



SUSTAINABILITY REPORT 2014

NWS HOLDINGS LIMITED
STOCK CODE: 659

CONTENTS

2	About this Report
4	Chairman's Message
6	Reporting Methodology
10	Our Approach to Sustainability
16	Human Capital
22	Customer Service
28	Supply Chain Management
32	Community Care
38	Environmental Performance
44	Performance Tables
49	GRI Index
52	Verification Statement



About this Report

This is the first standalone Sustainability Report produced by NWS Holdings Limited ("NWS Holdings" or the "Group", Hong Kong stock code: 659). It complements our [Annual Report](#) by providing comprehensive information on the sustainability performance of our Hong Kong operations in the period from 1 July 2013 to 30 June 2014 ("FY2014"). This report presents our management approach, programme highlights and achievements in seven areas covering corporate governance, economic, environment, labour practices, human rights, society and product responsibility.

To determine the scope and material issues for this report, third-party consultants were commissioned to carry out boundary scoping and materiality assessments, in tandem with an independent engagement exercise with key stakeholders of the Group. Our methodology referenced the Global Reporting Initiative ("GRI") Guidelines and other international best practices. Considering the diverse industries and localities in which the Group operates, we conducted a thorough scoping process to identify companies in the Group that produce substantial sustainability impacts, over which the Group exercises control or significant influence in terms of finances, policies and operating practices.

Based on the above filtering process, and taking account of practical considerations such as data availability, we decided to include our Corporate Office and Hong Kong-based subsidiaries and member companies in this year's report. These entities are Hong Kong Convention and Exhibition Centre (Management)

Limited, Free Duty, Hip Hing Construction Group (mainly comprises Hip Hing Construction Company Limited and Vibro (H.K.) Limited), New World First Bus Services Limited, Citybus Limited and New World First Ferry Services Limited. As we strive for improved disclosure, it is our intention to gradually build up our reporting capabilities and expand the scope of future reports in the Group's geographical footprint.

The [Reporting Methodology](#) section of this report details our approach and conclusions from the boundary scoping exercise, and presents noteworthy stakeholder feedback and the Group's responses.

This report is prepared in accordance with the Core option of GRI G4 Sustainability Reporting Guidelines, and references the Environmental, Social and Governance ("ESG") Reporting Guide issued by the Stock Exchange of Hong Kong Limited ("Hong Kong Stock Exchange"). A quick reference content index is provided in the [GRI Index](#) section.

Hong Kong Quality Assurance Agency ("HKQAA") has independently verified that the content of this report fulfils the Core option requirements of the GRI G4 Sustainability Reporting Guidelines. The [verification statement](#) can be found at the end of this report.

We value your feedback and comments about this report and how we can continue to improve on our sustainability performance. Questions and comments can be directly addressed to sustainability@nws.com.hk

2

NWS HOLDINGS LIMITED

3

SUSTAINABILITY REPORT 2014



Chairman's Message

“ Making social and environmental contribution to the communities in which we operate forms an integral part of our business strategy, as reflected in our green investments and operational enhancements, various charitable causes and long-term community programmes that we champion, and the boundless support lent by our corporate volunteers. ”

I am pleased to present the Group's first standalone sustainability report. This report represents a milestone in our journey to improve our economic, social, environmental and corporate governance performance, and demonstrates our commitment to enhancing communication with our stakeholders.

Corporate sustainability is at the heart of our business. We believe that promoting sustainability goes hand in hand with creating value for our shareholders. Since our listing in 2003, we have enjoyed a decade of steady and robust growth, increasing our market capitalization from HK\$4.5 billion to over HK\$50 billion as of 30 September 2014. At the same time, making social and environmental contribution to the communities in which we operate forms an integral part of our business strategy, as reflected in our green investments and operational enhancements, various charitable causes and long-term community programmes that we champion, and the boundless support lent by our corporate volunteers.

As stakeholders increasingly expect transparency and accountability from companies, disclosure and stakeholder engagement will be critical for future business success. To systematically track our sustainability performance, we referenced both international and local reporting guidelines in the preparation of this report. We also commissioned an independent stakeholder engagement exercise to seek candid feedback on our current sustainability strategy and initiatives and to better understand our stakeholders' expectations.

We take pride in the positive feedback about our corporate governance practices, disclosure of sustainability performance for investors, employee wellness initiatives and corporate

volunteer contribution. On the other hand, we learned that stakeholders expect the Group to go beyond regulatory requirements to reduce our environmental impacts, in particular transport emissions and construction waste. It was also suggested that we should invest more resources into creating flagship community initiatives to drive greater public awareness and contribute to building a caring society.

With a view to attaining constant improvement and enhancing sustainability performance, we consider all suggestions from our stakeholders, and implement them, wherever possible, within the bounds of operational feasibility and in the interest of our shareholders and stakeholders. The engagement exercise has made clear the areas in which we need to step up our efforts, and improvements are already underway. For example, our transport segment is upgrading its bus fleet to more fuel-efficient, low-emissions models, and we aim for 90% of our fleet to be at Euro 4 or a higher standard by 2017. Meanwhile, our construction arm Hip Hing Construction Group has taken the initiative to work with subcontractors to reduce construction waste by reusing over 90% of the inert waste generated on their sites.

On the community front, NWS Holdings Charities Foundation Limited ("Charities Foundation") continues to be our key platform for community investment, creating shared value for both our business and society. Since the inception of the Charities Foundation in 2006, we have contributed over HK\$14 million to worthy causes in four key areas: community welfare, education, health care and environmental protection.

The aging population will pose a real challenge to Hong Kong's health care and social welfare system

in the coming decades. In light of this, we pledged a donation of HK\$3 million to establish a social enterprise, the YWCA NWS Y-Care Centre (North District), which provides much needed health care services and support to the elderly in Hong Kong. It is the Charities Foundation's largest donation to date, and it exemplifies our increased commitment to meeting pressing social needs in a strategic, relevant and sustainable manner.

Sustainability is a journey of continuous learning and improvement. As we step into the next decade of our listing, the concerted efforts across the Group to improve sustainability performance will continue to create long-term value for the communities in which we live and work. Increasing disclosure and communication with stakeholders will be one of

our key priorities. We will continue to document our progress through regular disclosure of our sustainability strategy, impacts and performance. We welcome and appreciate your feedback and suggestions, which will help us make further inroads on our sustainability journey and grow from strength to strength.



Dr Cheng Kar Shun, Henry
Chairman

“ The concerted efforts across the Group to improve sustainability performance will continue to create long-term value for the communities in which we live and work. ”



Reporting Methodology

As a conglomerate operating in a range of different industries and localities, it is important for us to systematically select the business units to be covered in this report and determine our material issues. Our approach included a review of all companies under the Group and a series of focus groups and interviews with key stakeholders.

Boundary Setting

We appointed an independent consultant to review and recommend the Group's subsidiaries and member companies to be included in this report. A multi-step methodology developed in accordance with the GRI's Boundary Protocol was applied to company holdings in Hong Kong, Mainland China and Macau. These steps included:

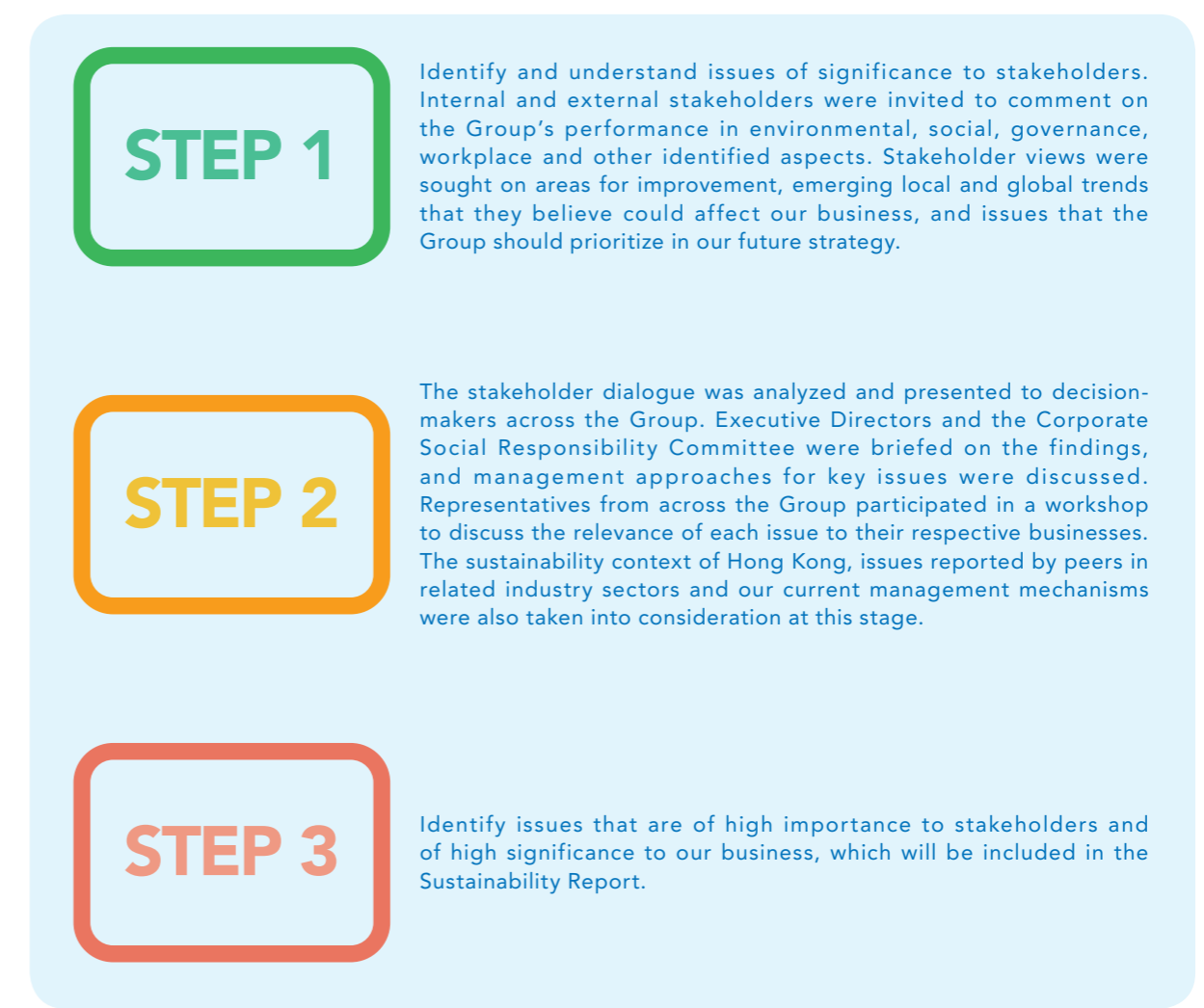
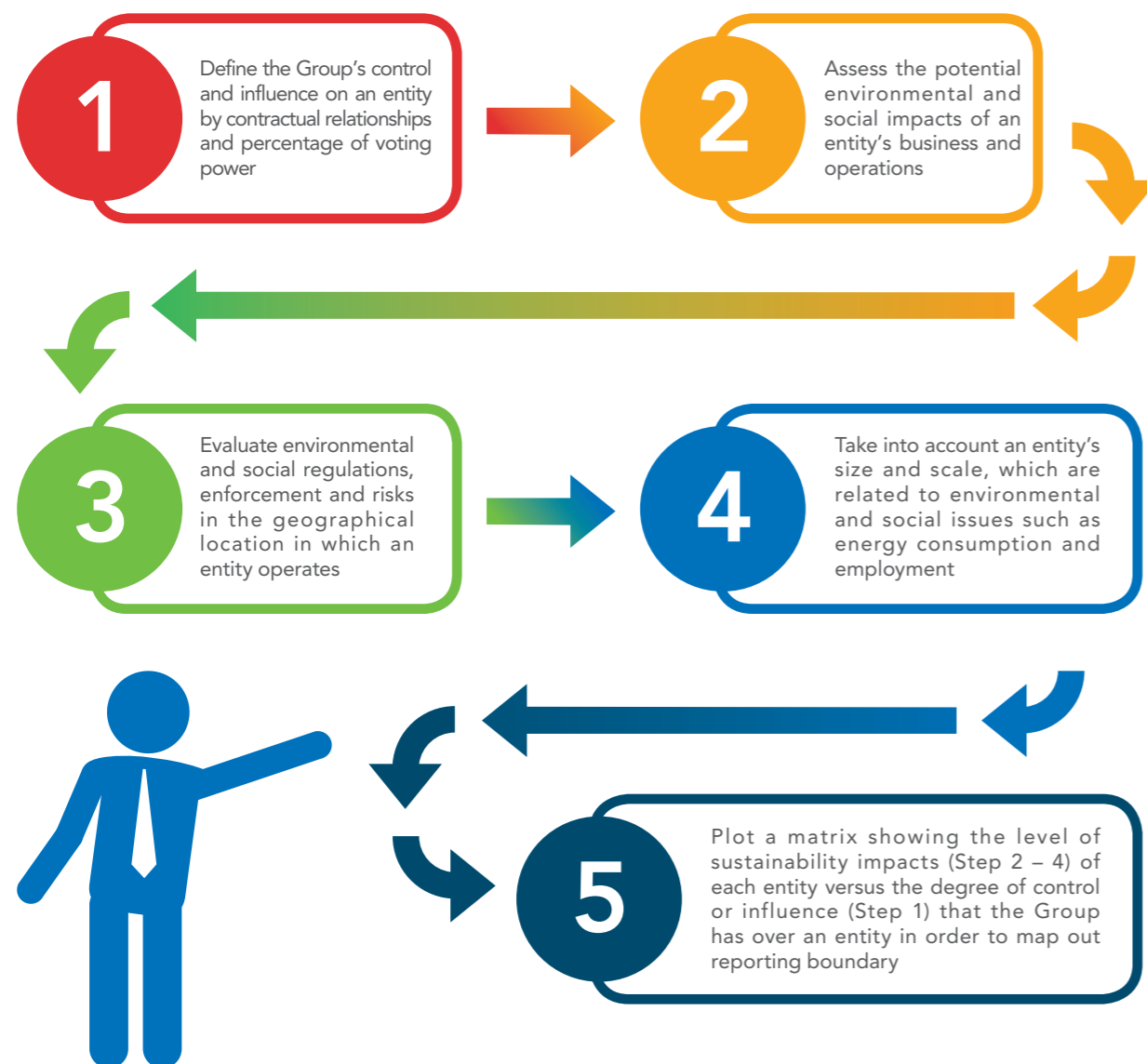
While it is the most ideal practice to report on as many business units as possible, the reporting capabilities, information readiness and data collection maturity vary across the Group. In view of this, we decided to focus our first standalone Sustainability Report on business units with Hong Kong operations, of which we have full operational control and that have well-established data tracking systems. We will take a gradual approach to expand the scope of future reports.

