



Sustainability Report 2023

NWS Holdings Limited

(Incorporated in Bermuda with limited liability)

Stock code: 659

Member of New World Group

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Where the English and the Chinese texts conflict, the English text prevails.

Introduction

ABOUT THIS REPORT

This annual sustainability report provides an overview of NWS Holdings Limited (“NWS”) and its subsidiaries’ (“the Group”) Environmental, Social and Governance (“ESG”) performance for the financial year from 1st July 2022 to 30th June 2023 (“FY2023”). It is published on the same day as part of the NWS Annual Report 2023.

This report focuses on NWS strategic sustainability priorities to align with the Sustainability Vision 2030 (“SV2030”). Additionally, this report also covers issues that are important to our stakeholders, market expectations, regulatory compliance and areas identified by rating agencies.

The reporting content, including the material issues identified, has been reviewed and approved by our Board of Directors (the “Board”) and the Sustainability Committee (the “Committee”).

Reporting Boundaries and Scope

This report discloses details on the ESG performance of NWS Holding’s corporate office and principal subsidiaries¹ and data from business segments including Roads, Construction, Insurance, and Facilities Management, represented by the business units outlined below.

Roads

- Zhejiang NWS Expressway Co., Ltd. (“Zhejiang NWS Expressway”), is mainly responsible for the management of Hangzhou Ring Road (“HZRR”), a 103.4 km expressway in Zhejiang Province of China.
- Hunan NWS Expressway Management Co., Ltd. (“Hunan NWS Expressway”) is responsible for the management of Changliu Expressway, a 65 km expressway connecting Changsha and Liuyang in Hunan Province of China.

Construction

- Hip Hing Construction Group provides professional design, procurement, engineering and construction services in the public, commercial, and private sectors. The major operating subsidiaries of the Group engaged in construction business include:
 - o Hip Hing Construction Co., Ltd.
 - o Hip Hing Engineering Co., Ltd.
 - o Hip Hing Builders Co., Ltd.
 - o Vibro (H.K.) Limited (“Vibro”)
 - o Vibro Construction Co., Ltd.
 - o Vibro Foundation Ltd.

¹ The Sustainability Report features the performance of subsidiaries that are 100% owned by NWS, with a combined contribution of over 90% of the Group’s revenue since FY2019, and with the most material ESG impact to the Group and its stakeholders.

Insurance

FTLife Insurance Company Limited (“FTLife Insurance”) provides a comprehensive range of insurance products, offering lifelong protection, wealth management and succession, health and well-being, and quality of life to meet the evolving needs of the customers and their families.

Facilities Management

- Hong Kong Convention and Exhibition Centre (Management) Limited (“HML”), is a professional private management and operating company, responsible for providing day-to-day management for the Hong Kong Convention and Exhibition Centre (“HKCEC”).
- Anway Limited and Sky Connection Limited (collectively referred to as “Free Duty”) offer retail of a wide range of duty-free merchandise at Hong Kong’s cross-border railway terminals and the Hong Kong-Zhuhai-Macao Bridge.

NWS aspires to be a sustainability leader in the industries we operate in. We endeavour to promote sustainability stewardship among our joint ventures and associated companies, by leveraging our role as a Board member and investor to actively encourage the adoption of our core value and sustainability vision.

The scope and metrics used to measure our ESG performance has no material changes in FY2023 compared to the previous Reporting Period. For detailed ESG performance, please refer to the Appendix for supporting data, breakdown and historical performance.

Reporting Standards and Principles

This report complies with the ESG Reporting Guide (“ESG Guide”) set out in Appendix 27 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”). It was prepared based on reporting principles of materiality, quantitative, consistency and balance as set out in the ESG Guide.

In addition, this report also references the Global Reporting Initiative Standards 2021 (“GRI”). To enhance our climate-related disclosures and address stakeholder expectations, we also refer to the framework recommended by the Task Force on Climate-related Financial Disclosures (“TCFD”) and IFRS S2 Climate-related Disclosures published by International Sustainability Standards Board (“ISSB”).

Sustainability Reporting Assurance

As approved by our Board of Directors (the “Board”), this Report is externally assured to validate the accuracy and reliability of its content. PricewaterhouseCoopers (“PwC”) was commissioned to conduct independent limited assurance of the Sustainability Report in accordance with the International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements other than Audits or Reviews of Historical Financial Information, and, in respect of greenhouse gas emissions, International Standard on Assurance Engagements 3410, Assurance Engagements on Greenhouse Gas Statements, issued by the International Auditing and Assurance Standards Board, and to provide an independent Verification Statement on whether the reported information complies with the ESG Guide. The independent practitioner’s limited assurance report is documented in the last section of this report.

