



新創建 NWS

NWS HOLDINGS LIMITED

STOCK CODE: 659

SUSTAINABILITY REPORT 2015



CORPORATE PROFILE

Headquartered and listed in Hong Kong, NWS Holdings Limited (“NWS Holdings” or the “Group”, Hong Kong stock code: 659) is the infrastructure and service flagship of New World Development Company Limited (“NWD”, Hong Kong stock code: 17). 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 69 projects and two strategic investments in four major segments, namely Roads, Energy, Water and Ports & Logistics as at 30 June 2015. The Services division primarily covers Facilities Management, Construction & Transport and Strategic Investments.

VISION, MISSION AND CORE VALUES

Vision

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

Mission

Synergize and develop business units that:

- Nurture total integrity
- Attain total customer satisfaction
- Foster learning culture and employee pride
- Build a world-class service provider brand
- Maximize financial returns

Core Values

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

SUSTAINABILITY POLICY

As a responsible corporate citizen, we strive to incorporate sustainability into our culture and day-to-day operations. Our approach to sustainability aligns with our parent company's Sustainability Policy and affirms our long-term commitment to:

- Exceed statutory requirements in relation to sustainability issues
- Engage our stakeholders and develop mutual communication on our sustainability performance
- 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

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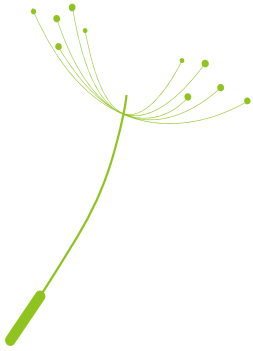
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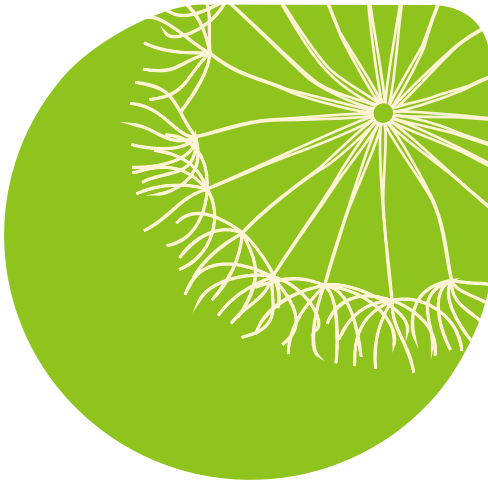
VERIFICATION STATEMENT



CEO MESSAGE



Corporate sustainability is a core element of NWS Holdings' growth strategy. It strengthens our ability to outperform the market and deliver long-term value, beyond financial return, to our shareholders and stakeholders. By integrating sustainability into all aspects of our business, we can gather momentum for growth, improve our brand reputation, strengthen stakeholder relations and, ultimately, boost our profitability.

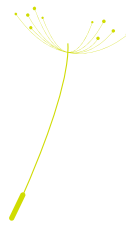


As we progress along the journey of enhancing our sustainability performance, this report serves to underline our continuous effort to exceed stakeholder expectations on corporate transparency and accountability. We are broadening the scope of reporting on our Hong Kong operations and extending the platforms for stakeholder engagement. We are also seeking new perspectives from a wider range of stakeholders, including independent experts in sustainability.

Through the engagement process, our many and varied stakeholders have provided valuable views covering board diversity, talent continuity, community investment and environmental mitigation. Their views are crucial to the evolution of our approach to sustainability and we are taking concrete steps to review and respond to the challenges they have raised.

What is evident from the views that stakeholders have expressed is that we are competing in a business environment that demands ever-higher levels of transparency and accountability. Only corporations that act in the best interests of stakeholders and the community as a whole will continue to grow and thrive.

As we navigate this evolving business landscape, the continued, concerted efforts of our staff are vital to our ability to deliver commitments on sustainability. Our employees are dedicated to developing better, more efficient and environmentally-friendly operating practices in the course of improving our business performance. Across our operation we invest in our staff and promote team spirit in order to reinforce our position as an employer of choice. Our comprehensive human resources strategy and dedication to work-life balance



foster a strong corporate culture in which employees and their families feel cared for.

At NWS Holdings, we understand that businesses are always exposed to an element of risk. As we work to anticipate uncertainty, we seek to turn risks into opportunities through adaptive strategic planning. The shortage of skilled labour, for instance, continues to pose a threat to the strength of many Hong Kong businesses. To this end, we are making efforts to enhance our partnerships with tertiary institutions and vocational schools, and through broader platforms to engage with talented people, including the first ever Recruitment Day by Hong Kong Convention and Exhibition Centre (Management) Limited.

In addition to managing talent, we develop and use an extensive value chain network, and this provides us with the opportunity to positively influence the awareness and practices of our business partners, suppliers and customers regarding sustainability. One example of this is the tendering process presently used by our construction companies. On top of professional competence and the track record of a business, they evaluate and benchmark the environmental, community, employee and governance performance of potential subcontractors. By engaging our stakeholders in this way, we not only improve the efficiency and sustainability awareness of those parties we work with, but also create a wave effect of understanding that extends to the broader community and generates greater benefits.

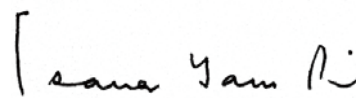
Businesses across the globe are facing a pressing challenge: the need to address climate change and bring about social progress while at the same time facilitating continued economic growth. We are addressing this challenge in a number of ways. We focus on reducing our energy consumption and carbon footprint. We are also proud of our commitment to using more environmentally-friendly vehicles in our transport business. About 50% of our bus fleet is now at a fuel-efficient Euro 4 standard or above and three low-emission hybrid buses are also in service. Electric buses are being rigorously tested this year before they enter public service. These vehicles can help further reduce roadside emissions and contribute to a better environment in Hong Kong.

Our continued focus on green investments goes hand in hand with community investment. We have recently made the strategic decision to establish an RMB30

billion investment platform, together with our French and Chinese partners, to invest in the growing environmental sector in Mainland China. This will benefit not only the natural environment but also local economies and, ultimately, generations of people. We are also committed to forming partnerships with civil society organizations to address social issues and make a positive contribution to each community we work with. As Hong Kong's population ages, there will be increasing demand for easier access to social services and for elderly care facilities. We are helping the community address these needs through contributions such as our HK\$3 million donation towards the YWCA NWS Y-Care Centre (North District). This centre, now in its second year of operation, provides one-stop day care and health care services for the elderly people, who have contributed so much towards the development of Hong Kong.

Over the years we have passed notable milestones along our journey to sustainability. The year of 2015 represents our fifth year as a constituent stock of the Hang Seng Corporate Sustainability Benchmark Index. This is a testament to our position as a sustainable company while underscoring the value we bring to our stakeholders and the community at large. Last year we published our first standalone sustainability report to provide greater transparency regarding our work on sustainability. This progress would not have been possible without the dedication of our employees and the unwavering support of people across the board.

You will have noticed that the cover of this report features a dandelion flower. This flower, with its seeds spreading far and wide, is representative of the sustainability work we are doing here at NWS Holdings. Just as the flower relies on the wind, so we depend on the support of our stakeholders as we seek to extend the reach of our commitments on sustainability. Thank you for your support and we look forward to sharing a brighter and more sustainable future with you all.



Tsang Yam Pui
Chief Executive Officer



ABOUT THIS REPORT



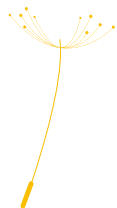
This report presents NWS Holdings' management approach to sustainability, the progress we have made during the period from 1 July 2014 to 30 June 2015 ("FY2015"), and the challenges we face as we continue our sustainability journey. We also include information and data during the period between 1 July 2013 and 30 June 2014 ("FY2014") for tracking and comparison purposes. Through this report, we endeavour to communicate clearly and transparently with our stakeholders on our performance so far. We also invite feedback to help us shape the sustainable future of our businesses.

Just as we did last year, we have produced this report in accordance with the Core option of Global Reporting Initiative ("GRI") G4 Sustainability Reporting Guidelines, and with reference to the Environmental, Social and Governance ("ESG") Reporting Guide of the Stock Exchange of Hong Kong Limited ("Hong Kong Stock Exchange"). Third-party consultants were commissioned to conduct boundary scoping, materiality assessment and stakeholder engagement exercises.

Based on the review and feedback from our stakeholders, and taking into account practical considerations such as the diverse nature of our businesses and the availability of data, we have expanded the scope of this report to include New World Construction Company Limited. As we continue to progress in our work, we aim to further expand the scope of future reports to reflect the Group's geographical footprint.

Reporting entities at a glance:

- NWS Holdings Corporate Office
- Hong Kong Convention and Exhibition Centre (Management) Limited ("HML")
- Free Duty
- Hip Hing Construction Group ("Hip Hing", mainly comprising Hip Hing Construction Company Limited and Vibro (H.K.) Limited)
- New World Construction Company Limited ("NWCON")
- New World First Bus Services Limited and Citybus Limited ("NWFB and Citybus")
- New World First Ferry Services Limited ("NWFF")

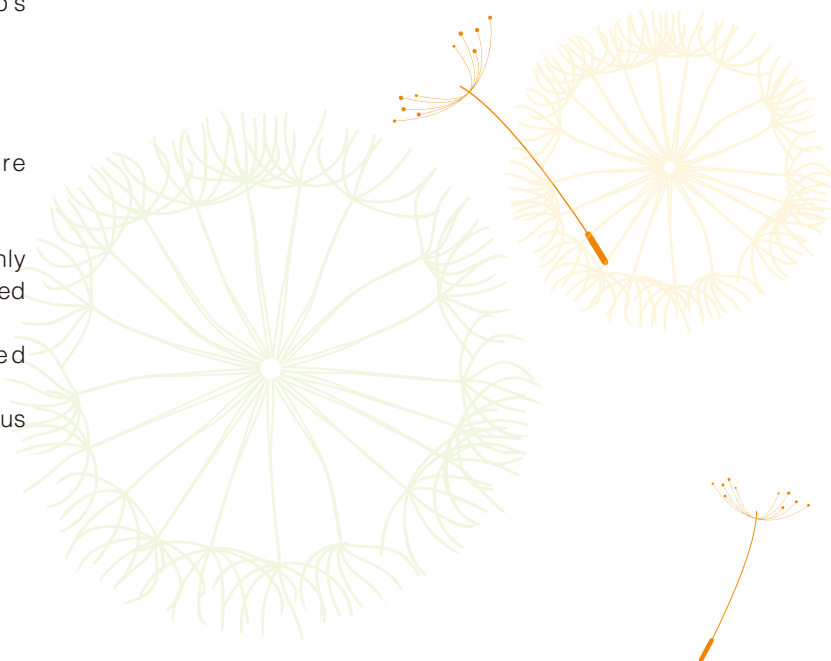


This report has been prepared in accordance with the GRI principles of materiality, completeness, comparability, accuracy, reliability, timeliness and balance. It focuses on our most material impacts and opportunities – those that are of greater importance to the Group and our stakeholders. The issues we find most material to our business are: corporate governance, economic, environment, labour practices, human rights, society and product responsibility. This report highlights the goals and targets we have established and the corresponding management approaches and actions we have taken to enhance our performance in all these aspects.

The Hong Kong Productivity Council has been commissioned to independently verify that 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.

Additional information pertaining to our sustainability performance, including comprehensive financial information and data, can be found in our [Annual Report 2015 \("Annual Report"\)](#).

We welcome your feedback on this report as well as our sustainability performance. Please email us at: sustainability@nws.com.hk



PERFORMANCE HIGHLIGHTS

As at 30 June 2015



ECONOMIC

Revenue

HK\$24,491.8 million

Profit attributable to shareholders

HK\$4,477.6 million

Net assets

HK\$46,187.7 million



CORPORATE GOVERNANCE

Zero

reported incidents of corruption



HUMAN CAPITAL

10,725

Employees from reporting entities¹

164,811

hours of training



COMMUNITY CARE

HK\$3.0 million

donated to charitable causes

13,555

hours of community service clocked up by corporate volunteers



VALUE CHAIN

Approximately

80%

of procurement budgets of reporting entities was spent on local suppliers²

Approximately

6.4 million

visitors attended events at Hong Kong Convention and Exhibition Centre ("HKCEC")

1,113

events staged at HKCEC

Over

1.1 million

passengers were carried by our bus and ferry fleets on a daily basis



ENVIRONMENTAL PERFORMANCE

Total accumulated energy savings

122,114.5GJ

15.9%

drop in greenhouse gas emission per employee from reporting entities

Over

1.0 million

tonnes of waste diverted from landfills

811

buses in Euro 4 standard or above

Notes:

¹ 28,300 employees in total in Hong Kong, Mainland China and Macau

² Local suppliers refer to companies or individuals in Hong Kong to which payments are made directly, according to G4 Sustainability Reporting Guidelines. This figure excludes NWFF because many of the specialized items, such as spare parts for ferries, are not available from local suppliers.

PERFORMANCE HIGHLIGHTS



MAJOR AWARDS AND RECOGNITION

NWS Holdings and our member companies are proud to receive recognition from government agencies, trade associations, as well as the business and non-profit community for our sustainability practices and performance. The following are some of the key awards we garnered in FY2015.

Award and awardee	Organizer
The constituent stock of the Hang Seng Corporate Sustainability Benchmark Index 2015–2016 (NWS Holdings)	Hang Seng Indexes Company Limited
10 Years Plus Caring Company Logo at the Caring Company Scheme (NWS Holdings and most of its member companies in Hong Kong)	The Hong Kong Council of Social Service
Gold Award in the Volunteer Team category and Merit in the Enterprise category at the fifth Hong Kong Corporate Citizenship Programme (NWS Holdings)	Hong Kong Productivity Council
Best Practice Award 2014 in Employee Engagement (NWS Holdings)	Best Practice Management Group
Excellent Employee Wellness Award in the HR Practices category at the HR Excellence Awards 2014 (NWS Holdings)	Hong Kong Institute of Human Resource Management
Gold Awards (NWS Holdings Charities Foundation and NWFF) and Silver Award (NWS Holdings) in the Website Stream, and Gold Award in the Mobile Application Stream (NWFF) at the third Web Accessibility Recognition Scheme	The Office of the Government Chief Information Officer, HKSAR Government and Equal Opportunities Commission
Best Convention and Exhibition Centre in Asia (HML)	<i>CEI Asia Magazine</i>
Green Contractor Gold Award 2014 (Hip Hing)	Architecture Services Department, HKSAR Government
Gold Award in Non-public Works – New Works category – at the Outstanding Environmental Management and Performance Awards 2015 at Considerate Contractors Site Award 2015 (Hip Hing)	Development Bureau, HKSAR Government
Gold Award in Building Site (Public Sector) at Construction Industry Safety Award Scheme 2014/2015 (Hip Hing)	Labour Department, HKSAR Government and associated institutions

MEMBERSHIPS

At NWS Holdings, we play an active role in trade associations and industry bodies, and also join social and environmental campaigns in the communities in which we operate. Engaging with trade and industry bodies enables us to keep a firm grasp on the most pressing issues facing our industries and to contribute to solutions. By supporting campaigns initiated in civil society, we can mobilize resources and form partnerships that work towards shared, sustainable goals.

