



WWPKG Holdings Company Limited
縱橫遊控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8069

**ENVIRONMENTAL,
SOCIAL AND GOVERNANCE REPORT**

2016/2017

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Introduction

The board (the “Board”) of directors (the “Directors”) of WWPKG Holdings Company Limited (the “Company”, together with its subsidiaries, the “Group”) hereby presents the Environmental, Social and Governance (“ESG”) report of the Group for the year ended 31 March 2017. This ESG report was prepared according to the provisions set out in Appendix 20, “Environmental, Social and Governance Reporting Guide” (the “ESG Reporting Guide”) to the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited. In accordance with the ESG Reporting Guide, the ESG report is published on an annual basis.

Founded in 1979, the Group is one of the long-established and well-known travel agents in Hong Kong. The Group markets its travel related products under the brand “縱橫遊”. The Group’s businesses include (i) the design, development and sales of package tours; (ii) the sales of air tickets and hotel accommodations (“FIT products”); and (iii) the sales of ancillary travel related products and services. The Group’s major business is the provision of outbound package tours to various destinations with particular focus on Japan bound tours.

The Board is fully responsible for the Group’s ESG policies and reporting. A management team is designated to handle ESG related matters and relevant staff members are appointed to execute and monitor the implementation of ESG policies. The Group is committed to making continuous improvement in respect of environmental and social responsibilities and is pleased to present the ESG report to demonstrate its effort in sustainable development.

About This Report

Reporting Period and Scope

The reporting period of this report started from 1 April 2016 to 31 March 2017 (the “Reporting Period”). Unless otherwise specified, this report covers the operations of the Group’s head office and its four branches in Hong Kong. For the details of corporate governance of the Group, please refer to pages 15 to 24 of the Group’s Annual Report 2016/2017.

Valuable Feedback

Feedback from stakeholders is valuable for our continuous improvement on environmental, social and governance measures. Stakeholders of the Group are welcome to contact us should they have any suggestions regarding the Group’s ESG policies.

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Communication with Stakeholders

We recognise the importance of communication with stakeholders. As such, we make use of various channels to listen to their expectations of the Group. Our major stakeholders, whose opinions have great significance to the daily operations of the Group, include employees, customers, suppliers, investors and government and industry bodies. We have established different channels to communicate with different stakeholders at different intervals in an effort to enhance our management standard and operational efficiency.

Major Stakeholders	Communication Channels
Employees	Emails, telephone, meetings, intranet, suggestion boxes
Customers	Corporate website (including interactive message board), branches and telephone booking centre, customer service hotline, emails, online social media platforms, newsletters for members, post-tour feedback surveys, customer satisfaction telephone interviews, travel exhibitions, tea parties
Suppliers	Emails, meetings, telephone, workshops, travel exhibitions, correspondences
Investors	Quarterly, interim and annual reports, financial results announcements, general meetings, communications with investor relations department
Government and industry bodies (including Travel Agents Registry (“TAR”), Travel Industry Council of Hong Kong (“TIC”), the Security Bureau and Immigration Department of the Hong Kong Government)	Emails, meetings, telephone, correspondences

A. Environmental Sustainability

We uphold the principle of environmental responsibility and hope to strike a balance between business development and environmental protection on the road to sustainable development. In this regard, the Group sets an example to its employees by deploying the green office initiative, which also sends out messages of environmental awareness. In addition, we are dedicated to lessen our impact on the environment to the extent controllable by us with the aim of being a responsible travel agent.

A1. Emissions

The Group primarily engages in the provision of travel-related products and services, which does not cause significant environmental impact in respect of air and greenhouse gas emissions, water discharges and hazardous and non-hazardous waste disposals.

Led by the tour escorts, the package tours organised by the Group departed from Hong Kong. The emissions of the tours arising from transport and accommodation cause pollution to the environment. When selecting various suppliers, including airlines, land operators, tour bus operators and hotels, their environmental protection policies are considered by the Group seriously in the hope of minimising the damage to the environment without compromising the tour operations.

