



新創建 NWS

NWS HOLDINGS LIMITED

STOCK CODE: 659

**SUSTAINABILITY
REPORT
2016**



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). As one of the leading infrastructure players in Mainland China, NWS Holdings possesses an extensive business network in managing and operating 67 projects and two strategic investments in four major segments, namely Roads, Environment, Logistics and Aviation. The Services division 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





CONTENTS

- 2** CEO MESSAGE
 - 4** ABOUT THIS REPORT
 - 5** PERFORMANCE HIGHLIGHTS
 - 8** REPORTING METHODOLOGY
 - 16** CORPORATE GOVERNANCE
 - 20** HUMAN CAPITAL
 - 28** VALUE CHAIN
 - 36** COMMUNITY CARE
 - 42** ENVIRONMENTAL PERFORMANCE
 - 49** PERFORMANCE TABLES
 - 55** GRI INDEX
 - 59** VERIFICATION STATEMENT
- 

CEO MESSAGE

Corporate sustainability, in essence, is about ensuring the long-term growth of a business in a way that is beneficial to society at large. At NWS Holdings, we strive to integrate sustainability into our business strategy and daily operations, which we believe drives competitiveness and increases value for our shareholders and stakeholders. Building on a solid foundation of corporate governance, sustainability principles permeate decisions and actions we undertake, ensuring our business operates efficiently, uses resources effectively and meets the wider needs of society.



The Group's prudent growth strategy and balanced investment portfolio ensure that it is well prepared to capture business opportunities in a volatile market environment. In light of the benefits and growing opportunities in environmental businesses, the Group is expanding our Environment segment by going beyond our current investments in energy, water, wastewater and sludge treatment, and seeking opportunities in waste management businesses through stronger cooperation with our Chinese and French partners. This move demonstrates our commitment to sustainable business and aligns with our strategy to seize emerging opportunities.

Our people are our most important asset. Without a stable supply of talent and investment in people development, no business can be viable in the long run, nor can it hope to outperform its competitors. For years, the Group has worked to establish our position as an employer of choice. An attractive employment proposition is central to our strategy to attract and retain high-calibre people. Employee remuneration is regularly reviewed against industry levels, and we provide a range of benefits for individual employees and their families with the aim of fostering a happy, healthy and cohesive workforce. In businesses where hiring has been a challenge, such as our construction and transport companies, we devise new initiatives to recruit talent. A case in point is our Marine Officer Trainee Programme, through which we equip trainees with the sailing and managerial skills needed to become certified coxswains or operation supervisors with the company. This appeals to young people seeking a well-defined career path with opportunities to obtain professional qualifications.





We work with business partners, suppliers and customers throughout our value chain to improve our performance and add value to our products and services. Our construction companies run regular campaigns and events to engage subcontractors and construction workers in dialogue and actions to improve safety. They also tap into the experience and expertise of our subcontractors, to develop improved safety protocols on our construction sites.

Customer safety and comfort are the priorities for our transport businesses. We are working with our bus suppliers to fit extra handles near exit doors on all new buses to provide greater protection for passengers. Meanwhile, our ferry company launched the first ever breastfeeding room on Hong Kong public transport in response to increasing public demand for breastfeeding facilities. Three other triple-deck ferries will be equipped with breastfeeding rooms in the next financial year.

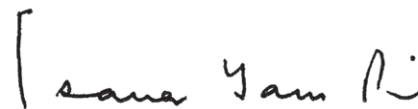
In the wider community, we continue to invest in our programmes and support worthy causes through donations and sponsorships, volunteering, and operational support. The YWCA NWS Y-Care Centre (North District), which we began supporting in 2013 and have funded in phases with donations totalling HK\$3 million, is now bearing fruit. As of 30 June 2016, this elderly day care centre had served 23,000 users, with a service satisfaction rate of over 90%. As one of the recognized service providers in North District, the centre is well positioned to support the second phase of the HKSAR Government's Pilot Scheme on Community Care Service Vouchers for the Elderly, which was rolled out in late 2016.

The Group continues to work on optimizing operations and reducing its environmental impact by monitoring key performance indicators for energy, water, materials, waste and emissions. We have demonstrated our leadership by making Hong Kong Convention and Exhibition Centre the first venue in Hong Kong to receive ISO 20121 Event Sustainability Management System certification, which ensures sustainability is considered throughout the event management cycle in this hallmark of Hong Kong's Meetings, Incentives, Conference and Exhibitions ("MICE") industry.

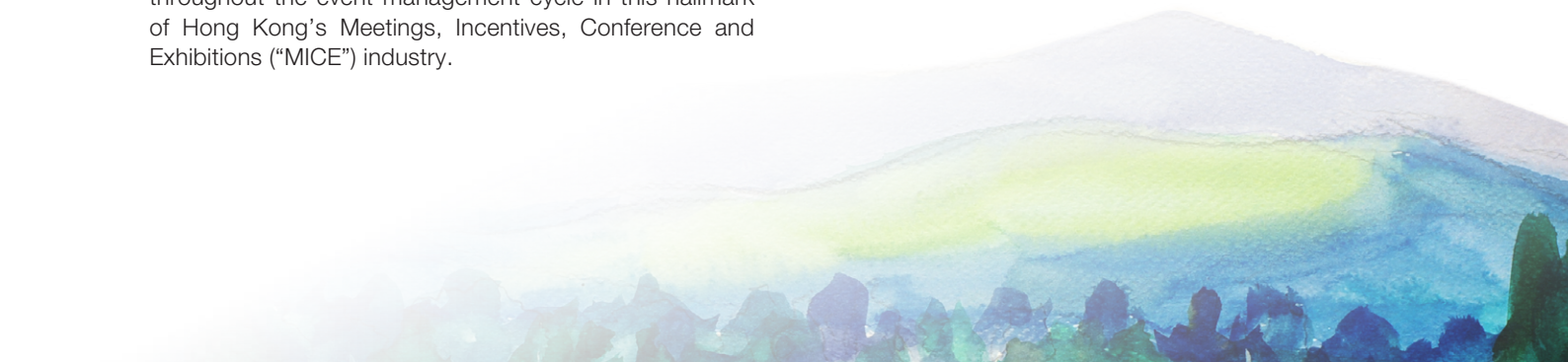
To improve air quality, we have stepped up our efforts to introduce more environmentally-friendly vehicles to our bus fleet. As of 30 June 2016, we have over 1,000 Euro 5 or above buses in operation. Buses that use cleaner fuels, such as hybrid and electric buses, are also being tested on the road. These new-generation buses are more fuel-efficient and emit fewer pollutants, helping to improve roadside air quality.

Since 2014, we have adopted the Global Reporting Initiative G4 Sustainability Reporting Guidelines to prepare our sustainability reports. This enhances our transparency and accountability while enabling benchmark comparisons to our international and industry peers. By benchmarking our performance, we can better understand the Group's strengths and weaknesses and learn from the best practices of others. At the local level, we are honoured to be included in the Hang Seng Corporate Sustainability Benchmark Index for the sixth consecutive year, and to be recognized in the latest review as the highest-scoring company in fair operating practices, which cover corporate policy and performance in the prevention of corruption and anti-competitive behaviour, and ethical policies in purchasing, distribution and contracting.

Driving corporate sustainability involves consultation and collaboration with our stakeholders. We value and welcome your opinions and suggestions. Your views are essential to helping us improve our sustainability performance and create value for our shareholders and the communities we serve.



Tsang Yam Pui
Chief Executive Officer



ABOUT THIS REPORT

PROFILE AND SCOPE

This is the third standalone sustainability report produced by NWS Holdings. We continue to report annually on our approach, performance and progress in seven key aspects of sustainability: corporate governance, economic, environment, labour practices, human rights, society and product responsibility. The views of internal and external stakeholders have been considered in determining the issues that are considered material to the Group. A content index can be found on pages 55 to 58, which outlines where each material issue is addressed in this report.

NWS Holdings has a diverse business portfolio with infrastructure and service operations mainly in Hong Kong, Mainland China and Macau. Our newly added commercial aircraft leasing business offers service to airlines around the world. This report mainly covers our operations in Hong Kong, where the Group is based and listed. Apart from NWS Holdings Corporate Office (“Corporate Office”), the following companies and operations in which we have a majority stake or operational control are covered in this report:

- 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”)

A significant proportion of our projects in Mainland China are established as joint ventures. Though the Group does not have full operational control of these projects, we monitor and manage their risk profile through board representations. In addition, we ensure that our policies and values are communicated to the senior management of these companies, and incentivise their employees to champion sustainability through various internal award programmes. As we work to enhance transparency, we have expanded the scope of the report this year to include key sustainability initiatives taken at some of our joint ventures with the highest potential for environmental

impact. These include our water plant in Macau and power plants in Mainland China.

Further details of the processes used to determine our material issues and define the scope of this report can be found in the Reporting Methodology section. For more information about our business, please refer to our [Annual Report 2016](#).

REPORTING PERIOD

In line with our financial year, this report covers the period from 1 July 2015 to 30 June 2016 (“FY2016”). Some historical information and data are included in the report for comparison. Where previous financial years are referenced, FY2014 refers to the period from 1 July 2013 to 30 June 2014, and FY2015 to the period from 1 July 2014 to 30 June 2015.

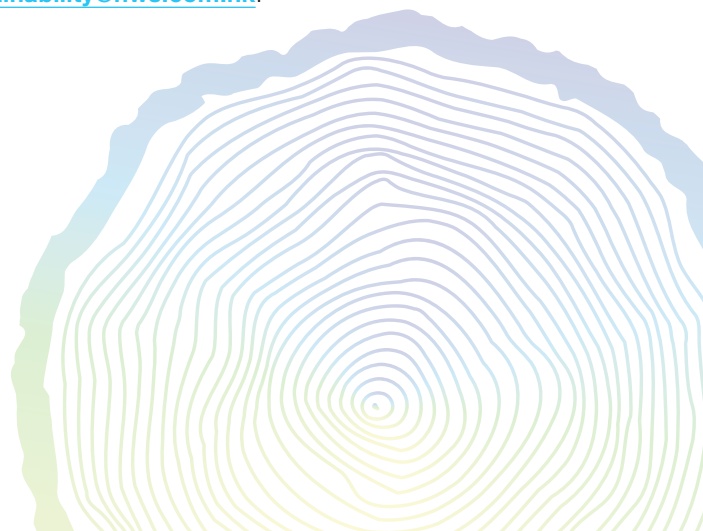
FRAMEWORK AND ASSURANCE

This report is prepared in accordance with the Core option of the Global Reporting Initiative (“GRI”) G4 Sustainability Reporting Guidelines, and complies with the provisions of the Environmental, Social and Governance (“ESG”) Reporting Guide of the Stock Exchange of Hong Kong Limited (“Hong Kong Stock Exchange”).

This report has been independently verified by Hong Kong Productivity Council as meeting the disclosure requirements of the above reporting guidelines. The verification statement can be found at the back of this report.

CONTACT

Please send us your feedback to sustainability@nws.com.hk.



PERFORMANCE HIGHLIGHTS

For the year ended 30 June 2016



ECONOMIC

Revenue

HK\$29,497.8 million

Profit attributable to shareholders

HK\$4,912.8 million

Net assets

HK\$45,858.4 million



CORPORATE GOVERNANCE

Zero

reported incidents of corruption



HUMAN CAPITAL

11,074

employees from the reporting entities¹

More than

170,000

hours of training accumulated by employees from the reporting entities



COMMUNITY CARE

HK\$4.2 million

contributed to charitable causes through NWS Holdings Charities Foundation

13,910

hours of community service clocked up by corporate volunteers



VALUE CHAIN

More than

75%

of procurement budgets of reporting entities were spent on local suppliers²

Over

5.5 million

visitors attended events at Hong Kong Convention and Exhibition Centre

Around

15,000

jobs provided by our construction businesses in Hong Kong³

Over

1.1 million

patronage were carried by our bus and ferry fleets per day



ENVIRONMENTAL PERFORMANCE

Over

1,000

Euro 5 or above buses in service

Over

1 million

tonnes of waste diverted from landfills

37

new construction projects in Hong Kong received BEAM Plus or LEED green building certification

¹ NWS Holdings has a total of 27,885 employees 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 the G4 Sustainability Reporting Guidelines. This figure excludes NWFF, which spent 50% of its procurement budget on local suppliers because many specialized items, such as spare parts for ferries, are not available locally.

³ These include employees hired by our construction companies, and construction workers hired by these companies' subcontractors.

