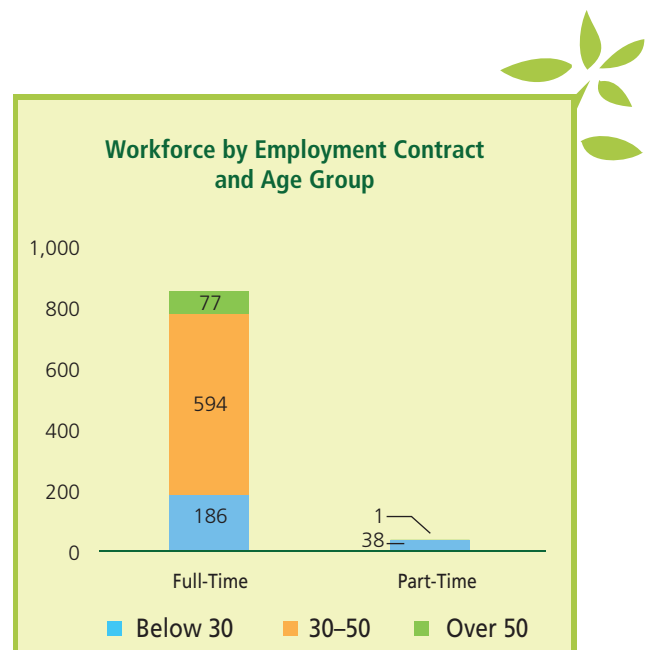
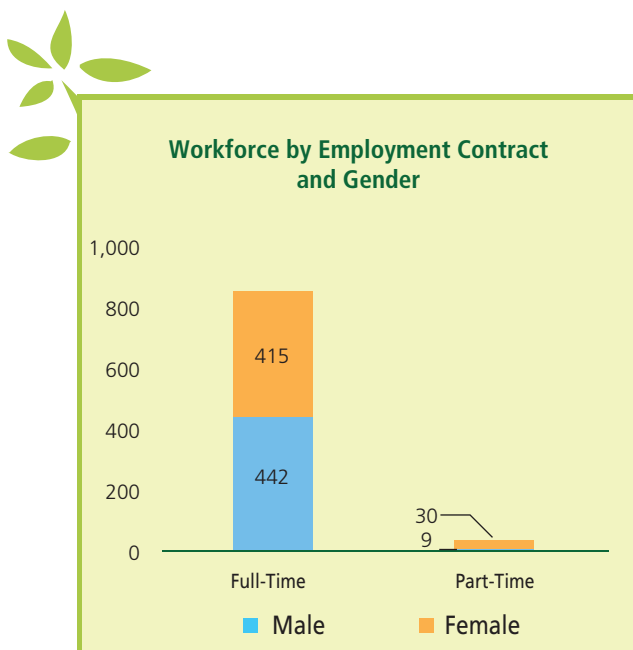
Family members of our employees are encouraged to join a wide range of recreational activities and volunteering activities offered over the year.

Our policies on recruitment and promotion govern our talent acquisition and promotion procedures, which are to be conducted in a fair and equitable manner. Potential recruits are considered regardless of their gender, disability, race, religion, or family status. As we recognise the importance of career development, our promotion policy focuses on providing good career prospects and career development opportunities, and the recognition of qualified employees. To ensure the effectiveness of the policies, we also provide guidelines for our regional offices in Mainland China on the implementation of the policies.

As of 31st December 2017, the number of our workforce stood at 896. Our group's average employee turnover rate increased slightly from 26% in 2016 to 27% in 2017. Although staff retention continued to be a challenge for the property sector, the employee turnover rate of our Hong Kong and Mainland China Property operations remained lower than the industry average. Nevertheless, as the Chinese hospitality sector continued to grow and the demand for skilled labour increased, the employee turnover rate at our Mainland China hotel operation remained slightly higher than the industry average in 2017.

### Workforce by employment contract gender and age group

		Total	Gender		Age Group		
			Male	Female	Below 30	30-50	Over 50
Hong Kong	Full-Time	198	100	98	17	143	38
	Part-Time	4	2	2	3	0	1
Mainland China — Property	Full-Time	392	196	196	51	317	24
	Part-Time	0	0	0	0	0	0
Mainland China — Hotel	Full-Time	267	146	121	118	134	15
	Part-Time	35	7	28	35	0	0
Total	Full-Time	857	442	415	186	594	77
	Part-Time	39	9	30	38	0	1

