



新創建 NWS

NWS HOLDINGS LIMITED

STOCK CODE: 659

SUSTAINABILITY SUMMARY REPORT 2015



CEO MESSAGE



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

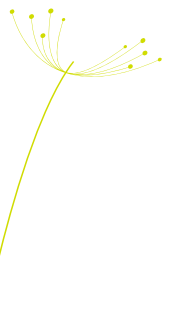
As we progress along the journey of enhancing our sustainability performance, this report serves to underline our continuous effort to exceed stakeholder expectations on corporate transparency and accountability. We are broadening the scope of reporting on our Hong Kong operations and extending the platforms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

At NWS Holdings, we understand that businesses are always exposed to an element of risk. As we work to anticipate uncertainty, we seek to turn risks into opportunities through adaptive strategic planning. The shortage of skilled labour, for instance, continues to pose a threat to the strength of many Hong Kong businesses. To this end, we are making efforts to enhance our partnerships with tertiary institutions and vocational schools, and through broader platforms to engage with talented people. We leverage the extensive network of our value chain and influence business partners, suppliers and customers regarding sustainability practices. By engaging our stakeholders in this way, we not only improve the efficiency and sustainability awareness of those parties we work with, but also create a wave effect of understanding that extends to the broader community and generates greater benefits.

Over the years we have passed notable milestones along our journey to sustainability. The year of 2015 represents our fifth year as a constituent stock of the Hang Seng Corporate Sustainability Benchmark Index. This is a testament to our position as a sustainable company while underscoring the value we bring to our stakeholders and the community at large.

Thank you for your support and we look forward to sharing a brighter and more sustainable future with you all.

Tsang Yam Pui
Chief Executive Officer



ABOUT THIS REPORT

This is a summary of the NWS Holdings Sustainability Report 2015 (the “Report”). It provides highlights of the Group’s sustainability performance on our Hong Kong operations during the period from 1 July 2014 to 30 June 2015 (“FY2015”). We also include information and data during the period between 1 July 2013 and 30 June 2014 (“FY2014”) for tracking and comparison purposes. The reporting scope covers our Corporate Office, Hong Kong Convention and Exhibition Centre (Management) Limited (“HML”), Free Duty, Hip Hing Construction Group (“Hip Hing”, mainly comprising Hip Hing Construction Company Limited and Vibro (H.K.) Limited), New World Construction Company Limited (“NWCON”), New World First Bus Services Limited and Citybus Limited (“NWFB and Citybus”), and New World First Ferry Services Limited (“NWFF”).

The Report is prepared in accordance with the Core option of Global Reporting Initiative (“GRI”) G4 Sustainability Reporting Guidelines and makes reference to the Environmental, Social and Governance Reporting Guide issued by the Stock Exchange of Hong Kong Limited. For more information, please download the full version from our corporate website www.nws.com.hk or dedicated sustainability website sr.nws.com.hk. Feedback can be directly addressed to sustainability@nws.com.hk.



Download Full Report

CORPORATE GOVERNANCE



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

STRUCTURE AND PRACTICES

The board of directors of NWS Holdings (the "Board") is the highest governance body of the Group, responsible for enhancing long-term shareholder value, directing growth strategies, supervising executive management and ensuring corporate governance policies and practices are implemented within the Group.

The Group's day-to-day operation is delegated to the Executive Committee. It has primary responsibility for delivering business growth, monitoring business performance and advising the Board. It is accountable for the Group's long-term development as well as its performance as measured against the corporate goals and targets established by the Board.



A Board meeting in FY2015

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

INTERNAL CONTROL AND COMPLIANCE

Compliance with laws and regulations and risk management are the core elements of our corporate governance practices. The Audit Committee serves as a safeguard against risks at the Board level. Apart from monitoring financial reporting process, the committee is responsible for reviewing the Group's financial control, risk management and internal control systems, and arrangements under the Group's "Whistleblowing Policy".

The Corporate Governance Steering Committee and the Disclosure Committee are formed under the Executive Committee to reinforce effective corporate governance practices and compliance procedures. The Finance Department, the Company Secretarial Department and the Group Audit & Risk Assurance Department form a three-pillar framework, overseeing internal controls and risk management. Each of these departments has clearly defined responsibilities. The Group has incorporated a comprehensive set of policies and guidelines into the very fabric of our risk management framework. The Group's values, principles and ethical standards as conveyed in the Group's policies clearly guide employees' daily business activities. Our policies include "Guidelines on Internal Control System", "Disclosure Policy for Inside Information", "Corporate Policy on Staff Responsibility" and "Whistleblowing Policy".