PERFORMANCE HIGHLIGHTS

MAJOR AWARDS AND RECOGNITION

Award and awardee	Organizer
The constituent stock of the Hang Seng Corporate Sustainability Benchmark Index 2016-2017 (NWS Holdings)	Hang Seng Indexes Company Limited
10 Years Plus Caring Company Logo (NWS Holdings and seven member companies in Hong Kong); and Barrier-free Companies/Organizations (NWFB and Citybus) at the Caring Company Scheme	The Hong Kong Council of Social Service
Gold Award in the Volunteer Team category and Silver Award in the Enterprise category at the sixth Hong Kong Corporate Citizenship Programme (NWS Holdings)	Hong Kong Productivity Council
Best Practice Award 2015 in Human Capital Management (NWS Holdings)	The Best Practice Management Group
Gold Awards (websites of NWS Holdings Charities Foundation, NWS Hong Kong Geo Wonders Hike, HML and NWFF) and Silver Award (Sustainability website of NWS Holdings) in the Website Stream; Gold Awards in the Mobile Application Stream (NWFB and Citybus, and NWFF) and Triple Gold Award (NWS Holdings Charities Foundation) at the fourth 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 and Best Venue Team in Asia Pacific (HML)	<i>CEI Asia</i> magazine
Green Contractor Gold Award 2015 (Hip Hing)	Architectural Services Department, HKSAR Government
Gold Award and Silver Award in Building Site (Private Sector) at Construction Industry Safety Award Scheme 2015/2016 (Hip Hing)	Labour Department, HKSAR Government and associated institutions
Best Companies to Work For in Asia 2016 (NWS Holdings)	<i>HR Asia</i> magazine
Silver Award in Corporate Culture and Internal Communication in the 12 th China Golden Awards for Excellence in Public Relations (NWS Holdings)	China International Public Relations Association
The Top Ten Most Socially Responsible Service Enterprises in Mainland China's Water Industry Annual Award for 2015 (Macau Water)	www.h2o-china.com

MEMBERSHIPS

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

BOUNDARY MAPPING

NWS Holdings is a conglomerate with businesses in wide-ranging sectors and an expanding geographical footprint. We have adopted a systematic approach based on GRI's Boundary Protocol to identify business units to be included in the scope of our sustainability reports. In line with the GRI G4 Sustainability Reporting Guidelines, we have considered our shareholding size and the extent to which we have management control of individual companies. In addition, we consider the scale and business nature of individual companies to determine the extent of their environmental and social impacts.

All the seven reporting entities in Hong Kong covered in this report are those in which the Group has a significant interest and operational control. We do not report on ATL Logistics Centre and NWS Kwai Chung Logistics Centre located in Hong Kong, as the former is not under our operational control and the latter is rented out to a tenant. As part of our efforts to increase the scope of disclosure, we have covered key initiatives of our water plant in Macau and power plants in Mainland China in this year's report. As we progress, we aim to gradually expand the report beyond our Hong Kong business to include operations in Mainland China and Macau in which we have majority ownership or control.

REPORTING ENTITIES AT A GLANCE



Hong Kong Convention and Exhibition Centre (Management) Limited

Hong Kong Convention and Exhibition Centre ("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, having firmly established 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 company 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 the design and construction of foundations and civil engineering works, as well as site investigation for clients in both public and private sectors.



New World Construction Company Limited

Established in 2012, NWCON 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

NWS Holdings and Chow Tai Fook Enterprises Limited jointly own these two franchised bus operators. With a combined fleet of over 1,600 air-conditioned buses, these two companies operate over 190 routes, serving more than one million passengers daily.



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.



MATERIALITY ASSESSMENT

Our reports focus on issues that represent the most significant impacts of the Group's business, and the issues of most concern to our stakeholders, or our material issues. As an established practice, we follow the below four-step process to define material aspects and boundaries. This year, we engaged our key stakeholders, including employees and senior management, to review and endorse the list of material issues.

1

Identification

- Analyzed the sustainability reports of peer companies in Hong Kong to identify common issues, and assigned a score based on the frequency of disclosure for each issue
- Considered macro sustainability trends that are relevant to our industries and locations of operation

2

Prioritization

- Engaged representatives of major stakeholder groups including employees, investors, business partners, and non-profit organizations through focus groups and interviews, specifically seeking their input on the issues they feel are most important. The individuals engaged were selected for their strong relationship with the Group and their understanding of our business
- Plotted each relevant issue onto a materiality matrix, and issues highly important to both stakeholders and the Group are considered material issues

3

Validation

- Engaged the Group's senior management to validate the shortlist of material issues

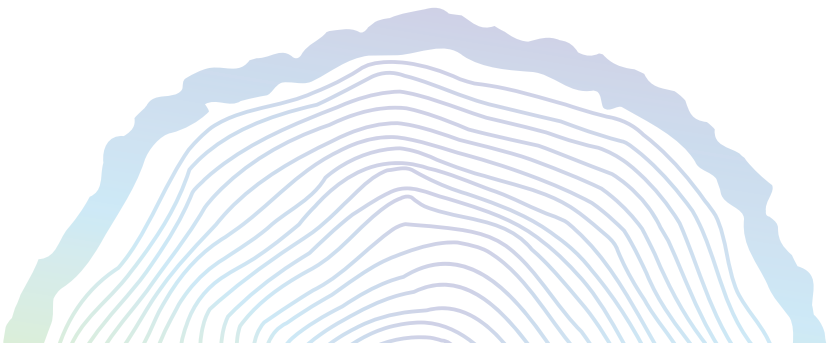
4

Review

- Reviewed material issues annually, with input from senior management and stakeholders

REPORTING METHODOLOGY

MATERIALITY MATRIX



ISSUE BOUNDARIES

The following table presents the material issues relevant to our businesses, and their impact within and outside of our organization.

#	Material Issue	Location of Major Impacts	
		Inside the organization	Outside the organization
Corporate Governance			
1	Corporate Governance	Group	Shareholders, investors, regulators, general public
Economic			
2	Economic Performance	Group	Shareholders, investors, general public
3	Indirect Economic Impacts	Group	Customers, suppliers, subcontractors, general public
4	Procurement Practices	Group	Suppliers, subcontractors
Environmental			
5	Materials	Group	Suppliers
6	Energy	Group	Suppliers, subcontractors
7	Water	HML, Hip Hing, NWCON, NWFB and Citybus, NWFF	Suppliers, subcontractors
8	Emissions	HML, Hip Hing, NWCON, NWFB and Citybus, NWFF	Suppliers, subcontractors
9	Effluents and Waste	Group	Customers, suppliers, subcontractors
10	Compliance	Group	Suppliers, subcontractors
Labour Practices and Decent Work			
11	Employment	Group	
12	Occupational Health and Safety	Group	Subcontractors
13	Training and Education	Group	
14	Diversity and Equal Opportunity	Group	
Human Rights			
15	Non-discrimination	Group	General public
16	Human Rights (renamed from Human Rights Grievance Mechanisms)	Group	Suppliers, subcontractors, general public
Society			
17	Local Communities	Group	General public
18	Anti-corruption	Group	Customers, suppliers, subcontractors
19	Compliance	Group	Suppliers, subcontractors
Product Responsibility			
20	Customer Health and Safety	Group (except Corporate Office)	Customers, suppliers, subcontractors
21	Customer Satisfaction (renamed from Product and Service Labelling)	Group (except Corporate Office)	Customers, subcontractors
22	Compliance	Group (except Corporate Office)	Suppliers, subcontractors

REPORTING METHODOLOGY

RESPONDING TO STAKEHOLDER FEEDBACK

We value stakeholder feedback and suggestions, and work to address major concerns in a timely manner. Responding to stakeholder feedback shows that we are listening to their views and taking steps to improve as a company. The following highlights the progress we have made to address stakeholder feedback raised in recent years.

Governance

Stakeholders noted that board diversity is important to ensuring high-standard corporate governance and this is an area in which the Group and any other listed company should continue to improve.

Our Response:

We review our “Board Diversity Policy” from time to time and benchmark the board diversity of listed companies in Hong Kong with a view to enhancing the diversity of the board of directors of NWS Holdings (the “Board”). In FY2016, we appointed our first female director to the Board. Mrs Oei Fung Wai Chi, Grace, joined the Board as an Independent Non-executive Director and a member of the Corporate Social Responsibility (“CSR”) Committee in early 2016.

We will continue to work towards increasing board diversity by considering a range of factors including skills, regional and industrial experience, race and gender.

Human Capital

Our stakeholders identified Hong Kong’s labour shortage as a challenge that is affecting our businesses across the board, particularly our construction and transport businesses, which are heavily dependent on labour supply. Stakeholders asked the Group to devise ways to attract and retain talent.

Our Response:

To attract quality people, we have established targeted recruitment programmes such as NWSF’s Marine Officer Trainee Programme. We also partner with vocational schools and universities to identify outstanding candidates, and provide targeted support and scholarships to promising students to help develop a stream of talent. To retain our staff, we provide attractive remuneration and benefits that are benchmarked against our competitors, as well as a caring and safe working environment, and drive new initiatives to promote dialogue and communication (see more in the Human Capital section).



Community Care

Stakeholders expected greater corporate efforts to help solve societal problems in Hong Kong. Although stakeholders recognize our efforts so far, they feel we should invest more in expanding and extending our community engagement programmes, in order to draw broader public attention to the social issues we are working to address.

Our Response:

We share the view that longer-term investments are required to create positive impacts on the community. We have joined forces with our long-time partner, the Hong Kong Young Women's Christian Association ("YWCA"), to establish an elderly day care centre, YWCA NWS Y-Care Centre (North District), to provide much-needed day care and healthcare services to elderly residents in North District. Through this centre, elderly people have access to day care services that have been in short supply in the district. Starting from late 2016, less affluent elderly people can make use of the centre's services through the HKSAR Government's Community Care Service Vouchers for the Elderly scheme.

We also continue to expand our flagship project, NWS Hong Kong Geo Wonders Hike. Over the years, we have diversified the programme to engage a wider range of audience on a niche yet important environmental protection issue – geoconservation. The Young Ambassadors for Geoconservation Training Programme that targets youth received a record number of applications this year, reflecting increased recognition of the programme from schools. In the reporting period, we launched a well-received running event, NWS Geo Hero Run, to promote geoconservation through this increasingly popular sport.

Environmental Performance

Stakeholders would like to see the Group going beyond regulatory requirements and taking a more proactive approach to improve the Group's environmental performance.

Our Response:

Many of the industries in which we operate are heavily regulated when it comes to environmental issues. We go beyond compliance wherever possible. Our construction companies, for example, are investing in new devices and technologies to reduce energy use, emissions and waste. As events and exhibitions involve the use of energy, water and other resources, and they produce waste, we take the lead in establishing a comprehensive and sustainable event management cycle at HKCEC. In FY2016, HKCEC became the first ISO 20121 Event Sustainability Management System-certified venue in Hong Kong, and we launched sustainable meeting packages in July 2016 to facilitate our customers to run events in a more environmentally friendly manner.

CORPORATE GOVERNANCE



CORPORATE GOVERNANCE



The CSR Committee drives the Group's sustainability strategy and performance.

Good corporate governance is fundamental to the long-term success of every company. Having a transparent framework with adequate checks and balances ensures that business leaders make sound decisions that deliver value for the company and its shareholders. In our increasingly interconnected world, where global markets, businesses, communities and the environment are inextricably linked, it is important that we operate in a way that promotes sustainable growth. Our multi-faceted approach to sustainability combines management framework and policies, operational optimization and capacity building. We are also committed to engaging our stakeholders, benchmarking our performance, and reporting on our progress as part of our on-going efforts to increase transparency and accountability.

SUSTAINABILITY MANAGEMENT FRAMEWORK

The Board, as the highest governance body of the Group, takes ultimate responsibility for corporate sustainability. The Board plays a pivotal role in enhancing long-term stakeholder value, directing growth strategies, supervising executive management and ensuring that corporate governance policies and practices are properly executed. As at 30 June 2016, the Board comprises 14 members, including five Executive Directors, four Non-executive Directors and five Independent Non-executive Directors.

The Executive Committee, composed of five Executive Directors, is responsible for overseeing the Group's business strategy, operations and performance. There are four other committees at board level with specific responsibility in audit, nomination, remuneration and corporate social responsibility. The CSR Committee, chaired by the Group's Chief Executive Officer, is responsible for driving the Group's sustainability

strategy, and for tracking progress in staff engagement, community investment, volunteering and environmental protection.

CORPORATE POLICIES

The Group's policies reflect our vision, mission and corporate values, which are fundamental to our business success.

Our "Board Diversity Policy" sets out clear objectives of achieving an appropriate balance of skills, experience and diversity of perspectives. In FY2016, board diversity was further enhanced with the appointment of Mrs Oei Fung Wai Chi, Grace, as an Independent Non-executive Director and a member of the CSR Committee.

To monitor and manage material risks for our business, the Group has "Guidelines on Risk Management" and "Guidelines on Internal Control System" to ensure the effectiveness of our risk management and internal control systems.