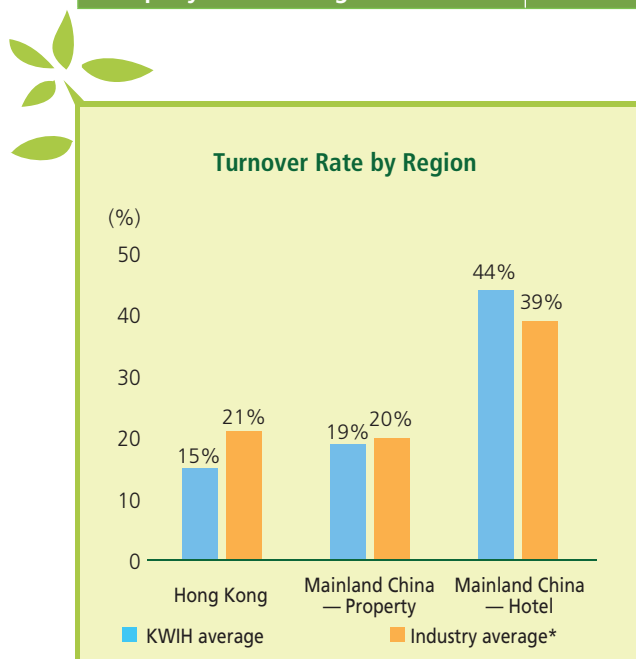




The following figures present the distribution of the employee turnover rate by region, gender and age group.

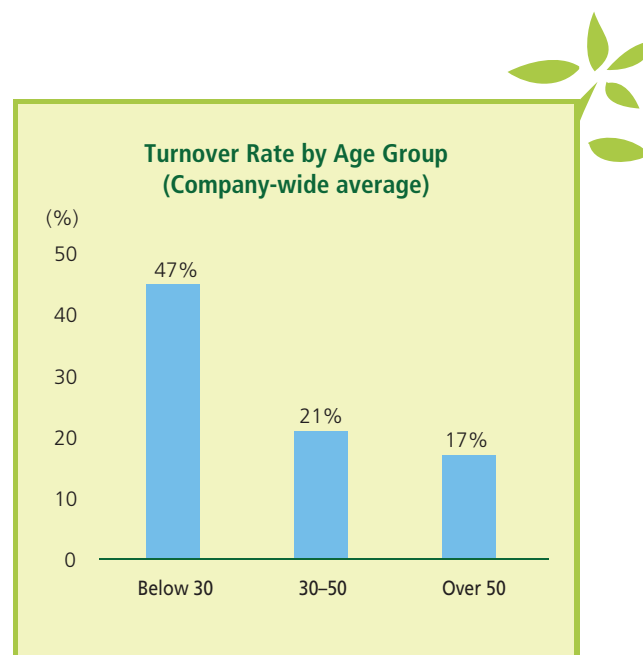
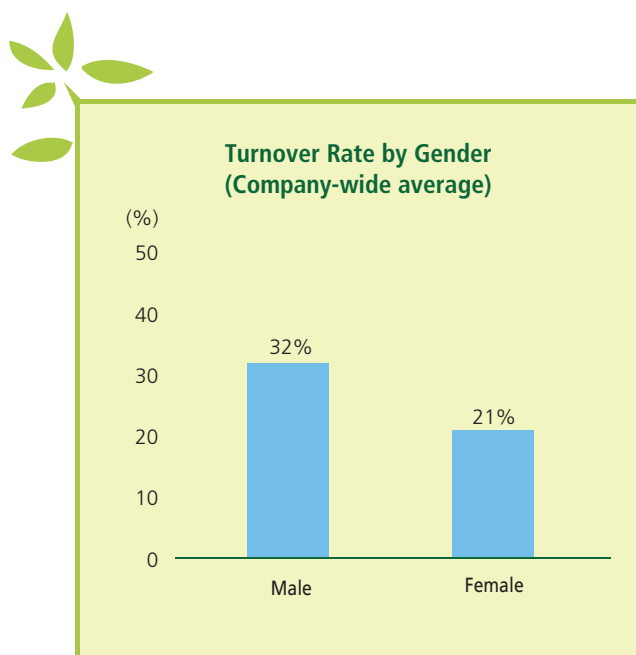
### Employee turnover rate<sup>iii</sup> by region, gender and age group

	Total	Gender		Age Group		
		Male	Female	Below 30	30–50	Over 50
Hong Kong	15%	18%	13%	15%	15%	15%
Mainland China — Property	19%	22%	16%	24%	20%	8%
Mainland China — Hotel	44%	55%	34%	59%	28%	33%
<b>Company-wide average</b>	<b>27%</b>	<b>32%</b>	<b>21%</b>	<b>47%</b>	<b>21%</b>	<b>17%</b>



\*Note: Source of Hong Kong industry average: HKIHRM Manpower Statistics for the 1st half year 2017, Weighted average = 20.7% (only data for the first 6 months of 2017 is available) [http://www.hkihrm.org/phocadownload/membership/members\\_area/hr\\_statistics/Manpower\\_Trend/Turnover\\_Charts\\_1H\\_17.pdf](http://www.hkihrm.org/phocadownload/membership/members_area/hr_statistics/Manpower_Trend/Turnover_Charts_1H_17.pdf)