The Group's head office and its four branches situated in Hong Kong are primarily for office use. As our daily emissions mainly include power consumption and office wastes, the volume of overall emissions is relatively low. Nonetheless, the Group takes various environmental protection measures to reduce unnecessary wastes and carbon footprint discharged from operations. The sections "Use of Resources" and "The Environment and Natural Resources" below further describe certain practical measures implemented by the Group.

A2. Use of Resources

A comfortable and green working environment enhances operational efficiency and environmental protection requires the cooperation of employees. The Group creates a green working environment at its head office and branches with the following measures:

- Use natural lighting and energy-saving lighting system in the office premises
- Zone air conditioning and lighting systems
- Maintain room temperature at 25.5°C
- Clean air conditioning systems and filters regularly to improve efficiency
- Procure durable products and promote recycling
- Request suppliers to collect used toner cartridges
- Use environmental-friendly and energy-saving office equipment, such as fax and copy machines
- Circulate notices demanding staff members to shut down computers after work
- Require staff members who leave the office premises the last to switch off air conditioning and lighting systems
- Post notices at common areas of the office premises reminding staff members to save water

A3. The Environment and Natural Resources

Printed materials are indispensable to the Group's operations despite advancements in electronic systems. To reduce the use of paper in our operations, the Group has implemented the following measures:

- Use paper with international environmental certification only
- Add a reminder in emails encouraging staff members to print only when necessary
- Use copy machines and printers with double-sided and black-and-white printing functions
- Circulate internal notices by electronic means, such as intranet or emails
- Despatch internal documents in reusable envelopes
- Use e-Fax and print only when necessary to reduce the use of paper
- Reuse single-sided old documents as draft or recycled paper

Environmental protection is an ongoing process. We are working to improve our environmental policies and strengthen enforcement to promote a green working environment.

B. Social Sustainability

Employment and Labour Practices

B1. Employment

The Group adopts a fair recruitment policy that prohibits damage to equal employment opportunity or unfair treatment caused by factors such as ethnicity, race, gender, religious belief, social origin or identity, geographic location, age, physical condition and marital status. Only the capabilities of candidates and the needs of the Group will be considered during recruitment. The Group strictly complies with the Employment Ordinance and the Mandatory Provident Fund Schemes Ordinance of Hong Kong and has relevant policies and procedures in place. The Group's promotion policy primarily depends on the length of service of the employees and their performance appraisals. An internal transfer programme is also in place to minimise staff turnover. In the past, our employees applied for internal transfers for reasons concerning overseas travelling, continuous education, family and other matters. We use our best endeavours to accommodate their applications and make arrangements according to their will and job commitment and situation. During the Reporting Period, the Group has not identified any complaints or violation of laws in relation to recruitment, promotion, working hours, leave, equal opportunity, diversity, anti-discrimination and other entitlements and benefits.

The Group has to respond swiftly to the changing tourism market. To attract new talents, the Group offers competitive remuneration packages to employees. However, salary alone is not enough to retain outstanding employees, a suitable working environment and benefits are taken into consideration as well. In this regard, the Group provides flexible and diversified benefits to suit the actual needs of our staff members. Morale among the staff members is also boosted by our dynamic working environment. During the Reporting Period, the Group organised lunch gatherings, Christmas gala and annual dinner for its employees that facilitated inter-departmental interactions and exchange of ideas. We fully understand the importance of work-life balance and allow staff members to get off early on festivals, provide them with special offers to travel with families and friends, and organise lunch and dinner gatherings for them together with their family members. During the Reporting Period, the Group was nominated and awarded as a "Family-Friendly Employer" by the Home Affairs Bureau and the Family Council.

B2. Health and Safety

The safety of employees is always the Group's top priority under any circumstances. The Group provides a safe working environment to its employees in order to achieve zero accident. In the event of natural disasters or when the Outbound Travel Alert is issued by the Hong Kong Government, the Group may change or cancel the tour itinerary accordingly. We understand the unpredictability of the conditions when working abroad. As such, in addition to purchase of the employees' compensation insurance policy as required by the Employees' Compensation Ordinance of Hong Kong, the Group requires every tour escort to maintain a personal annual travel insurance policy for additional protection.