Examples of our involvement in trade bodies, business associations as well as social and environmental campaigns are shown below.

Organization	Level of membership
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
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
Occupational Safety and Health Council	Green Cross Group Member
The Chartered Institute of Logistics and Transport in Hong Kong	Organization Member
The Hong Kong Council of Social Service – The Caring Company Scheme Patron's Club	Jade Member
The Hong Kong Green Building Council	Bronze Patron Member
The Hong Kong Management Association	Charter Member
The International Congress & Convention Association	Member
UFI – The Global Association of the Exhibition Industry	Member

REPORTING METHODOLOGY



As a conglomerate operating in different industries and localities, we adopt a systematic approach and consider stakeholder views in order to define our reporting boundary and material issues. An independent third-party consultant was appointed to facilitate this structured process.

BOUNDARY SETTING

In setting the reporting boundary for this report, we have consistently used the multi-step methodology developed and based on the GRI's Boundary Protocol. These steps take into consideration a broad range of factors, including our control and influence over an entity, the potential environmental and social impact of an entity's business and operations, the sustainability risks in the geographical location in which an entity operates, as well as an entity's size and scale.

After taking these steps, we further considered stakeholder comments, and the reporting capabilities and data collection maturity of shortlisted company holdings in Hong Kong, Mainland China and Macau. We

continue to include our Corporate Office and operations over which we exercise full operational control and which have well-established data collection systems. The reporting units included in this report represent the majority of our Hong Kong business. These operations include Hong Kong Convention and Exhibition Centre (Management) Limited, Free Duty, Hip Hing Construction Group, New World Construction Company Limited, New World First Bus Services Limited and Citybus Limited, and New World First Ferry Services Limited. New World Construction Company Limited is a new unit to be included in the report this year, underscoring our commitment to expanding the scope of our reporting and make continuous improvements in transparency. Although the Group has significant interests in ATL Logistics Centre and NWS Kwai Chung Logistics Centre, they were not included in the report because the Group does not control their daily operations.

REPORTING ENTITIES AT A GLANCE

Hong Kong Convention and Exhibition Centre (Management) Limited

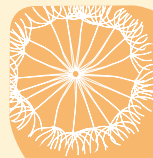
HKCEC is managed by our wholly owned subsidiary, HML. With 91,500 square metres of gross rentable space, HKCEC is an award-winning venue for international exhibitions and conventions, firmly establishing itself as a local icon and repeatedly winning awards for being the best convention and exhibition centre in Asia.





Free Duty

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



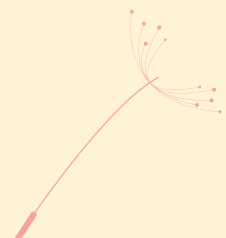
Hip Hing Construction Group

As a leading construction contractor in Hong Kong, Hip Hing provides professional design, procurement, engineering and construction services to a wide range of public, commercial and private projects. As a member of 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 sector.



New World Construction Company Limited

New World Construction Company Limited is another construction arm of the Group. Established in 2012, it specializes in contracting and construction management, and delivers reliable and efficient construction services to NWD.



REPORTING METHODOLOGY



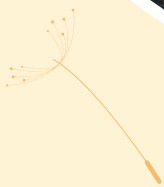
New World First Bus Services Limited and Citybus Limited

In partnership with Chow Tai Fook Enterprises Limited, the Group provides safe, reliable and efficient bus and ferry services across the territory. NWFB and Citybus are two major franchised bus operators in Hong Kong, with a combined fleet of over 1,600 air-conditioned buses. Together, the companies operate over 190 routes, serving over 1.1 million passengers on a daily basis.



New World First Ferry Services Limited

Operating five main routes between the inner harbour and the outlying islands, NWFF, with its 16 owned and three chartered vessels, carries up to 40,000 passengers a day.



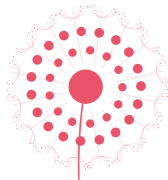
STAKEHOLDER ENGAGEMENT AND MATERIAL ISSUES

NWS Holdings places significant emphasis on stakeholder engagement. This process helps us understand their needs and concerns, guiding the development of our business strategy accordingly. It is also an integral part of how we assess the most important issues facing our businesses.

Over the years, we have cultivated relationships with different stakeholders through meetings, interviews, focus groups and many other channels. In preparing for this and our previous report, we sought the views of a host of stakeholders on our current sustainability performance,

as well as the issues and challenges they believe we need to address. The selection of stakeholders was based on the relevance to and understanding of the Group's business and sustainable development. These stakeholders include employees, business partners, investors, analysts, the media, non-profit organizations and green groups. This year we also engaged external sustainability experts and practitioners to draw further insights in shaping our sustainability strategy.

Below, we encapsulate the process we have gone through to arrive at the material issues and the content featured in this report.



Step 1 Benchmark Peer Report

- To identify industry standard aspects for disclosure, we analyzed the sustainability reports of five of the Group's local peers. A determination of whether an aspect was material was made on the frequency of disclosure among the peer companies.
- We also took into account industry and location specific sustainability issues as well as global trends.



Step 2 Stakeholder Engagement

- Stakeholder preference is a critical factor when deciding on what material issues are to be included in this report.
- Stakeholders, including frontline staff, senior managers, investors, analysts and sustainability professionals, were asked to evaluate our sustainability performance and to rank the GRI aspects. These aspects were ranked according to their importance to the Group and our stakeholders, as well as their potential impact on the Group's operations.



Step 3 Determine Material Issues

- To determine the importance of individual aspects, summary rankings from the peer analysis and stakeholder engagement were compiled. The results were translated into a materiality matrix, which was then prepared and used to identify the most material aspects.
- Material aspects were finally validated by members of the Group's Executive Committee, who considered the results of the materiality assessment alongside their potential business impacts.

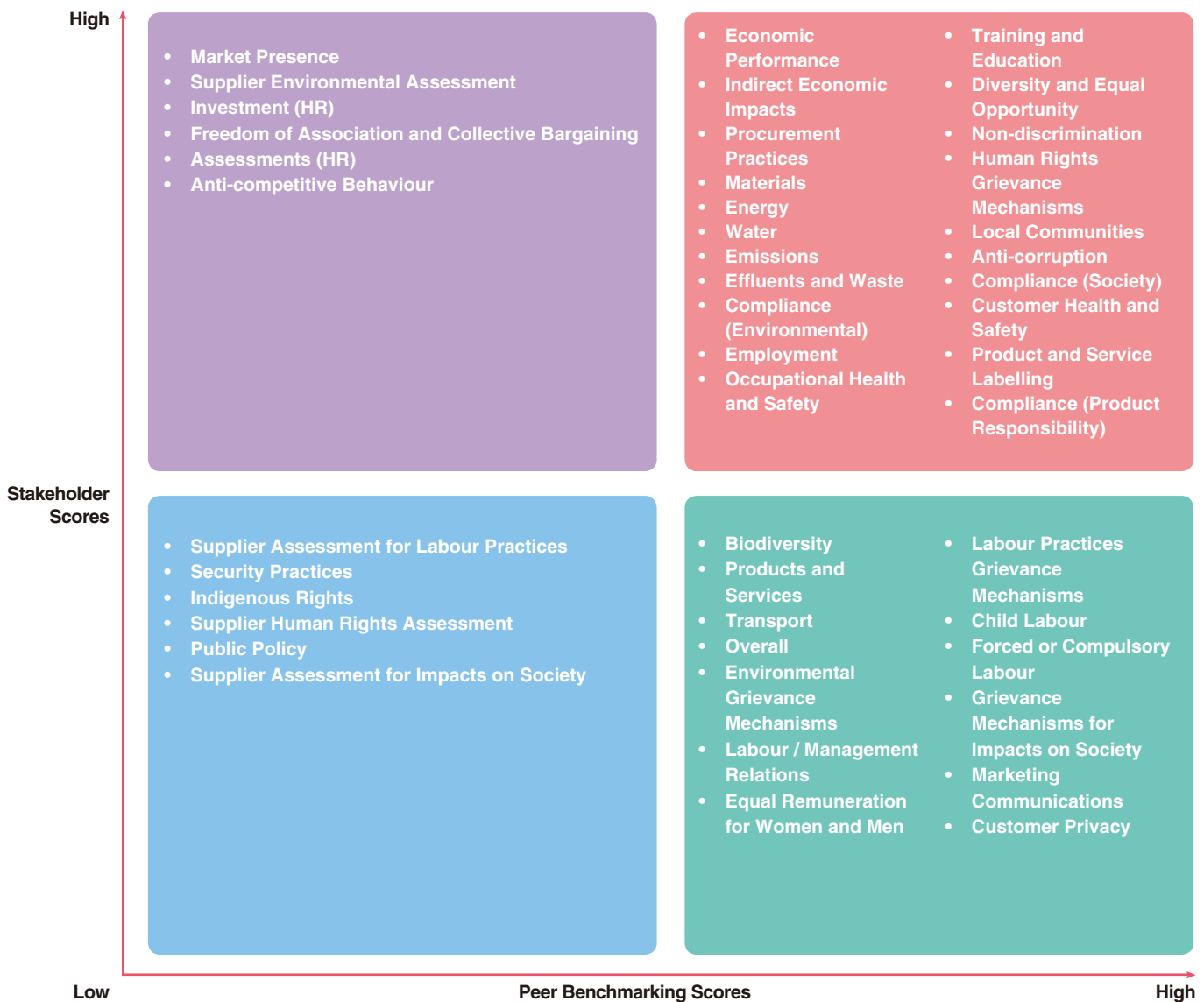
REPORTING METHODOLOGY



The materiality assessment resulted in a list of priority issues that reflected the most significant elements of our business and highlighted the expectations and concerns of our internal and external stakeholders. The materiality matrix below provides a list of current sustainability priorities within our businesses. Issues presented towards the top right-hand corner of the matrix are considered to be of the highest importance to the Group and our stakeholders, while those located towards the bottom left-hand corner represent concerns of a lower importance.

Within this report we provide performance metrics for these material issues, aligned with the GRI G4 Sustainability Reporting Guidelines, covering Disclosures on Management Approach and Specific Standard Disclosures. In addition to information on the material aspects identified above, we have reported on the General Standard Disclosures that are required for all reporting organizations under the GRI guidelines.

MATERIALITY MATRIX



BOUNDARIES OF MATERIAL ISSUES

The following table presents the material issues relevant to our businesses, and their impact within and outside of our organization. Respective material issues are represented by their corresponding GRI Material Aspects and Specific Standard Disclosures.

		G4 Indicator	Impact Location (Inside/Outside the Organization)	
			Inside	Outside
Corporate Governance (CG)				
1	Corporate Governance	G4-34	✓	✓
Economic (EC)				
2	Economic Performance	EC1	✓	✓
3	Indirect Economic Impacts	EC8		✓
4	Procurement Practices	EC9	✓	✓
Environmental (EN)				
5	Materials	EN1	✓	✓
6	Energy	EN3 & EN7	✓	✓
7	Water	EN8	✓	✓
8	Emissions	EN15 & EN16	✓	✓
9	Effluents and Waste	EN23	✓	✓
10	Compliance (Environment)	EN29	✓	
Labour Practices and Decent Work (LA)				
11	Employment	LA1 & LA3	✓	
12	Occupational Health and Safety	LA5 & LA6	✓	✓
13	Training and Education	LA9 & LA11	✓	
14	Diversity and Equal Opportunity	LA12	✓	✓
Human Rights (HR)				
15	Non-discrimination	HR3	✓	✓
16	Human Rights Grievance Mechanisms	HR12	✓	✓
Society (SO)				
17	Local Communities	SO1	✓	✓
18	Anti-corruption	SO5	✓	✓
19	Compliance (Society)	SO8	✓	✓
Product Responsibility (PR)				
20	Customer Health and Safety	PR1 & PR2	✓	✓
21	Product and Service Labelling	PR5	✓	✓
22	Compliance (Product Responsibility)	PR9	✓	✓

REPORTING METHODOLOGY



HIGHLIGHTS OF STAKEHOLDER FEEDBACK AND OUR RESPONSES

In the process of stakeholder engagement, some broader themes have emerged as to how we shall improve our overall sustainability performance and maintain long-term growth. These viewpoints, summarized below, serve as our guide as we continue our sustainability journey. We have also outlined below our responses on how we aim to overcome the challenges pinpointed by stakeholders and work collaboratively as a group to achieve improvements.

1. Corporate Governance

Stakeholders pointed out that the board of directors of NWS Holdings (the “Board”) and the Executive Committee lack ethnic and gender diversity, and perceived this as a potential risk to the organization as it could indicate the board lacks a broad range of perspectives.

Our response:

Good governance is an essential driver of our sustainable growth. In June 2013, the Board adopted the “Board Diversity Policy”, which sets out our approach to diversity on the Board. We recognize that a truly diverse board will include and make effective use of differences in the skills, regional and industrial experience, background, race, gender and other qualities of Board members. These differences are taken into account by the Nomination Committee in determining the optimum composition of the Board, and they are aligned with the Group’s strategic and sustainable development goals.

The “Board Diversity Policy” is reviewed, as appropriate, to ensure its effectiveness. In 2014, we engaged an external consultant to review the diversity of the boards of Hong Kong-listed companies and report to the Nomination Committee. Through the consultancy report, we aim to better understand current practices and explore opportunities to diversify our Board.