The entities covered in this report are our Corporate Office and Hong Kong-based business units including Hong Kong Convention and Exhibition Centre (Management) Limited ("HML"), Free Duty, Hip Hing

Construction Group ("Hip Hing"), New World First Bus Services Limited and Citybus Limited ("NWFB and Citybus"), and New World First Ferry Services Limited ("NWFF"). These companies represent the majority of our operations in Hong Kong. Although the Group has significant interests in ATL Logistics Centre and NWS Kwai Chung Logistics Centre, they are not covered in this report because the Group does not control their daily operations. For more details about our subsidiaries and investment projects, please refer to the [Project Key Facts and Figures](#) section of our Annual Report 2014.

Stakeholder Engagement

To guide our sustainability strategy and determine the issues that are most material to the Group, we engaged a variety of stakeholders who were identified based on their relevance to and understanding of the Group's business and sustainable development. Focus groups and in-depth interviews were conducted by an independent consultant to collect views from employees, business partners, investors and analysts, the media, non-profit organizations and green groups. Material issues and reporting content were derived based on the following steps:

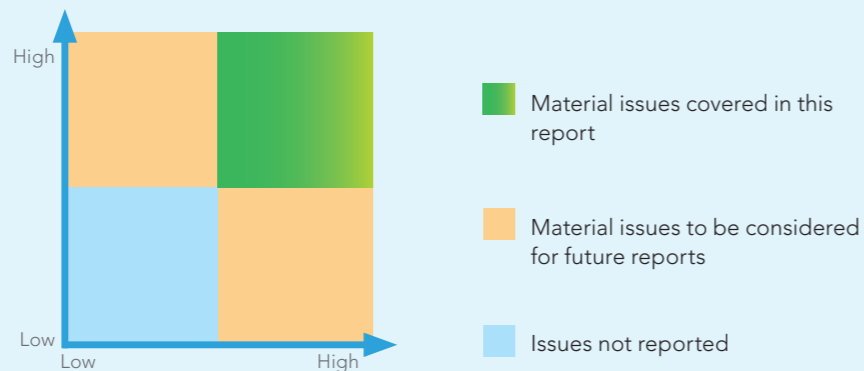


Reporting Methodology

Identification of Material Issues

Importance to Stakeholders

- Interviews with business partners, investors, analysts and the media
- Focus groups with employees, non-profit organizations and green groups
- Independent review of stakeholder feedback by consultant



Significance to Our Business

- Validation of material issues by senior management
- Workshop for middle management from member companies and functional departments
- Review of sustainability context in Hong Kong
- Review of issues reported by peer companies
- Consideration of existing internal management mechanisms addressing the issues

Material Issues

		Impact Location (Inside/Outside the Organization)		
		G4 Indicator	Inside	Outside
Corporate Governance (CG)				
1	Corporate governance	G4-34	✓	✓
Economic (EC)				
2	Economic performance	EC1	✓	✓
3	Procurement practices	EC9	✓	✓
Environment (EN)				
4	Materials	EN1	✓	✓
5	Energy	EN3 & 7	✓	✓
6	Water	EN8	✓	✓
7	Emissions	EN15 & 16	✓	✓
8	Waste	EN23	✓	✓
Labour Practices and Decent Work (LA)				
9	Employment	LA1 & 3	✓	
10	Occupational health and safety	LA5 & 6	✓	
11	Training and education	LA9 & 11	✓	
12	Diversity and equal opportunity	LA12	✓	
Human Rights (HR)				
13	Non-discrimination	HR3	✓	✓
Society (SO)				
14	Local communities	SO1	✓	✓
15	Anti-corruption	SO5	✓	✓
16	Compliance	SO8	✓	✓
Product Responsibility (PR)				
17	Customer health and safety	PR1 & 2	✓	✓
18	Product and service labelling	PR5	✓	✓
19	Compliance (product and service)	PR9	✓	✓

“✓” indicates that the issue has an impact within or outside the organization

Highlights of Stakeholder Feedback and Our Responses

1. Corporate Governance

Stakeholders perceived NWS Holdings to have a solid governance structure that enlists an Executive Committee, rather than a single Chief Executive Officer, to run the company. Furthermore, stakeholders commented that the Group's structure was rather complex and they would like to see information reported separately for individual business, and the extent of the influence of our parent company, New World Development Company Limited, on the Group.

Response

Good governance is crucial for sustainable growth. Each member of our Executive Committee brings a wealth of diverse expertise to the table, and we believe that the team dynamics strengthen our decision-making. We make every effort to be accountable to our shareholders and engage with our stakeholders through regular meetings and calls, in addition to communication through print and electronic platforms.

2. Environmental Initiatives

Stakeholders felt that NWS Holdings could improve its environmental initiatives, in particular for businesses with higher environmental impacts, for example construction and transport. The Group's environmental protection efforts were seen as reactive, rather than proactive, and largely driven by regulations, cost control and client demands.

Response

In Hong Kong, industries with high environmental impacts, including construction and transport, are highly regulated. The Group and our business units operating in these industries strive to comply with all applicable environmental laws and regulations while striking a balance between environmental enhancements and cost implications. We concur that there is room for improvement, especially on measuring and disclosing quantitative environmental data. For this report, we have consolidated data on energy consumption, materials use, carbon emissions and waste management, allowing us to track our environmental performance. Analysis of

these data sets will enable us to benchmark our performance and set targets. Internally, we run employee engagement campaigns every year to entrench the necessary mindset across the Group to support our environmental efforts (see [Environmental Performance](#) section).

3. Social Investment

It was noted that NWS Holdings has been committed to both monetary and in-kind contribution for years, and has made great efforts to encourage employees to participate in volunteering activities. Internal stakeholders believed the Group's motivations to be sincere – to contribute to society rather than to generate media attention – but some suggested that the Group performed below average in communicating its role as a value driver. It was suggested that the Group could develop a flagship community or environmental programme, learning from other companies in Hong Kong that organize large-scale, well-known programmes, to build the Group's public image as a leader in sustainability.

Response

The Group has made significant investments in environmental and community programmes, for example the NWS Hong Kong Geo Wonders Hike, now in its seventh year promoting geoconservation and environmental protection, and the new YWCA NWS Y-Care Centre (North District) that provides health care services to senior citizens in North District of Hong Kong. Both initiatives exemplify the Group's long-term commitment to addressing social needs through the provision of resources, funding and corporate volunteer support. The issues addressed by these programmes may appear niche, but the fact that these issues lack mainstream social awareness makes our contribution more impactful. We acknowledge that we need to increase communication with our stakeholders on our sustainability programmes and, as with our financial reporting, we recognize the importance of regular and systematic disclosure. This standalone Sustainability Report represents our efforts to strive for continuous improvement. We will continue to engage our community stakeholders more frequently and use diverse platforms to keep them informed of our various community programmes and sustainability performance.



Our Approach to Sustainability



Vision

To build a dynamic and premier group of infrastructure and service management companies driven by a shared passion for customer value and care

Core Values

- Reputable customer care
- Pride and teamwork
- Innovation
- Community contributions and environmental awareness
- Stakeholders' interest

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



Our Business

NWS Holdings is the infrastructure and service flagship of New World Development Company Limited ("New World Group", Hong Kong stock code: 17). Listed on the Hong Kong Stock Exchange, NWS Holdings is committed to achieving sustainable growth in its two core business areas of infrastructure and services.

As one of the leading infrastructure players in Mainland China, NWS Holdings possesses an extensive business network in managing and operating 67 projects and two strategic investments in four segments, namely Roads, Energy, Water and Ports & Logistics as at 30 June 2014. The Services division primarily covers Facilities Management, Construction & Transport and Strategic Investments.

The business units covered in this report form the bedrock of our Services division, which has demonstrated a strong track record of customer service excellence in our home base in Hong Kong.

Business Highlights in FY2014 (as at 30 June 2014)

	HK\$ million
Revenue	21,443.0
Attributable Operating Profit	4,379.0
Profit Attributable to Shareholders	4,324.9
Net Assets	43,043.4
Number of Employees	Approximately 28,500*

*Total employees across Hong Kong, Mainland China and Macau. The total number of employees from the reporting entities is 9,453 people.

Facilities Management Segment

The Facilities Management portfolio mainly comprises the management and operation of Hong Kong Convention and Exhibition Centre ("HKCEC") and the business of Free Duty. HKCEC is managed by our wholly-owned subsidiary, Hong Kong Convention and Exhibition Centre (Management) Limited. With 91,500 square metres of gross rentable space, HKCEC is an award-winning venue for international exhibitions and conventions, firmly establishing itself as a local icon, and

was repeatedly voted "Best Convention and Exhibition Centre in Asia" by readers of *CEI Asia Magazine* and awarded the "Best Convention & Exhibition Centre" title by *TTG Magazine*.

Free Duty retails duty free tobacco, liquor, perfume, cosmetics, package food and general merchandise at Hong Kong International Airport, MTR Lo Wu, Hung Hom and Lok Ma Chau stations, Hong Kong-Macau Ferry Terminal and China Ferry Terminal.



◀ Hong Kong Convention and Exhibition Centre



Free Duty shop at Lo Wu ▶



◀ Participants taste wines in a wine expo held at HKCEC



Our Approach to Sustainability

One of Hip Hing's construction teams



New World First Bus and Citybus



New World First Ferry

Construction & Transport Segment

Hip Hing Construction Company Limited is one of the leading contractors in Hong Kong that provides professional design, procurement, engineering and construction services to a wide range of projects, including landmarks such as HKCEC and the Tamar Development Project. The construction services it provides have contributed to the development of Hong Kong and have helped shape a better living environment for the local community. As a member of the Hip Hing Construction Group, Vibro (H.K.) Limited is principally engaged in design and construction of foundations and civil engineering works, as well as site investigation for clients in the public and private sectors.

In partnership with Chow Tai Fook Enterprises Limited, the Group provides a safe, reliable and efficient public transport service to support Hong Kong's everyday life and economic growth. New World First Bus Services Limited and Citybus Limited are two major franchised bus operators in Hong Kong with a fleet of over 1,600 air-conditioned buses. Operating more than 200 franchised routes, both bus companies serve over 1.1 million passengers a day. New World First Ferry Services Limited operates five main inner harbour and outlying island ferry routes in Hong Kong, with 16 owned vessels and three chartered vessels and a daily traffic of up to 40,000 passengers.

Our Belief and Policy

We believe in building lasting values for both our business and for the communities in which we operate. Reputable customer care, pride and teamwork, innovation, community contributions and environmental awareness, and stakeholders' interest are the Group's core values, which guide our business direction and daily operations. As a listed company, we exercise due responsibility to maintain high standards of corporate governance and transparency in the best interest of our shareholders and stakeholders. In fulfilling our role as a responsible corporate citizen, the Group pledges to integrate sustainability principles into all business practices. We earnestly consider the social and environmental impacts of our transactions, maintain high ethical standards, and strictly comply with laws and regulations when conducting business and dealing with our staff, customers and business partners. We are also committed to capitalizing on our strengths and resources to serve society through various means including voluntary service, donations and sponsorships.

The Group's approach to sustainability aligns with our parent company's Sustainability Policy, which affirms that we strive to:

- Exceed statutory requirements in relation to sustainability issues
- Engage our stakeholders and develop mutual communication on our sustainability performances
- Minimize the potential environmental impacts of our projects as far as practicable
- Enhance the quality of life for the communities where we operate
- Provide a safe working environment for our employees and inspire them to grow with the Group
- Influence our supply chain to share our belief with regard to corporate sustainability
- Continuously improve our sustainability performance through monitoring and reporting

Corporate Governance

Corporate governance is the backbone of our value system. We firmly believe that good corporate governance is the key to ensuring effective and transparent operations, and promotes sustainable development of the Group.