Source of China Industry average: 2017 Aon Hewitt China HCI Study (All industry) <https://apac.aonhewitt.com/home/about/media-room/press-releases/december-2017>



<sup>iii</sup> Turnover rate = Number of permanent staff leaving / total number of permanent staff as at the end of financial year



## Continuous training and development

To sustain our success, it is important to assess our long-term training and development needs to leverage opportunities and mitigate foreseeable risk continuously. The Company continues to invest in nurturing our high-calibre talent and the lifelong education of our staff, in order to adapt our strategies to the ever-changing business landscape. In 2017, each employee completed 27.4 hours of training on average.



### Percentage of employees trained by gender and employee category

	Total	Gender		Employee Category		
		Male	Female	Senior Management <sup>iv</sup>	Middle Management <sup>v</sup>	General <sup>vi</sup>
Hong Kong	67%	63%	71%	100%	80%	52%
Mainland China — Property	92%	97%	85%	100%	77%	95%
Mainland China — Hotel	100%	100%	100%	100%	100%	100%
<b>Company-wide average</b>	<b>89%</b>	<b>91%</b>	<b>87%</b>	<b>100%</b>	<b>80%</b>	<b>90%</b>

### Average training hours completed per employee by gender and employee category

	Total	Gender		Employee Category		
		Male	Female	Senior Management	Middle Management	General
Hong Kong	3.2	2.5	3.8	8.6	4.1	1.9
Mainland China — Property	11.0	11.8	10.2	17.7	15.7	9.7
Mainland China — Hotel	64.7	117.3	10.7	8.0	22.3	67.1
<b>Company-wide average</b>				<b>27.4</b>		

<sup>iv</sup> Senior Management refers to employees at General Manager or above level.

<sup>v</sup> Middle Management refers to employees at Deputy General Manager, Assistant General Manager, Senior Manager and Manager level.

<sup>vi</sup> General refers to employees at Assistant Manager or below level.

KWIH offers internal and external training courses for employees adapted to the current economic environment, sectoral needs and the Company's business direction and strategy for the year. Tailor-made development programmes are provided to help them to acquire relevant knowledge and technical competencies. We also provide financial subsidies for staff to attend local and overseas training workshops to support their career progression. A People Development Programme has also been designed involving business rotations and management skills training for staff members who have shown exceptional potential.

### E-Learning Programme

KWIH actively promotes an e-learning programme in order to develop higher-quality training programmes and sustain a culture of lifelong learning, with a view to supporting employees on their needs at work and the needs of business development. We also allow our staff to access the e-learning platform on smartphones and tablets through a mobile application to conduct instant learning, communication and interaction for self-enhancement.



## Employee health and safety

Ensuring the health and safety of our employees and contractors is our utmost priority. Mechanisms and protocols are embedded in our daily operations, contracts and tendering processes to keep our workplace safe. At all times, we aim to go beyond minimum compliance and pride ourselves on employing a well-rounded approach to health and safety, where we prioritise well-being, nutrition, physical activity and stress management.

### Hong Kong and Mainland China offices

At our offices we maintain a pleasant work environment, providing ergonomic workstations and ensuring high fire safety and first aid standards. Given the nature of office work, we encourage our employees to stay active and healthy. We have provided the following activities and programmes throughout the year:

- Regular health talks on nutrition, physiotherapy and psychology
- Bi-weekly provision of fresh fruits
- Health classes such as Yoga and Tai Chi
- Free immunization

Comments from employees are collected through evaluation forms to identify subject areas of most interest to our employees, which helps us design new health programmes.



In July 2017, we invited an ophthalmologist to deliver a health talk on "What Computers Do to Your Eyes — Computer Vision Syndrome (CVS)". It provided our employees with more information on the causes, preventions and treatments for CVS.

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During the reporting period, there were no lost work days in Hong Kong while 19 were reported at projects in Mainland China. Analyses and assessments are conducted after each incident to rectify any shortcomings in our safety measures and staff training.

#### **Projects in Hong Kong**

In order to create a risk-free worksite, our contractors are required to adhere to all relevant ordinances governing safety standards. Main contractors are obligated to appoint a full-time Registered Safety Officer (“**RSO**”), who possesses the experience and expertise to handle safety-related issues on construction sites. A RSO is tasked with identifying and rectifying all unsafe situations and maintaining a proper maintenance log. Secondary checks are also periodically conducted by the building architect.

#### **Projects in Mainland China**

Our projects in Mainland China are governed by Standard Operating Procedures which implement a systematic project auditing and tendering procedure. This process allows us to select contractors with exemplary health and safety records.