The Group's expectations of ethical and professional conduct by employees and business partners are detailed in our "Corporate Policy on Staff Responsibility". Our "Disclosure Policy for Inside Information" and "Whistleblowing Policy" guide employees in handling sensitive company information and reporting any misconduct.

Our "Corporate Policy on CSR" embodies our pledge to adopt CSR principles in all business practices, and to contribute to the community in ways that capitalize on our strengths and internal resources. Our "Environmental Policy" guides our work towards conserving natural resources,

minimizing waste and complying with environmental laws and regulations. In FY2016, we launched our “Human Rights Policy”, which aligns with the principles of the United Nations Global Compact.

OPERATIONAL OPTIMIZATION

We work with our employees, business partners and customers to increase efficiency, reduce waste and minimize our impact on the environment. With innovation as one of our core values, we strive to invent new ways and processes that benefit our business operation, community and environment. The following sections on Human Capital, Value Chain and Environmental Performance provide details of the innovations and measures that the Group and our member companies have undertaken to optimize operations.

CAPACITY BUILDING

As we integrate sustainability into our decision-making processes, it is vital that all staff understand emerging trends and how these new developments impact both daily operations and future business prospects. The NWS Sustainability Seminar is our key platform geared towards building internal capacity in sustainability. This annual event informs and educates managerial staff from across the Group on topical sustainability issues. The half-day event in FY2016 brought together around 300 participants to discuss issues as diverse as the economic and demographic development of Hong Kong, business application of big data, sustainable procurement and regulatory compliance. Building on this broad, Group-wide understanding of sustainability, we also have Green Managers who receive targeted training on integrating sustainable practices into day-to-day operations.



The NWS Sustainability Seminar fosters greater understanding of sustainable development among managerial staff.

STAKEHOLDER ENGAGEMENT

Strong relationships with our stakeholders – including employees, government officials, business partners, customers, suppliers, subcontractors, investors, the media, non-profit organizations and trade associations – are vital to our business success. We engage with our key stakeholders on a regular basis to stay informed of their concerns and expectations, and to gauge broader societal issues that we need to address as a corporate citizen.

Due to the diverse nature of our businesses, each member company has its own group of key stakeholders and corresponding approach to stakeholder engagement. Broadly speaking, we make use of forums, meetings, surveys, focus groups, online platforms and new media to collect stakeholders’ feedback that helps us understand their views.

BENCHMARKING AND REPORTING

We use benchmarking and reporting to review and improve the Group’s sustainability performance. Through sustainability benchmarking, we are able to understand where we stand in the industry and gain insights into best practices. We are open to third-party assessment of our performance, such as the Hang Seng Corporate Sustainability Benchmark Index, in which we have been a constituent stock for six consecutive years, with overall performance score improving from A to AA over time. Since 2014, the Group has published an annual standalone sustainability report in accordance with the GRI G4 Sustainability Reporting Guidelines and the ESG Reporting Guide issued by the Hong Kong Stock Exchange.

More information on the Group’s corporate governance structure and practices, as well as our risk management approach, can be found on pages 23 to 45 of [NWS Holdings Annual Report 2016](#).

HUMAN CAPITAL





HUMAN CAPITAL



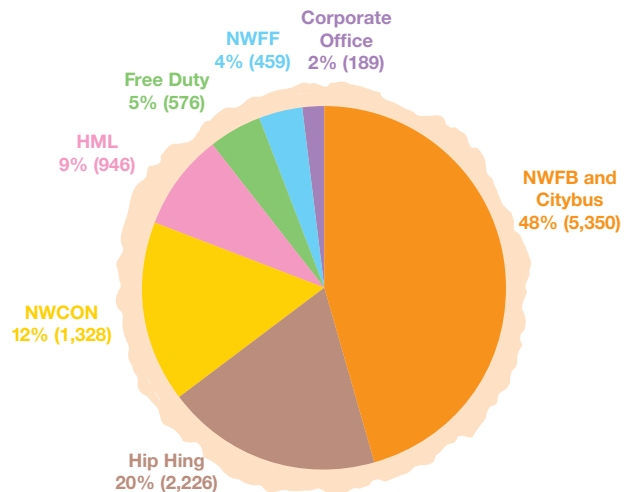
At NWS Holdings, we seek to unlock our people’s full potential, with clear opportunities for progression.

Our goal is to reinforce our position as an employer of choice. We strive to foster a stimulating, inclusive and safe workplace, where our employees can continue to learn and grow within the Group. We provide a competitive remuneration and benefits package that is benchmarked to the industries in which we operate, and offer a range of opportunities for professional development and career advancement.

EQUALITY AND DIVERSITY

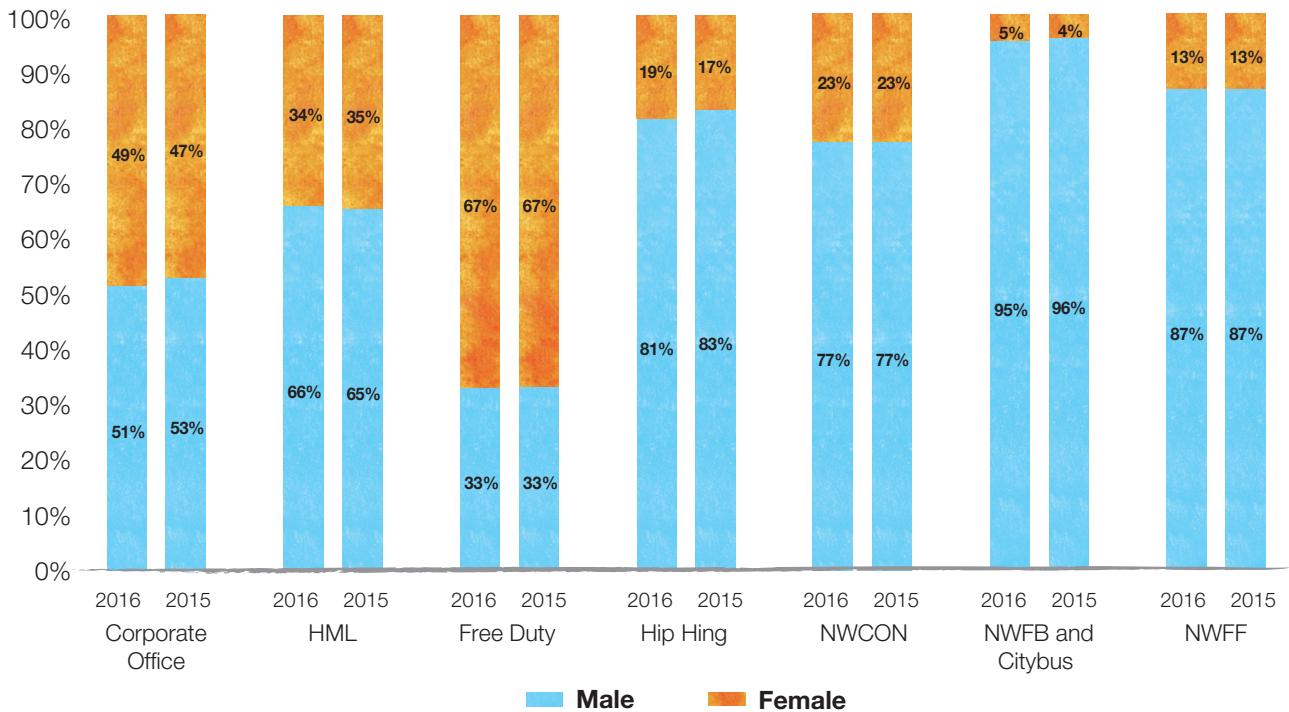
As an equal opportunity employer, we treat and remunerate our employees fairly, regardless of their age, gender, ethnicity or other aspects of diversity, as stipulated in our policies. The scope of this report covers around 11,100 employees in Hong Kong. Due to the nature of our business and historical employment trends, our employees are predominantly male at operational level, with five male employees for every female employee. We are close to achieving gender parity in our Corporate Office.

Distribution of Employees from Reporting Entities in FY2016



Gender Profile of Reporting Entities

for the year ended 30 June



Employees in our Construction and Transport segment are predominantly male, whilst Free Duty employs twice as many women as men, largely because salespeople in the retail sector tend to be female.

We have a strict non-discrimination policy, and suspected violations of this policy can be reported in confidence through our whistleblowing channel. In FY2016, the Group launched a new “Human Rights Policy” to reaffirm our commitment to respecting and protecting the fundamental rights of our employees. The policy was developed in accordance with the principles of the United Nations Global Compact, and stipulates the Group’s mechanism through which staff can report concerns. NWFB and Citybus, where there are many more male than female employees, has an “Anti-discrimination Committee” to monitor gender discrimination and investigate any reported grievances. There were no cases of workplace discrimination filed during the reporting period.

TRAINING AND EDUCATION

To cultivate our human capital, we have a comprehensive career advancement plan and training programme to develop the capabilities of our employees. In today’s tight labour market, it is important to retain, empower and grow our employees. We ensure each employee has the skills and know-how necessary to deliver quality results in an efficient and effective manner. Department heads and supervisors act as mentors, and training workshops, seminars, external visits and other professional development courses are provided to meet the specific needs of each individual employee.

In FY2016, employees of our reporting entities together received over 170,000 hours of training, with 76% of that as professional development and the rest focused on areas including occupational health and safety, environmental protection, anti-corruption and the Group’s corporate culture. On average, each employee received about 16 hours of training.

HUMAN CAPITAL

Marine Officer Trainee Programme

More than 65% of the operational staff at NWFF is 50 years of age or older. Looking ahead, it will be crucial to attract and train new recruits to take over the jobs vacated by retiring senior staff. To attract young people to the industry and build a pipeline for succession, NWFF runs the First Ferry Marine Officer Trainee Programme. The six-year development programme provides young recruits with maritime knowledge, management skills and professional seafaring know-how through classroom learning and on-the-job practical experience. After the training programme, trainees can take examinations to gain professional qualification as Grade 1 coxswains or can be promoted to become operation supervisors.

“ I am lucky to have started down the path to pursue my dream job. The Marine Officer Trainee Programme provides extensive hands-on training aboard different vessel types. One of the best parts of the programme is that it is structured like an apprenticeship, where each trainee shadows an experienced coxswain to get on-the-job training and support. I look forward to earning my coxswain’s uniform, which I will wear with pride! ”

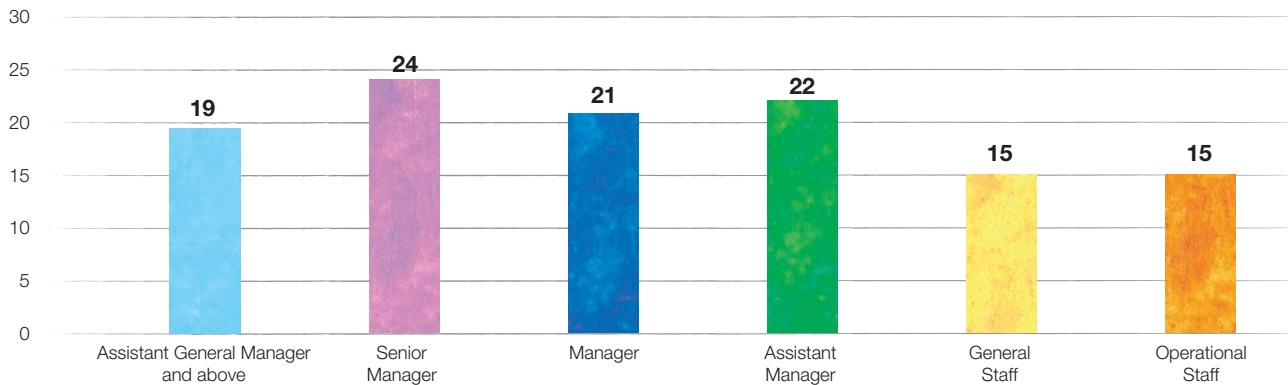
Mark Mak
Marine Officer Trainee
NWFF



To promote life-long learning and encourage employees to participate in external training related to their work, we offer three-day examination leave for each Corporate Office employee. We have also doubled their annual education subsidy from HK\$5,000 to HK\$10,000 per person. High-calibre managerial staff and outstanding young talent are identified for fast-track career progression and have the opportunity to join the Executive MBA programme taught by the Ivey Business School of Western University, Canada, and the New World YoungSTAR programme.

Businesses that require industry-specific skills, such as our construction and transport companies, have their own specialized talent recruitment and development programmes. Targeted training is provided to engineers, project managers, geologists, urban planners, environmental officers, bus captains, ferry coxswains and other specialist staff. At NWFB and Citybus, staff members can earn and accumulate credits for every session of training they receive. The record of credits attained is taken into account during staff appraisals.