The Board of Directors (the "Board") has ultimate responsibility to monitor and review the Group's corporate governance policies and practices. The Board is currently composed of a Chairman, four Executive Directors, three Non-executive Directors and five Independent Non-executive Directors. The Group is collectively managed by the Executive Committee comprising all Executive Directors. We believe this distribution of responsibility

strengthens our governance practices and internal controls.

We have established policies and procedures to ensure management and employees at all levels are fully aware of the Group's expectations and conduct business accordingly. Guidance includes "Guidelines on Internal Control System", "Corporate Policy on Staff Responsibility" and "Whistleblowing Policy". The Group also has a "Disclosure Policy on Inside Information" and has established a Disclosure Committee under the Executive Committee, for monitoring the dissemination of inside information. Employees at every level are required to follow our "Code of Conduct", which makes reference to these policies.

We have complied with all the applicable code provisions contained in the Corporate Governance Code set out in Appendix 14 of the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange for FY2014. For further information, please refer to the [Corporate Governance Report](#) section of our Annual Report 2014.

Compliance

Managing compliance is central to our governance practices, and we have a three-pillar framework for internal control and risk management that includes the Group Audit & Risk Assurance Department, the Finance Department and the Company Secretarial Department. The Group Audit & Risk Assurance Department is responsible for conducting internal risk assessments, reviewing the effectiveness of internal control mechanisms, and handling matters related to the "Whistleblowing Policy". The Finance Department is responsible for formulating the Group's accounting policies and ensuring compliance with relevant rules and accounting standards in respect of financial reporting. The Company Secretarial Department is responsible for ensuring proper compliance of applicable legislations, listing rules and regulations by the Group companies.

Anti-corruption

Our "Code of Conduct" stipulates our zero tolerance to corruption. Our induction training for all new staff members covers the "Corporate Policy on Staff Responsibility", which includes a dedicated part on anti-corruption and bribery prevention. All staff members are required to declare conflict of interest in writing according to our employment policy. It is also our company policy that no staff member may solicit or accept any advantage from any individual or organization having business dealings with the Group. To make sure our suppliers and contractors are fully informed of our ethical standards and requirements, staff members and member companies are encouraged to include our anti-corruption policy in tender documents and supplier contracts. Our staff accumulated over 3,300 hours of training in anti-corruption policies and procedures in FY2014.



Our Approach to Sustainability

Whistleblowing Policy

The "Whistleblowing Policy" is an important part of our internal control and risk management system. The policy describes confidential reporting channels available and clearly explains what may be considered reportable conduct, including improprieties related to financial reporting, internal controls, misuse of commercially sensitive information or company resources, bribery, breach of the "Code of Conduct", or miscarriage of justice. A designated email address, accessible only by the Head of the Group Audit & Risk Assurance Department, is provided as a whistleblowing channel. Reported cases will be shared with the Executive Committee and Audit Committee, and a report will also be shared with the Corporate Governance Steering Committee after claims have been investigated.

Corporate Social Responsibility Committee

Apart from delivering financial results to investors and shareholders, the Group is committed to enhancing quality of life and environmental protection in the communities in which we operate. To this end, the Board set up the Corporate Social Responsibility ("CSR") Committee in 2004 to act as the Group's highest governance body responsible for directing and overseeing employee wellness and volunteering development and service programmes, environmental protection initiatives, and the philanthropic activities of the Group and NWS Holdings Charities Foundation. The committee currently comprises seven Board members and meets twice a year.

Environmental Sustainability Committee

Environmental considerations are integrated into decision-making at all stages of planning, developing and operating our business. The Group's Environmental Sustainability Committee, chaired by an Executive Director and composed of managers from each business unit, formulates environmental strategies, oversees and monitors progress on various environmental initiatives and awareness programmes across the Group.



The CSR Committee is composed of the Executive Directors and Non-executive Directors of the Group.

Stakeholder Engagement

All stakeholders, including shareholders and investors, the government, employees, business partners, customers, the media, non-profit organizations and representatives of local communities, are identified and engaged recurrently through a multitude of platforms, such as one-on-one and one-to-many meetings, briefings, roadshows, site visits to our operations, as well as various electronic platforms. We promote interactive communication with stakeholders, providing opportunities to incorporate their opinions into management plans.

The Group's "Shareholders' Communication Policy" ensures accurate, consistent and timely dissemination of information to our shareholders and the financial community.

As part of our community engagement approach, we take an active part in various industry bodies and social and environmental campaigns. These platforms provide us with opportunities to stay at the forefront of the sustainability issues facing our industries and society, and allow us to work together to tackle challenges and achieve our sustainability goals. The following is a list of organizations, charters and campaigns which the Group supports:

- Business Environment Council (Corporate Member)
- Clean Air Charter (Signatory)
- Economic Development Commission, HKSAR Government (Member of Working Group on Convention and Exhibition Industries and Tourism)
- Employers' Federation of Hong Kong (Corporate Member)
- Environment Bureau, HKSAR Government – Energy Saving Charter on "No Incandescent Light Bulbs" (Signatory)
- Environment Bureau, HKSAR Government – Food Wise Charter (Signatory)
- Friends of the Earth (HK) – Earth Partner 2013-14
- Hong Kong Construction Association (Corporate Member)
- Hong Kong Exhibition & Convention Industry Association (Executive Committee Member)
- Hong Kong General Chamber of Commerce (Full Member)
- Hong Kong Green Purchasing Charter (Founding Member)
- International Association of Venue Managers (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 (Member)



MAJOR AWARDS AND RECOGNITION IN FY2014

Organizer	Award and awardee
Best Practice Management Group	Best Practice Award 2013 in Employee Care (NWS Holdings)
CEI Asia Magazine	Best Convention and Exhibition Centre in Asia (HML)
China Staff Magazine	The Grand Award of the Year and the Best Practice in Engagement & Retention of the Year at the 16 th China Staff Awards (NWS Holdings)
Development Bureau, HKSAR Government	Gold Award in the Non-public Works – New Works category at the Outstanding Environmental Management & Performance Awards 2013 at Considerate Contractor Site Award 2013 (Hip Hing)
Family Council, HKSAR Government	Distinguished Family-Friendly Employers and Special Mention Award at 2013/14 Family-Friendly Employers Award Scheme (NWS Holdings)
Hang Seng Indexes Company Limited	Constituent stock of the Hang Seng Corporate Sustainability Benchmark Index 2014-15 (NWS Holdings)
The Hong Kong Council of Social Service	10 Years Plus and Five Years Plus Caring Company Logos at the Caring Company Scheme (NWS Holdings and some of its member companies in Hong Kong)
Hong Kong Productivity Council	Gold Award in the Volunteer Team category at the fourth Hong Kong Corporate Citizenship Programme (NWS Holdings)
Occupational Safety & Health Council, HKSAR Government	Gold Award in the Best Occupational Health Programme to Prevent Heat Stroke at Work category at the Construction Safety Promotional Campaign 2013 (Hip Hing)
The Office of the Government Chief Information Officer, HKSAR Government and Equal Opportunities Commission	Gold Award in the Website Stream (NWS Holdings Charities Foundation), and Silver Award in the Website Stream and Mobile Application Stream (NWFF) at the second Web Accessibility Recognition Scheme
TTG Magazine	Best Convention & Exhibition Centre at the 24 th Annual TTG Travel Awards (HML)

For more information about our awards, please visit our [corporate website](#).





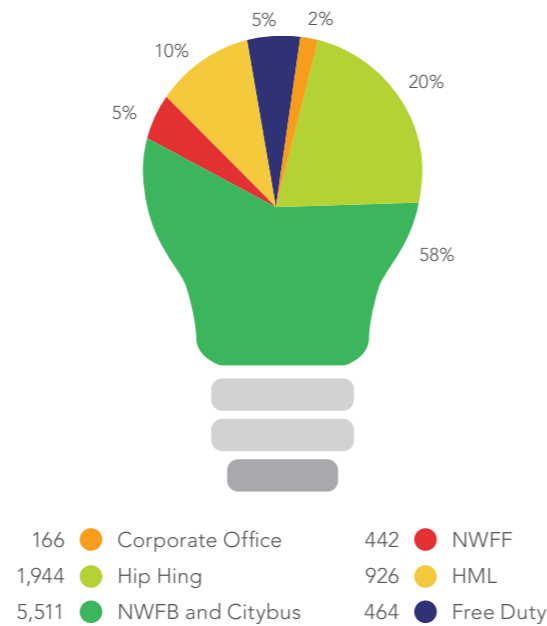
Each one of our employees makes a valuable contribution to our business success. On top of competitive remuneration and benefits, we provide comprehensive training and development programmes to help our people reach their full potential. We also make concerted efforts across the Group to build a caring and family-friendly workplace to attract and retain talent.

HUMAN CAPITAL

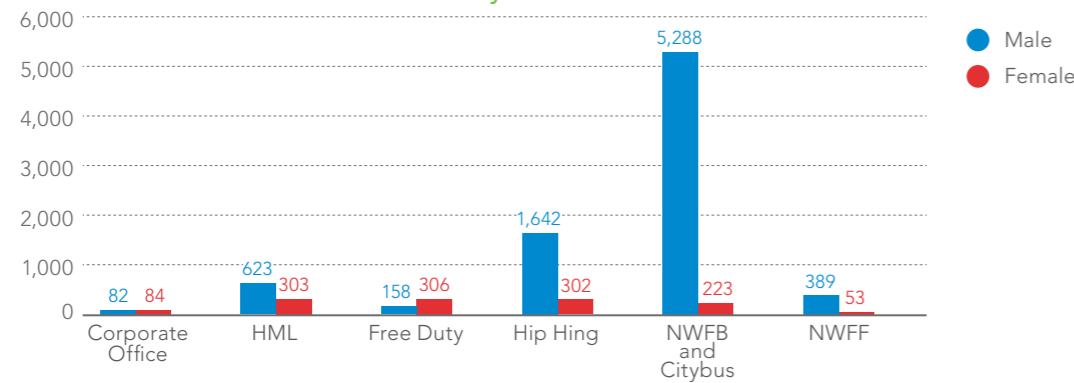
Human Capital

The Group respects the fundamental rights of our employees and endeavours to create an inclusive and harmonious workplace. We treat each and every employee fairly, providing a fair wage, fair working hours and fair treatment regardless of gender, race or other measures of diversity. Our internal "Code of Conduct" clearly states that in all aspects and stages of employment, covering but not limited to recruitment, job advertisement, interview, appraisal, termination and redundancy, no discrimination will be tolerated. Confidential grievance mechanisms are available and allegations of discrimination will be taken seriously. All employees are briefed on our policy and grievance mechanisms during their induction training. In accordance with our policy and with the laws of Hong Kong, disciplinary action will be taken against any employee found to have committed an act of racial harassment or discrimination against another person in the workplace. In FY2014, no relevant cases of workplace discrimination were flagged through our reporting mechanism.

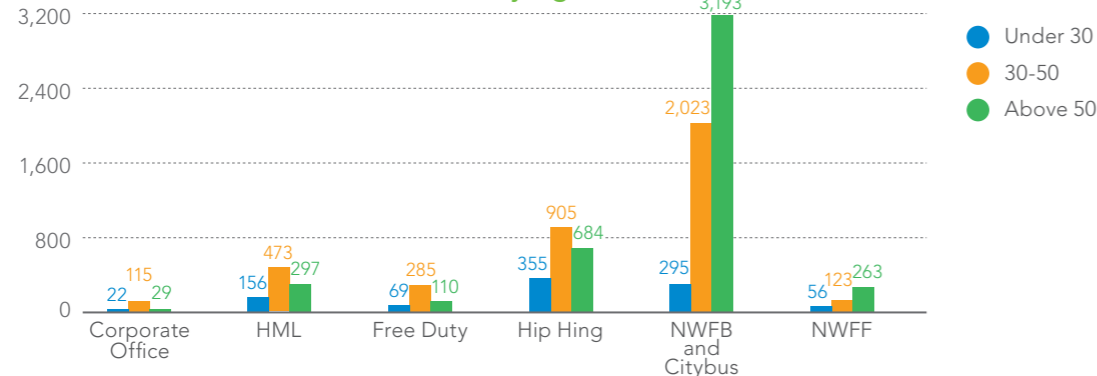
Distribution of Employees from Reporting Entities for the year ended 30 June



Workforce by Gender



Workforce by Age



As an equal opportunity employer, we seek to recruit people regardless of gender, age, religious belief or ethnic background. At the operational level, our workforce is predominantly male; however, females make up almost 50% of our general staff grade and over 20% of manager and above level across the Group. We strive to promote greater diversity, and all employees are provided with equal opportunities for growth and career progression.

Talent Development and Training

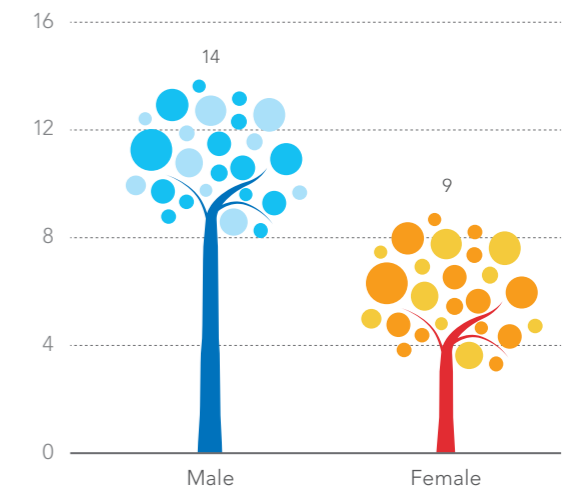
Our Staff Career Development and Advancement Plan is central to staff retention and succession planning. Employees are actively encouraged to further their knowledge and skills both independently and through mentorship and in-house training programmes, which are designed to help unlock staff potential and encourage a culture of lifelong learning. Department heads and supervisors act as mentors to coach their teams, regularly reviewing each individual's progress and providing them with trainings to match their development needs.