Projects must comply with both national and local regulations. This is explicitly stated within contracts and sub-contracts. Contractors also must possess ISO 140001 and GB/T28001 certificates, and compliance is monitored through a three-level auditing process involving the site project team, the regional office and the headquarters.



### Caring for employees

To enhance our employees' well-being and work life balance, we frequently organise a wide range of staff activities which help to build team spirit and create a sense of belonging.



K. Wah • Free to Run

KWIH encouraged staff to go for a 3km or 5km run after work to advocate work-life balance and a healthy lifestyle



Stanley International Dragon Boat Championships 2017

KWIH sent two teams to participate in the "Stanley International Dragon Boat Championships 2017". Our team showed great sportsmanship and team spirit to win the Bronze Cup



"The Power of Go Beyond" outing and training in Wuyuan County, Jiangxi

KWIH organized a team building training for its Shanghai staff to enhance communication and understanding among employees for stronger team cohesiveness



Outing and team building training in Chongqing

KWIH organized an outing and team building training for its Huicheng and Guangyu staff to strengthen team communication and cooperation

### K. Wah Social Club

To engage our staff and their relatives and friends, K. Wah Social Club, a self-managed club sponsored by the Company, was established to organise a series of charitable activities. The K. Wah Social Club Committee consists of representatives from various departments. In 2017, 16 activities were organised by the K. Wah Social Club.

#### Objectives of K. Wah Social Club

To give back to and care for the community

To enhance sense of belonging and team spirit of employees

To provide training ground for cross-functional leadership

To promote corporate citizenship through participation in social/charitable activities

## 5. Engaging Our Customers and Value Chain

Delivering excellence involves engaging with suppliers to ensure product quality and delivering products that exceeds our customers' expectations, whilst being transparent and open with our advertising material.



### Customer health and safety

We ensure the health and safety of our customers by engaging closely with our contractors. In Hong Kong, our contractors must comply with related regulations set forth by the government, including the Buildings Ordinance and the Fire Safety (Buildings) Ordinance. In Mainland China, strict guidelines on tender and quality control processes are implemented to ensure that our completed properties meet the Company's high standards of health and safety. Periodic site monitoring and audits are conducted in keeping our quality management systems running effectively.



### Quality assurance

Pursuing quality, which is the core value in all aspects of KWIH's operations, begins with the formulation of our ideas to project execution. We seek to work with contractors to ensure that they align with our standards of excellence. We employ a number of processes and systems, where we constantly monitor the quality of our products and services in every stage of creation. Our procedures are as follows:

#### Hong Kong

All of our contractors must undergo and pass a pre-qualification exercise in order to secure a tendering contract, which also details specific quality-related terms and conditions. For example, selected contractors should obtain the ISO 9000 quality assurance certification. Preference is also given to contractors who have considerable experience in the field to ensure product quality.

During each stage of construction, a commissioned Clerk of Works reviews the quality of workmanship by the contractor. For projects which are to be accredited under the Building Environmental Assessment Method ("BEAM"), a competent BEAM coordinator/consultant is appointed to ensure that the green building accreditation standards are adequately met.

#### Mainland China

We adopt similar stringent quality management protocols for our projects in Mainland China. A prequalification procedure generates a pool of contractors with satisfactory past performance. The design, tender and quality control stages are governed by Standard Operating Procedures ("SOP"). For example, the design SOP ensures that material selection is in accordance with national regulations and that the material quality is maintained. Monthly site inspection audits by regional offices and periodic inspections by the relevant government bureau ensure compliance with various statutory regulations.



### Advertising standards

KWIH understands that purchasing property is a significant investment decision for our customers. We therefore strive to always provide our potential customers with transparent and accurate information for their decision-making.

The advertisement of our property offerings complies with relevant local and national regulations in Hong Kong and Mainland China. We closely follow the Residential Properties First-hand Sales Ordinance and relevant regulations in Mainland China.



### Privacy

As data security has been a growing risk for businesses in Hong Kong and around the world, KWIH takes the data protection of our customers as well as its staff and potential recruits seriously. All job applicants agree to a Personal Information Collection Statement, while data that we collect from present or past employees will not be released to any third party without prior written consent from the employee.

In Hong Kong, all customers' and employees' data is protected by the Personal Data Privacy Ordinance, while in Mainland China all relevant local and national legislation governing the privacy of data is followed. All customer and employee data are stored in guarded servers within secure IT infrastructure.



### Ethical business behaviour

KWIH upholds the highest standard of business integrity as outlined in our Code of Business Conduct, which was developed to pay careful consideration to all relevant legislation, and our high standards of professional conduct. We do not tolerate any forms of corruption. All employees are required to adhere to the standards of business ethics enshrined in the Code and to avoid any activity or conflict of interest that might unfavourably reflect on the Company's integrity and good name. We raise awareness on anti-corruption by organising seminars and providing instructions on receiving gift for our employees.