Average Training Hours by Employee Category in FY2016



OCCUPATIONAL HEALTH AND SAFETY

Safety is a priority for the Group, particularly as we operate in industries such as transport, where employee health and safety is directly linked to the safety of our passengers. The majority of our business units covered in this report have formal health and safety committees for management and frontline workers to communicate on safety issues, in addition to on-going internal safety campaigns and training.

Safety is one of Hip Hing's guiding principles, which are company-wide values shared by all staff. Policies have been developed to enhance staff safety, covering safety and emergency preparedness, an ergonomic assessment of work stations, the availability of automated defibrillation, and adjustments to work arrangements during adverse weather. On construction sites, Hip Hing and NWCON conduct regular safety audits to work towards a zero accident rate. To prevent construction workers from heat stroke, we provide sun block, fans and Chinese herbal tea at construction sites. Morning exercises are also held at our construction sites to raise awareness of physical well-being and the importance of safety.

Across our businesses, we introduce new equipment and procedures to prevent workplace injuries wherever possible. Our employees at Wong Chuk Hang bus depot have invented an electric auxiliary tool, dubbed "Workshop Popeye", which allows a single mechanic to easily and safely remove or install a bus brake disc weighing up to 40 kilograms. In the past, two mechanics would have been needed to manually lift the heavy disc. This new tool not only eliminates the risk of strain and injury caused by repetitive manual lifting tasks, but also reduces the time taken by over 70%. In recognition of our ingenuity, we received the "Productivity and Quality Award" at the Hong Kong Awards for Industries 2015, which recognizes outstanding achievements by Hong Kong enterprises in pursuit of excellence in their industries.



The "Workshop Popeye" lifting device, developed by bus depot employees, improves efficiency and enhances occupational safety.

HUMAN CAPITAL

To ensure employees are physically fit for work, we provide Corporate Office employees with free medical check-ups and influenza vaccinations. In FY2016, to address office-related health conditions such as back pain, we implemented a new initiative to provide a back-support cushion to Corporate Office staff to minimize strain caused by long hours of sitting. The Corporate Office also takes the lead in organizing various sports competitions across the Group, such as badminton and soccer tournaments, to promote a healthy and active lifestyle.

We recorded an overall injury rate of 32 per 1,000 workers across the Group. The majority of reported cases came from HML as well as NWFB and Citybus, and were related to minor injuries, such as abrasion, sprain and burn. We will continue to make every possible effort to reduce injuries, through staff training and by making any necessary changes to workflow and to the workplace itself.

It is with regret that two fatalities of subcontracted construction workers were recorded in FY2016. We took immediate action to review the causes of these incidents and made enhancements to site safety to mitigate a recurrence. We also provided financial assistance to support the families of the deceased.

CARING WORKPLACE

Active engagement with staff fosters a strong sense of belonging and builds team spirit. The Group organizes a range of professional and social events to promote

communication and cohesion across departments, business units and levels of seniority. These activities include a Christmas Party, the popular Staff Movie Day, corporate team-building programmes, staff outings and leisure classes, and cocktail parties for new hires and promoted staff. In FY2016, we launched a new management-employee communication platform: the Executive Director Luncheon. Hosted by the Group's Chief Executive Officer or Executive Directors, this monthly lunch meeting facilitates candid exchanges between management and staff members in Hong Kong.

We value open communication with our employees, and encourage them to share their views through regular surveys and management briefings. NWFB and Citybus, for example, have several channels for communicating with staff to review operational processes and identify potential areas for improvement. These channels include a staff hotline, company newsletter, staff communication meetings and regular meetings with joint consultative committees as well as unions. In FY2016, the management of our bus companies participated in over 125 hours of meetings with workers' unions and joint consultative committees to discuss operations, working conditions, remuneration and company policy.

We extend our care to the families of our employees through scholarships for children of staff and a series of family-friendly measures ranging from parental leave and a breastfeeding room in the Corporate Office, to subsidized family activities. Every two years since 2013, we have held the NWS Adventure Day, a large-scale fun day at Hong Kong Disneyland for Hong Kong employees and their family members.

Our efforts to create a desirable workplace are widely recognized, and NWS Holdings was honoured as one of the Best Companies to Work For in Asia 2016, out of over 120 nominated companies. Organized by *HR Asia* magazine, one of the most respected publications for HR professionals in Asia, the award recognizes best practices in human resources management around the region.



NWS Adventure Day 2015

At NWS Holdings, we organize a series of family excursions and activities, which are open to employees across the Group. The NWS Adventure Day is one way in which we reward our employees with a fun-filled day with their families and co-workers. The NWS Adventure Day, held in September 2015, attracted a record-breaking turnout of over 8,000 employees and their family members for an outing to Hong Kong Disneyland. Participants enjoyed a dazzling opening ceremony, the Festival of the Lion King show, lucky draws, and an exclusive preview of the popular Disney Haunted Halloween attraction. Participants also enjoyed special offers on meals and shopping.

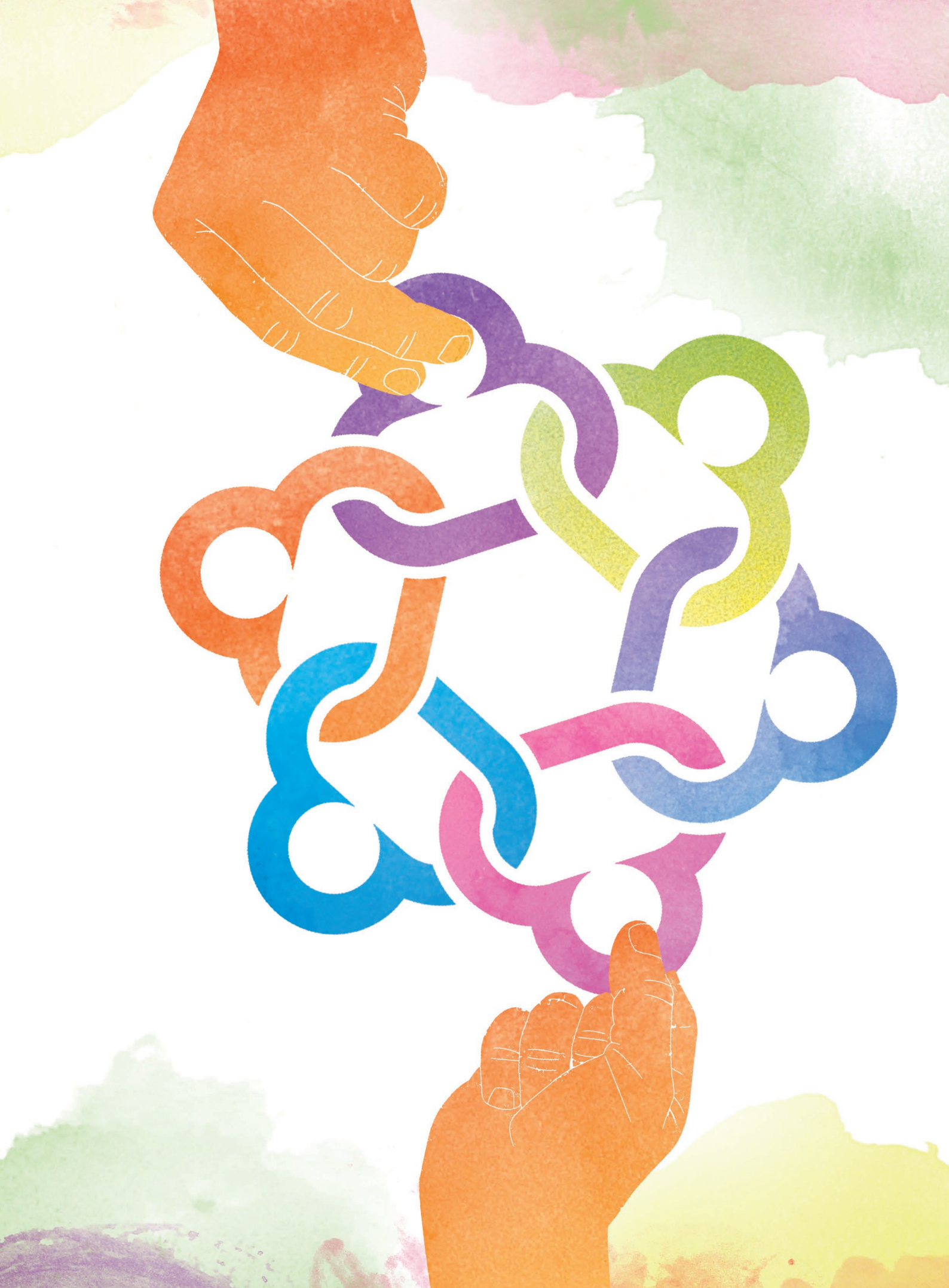
“Since joining NWS Holdings a decade ago, I have seen the Group’s increasing commitment to becoming a family-friendly employer. Among many caring initiatives, my family and I particularly enjoyed the outing to Hong Kong Disneyland. NWS Holdings is one of the few corporations in Hong Kong that provides such an exclusive activity for thousands of employees and their family members. We look forward to bringing our newborn daughter along to the event next year.”

Chris Wong
Senior Manager – Logistics & Aviation
NWS Holdings Limited





VALUE CHAIN



VALUE CHAIN



We collaborate with our stakeholders in the value chain to contribute to sustainable economic development.

Our business is the nexus between hundreds of business partners and suppliers, and millions of customers who help shape the products and services we offer. We play a crucial leadership role in managing environmental and social risks in our supply chain, and can exert a positive influence on the partners we work with to drive sustainability. First and foremost, we work to ensure that both our operations and the activities of contractors on our sites comply with all applicable laws and regulations. We leverage our procurement exercises as opportunities to source sustainable and local materials, and select suppliers that share our sustainability priorities. We provide our partners and suppliers with guidelines that detail our expectations of business conduct and labour practices.

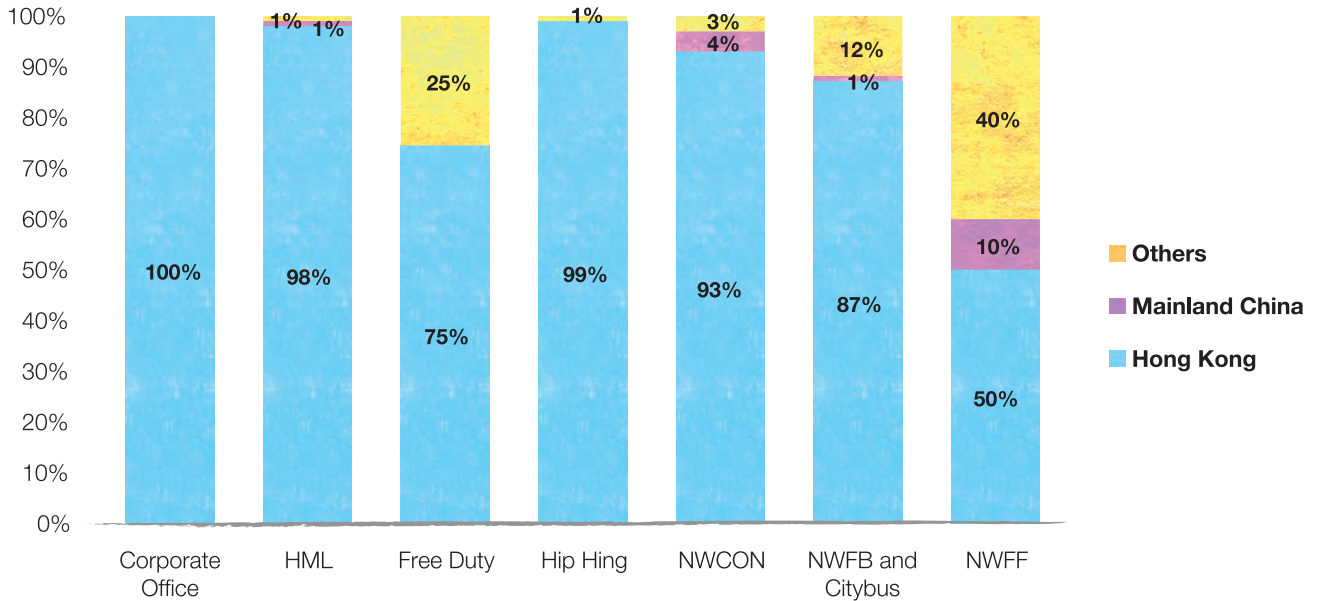
We regularly seek feedback from our customers and clients as part of the process of refining our products and services to suit their needs. To promote sustainable consumption, we provide sustainable choices for our customers and give them opportunities to care for the community and protect the environment.