The Group always strives to foster a learning culture and groom future business leaders. A full range of internal and external training programmes is made available to employees to unleash their potential. For example, for high-potential individuals, we offer professional business training provided by the Richard Ivey School of Business, Western University, Canada. Young managers can enroll for the Accelerating Management Talent Programme, which aims to hone participants' leadership and management skills and widen their global business vision and perspective. In addition, staff members are entitled to education subsidy and paid examination leave in support of their external studies.

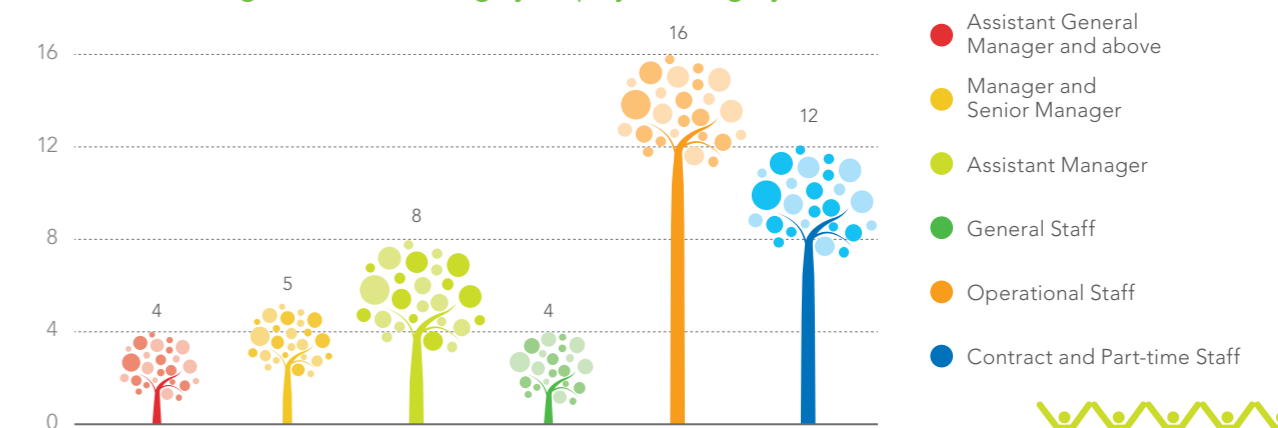
Each subsidiary and member company has its own staff development policies and training programmes aligned with their business considerations. NWFB and Citybus, for example, established a new credit system for training in 2014. The Training Credit Policy outlines the system whereby each office staff member is required to attain a certain number of credits, depending on their position level, each calendar year. Credits can be earned by attending or leading conferences, seminars, workshops and other training activities.

In the reporting period, our staff in Hong Kong accumulated over 153,000 hours of training, representing an average of 16 hours of training per employee. Courses were designed to advance their occupational skill sets, professional development and knowledge on topics of anti-corruption, corporate culture, environmental protection and occupational health and safety.

Average Hours of Training by Gender



Average Hours of Training by Employee Category



Human Capital

Employee Recognition

NWS Holdings has a long tradition of recognizing its employees for outstanding merits and years of service. 2013 marks the ninth year of our internal "Oscar Awards" or Outstanding Employee Grand Awards, which recognize employee contributions and promote a culture of service excellence in the workplace. Sixteen member companies in Hong Kong, Mainland China and Macau nominated their employees for the awards.

Corporate volunteering is a pillar of the Group's community service, and the dedication of our staff to social well-being is highly valued. In recognition of our volunteers' efforts, the Group presented the Top Service Hours Awards to 20 staff and non-staff volunteers in 2013, in addition to individual awards including Best New Volunteer, Most Talented Volunteer and Outstanding Volunteer Family Award.



NWS Adventure Day promotes work-life balance and family values.

activities, encouraging regular exercise and healthy living. HML and NWFB and Citybus partnered with the Christian Family Service Centre to offer professional counselling services to employees requiring guidance in their personal lives.

Occupational Health and Safety

Ensuring workplace safety is a priority for the Group. Each subsidiary and member company has health and safety policies that are reviewed regularly by management. HML, Hip Hing, NWFB and Citybus, and NWFF have dedicated joint management-worker task forces to ensure inputs from frontline staff are thoroughly considered when planning health and safety initiatives. About one in every 67 employees is involved in health and safety task forces in these subsidiaries and member companies.

In order to properly assess and mitigate risks of accidents on construction sites, Hip Hing has established a safety management system in accordance with the Factories and Industrial Undertakings (Safety Management) Regulation and OHSAS 18001, which is applicable at office level and to all construction projects. Safety audits are conducted every five months, which are more frequent than required by regulation, to check and review the effectiveness and reliability of the management system. Hip Hing aims to achieve a score of at least 90 out of 100 in all audits, and an injury rate not exceeding 7.5 incidents per 1,000 workers.

More than half of the Group's employees in Hong Kong work for our transport business, with many frontline and operational staff working with vehicles and other machines. Therefore, maintaining a high level of occupational safety and awareness is a shared responsibility of all staff. The bus fleet of NWFB and Citybus is inspected monthly and annually, and NWFF's vessels undergo annual safety checks. All bus captains and ferry coxswains are required to follow proper procedures when operating their vehicles so as to minimize the risk of accidents and human error. Management holds regular meetings with union leaders and staff representatives to discuss problems encountered at work, including health and safety issues. We also engage our employees and our contractors in safety awareness and training programmes.



Nine staff members across the Group received the Outstanding Employee Grand Awards in 2013.

Work-life Balance

The Group provides our staff with a competitive remuneration and benefits package, and has adopted measures to promote work-life balance including paternity leave, birthday leave and examination leave. We extend our care and appreciation to our employees' children and families by providing scholarships and organizing family-friendly activities. In FY2014, we hosted several staff events including an exclusive NWS Adventure Day at Hong Kong Disneyland to commemorate the 10th anniversary of the Group's listing in Hong Kong. The fun-filled outing was attended by over 6,700 Hong Kong staff members and their families. Since 2013, we have organized the annual Staff and Family Movie Day that is well received by staff members from Corporate Office and their families.

Employee health and wellness is another focus of our human resources management. We provided free influenza vaccinations and recently upgraded the free medical check-ups for all Corporate Office employees. To promote a healthy lifestyle, we ran campaigns such as Fruit for Care and Monthly Booster that provided fruits and healthy snacks to employees, and organized a range of sports

CASE STUDY

Acquiring and Growing Talent

One of the biggest challenges for businesses in Hong Kong is a decline in labour supply. In particular, the shortage of young technical and operational staff poses a significant risk to our construction business. About 35% of our construction workforce is over 50 years old. This means that over the next 15 years, as these employees reach retirement age, we will face an outflow of technical expertise that directly affects our ability to be in business. It is imperative that we put in place effective measures to attract, train and retain new employees.

The Group's subsidiary, Hip Hing, addresses the manpower issue by establishing itself as a preferred employer. It regularly reviews and realigns its people development programmes, reflecting its commitment to providing rewarding career and personal development opportunities to all levels of staff.

To boost the talent pool, the comprehensive people development programme starts with scholarships and sponsorships targeting high-performing students at universities and further education institutes. In addition to financial support, students are offered internships and job attachments to broaden their experience and apply academic knowledge in a practical environment under the guidance of an experienced supervisor. Interns stay connected with Hip Hing during their final year of study through a Fellowship Programme, which serves as a springboard for a career at Hip Hing. Scholarship recipients and outstanding interns from the Construction Industry Council's Technician Diploma Programme are offered an Apprentice Foreman post and admitted to the Apprentice Foreman Training Programme upon graduation.

High-potential university graduates are recruited to Hip Hing through a targeted management trainee programme, the Construction Officer Development Programme, which aims to grow young graduates into competent project management executives. Apart from furthering their professional qualifications, job knowledge and technical abilities through job rotation, trainees are guided in developing their personal effectiveness and managerial competences.

Project managers and site agents are key staff within a construction company and vital to the successful delivery of a project. To ensure a stable pipeline of staff qualified for these crucial positions, Hip Hing designed two talent development programmes, namely Project Manager Development Programme ("PMDP") and Site Agent Development Programme ("SADP"), that provide staff with opportunities to grow and unleash their potential. The PMDP focuses on three areas of professional qualifications, job knowledge and technical abilities, and managerial competences, and each trainee is assigned a coach who tracks their learning and development. In the SADP, trainees are assigned a mentor who plans and oversees their on-the-job training, which embraces technical, supervisory and management disciplines. The PMDP won the Silver Award of the Award for Excellence in Training and Development 2012 (Development Category) held by the Hong Kong Management Association.

Hip Hing's combined talent development programmes are achieving its objective to recruit and retain high calibre employees.





Our business interfaces with tens of thousands of customers every day, and we have a responsibility to provide them with reliable and quality services. We believe that customer feedback is crucial to the continued improvement of our services and therefore we regularly listen to customer views and expectations through focus groups, interviews, surveys, dedicated hotlines and many other forms of communication and engagement.

CUSTOMER SERVICE

Customer Service

Customer safety is of paramount importance to us, in particular for our public transport business where our actions have a direct impact on customer safety. Our approach includes ensuring our vehicles and safety provisions are well maintained, providing our customers with safe and comfortable experiences, and enhancing safety training for frontline staff to ensure the highest level of safety for our customers.

In addition to regular and thorough mechanical inspections on all of our buses and ferries, various technologies are employed to enhance customer safety and comfort. All of our buses are now equipped with a GPS-powered Automatic Bus Stop Announcement System, which automatically announces next stops en route and broadcasts safety announcements. Bus captains are free from manually operating in-bus announcements or answering passenger enquiries, allowing them to stay focused on traffic conditions. The system includes a Data Logger function that records bus locations and driving speed for internal safety reviews. At NWFF, Automatic Identification System is

deployed on all fast ferries to track vessel locations and provide real-time information on nearby vessels, helping coxswains take precautionary measures to avoid accidents.

We have established procedures and initiatives to provide a safe journey for both bus and ferry passengers. For example, NWFB and Citybus regularly monitor the driving skills of bus captains, and host training in driving safety for all new recruits and refresher courses for seasoned drivers. Driving instructors and plain-clothes officers are also deployed to conduct random ride-checks to assess safety on board. Furthermore, both companies go beyond regulatory requirements to ensure bus captains are physically fit to perform duties. Starting from August 2013, enhanced medical examination coverage has been provided for drivers over age 50 and those with identified chronic illness. In the reporting period, 1,256 Citybus and 1,032 NWFB bus captains underwent the enhanced medical check-ups. NWFF complies with all ordinances and codes of practice related to marine



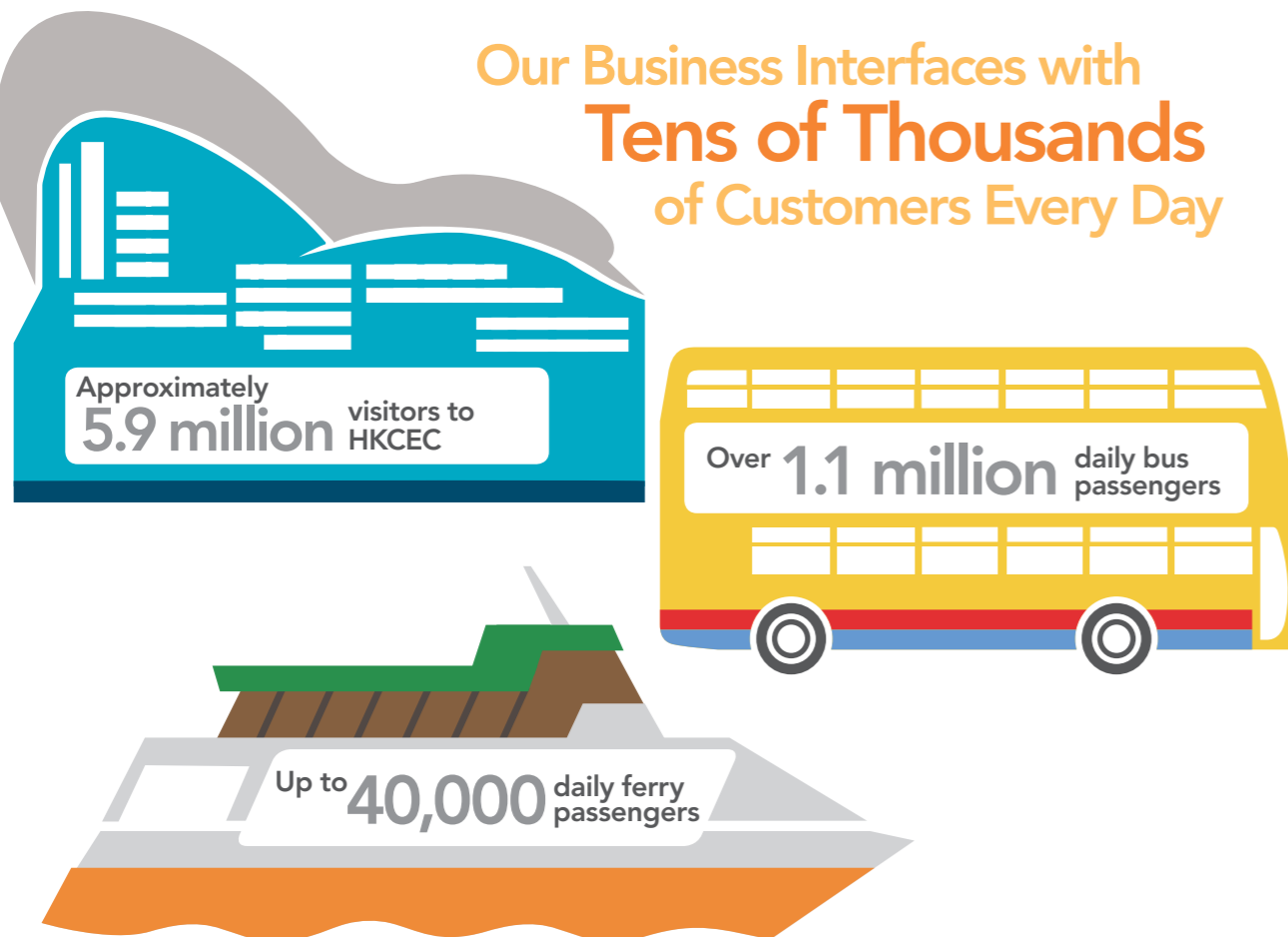
Automatic Bus Stop Announcement System on the bus fleet of NWFB and Citybus



NWFF's Automatic Identification System presents the bearing and distance of nearby vessels equipped with the same system



Our Business Interfaces with Tens of Thousands of Customers Every Day



safety, and ensures that life jackets are sufficient to cover all passengers on board with extra life jackets available as a precaution.