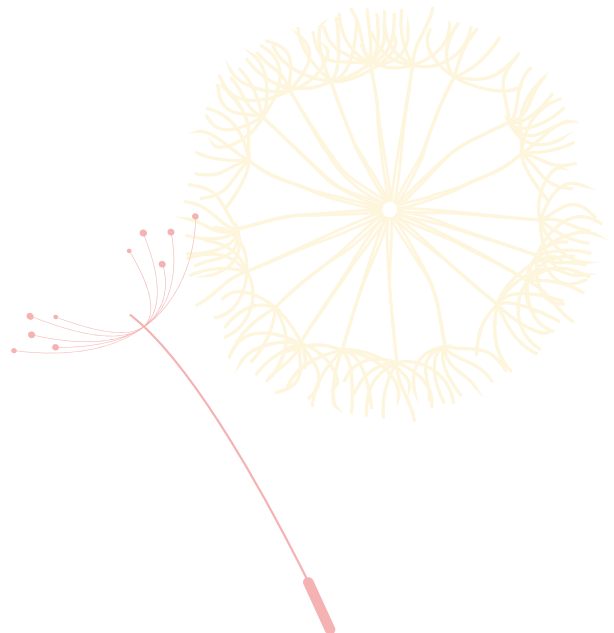
2. Human Capital

Stakeholders, especially our employees, said that labour shortage continued to be a challenge to our businesses, particularly in our Construction & Transport segment. This was complicated by a growing staff turnover rate, as talented people often leave to join our competitors or to work in related fields.

Our response:

One of the biggest challenges for businesses across Hong Kong is labour shortage. Admittedly, this shortage is felt particularly intensely by our Construction & Transport segment, where the supply of young and skilled talent is decreasing. We endeavour to address the shortage of talent by establishing ourselves as an employer of choice. We strive to offer our employees a rewarding, thriving, family-friendly, caring and safe workplace.

To boost the talent pool, we have formed extensive partnerships with higher education institutes and vocational schools. The comprehensive people development programmes established at our business units start with targeted scholarship and sponsorship of outstanding students, along with internship and guidance from experienced supervisors and mentors. These activities help provide us with a more stable stream of talent (see the Human Capital section for more information).



3. Community Care

It was suggested that NWS Holdings should further invest in the community and, over the longer term, create a more lasting and positive social impact. This approach, stakeholders noted, would help foster long-term community partnerships and deliver desirable solutions to problems facing the community at large.

Our response:

We have been making significant donations to help drive social innovation that addresses the challenges of Hong Kong's growing elderly population. In 2013, we pledged a donation of HK\$3 million to the Hong Kong Young Women's Christian Association ("YWCA") to establish the new YWCA NWS Y-Care Centre (North District), which provides day care and health care services to senior citizens living in remote areas. Entering its second year of operations, the centre recorded 5,400 accumulative users with a satisfaction rating of over 90%. Operated under a social enterprise model and with the support of government matching fund for its volunteering programme, this centre is exemplary of a private-public partnership formed to address health care and social needs.

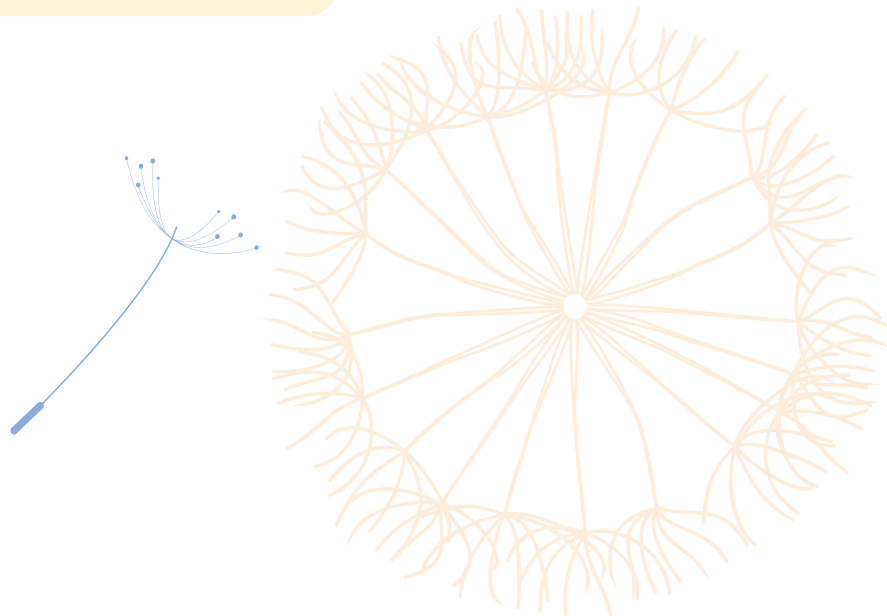
Moving forward, we will continue to engage with our community stakeholders and partners to identify and support more long-term community programmes (see Community Care section for more information).

4. Environmental Performance

Stakeholders noted that more could be done by NWS Holdings to improve its environmental efforts and move beyond mere compliance, especially for the businesses with higher environmental impact. Stakeholders would like to see NWS Holdings taking even more proactive and innovative steps to reduce its environmental footprint.

Our response:

As a Group, we will further our proactive approach to reducing our environmental footprint. We will target our efforts on those areas in which we have the most impact, and will consider the context of the wider regulatory landscape and where our efforts can bring the most value to Hong Kong and the local community. Our concerted efforts are reflected in the reduction of fuel consumption across our bus fleet and construction vehicles, and our work to reduce air-conditioning requirements at HKCEC. All of our environmental efforts are supported internally. We run numerous environmental employee engagement campaigns and training programmes to deepen staff understanding and appreciation of sustainability across the Group (see Environmental Performance section for more information).





CORPORATE GOVERNANCE



CORPORATE GOVERNANCE



NWS Holdings firmly believes that sound and effective corporate practices are fundamental to the smooth, effective and transparent operation of a company. They are essential to a company's ability to attract investment, protect the rights of its shareholders and stakeholders, and enhance shareholder value. Comprehensive corporate governance practices are ingrained in our management structure and value system, ensuring the Group operates according to the highest ethical standards and develops in the most sustainable manner possible.

The board of directors of NWS Holdings is the highest governance body of the Group, responsible for enhancing long-term shareholder value, directing growth strategies, supervising executive management and ensuring corporate governance policies and practices are implemented within the Group. The Board comprises 14 members, including a Chairman, five Executive Directors, three Non-Executive Directors and five Independent Non-Executive Directors as at 31 October 2015. The posts of Chairman and Chief Executive Officer are separate to ensure clear distinction of their roles and responsibilities.

The Group's day-to-day operation is delegated to the Executive Committee, which comprises all Executive Directors. The Executive Committee has primary responsibility for delivering business growth, monitoring business performance and advising the Board. It is accountable for the Group's long-term development



The Board meets regularly to review the Group's performance and discuss growth strategies.

as well as its performance as measured against the corporate goals and targets established by the Board.

In addition to the Executive Committee, the Board has formed four other board committees to oversee specific issues, led by Board members with relevant expertise. These committees are the Audit Committee, the Nomination Committee, the Remuneration Committee and the Corporate Social Responsibility ("CSR") Committee. The Board and these committees collectively form the backbone of our corporate governance structure to drive and achieve best practices in corporate governance.

INTERNAL CONTROL AND COMPLIANCE

Compliance with laws and regulations and risk management are the core elements of our corporate governance practices. They are fundamental to the delivery of business growth and shareholder value.

The Audit Committee, which comprises a Non-Executive Director and three Independent Non-Executive Directors, serves as a safeguard against risks at the Board level. Apart from monitoring financial reporting process, the committee is responsible for reviewing the Group's financial control, risk management and internal control systems, and arrangements under our "Whistleblowing Policy".

The Corporate Governance Steering Committee and the Disclosure Committee are formed under the Executive Committee to reinforce effective corporate governance practices and compliance procedures. The Corporate Governance Steering Committee comprises Executive Directors, an Independent Non-Executive Director and the department heads of the Group's Finance Department, Company Secretarial Department and Group Audit & Risk Assurance Department ("GARA"). It is responsible for reviewing and enhancing corporate governance practices within the Group. Meanwhile, the Disclosure Committee, which is composed of Executive Directors, primarily oversees the Group's disclosure of financial information, ensuring timely, accurate, complete and broadly disseminated disclosure of inside information about the Group as required by law.

The Finance Department, the Company Secretarial Department and GARA form a three-pillar framework, overseeing internal controls and risk management of the Group. Each of these departments has clearly defined responsibilities. While the Finance Department formulates the Group's accounting policies and ensures compliance with financial reporting standards, the Company Secretarial Department is responsible for ensuring compliance with legislation, listing rules and regulations by the Group's companies. The GARA conducts internal audits, reviews internal control mechanisms and makes recommendations on risk management and internal control. Additionally, this department handles all confidential reports and any complaints or grievances filed through the Group's whistleblowing channel, making sure matters of potential or imminent internal risk are brought to the immediate attention of management.

The Group has incorporated a comprehensive set of policies and guidelines into the very fabric of our risk management framework. The Group's values, principles and ethical standards as conveyed in the Group's policies clearly guide employees' daily business activities. Our policies include "Guidelines on Internal Control System", "Disclosure Policy for Inside Information", "Corporate Policy on Staff Responsibility" and "Whistleblowing Policy".

Having established an effective internal control environment, NWS Holdings has fully complied with all applicable code provisions contained in the Corporate Governance Code, as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange, during FY2015.

ANTI-CORRUPTION AND WHISTLEBLOWING

We are committed to high standards of transparency, integrity, accountability and business ethics. In line with this commitment, we instigated "Code of Conduct" and "Whistleblowing Policy" that stipulate the Group's principles, expectations of employee conduct and a reporting channel for any suspected misconduct.

Across the Group we have zero tolerance for any form of corruption. This approach is at the heart of our "Code of Conduct" and is presented in a dedicated section of the induction training provided to new staff members. The policy states clearly that no staff shall solicit or accept any advantage from any individual or organization having business dealings with the Group. Suppliers and contractors are made aware of our anti-corruption policy through tender documents and supplier contracts.

Our "Whistleblowing Policy" is an important means of uncovering fraud, bribery, malpractice, other possible improprieties related to financial reporting and internal controls, improper use of commercially sensitive information or company resources, or miscarriage of justice. According to this policy, any such misconduct can be reported to the Head of GARA through a designated email address and will be treated in a strictly confidential manner. An investigation report will be submitted to the Executive Committee, the Audit Committee and the Corporate Governance Steering Committee.

There were no confirmed cases of corruption during FY2015.

DRIVING CORPORATE SUSTAINABILITY

The CSR Committee set up in 2004 plays a key role in driving the Group's corporate sustainability. The committee meets twice a year to formulate CSR strategies and policies and to monitor the implementation and effectiveness of our employee wellness, volunteering, community outreach and environmental protection programmes. It also oversees social investments made by the NWS Holdings Charities Foundation. Subsequent chapters of this report carry greater details of the initiatives mandated and supervised by this committee.

For further information, please refer to the [Corporate Governance Report](#) in our Annual Report.

HUMAN CAPITAL





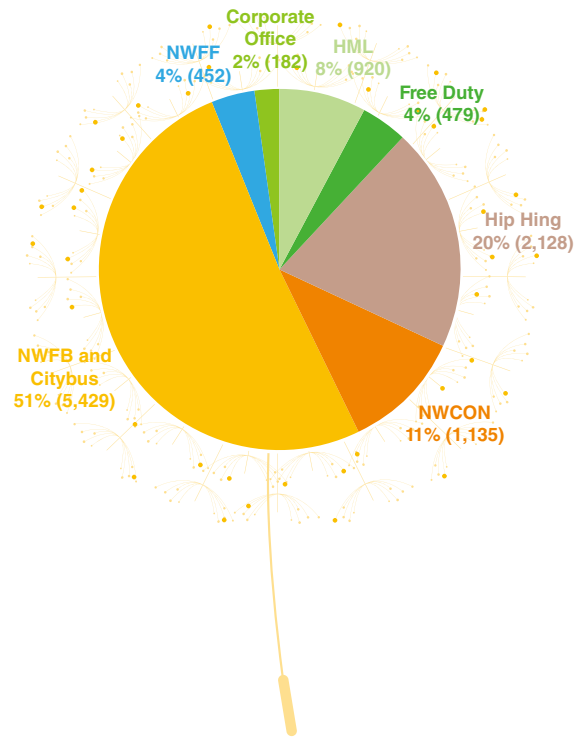
HUMAN CAPITAL



In common with many other developed economies, Hong Kong has an aging population and a skills shortage affecting a range of industries and business sectors. Recruiting, developing and retaining the right talent has become even more challenging against this backdrop. Maintaining our success requires a proactive and comprehensive approach to managing the Group's most important asset, our human capital, such that we can continue to grow and excel.

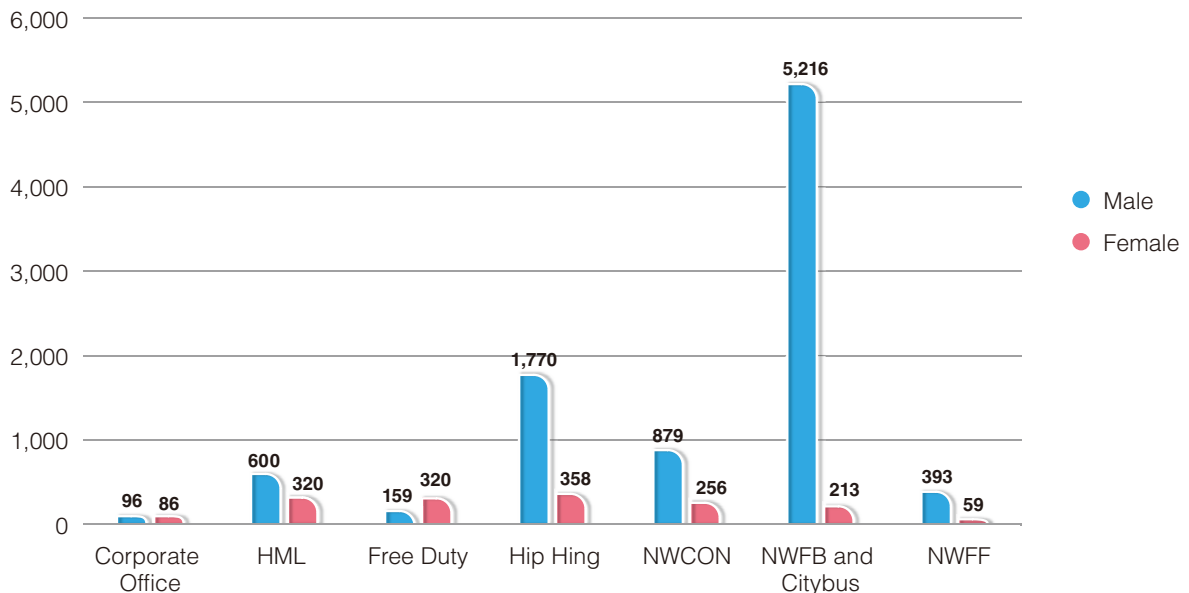
At NWS Holdings, fostering a fair, rewarding, collaborative and safe workplace forms the foundation of our employee management strategy. We reward our staff with competitive remuneration and benefits, on-going opportunities for training and development, and long-term career prospects. We encourage our employees to demonstrate their capabilities and pursue professional growth through comprehensive development and training programmes. Our policies on recruitment, promotion, dismissal and anti-discrimination as stated in our internal "Code of Conduct" ensure a fair and equitable work environment for all, regardless of age, gender, ethnicity and other aspects of diversity.