KWIH's well-defined policies on whistleblowing and grievance mechanisms are available on the Company's intranet and in the staff handbook, which is distributed to the employees upon joining KWIH. Employees may raise any concerns on misconduct confidentially to the Human Resources Department, which will conduct a comprehensive investigation on the case.

No cases of non-compliance with local or international anti-corruption regulations were encountered during the reporting period.



### Supply chain management

KWIH works closely with a wide range of suppliers and contractors for the smooth running of our operations. We engage our suppliers and partners in addressing their own environmental and social impacts as we drive sustainability beyond our immediate scope of operations.

Effective supply chain management can improve our operational efficiency and minimise ESG risks. We actively seek to forge long-term partnerships with suppliers who share our standards on business conduct and sustainability. We select suppliers based on a number of requirements that take into account the management of relevant environmental and social risks. Other than assessing suppliers' job references and past performance, we also require our suppliers to implement stringent quality control and audit procedures.


## 6. Building Our Green Future

Caring for the environment is a collective responsibility of governments, organisations and individuals. As a responsible property developer, we contribute to the global efforts in building a green future by actively managing our environmental performance and promoting greater environmental stewardship at our headquarters, throughout our property portfolio and on our constructions sites.





### Energy optimisation and emissions reduction

As the impacts of climate change intensify over the years, businesses are facing challenges such as more frequent extreme weathers, disruptions of supply chains and increasing energy costs for cooling. To mitigate our environmental impacts and adapt to the new environment, we actively optimise our energy efficiency and reduce our greenhouse gas (“GHG”) footprint with various measures implemented in operational premises, offices, properties and construction sites.


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Posters and stickers to remind employees to turn off the lights or appliance after use




Lowered the temperature for hot water supply to reduce energy consumption
- 


Installed video conference system to reduce business travel




Installed solar film on windows to block sunrays to reduce the energy use for air-conditioning
- 

Replaced obsolete lights with energy efficient light tubes or LED lights



Encouraged employees to commute by public transport to reduce roadside emissions generated by private cars
- 

Installed Building Automation (BA) system to control lighting and air-conditioning efficiently

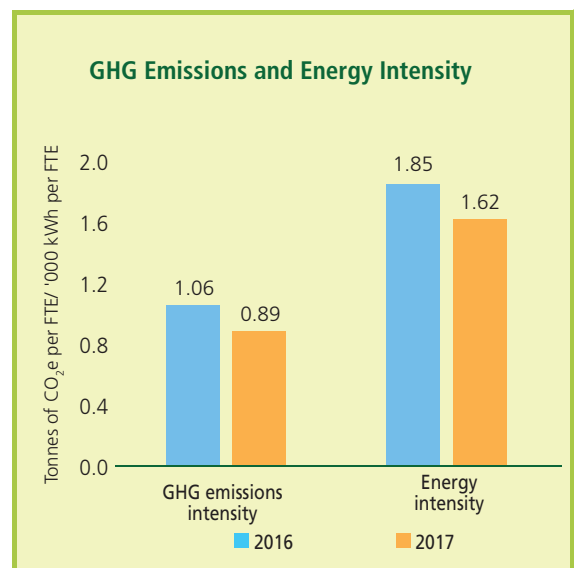


Purchased hybrid passenger cars for the company fleet to reduce fuel use and roadside emissions

In 2017, thanks to our employees’ collective efforts in energy saving, we have achieved a 16% and 12% decrease in GHG intensity and energy intensity, respectively, compared to 2016.

GHG emissions <sup>vii</sup>	
Scope 1 emissions — Fuel use (Tonnes of CO <sub>2</sub> e)	215.84
Scope 2 emissions — Purchased Electricity (Tonnes of CO <sub>2</sub> e)	463.85
Scope 3 emissions — Business air travel (Tonnes of CO <sub>2</sub> e)	81.90
Total GHG emissions — Scope 1, 2 and 3 (Tonnes of CO <sub>2</sub> e)	761.59
GHG emissions intensity (Tonnes of CO <sub>2</sub> e per FTE <sup>viii</sup> )	0.89

Energy consumption	
Direct energy consumption — Fuel ('000 kWh)	745.23
Indirect energy consumption — Electricity ('000 kWh)	643.97
Total energy consumption ('000 kWh)	1,389.20
Energy intensity ('000 kWh per FTE)	1.62



<sup>vii</sup> GHG emissions and energy consumption data are confined to Hong Kong K. Wah Centre, Hong Kong J SENSES and our offices in Mainland China.

<sup>viii</sup> FTE: Full-time Equivalent Employees.





