



新創建 NWS



**SUSTAINABILITY
SUMMARY REPORT
2014**

NWS HOLDINGS LIMITED
STOCK CODE: 659



Introduction from the Chairman

I am pleased to introduce the first standalone Sustainability Report of NWS Holdings Limited (“NWS Holdings” or the “Group”). 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.

We hope this Sustainability Report, together with our Annual Report, provides a holistic view of the past performance and future prospects of our business. 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.”

Overview

NWS Holdings publishes our first standalone Sustainability Report that provides comprehensive information on the sustainability performance of our Hong Kong operations in the period from 1 July 2013 to 30 June 2014 (“FY2014”). The reporting scope covers our Corporate Office and Hong Kong-based subsidiaries and member companies, namely Hong Kong Convention and Exhibition Centre (Management) Limited (“HML”), Free Duty, Hip Hing Construction Group (“Hip Hing”, mainly comprises Hip Hing Construction Company Limited and Vibro (H.K.) Limited), New World First Bus Services Limited and Citybus Limited (“NWFB and Citybus”) and New World First Ferry Services Limited (“NWFF”).

The report is prepared in accordance with the Core option of Global Reporting Initiative (“GRI”) G4 Sustainability Reporting Guidelines and references the Environmental, Social and Governance Reporting Guide issued by the Stock Exchange of Hong Kong Limited (“Hong Kong Stock Exchange”). Hong Kong Quality Assurance Agency has independently verified that the content of this report fulfils the Core option requirements of the G4 Sustainability Reporting Guidelines.

For more information, please download the full report from our corporate website www.nws.com.hk or dedicated sustainability website sr.nws.com.hk.

Feedback and comments can be directly addressed to sustainability@nws.com.hk.



Download Full Report

Our Business at a Glance

NWS Holdings is the infrastructure and services 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, we possess 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. For details about our financial performance, please refer to our Annual Report 2014.

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.



Hang Seng Corporate
Sustainability Index
Series Member 2014-2015



Our Approach to Sustainability

We drive sustainability in accordance 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

Good corporate governance is the key to ensuring effective and transparent operations, and promotes sustainable development of the Group. We have a governance framework to ensure sustainable business practices within the Group.

Governance

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. For further information, please refer to the Corporate Governance Report section of our Annual Report 2014.



Corporate Social Responsibility Committee directs and oversees the Group's sustainability development

Policy

The Group has put in place comprehensive guidelines, policies and procedures to ensure management and employees at all levels are fully aware of the Group's expectations and conduct business accordingly. These guidelines and policies include:

- *Corporate Governance Manual*
- *Whistleblowing Policy*
- *Guidelines on Internal Control System*
- *Corporate Policy on Staff Responsibility*
- *Disclosure Policy on Inside Information*
- *Code of Conduct*

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 regularly through a multitude of platforms, enabling us to incorporate their opinions into management plans. We have established "Shareholders' Communication Policy" to ensure accurate, consistent and timely dissemination of information to our shareholders and the financial community. As part of our community engagement approach, we take 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.

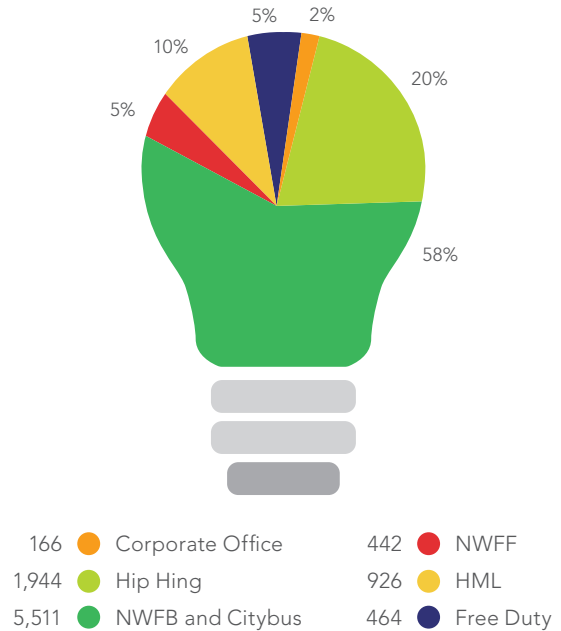
Human Capital

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.