Distribution of Employees from Reporting Entities in FY2015



EQUALITY AND DIVERSITY

Workforce by Gender in FY2015



It is our belief that increasing diversity and ensuring equal opportunity for all staff are essential to bringing in dynamic views and perspectives that contribute to our competitiveness and sustainable growth. Due to the nature of our business operations, our employees are predominantly male at the operational level, particularly within the Construction and Transport segments. We make continuous efforts to ensure workplace diversity and provide fair rewards for employees regardless of their background. Our policy stipulates that discrimination will not be tolerated in all aspects or stages of employment. Under the Group's grievance and whistleblowing procedures, allegations of discrimination are investigated confidentially and thoroughly, and followed up with appropriate management action.

The Group's member companies constantly review and reinforce their policies to uphold our commitment to diversity. As part of these on-going efforts, NWFB and Citybus have established an "Anti-discrimination Committee" to manage and prevent workplace harassment. A guideline was developed to communicate reportable behaviours and the reporting procedure to employees. Led by senior management of the bus companies, this committee reviews and adjudicates each and every complaint filed to ensure impartiality and fairness. In the reporting period, the committee handled three cases, one of which resulted in disciplinary action.

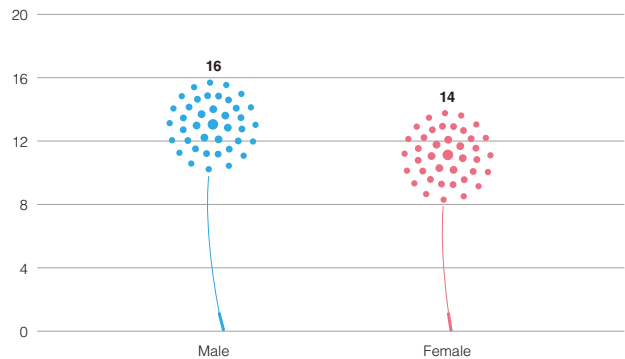
TRAINING AND EDUCATION

It is our mission to foster a talent pool that thrives on learning. With the Hong Kong business landscape becoming ever more competitive, it is vital that our talent keeps abreast of the latest market trends and develops new skills. We encourage staff members to proactively identify their training needs and seek development opportunities to fulfil their personal and career aspirations. As an employer believing in life-long learning, we also provide educational subsidies and examination leave to motivate our employees to pursue further study.

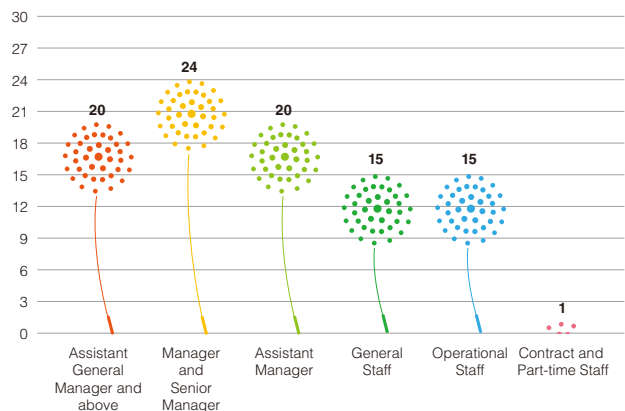
In addition to on-the-job training and guidance from mentors, employees are provided with the opportunity to attend external and in-house training programmes organized within the Group or by our parent company, NWD. These training programmes range from

management and professional development to the enhancement of technical skills. Programmes are designed to empower employees with the skills and knowledge to effectively deliver their day-to-day duties as well as further their own personal development. High-calibre managerial staff and young talent are also provided with the opportunity to join the Executive MBA programme taught by Ivey Business School of Western University, Canada and the New World YoungSTAR programme. In the reporting year, staff members from our reporting entities clocked up over 164,000 hours of training, representing an average of 15 hours per employee.

Average Training Hours by Gender in FY2015



Average Training Hours by Employee Category in FY2015



HUMAN CAPITAL



HML Reaches Out to Talent

Being at the forefront of the booming convention and exhibition industry, HML is faced with the challenge of finding the right talent to maintain the highest service standards for customers and event organizers. Most notably, positions in food and beverage, engineering, and facilities management are increasingly competitive to recruit for. In response, HML continues to broaden its outreach to potential candidates.



HML expands talent outreach by staging its first ever Recruitment Day.

Each year, HML partners with different educational institutions to nurture fresh talent by providing internship opportunities and on-the-job training. To nurture the skills required by the food and beverage division, for example, a Hospitality Experience Programme has been developed in partnership with the Hong Kong College of Technology. Students specializing in catering and hospitality are provided with both hands-on experience and performance-based job placement opportunity.

With the aim of reaching out to a larger pool of potential candidates, HML staged its first Recruitment Day in FY2015. Applicants were introduced to various job openings and provided with on-site interviews with departmental managers and supervisors. Over 180 applicants applied for more than 50 vacancies, and half of these posts were filled within a day. In light of such positive results, this proactive recruitment event is set to become an important recruitment platform for HML in future.

WORK-LIFE BALANCE

At NWS Holdings, we understand the intrinsic value in work-life balance and its effect on employee wellness and productivity. This is a value broadly promoted across our operations through caring policies and measures, as well as a wide range of staff activities.

Throughout the Group we strive to be inclusive in our operations and consider the well-being of not just our employees but also their families. Since 2012, we have provided scholarships to around 40 of our employees' children who achieved outstanding results in their university entrance examinations or non-academic pursuits. As well as providing full-paid maternity and paternity leave, our family-friendly measures include setting up a new "Caring Room" in our Corporate Office in FY2015. This well-furnished facility is designed to provide a comfortable and private environment for nursing mothers.

We also believe in the connection between a healthy body and a healthy mind and, therefore, actively promote employee health and wellness. In addition to free influenza vaccinations and medical check-ups, we provide staff members at our Corporate Office with fresh fruit and healthy snacks on a regular basis. Sports activities and competitions are also organized to promote physical exercise, while the NWS Adventure Day drew some 8,000 employees and their families for a fun day at Hong Kong Disneyland in September 2015.

At Hip Hing, a Young Members' Club was formed in 2012 to build a stronger sense of belonging among young employees, while promoting a positive work-life balance through social, personal development and volunteering activities. Activities run by the club range from technical seminars and factory visits to bowling competitions, art jamming workshops and volunteering for charitable causes.

OCCUPATIONAL HEALTH AND SAFETY

The health and safety of our employees and customers is our top priority. Safety committees, policies and protocols are fully integrated into our businesses, particularly in operations exposed to greater occupational health and safety risks. Joint management-worker taskforces are set up at HML, Hip Hing, NWCON, NWFB and Citybus, and NWFF to address the particular nature of work at each company and to incorporate frontline views in the formation of safety measures.

At our transport operations, we fully understand that the safety and well-being of bus captains and ferry coxswains has a direct bearing on passengers. We ensure our bus and ferry fleet is inspected thoroughly and regularly, in accordance with regulations. At NWFB and Citybus, we go beyond regulatory requirements, making a medical examination as an employment condition for bus captains over age 50 and those with a chronic illness. We also run internal safety campaigns and training to underline to staff our commitment to safety. Spot checks are carried out throughout our operations, including safety inspections inside bus depots.

Hip Hing Construction Group Puts Safety First



Senior management of Hip Hing visits a construction site to promote safety and health at work.

Hip Hing attaches paramount importance to safety and works relentlessly to prevent and manage construction site risks, aiming to deliver continuous improvement in industrial safety and, ultimately, achieve a zero injury rate. Hip Hing is working towards this goal with a two-pronged approach comprising safety promotion and the use of new technology.

In FY2015, Hip Hing launched a large-scale internal safety awareness programme, which included a safety forum, internal safety survey, educational videos, safety tips and a safe construction site recognition scheme. To demonstrate management commitment to a safe

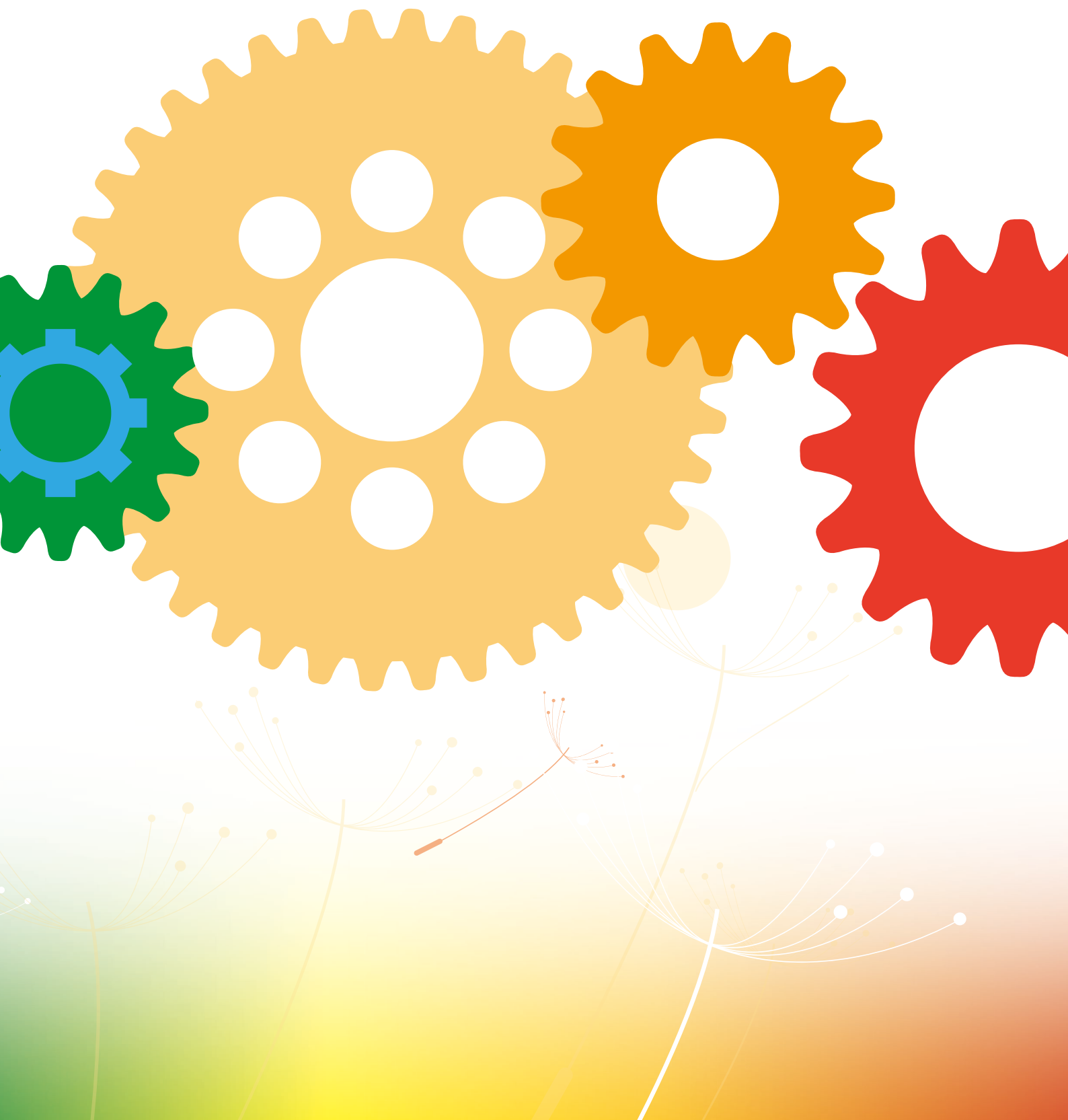
working environment, Hip Hing's senior management has increased the frequency of their visits to construction sites, where they lead morning exercise, distribute sunblock products and present awards to the most safety-minded workers.

Project teams at Hip Hing are making increasing use of technology to monitor and reduce safety risks. At the Po Heung Street Public Rental Housing Project, for example, specialists were deployed to construct 3D renderings from 2D drawings that can be used to pinpoint safety risks to frontline workers. Hong Kong Polytechnic University was also engaged to develop the Proactive Construction Management System (PCMS), which involves the installation of GPS locators on the safety helmets of workers. When a worker crosses into a danger zone or is in the vicinity of in-use machinery, the PCMS generates a warning signal to alert them to imminent risk. The system also provides data about the frequency of workers entering danger zones to help project teams review and plan further safety measures.

These initiatives, together with the concerted efforts of all Hip Hing staff, had resulted in an improved injury rate of 9.9/1,000 workers in FY2015, compared to 11.3/1,000 in FY2014. Hip Hing's site injury rate is well below the construction industry average of 40/1,000 workers.

VALUE CHAIN





VALUE CHAIN



HKCEC continues to be a preferred venue for world-class exhibitions, such as Art Basel.

Our value chain consists of a network of suppliers, business partners and customers, who contribute to and shape the products and services we offer. Given the extent of our value chain network, we are aware of the broader impact of our operations and ability to positively influence the environmental, social and governance (“ESG”) performance of our value chain, while cultivating an appreciation of these attributes among our customers. By working with our suppliers and partners, we continue to drive economic opportunity and the development of skills and expertise both locally in Hong Kong and overseas. Regular engagement with stakeholders across our value chain minimizes potential reputational and ESG risks, and helps us better understand our customers’ requirements for quality product and service delivery.