## Resource and waste management

Scarcity of natural resources has been another rising environmental challenge in recent decades. KWIH continues to conserve resources like water, paper and other office supplies consciously. As waste management is increasingly important in urban areas like Hong Kong, we strictly adhere to the waste management standards of the construction sector, while also implementing waste-reduction measures throughout our office premises.

Our projects in Hong Kong are governed by the Waste Disposal Ordinance which requires licensed operators to collect and dispose of construction waste. We are very cautious in handling all hazardous construction wastes as we hire sub-contractors who possess the necessary expertise to handle this waste. All contractors are required to follow the “Best Practice Guide for Environmental Protection on Construction Sites” issued by the Hong Kong Construction Association. For instance, on-site sorting of surplus construction and demolition material can ensure only inert materials are reused for public filling areas. In our projects in China, contractors are also required to fulfil the local statutory regulations.

### Reducing paper use at our offices

As paper is one of the major waste produced in an office environment, we strive to reduce paper use in our offices in Hong Kong and Mainland China by adopting the following measures:

- Go paperless  
Our Shanghai and Nanjing offices installed an office automation system for transferring internal application and approval procedures online.
- Double-sided printing  
All offices encourage our employees to print on both side of the paper and utilise paper that is used only on one side for internal printing.
- Centralise printing  
This practice can discourage printing and reduce the use of ink cartridges as the number of printers is limited.

In 2017, our Hong Kong office recycled 6,036 kg of paper, helping us avoid approximately 27 tonnes CO<sub>2</sub>e of greenhouse gases<sup>ix</sup>.

Other than minimising the consumption of paper, we also recognise the importance of recycling office waste. Recycling bins to collect paper, plastic bottles, aluminium cans and other types of waste, are installed at convenient locations around the offices. We are currently developing a system to track the amount of recyclables collected and water used in our offices.

ix About 27 tonnes CO<sub>2</sub>e of greenhouse gases would be released if 6,036 kg of paper is to be disposed of in landfills.



## Green buildings

Integrating green features in buildings can mitigate the adverse environmental impacts of the urban development and inject vitality to the surrounding communities. At KWIH, we observe industry best practice in the construction of our green buildings and apply different sustainability considerations to projects, based on their location, end-user requirements, and cost considerations. During the site planning and design stages, we also take into account immediate site surroundings to integrate our buildings seamlessly into the local neighbourhood and environment. For example, The Spectra complied with the voluntary BEAM credit requirements and was awarded with the Provisional Gold Rating of the assessment under the BEAM Plus New Buildings V1.1 of the Hong Kong Green Building Council in 2015 and the project was completed in 2017.



The Spectra, Hong Kong

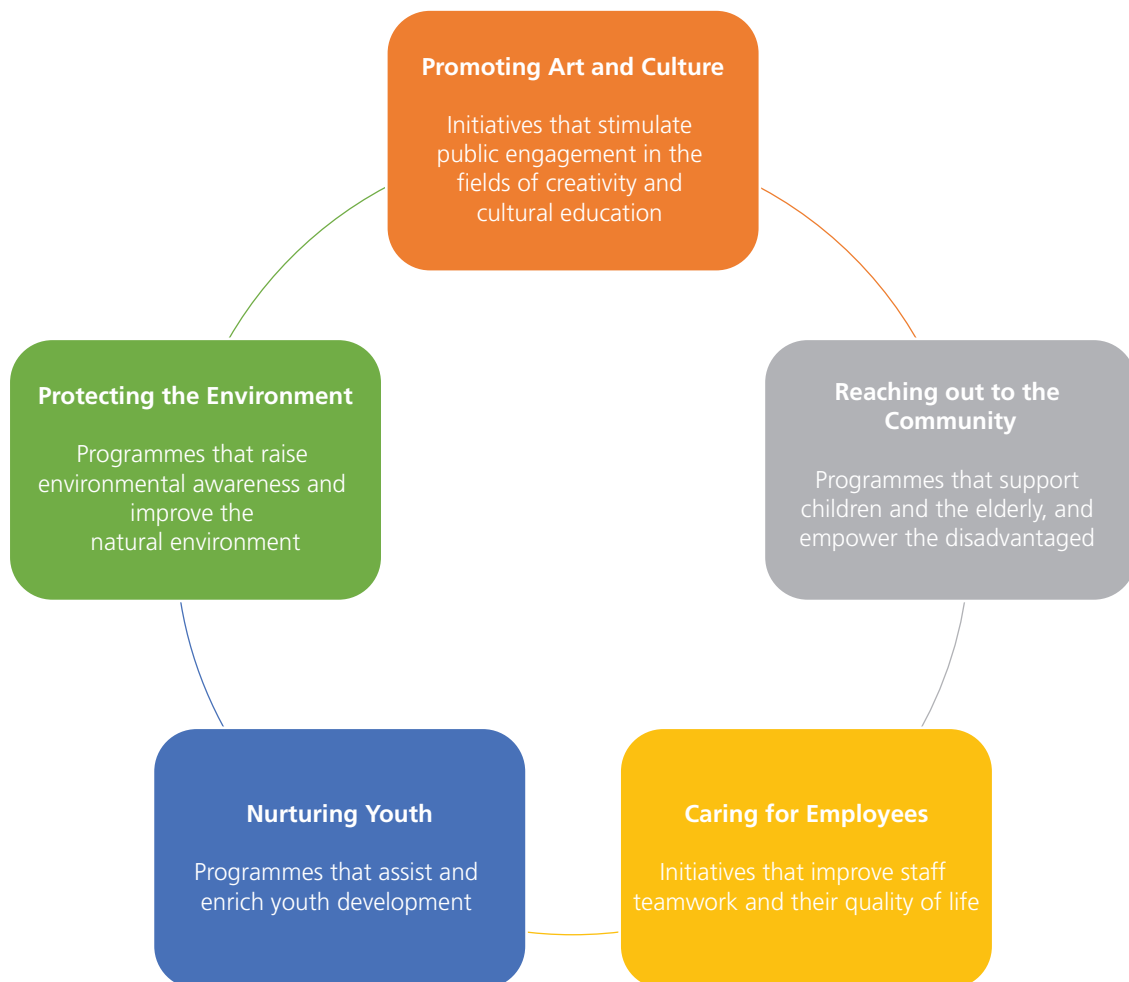
In Mainland China, our company design guidelines require our consultants to go beyond national requirements in practices to ensure environmental stewardship. For example, water conservation systems include water monitoring installations, water-saving sanitary fittings, as well as water recycling systems for plant irrigation. Other than fulfilling the Government's green building requirements, we also actively consider achieving other international green building standards such as LEED (Leadership in Energy and Environmental Design).