To enhance the Group's responsiveness to emergencies and accidents, the Group has established the Emergencies and Accidents Handling Policy that provides details of a three-tier contingency plan and protocols for any possible incident, pursuant to which effective measures will be implemented promptly to protect lives and personal properties. In the unfortunate event of emergencies, a crisis management command centre will be set up by the Group immediately comprising representatives from various departments, as led by the chairman of the Board and the chief executive officer of the Company to direct and supervise different departments to gather real-time information and contact relevant parties to take effective measures and follow-up actions. Depending on the severity of the emergency situation, we will take appropriate actions such as (i) adjusting itinerary of the tours to avoid going to the affected areas; (ii) keeping contact with our tour escorts and land operators to ensure our customers and tour escorts are safe and that they will be afforded such assistance as may be required; (iii) arranging with airlines for early return of our customers and tour escorts to Hong Kong; and (iv) contacting the insurance company and informing the TIC, the TAR, the Security Bureau and Immigration Department of the Hong Kong Government and the PRC Embassy in the affected destination to coordinate and render all necessary assistance to our customers and tour escorts.

The Group has stipulated safety guidelines in accordance with the Occupational Safety and Health Ordinance of Hong Kong. Besides interior decoration, the design of the Group's branches also takes occupational safety and practicality into account. For instance, desk height is designed to match the height of most staff members and facilitate communication with customers. Suggestion boxes are available in our office premises to collect opinions about occupational safety and other issues anonymously for the consideration of the human resources department. The Group has not identified any casualties and accidents in relation to workplace health and safety during the Reporting Period.

B3. Development and Training

Quality service is the key to our success. As service quality is reflected by the performance of our employees, we recognise the importance of different types of training available to our employees. New employees are invited to the orientation programme followed by one-to-one on-the-job coaching to learn about frontline and back office operations. In addition, to accentuate our service culture, the Group has introduced a service enhancement training programme which makes use of case studies and interactive role-playing to cover telephone booking, customer service hotline, branch sales and back office operations to ensure reliable and quality services. It is necessary to provide clear and detailed product information to customers. In this respect, the Group organises product training for frontline staff regularly so that they can keep up with the latest product information and market news and in turn promote better interaction with customers.

Apart from classroom training, we strongly believe that practical training is more effective in understanding the needs of customers and our business operations. We arrange learning tours for frontline and branch staff members, who would accompany the Group's package tours led by the tour escorts and have the opportunity to interact with customers and to better understand the tour itinerary and its operations, with the objective of improving service quality. Staff members are therefore provided with distinct opportunities to interact and to explore their interests and talents.

In addition, the chief executive officer of the Company holds weekly meetings with department heads and branch supervisors to exchange ideas and elaborate on the business strategies of the Group to promote employees' sense of belonging.

As Japan is one of the major destinations for our outbound package tours, we hope that our tour escorts can learn the relevant language. Therefore, the Group provides Japanese course to employees for practical use, offering them an opportunity for career advancement.

B4. Labour Standards

The Group does not tolerate any illegal behaviours and employment of child and forced labour is prohibited according to the Employment Ordinance of Hong Kong. Candidates must provide identification documents at interviews to ensure legal age requirement is met. We also understand the importance of work-life balance. Our employees will not be forced to work overtime and may apply for flexible working hours depending on their job commitment and situation. In case of discrimination, staff members can file complaint directly to the human resources manager.

Operating Practices

B5. Supply Chain Management

Operation of the Group closely collaborates with its suppliers. Long-term and good relationships with suppliers have been established to provide quality and reliable services to our customers. Our suppliers mainly include airlines, land operators, tour bus operators and hotels. In addition to pricing, service quality, reputation, safety standards and cleanliness, responsiveness and reliability are taken into consideration, and our suppliers must also comply with all the local laws and regulations.