INDIRECT ECONOMIC CONTRIBUTION

In addition to creating over 10,000 job opportunities, our businesses play an active part in fostering a vibrant economic environment in Hong Kong. A case in point is HKCEC, which is managed by our wholly owned subsidiary, HML. HKCEC is a powerhouse of international conventions, trade shows and exhibitions, contributing to the steadfast growth of trade and business both in Hong Kong and internationally.

During FY2015, HKCEC hosted over 1,110 events, including some premium international events such as Art Basel Hong

Kong, the Hong Kong International Jewellery Show and iFX Expo Asia 2015, with a record-breaking patronage of approximately 6.4 million in FY2015. HKCEC’s leading status is maintained through HML’s vigorous efforts in attracting international exhibitors and convention organizers. It provides innovative solutions and quality services to achieve a total customer experience, helping cement Hong Kong’s competitive position as a regional hub for the meetings, incentives, conferencing and exhibitions (“MICE”) industry.

As a key player in the local public transportation sector, we strive to make Hong Kong a well-connected, economically viable and empowered city by providing safe, reliable and efficient transport services. Our bus and ferry services facilitate access to vast economic and social opportunities by transporting over 1.1 million commuters on a daily basis. This would not be possible without our extensive network of local and overseas suppliers, which provide high-quality hardware and services when and where they are required.

Further contributing to Hong Kong’s growth, our construction arms, Hip Hing and NWCON, provide solutions to customers in the public and commercial sectors. These business units employed over 3,200 people and provided additional indirect employment through a network of local suppliers, which procured over 95% of construction materials in Hong Kong in FY2015.

SUPPLY CHAIN MANAGEMENT

Effective management of our suppliers enables us to efficiently deliver our products and services and uphold the high standards of our service brands. We adopt a decentralized approach to supply chain management, whereby subsidiaries are given full autonomy in sourcing suppliers and identifying partners based on their practical business needs. In managing our supply chain, we require our business partners and suppliers to abide by the ethical, social and environmental standards and principles stipulated in the “Supplier Code of Conduct” developed by our parent company, NWD.

This code states that our suppliers should, first and foremost, fully comply with all applicable laws and regulations in the jurisdictions where we operate. We do not condone unethical business practices, such as the use of forced labour, discrimination, environmental pollution or corruption. Maintaining ethical contact with suppliers is also our top priority. No employee is allowed to accept or solicit monetary incentives, favours, or any other form of advantage from suppliers or subcontractors. We have a whistleblowing mechanism to monitor business conduct across the Group.

Hip Hing Subcontractor Forum

An effective business is one that engages stakeholders within its value chain, collaborating to address challenges in a timely manner. The annual Subcontractor Forum is part of Hip Hing’s approach to tackle business issues with its partners. This platform brings subcontractors together for a structured discussion on construction issues ranging from project quality and the environment to safety and occupational health.

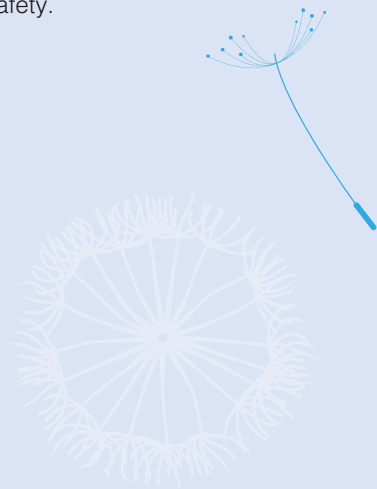
In FY2015, the Hip Hing Subcontractor Forum reaffirmed the importance of site safety, engaging representatives from some 118 subcontracting companies in a dialogue on concurrent safety risk. Senior management from both Hip Hing and the subcontractors exchanged

views on precautionary measures to safeguard workers, contractors and any visitors to construction sites. The measures discussed include policies, mechanisms and educational and technological tools that could be applied to prevent site accidents in both the immediate and long term.

At the forum, it was emphasized that the accident rate had dropped in FY2015 when compared to the previous years, as a result of joint efforts between Hip Hing and its subcontractors. Senior management from both Hip Hing and the subcontractors pledged to further these efforts to improve site safety.



As part of occupational safety and health practices, Hip Hing site-based staff and subcontractor workers participate in morning exercises.



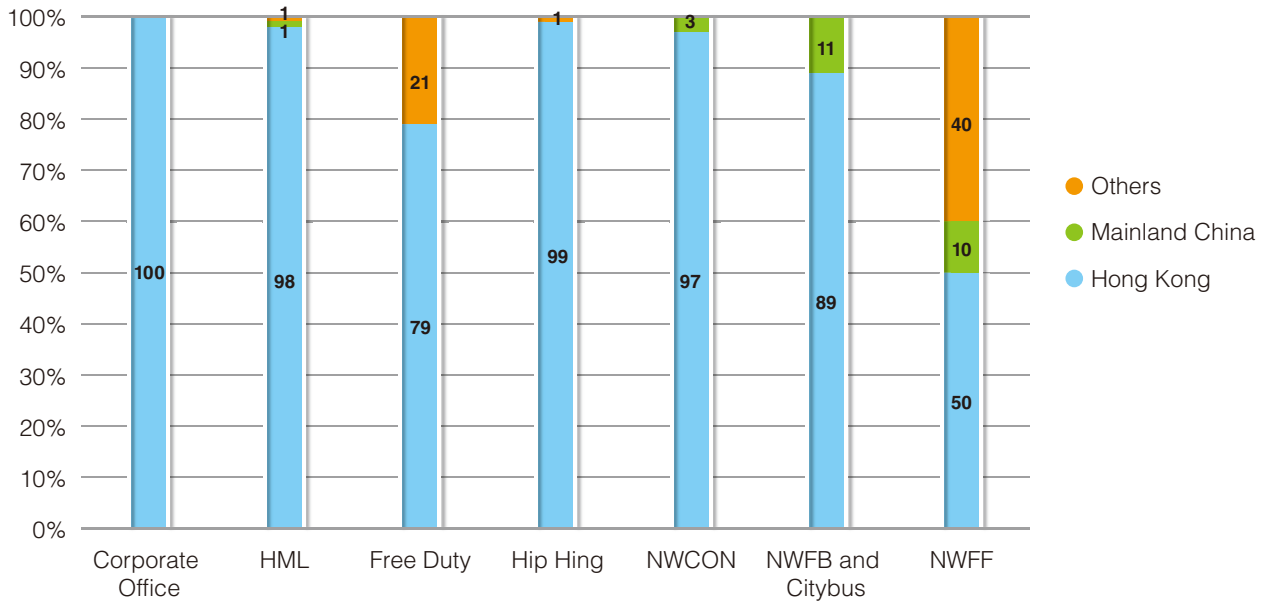
VALUE CHAIN



As a signatory to the “Hong Kong Green Purchasing Charter”, we support efforts to achieve a low-carbon economy and endeavour to procure sustainable materials, while sourcing from local suppliers whenever possible. For example, Hip Hing and NWCON are committed to sourcing timber from Forest Stewardship Council-certified suppliers and procuring at least 10% of construction materials, by cost, from within 800km of each project site. Meanwhile, HKCEC continues to introduce sustainable seafood, vegetarian meals and local produce at its restaurants, to promote sustainable food consumption and low-carbon diets.

Our tendering process plays an important part in ensuring that we partner with sustainable suppliers. Among our reporting units, Hip Hing and NWCON manage the largest network of suppliers and subcontractors. In the tendering process, both companies evaluate and benchmark subcontractors’ safety, environmental, community, employee and governance performance on top of professional competence and project track records. All existing and new subcontractors are required to update their performance records regularly as part of our work to track their sustainability performance.

Procurement Expenditure Spent on Local Suppliers¹ and Non-Local Suppliers in FY2015



Note:

¹ According to the 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.



CUSTOMER SERVICE

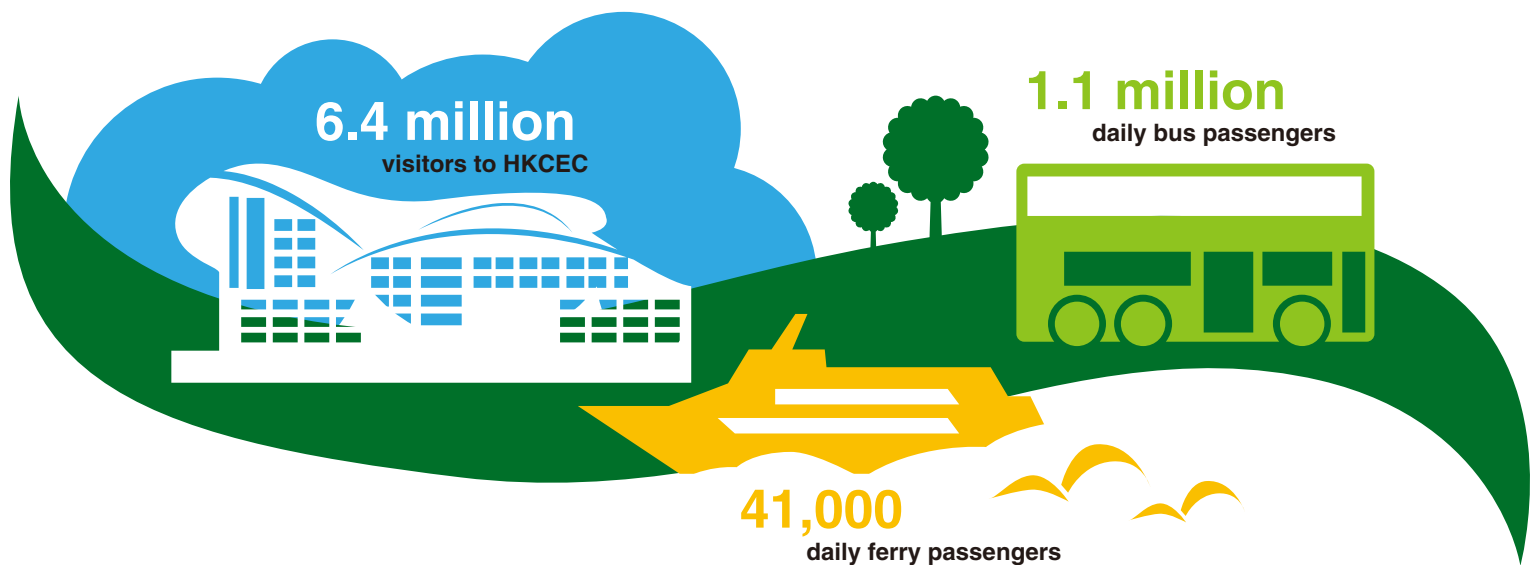
Customers are at the core of our value chain and are integral in shaping how we do business. All our business units share the same commitment and passion to providing greater value and satisfaction to our customers, as stipulated in our vision, mission and core values statement. Our philosophy on customer care directs and drives our business units to work with our suppliers and business partners to deliver high-quality products and services to our customers, be they event organizers and participants, shoppers and travellers, passengers on our buses or ferries, or property owners and developers.

Customer health and safety is a priority across all of our businesses, especially within our bus and ferry operations, which serve more than one million passengers each day. We strive to achieve the highest safety standards by providing customized training for bus captains and ferry coxswains, stringently checking and monitoring our fleet to ensure safety and, notably, increasing our investment in advanced technology

and fleet hardware. All of our buses, for example, are equipped with speed-limiting functions and GPS systems to monitor and restrict speed on level ground to 70km/h, while driving performance is observed through spot checks by plain-clothes inspection officers. New buses acquired after 2007 are also equipped with security cameras to assist in the investigation of an accident should one occur.

Our operations have a systematic response mechanism to handle any emergency that affects customers. For instance, NWFB and Citybus have set up a 24-hour operations control centre, together with a team of professional inspectors, to monitor our bus services and daily operations. The control centre promptly reports any emergency on the roads to the responsible departments and senior management through electronic systems and communication tools. This is to ensure that decision makers are provided with the most up-to-date information, so that they can react quickly in the best interests of our customers, bus captains and all those affected.

HIGHLIGHTS OF CUSTOMERS SERVED IN FY2015



VALUE CHAIN



Our bus operations' dedication to customer service excellence is reflected in their response to the "Occupy Central Movement" in 2014. With major roads on Hong Kong Island and in Kowloon becoming impassable, NWFB and Citybus formed a special taskforce to work round the clock with the Transport Department, the Police and other stakeholders to redeploy buses and minimize the impact on services. Passengers and the media were promptly informed of any changes to routes and services, ensuring continued mobility in the community.

Building safety has a direct impact on end users of our building projects and on the reputation of our customers. Hip Hing and NWCON therefore make every effort to ensure the highest safety standards of every building project by following strict health and safety guidelines throughout the design and construction process. As part of the established quality assurance process, both companies conduct multiple rounds of safety checks and inspections before handing over completed properties to customers.

Customer Satisfaction

Gauging customer feedback helps shape our processes and improve our products and services. We engage with customers and stakeholders through wide-ranging communication channels, including hotlines, emails, suggestion boxes and mobile applications. HML, Hip Hing, NWCON, NWFB and Citybus, and NWFF also reach out to their customers and stakeholders regularly via focus groups, briefings and meetings to collect views on our operations and services.

Additionally, we proactively seek customer views through surveys and questionnaires. Over the course of the reporting year, Hip Hing conducted a customer satisfaction survey for eight major projects, with an average score of 7.8 out of 10, demonstrating a steady improvement over the score of 7.2 in the last reporting period. Similarly, at HML, a total of 2,221 electronic questionnaires were distributed to event organizers with 98% of respondents rating its overall service quality as satisfactory or above.

We have used customer feedback to help improve our services. The new online ticketing portal launched by NWFB and Citybus is one example of this process in action. This new portal makes it easier for customers to buy tickets for the Cityflyer line and Rickshaw Sightseeing Bus. Tourists may purchase prepaid return tickets for selected Citybus lines online, for instance, and then pick up their tickets at the customer service centre as they land at Hong Kong International Airport. Customers can also enjoy discounts for Rickshaw Sightseeing Bus day pass by purchasing through this ticketing portal.

As a corporate citizen, we are eager to share our belief in sustainability with customers and involve them in socially responsible practices. HML, for example, has introduced a food donation programme that facilitates event organizers in giving back to the society. Through this programme, customers can opt to donate unconsumed food to elderly people living in poverty, while at the same time addressing Hong Kong's pressing food waste issues. This programme has been well received by customers, and we take pride in this being a model for sustainable partnership which benefits our customers, society and the environment.



HML volunteers participate in packing unconsumed banquet food for donation to the needy.