ANTI-CORRUPTION AND WHISTLEBLOWING

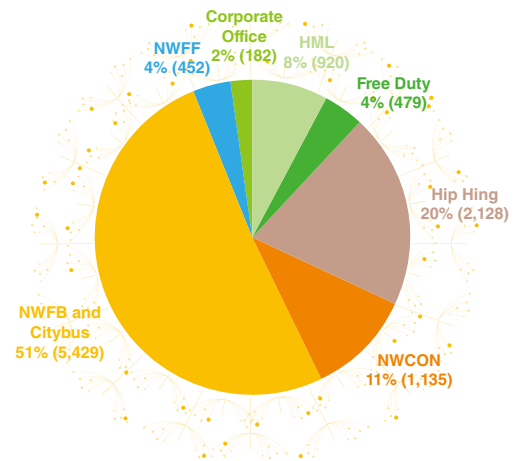
We are committed to high standards of transparency, integrity, accountability and business ethics. In line with this commitment, we instigated a "Code of Conduct" and "Whistleblowing Policy" that stipulate the Group's principles, expectations of employee conduct and a reporting channel for any suspected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

HUMAN CAPITAL

Maintaining the Group's success requires a proactive and comprehensive approach to managing our human capital, such that we can continue to grow and excel. We strive to recruit and retain the best talent. Across our operations we invest in our staff, encourage work-life balance and promote team spirit in order to reinforce our position as an employer of choice.



Distribution of Employees from Reporting Entities in FY2015



EQUALITY AND DIVERSITY

Continuous efforts are made to promote workplace diversity. Our policies on recruitment, promotion, dismissal and anti-discrimination as stated in our internal "Code of Conduct" ensure fair and equitable work environment for all, regardless of age, gender, ethnicity and other aspects of diversity. Under the Group's grievance and whistleblowing procedures, allegations of discrimination are investigated confidentially and thoroughly, and followed up with appropriate management action.

Reaching Out to Talent



In addition to partnering with educational institutions, HML seeks to extend its talent outreach platforms, including the first ever Recruitment Day held in FY2015. Over 180 applicants applied for more than 50 vacancies, and half of these posts were filled within a day.

TRAINING AND EDUCATION

We encourage staff members to proactively identify their training needs and seek development opportunities to fulfil their personal and career aspirations. As an employer believing in life-long learning, we provide educational subsidies and examination leave to motivate our employees to pursue further study. In addition to on-the-job training and guidance from mentors, employees are provided with the opportunity to attend external and in-house training programmes. In the reporting year, staff members from our reporting entities clocked up over 164,000 hours of training, representing an average of 15 hours per employee.

WORK-LIFE BALANCE

Work-life balance is a value broadly promoted across our operations through caring policies and measures, as well as a wide range of leisure and sports activities. These initiatives consider the well-being of not just our employees but also their families. We also actively promote employee health and wellness by providing staff members with free influenza vaccinations, medical check-ups and fresh fruits.

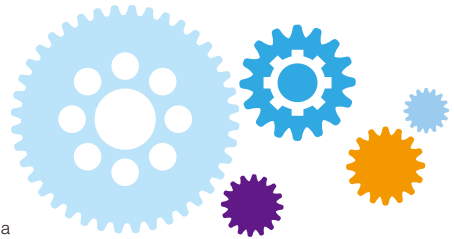
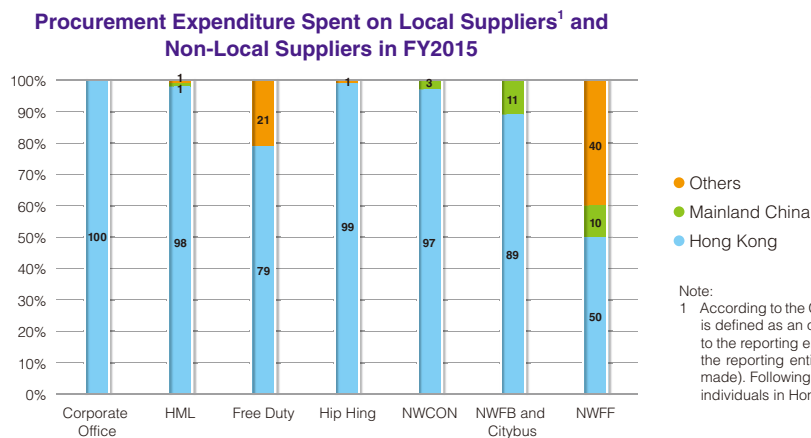
OCCUPATIONAL HEALTH AND SAFETY

Safety committees, policies and protocols are fully integrated into our businesses, particularly in operations exposed to greater occupational health and safety risks. Joint management-worker taskforces are set up at various subsidiaries to address the particular nature of work at each company and to incorporate frontline views in the formation of safety measures.