Share Your Thoughts

Thank you for reading NWS Sustainability Report 2023. Your feedback towards the material issues identified and reported in the Sustainability Report, as well as our sustainability strategies are critical for us to continuously improve our reporting and sustainability practices. Please share your suggestions and comments with us at sustainability@nws.com.hk.

OUR SUSTAINABILITY VISION

At NWS Holdings, we are dedicated to fostering a sustainable future built on the values of community, innovation, and responsible growth. Our vision is to harmoniously integrate progress and responsibility, generating enduring benefits for future generations.

Amidst the evolving landscape of decarbonization, we continue to navigate our business towards a net-zero future, as we are actively reducing our carbon footprint. Building upon the environmental target we set through the New World Sustainability Vision 2030 (“SV2030”) in 2018, we have surpassed our expectations and are now analyzing our performance over the past five years. This analysis will equip us to embrace a more relevant targets moving forward.

In the face of changing energy and business models, we also prioritize resilience to adapt to the shifting operating landscape. Sustainability is not just a goal for us; it is a responsibility that integrates into our day-to-day operation. Our efforts align with the expectations of the communities, employees, and customers we serve, reflecting our commitment to responsible growth.

To integrate sustainability in our operation, we align our sustainability strategy and targets with the SV2030, which references the United Nations Sustainable Development Goals and establishes four priority pillars under each of the four pillars, “NWS Sustainability Targets 2030” have been set and are overseen by incorporating into our robust sustainability governance structure, and designing the processes with policies and guidelines to account for sustainability issues. As part of our ongoing commitment to sustainability, we will begin reviewing our targets to ensure their continued relevance and alignment with evolving sustainability priorities.








SV2030 Pillar	2030 Target	FY2023 Status	Relevant SDGs
	<ul style="list-style-type: none"> ↓50% Energy Intensity (MWh/million HK\$ revenue) against FY2013 baseline ↓50% Carbon Intensity (tCO₂e/million HK\$ revenue) against FY2013 baseline ↓30% Water Intensity against FY2013 baseline ↓90% Reuse of Construction and Demolition Waste 	<p>↓50% Energy Intensity Achieved target</p> <p>↓60% Carbon Intensity Outperforming target by 10%</p> <p>↓34% Water Intensity Outperforming target by 4%</p> <p>↓93% Reuse of Construction and Demolition Waste Outperforming target by 3%</p>	
	<ul style="list-style-type: none"> Maintain Lost-Time Injury Rate (“LTIR”) below 3.0 per 100 employees since 2015 Improve well-being of >4 million beneficiaries 	<p>0.6 LTIR Outperforming target by 80%</p> <p>2.47 million beneficiaries impacted Progress on track</p>	
	<ul style="list-style-type: none"> Enhance the quality of life of >17 million beneficiaries since 2015 Accumulate 175,000 hours of voluntary service to the community since 2015 	<p>11 million beneficiaries impacted Progress on track</p> <p>130,000 hours of voluntary service accumulated Progress on track</p>	
	<ul style="list-style-type: none"> Foster a culture of entrepreneurship and innovation 	<p>Adoption of “AI”, “VR”, and “BIM” in business units’ operations</p> <p>Development of mobile apps and increasingly digitalized processes across business units</p>	

CHARTING OUR SUSTAINABILITY PROGRESS

Central to our commitment towards sustainability are our five core values on “Act with Integrity”, “Advance with Agility”, “Evolve Sustainably”, “Grow as One”, and “Create Shared Value”, which not only shape our company’s strategy, but also steer our approach to sustainability. Within the framework of each core value, we actively tackle critical issues by establishing targets, initiating programmes, and closely monitoring our performance, all aimed at fostering positive impact and progress. As we navigate this transformative phase, we fully recognize the significance of actively engaging and collaborating with our stakeholders to collectively uphold our shared values and work towards a sustainable future.

By setting long-term targets and working on improvements and initiatives under each of our focus values, we strive to make a positive impact on the society and the environment where we operate.