Accessible Transportation for All



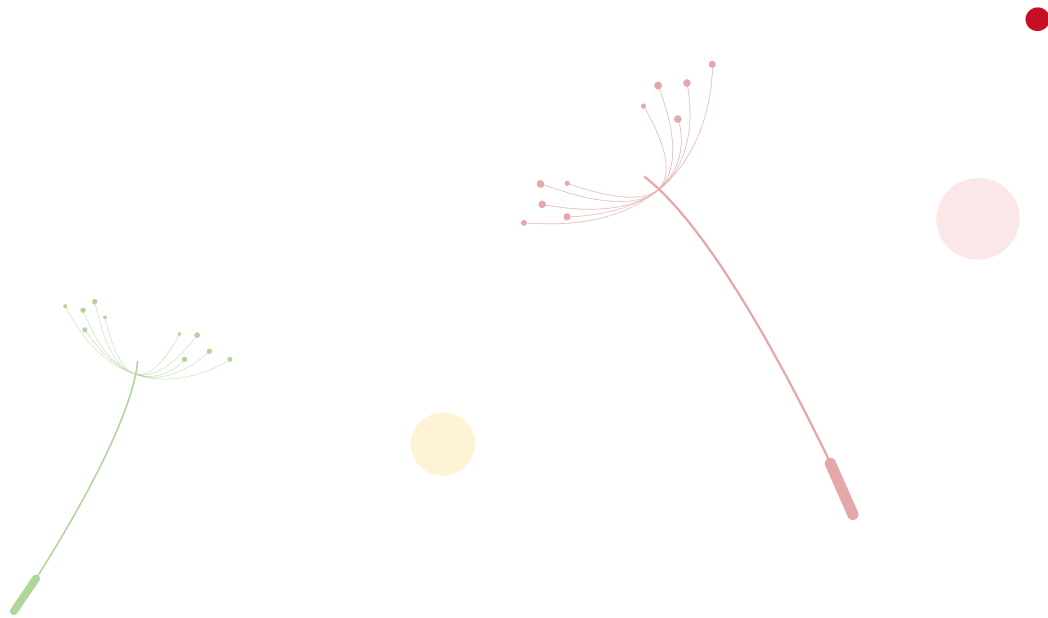
Wheelchair parking facilities are available on our ferry and bus fleet.

At NWS Holdings, we are firmly committed to catering to the diverse physical abilities and language preferences of our customer base. We strive to ensure broader access to our reliable and convenient bus and ferry services. We engage with disability groups to better understand their needs and provide them with the best possible barrier-free access.

We aim to meet our target of converting all of our buses to low-floor models by early 2017 to make them easier to access for wheelchair users. Meanwhile, NWFF has committed to providing additional wheelchair parking in all of its three-decker ferries within 2015.



Trilingual Automatic Bus Stop Announcement Systems on our bus fleet help to orient and accommodate the visually-impaired, and serve tourist groups and Hong Kong's diverse ethnic communities. To assist the speech and hearing-impaired, motion bus stop display panels clearly indicate the next stop along bus routes. Additionally, a dedicated SMS Enquiry Service was established in 2014 to help this group of customers make enquires on bus services. NWFF also incorporates accessibility features into its award-winning mobile app, available on both Android and iOS operating systems. Visually-impaired customers can check departure times, fares and other ferry service information; to help them, the app uses optimal colour contrast, audio descriptions of images, PDF files and enhanced browsing functions.



COMMUNITY CARE





COMMUNITY CARE



Our Corporate Social Responsibility strategy is directed at generating sustainable value for both the community and environment. Our approach involves making effective use of our capabilities and resources, as well as philanthropic and in-kind donations, to champion meaningful causes. Our 2,600-strong corporate volunteer team offers practical support to empower people in need through year-round community services. With the aim of generating long-term benefits from our community investments, we initiate programmes with multiple years of funding and volunteer support to address social needs and achieve lasting impact.

As a good corporate citizen, we strive to advocate positivity, family values and community well-being. Over the course of the reporting year, the Group worked with strategic partners in the social services sector to provide for the needs of underprivileged groups such as the elderly and children in need, youth at risk, individuals with mental disabilities as well as psychiatric patients undergoing rehabilitation. The NWS Holdings Charities Foundation, established in 2006 to foster social projects and benefit the wider community, has donated

approximately HK\$18 million to date.

Our community investment and engagement focus on community welfare, education, health care and environmental protection.

COMMUNITY WELFARE

As NWS Holdings entered the 12th anniversary of listing on the Hong Kong Stock Exchange, we initiated a new volunteering programme, Home Sweet Home, to mark this corporate milestone and extend our community outreach efforts. This volunteer service programme, co-organized with the Christian Family Service Centre, was designed to nurture and promote family values among grassroot families in Kowloon East. Over 300 participants, comprising Group employees and 50 beneficiary families, participated in the full-day NWS Caring Day 2015 activities, which included games and a guided tour. Thematic activities and events, such as movie appreciation and family portraits photography, are set to continue over the course of the year and benefit over 200 families.



The Group's corporate volunteer team, NWS Volunteer Alliance, celebrates its 14th anniversary in 2015.

EDUCATION

The future of Hong Kong rests in the hands of today's youth. At NWS Holdings, we aim to inspire tomorrow's leaders through our major education projects. The Group's Career GPS and Fairy Mentorship programmes are tailored to help the younger generation develop positive life attitudes, elevate self-confidence and acquire new interests and skills. Our corporate volunteers offer mentoring, and there are opportunities for job training and shadowing, as well as systematic training and guidance provided by our partners, the Hong Kong Playground Association and Hans Andersen Club.

FY2015 marked the 10th anniversary of NWS Holdings and Hans Andersen Club's partnership in community service. A celebration campaign, "A Journey to Realizing Dreams" was run in the summer of 2014 to inspire primary school students to pursue their passions in writing and reading. Around 1,000 children and their parents took part in a series of fun, educational activities, including a writing contest and carnivals. A specially designed campaign bus, called "Fairy Bus", travelled around Hong Kong spreading the message of "pursuing one's dreams".

Art Education for the Community



A giant mural, incorporating drawings by almost 50 students from the outlying islands, is unveiled at Cheung Chau Pier.

Art can nurture creativity and bridge communities, showcasing culture and local spirit. Across the Group and particularly through our transport operations, we remain committed to nourishing the development of art locally by providing multiple platforms for the younger generation to exercise and advance their imagination and creativity.

To promote Hong Kong's unique history and fishery traditions, NWFF hosted a Multivariate Art Workshop, encouraging outlying-island students to illustrate their impression of "the sea" or Hong Kong's Victoria Harbour through art. To highlight the outstanding work created through this project, NWFF presented "Ferry Tales", a giant mural formed with the creative contributions of over 50 students, at the Cheung Chau and Mui Wo piers. This project is part of NWFF's on-going efforts to promote community art. To date, over 400 pieces of art

that promote local culture and artistic talent have been exhibited in NWFF's premises.

On the roads, our "Arts Bus" has been running for four consecutive years. "Arts Bus: On the Move!", a community art project co-organized by NWFF and Citybus and the Hong Kong Institute of Education, grooms art and design talent among primary and secondary school students through art education and community outreach. The theme of the project in FY2015 was "Stories of Hong Kong". It featured a Bus Body Design Competition with creative contributions from students across Hong Kong, reflecting the territory's unique history and culture. Twenty winning entries were chosen for display on bus bodies over a six-month period. The Hong Kong Museum of Education also contributed towards the project by converting one of the two thematic "Arts Buses" into a mobile museum. Inside, old teaching aids and textbooks were exhibited to show passengers how education had developed in Hong Kong over time.

We endeavour to build an inclusive society and this work extends to our involvement in art education. We firmly believe that disability need not be a barrier to creative and artistic expression. "Paint Beyond Sight" was a nine-month art programme sponsored by the NWS Holdings Charities Foundation to develop the artistic skills of students from the Yan Chai Hospital Chan Lu Seng Primary School and visually-impaired students from Ebenezer School. With the help of professional tutors and artists, the students were trained to create oil paintings and were given the opportunity to learn from each other. An exhibition of their collaborative art pieces was staged at the Central Pier of NWFF to promote social inclusiveness.

COMMUNITY CARE



HEALTH CARE

As Hong Kong's population grows and the elderly community expands, demand for both medical and mental health care is also increasing. Health care has long been at the heart of our work in the community, and we are determined to help meet this growing community need.

In the last reporting period, NWS Holdings Charities Foundation pledged a donation of HK\$3 million to Hong Kong Young Women's Christian Association to establish the YWCA NWS Y-Care Centre (North District) ("NWS Y-Care Centre"), a day care centre for the elderly in Hong Kong's North District. Funds also went towards the acquisition of a new service coach, fitted with a wheelchair lift and allocated wheelchair space, to help transport elderly to and from the centre. The centre provides day care, rehabilitation therapy and cognitive training, and is well on its way to serving 30,000 people within its first three years of operation.

Along with launching the NWS Y-Care Centre, we have been running a three-year Joyful Age volunteering programme to help elderly residents of North District stay

positive and connected with their community. The centre provides a platform for this and gives our corporate volunteers a place to organize a wide range of activities such as parties at festival times, "laughing yoga" classes and mental training. Corporate volunteers also paired up and became buddies with elderly in the district, and will build an on-going relationship with them. The volunteers have already helped their buddies make a Life Journey Book, featuring their new friends' life stories, and will stay in touch through regular phone calls and home visits.

ENVIRONMENTAL PROTECTION

Preserving the integrity of the environment is essential to the quality of our own lives as well as that of the countless species of wildlife that make Hong Kong's unique ecosystem their home. Our geological heritage is one of the city's most important environmental resources, and it is also what makes Hong Kong a vibrant tourist destination with a wealth of varied attractions. We continue to work on instilling a public sense of pride and care for the natural environment through our long-running work in geoconservation.



Corporate volunteers make a Life Journey Book that records the fond memories of their buddy.

Volunteer service hours



FY2015



FY2014

Geoconservation without Boundaries

Hong Kong's natural environment is unique and lies within easy reach of the city centre. The Hong Kong Geopark has been part of the Global Geoparks Network since 2011, and this stunning natural landscape is deserving of greater recognition and preservation by the public.

The NWS Hong Kong Geo Wonders Hike programme, in its seventh year in FY2015, rolled out a series of public engagement events to continue raising community awareness of the need to protect the environment. The campaign included popular guided public tours, a GeoMazing Hunt public orienteering contest and a public voting activity, called "Tick & Hike", to stimulate interest in geological heritage beyond Hong Kong. About 40% of Global Geoparks are in the Asia-Pacific region, and the voting programme allowed people to vote for their favourite – and stand a chance of winning travel prizes.

As part of the NWS Hong Kong Geo Wonders Hike campaign, the Young Ambassadors for Geoconservation Training Programme was introduced in 2011. This programme sets out to educate Hong Kong's young people on the value of geoconservation. The programme has logged more than 24,000 cumulative training hours since its inception, with 900 students from over 170 schools having enrolled to date. Over the reporting period, 240 Young Ambassadors joined classroom training and local geopark field studies. Training in



Participants in the GeoMazing Hunt run around Cheung Chau to complete team tasks related to the local landscape, culture and religion.

leadership skills and related academic subjects, such as urban planning, was also incorporated into the programme. Five outstanding student teams, along with their teachers, were invited to join a study trip to Matsu, Taiwan, to further extend their learning.

A Young Ambassadors alumni club was launched in FY2015 to enable graduates of the Young Ambassadors programme to participate in training programmes, guided tours and annual get-togethers organized by the club. Through this new platform, young ambassadors will be able to stay connected and share their knowledge and experience relating to environmental preservation.



Young ambassadors attend field trips in local geopark.



ENVIRONMENTAL PERFORMANCE



ENVIRONMENTAL PERFORMANCE



We believe that the long-term viability of our business depends on the quality of our environment and the availability of natural resources. It is imperative that we understand our environmental impacts and make every possible attempt to minimize the potential risk associated with our operations. At the same time, we invest in environmental projects and community programmes that meet stakeholder expectations and help make the world a better place.

To enhance and sustain the Group's environmental efforts, the Environmental Sustainability Committee was established in 2007 to oversee the implementation of our environmental policies and their practicability. Chaired by an Executive Director, the committee meets twice a year to set targets, review performance and outline future plans. At the operational level, Green Managers are responsible for driving environmental initiatives and raising internal awareness on environmental protection.

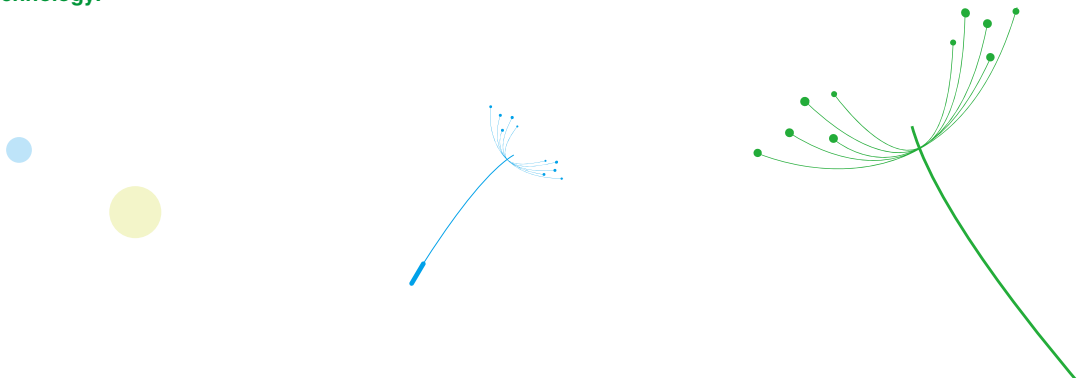
COMPREHENSIVE ENVIRONMENTAL MANAGEMENT

Throughout our operations we strive to mitigate environmental risk and reduce our overall environmental impact. We employ a holistic management approach that involves continuously reviewing existing practices, planning and implementing new initiatives, tracking our progress and the pursuit of improvement.

Environmental risk assessment is fundamental to our integrated approach. We identify risk by reviewing any previous cases of non-compliance, litigation and summonses for environmental issues, and work out the best remedial measures available. We endeavour to stay abreast of any changes to environmental requirements and manage our operations according to international environmental standards and processes.



Green Managers visit Phase Three of Hong Kong Science and Technology Parks to enhance their understanding of green building design and technology.