VALUE CHAIN



In the business process, we encourage suppliers, business partners and customers to embrace and adopt sustainability practices that align with our own. These interactions can help enhance the value we bring to our supply chain and contribute to driving economic opportunity and the development of skills and expertise both locally in Hong Kong and overseas. To create a better customer experience, we have developed various feedback mechanisms to gauge customer views. When delivering our products and services, we take into account a broad range of customer needs, including health and safety protection and diverse physical abilities.



INDIRECT ECONOMIC CONTRIBUTION

In addition to creating over 10,000 job opportunities, our businesses play an active part in fostering a vibrant economic environment in Hong Kong. Hong Kong Convention and Exhibition Centre ("HKCEC") which we manage is a powerhouse of international conventions, trade shows and exhibitions, contributing to the steadfast growth of trade and business both in Hong Kong and internationally. We also strive to make Hong Kong a well-connected, economically viable and empowered city by providing safe, reliable and efficient bus and ferry services to over 1.1 million commuters on a daily basis.

SUPPLY CHAIN MANAGEMENT

In managing our supply chain, we require our business partners and suppliers to abide by the ethical, social and environmental standards and principles stipulated in the "Supplier Code of Conduct" developed by our parent company, New World Development Company Limited. At the operational level, we adopt a decentralized procurement approach, whereby subsidiaries are given full autonomy in sourcing suppliers and identifying partners based on their practical business needs. However, as part of our efforts to promote a low-carbon economy, we endeavour to procure sustainable materials and source from local suppliers whenever possible. In the tendering process, our construction companies, Hip Hing and NWCON, evaluate and benchmark subcontractors' safety, environmental, community, employee and governance performance on top of professional competence and project track records.

Subcontractor Engagement



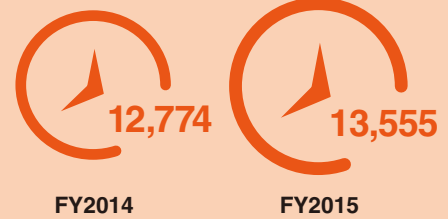
The annual Subcontractor Forum is part of Hip Hing's efforts to enhance communications with its partners and tackle construction issues ranging from project quality and the environment to safety and occupational health. As a testament to the ongoing efforts made by Hip Hing and its subcontractors to address site safety, injury rate dropped to 9.9/1,000 workers in FY2015, a marked improvement from previous years.

COMMUNITY CARE



We are firmly committed to generating sustainable value to the environment and communities in which we operate. Our approach involves making effective use of our capabilities and resources, as well as philanthropic and in-kind donations, to champion meaningful causes. These efforts are supported by our 2,600-strong corporate volunteer team, which offer practical support to empower people in need through year-round community service. To create long-term benefit from our community investments, we initiate programmes with multiple years of funding and volunteer support to address social need and achieve lasting impact in four focus areas, namely community welfare, education, health care and environmental protection.

Volunteer service hours



COMMUNITY WELFARE

As NWS Holdings entered the 12th anniversary of listing in Hong Kong, we initiated a new volunteering programme, Home Sweet Home, to mark this corporate milestone and extend our community outreach efforts. This volunteer service programme, co-organized with the Christian Family Service Centre, aims to nurture and promote family values among grassroots families in Kowloon East.

Art Education



With a goal to nurture the development of art, we provide multiple platforms for creativity to flourish. Multivariate Art Workshop and “Arts Bus: On the Move!” were two key programmes organized by NFFF as well as NWFB and Citybus in FY2015 to promote imagination and creativity among local students. In addition, NWS Holdings Charities Foundation sponsored “Paint Beyond Sight” to develop artistic skills among primary school students, while underscoring the value of social inclusiveness and diverse artistic ability.

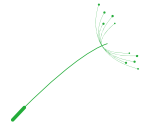
SUPPORTING ELDERLY

NWS Holdings Charities Foundation has pledged a donation of HK\$3 million to Hong Kong Young Women’s Christian Association for establishing the YWCA NWS Y-Care Centre (North District) and acquiring a service coach to provide well-rounded day care service for the elderly in Hong Kong’s North District. At the same time, we rolled out a three-year Joyful Age volunteering programme to help elderly stay positive and connected with their community.