We respect the fundamental rights of our employees and strive 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. All employees are provided with equal opportunities for growth and career progression. Our internal "Code of Conduct" clearly states no discrimination will be tolerated.

More than **153,000 hours** of training provided to our employees, representing an average of **16 hours** of training per employee.

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



Customer Service

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 Safety and Comfort

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.

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 Hong Kong Convention and Exhibition Centre ("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.

Supply Chain Management

We recognize that as transparency becomes increasingly important to customers and regulators, our supplier relationships have the ability to impact our reputation and sustainability performance. Our supplier management practices are guided by the "Supplier Code of Conduct" of our parent company, and reflect the following principles:

Supplier Conduct	Local Procurement	Responsible Supplier Management
We expect our suppliers to abide by all applicable laws and regulations. They are required to operate to the highest ethical standards, and should not be involved in any forms of corruption, bribery or fraud.	We endeavour to support Hong Kong's economy and help create employment by engaging local suppliers where possible.	Our suppliers are encouraged to take sustainability practices into account when conducting business with us. For example, we select local produce, introduce fuel-efficient buses, and require suppliers to disclose sustainability information.



Environmental Performance

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.

Emissions and Air Quality

- 643 fuel-efficient Euro 4 and Euro 5 buses in service as of 30 June 2014
- Diesel Particulate Filters retrofitted to all Euro 2 and Euro 3 buses to reduce overall emissions by 90%
- Trial run up to 10 electric buses by 2015

Aim for



of our bus fleet to be at Euro 4 or higher standard by 2017

Construction Waste Management

- Hip Hing's Inert Materials Transfer Programme diverts inert construction waste from Hong Kong's near-full landfills by reusing it as backfill materials in other construction projects



of our inert waste was reused, and 9,800m³ of landfill space saved

Food Waste Control

- We are working to reduce food waste at HKCEC through food donation programmes and food decomposer machines on site
- Staff and customers are engaged in on-going food donation, and over 3,000kg of food was donated in FY2014, up 100% from the previous financial year



of food waste from landfills

Community Care

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 areas of our community investment strategy: community welfare, education, health care and environmental protection.



NWS Volunteer Alliance is the backbone of our community services, and has contributed more than **120,000 service hours** since 2001.

Signature Community Programmes

YWCA NWS Y-Care Centre (North District)

- The Group pledged a donation of HK\$3 million to the Hong Kong Young Women's Christian Association to set up an elderly day care centre, which is supported by a new service coach and long-term Joyful Age volunteer programme
- The 325-square-metre facility provides a diverse range of services including day care, rehabilitation therapy, cognitive training and care-providers training, aiming to serve 30,000 accumulative users within the first three years of operation



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



新創建香港地貌行
NWS Hong Kong
Geo Wonders Hike

- Launched in 2008, it is one of the largest geoconservation campaigns in Hong Kong
- Over 23,000 members of the public participated in a wide range of featured activities
- Students from more than 150 secondary schools trained as the Young Ambassadors for Geoconservation, accumulating over 10,000 hours of training



Key Figures and Highlights

for the year ended 30 June



Economic

Market capitalization increased from HK\$4.5 billion from the day of listing to over

HK\$50 billion

as of 30 September 2014



Corporate Governance

3,327 hours

of staff training on anti-corruption



Human Capital

9,453

employees from reporting entities

57%

of bus captains received enhanced medical check-ups

Zero

reported incident of workplace discrimination



Supply Chain Management

Approximately

80%

of procurement budget of reporting entities was spent on local suppliers*

* Refer to companies or individuals in Hong Kong to which payments are made directly, according to G4 Sustainability Reporting Guidelines. The figure excludes NWFF.



Customer Service

Approximately

5.9 million

visitors attended events at HKCEC

Over

1.2 million

patronage carried by our bus and ferry fleets per day

100%

of the assessed buses achieved Good Air Quality



Community Care

HK\$3.7 million

donated to charitable causes

12,778 hours

of community services clocked by corporate volunteers



Environmental Performance

1,095

tonnes of waste recycled

643

Euro 4 and Euro 5 buses in service



NWS Holdings Limited takes every practicable measure to conserve resources and minimize waste.

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