Our construction companies, for example, carry out environmental impact assessments before projects are initiated, while assessing and operating construction sites based on industry standards such as the ISO 14001 Environmental Management System Certification and ISO 50001 Energy Management System. In FY2015, both companies were certified with the ISO 14001 standard, providing assurance that a total of 56 active construction projects were carried out in an environmentally responsible manner.

Developing an understanding of environmental trends, technology and best practice helps deliver continuous improvement to our environmental management strategy. To keep our staff members and Green Managers informed on matters relating to the environment, we run a variety of training courses, workshops and visits. The annual NWS Sustainability Seminar is one such event, at which experts from outside the Group share their insights into the latest environmental, social and governance trends. The seminar held in June 2015 attracted some 300 managers from across our business. We also organize site visits to prominent green projects. In the reporting year, about 40 Green Managers visited Hong Kong Science and Technology Parks and Anderson Road Quarry to gain first-hand knowledge of the newest green building technologies as well as waste, water and natural landscape management systems.

It is vital to involve every member of staff in our sustainability efforts if we are to make a widespread and lasting impact. To raise awareness, motivation and participation in our green initiatives, we organize internal campaigns across the Group every year, with thematic activities to highlight pressing environmental issues, such as energy conservation and waste management. Recent activities include an upcycling workshop for used promotional banners, a “Foodwise” zero waste cooking challenge and a staff energy conservation contest.

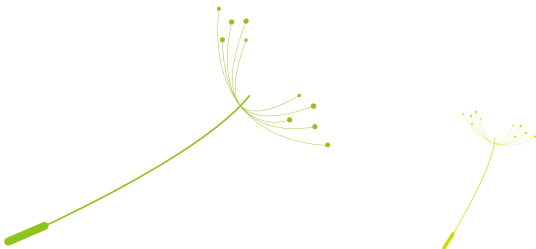
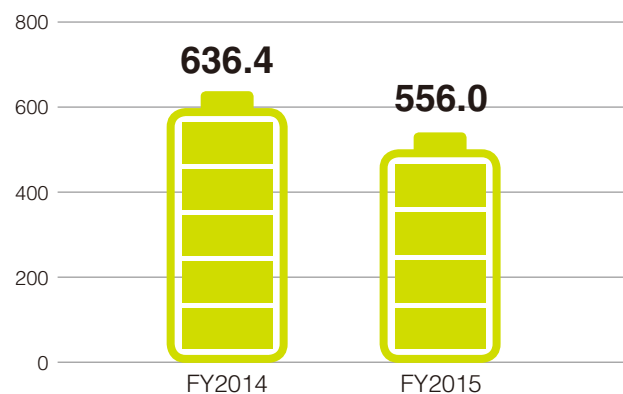
REDUCING ENERGY CONSUMPTION AND EMISSIONS

The Group’s energy consumption stems primarily from the fuel consumed by our public transportation fleet and from electricity usage across our operations. While energy consumption varies in intensity across our subsidiaries, each of our business units works towards a common goal of developing their own guidelines and plans to reduce energy consumption year on year. Our efforts in energy reduction help reduce emissions, drive down operational costs and contribute to a greener environment.

In practice, our energy-reduction initiatives are two-fold: we promote the use of energy-efficient equipment and installation, while considering day-to-day business functions and employee behaviour to identify areas for improvement. For example, Hip Hing has installed motion sensors and magnetic key cards system at site office to ensure that lighting is used only when conference rooms are occupied. The installation of sensors in forklifts is another energy-saving initiative that allows automatic shutdown of engines when drivers leave their seats for more than three minutes. It is estimated that this new device can result in 20% savings in fuel consumption.

As a result of our continuous conservation efforts, an energy consumption rate of 556.0GJ per employee was reported for FY2015, representing a decrease of 12.6% on the 636.4GJ per employee in the previous year.

Energy Consumption per Employee (in Gigajoules)



ENVIRONMENTAL PERFORMANCE



Poor air quality can adversely affect public health, while the production of greenhouse gases may result in inclement weather that could disrupt nature's fine balance and impact on our businesses. Continuing our environmental stewardship, we manage our emissions footprint by identifying ways to reduce electricity consumption, introducing more environmentally-friendly vehicles, and by systematically upgrading the engines in our buses. Euro 5 bus, for example, produces 95% fewer particulates and 78% less nitrogen oxides than vehicles manufactured before 1995.

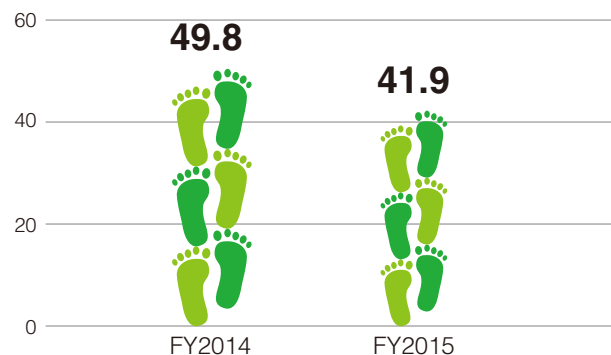
As of 30 June 2015, NWFB and Citybus had 742 fuel-efficient Euro 5 buses and three hybrid buses in operation. We have further committed to increasing our Euro 5 bus fleet to 859 and testing 10 zero-emission electric buses by the end of 2015. As a result of our on-going commitment to reducing emissions, total greenhouse gas emissions per employee decreased from 49.8 tonnes in FY2014 to 41.9 tonnes in FY2015, representing a 15.9% year-on-year reduction.

We have also upgraded 218 of our Euro 2 and 3 buses to match near Euro 4 or 5 emission standards by installing selective catalytic reduction devices. As the lifespan of each bus is 17 to 18 years, this device can help reduce emissions produced by longer-serving buses by turning nitrogen oxides produced by the bus engine into

harmless nitrogen and water. In addition, emissions from all of our buses are regularly tested to ensure compliance with regulatory standards. The air quality inside our buses has achieved the Good Air Quality standard stipulated in the "Practice Note for Managing Air Quality in Air-Conditioned Public Transport Facilities – Bus" published by the Environmental Protection Department.

NWFF also makes continuous efforts to reduce emissions. As the industry leader among local ferry services, NWFF is committed to taking part in governmental meetings on environmental protection among the local ferry trade. One of its most recent initiatives has been to switch to cleaner marine light diesel, which produces less pollution.

Carbon Emission per Employee (in tonnes of CO₂)



HKCEC Solar Film Project



Heat-blocking film is installed on the largest glass window at HKCEC.

While large windows let natural sunlight into a building, the solar heat generated places demands on a building's cooling system and increases energy consumption. An effective way of reducing energy consumption is to cover windows with solar-blocking film; this filters out excessive sunlight and provides a more comfortable indoor environment with less need for cooling, reducing costs and energy consumption.

Nano solar window film has been applied to the largest glass wall at HKCEC's Expo Drive entrance, effectively reducing direct sunlight by up to 40% in indoor areas. Since this project was completed, energy consumption at HKCEC has been reduced by 285,497kWh (1,028GJ) per annum, which is equivalent to the yearly energy consumption of 50 four-person families in Hong Kong. These energy savings also resulted in an equivalent reduction of approximately 200 tonnes of carbon emissions per annum.

Hybrid and Electric Buses

NWFB and Citybus continue to introduce the newest, low-emission buses. Three hybrid buses are already in service and 10 electric, single-deck buses will go through trial run by the end of 2015. Hybrid technology allows buses to shut down their engines and operate purely by electricity when the speed is lower than 7km/h, helping reduce roadside emissions at low speeds and when idling in traffic. The electric buses ordered will undergo a series of rigorous and comprehensive internal assessment to ensure that performance and safety meet our high standards before entering public service. Electric buses produce zero emissions throughout their journey and can travel up to 250 kilometres on a single charge, after which they require only four hours to recharge at the bus depot.



Three low-emission, hybrid double-decker buses are now in service with NWFB and Citybus.

MATERIALS AND WASTE MANAGEMENT

Hong Kong's landfills are expected to reach capacity limit by the year 2020. Against this backdrop, recycling and reuse strategies adopted by businesses not only will help divert waste from landfills and reduce pollution, but also drive resource efficiency in operations.

Given the diversity of our operations, the waste that each of our business units generates varies considerably. Addressing specific waste issues requires practical steps adapted to the nature of work of each business unit. For example, Hip Hing and NWCON adopt industry standards such as the Engineered Waste Management Plan and BEAM Plus Standards to achieve effective waste management. Both companies use a variety of renewable and sustainable materials in development projects, and use recycled concrete and reinforcing steel bars. To manage the large amount of inert waste generated, such as rocks, soil and broken concrete, they are also working with subcontractors to dispose these waste items in public fill banks and to reuse them in other construction projects. This collaboration achieved a reuse rate of 96% in FY2015, compared to 91% in the previous year.

Cultivating a culture of waste mitigation and reuse is a group-wide effort that involves the engagement and creative contribution of each staff. A "Foodwise" zero waste cooking challenge was held in FY2015 to promote waste reduction. The winner of the competition was a talented team from HML which created a healthy dish made mainly from the peel of fruits and vegetables. The winning dish, called "Zero Food Waste", was served at the new Congress Plus restaurant of HKCEC in FY2015 to promote waste reduction to caterers.

We continue to drive waste reduction strategies, exploring potential recycling and reuse efforts across our operations. The majority of our reporting units have been repeatedly given Wastewi\$e recognition by the Environmental Campaign Committee and the Environmental Protection Department, which is a testament to our long-standing efforts in environmental protection.

PERFORMANCE TABLES



GRI Reference	Indicator	Unit	FY2015
Economic			
G4-EC1 ¹	Revenue	HK\$ million	24,491.8
	Attributable operating profit	HK\$ million	4,456.6
	Profit attributable to shareholders	HK\$ million	4,477.6
	Net assets	HK\$ million	46,187.7
	Income tax expenses	HK\$ million	476.2
	Profit before income tax	HK\$ million	4,989.1
	Charitable contributions		
	Total community investment	HK\$ million	3.0
G4-EC9	Proportion of spending on local (i.e. Hong Kong) suppliers		
	Corporate Office	%	100
	HML	%	98
	Free Duty	%	79
	Hip Hing	%	99
	NWCON	%	97
	NWFB and Citybus	%	89
	NWFF	%	50
Environment			
G4-EN1	Total weight of major construction materials and other materials used		
	Renewable Materials		
	Bricks	tonnes	1,452.6
	Reinforcing Steel	tonnes	148,094.7
	Timber	tonnes	1,497,068.4
	Concrete	tonnes	148,094.7
	Paper	tonnes	118
	Non-Renewable Materials		
	Bricks	tonnes	18,685.3
	Cement Mortar	tonnes	4,751.5
	Cement	tonnes	4,876
	Stones	tonnes	3,486.4
	Sand	tonnes	18,685.3
	Paper	tonnes	23.8

Note:

1. For more details, please refer to our [Annual Report 2015](#).

GRI Reference	Indicator	Unit	FY2015
Environment			
G4-EN3	Total energy consumption	gigajoules	5,963,043.8
	Fuel consumption from non-renewable sources (electricity, towngas, unleaded petrol and diesel oil)	gigajoules	5,954,422.9
	Electricity consumption	gigajoules	346,439.8
	Towngas consumption ²	gigajoules	1,282,013.8
	Unleaded petrol consumption	gigajoules	11,172.1
	Diesel oil consumption	gigajoules	4,314,797.2
	Fuel consumption from renewable sources (bio-diesel) ³	gigajoules	8,620.9
G4-EN7	Reductions in energy requirements of sold products and services achieved ⁴	gigajoules	122,114.5
G4-EN8	Municipal fresh water (town water) consumption ⁵	m ³	1,232,023
G4-EN15	Total direct greenhouse gas emissions ⁶	tonnes of CO ₂	381,745.9
G4-EN16	Total indirect greenhouse gas emissions ⁷	tonnes of CO ₂	67,363.3
G4-EN23	Total construction waste generated ⁸	tonnes	1,047,860.2
	Inert materials reused	%	96
	Mixed waste disposal to landfills	%	4
	Total weight of waste recycled ⁹	tonnes	1,022.5
	Total food waste diverted from landfills ¹⁰	kilograms	3,330
	Other items recycled		
	Chemical waste (battery cell) ¹¹	units	1,932
	Chemical waste (lubricant and spent non-halogen organic solvent) ¹²	litres	518,620
	Cooking oil ¹³	litres	11,511
	Fluorescent lamps ¹⁴	kilograms	25,590.1
	Waste toner ¹⁵	pieces	403
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	HK\$ no. of cases	52,000 5

Notes:

- By HML and NWFB and Citybus
- By Hip Hing
- Energy savings recorded were a result of measures taken by HML, Hip Hing, and NWFB and Citybus to reduce their fuel or energy consumption in their sold products and services, considering FY2014 as a baseline year.
- Excludes water consumption at Corporate Office and Free Duty (Hong Kong-Macau Ferry Terminal outlet) as both reporting entities are property tenants; water usage charges are covered by property management fee.
- Greenhouse gas emissions refer to CO₂ emissions and exclude other greenhouse gases such as CH₄, N₂O and fugitive emissions such as refrigerants. Greenhouse gas emissions are calculated based on default emission factors for fuel consumed, provided on www.epd.gov.hk.
- Calculated following the guidelines of the Environmental Protection Department of HKSAR Government, however excludes the emissions created during the production of towngas.
- As an established practice, inert materials generated from Hip Hing and NWCON's construction sites are delivered to public filling facilities for use in other reclamation and site formation projects.
- Includes aluminium cans (Corporate Office, HML 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 (Corporate Office, HML, Free Duty, Hip Hing, NWCON and NWFF)
- By HML
- By Corporate Office and NWFB and Citybus
- By NWFB and Citybus
- By HML
- By Corporate Office, HML, and NWFB and Citybus
- By Corporate Office, Hip Hing, NWCON and NWFF

PERFORMANCE TABLES



GRI Reference	Indicator	Unit	FY2015	
Labour Practices and Decent Work				
G4-10	Total workforce by employment contract and gender		Male	Female
	Permanent contract	no. of people	8,186	1,556
	Fixed-term contract	no. of people	920	49
	Temporary contract	no. of people	7	7
	Permanent employees by employment type and gender		Male	Female
	Full-time	no. of people	8,954	1,598
	Part-time	no. of people	159	14
G4-LA1	Total number of new hires by age group and gender		Male	Female
	Under 30	no. of people	387	139
	30-39	no. of people	202	103
	40-49	no. of people	195	74
	50 or above	no. of people	259	64
	Rate of new hires by gender and age group		Male	Female
	By gender	%	9.7	3.5
	By age group			
	Under 30	%	4.9	
	30-39	%	2.8	
	40-49	%	2.5	
	50 or above	%	3.0	
	Total turnover number by age group and gender		Male	Female
	Under 30	no. of people	180	61
	30-39	no. of people	166	65
	40-49	no. of people	167	53
	50 or above	no. of people	407	34
	Rate of turnover by gender and age group		Male	Female
	By gender	%	8.6	2.0
	By age group			
	Under 30	%	2.2	
	30-39	%	2.2	
	40-49	%	2.1	
	50 or above	%	4.1	
G4-LA3	Return to work rates after parental leave, by gender¹⁶		Male	Female
	Total number of employees who took parental leave	no. of people	66	34
	Total number of employees who returned to work after parental leave	no. of people	65	31
	Return to work rates, by gender	%	98.5	91.2

Note:

16. Data on retention of employees following parental leave after a 12-month period, as required by this indicator, is not available for this year. NWS Holdings shall work to collect this figure for subsequent reports.