Five Core Values	 <p>ACT WITH INTEGRITY</p>	 <p>ADVANCE WITH AGILITY</p>	 <p>EVOLVE SUSTAINABLY</p>	 <p>GROW AS ONE</p>	 <p>CREATE SHARED VALUE</p>
<p>FY2023 Performance Highlights</p>	<ul style="list-style-type: none"> No instances of corruption or bribery were reported to the NWS whistleblowing channels in FY2023. All employees are required to complete an e-learning course on our “Whistleblowing Policy” and “Anti-Fraud and Counter-Corruption Policy”. Specially mentioned in the “Best Corporate Governance and ESG Awards” by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). 	<ul style="list-style-type: none"> In FY2023, we have begun a screening process to identify our business priorities for net-zero transition. We aim to achieve net zero for individual business units in phases, aligning targets with SBTi net zero standards. HML — AI for Health and Safety To further enhance the safety of HKCEC’s visitors, HML has implemented the AI Life Sense Alert System to all 61 accessible toilets in HKCEC. Hip Hing — Hip Hing Connect Introducing “Hip Hing Connect”, the app facilitates the monitoring and analysis of safety performance and records, offering valuable insights into safety-related metrics. It also provides real-time weather updates and important messages, ensuring workers are well-informed about potential safety hazards. The app centralizes employee information, enhances communication, coordination, and information sharing among project teams and subcontractors. FTLife Insurance — CIRCLE OUR NEW WORLD FTLife Insurance has kickstarted their new series of product: “CIRCLE OUR NEW WORLD”, catering to different life stages of our customers. Through organizing different events and activities to empower their customers and families to thrive in the aspects of wealth management, health and wellness, education, and quality of life, they can live life to the fullest with their loved ones. Roads — Physical Risk Assessment In FY2023, we successfully completed the physical risk assessment for Changliu Expressway & Hangzhou Ring Road. The assessment analyzed common climate hazards, including flooding, extreme temperatures, strong convective weather, fog and tropical cyclones. 	<ul style="list-style-type: none"> In FY2023, we have secured HK\$6.2 billion in green and sustainability financing. We have reduced 4% of greenhouse gas emissions intensity compared to FY2022. In FY2023, Hip Hing has achieved a 93% reuse rate on Construction and Demolition (“C&D”) materials. By replacing 7 chillers in HKCEC is anticipated to save approximately 2.84 million kWh of electricity and HK\$5.6 million. The savings started from July 2022 and can be achieved at the end of June 2024. Hangzhou Ring Road has led the adoption of the “Supremind” system, an artificial intelligence road management system, and Changliu Expressway has implemented the intelligent tunnel management and control platform, leading to significantly fuel consumption reduction by idling vehicles. 	<ul style="list-style-type: none"> NWS corporate office and FTLife Insurance have introduced the innovative “A.LIFE” app — an internally developed digital platform aimed at enhancing staff connectivity, collaboration, and engagement in an efficient and interactive manner. Hip Hing’s health and well-being have positively impacted around 17,000 individuals, including subcontracted workers. Our LTIR achieved a rate of 0.6 during the reporting period, exceeding our target of 3.0 by 80%. Additionally, our Lost Day Rate has been reduced to 58.7% per 100 employees. Hip Hing has implemented a five-day work week complemented by flexible working hours, a transition that commenced in March 2023. 	<ul style="list-style-type: none"> We have received the Hong Kong Volunteer Awards on “Outstanding Corporate”, “Outstanding Volunteer/Group”, “Outstanding Collaboration Project — NWS “EXP” Journey”, and “Top Ten Highest Volunteer Hours”. We have partnered with 45+ organizations and accumulated 18,200+ volunteer hours to impact 22,800+ beneficiaries in Hong Kong and the Mainland. HML actively supports event organizers in planning and delivering environmentally responsible events. The “HKCEC Waste Management Guide for Organizers and Exhibitors” puts the guidelines into practice, setting up recycling bins and sizeable enclosures to foster waste reduction, reuse, and recycling among organizers and participants alike.

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER AND CHAIRMAN OF THE SUSTAINABILITY COMMITTEE

It is with great pleasure and enthusiasm that we present to you our Sustainability Report for FY2023. This report serves as a comprehensive overview of our ongoing commitment to sustainability, showcasing our accomplishments, progress, and aspirations for the future.

At NWS, we believe that sustainable business practices are not only essential for long-term success but also the well-being of our planet. We are conscious of the profound implications our actions can have on the environment, society, and the economy. To play our role as a citizen of this global village, we approach the responsibility with unwavering commitment, where sustainability is not merely a buzzword, but a fundamental pillar of our business strategy.

Against the evolving challenges shaped by environmental, economic, geopolitical, societal, and technological megatrends, our commitment to sustainability remains unshaken. In particular, over the past year, we have embarked on transformative initiatives in line with our vision.