INDIRECT ECONOMIC CONTRIBUTION

As a group of diverse businesses, our member companies require different input materials, products and services. The supplies we purchase range from construction materials and the services of subcontracted workers, to buses and highly specialized vehicle parts; from food for HKCEC's restaurants, to cosmetics and luxury goods for Free Duty. We are committed to selecting local suppliers wherever possible, so as to support the local economy and create jobs for local people. Our most significant proportion of non-local suppliers provide certain branded products for Free Duty and specialized bus and ferry parts, which are only available from overseas vendors.

The Group plays an active role in driving economic activity in Hong Kong by attracting international events and exhibitions to HKCEC, the flagship of Hong Kong's conference and exhibition industry. During FY2016, HKCEC hosted over 1,100 events with total patronage

Proportion of Procurement Expenditure on Local Suppliers¹ and Non-Local Suppliers in FY2016



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.

of 5.5 million people. These events included some of the world’s most prestigious international conventions, trade shows and exhibitions, such as Watches and Wonders, Art Basel and Vinexpo Hong Kong. Art Basel Hong Kong 2016 alone attracted a record 70,000 visitors.

HKCEC’s contribution to the local economy is reflected in an economic impact study commissioned by the Hong Kong Exhibition & Convention Industry Association and published in August 2016. According to the study, the exhibition industry contributed HK\$52.9 billion to Hong Kong’s economy in 2014, equivalent to 2.3% of the city’s gross domestic product (“GDP”). In 2014, the industry also supported 83,500 full-time jobs; these people were either directly employed by exhibition organizers and venues, or working in supporting sectors such as hotels, food and beverage, and retail and logistics, fuelling Hong Kong’s wider economy. Businesses and employees connected to the industry contributed HK\$2.1 billion in fiscal benefits through government taxes in 2014.



HKCEC hosts many of the world’s most prestigious international conventions, trade shows and exhibitions.

As a key player in the construction and transport sectors in Hong Kong, we have a wealth of experience in building large-scale projects and providing reliable public transportation services. Our construction and transport businesses contribute to Hong Kong’s economic development by creating job opportunities and facilitating commuting in the city. In the reporting year, Hip Hing and NWCON provided 15,000 construction-related jobs, including directly employed staff and subcontracted construction workers. Our buses and ferries, which serve over one million passengers daily, enable better connectivity that drives business and tourism.

VALUE CHAIN

SUPPLY CHAIN MANAGEMENT

We require our suppliers to meet the ethical, social and environmental requirements stipulated in the “Supplier Code of Conduct” developed by our parent company, NWD. The code clearly sets out our expectations of suppliers regarding compliance with relevant laws and regulations, labour and workplace practices, and the prevention of corruption.

As a group, we take a zero-tolerance approach to corruption and ensure our employees and suppliers are fully aware of such expectations by providing related

briefings and trainings. In FY2016, our staff members accumulated approximately 1,600 hours of training on anti-corruption policies and procedures.

In our construction businesses, where the risk of environmental and social impacts is relatively high due to the nature of the sector, our screening of suppliers covers sustainability commitments and performance. In addition to providing evidence and references regarding their quality of service and financial capability, prospective suppliers and subcontractors are required to complete a questionnaire that allows us to understand their track record of compliance, the sustainability

Hip Hing “We Hear Your Voice” Safety Campaign

Each construction site is different, and a one-size-fits-all approach to safety may not capture the full extent of risk at any given site. Safety and accident-prevention measures can be made more effective by taking account of feedback from site-based staff and frontline workers, who have first-hand experience of the risks and stand to be most affected by these measures.

Hip Hing has launched a new “We Hear Your Voice” safety campaign to help improve site safety. This involves site managers convening regular meetings with representatives of their subcontractors, who relay safety risks identified by frontline workers and discuss suggested mitigation measures. Suggestions are posted

on a designated information board on site, discussed and then prioritized. Hip Hing makes resources available so that viable suggestions can be implemented.

The regular ‘We Hear Your Voice’ lunch gathering encourages straight talk between Hip Hing and representatives of subcontractors on workplace health and safety issues. We often have candid exchanges, and Hip Hing takes our feedback seriously by executing practicable measures, which lead to improvement in health and safety and greater environmental awareness among our workers.

Lau Wai Leung
Site Supervisor
Kwan Tai Lung (HK) Ltd



standards or guidelines they have adopted, and any initiatives that demonstrate investment in corporate governance, workplace practices, community projects and environmental protection. Suppliers with high scores in all these areas are given preference in the tender process.

Once suppliers are selected, we continue to collaborate with them to advance sustainability practices. Hip Hing organizes an annual Subcontractor Forum that brings its partners together to discuss common issues and challenges, such as site safety, regulatory compliance and environmental protection. Site safety remains one of the most significant risks in the construction industry. Hip Hing has implemented a series of awareness campaigns to promote site safety, and is working towards a target of zero accidents on its sites.

RESPONSIBLE PURCHASING AND CONSUMPTION

When making purchasing decisions, we commit to taking account of environmental considerations in all stages of the product and service lifecycle – from design, and distribution, to use and disposal – alongside considerations of quality and suitability for purpose and cost.

We seek to responsibly source and manage consumption of materials in our construction projects. Hip Hing and NWCON, for example, source Forest Stewardship Council-certified timber, and at least 10% of all construction materials by cost is procured from within 800 kilometres of each project site, to reduce carbon emissions from transport.

HML promotes responsible purchasing and consumption to event organizers by providing sustainable meeting packages. The new LoveGreen Meeting Package available from July 2016 offers event organizers a suite of sustainable options. Apart from incorporating sustainable and low-carbon options in food menus, HML encourages organizers to donate unconsumed food to local charities, such as Food Angel. HML also recommends event organizers to reduce energy consumption by setting the room temperature to 25°C and making use of natural daylight in HKCEC's meeting rooms.



The LoveGreen Meeting Package is a new effort by HML to promote sustainable events.

CUSTOMER SAFETY

It is of paramount importance that we ensure public safety, particularly in our bus and ferry businesses. To ensure safety for our passengers, we conduct regular mechanical inspections on our buses and ferries to ensure safety provisions are well maintained, and provide our bus captains and ferry coxswains with on-going and refresher training. Bus speeds are limited to 70km/h on the road, and all buses are equipped with a blackbox utilizing Global Positioning System technology, while buses acquired after 2007 also have security cameras. These tools enable recording of driving data and footage for use in internal safety reviews and help in the investigation of any accidents.

Customer well-being is a major consideration when we procure new vehicles for our fleet. In response to safety incidents in early 2016 that involved another local bus operator, NWFB and Citybus have requested bus manufacturers to preinstall two additional rails to exit doors on all new buses in order to provide better protection for passengers. All existing buses equipped with sliding exit doors will be retrofitted by the end of the next financial year.

VALUE CHAIN

CUSTOMER SATISFACTION

We go beyond basic requirements to add value to our services and proactively seek feedback from our customers through surveys and direct engagement. Our customers include exhibitors and exhibition visitors to HKCEC, passengers on our buses and ferries, and property owners and developers in our construction business. Customers are encouraged to rate and evaluate our services, and each member company has a well-developed system to gather and respond to customer feedback.

HML seeks feedback from event organizers through an online customer satisfaction survey, which asks for an assessment of our performance in sales, planning, and the execution stages of the event. During FY2016, 678 e-questionnaires were returned, and 98% of respondents rated the services they received as “satisfactory or above”.

Hip Hing conducts customer satisfaction surveys for all completed construction projects. Key parties involved throughout the project are invited to respond to the survey. A total of 18 survey responses were received in connection with three projects completed in FY2016. The average score was 8.1 out of a possible 10, which has exceeded our target of 7.5 and is a significant improvement on the average score of 7.8 achieved in the previous financial year.

During the reporting year, NWFB and Citybus conducted nine passenger surveys and held 12 Passenger Liaison Group meetings, at which passengers can speak directly to our customer service officers. NWFF conducts regular passenger surveys and stakeholders meetings. One of the actions taken in FY2016 as a result of stakeholder engagement was the introduction of a breastfeeding room on one of our ferries.



Our transport businesses strive to provide safe, reliable and comfortable service for our passengers every day.

NWFF Supports Breastfeeding

NWFF launched the first ever breastfeeding room on Hong Kong public transport in FY2016. The 4.6-square metre facility aboard Xin Guang, a triple-deck ferry that runs between Central and Cheung Chau, is equipped with air-conditioning, a sofa, diaper pad, wash basin, hand dryer and an emergency bell. Breastfeeding mothers are welcome to use the room by informing our staff before boarding or during sailing. NWFF plans to extend this initiative to three other triple-deck ferries in the next financial year.

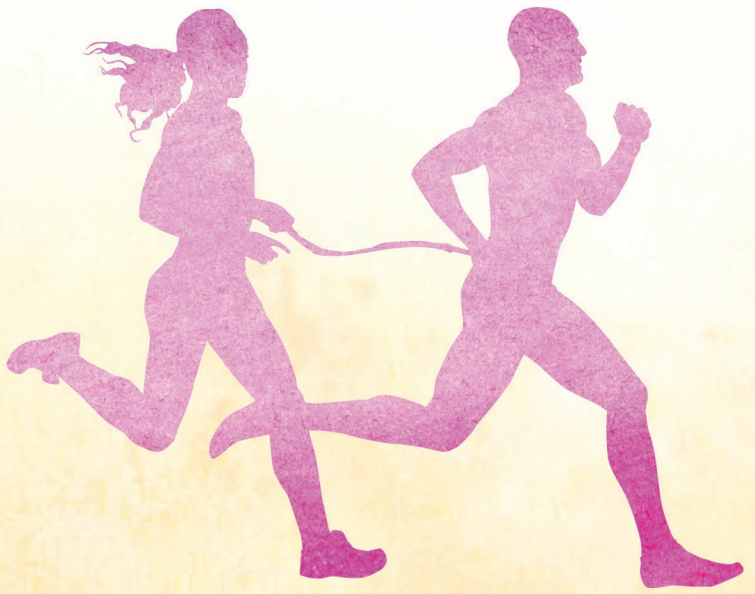
“It is well known that breastfeeding brings benefits to both mother and child. Providing a breastfeeding-friendly environment encourages the spreading of this practice in the wider community. I am delighted that NWFF has taken the initiative to set up a breastfeeding room on its ferry. It will benefit more nursing mothers and promote the acceptance of out-of-home breastfeeding.”

Sharon Tsui
Co-founder
Natural Parenting Network
(A non-profit organization that promotes breastfeeding)



COMMUNITY CARE





COMMUNITY CARE



The NWS Hong Kong Geo Wonders Hike is the Group's flagship programme that promotes environmental protection and healthy living.

The success and health of communities and businesses are closely intertwined. Supporting the communities in which we operate promotes economic growth and social well-being, while a stable and harmonious society enables businesses to flourish. As a responsible corporate citizen, we invest in communities through our long-term support programmes and the NWS Holdings Charities Foundation ("Charities Foundation"). Our community investment focuses on four areas: community welfare, education, health care and environmental protection. We also encourage and empower our employees to make meaningful contributions to the community through volunteering.

REACHING OUT TO THE COMMUNITY

Volunteering is part of our corporate culture. Our corporate volunteer team, the NWS Volunteer Alliance, comprises staff members and their families and friends. Since its inception in 2001, our volunteer team has been devoted to serving underprivileged groups, including the elderly, single-parent families, at-risk youth, people recovering from mental illness, and those with intellectual disabilities. To date, our volunteers have together contributed more than 150,000 hours of community service by making use of different interests and skills.

Through years of service, our volunteers have developed new skills, including hair-cutting, dancing, clown performance and handicraft. In FY2016, our volunteers across the Group took part in some 200 community services, passing on their skills and providing support to those in need.

Our corporate volunteers actively support the projects funded by the Charities Foundation, such as the new "Brightening My Life's Path" Men's Club programme co-organized with the Hong Kong Family Welfare Society. In Sham Shui Po, many underprivileged men lack self-confidence and have few opportunities to socialize. Launched in FY2016, this project was designed to help these people rebuild their self-confidence through social events and interest classes. Our corporate volunteers acted as tutors for some of the classes, and helped participants develop a support network.

Our spirit of volunteering has gained community-wide recognition. In FY2016, this recognition included our fifth consecutive Gold Award in the volunteer team category of the sixth Hong Kong Outstanding Corporate Citizenship Programme, organized by the Hong Kong Productivity Council and the Committee on the Promotion of Civic Education.

Sharing Value with the Community

The Charities Foundation serves as the Group's major platform for delivering meaningful projects that create value for society. Since 2006, the Charities Foundation has funded hundreds of projects in community welfare, education, health care and environmental protection to the tune of HK\$22 million.