GRI Reference	Indicator	Unit	FY2015	
Labour Practices and Decent Work				
G4-LA5	Occupational Health and Safety Percentage of total workforce represented in formal management-worker health and safety committees	%	1.9	
G4-LA6	Injury, lost day and absentee rate¹⁷		Male	Female
	Fatalities	no. of people	1	0
	Injury rate	per 1,000 workers	28.7	3.5
	Lost day rate	%	0.6	0.1
	Absentee rate	%	4.5	0.3
G4-LA9	Average hours of training per year Per employee	hours	15.4	
	Average training hours by gender			
	Male	hours	15.6	
	Female	hours	14.1	
	Average training hours by employee category			
	Assistant General Manager and above	hours	20.2	
	Manager and Senior Manager	hours	23.5	
	Assistant Manager	hours	19.9	
	General staff	hours	15.4	
	Operational staff	hours	14.9	
	Contract and part-time staff	hours	1.1	
G4-LA11	Employees receiving regular performance reviews by gender			
	Male	%	87.3	
	Female	%	84.1	
	Employees receiving regular performance reviews by employee category			
	Assistant General Manager and above	%	98.6	
	Manager and Senior Manager	%	94.9	
	Assistant Manager	%	98.3	
	General staff	%	93.2	
	Operational staff	%	73.6	
	Contract and part-time staff	%	97.8	

Note:

17. Data on occupational disease is not available for this year. NWS Holdings shall work to collect this figure for subsequent reports.

PERFORMANCE TABLES



GRI Reference	Indicator	Unit	FY2015			
Labour Practices and Decent Work						
G4-LA12	NWS Holdings Board composition by gender¹⁸					
	Male	%				100
	Female	%				0
	NWS Holdings Board composition by age¹⁸					
	Under 30	%				0
	30-39	%				7.1
	40-49	%				7.1
	50 or above	%				85.8
	NWS Holdings Board composition by ethnicity¹⁸					
	Chinese	%				92.9
	Non-Chinese	%				7.1
	Diversity disclosure by employee category and gender				Male	Female
	Assistant General Manager and above	%			85.7	14.3
	Manager and Senior Manager	%			75.1	24.9
	Assistant Manager	%			71.8	28.2
	General staff	%			50.9	49.1
	Operational staff	%			88.9	11.1
G4-LA12	Diversity disclosure by employee category and age group		Under 30	30-39	40-49	50 or above
	Assistant General Manager and above	%	0	0	32.9	67.1
	Manager and Senior Manager	%	0.4	13.4	46.2	40.1
	Assistant Manager	%	2.8	29.6	38.7	28.9
	General staff	%	28.5	28.5	25.7	17.3
	Operational staff	%	11.4	14.2	25.0	49.4
	Diversity disclosure by employee category and ethnicity			Chinese		Non-Chinese
	Assistant General Manager and above	%		94.3		5.7
	Manager and Senior Manager	%		99.6		0.4
	Assistant Manager	%		100		0
	General staff	%		99.8		0.2
	Operational staff	%		99.9		0.1

Note:

18. As at 31 October 2015

GRI Reference	Indicator	Unit	FY2015
Human Rights			
G4-HR3	Incidents of workplace discrimination reported	no. of cases	3 from NWFB and Citybus
G4-HR12	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanism	no. of cases	0
Society			
G4-SO1	Employee volunteering	hours	13,555
G4-SO5	Confirmed incidents of corruption and actions taken	no. of cases	0
G4-SO8	Total reported incidents of non-compliance with laws and regulations related to accounting fraud and corruption, and related significant fines	no. of cases HK\$	0 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	35 from Hip Hing 1 from NWCON 1 from NWFB and Citybus
G4-PR9	Monetary value of fines for non-compliance with laws and regulations concerning the provision of products and services	HK\$	608,800 from Hip Hing 5,000 from NWCON 450 from NWFB and Citybus

GRI INDEX



General Standard Disclosure	Detail	ESG Reporting Guide Reference	Page	Section/Remarks
Strategy and Analysis				
G4-1	Chief Executive Officer's Statement	–	2-3	CEO Message
Organizational Profile				
G4-3	Name of organization	–	Front Inner Cover	Corporate Profile
G4-4	Primary brands, products, and services	–	Front Inner Cover	Corporate Profile
G4-5	Location of headquarters	–	Front Inner Cover 8-10	Corporate Profile Reporting Methodology
G4-6	Countries of operation	–	Front Inner Cover	Corporate Profile
G4-7	Nature of ownership and legal form	–	Front Inner Cover	Corporate Profile
G4-8	Markets served	–	Front Inner Cover	Corporate Profile
G4-9	Scale of the organization	–	Front Inner Cover 5 48	Corporate Profile Performance Highlights Performance Tables See also Corporate Profile section of Annual Report 2015
G4-10	Employee statistics	KPI A1.1	5 22 48	Performance Highlights 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	29-30	Value Chain
G4-13	Significant changes during the reporting period	–	N/A	No significant changes during the reporting period
G4-14	Report how the precautionary approach is addressed	GD C3 KPI C3.2	18-19	Corporate Governance
G4-15	Charters	–	7	Performance Highlights
G4-16	Memberships	–	7	Performance Highlights
Identified Material Aspects and Boundaries				
G4-17	List entities included in financial statements; mention those not covered by this report	Reporting guidance 15	4 8-10	About this Report Reporting Methodology See also Project Key Facts and Figures section of Annual Report 2015
G4-18	Process for defining report content and aspect boundaries	General Approach 9, 10, 11	8-13	Reporting Methodology

General Standard Disclosure	Detail	ESG Reporting Guide Reference	Page	Section/Remarks
G4-19	List material aspects	General Approach 9, 10, 11	12-13	Reporting Methodology
G4-20	Aspect boundaries within the organization	–	13	Reporting Methodology
G4-21	Aspect boundaries outside the organization	–	13	Reporting Methodology
G4-22	Effect of any restatements in previous reports	Reporting Guidance 18	N/A	For FY2015 we refined our emission and resource consumption calculations to minimize any errors. Underlying trends remain unchanged. Calculations for average training hours were also revised to consider total employees as opposed to attendance. All underlying trends remain unchanged.
G4-23	Significant changes in scope and aspect boundaries from previous reporting period	–	4 8	About this Report Reporting Methodology (NWCON is a new business unit that is included in this year's report.)
Stakeholder Engagement				
G4-24	List of stakeholders engaged by the organization	General Approach 12, 13	11	Reporting Methodology
G4-25	Identification and selection of stakeholders	General Approach 12, 13	11	Reporting Methodology
G4-26	Stakeholder engagement approach and frequency	General Approach 13, 14	11	Reporting Methodology
G4-27	Report any key topics and concerns raised by stakeholders	General Approach 13	14-15	Reporting Methodology
Report Profile				
G4-28	Reporting period	Reporting Guidance 16	4	About this Report
G4-29	Date of most recent report	Reporting Guidance 16	N/A	The previous report was published in December 2014.

GRI INDEX



General Standard Disclosure	Detail	ESG Reporting Guide Reference	Page	Section/Remarks
G4-30	Reporting cycle	Reporting Guidance 16	4	About this Report
G4-31	Contact point for questions regarding the report and its contents	General Approach 14	4	About this Report
G4-32	GRI "in accordance" option chosen; GRI Content Index	–	4 52-55	About this Report GRI Index
G4-33	External assurance	–	4 56	About this Report Verification Statement
Governance				
G4-34	Governance structure of the organization	–	18-19	Corporate Governance See also Corporate Governance Report section of Annual Report 2015
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	–	Front Inner Cover 18-19 22-23	Vision, Mission, and Core Values Corporate Governance Human Capital
Material Issues				
Material Issues	GRI G4 Indicator	ESG Reporting Guide Reference	Page	Section/Remarks
Corporate governance	G4-34	–	18-19	See above
Economic performance	DMA G4-EC1	–	5 36 46	Performance Highlights Community Care Performance Tables
Indirect economic impact	DMA G4-EC8	–	3 28	CEO Message Value Chain
Procurement practices	DMA G4-EC9	GD C1 KPI C1.2	29-30 46	Value Chain Performance Tables
Materials	DMA G4-EN1	GD B3 KPI B3.1	47-48 46	Environmental Performance Performance Tables
Energy	DMA G4-EN3 G4-EN7	GD B2 KPI B2.1 KPI B2.3	5 43-45 47	Performance Highlights Environmental Performance Performance Tables
Water	DMA G4-EN8	KPI B2.2	47	Performance Tables
Emissions	DMA G4-EN15 G4-EN16	GD B1 KPI B1.2	5 43-45 47	Performance Highlights Environmental Performance Performance Tables

Material Issues	GRI G4 Indicator	ESG Reporting Guide Reference	Page	Section/Remarks
Effluents and waste	DMA	GD B1	5	Performance Highlights
	G4-EN23	KPI B1.4	45	Environmental Performance
			47	Performance Tables
Compliance (Environmental)	DMA G4-EN29	GD B1	47	Performance Tables
Employment	DMA	GD A1	22-25	Human Capital
	G4-LA1	KPI A1.2	48-50	Performance Tables
	G4-LA3			
Occupational health and safety	DMA	GD A2	25	Human Capital
	G4-LA5	KPI A2.1	49	Performance Tables
	G4-LA6	KPI A2.2 KPI A2.3		
Training and education	DMA	GD A3	5	Performance Highlights
	G4-LA9	KPI A3.2	23	Human Capital
	G4-LA11		49	Performance Tables
Diversity and equal opportunity	DMA	GD A1	22-23	Human Capital
	G4-LA12		50	Performance Tables
Non-discrimination	DMA	GD A1	22-23	Human Capital
	G4-HR3		51	Performance Tables
Human rights grievance mechanisms	DMA	–	22-23	Human Capital
	G4-HR12		51	Performance Tables
Local communities	DMA	GD D1	5	Performance Highlights
	G4-SO1	KPI D1.1	36-39	Community Care
		KPI D1.2	46	Performance Tables
Anti-corruption	DMA	GD C3	18-19	Corporate Governance
	G4-SO4	KPI C3.1	29	Value Chain
	G4-SO5	KPI C3.2	51	Performance Tables
Compliance (Society)	DMA G4-SO8	GD C3	18-19 51	Corporate Governance Performance Tables
Customer health and safety	DMA	GD C2	31-32	Value Chain
	G4-PR1		51	Performance Tables
	G4-PR2			
Product and service labelling	DMA G4-PR5	GD C2	28-33	Value Chain
Compliance (Product and service)	DMA	GD C2	31-32	Value Chain
	G4-PR9		51	Performance Tables

VERIFICATION STATEMENT



NWS Holdings Limited (“NWS Holdings”) has prepared its Sustainability Report 2015 (the “Report”) in accordance with the Global Reporting Initiative (“GRI”) G4 Sustainability Reporting Guidelines. The Hong Kong Productivity Council (“HKPC”) was commissioned by NWS Holdings to provide independent report assurance¹, which covers the sustainability performance of NWS Holdings between 1 July 2014 and 30 June 2015.

Objectives

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

- assess whether the scope of the Report covered all significant aspects of NWS Holdings’ sustainability performance;
- check whether the Report conformed to the Core option of the GRI G4 Sustainability Reporting Guidelines;
- evaluate whether the selected statements and data presented in the Report were accurate;
- review whether the data collection and information management mechanisms used to prepare the Report were reliable; and
- provide recommendations for future reports.

Approach

HKPC’s assurance procedures² consisted of a comprehensive review of the Report, followed by the selection of a representative sample of statements and data pertaining to significant sustainability aspects of NWS Holdings to be used for verification. During an interview with NWS Holdings’ representatives conducted on 4 November 2015, we reviewed and examined the data collation systems and supporting materials related to the selected statements and data as well as NWS Holdings’ relevant management practices and initiatives.

Conclusion

The Report conforms to the Core option of the GRI G4 Sustainability Reporting Guidelines. It presents an overview of NWS Holdings’ corporate governance and performance on economic, environment, labour practices, human rights, society and product responsibility with respect to the key services, activities and initiatives of the operations of NWS Holdings in Hong Kong. In terms of the accuracy and reliability of the Report, the selected sample of statements and data examined during the assurance process was consistent with the source materials reviewed and reflected a fair account of NWS Holdings’ sustainability performance. The data collation and information management systems adopted were generally considered to be reliable.

Clement Li

Principal Consultant
Hong Kong Productivity Council
11 December 2015

1. This assurance statement has been prepared for NWS Holdings for the purpose of assuring the statements and data presented in its Sustainability Report 2015 only. The statement was prepared based on HKPC’s review of information provided by NWS Holdings during the assurance process. HKPC will not accept or assume any responsibility or liability (legal or otherwise) in relation to this assurance statement.
2. Our assurance did not cover data and information which had already been published in the press releases, on the NWS Holdings’ or its subsidiaries’ websites, or in the annual reports of NWS Holdings.



新創建 NWS

NWS Holdings Limited

(incorporated in Bermuda with limited liability)

28/F New World Tower
18 Queen's Road Central
Central, Hong Kong

Tel: (852) 2131 0600

Fax: (852) 2131 0611

E-mail: sustainability@nws.com.hk

www.nws.com.hk
sr.nws.com.hk