Embrace the Transition to the Future

Mapping a clear direction in the midst of challenges is of paramount importance to our sustainability journey. NWS has taken decisive actions to align our targets with the net-zero aspirations of NWD and are in line with the national and international goals. As we embark on the journey of achieving net zero by 2050, a comprehensive strategy has been formulated to reduce carbon footprint, promote renewable energy sources, and adapt to the changing climate landscape. In FY2023, we initiated a screening process to identify our business priorities for the net-zero transition, and accordingly, a segmented approach has been adopted for individual business units, and each business unit is expected to align its targets with SBTi net zero standard or its equivalent.

Amid the accelerating pace of environmental changes, technological advancements, and social development, we strive to be at the forefront of sustainability with reinforced business resilience so as to inspire progress and contribute meaningfully to the global shift towards a low-carbon economy. This journey necessitates collaborative engagement with stakeholders, building stronger partnerships and unlocking new avenues for growth and innovation.

The Driving Force for the Transition

At the heart of our organization lies the conviction that employees are the driving force behind our success and the catalysts for positive change. Their well-being, health, and professional growth remain our top priorities. We nurture a culture rooted in care, respect, and inclusivity. Recognizing that a healthy workforce is a productive one, we have launched a variety of programmes to promote and support their physical, mental, and emotional well-being. From wellness initiatives and creating ergonomic workspaces to flexible work arrangements and ongoing training opportunities, we are committed to building an environment that nourishes the personal and professional development of our employees.

I would like to emphasize the significance we attribute to health and safety within our organization. We have implemented comprehensive protocols, which conform to local and international guidelines, to mitigate risks and ensure compliance. In addition, in this new digital

age, fostering employee engagement within a digitized workspace is critical. We leverage new technologies to enhance communication among colleagues. Our "A.LIFE" app, for instance, serves as an internal interactive platform that enhances staff connectivity, collaboration, and engagement. On the other hand, the "Hip Hing Connect" app empowers workers to digitize information and complete site access registration via their personal mobile devices, facilitating the monitoring and analysis of safety performance and records, while providing real-time weather updates and alert messages to remind workers stay vigilant against potential safety hazards.

Our effort to care for the community extends beyond our internal operations. We are committed to empowering underprivileged groups by providing them equal opportunities and resources to gain access to and actively participate in the community. We aim to leverage our diverse network to drive positive social effects to create a more inclusive and supportive environment for all.

Collaboration for Success

Technological transformations, evolving consumers and customers' expectations, and regulatory changes are ceaselessly reshaping the business landscape, yet our determination to exchange best practices, share knowledge, and cultivate partnerships remain steadfast. Humbled by the far-reaching impact we can make when working hand in hand with our stakeholders, industry peers, communities, and governmental bodies, we are devoted to sailing through this remarkable journey towards a sustainable future through collaboration.

On behalf of NWS, it is my pleasure to invite you to celebrate with us the strides we have made in FY2023, and join us in our commitment to a sustainable future.

Together, let us act to evolve sustainably!



Mr Ma Siu Cheung

Chief Executive Officer and Chairman of the Sustainability Committee

NWS Holdings Limited



STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT

Understanding the expectations and needs of our stakeholders

We conducted a materiality assessment with the guidance of a third-party consultant, allowing us to gain a deep understanding of the perspectives of both internal and external stakeholders across our business value chain. The assessment approach was based on globally recognized standards, including the AA1000 accountability principles and GRI requirements, aiming at determining the financial and impact materiality of each ESG issue.

Determining what is important to us

In our previous reports, we presented key topics based on their significance to both internal and external stakeholders. The Board oversees our process to identify and manage material ESG issues, ensuring that stakeholder perspectives are properly considered. Furthermore, the Board has also conducted a review of the effectiveness of our process prompting us to adopt double-materiality approach for this year's stakeholder engagement process, in alignment with the updated GRI requirements. We have determined the financial and impact materiality of each ESG issue, ensuring a more comprehensive and accurate representation of the most important topics to the Group.