In FY2016, the Charities Foundation made donations to 33 non-profit organizations and contributed HK\$4.2 million to charitable causes. Among the organizations supported were the Arts with the Disabled Association Hong Kong, the Christian Family Service Centre, the Hans Andersen Club ("HAC"), the Hok Yau Club, the Hong Kong Family Welfare Society and the Hong Kong Young Women's Christian Association. Our donations were put towards worthy, often-neglected social causes.

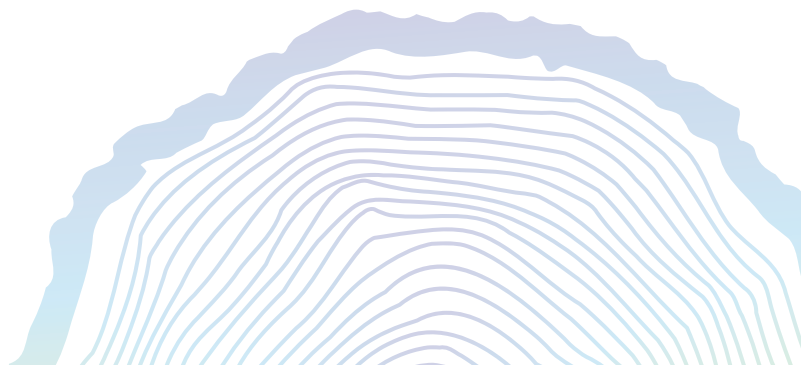
HAC is a long-time partner of NWS Holdings and beneficiary of the Charities Foundation. The non-profit organization promotes creative storytelling and games, focusing on reading-related activities for young people. In partnership with HAC, we have established the long-term "Fairy Mentorship Programme", an initiative aimed at inspiring children to pursue their passions. This educational programme features clown performance, balloon twisting, storytelling and drama training for underprivileged children in Wong Tai Sin. The activities are combined with social services that allow the children to practise the skills they have learnt. Our corporate volunteers support this initiative by acting as mentors to the children and tutors at some of the training classes. Through this project, we are able to promote children's curiosity, positivity and confidence – fostering the essential qualities of the next generation of leaders.

“

HAC has been a beneficiary of the NWS Holdings Charities Foundation for over a decade. Working with NWS Holdings and the Charities Foundation has been a unique and rewarding experience for HAC. NWS Holdings not only provides funding, but has been heavily involved in designing projects to best suit our beneficiaries. What impresses me the most is its corporate volunteers, who are highly committed to contributing to our projects with their knowledge, life experience and special skills.

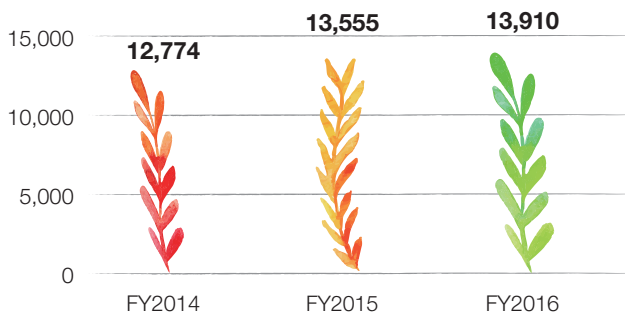
”

May Wong
Executive Director
HAC



COMMUNITY CARE

Volunteer Service Hours



CARING FOR THE ELDERLY

As Hong Kong's ageing population grows, there is ever-increasing demand for social and health care services for the elderly. The elderly in rural areas of North District tend to travel less frequently out of their communities and are somewhat isolated, with limited opportunities to socialize. This creates a group of "hidden elderly" who cannot receive the care services they need.

NWS Holdings has partnered with the Hong Kong Young Women's Christian Association ("YWCA") since 2013 to provide better elderly care in North District. With a HK\$3 million donation from the Charities Foundation, YWCA established an elderly day care centre in Fanling named YWCA NWS Y-Care Centre (North District) ("NWS Y-Care Centre"). This centre provides a full range of elderly care services, including day care, rehabilitation, physiotherapy and cognitive training. Our donation was also used to procure a well-equipped service coach in order to reach out to service users residing in distant villages. Since it opened in late 2013, the centre has served over 23,000 users with service satisfaction rate exceeding 90%.

The NWS Y-Care Centre operates as a social enterprise and it is important that it can now sustain itself financially. The centre has worked to create new services with a view to expanding revenue streams that will sustain its operations. A new service launched in FY2016 was the recycling and reselling of used elderly equipment. Used wheelchairs and canes donated to the centre are restored and then sold to less well-off elderly people at a discounted price. Not only does this help to alleviate the financial burden on these needy individuals, it also reduces waste. In addition, the second phase of the

HKSAR Government's Pilot Scheme on Community Care Service Vouchers for the Elderly is expected to provide a new source of revenue for the centre, which is one of the recognized service providers in North District.

Our corporate volunteers support the centre through the three-year Joyful Age volunteering programme, which serves the elderly living in rural villages. Through regular outreach and activities, including a farming day, cognitive training, haircuts and clown performances, members of the NWS Volunteer Alliance keep the elderly engaged with their community, while putting some of their skills to meaningful use. Building on the success and experience gained from this programme, which was concluded in FY2016, the Group renewed its support for the centre, and will begin a new programme with YWCA to educate the wider community on elderly care and diseases that affect the elderly, such as dementia.



Our corporate volunteers and the elders from Sha Tau Kok perform a traditional dragon boat dance at the closing ceremony of the Joyful Age volunteering programme.

Protecting Hong Kong's Precious Geological Heritage

For eight years, the Group has promoted geoconservation and the importance of protecting Hong Kong's stunning and unique rock formations through the NWS Hong Kong Geo Wonders Hike programme. We organize a wide range of activities, including guided public tours, an orienteering contest, photo and drawing competitions, a conference, and our first ever running event, the NWS Geo Hero Run, launched in FY2016.

The NWS Geo Hero Run aims to promote both healthy living and geoconservation. Around 1,500 people ran their choice of either a half marathon or a 10km route, which wound through Hong Kong Global Geopark. Over 100 beneficiaries from eight non-profit organizations participated in a shorter, 2km Super Hero Experience Run to promote the concept of social inclusion.

The NWS Geo Hero Run was a pillar event of the wider NWS Hong Kong Geo Wonders Hike campaign in FY2016, which also included guided public tours, a geopark clean-up activity, and a full-year geoconservation training for senior high school students called the Young Ambassadors for Geoconservation Training Programme. Through this youth education programme, which was launched in 2011, we have trained over 1,000 students in an array of activities including classroom training on geoconservation, field trips and a leadership camp. In the reporting year, 25 outstanding ambassadors, accompanied by their teacher advisors, took part in a four-day sponsored trip to Jeju Global Geopark in South Korea. This trip, led by geologists from Hong Kong and a volcanologist from Jeju, presented a unique opportunity for students and teachers to gain knowledge of landforms outside of Hong Kong.

Running has become really popular in Hong Kong in recent years. As a Young Ambassador for Geoconservation and a sports lover, I was thrilled to see an event promoting physical exercise and our city's unique geological features at the same time. Seeing other runners stopping mid-way through the race to take pictures and admire the landscape, I thought that the race was a perfect way to let people appreciate the beauty of our geopark and inspire greater efforts to promote geoconservation.

Lella Lui
Young Ambassador for Geoconservation alumni/
Champion of the NWS Geo Hero Run 2015
(10km Women's Individual – Junior)





ENVIRONMENTAL PERFORMANCE





ENVIRONMENTAL PERFORMANCE



HKCEC, managed by the Group's wholly owned subsidiary, is a sustainability leader in Hong Kong's MICE industry.

The viability of our business is dependent on the long-term health of the environment and the availability of natural resources. As a responsible corporation, we make it a top priority to reduce the environmental impact of our operations; environmental considerations are integral to the decision-making process of the Group and our member companies. We work with our employees, business partners and customers to adopt best practices and practicable measures to increase efficiency, conserve natural resources and minimize waste. We comply with all environmental legislation and strive to exceed this baseline when possible.

At the heart of our environmental management framework is the Environmental Sustainability Committee, which we set up in 2007 to oversee the implementation of our environmental policies and programmes. Chaired by an Executive Director of the Group and comprising senior representatives from our member companies, the committee meets twice a year to review our performance and set targets. The committee is supported by a secretariat that coordinates environmental training,

benchmarking and reporting efforts across the Group. There are also designated Green Managers in our subsidiaries who are responsible for driving environmental initiatives and raising internal awareness of environmental issues.

In our businesses, where the risk of environmental impact is relatively high due to the nature of these sectors, we are subject to regulations concerning air emissions, noise and waste. We thoroughly investigate any reports of non-compliance and work with our partners to identify and implement the most appropriate remedial measures in a timely manner.

MANAGEMENT SYSTEMS

We follow international standards and best practices to minimize our environmental impact, and seek external certification for our management systems, services and products, where applicable. For example, both Hip Hing and NWCON have received ISO 14001 certification for their environmental management systems, which covered a total of 44 active construction projects in FY2016. The

power plants that we invest in Mainland China have also implemented ISO 14001 Environmental Management Systems to ensure an effective mechanism is in place to reduce climate and environmental risks. In FY2016, HKCEC, managed by HML, became the first venue in Hong Kong to receive the ISO 20121 Event Sustainability Management System certification – a testament to the efforts it has made to incorporate sustainability into daily operations.

ENERGY CONSUMPTION AND EMISSIONS

Our business consumes a considerable amount of fuel, primarily diesel, to power our buses, ferries, as well as power generators and equipment on our construction sites. We have been taking steps to reduce our diesel consumption and exploring alternative fuels and technologies.

A Sustainable Exhibition and Meeting Hub

The Group's wholly owned subsidiary, HML, is responsible for the management and daily operation of HKCEC. HML demonstrated its leadership in the event venue sector by adopting ISO 20121 Event Sustainability Management System for HKCEC. This reflects HML's commitment to achieving strong business results while being socially and environmentally responsible.

The ISO 20121 Event Sustainability Management System certification ensures that HKCEC establishes a full spectrum of sustainability measures throughout the event-management cycle. These measures cover energy conservation, waste reduction and recycling, technology advancement, public safety, as well as staff and community welfare. All staff members have been trained to integrate these measures into their day-to-day work.

HKCEC's newly renovated restaurant, Congress Plus, also became the first restaurant in Hong Kong to receive LEED Gold Certification for Interior Design and Construction: Commercial Interiors V2009, and achieved a Silver rating of BEAM Plus Interior V1.0 by the Hong Kong Green Building Council for its sustainable interior design. Notable features include carpet made of 50% recycled materials, and LED lighting fitted with a dimmer system and daylight sensors. Energy consumption is also reduced through the use of a zoned intelligent air-conditioning system and environmentally friendly kitchen equipment.

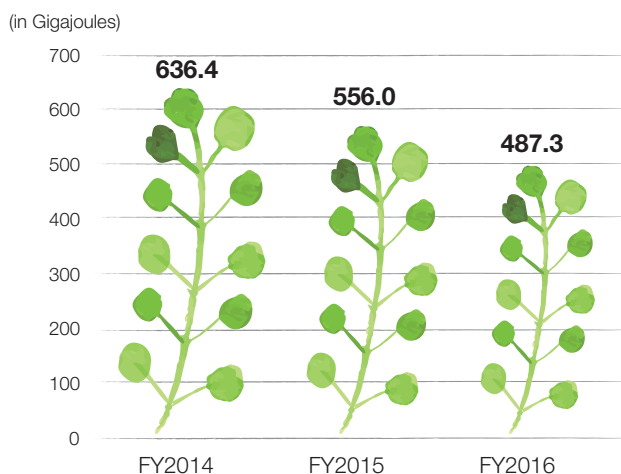


The ISO 20121 Event Sustainability Management System Certification drives HML to continue with our efforts to improve economic, social and environmental performance. These efforts include drawing up the HML Sustainability Policy and setting new targets for our work in related areas. We are pleased to see our staff members becoming even more environmentally conscious, and actively promoting sustainable event practices to our clients.