To deliver a comfortable riding experience for daily commuters, NWFB and Citybus carried out 186 regular assessments of carbon dioxide levels in bus compartments in accordance with the Environmental Protection Department's "Practice Note for Managing Air Quality in Air-conditioned Public Transport Facilities — Bus". This guideline stipulates that the carbon dioxide level within bus compartments must not exceed 6,300 mg/m³ per hour. In 2013, 100% of the assessed buses achieved Good Air Quality, which is the higher level of air quality defined in the guideline.

Our construction arm follows rigorous health and safety guidelines throughout its design and construction processes. As part of quality control and assurance, Hip Hing conducts multiple rounds of checks and inspections before handing over completed properties to clients and end users. Thorough risk assessments are undertaken for all of our construction projects.

Customer Feedback

The Group has developed a range of feedback mechanisms to gather customer views for the purposes of elevating service standards and creating a better customer experience. Our customers are mainly event organizers and participants at HKCEC, passengers on our buses and ferries, and property owners and developers in our construction business. Customers are encouraged to rate and evaluate our services, and each of our business units has its own approaches for collecting and evaluating customer views.

HML measures customer satisfaction year round, primarily through an electronic customer survey. HML's main customers are organizers of different events including exhibitions, conferences, corporate events, banquets and special events. The survey asks customers to evaluate the performance of our sales, marketing and operations teams, and the quality of the service they received before and during their events. A total of 2,057 questionnaires were distributed to event organizers in FY2014, with a completion rate of 26%. Overall feedback was encouraging, with 98% respondents rating its service as satisfactory or above.



Customer Service

HML also arranges client debriefing meetings after major exhibitions and conferences to review service quality.

As a leading provider of public transportation in Hong Kong, we must understand the needs of our passengers, as well as the opinions of other stakeholders such as government regulators, district leaders and the general public. We have dedicated hotlines, email addresses, mobile applications and suggestion boxes that collect feedback from our customers. We also proactively engage customers and relevant organizations. For example, NWFB and Citybus representatives meet with passenger liaison groups from different districts every two months to gather stakeholder views for route development and service enhancement. Meanwhile, NWFF conducted in-person passenger surveys at all seven piers it operates. Over 1,600 regular passengers aged between 18 and 65 responded to a customer survey conducted in FY2014. Two key concerns raised by ferry passengers were ferry frequency and customer service quality. These issues will be reviewed and followed up with appropriate measures.

We also engage with disability groups to better understand how we can provide better barrier-free access for people with special needs. One of our long-term commitments is to convert our bus fleet to low-floor buses by the end of 2016 to accommodate passengers in wheelchairs, while additional wheelchair parking spaces will be fitted to all of our three-storey ferries by 2015. All buses are now installed with trilingual bus stop announcement systems to support visitors and visually-impaired passengers. In early 2014, we also launched a new SMS Enquiry Service to cater to the needs of bus passengers with hearing and speech disabilities.

We continue to provide added convenience for our passengers including access to free Wi-Fi on 300 of our buses, 15 ferries and at all seven piers we operate. We also offer fare concessions for Octopus card users, such as same day return fare discount for Cityflyer routes and bus-to-bus interchanges concessions for over 160 bus routes.



NWFB and Citybus provide low-floor buses to take care of passengers with mobility difficulties.

For Hip Hing, client satisfaction surveys are conducted after the completion of every project. Client representatives, including developers, architects and engineers are invited to provide an assessment of our performance in project delivery and management of safety, quality and environmental impacts. Surveys for six of the 13 projects completed during the reporting period have been conducted. Our construction team achieved an average score of 7.12 out of 10 this year. While this shows that clients were satisfied with our performance on the whole, it falls short of our target score of at least 7.5. Hip Hing will strive to meet our target in the coming year.



HML conducts customer surveys to seek feedback on service quality.

CASE STUDY

Taking a Smart Journey

As elsewhere in the world, Hong Kong people value convenience. To help our passengers plan a seamless journey, we have developed mobile applications ("app") for our bus and ferry services.

Debuted in 2011, the NWFB and Citybus mobile app is regularly updated and now includes a new "Next Bus Arrival Time Enquiry" feature. It provides passengers with access to real-time information on arrival times (within 45 minutes) at nearly 300 bus stops for all Cityflyer routes. App users can also read passenger notices to stay informed of any changes to services, routes and bus stop locations resulting from road works or special arrangements during festive seasons. Using the app, passengers can reduce waiting time at bus stops and plan their trips to and from the airport with ease. The app received the Best Public Service Application Grand Award and Best Public Service (Transformation) Gold Award at the Hong Kong ICT Awards 2013 organized by the HKSAR Government.

The NWFF mobile app launched in FY2014 has a "Next Sailing" function, which automatically shows the departure time of the next sailing from the moment the user launches the app and provides related journey time and safety information. The app functions as a portable mini travel guide for tourist hotspots in Mui Wo and Cheung Chau, and can provide a list of interesting sites with background information. The app can also be used in conjunction with a reading aid for visually-impaired passengers. The web accessibility design of the app was recognized by the HKSAR Government Web Accessibility Recognition Scheme in 2014 with a Silver Award in the Mobile Application Stream.



NWFF's mobile app receives a Silver Award from the Web Accessibility Recognition Scheme organized by the HKSAR Government.

The mobile app launched by NWFB and Citybus provides a real-time bus schedule.





We engage a broad range of suppliers to support our operations by providing goods and services, from general office supplies, construction materials, food and wine to specialized bus and ferry parts. We recognize that as transparency becomes increasingly important to customers and regulators, our supplier relationships have the ability to impact our reputation and sustainability. Working with suppliers to improve their efficiency and awareness of sustainability not only can improve our environmental performance, but can also bring benefits to the community at large.

SUPPLY CHAIN MANAGEMENT

Supply Chain Management

Our supplier management practices are guided by a Group-level commitment to adopt the "Supplier Code of Conduct" set forth by our parent company, New World Group.

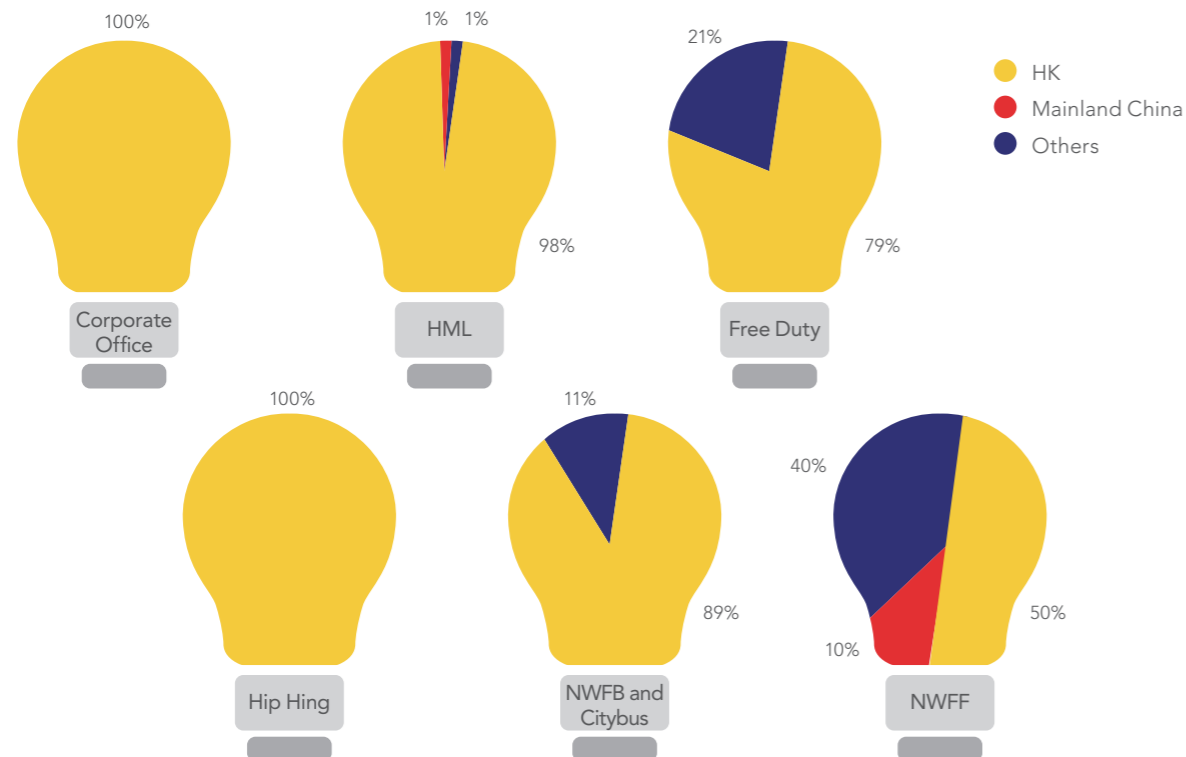
First and foremost, we expect our suppliers to abide by all applicable laws and regulations. The "Supplier Code of Conduct" clearly states our position on proper labour practices. We do not condone the use of forced labour or child labour, and expect our suppliers to treat their employees fairly and provide a safe and healthy workplace.

Suppliers are required to operate to the highest ethical standards, and should not be involved in any forms of corruption, bribery or fraud. It is our policy that no member of staff should accept or solicit money, gifts and other advantages or favours from contractors and suppliers. Our suppliers are informed of this policy, and

emails are often sent to employees and external parties before festive occasions to ensure they are reminded of proper ethical conduct. No cases of corruption were reported through our whistleblowing mechanism over the past years.

In terms of procurement, the Group has a decentralized system that gives each business unit the autonomy to manage its own suppliers according to its specific operational needs. In principle, we endeavour to support Hong Kong's economy and help create employment by engaging local suppliers, where possible. The diagram below illustrates that the majority of our suppliers are based in Hong Kong. For some specialized items, such as spare parts for buses and ferries and branded luxury goods, there are no local suppliers available and thus Free Duty, NWFB and Citybus, and NWFF have a relatively significant number of overseas suppliers.

Proportion of Procurement Expenditure Spent on Local Suppliers* Versus Non-local Suppliers by Reporting Entities



* According to GRI G4 Sustainability Reporting Guidelines, 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 (that is, no trans-national payments to the supplier are made). Following this definition, we identify local suppliers as companies or individuals in Hong Kong to which payments are made directly.

Responsible Supplier Management

Our suppliers are encouraged to take sustainability practices into account when conducting business with us. As a signatory of the "Hong Kong Green Purchasing Charter", we give preference to sustainable supplies. For example, we source local produce, where possible, for restaurants at HKCEC and select fuel-efficient buses. Sustainability is one of the major selection criteria when our subsidiaries and member companies evaluate and engage suppliers. For example, construction subcontractors are required to disclose sustainability information when they first submit tendering documents to Hip Hing, and to update their record every three years thereafter. Hip Hing hosts an annual supplier forum with

over 60 major subcontractors to ensure they are clear about our expectations on sustainability issues.

While it is our intention to preferentially consider local suppliers with good environmental, social and governance practices, this may not be feasible if our pool of possible suppliers is limited. For example, each bus requires thousands of parts and components, some of which are only available from overseas suppliers — there are no local companies that supply these parts. As such, our only option is to source these from overseas suppliers. We will consider each supplier on a case-by-case basis, and will leverage our purchasing power to encourage our existing suppliers to improve their operational practices.