## 7. Giving Back to Our Communities

KWIH believes in the ethos of “giving back to the society from which one has benefitted” and is committed to being a good corporate citizen. We work collaboratively with our community partners and pursue engagement with stakeholders to drive sustainable development in the communities where we operate and amplify our positive impacts in the society.

Our management and employees embrace the Company’s tradition of “giving back to the society” and proudly adopt a five-pronged approach to our community engagement and corporate citizenship programmes.

### Our Focus — five core areas of our community efforts



## Highlights of 2017

In 2017, we funded millions of dollars and contributed over 560 hours in the areas of promoting art and culture, reaching out to the community, nurturing the youth, caring for the community and protecting the environment. We engaged more than 1,400 staff and their friends and family as well as around 18,000 members of the public in our programmes. We express our sincere gratitude to our staff as they selflessly volunteered their precious time and efforts in bringing positive impacts through our community programmes.

As recognition of our efforts, the Company was awarded the Caring Company Award by the Hong Kong Council of Social Service and the Outstanding Corporate Social Responsibility Award by The Mirror Post.



### Promoting art and culture

Aiming to raise public appreciation of opera and other performing arts and foster Hong Kong as a vibrant international hub for art and culture, KWIH has been a proud benefactor of Opera Hong Kong (“OHK”), donating a total of HK\$15 million since 2013. OHK utilised the resources to expand education and outreach programmes. In 2017, KWIH sponsored OHK for a total of seven opera performances. The two art and culture related youth programmes, namely the *K. Wah Opera Hong Kong Summer School 2017 — Elf The Musical JR.* and the *K. Wah Opera Hong Kong Children Chorus Annual Concert*, also inspired and educated the younger generations on performance arts. We continue our efforts in supporting up-and-coming artists through the K. Wah Vocal Scholarship for Overseas Postgraduate Studies.

### The Barber of Seville and Aïda

KWIH sponsored *The Barber of Seville* and *Aïda*, Opera Hong Kong’s two major opera performances this year, to promote opera to a wider audience.



### K. Wah Opera Hong Kong Children Chorus Annual Concert and K. Wah Opera Hong Kong Summer School 2017 — Elf The Musical JR.

KWIH supported the K. Wah Opera Hong Kong Children Chorus Annual Concert and K. Wah Opera Summer School 2017 — *Elf The Musical JR.* to provide the younger generations a performance opportunity and to nurture future talents in society.





## Reaching out to the community

To “pay back to the communities”, we are committed to providing support to the elderly and children in need by encouraging our employees to volunteer their time and expertise. We also work with community partners in a number of meaningful initiatives both in Hong Kong and Mainland China.

### “Birthday Party for the Elderly” with St. James’ Settlement

Our devoted employees and their associates volunteered to celebrate the birthday of the elders. They played games, sang birthday song and shared lunch with the seniors, bringing happiness and warmth to them.