ENVIRONMENTAL PROTECTION

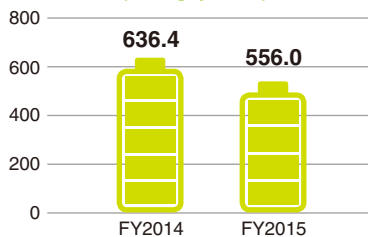
Our geological heritage is one of the city’s most important environmental resources, and it is also what makes Hong Kong a vibrant tourist destination with a wealth of varied attractions. We continue to work on instilling a public sense of pride and care for the natural environment through our long-running NWS Hong Kong Geo Wonders Hike and Young Ambassadors for Geoconservation programmes. In FY2015, a series of public engagement events, including popular guided public tours, a GeoMazing Hunt public orienteering contest and a public voting activity, called “Tick & Hike”, were organized to raise awareness of geoconservation and environmental protection.

ENVIRONMENTAL PERFORMANCE

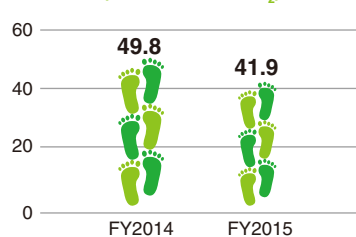


As a Group we manage our direct environmental footprint and use sustainability criteria in investment choices to help stimulate the transition to a sustainable economy. To achieve this goal, we employ a holistic management approach that involves continuously reviewing existing practices, planning and implementing new initiatives, tracking our progress and the pursuit of improvement. In our operations, we take into account regulatory requirements and environmental impacts, and adopt international standards and systems where possible. We also run capacity building and internal engagement programmes to mobilize staff supports for our initiatives to reduce environmental footprint and business risk.

Energy Consumption per Employee
(in Gigajoules)



Carbon Emission per Employee
(in tonnes of CO₂)



COMPREHENSIVE ENVIRONMENTAL MANAGEMENT

We identify risk by reviewing any previous cases of non-compliance, litigation and summonses for environmental issues, and work out the best remedial measures available. We endeavour to manage our operations according to international environmental standards and processes, such as the ISO 14001 Environmental Management System Certification and ISO 50001 Energy Management System. In FY2015, our construction companies were certified with the ISO 14001 standard, providing assurance that a total of 56 active construction projects were carried out in an environmentally responsible manner.

REDUCING ENERGY CONSUMPTION AND EMISSIONS

Each of our business units works towards a common goal of developing their own guidelines and plans to reduce energy consumption year on year. In practice, our energy-reduction initiatives are two-fold; we promote the use of energy-efficient equipment and installation, while considering day-to-day business functions and employee behaviour to identify areas for improvement.

MATERIALS AND WASTE MANAGEMENT

Addressing specific waste issues requires practical steps adapted to the nature of work of each business unit. For example, Hip Hing and NWCON adopt industry standards such as the Engineered Waste Management Plan and BEAM Plus Standards to achieve effective waste management. Both companies use a variety of renewable and sustainable materials in development projects.

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

Low-emission Bus



NWFB and Citybus remain committed to introducing the newest, low-emission buses. 811 buses with Euro 4 standard or above and three hybrid buses are already in service, while 10 electric, single-deck buses will go through trial run by the end of 2015. Selective catalytic reduction devices are installed on 218 Euro 2 and 3 buses to upgrade the vehicles' emission standards to near Euro 4 or 5 standards.

PERFORMANCE HIGHLIGHTS

As at 30 June 2015



ECONOMIC

Revenue

HK\$24,491.8 million

Profit attributable to shareholders

HK\$4,477.6 million

Net assets

HK\$46,187.7 million



CORPORATE GOVERNANCE

Zero

reported incidents of corruption



HUMAN CAPITAL

10,725

Employees from reporting entities¹

164,811

hours of training



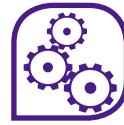
COMMUNITY CARE

HK\$3.0 million

donated to charitable causes

13,555

hours of community service clocked up by corporate volunteers



VALUE CHAIN

Approximately

80%

of procurement budgets of reporting entities was spent on local suppliers²

Approximately

6.4 million

visitors attended events at HKCEC

1,113

events staged at HKCEC

Over

1.1 million

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



ENVIRONMENTAL PERFORMANCE

Total accumulated energy savings

122,114.5GJ

15.9%

drop in greenhouse gas emission per employee from reporting entities

Over

1.0 million

tonnes of waste diverted from landfills

811

buses in Euro 4 standard or above

Notes:

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

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



NWS Holdings Limited takes every practicable measure to conserve resources and minimize waste. This report is printed on FSC™ certified paper using chemistry free plate system and soy ink. The FSC™ logo identifies product group from responsible forestry in accordance with the rules of the Forest Stewardship Council®.