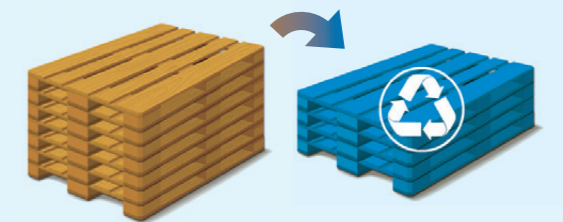
CASE STUDY

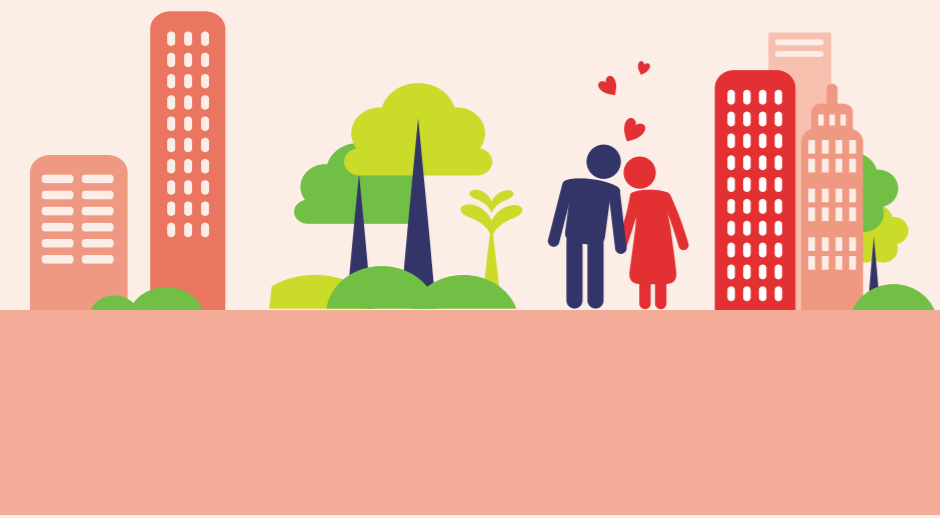
Driving Sustainable Practices in Our Supply Chain

The Group strives to minimize our environmental footprint through working with our suppliers. In businesses with greater risk of environmental impact, sustainability performance is considered in the selection process of suppliers. Supplier workflow is regularly reviewed so that we can identify opportunities to make supply chain processes more environmentally friendly.

Hip Hing has a rigorous tendering process, in which evaluation of the sustainability performance of subcontractors forms an integral part. All prospective suppliers and subcontractors are required to provide information on their sustainability practices in the tendering process. They are required to submit a self-assessment questionnaire that seeks to understand their track record of compliance, the sustainability standards or guidelines they subscribe to, and any initiatives that show evidence of investment in corporate governance, workplace practices, community projects and environmental protection. Suppliers scoring high in these areas are given preference for tenders, providing an incentive for them to deliver services in a more responsible manner.

Our bus operations require a substantial number of spare parts for maintenance. An estimated 50% of these parts are delivered on wooden pallets. However, these pallets, about 1,000 pieces per year, are often disposed after delivery, adding burden to local landfills. In FY2014, our bus companies requested their largest supplier of parts to use more durable and recyclable plastic pallets instead, which can be returned to the supplier for reuse after delivery, saving timber resources and reducing costs for both sides. The supplier has taken this idea on board and recommended the same approach to its other clients.





Caring for the community is deeply rooted in our corporate culture, as reflected in our strategic, long-term community programmes and our corporate volunteers' dedication to community services. As a corporate citizen, we continue to leverage our strengths and resources to promote social harmony and growth in the community. We are committed to addressing the needs of under-resourced groups through the four focus areas of our community investment strategy: community welfare, education, health care and environmental protection.

COMMUNITY CARE

Community Care

Our multi-pronged approach comprises organizing community programmes to address societal needs, making philanthropic donations and sponsorships, and driving support from our corporate volunteers. In FY2014, we donated over HK\$3.7 million to more than 20 non-profit organizations, supporting the elderly, youth at risk, children, psychiatric rehabilitants and people with mental disabilities. In the same period, our Group-wide volunteer team, the NWS Volunteer Alliance, participated in over 180 community activities and clocked approximately 12,700 hours of service.

As with our business investments, we take a strategic approach to ensure our community investment brings long-lasting benefits to the community. Our flagship programmes promote the well-being of the underprivileged or neglected segments of society. These programmes are provided with multiple years of funding and volunteer support to achieve their objectives and create more sustainable impacts.



- NWS Holdings Charities Foundation has donated over HK\$14 million to support charitable causes since its inception in 2006
- The Group pledged a donation of HK\$3 million to Hong Kong Young Women's Christian Association to set up an elderly day care centre in North District
- NWS Volunteer Alliance members have contributed over 120,000 volunteer service hours since 2001
- To date over 23,000 members of the public have taken part in NWS Hong Kong Geo Wonders Hike activities
- Four hundred students from more than 150 secondary schools have participated in geoconservation training and field trips, accumulating over 10,000 training hours

NWS Volunteer Alliance

The NWS Volunteer Alliance ("Alliance") comprises staff members of all grades and from all subsidiaries and member companies. Since its inception in 2001, our volunteers have contributed more than 120,000 hours of community service and formed diverse interest groups in areas ranging from dancing and handicrafts, to haircutting and balloon modelling. The Alliance has received the Gold Award in the Volunteer Team category in the Hong Kong Corporate Citizenship Programme for three consecutive years. We hope to recruit more staff to the Alliance and continue to provide our volunteers with opportunities to give back to the community.



Community Welfare

NWS Caring Day

At NWS Holdings, we have a tradition of commemorating the anniversary of our listing through volunteer services. In February 2014, the Group marked its 11th anniversary with a carnival, organized in partnership with HKSYC & IA Chan Nam Chong Memorial School, to promote social integration. Around 400 participants, including the Group's senior management, company volunteers, and mentally disabled students and their parents, attended the carnival in Tai Po. There were game stalls designed by our business units as well as stage performances featuring our volunteers' talent in music and dancing.

Elderly Care

In the reporting period, the Group launched two other volunteer programmes to support the elderly in low income areas. The Life Rejuvenation Scheme 2013 – Old Hong Kong was a one-year programme in partnership with Tung Wah Group of Hospitals. This volunteer service featured home visits, local tours and the giving of food coupons to the elderly in Sham Shui Po. On the other hand, the community care programme for the elderly, jointly financed by Hip Hing and the Partnership Fund for the Disadvantaged approved by the Social Welfare Department, targeted elderly widows residing in Eastern District. It included outings and lunch gatherings to help them build a new social network and improve mental wellness. Workshops and seminars related to health and end-of-life issues were also provided.



◀ Around 400 participants join the NWS Caring Day 2014 under the theme of "Rainbow Spreads"



Community Care

Education

Our education programmes are designed to help children and young people establish a positive life attitude and acquire a better understanding of society and stronger communication skills. The Fairy Mentorship and Career GPS programmes, co-organized with the Hans Andersen Club and Hong Kong Playground Association respectively, support the development of children and young people by matching them to our volunteer mentors who provide them with advice, guidance and support.

Beneficiaries of the original Fairy Mentorship programme have now become young mentors themselves, and they are able to share their experiences with the next generation of child mentees as part of the three-year Fairy Mentorship – New Generation programme, launched in 2012.

The Career GPS programme was launched in October 2013 in response to high unemployment among young people. The three-year programme provides career-specific mentorship for school dropouts and young people looking for jobs. The first cohort of 50 young people participated in a series of career talks, interview

workshops and skills training, followed by company visits and on-the-job training offered by Hip Hing, NWFB and Citybus, and NWFF. Outstanding participants were given the opportunity to shadow a departmental manager to better understand business operations and to get motivated on career planning.



Corporate volunteers support Career GPS programme by sharing personal career stories and experience with young mentees.

Health Care

YWCA NWS Y-Care Centre & Joyful Age Volunteering Programme

Hong Kong is experiencing an aging population. According to government figures, as many as one in three residents will be aged 65 or above by 2041. The elderly already make up about 10% of the population of Hong Kong's North District. The average waiting time for subsidized day care services in this district is about two years due to insufficient public and private services centres and health care resources. Care centres with specialized health care and care services for the elderly are in high demand. Apart from improving the quality of life for the elderly, these centres can relieve some of the burden on care providers and family members who would otherwise need to provide constant care.

To meet this need, and to mark the 10th anniversary of the first trading day of NWS Holdings in 2013, the Group pledged a donation of HK\$3 million to establish an elderly day care centre in North District. The YWCA NWS Y-Care Centre (North District) ("NWS Y-Care Centre") is operated and managed by the Hong Kong Young Women's Christian Association ("HKYWCA") as a social enterprise. The 325-square-metre facility provides a diverse range of services including day care,

rehabilitation therapy, cognitive training, reminiscence therapy and care-providers training. It is expected to serve 30,000 accumulative users within the first three years of operation.

Senior citizens living in North District's remote villages often do not have access to the social services they need because of limited public transport coverage. Those with physical difficulties may also have mobility issues. With this in mind, part of the Group's donation was used to introduce a brand new service coach equipped with built-



Our corporate volunteers paint a signature wall for the new NWS Y-Care Centre.

in wheelchair lifts, which provide elderly users with greater access to the NWS Y-Care Centre.

Our corporate volunteers are also involved in supporting the elderly community in North District through the three-year "Joyful Age" volunteering programme. The NWS Y-Care Centre provides resources and a service platform for volunteers to reach out to the senior citizens lacking family and community support. Now in its second year, the programme engages the elderly residing in Sha Tau Kok through laughing yoga, home visits, festival parties and activities that promote happy living and mental wellness.



A group of the elderly taste Chinese tea at the nostalgic tea corner at the NWS Y-Care Centre.

Environmental Protection



Young Ambassadors for Geoconservation join a field study in Sai Kung.

NWS Hong Kong Geo Wonders Hike & Young Ambassadors for Geoconservation Training Programme

Hong Kong is home to world-class and easily accessible rock formations and geological features, but these stunning natural resources were not well known to the general public back in 2008 when the NWS Hong Kong Geo Wonders Hike was launched in partnership with Association for Geoconservation, Hong Kong. To date over 23,000 citizens from all walks of life have participated in a wide range of educational activities including guided public tours, creative challenges, orienteering competitions and photography contests, contributing to wider awareness of geoconservation and environmental protection in our society.

In 2013, under the theme of "Geoconservation without Boundaries", a Geo-Month campaign was rolled out under the NWS Hong Kong Geo Wonders Hike programme. Apart from the popular guided public tour, the programme incorporated new activities including the GeoMazing Hunt orienteering competition, and the first-of-its-kind Asia Pacific Geotourism Conference that brought international experts in geoconservation to Hong Kong. To simultaneously promote social integration, we invited the Hong Kong Society for the Deaf to participate in the GeoMazing Hunt activity. Hearing-impaired participants joined in the fun, and all funds raised from the event were donated to this non-profit organization.

To promote geoconservation among young generation, we launched the Young Ambassadors for Geoconservation Training Programme in 2011, which targets secondary school students. Students from over 150 schools have since participated in a series of training activities including geoconservation classes, field trips, guided public tours, as well as newly added activities such as a leadership camp and a rock cleaning excursion in Cheung Chau. In FY2014, 20 outstanding students and their teacher advisors were invited to a cross-border study tour to Leiqiong Global Geopark in Haikou, China.



About 1,000 members of the public set off from Tung Chung for a guided tour to Mui Wo.





We believe that all businesses have a role to play in identifying and managing their impacts on the environment. Industries with high environmental impacts, such as construction and transport, are strictly regulated, and our businesses in these industries have effective management systems in place to ensure compliance. In addition, we have identified areas where we can go beyond regulatory requirements to reduce our environmental footprint.

ENVIRONMENTAL PERFORMANCE

Environmental Performance

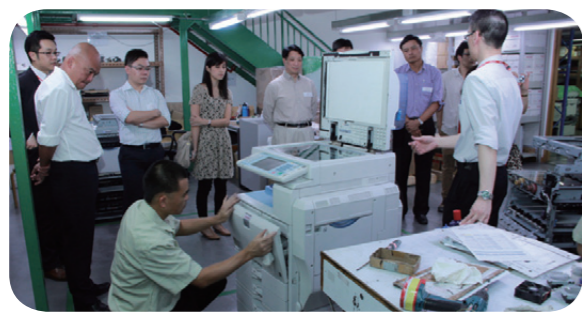
The Group's Environmental Sustainability Committee was established in 2007 to oversee the practical implementation of environmental policies. Members comprising representatives from each business unit meet twice a year to set targets, report performance and discuss successes and challenges to map out future plans. We also have Green Managers who are responsible for establishing environmental task forces at business unit level and raising internal awareness and engagement in environmental protection.

The government imposes strict regulations to manage the environmental impacts of the construction and transport industries. For example, comprehensive environmental impact assessments must be conducted and approved before new designated construction projects begin, and particulate emissions of bus and ferry engines must not exceed set limits. To ensure compliance with these regulations, we have incorporated environmental risks into our fundamental risk control system. To map our risks, we review cases of non-

compliance, litigations and summonses for environment-related issues. We also keep Corporate Office and business unit management informed of any changes to statutory environmental requirements, and ensure our subsidiaries and member companies obtain all required licenses and permits. Our construction segment has an ISO 14001 certified Environmental Management System and all of our construction sites are assessed for environmental impacts in accordance with this international standard.