### Visiting underprivileged students in remote village

A group of KWIH staff from Huicheng and Guangyu embarked on a 4-hour trip from Guangzhou to visit a remote rural village in Woshui Town, Liannan County, Qingyuan. Our volunteers prepared and distributed supplies to the school, students and their families there.





## Nurturing the youth

As the future of our society lays in the hands of our next generation, it is important to equip the youth with skills and knowledge to address future challenges. Through donations, sponsorships and initiatives, we continue to inspire innovation and ingenuity amongst the youth.

### Industry x Academic Exchange Programme

KWIH became the first partner with the University of Hong Kong's Department of Real Estate and Construction to launch an Industry X Academic Exchange Programme. The model of Twin Peaks, KWIH's a landmark residential development in Tseung Kwan O South, was presented as a case study for students to analyse the geographic environment, sustainability, corporate social responsibilities and marketing of the project.



### Internship programme and K.Wah Alumni Club

KWIH invited university students to intern at its Hong Kong and Shanghai offices for seven weeks. The internship programme enabled the students to gain work valuable experience and a better understanding of the competitive edge and work culture in the cities. "K. Wah Alumni Club" was also established to maintain communication with the interns.





## Caring for employees

KWIH collaborates and engages with our staff to foster a sense of cohesion and team spirit at our workplace. We believe that motivated staff can bring positively impacts to their families and communities.

### Giant Painting Team Building

Around 180 Shanghai staff members worked together to complete two giant paintings. This team building activity demonstrated the importance of team work and provided a special time for developing cross-departmental connections.



## Protecting the environment

Gaining first-hand experience is an effective way of raising awareness. Throughout the year, KWIH provided different opportunities for our employees and our communities to participate in environmental voluntary work and activities, inspiring them to be environmentally-conscious and lead a green lifestyle.

### Walk for The Green Earth — Night Walk at Tai Mo Shan 2017

KWIH sponsored the activity to advocate a low-carbon green lifestyle. KWIH staff and their associates formed a corporate team and walked along the hill path of Tai Mo Shan to appreciate the beauty of nature. Our team finished the walk in two hours and was awarded with a beautiful sunset at the end of activity. The raised funds were used to support The Green Earth's campaigns and education programmes.



## 8. HK Stock Exchange ESG Guide Content Index

KPI	Descriptions	Page Number	Remarks
<b>A. Environmental</b>			
<b>A1</b>	<b>General Disclosure — Emissions</b>	<b>15–16</b>	
A1.1	The types of emissions and respective emissions data.	N/A	Not material for KWIH
A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	15	
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g per unit of production volume, per facility).	N/A	Not material for KWIH
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g per unit of production volume, per facility).	16	
A1.5	Description of measures to mitigate emissions and results achieved.	15	
A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	16	
<b>A2</b>	<b>General Disclosure — Use of Resources</b>	<b>15, 17</b>	
A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in'000s) and intensity (e.g. per unit of production volume, per facility).	15	
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	N/A	Not material for KWIH
A2.3	Description of energy use efficiency initiatives and results achieved.	15	
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	N/A	Not material for KWIH
A2.5	Total packaging material used for finished products (in tonnes), and if applicable, with reference to per unit produced.	N/A	Not material for KWIH



KPI	Descriptions	Page Number	Remarks
A3	General Disclosure — The Environment and Natural Resources	17	
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	17	
<b>B. Social</b>			
B1	General Disclosure — Employment	6, 12	
B1.1	Total workforce by gender, employment type, age group and geographical region.	7	
B1.2	Employee turnover rate by gender, age group and geographical region.	8	
B2	General Disclosure — Health and Safety	10–11	
B2.1	Number and rate of work-related fatalities.	N/A	There are no reported cases of work-related fatalities.
B2.2	Lost days due to work injury.	11	
B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	10–11	
B3	General Disclosure — Development and Training	9–10	
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	9	
B3.2	The average training hours completed per employee by gender and employee category.	9	
B4	General Disclosure — Labour Standards	N/A	We abide by relevant employment ordinances and statutory requirements. No relevant cases of non-compliance were recorded.

KPI	Descriptions	Page Number	Remarks
B5	General Disclosure — Supply Chain Management	14	
B6	General Disclosure — Product Responsibility	13–14	
B6.4	Description of quality assurance process and recall procedures.	13	
B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	14	
B7	General Disclosure — Anti-corruption	14	
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	14	
B8	General Disclosure — Community Investment	18	
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	19–22	
B8.2	Resources contributed (e.g. money or time) to the focus area.	19–22	

### Contact Information

We welcome your feedback on this Report and our overall ESG performance. Please feel free to send us comments or suggestions related to this report by contacting the Corporate Affairs Department at the following address:

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