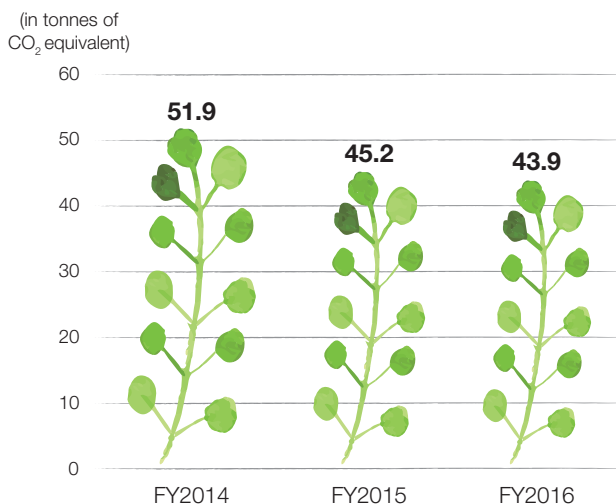
Katherine Tang
Sustainability Manager
HML

ENVIRONMENTAL PERFORMANCE

Energy Consumption per Employee



Greenhouse Gas Emissions per Employee



NWFB and Citybus are gradually phasing out older-generation buses and replacing them with newer, more environmentally friendly buses. We continue to expand our fleet of Euro 5 buses, which produce fewer particulates and nitrogen oxides than previous models. As of 30 June 2016, the Group had over 1,000 Euro 5 or above buses, representing 63% of our entire bus fleet. Some of the Euro 2 and 3 buses still in use have been fitted with selective catalytic reduction devices, which lower their emission levels to match a Euro 4 or above bus engine. Meanwhile, buses powered by cleaner fuels have also been introduced. We have acquired 10 electric buses and three hybrid buses to test their suitability for Hong Kong.

Hip Hing has set a target of achieving at least a 1% year-on-year reduction in energy use in its generators, tower cranes and construction machinery. For heavy, energy-intensive construction equipment, such as power generators and soil drillers, Hip Hing is opting to use cleaner-burning biodiesel, despite its higher cost, to reduce emissions from its construction sites.

Smart application of technology is another avenue through which Hip Hing finds ways to reduce its environmental impact. In FY2016, Hip Hing designed and developed a “Packed Tower Wet Scrubber”, which can mitigate emissions produced by diesel generators. By using recycled wastewater as the scrubbing agent, the wet scrubber is capable of capturing a variety of harmful air pollutants, including particulate matter, hydrocarbons, sulphur dioxide and carbon dioxide. This device also helps protect the health of our site workers and nearby residents.

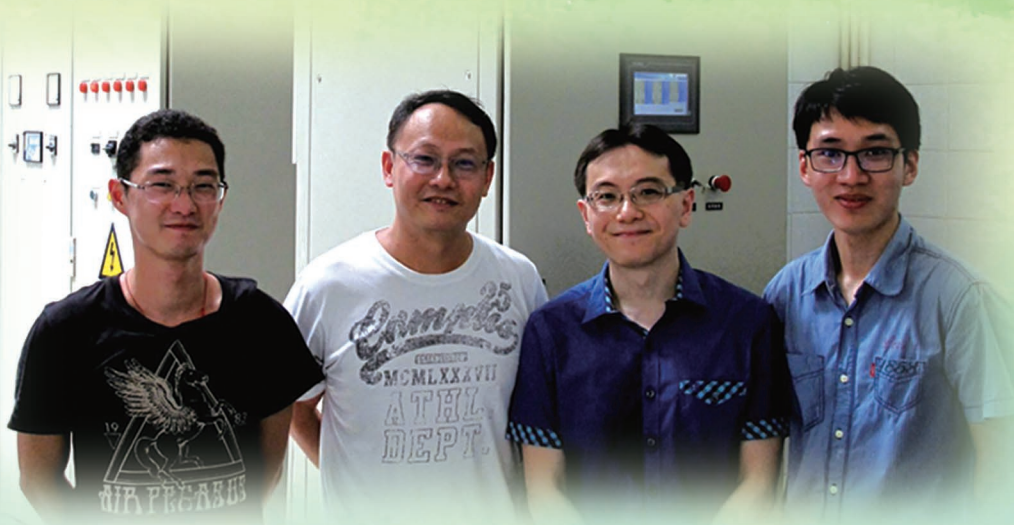


NWFB and Citybus are trialling electric buses.

WATER CONSERVATION

We are committed to preserving our natural resources wherever possible, and water is no exception. While the Group uses water across its operations, water consumption is the most significant in our construction and transport operations, where water is required for cooling and vehicle maintenance. We are increasing our use of recycled rainwater for watering plants and for cooling on construction sites operated by Hip Hing and NWCON. In addition, HKCEC promotes water conservation through visitor education and the installation of water-saving fixtures such as sensor-controlled taps. The issue of water consumption is comparatively less material for our Corporate Office and Free Duty’s retail shops, as water use is limited in office and shop operation.

Innovating to Save Energy



Macao Water supports the research and development of environmental technologies as part of its efforts to optimize operational efficiency and improve environmental performance. Starting from 2013, Macao Water has engaged into a research application project of the University of Macau to apply a “Low Cost and Low Current Loss Energy Saving Device” into practical application environment. The University of Macau developed this technology from concept to circuitry design and control-algorithm development, with the funding by the Macao Science and Technology Development Fund and the Research Committee of University of Macau and also the technical support and installation location provided by Macao Water. The device, which was installed in a pump in the Main Storage Reservoir Water Treatment Plant I, has proved to be effective in lowering power usage and delivering a higher efficiency than competing products in the market.

“**The energy-saving device we have developed and applied into Macao Water for practical testing and operation marks our university’s first collaboration with the commercial sector in environmental product research and development. Through the great support from Macao Water, we have set a new benchmark for similar energy-saving equipment in the market. This partnership model combines the strengths of business and academia in delivering a new solution to reduce environmental impact.**”

The research team behind the “Low Cost and Low Current Loss Energy Saving Device”
University of Macau

ENVIRONMENTAL PERFORMANCE

MATERIALS AND WASTE MANAGEMENT

Each of our businesses has its own waste management plan that is best suited to its industry. Hip Hing and NWCON adopt industry standards such as the Engineered Waste Management Plan and the BEAM Plus standard. Hip Hing has also established an Inert Materials Transfer Programme that reuses inert construction waste as input materials and foundation filler materials for other construction projects. This reduces waste sent to landfill as well as project costs, as fresh sand need not be purchased and delivered to project sites. Meanwhile, HML partners with local charities to donate unconsumed food to those in need. In FY2016, approximately 1,800kg of unconsumed food from HKCEC was donated to charity, representing a drop of 37% from the previous financial year, partly due to increasing awareness of food conservation and less food wastage.

The issue of materials is the most relevant to our construction business. We collect information on key materials used, which is disclosed in the Performance

Tables section of this report. As reported previously, the Group is committed to using more sustainable materials, where practicable. Since 2011, Hip Hing has committed to sourcing all wood used in temporary structures from sustainable sources such as Forest Stewardship Council-certified suppliers, and also makes use of recycled concrete and reinforcing steel bars.

BUILDING STAFF AWARENESS

We always seek new ways to promote environmental understanding among our employees. To this end, we organize Sustainability Seminar and themed internal green campaigns every year. In FY2016, our campaign focused on energy conservation and clean energy. Our thematic activities included an energy saving contest and site visits to promote clean energy and energy conservation. Some 30 staff members and Green Managers from across the Group took part in a cross-border visit to BYD's headquarters and its electric vehicle power battery manufacturing plant in Shenzhen.



Green Managers visit BYD's headquarters and production facilities in Shenzhen to learn about clean energy.

PERFORMANCE TABLES

GRI Reference	ESG Reporting Guide Reference	Indicator	Unit	FY2016
Economic				
G4-EC1 ¹		Revenue	HK\$ million	29,497.8
		Attributable operating profit	HK\$ million	4,739.6
		Profit attributable to shareholders	HK\$ million	4,912.8
		Net assets	HK\$ million	45,858.4
		Income tax expenses	HK\$ million	632.9
		Profit before income tax	HK\$ million	5,594.4
		Charitable contributions		
	B8.2	Total community investment through NWS Holdings Charities Foundation	HK\$ million	4.2
G4-EC9		Proportion of spending on local (i.e. Hong Kong) suppliers		
		Corporate Office	%	100
		HML	%	98
		Free Duty	%	75
		Hip Hing	%	99
		NWCON	%	93
		NWFB and Citybus	%	87
		NWFF	%	50
Environment				
G4-EN1		Total weight of major construction materials and other materials used		
		Renewable Materials		
		Paper	tonnes	134.5
		Timber	tonnes	464.2
		Non-Renewable Materials		
		Bricks	tonnes	24,640.1
		Cement	tonnes	12,455.6
		Cement mortar	tonnes	10,929.6
		Concrete	tonnes	1,322,832.7
		Plastic (packaging)	tonnes	56.5
		Reinforcing steel bars	tonnes	131,685.1
		Sand	tonnes	42,181.0
		Stones	tonnes	6,646.9

Note:

1. For more details, please refer to NWS Holdings [Annual Report 2016](#).

PERFORMANCE TABLES

GRI Reference	ESG Reporting Guide Reference	Indicator	Unit	FY2016
Environment				
G4-EN3	A2.1	Total energy consumption	gigajoules*	5,396,260
		Fuel consumption from non-renewable sources (electricity, towngas, unleaded petrol and diesel oil)	gigajoules	5,323,587
		Electricity consumption	gigajoules	363,528
		Towngas consumption ²	gigajoules	1,204,302
		Unleaded petrol consumption	gigajoules	12,580
		Diesel oil consumption	gigajoules	3,743,177
		Fuel consumption from renewable sources (bio-diesel) ³	gigajoules	72,673
G4-EN7		Reductions in energy requirements of sold products and services achieved		
		Fuel efficiency improvement of franchised bus fleet compared to FY2015 ⁴	%	3
G4-EN8	A2.2	Municipal fresh water (town water) consumption ⁵	m ³	1,353,731
G4-EN15	A2.1	Total direct (Scope 1) greenhouse gas emissions ⁶	tonnes of CO ₂	399,180
G4-EN16	A2.1	Total indirect (Scope 2) greenhouse gas emissions ⁷	tonnes of CO ₂	87,066
	A2.1	Greenhouse gas emissions in total (Scope 1 & 2)	tonnes of CO ₂	486,246
G4-EN23	A1.3	Hazardous waste recycled		
		Chemical waste (battery cell) ⁸	units	1,193
		Chemical waste (lubricant and spent non-halogen organic solvent) ⁹	litres	556,100.3
		Fluorescent lamps ¹⁰	kg	21,240.6
	A1.4	Non-hazardous waste		
		Total weight of construction waste generated	tonnes	1,039,661.4
		Inert materials reused ¹¹	%	88.1
		Mixed waste disposal to government sorting facilities	%	7.3
		Mixed waste disposal to landfills	%	4.7
		Total weight of waste recycled ¹²	tonnes	785.4
		Total food waste diverted from landfills ¹³	tonnes	10.1
		Other non-hazardous waste recycled		
		Cooking oil ¹⁴	litres	9,886.8
		Waste toner ¹⁵	pieces	1,028
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	0 0

Note:

* 1 gigajoule (GJ) = 277.778 kWh

2. By HML and NWFB and Citybus

3. By Hip Hing

4. NWFB and Citybus reduced franchised bus fuel consumption per kilometre travelled by introducing more Euro 5 buses to replace retiring buses.

5. Figure excludes water consumption at Corporate Office, as the premise is rented and breakdown of water usage by tenant is not available.

6. Direct greenhouse gas emissions refer to emissions of CO₂, CH₄ and N₂O from fuel consumed, but exclude fugitive emissions such as refrigerants. The calculations follow the guidelines of the Environmental Protection Department of HKSAR Government.

7. Indirect greenhouse gas emissions include emissions from electricity generation and towngas production. The calculations follow the guidelines of the Environmental Protection Department of HKSAR Government.

8. By Corporate Office and NWFB and Citybus

9. By NWFB and Citybus and NWCON

10. By Corporate Office, HML and NWFB and Citybus

11. As an established practice, inert waste generated from Hip Hing and NWCON construction sites is delivered to public filling facilities for use in other reclamation and site formation projects.