It is important for us to motivate every employee to take action if we are to make an impact. To raise staff awareness and enthusiasm, we organize internal campaigns to get all staff involved in green initiatives. In the summers of 2013 and 2014, we launched a light-hearted waste management campaign under the theme "3R Formula" which included quiz games, waste reduction tips, waste management talk, used banner upcycling workshop, "green" birthday party and a "Foodwise" zero waste cooking challenge.

For more targeted training, we hold Sustainability Seminars on a regular basis for Group-wide decision-makers and managers to learn about environmental and social issues from external experts. We also organize site visits each year for Green Managers to stay abreast of the latest environmental trends, technologies and practices that could be useful for our business. This year, more than 40 Green Managers visited LIVE Office and Environmental Technical Centre of Ricoh Hong Kong to learn how to improve office efficiency and minimize waste; they also visited ASB Biodiesel, which operates a factory in Hong Kong that produces low-carbon transport fuel.



Green Managers visit Ricoh Hong Kong to learn about the latest green office solutions.



The "green" birthday party is part of "3R Formula" campaign.

Energy Consumption

Our approach is to reduce fuel and electricity consumption by introducing more energy-efficient equipment, streamlining processes and changing the behaviour of our employees. Reducing energy consumption reduces operating costs, and therefore makes sense for our bottom line as well as for the environment. The Group used over 94 million kWh of electricity during the reporting period.

In FY2014, HML reduced energy consumption by 4.2% through a combination of technologies that control lighting, power supply and air-conditioning. Since 2013, air-conditioning requirements in HKCEC have decreased as a result of applying energy-saving solar film to the western glass wall of the Expo Drive entrance lobby. HML also deployed an energy management tool, Energy Control Logic Software, to track and manage power usage of 74 Air Handling Units. Thirty-two of 89 escalators are now equipped with Frequency Drive Control Units, which can save energy by adjusting motion frequency and voltage according to visitor usage.

NWFB and Citybus installed LED lights on all new buses instead of fluorescent lamps, which accounted for estimated savings of over 230,000kWh. In addition, our bus operations saved up to a combined 7,246kWh of electricity (equivalent to about 5.8 tonnes of carbon dioxide) at offices and bus depots by replacing halogen spotlights with energy-efficient LED spotlights and installing motion sensor-controlled LED fluorescent tubes. Bus captains have also been trained in driving techniques to improve fuel efficiency, which further reduces the energy requirements of our bus operations.

Hip Hing is working to reduce its fuel consumption. Of the construction equipment the company owns, generators, tower cranes and Reverse Circulation Drills consume the most energy. In accordance with the ISO 50001 certified Energy Management System, we aim to reduce the energy consumption of these machines by

at least 1%. In addition, Hip Hing successfully reduced the energy consumption of its head office by about 14% in the reporting period. In accordance with the requirements of the local green building standard, BEAM Plus, it is committed to sourcing at least 10%, by cost, of construction materials within 800km of each project site. In particular, we endeavour to ensure that heavy materials which we require in substantial quantities, including concrete, steel bars and pavers, are manufactured as close as possible to Hong Kong in order to reduce fuel used in transport.

Emissions and Air Quality

Poor air quality poses a threat to public health and is of increasing concern to residents of Hong Kong. We are working to reduce the direct emissions of our transport business, in line with government initiatives to combat air pollution. Meanwhile, greenhouse gases contribute to climate change, which leads to increasingly severe and frequent extreme weather events that might impact our business, and thus we strive to reduce our overall emissions across our operations.

An important approach we take to improve air quality is to introduce greener buses. We are systematically upgrading our buses to more environmentally friendly Euro 4 and Euro 5 standard, and our fleet comprised 643 of these cleaner, more fuel-efficient models as of 30 June 2014. A Euro 5 diesel vehicle emits between 7.5 to 34 times less particulate matter (PM) and up to 4.5 times less nitrogen oxides (NOx) compared to a pre-Euro 3 model. The lifespan of each bus is 17-18 years, and so for the Euro 2 and Euro 3 buses still in service, we have retrofitted Diesel Particulate Filters to reduce emissions by 90%. In partnership with the Environmental Protection Department, selective catalytic reduction devices are being installed to reduce NOx emissions of Euro 2 and Euro 3 buses to acceptable levels. Alternative clean bus models such as hybrid and electric buses will also be added to our fleet. Three hybrid buses are expected to be in service starting from the fourth quarter of 2014.



NWFB and Citybus continue to improve environmental performance by upgrading our buses to more fuel-efficient models.



Environmental Performance

Targets:

- 90% of our buses to achieve Euro 4 or above standard by 2017
- Trial run up to 10 electric buses by year 2015

The Environment Bureau strictly regulates smoke emissions from ferries. We make efforts to comply with the requirement that emissions should be no darker than Ringlemann Chart Shade No. 2 for three minutes or more, which is independently assessed by the Marine Department. NWFF also takes an active role in policy development for cleaner marine diesel, and was a committee member of the Enhancing Marine Diesel Quality Working Group formed by the Environmental Protection Department. In practice, from April 2014 onwards, NWFF's fleet has switched to marine light diesel with no more than 0.05% sulphur content in order to meet regulatory requirements and reduce pollutants.

We support Project CLEAN AIR launched by the Hong Kong General Chamber of Commerce and the Hong Kong Business Coalition on the Environment, and have been a signatory of the Clean Air Charter since November 2006.

Materials Use

The issue of materials is most relevant to our construction business. The weight of key materials used is disclosed in the Performance Tables. As mentioned previously, the Group is committed to using more sustainable materials, where possible. Since 2011, Hip Hing has committed to sourcing all wood used in temporary structures, such as timber formwork, from sustainable sources such as Forest Stewardship Council certified suppliers. To reduce construction

waste, Hip Hing has established Inert Materials Transfer Programme to turn waste into useful materials for other construction projects. This initiative has achieved cost savings while cutting down the quantity of waste disposed in landfills.

Another significant material we use across our offices and operations is paper. We used a total of 130,735 kg of paper in the reporting period. Paper reduction programmes are implemented across the Group. For example, we have started to disseminate an electronic version of our staff newsletter, New Voice, and reduced print copies by 75% since 2013. NWFB and Citybus cut paper consumption by about 3,000 kilograms per year by resizing the bus captains' daily work log sheet from A4 to A5 size.

Waste Management

It is estimated that Hong Kong's current landfills will be full by 2020. It is imperative for industries that produce significant quantities of waste to review their processes and recycle or reuse materials where possible to divert waste from landfills. In the reporting period, we ran an internal Waste Management Recognition Scheme, for which each subsidiary and member company submitted a report of one major waste reduction initiative implemented to reduce waste at operational level. Projects were judged based on criteria including programme scale, creativity, results and effectiveness of internal engagement. Winning projects are featured in the case studies of this section.

CASE STUDY

Our Approach to Reuse Construction Waste

The construction industry produces large quantities of inert waste, including excavated soil, rocks and broken concrete. Ordinarily disposed of in government temporary fill banks, these materials can be used in reclamation projects and other construction sites. Hip Hing is working with subcontractors to implement an Inert Materials Transfer Programme, which distributes our inert waste for reuse in other construction projects. Waste is diverted from landfills and other construction sites receive free backfill material. At present, we reuse 91% of the inert waste generated, which represents over 9,800m³ of landfill space saved and a cost saving of over HK\$450,000. Hip Hing will engage more foundation subcontractors to help identify more external projects to receive our inert waste.



CASE STUDY

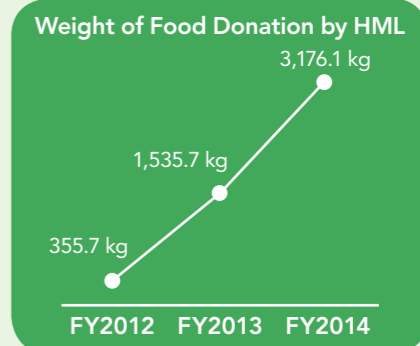
Food Waste Control at HKCEC

We are working to reduce food waste at HKCEC through food donation programmes and food decomposer machines on site. In FY2014, HKCEC managed to divert over 37,000kg of food waste from landfills.

HML joins hands with local charities Food Angel and St. James' Settlement to donate surplus food, including unconsumed cooked food, raw food and bread, to the needy. In FY2014, over 3,000kg of food was donated compared to about 1,500kg in the previous financial year, representing a two-fold increase.

HML's employees and event and banquet clients are engaged in food donation. All new staff members are briefed on the programme at their orientation. Individuals involved in the food handling process, including chefs, kitchen staff and catering staff, are well informed of the proper procedure for preparing any surplus food for donation. Event managers inform clients of the programme, and encourage them to support this worthy cause.

Although the programme has expanded rapidly, HKCEC has a surplus of food available for donation. Moving forward, we hope to find more food banks to partner with, and also engage more of our employees in the actual distribution of the food to the needy, so that they can appreciate the difference the programme is making.



Waste reduction initiatives at NWFB and Citybus included developing a waste water recycling system that reduces water usage for daily cleaning of bus body. Around 70% of water used to wash the buses every day can be reclaimed through this system, which recaptures, treats, and stores used water in a specially designed water tank. Apart from reducing waste in supply chain as described previously, our bus companies send old bus tyres to designated contractors for turning into useful materials, such as playground tiles.

NWFF has identified two potential areas for positive impact for its Trash to Treasures initiative: plastic bottles disposed by passengers and staff, and used advertising banners and lightbox film collected from our piers and ferries. Plastic bottle receptacles were placed at all seven NWFF piers and at our Cheung Sha

Wan office, and we have collected 1,796 kg of plastic waste in the reporting period. All plastic waste was donated to Yan Oi Tong EcoPark Plastic Resources Recycling Centre, a local social enterprise, where the bottles, banners and lightbox films are sorted, cleaned, processed and re-sold to the plastic industry as raw materials for making new products.

Recognition

Our environmental efforts have been recognized by the Hong Kong Awards for Environmental Excellence led by the Environmental Campaign Committee and the Environmental Protection Department. In the reporting period, we received a total of 18 labels and certificates including Energywise, Wastewise, IAQwise and Carbon "Less" Certificates.



Performance Tables

GRI Reference	Indicator	Unit	FY2014
Economic			
G4-EC1 ¹	Revenue	HK\$ million	21,443.0
	Attributable operating profit	HK\$ million	4,379.0
	Profit attributable to shareholders	HK\$ million	4,324.9
	Net assets	HK\$ million	43,043.4
	Income tax expenses	HK\$ million	605.3
	Profit before income tax	HK\$ million	4,987.8
G4-EC1	Charitable contributions		
	Total community investment	HK\$ million	3.7
G4-EC9	Proportion of spending on local (i.e. Hong Kong) suppliers		
	Corporate Office	%	100
	HML	%	98
	Free Duty	%	79
	Hip Hing	%	100
	NWFB and Citybus	%	89
	NWFF	%	50
Environment			
G4-EN1	Total weight of major construction materials used		
	Bricks	tonnes	149.3
	Cement	tonnes	814.7
	Concrete	tonnes	946,407.4
	Reinforcing steel bars	tonnes	78,767.7
	Sand	tonnes	8,818.1
	Stones	tonnes	16,605.5
	Timber	tonnes	560.9
G4-EN1	Paper used	kilograms	130,735.4
G4-EN3	Total energy consumption	gigajoules	6,016,998.3
	Fuel consumption from non-renewable sources (electricity, towngas ² , unleaded petrol, diesel oil and gasoline ³)	gigajoules	6,015,716.2
	Fuel consumption from renewable sources (bio-diesel) ⁴	gigajoules	1,282.1
G4-EN3	Electricity consumption	gigajoules	339,506.6
G4-EN3	Towngas consumption ²	gigajoules	1,237,148.7
G4-EN3	Unleaded petrol consumption	gigajoules	8,859.5
G4-EN3	Diesel oil consumption	gigajoules	4,430,071.9
G4-EN3	Gasoline consumption ³	gigajoules	129.5

G4-EN8	Municipal fresh water (town water) consumption ⁵	m ³	807,673.4
G4-EN15	Total direct greenhouse gas emissions ⁶	tonnes of CO ₂	389,294.9
G4-EN16	Total indirect greenhouse gas emissions ⁶	tonnes of CO ₂	81,737.2
G4-EN23	Total construction waste generated ⁷	tonnes	561,551.7
	Inert materials reused	%	91
	Mixed waste disposal to landfills	%	9
G4-EN23	Total weight of waste recycled ⁸	tonnes	1,094.6
G4-EN23	Other items recycled		
	Chemical waste (battery cell) ⁹	units	1,731
	Chemical waste (lubricant and spent non-halogen organic solvent) ⁹	litres	452,534
	Cooking oil ¹⁰	litres	497
	Fluorescent lamps ¹¹	kilograms	31,196.8
	Waste toner ¹²	pieces	449
G4-EN23	Total food waste diverted from landfills	kilograms	37,027.7

Notes:

- For more details, please refer to our [Annual Report 2014](#)
- By HML and NWFB and Citybus
- By Free Duty
- By Hip Hing
- Excludes water consumption at Corporate Office and Free Duty (Hong Kong-Macau Ferry Terminal outlet) as both reporting entities are tenants of the properties; water usage charges are covered by property management fee
- Greenhouse gas emissions are estimations calculated based on electricity consumption by adopting default emission factors provided on www.epd.gov.hk
- As an established practice, inert materials generated from Hip Hing's construction sites are delivered to public filling facilities for use in other reclamation and site formation projects
- Includes aluminium cans (HML, NWFB and Citybus, and NWFF), plastics (Corporate Office, HML and NWFF), scrap metal (HML, NWFB and Citybus, and NWFF), glass (HML), scrap tyres (NWFB and Citybus) and paper across the Group
- By NWFB and Citybus
- By HML
- By HML and NWFB and Citybus
- By Corporate Office, Hip Hing, NWFB and Citybus, and NWFF

Performance Tables

GRI Reference	Indicator	Unit	FY2014		
Labour Practices and Decent Work					
G4-10	Total workforce by employment contract and gender		Male	Female	
	Permanent contract	no. of people	7,115	1,213	
	Fixed-term contract	no. of people	1,063	58	
	Temporary contract	no. of people	4	0	
G4-10	Permanent employees by employment type and gender		Male	Female	
	Full-time	no. of people	8,066	1,246	
	Part-time	no. of people	116	25	
G4-LA1	Total number of new hires by age group and gender		Male	Female	
	Under 30	no. of people	381	98	
	30-50	no. of people	459	123	
	Above 50	no. of people	247	35	
G4-LA1	Rate of new hires by gender and age group				
	By gender		Male	Female	
		%	11.5	2.7	
	By age group		Under 30	30-50	Above 50
		%	5.1	6.2	3
G4-LA1	Total turnover number by age group and gender		Male	Female	
	Under 30	no. of people	160	93	
	30-50	no. of people	294	127	
	Above 50	no. of people	323	35	
G4-LA1	Rate of turnover by gender and age group				
	By gender		Male	Female	
		%	8.2	2.7	
	By age group		Under 30	30-50	Above 50
		%	2.7	4.5	3.8
G4-LA3	Return to work rates after parental leave, by gender		Male	Female	
	Total number of employees who took parental leave	no. of people	34	31	
	Total number of employees who returned to work after parental leave	no. of people	34	30	
	Return to work rates, by gender	%	100	96.8	
Occupational Health and Safety					
G4-LA5	Percentage of total workforce represented in formal management-worker health and safety committees	%		1.4	
G4-LA6	Fatalities	no. of people		1	
G4-LA6	Injury rate	per 1,000 workers		34.5	
G4-LA6	Lost day rate	%		0.5	
G4-LA6	Absentee rate	%		4.8	

Training and Education					
G4-LA9	Average hours of training per year per employee	hours		16.2	
G4-LA9	Average training hours by gender				
	Male	hours		14	
	Female	hours		9	
G4-LA9	Average training hours by employee category				
	Assistant General Manager and above	hours		4	
	Manager and Senior Manager	hours		5	
	Assistant Manager	hours		8	
	General Staff	hours		4	
	Operational Staff	hours		16	
	Contract and Part-time Staff	hours		12	
G4-LA11	Employees receiving regular performance reviews by gender				
	Male	%		90.4	
	Female	%		92.1	
G4-LA11	Employees receiving regular performance reviews by employee category				
	Assistant General Manager and above	%		100	
	Manager and Senior Manager	%		99.1	
	Assistant Manager	%		99.0	
	General Staff	%		99.1	
	Operational Staff	%		76.1	
	Contract and Part-time Staff	%		95.6	
G4-LA12	NWS Holdings Board composition by gender				
	Male	%		100	
	Female	%		0	
G4-LA12	NWS Holdings Board composition by age				
	Under 30	%		0	
	30-50	%		15.4	
	Above 50	%		84.6	
G4-LA12	NWS Holdings Board composition by ethnicity				
	Chinese	%		92.3	
	Non-Chinese	%		7.7	
G4-LA12	Diversity disclosure by employee category - gender		Male	Female	
	Assistant General Manager and above	%	82	18	
	Manager and Senior Manager	%	74.5	25.5	
	Assistant Manager	%	64.9	35.1	
	General Staff	%	51.2	48.8	
	Operational Staff	%	90.3	9.7	

Performance Tables

GRI Reference	Indicator	Unit	FY2014		
Labour Practices and Decent Work					
G4-LA12	Diversity disclosure by employee category - age		Under 30	30-50	Above 50
	Assistant General Manager and above	%	0	44	56
	Manager and Senior Manager	%	0.5	61.8	37.7
	Assistant Manager	%	7.7	71.7	20.6
	General Staff	%	27.5	55.2	17.3
	Operational Staff	%	9.1	39	51.9
G4-LA12	Diversity disclosure by employee category - ethnicity		Chinese	Non-Chinese	
	Assistant General Manager and above	%	96	4	
	Manager and Senior Manager	%	98.6	1.4	
	Assistant Manager	%	100	0	
	General Staff	%	99.9	0.1	
	Operational Staff	%	100	0	
Human Rights					
G4-HR3	Incidents of workplace discrimination recorded	no. of cases	0		
Society					
G4-SO1	Employee volunteering	hours	12,778		
G4-SO5	Total reported incidents of non-compliance with laws and regulations related to accounting fraud and corruption, and related significant fines	no. of cases	0		
G4-SO8		HK\$	0		
Product Responsibility					
G4-PR1	Percentage of buses and ferries assessed for safety improvement	%	100		
G4-PR2	Total incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services	no. of cases	11		
G4-PR9	Monetary value of fines for non-compliance with laws and regulations concerning the provision of products and services	HK\$	105,800		

GRI Index

General Standard Disclosure	Detail	ESG Reporting Guide Reference	Page	Section/Remarks
Strategy and Analysis				
G4-1	Chairman's Statement		4-5	Chairman's Message
Organizational Profile				
G4-3	Name of organization		2	About this Report
G4-4	Primary brands, products, and services		10-12	Our Approach to Sustainability
G4-5	Location of headquarters		10	Our Approach to Sustainability
G4-6	Countries of operation		10	Our Approach to Sustainability
G4-7	Nature of ownership and legal form		10	Our Approach to Sustainability
G4-8	Markets served		10	Our Approach to Sustainability
G4-9	Scale of the organization		10	Our Approach to Sustainability See also Corporate Profile section of Annual Report 2014
G4-10	Employee statistics	KPI A1.1	18-19 46-48	Our Approach to Sustainability Human Capital Performance Tables
G4-11	Percentage of employees covered by collective bargaining agreements		N/A	No employees are covered by collective bargaining agreements
G4-12	Supply chain description	GD C1	28-31	Supply Chain Management
G4-13	Significant changes during the reporting period		N/A	This is the first Sustainability Report of NWS Holdings
G4-14	Report how the precautionary approach is addressed		38-43	Environmental Performance
G4-15	Charters		14	Our Approach to Sustainability
G4-16	Memberships		14	Our Approach to Sustainability
Identified Material Aspects and Boundaries				
G4-17	List entities included in financial statements; mention those not covered by this report	Reporting Guidance 15	2-3 6-8	About this Report Reporting Methodology See also Project Key Facts and Figures section of Annual Report FY2014
G4-18	Process for defining report content and aspect boundaries	General Approach 9, 10, 11	6-9	Reporting Methodology
G4-19	List material aspects	General Approach 9, 10, 11	8	Reporting Methodology
G4-20	Aspect boundaries within the organization		8	Reporting Methodology
G4-21	Aspect boundaries outside the organization		8	Reporting Methodology
G4-22	Effect of any restatements in previous reports	Reporting Guidance 18	N/A	This is the first Sustainability Report of NWS Holdings
G4-23	Significant changes in scope and aspect boundaries from previous reporting period		N/A	This is the first Sustainability Report of NWS Holdings

General Standard Disclosure	Detail	ESG Reporting Guide Reference	Page	Section/Remarks
Stakeholder Engagement				
G4-24	List of stakeholders engaged by the organization	General Approach 12, 13	7	Reporting Methodology
G4-25	Report basis for identification and selection of stakeholders	General Approach 12, 13	7	Reporting Methodology
G4-26	Stakeholder engagement approach and frequency	General Approach 13, 14	7 14	Reporting Methodology Our Approach to Sustainability
G4-27	Report any key topics and concerns raised by stakeholders	General Approach 13	8-9	Reporting Methodology
Report Profile				
G4-28	Reporting period	Reporting Guidance 16	2	About this Report
G4-29	Date of most recent report	Reporting Guidance 16	N/A	This is the first Sustainability Report of NWS Holdings
G4-30	Reporting cycle	Reporting Guidance 16	2	About this Report
G4-31	Contact point for questions regarding the report and its contents	General Approach 14	3	About this Report
G4-32	GRI "in accordance" option chosen		3	About this Report
G4-33	External assurance		3 52	About this Report Verification Statement
Governance				
G4-34	Governance structure of the organization		13-14	Our Approach to Sustainability See also Corporate Governance Report section of Annual Report FY2014
Ethics and Integrity				
G4-56	Describe the organization's values, principles, standards, and norms of behaviour such as codes of conduct and codes of ethics		10-14	Our Approach to Sustainability See also www.nws.com.hk
Material Issue	GRI G4 Indicator	ESG Reporting Guide Reference	Page	Section/Remarks
Corporate governance	G4-34		13-14	See above
Economic performance	G4-EC1		10 44	Our Approach to Sustainability Performance Tables
Procurement practices	DMA G4-EC9	GD C1 KPI C1.2	28-31 44	Supply Chain Management Performance Tables
Materials	DMA G4-EN1	GD B3 KPI B3.1	38-43 44-45	Environmental Performance Performance Tables

Energy	DMA G4-EN3 G4-EN7	GD B2 KPI B2.1 KPI B2.3	41 44-45	Environmental Performance Performance Tables
Water	DMA G4-EN8	KPI B2.2	43 45	Environmental Performance Performance Tables
Emissions	DMA G4-EN15 G4-EN16	GD B1 KPI B1.2	41-42 45	Environmental Performance Performance Tables
Waste	DMA G4-EN23	GD B1 KPI B1.4	42-43 45	Environmental Performance Performance Tables
Employment	DMA G4-LA1 G4-LA3	GD A1 KPI A1.2	16-21 46	Human Capital Performance Tables
Occupational health and safety	DMA G4-LA5 G4-LA6	GD A2 KPI A2.1 KPI A2.2 KPI A2.3	20 46	Human Capital Performance Tables
Training and education	DMA G4-LA9 G4-LA11	GD A3 KPI A3.2	19-21 47	Human Capital Performance Tables
Diversity and equal opportunity	DMA G4-LA12	GD A1	18-19 47-48	Human Capital Performance Tables
Non-discrimination	DMA G4-HR3	GD A1	18 48	Human Capital Performance Tables
Local communities	DMA G4-SO1	GD D1 KPI D1.1 KPI D1.2	32-37 48	Community Care Performance Tables
Anti-corruption	DMA G4-SO5	GD C3 KPI C3.1 KPI C3.2	13 30	Our Approach to Sustainability Supply Chain Management
Compliance	DMA G4-SO8	GD C3	13 48	Our Approach to Sustainability Performance Tables
Customer health and safety	DMA G4-PR1 G4-PR2	GD C2	24-25 48	Customer Service Performance Tables Eleven incidents of non-compliance in FY2014 – two regarding bus parts failure, and nine related to health and safety measures of construction sites
Product and service labelling	DMA G4-PR5	GD C2	25-26	Customer Service
Compliance (product and service)	DMA G4-PR9	GD C2	48	Performance Tables

Verification Statement



Scope and Objective

Hong Kong Quality Assurance Agency was commissioned by NWS Holdings to provide an independent assurance of its Sustainability Report 2014 (the "Report") which was prepared in accordance with the Core option of GRI G4 Sustainability Reporting Guidelines and by reference to the ESG Reporting Guide issued by Hong Kong Stock Exchange. The Report states NWS Holdings' major activities and achievements on sustainable development from 1 July 2013 to 30 June 2014.

Assurance Methodology

The assurance process was undertaken with reference to the AA1000 Assurance Standard, aiming to assess the Report's adherence to the principles of Inclusivity, Materiality, and Responsiveness. In addition, reliability of the selected sustainability information and data were verified following the process consisted of:

- Identification and classification of statements, figures, charts and data sets to be verified
- Verification of selected representative samples of data and information consolidated in the Report, reviewing relevant documentation, interviewing responsible personnel with accountability for preparing the Report
- Cross-checking the raw data and evidence of the selected samples that support the reporting content in order to reduce the risk of error or omission to an acceptably low level

Independence

HKQAA was not involved in collecting and calculating the reported data, or in the development of the Report. HKQAA's activities are independent from those of NWS Holdings.

Conclusion

The Report provides a material and complete representation of the performance of NWS Holdings in the context of sustainable development. The verification team confirmed that the Report was prepared based on factual statements and that the data contained in the Report are accurate. It is a fair and honest representation of initiatives, targets, progress and performance on the sustainable development of NWS Holdings.

Overall speaking, the Report provides an adequate and fair account of NWS Holdings' sustainability performance in material aspects. It demonstrates satisfactory disclosure of information in accordance with the Core option of the GRI G4 Sustainability Reporting Guidelines, and with reference to the ESG Reporting Guide issued by Hong Kong Stock Exchange.

Signed on behalf of HKQAA

Jorine Tam
Assistant Director, Strategic Business
November 2014



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