Suppliers are selected based on the following major criteria:

Airlines:	flight safety standards is the top priority
Land operators:	service agreements are signed by every land operator to ensure that all local transport, relevant suppliers, tour bus drivers, local tour guides, restaurants, tour activities and related arrangements are in compliance with the local laws and regulations and in line with the service quality and contents stated in the agreements
Tour bus operators:	operators with valid licences and proper permits to transport tourists are selected; the length of service of the vehicles cannot exceed local limits; drivers must possess valid driving licences with sound driving experience; third-party liability insurance must be maintained when serving the Group's package tours; and seats must be sufficient for all tour participants
Hotels:	reputable hotels are selected; site visits are conducted at new hotels to ensure that service quality, safety standards and cleanliness meet the Group's requirements

The Group has in place on-going evaluation processes to monitor the performance of its suppliers. Our tour escorts record information of the tour buses, restaurants, hotels and other service providers engaged during the tours and report to the customer service department afterwards to monitor the service standards of the suppliers. In addition, post-tour telephone interviews and customers' feedback surveys are used for suppliers' evaluation purposes.

B6. Product Responsibility

Provision of quality and safe travel products is our mission. We communicate with the TIC and relevant government authorities of destination countries concerned frequently to obtain the latest market information. The Group strictly complies with the relevant local laws and regulations of Hong Kong and the places where our outbound package tours are operated, including the Trade Descriptions Ordinance, Travel Agents Ordinance, Advertisement Control Regulations, Code of Conduct for Outbound Tour Escorts and Travel Industry Compensation Fund.

In view of raising the standard of outbound tour escorts, the TIC decided that all tour escorts leading outbound tours must hold a valid Tour Escort Pass ("TEP"). To apply for a TEP, one needs to complete the Certificate Course for Outbound Tour Escorts organised by the TIC with a full attendance record (or hold other certificates recognised by the TIC) and pass the Certificate Examination for Outbound Tour Escorts given by the TIC. The TEP is valid for three years, and may be renewed for additional terms of three years. During the Reporting Period, all tour escorts of the Group held valid TEPs. The Certificate Course for Outbound Tour Escorts covers the roles and duties of a tour escort, Package Tour Accident Contingency Fund Scheme, general travel insurance policies, basic principles and skillset on crisis management, emergencies' handling and first-aid skills. In addition, the Group provides on-the-job training for its tour escorts to ensure the delivery of customer satisfaction.

To protect the interest of customers, our staff members explain the itinerary and the terms stated on the tour enrolment form in detail during registration at the branches. Our branch staff members emphasize on the terms and conditions of the tour enrolment to ensure customers have a clear understanding of the contents before signing to avoid potential disputes in the future. Prior to departure, tea parties are arranged by the Group, during which the hotels and itinerary of the tour will be confirmed in order to give confidence to customers. To ensure their safety, customers are required to purchase "WWPKG Peace of Mind" travel insurance policy at registration if they do not have annual travel insurance policy already in place.

Despite our effort in providing quality service to customers, it is impossible to meet the expectations of every one of them. During the Reporting Period, we received complaints filed by our customers to the TIC regarding flight delays due to adverse weather conditions or tour cancellation due to insufficient patrons. We use our best endeavors to provide viable solutions, but in case of adverse weather conditions, the safety of our customers must first be considered. If a tour is delayed or cancelled due to natural disasters or other reasons, the Group makes every effort to provide alternative arrangements. If a tourist attraction is inaccessible, we will compensate the customers with another tourist attraction or refund the admission fees (if any), so that the journey of our customers will not be affected.

Privacy and Data Security Policy

During the course of our business operations, we may need to obtain customers' identification documents for the purposes of visa application and air ticket and hotel reservations, which may involve the handling of personal data. The Group complies with the Personal Data (Privacy) Ordinance of Hong Kong to protect customer information. All information collected will only be used pursuant to the Group's privacy policy available on its website. To enhance employees' awareness of the importance of personal data, all newly recruited employees are required to sign a confidentiality agreement and are reminded that any violation will be subject to legal liability.