12. Includes aluminium cans (Corporate Office, HML and NWFF), plastics (Corporate Office, HML and NWFF), scrap metal (HML, NWFB and Citybus, and NWFF), glass (HML), and paper (all reporting entities)

13. By HML (includes composted food waste and unconsumed food donated to charity)

14. By HML

15. By Corporate Office, Hip Hing, NWCON, NWFB and Citybus, and NWFF

GRI Reference	ESG Reporting Guide Reference	Indicator	Unit	FY2016	
Labour Practices and Decent Work					
G4-10	B1.1	Total workforce by employment contract and gender	no. of people	11,074	
				Male	Female
		Permanent contract	no. of people	8,197	1,746
		Fixed-term contract	no. of people	1,049	74
		Temporary contract	no. of people	7	1
		Permanent employees by employment type and gender		Male	Female
		Full-time	no. of people	7,947	1,691
		Part-time	no. of people	167	40
	B1.1	Total workforce by age group			
		Under 30	no. of people	1,467	
		30-39	no. of people	1,725	
		40-49	no. of people	2,721	
		50 or above	no. of people	5,161	
G4-LA1		Total number of new hires by age group and gender	no. of people	1,398	
				Male	Female
		Under 30	no. of people	382	159
		30-39	no. of people	204	62
		40-49	no. of people	166	81
		50 or above	no. of people	260	84
		Rate of new hires by gender and age group		Male	Female
		By gender	%	9.1	3.5
		By age group			
		Under 30	%	4.9	
		30-39	%	2.4	
		40-49	%	2.2	
		50 or above	%	3.1	
		Total turnover by age group and gender	no. of people	1,302	
				Male	Female
		Under 30	no. of people	196	91
		30-39	no. of people	175	59
		40-49	no. of people	190	62
		50 or above	no. of people	483	46
	B1.2	Rate of turnover by gender and age group			
		By gender	%	9.4	2.3
		By age group			
		Under 30	%	2.6	
		30-39	%	2.1	
		40-49	%	2.3	
		50 or above	%	4.8	
G4-LA3		Return to work rates after parental leave, by gender¹⁶		Male	Female
		Total number of employees who took parental leave	no. of people	145	31
		Total number of employees who returned to work after parental leave ended	no. of people	144	31
		Return to work rate by gender	%	99	100

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.

PERFORMANCE TABLES

GRI Reference	ESG Reporting Guide Reference	Indicator	Unit	FY2016	
Labour Practices and Decent Work					
G4-LA5		Occupational health and safety Percentage of total workforce represented in formal management-worker health and safety committees ¹⁷	%	1.3	
G4-LA6		Injury, lost day and absentee rate		Male	Female
	B2.1	Fatalities	no. of people	0	0
		Injury rate	per 1,000 workers	28.4	3.8
		Occupational disease rate	per 1,000 workers	0	0
	B2.2	Lost day rate	%	0.5	0.1
		Absentee rate	%	4.1	0.4
G4-LA9		Average hours of training per year		15.7	
		Per employee	hours	15.7	
	B3.2	Average training hours by gender		15.6	
		Male	hours	15.6	
		Female	hours	15.8	
	B3.2	Average training hours by employee category		18.9	
		Assistant General Manager and above	hours	18.9	
		Senior Manager	hours	24.2	
		Manager	hours	20.7	
		Assistant Manager	hours	22.3	
		General staff	hours	14.8	
		Operational staff	hours	17.2	
G4-LA11		Employees receiving regular performance reviews by gender		90	
		Male	%	90	
		Female	%	73	
		Employees receiving regular performance reviews by employee category		97	
		Assistant General Manager and above	%	97	
		Manager and Senior Manager	%	96	
		Assistant Manager	%	95	
		General staff	%	93	
		Operational staff	%	85	

Note:

17. Formal joint management-worker health and safety committees are present at the Group level, as well as at the subsidiary level. All subsidiaries except Free Duty have these committees.

GRI Reference	ESG Reporting Guide Reference	Indicator	Unit	FY2016			
Labour Practices and Decent Work							
G4-LA12		<i>NWS Holdings Board composition by gender</i>					
		Male	%				93
		Female	%				7
		<i>NWS Holdings Board composition by age</i>					
		Under 30	%				0
		30-39	%				7
		40-49	%				7
		50 or above	%				86
		<i>NWS Holdings Board composition by ethnicity</i>					
		Chinese	%				100
		Non-Chinese	%				0
		<i>Diversity disclosure by employee category and gender</i>				Male	Female
		Assistant General Manager and above	%			84.4	15.6
		Senior Manager	%			76.0	24.0
		Manager	%			77.2	22.8
		Assistant Manager	%			71.2	28.8
		General staff	%			47.5	52.5
		Operational staff	%			87.5	12.5
		<i>Diversity disclosure by employee category and age group</i>					
						<i>Under 30</i>	<i>30-39</i>
							<i>40-49</i>
							<i>50 or above</i>
		Assistant General Manager and above	%			0	0
		Senior Manager	%			0	5.2
		Manager	%			0	16.5
		Assistant Manager	%			3.7	24.7
		General staff	%			29.9	26.3
		Operational staff	%			12.5	14.5
		<i>Diversity disclosure by employee category and ethnicity</i>					
						<i>Chinese</i>	<i>Non-Chinese</i>
		Assistant General Manager and above	%			94.8	5.2
		Senior Manager	%			100.0	0
		Manager	%			99.6	0.4
		Assistant Manager	%			100.0	0
		General staff	%			99.8	0.2
		Operational staff	%			99.9	0.1

PERFORMANCE TABLES

GRI Reference	ESG Reporting Guide Reference	Indicator	Unit	FY2016
Human Rights				
G4-HR3		Incidents of workplace discrimination reported	no. of cases	0
G4-HR12		Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanism ¹⁸	no. of cases	1
Society				
G4-SO1	B8.2	Employee volunteering	hours	13,910
G4-SO5	B7.1	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	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	0
G4-PR9		Monetary value of fines for non-compliance with laws and regulations concerning the provision of products and services	HK\$	0

Note:

18. A bus passenger complained about alleged discrimination. We are reviewing the case with an independent third party.

GRI INDEX

General Standard Disclosure	ESG Reporting Guide Reference	Detail	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	8-10	Reporting Methodology
G4-5	–	Location of headquarters	Front Inner Cover	Corporate Profile
G4-6	–	Countries of operation	4 8-10	About this Report Reporting Methodology
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 51	Corporate Profile Performance Highlights Performance Tables See also Corporate Profile section of Annual Report 2016
G4-10	KPI B1.1	Employee statistics	5 22-23 51	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	KPI B5.1	Supply chain description	30-31	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	18 44-45	Corporate Governance Environmental Performance
G4-15	–	Charters	7	Performance Highlights
G4-16	–	Memberships	7	Performance Highlights
Identified Material Aspects and Boundaries				
G4-17	Reporting guidance 10	List entities included in financial statements; mention those not covered by this report	4 8-10	About This Report Reporting Methodology See also Project Key Facts and Figures of Annual Report 2016

GRI INDEX

General Standard Disclosure	ESG Reporting Guide Reference	Detail	Page	Section/Remarks
G4-18	–	Process for defining report content and aspect boundaries	8-13	Reporting Methodology
G4-19	–	List material aspects	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	N/A	We recalculated our greenhouse gas emissions for FY2015 to include N ₂ O and CH ₄ emissions.
G4-23	Reporting guidance 10	Significant changes in scope and aspect boundaries from previous reporting period	N/A	No significant changes during the reporting period
Stakeholder Engagement				
G4-24	General approach 6	List of stakeholders engaged by the organization	14-15 19	Reporting Methodology Corporate Governance
G4-25	General approach 6	Identification and selection of stakeholders	19	Corporate Governance
G4-26	General approach 6	Stakeholder engagement approach and frequency	14-15 19	Reporting Methodology Corporate Governance
G4-27	General approach 6	Report any key topics and concerns raised by stakeholders	14-15 19	Reporting Methodology Corporate Governance
Report Profile				
G4-28	–	Reporting period	4	About This Report
G4-29	–	Date of most recent report	N/A	The previous report was published in December 2015.
G4-30	–	Reporting cycle	4	About This Report
G4-31	General approach 6	Contact point for questions regarding the report and its contents	4	About This Report
G4-32	Introduction 7	GRI “in accordance” option chosen; GRI Content Index	4 55-58	About This Report GRI Index
G4-33	Introduction 7	External assurance	4 59	About This Report Verification Statement
Governance				
G4-34	–	Corporate governance structure of the organization	18	Corporate Governance See also Corporate Governance Report section of Annual Report 2016
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 23 32	Vision, Mission and Core Values Corporate Governance Human Capital Value Chain

Material Issues	GRI G4 Indicator	ESG Reporting Guide Reference	Page	Section/Remarks
Corporate governance	G4-34	–	18-19	See above
Economic performance	DMA	–	2	CEO Message
	G4-EC1		5	Performance Highlights
			39	Community Care
			49	Performance Tables
				See also Annual Report 2016
Indirect economic impact	DMA	–	30-31	Value Chain
	G4-EC8			
Procurement practices	DMA	B5	5	Performance Highlights
	G4-EC9	KPI B5.1	31-33	Value Chain
			49	Performance Tables
Materials	DMA	A2, A3, KPI A3.1	48	Environmental Performance
	G4-EN1	KPI A2.5	49	Performance Tables
Energy	DMA	A2, A3, KPI A2.3, KPI A3.1	45-46	Environmental Performance
	G4-EN3	KPI A2.1	50	Performance Tables
	G4-EN7	KPI A2.3		
Water	DMA	A2, A3, KPI A3.1, KPI A2.4	46-47	Environmental Performance
	G4-EN8	KPI A2.2	50	Performance Tables
		KPI A2.4	N/A	Water used by the reporting entities is supplied by Water Supplies Department of HKSAR Government. Sourcing water that is fit for purpose is not considered to be a material issue for our reporting entities.
Emissions	DMA	A1, A3, KPI A1.5, KPI A3.1	45-46	Environmental Performance
	G4-EN15	KPI A1.1, KPI A1.2	50	Performance Tables
	G4-EN16			
Effluents and waste	DMA	A1, A3, KPI A1.6, KPI A3.1	5	Performance Highlights
	G4-EN23	KPI A1.3, KPI A1.4, KPI A1.6	48	Environmental Performance
			50	Performance Tables
Compliance (Environmental)	DMA	A1	44-45	Environmental Performance
	G4-EN29		50	Performance Tables
Employment	DMA	B1	5	Performance Highlights
	G4-LA1	KPI B1.2	22	Human Capital
	G4-LA3		51	Performance Tables

GRI INDEX

Material Issues	GRI G4 Indicator	ESG Reporting Guide Reference	Page	Section/Remarks
Occupational health and safety	DMA	B2, KPI B2.3	25-26	Human Capital
	G4-LA5	KPI B2.1, KPI B2.2	52	Performance Tables
	G4-LA6			
Training and education	DMA	B3	5	Performance Highlights
	G4-LA9	KPI B3.2	23-25	Human Capital
	G4-LA11		52	Performance Tables
Diversity and equal opportunity	DMA	B1	22-23	Human Capital
	G4-LA12	KPI B1.1	53	Performance Tables
Non-discrimination	DMA	B1	23	Human Capital
	G4-HR3		53	Performance Tables
Human rights	DMA	KPI B4.1, KPI B4.2	23	Human Capital
	G4-HR12		32-33	Value Chain
			53	Performance Tables
Local communities	DMA	B8, B8.1	5	Performance Highlights
	G4-SO1		38-41	Community Care
			53	Performance Tables
Anti-corruption	DMA	B7, B7.2	32	Value Chain
	G4-SO4	B7, KPI B7.1	54	Performance Tables
	G4-SO5			
Compliance (Society)	DMA	B1, B2, B4, B7	32	Value Chain
	G4-SO8		54	Performance Tables
Customer health and safety	DMA	B6	33	Value Chain
	G4-PR1		54	Performance Tables
	G4-PR2			
Customer satisfaction	DMA	KPI B6.2	34-35	Value Chain
	G4-PR5			
Compliance (Product responsibility)	DMA	B6	54	Performance Tables
	G4-PR9			

VERIFICATION STATEMENT



Assurance Statement

NWS Holdings Limited (“NWS Holdings”) has prepared its Sustainability Report 2016 (the “Report”) in accordance with the Global Reporting Initiative (“GRI”) G4 Sustainability Reporting Guidelines and the latest Environmental, Social and Governance (“ESG”) Reporting Guide published by the Stock Exchange of Hong Kong Limited (“Hong Kong Stock Exchange”). The Hong Kong Productivity Council (“HKPC”) was commissioned by NWS Holdings to provide independent assurance¹ of the Report, which covers the sustainability performance of NWS Holdings between 1 July 2015 and 30 June 2016.

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;
- review whether the Report disclosed NWS Holdings’ ESG information according to the “Comply or Explain” provisions of the Hong Kong Stock Exchange ESG Reporting Guide;
- evaluate whether the selected statements and data presented in the Report were accurate; and
- review whether the data collection and information management mechanisms used to prepare the Report were reliable.

Approach

HKPC’s assurance procedures² are 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 16 November 2016, 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 and disclosed NWS Holdings’ ESG information according to the “Comply or Explain” provisions of the Hong Kong Stock Exchange ESG Reporting Guide. 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 reflects a fair account of NWS Holdings’ sustainability performance. The data collation and information management systems adopted were generally considered to be reliable.

A handwritten signature in black ink, appearing to read 'Jessica Chan', is written over a light blue horizontal line.

Jessica Chan

Senior Consultant
Hong Kong Productivity Council
25 November 2016

1. This assurance statement has been prepared for NWS Holdings for the purpose of assuring the statements and data presented in its Sustainability Report 2016 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