B7. Anti-corruption

The Group is committed to upholding integrity in its business operations. Any form of bribery, extortion, fraud and money laundering can destroy the Group's long established reputation and image. Therefore, we strictly comply with the Prevention of Bribery Ordinance of Hong Kong. To ensure a clear guidance for its employees, the Group has formulated the Employees' Code of Ethics and Conduct to regulate the offer of gifts and entertainment, money laundering, terrorist fundraising and conflict of interests, and to set out suggested actions and reporting protocols in details. The Group has also established the Anti-Fraud and Whistle Blowing Policy to strengthen corporate governance and internal controls to safeguard the interests of the Group and its shareholders, and to cultivate a culture of integrity. The policy covers professional behaviour of Directors and employees as well as associated remedies and penalties. The identity of the whistle blower is kept confidential and investigation is carried out anonymously depending on the circumstances. Any suspected illegal behaviour will be reported to the judicial authority once discovered. In case of false or malicious allegation, the whistle blower may be subject to disciplinary actions.

During the Reporting Period, the Group has not identified any confirmed or suspected cases of bribery, extortion, fraud and money laundering. The Group upholds the code of good faith in any circumstance to ensure that its operations are in compliance with the laws and regulations.

Community

B8. Community Investment

The Group assumes corporate social responsibility while actively developing its businesses. The Group has been capitalising on its existing resources and advantages to serve the community. We believe the community needs our help in many aspects and monetary donation alone may not be the most beneficial to the community. As such, we collaborate with various organisations to serve the community and encourage our employees to actively participate in community development. The Group has been named as "Caring Company" by the Hong Kong Council of Social Service for five consecutive years and is a recipient of Outstanding Corporate Certification in the "Partner Employer Award" Scheme organised by the Hong Kong General Chamber of Small and Medium Business.

Shanghai Commercial Pok Oi Cycle for Millions

Management and staff members of the Group formed a corporate elite team to take part in the Shanghai Commercial Pok Oi Cycle for Millions which spanned 13 kilometres from Tsing Yi to Castle Peak Road via Nam Wan Tunnel and Stonecutters Bridge. The activity not only raised money for Pok Oi Hospital but also promoted the benefits of exercise and strengthened communication between staff members. There was a carnival on that day for staff members and their families and friends to enjoy a fun-filled afternoon.

Visit to Pok Oi Hospital Mrs. Yam Wing Yin Kindergarten Day Nursery

A team of volunteers organised by the Group visited a nursery of Pok Oi Hospital last year to make crafts and play with the children.

“Partner Employer Award” Scheme

We always look forward to having new talents to join this fast-growing travel industry. The Group has therefore joined the “Partner Employer Award” Scheme organised by the Hong Kong General Chamber of Small and Medium Business to provide internship opportunities to local students, allowing them to accumulate work experience, explore career development and enhance competitiveness. Five interns participated in the scheme last year and were deployed to frontline and back office under the supervision of our staff members.

Community investment requires multi-faceted cooperation. In the future, the Group will continue to capitalise on its existing resources and advantages to promote a better community.

Sustainable Development of Travel Industry

Other than community development in Hong Kong, we also actively support the development of the local travel industry at destinations. It takes time for the local travel industry to recover in the wake of natural disasters, riots or other unforeseeable events. We offer our help by boosting the local travel industry in various ways. During the Reporting Period, we received certificates of appreciation from Japan, Korea and Taiwan.

The following are the awards or certificates of appreciation in relation to the sustainable development of the travel industry received by the Group during the Reporting Period:

- Plaque of appreciation awarded by the Toyama prefectural government: to recognise the Group’s contribution to the travel industry in Toyama Prefecture, Japan over the years;
- Tourism Ambassador awarded by the Shoryudo Promotion Association: to recognise the Group’s effort in promoting tourism in Shoryudo (nine prefectures in the central and northern parts of Japan);
- Certificate of appreciation awarded by the Aomori prefectural government: to recognise the Group’s contribution to the development of international tourism in Aomori Prefecture;
- Certificate of appreciation awarded by Busan Tourism Organisation: to recognise the development of featured travel products by the Group during the “Come to Busan! Spring Blossoms Festival” campaign, which significantly boosted the number of tourists in Busan; and
- (i) “Visiting Taiwan All the Way with You” trophy, (ii) appreciation award of “LOHAS Expo 2016” and (iii) appreciation award of “Taiwan Gourmet Feast 2016” awarded by the Tourism Bureau of Taiwan: to recognise the Group’s contribution to Taiwan’s international tourism business.