Stakeholder engagement through diverse channels

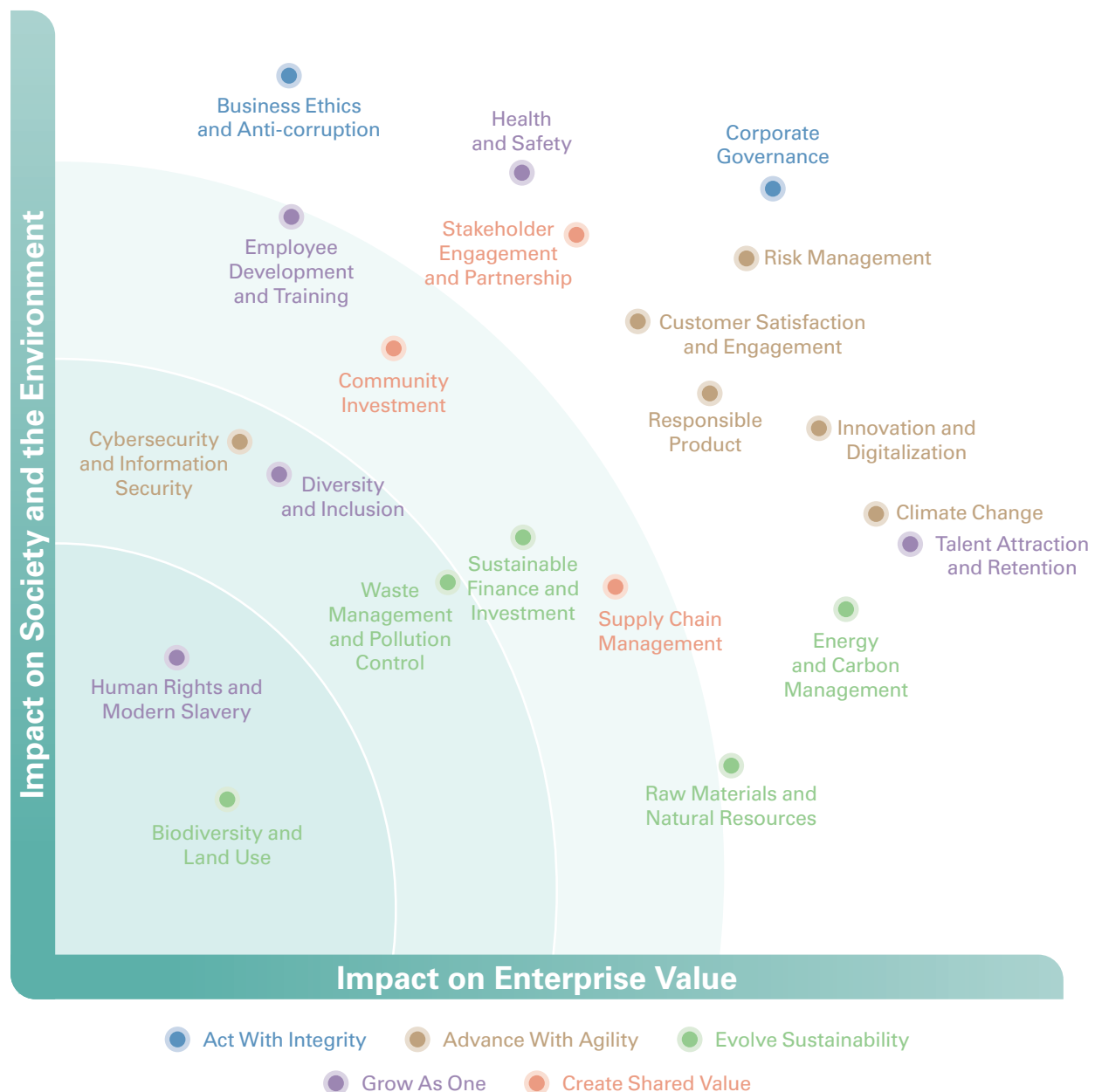
Stakeholder engagement is fundamental to the success of NWS. It enables us to identify both the expectations of internal and external stakeholders, as well as broader market trends. These insights help us to develop initiatives and targets that align with stakeholders' needs and priorities.









Engagement and responding approach	Representatives of stakeholder groups engaged	
 <p>Online survey</p>	<ul style="list-style-type: none"> Board of Directors Service Consumers General Employees Industry Associations 	<ul style="list-style-type: none"> NGOs and local community Senior Management Executives of Business Units Suppliers, Contractors and Service Providers
 <p>Focus group discussion</p>	<ul style="list-style-type: none"> Investors 	<ul style="list-style-type: none"> Executives of Business Units, including Construction and Facilities Management
 <p>Face-to-face interview</p>	<ul style="list-style-type: none"> Parent Group Representatives Independent Non-Executive Directors Board of Directors 	<ul style="list-style-type: none"> Executives of Business Units, including Roads and Insurance Investors Senior Management General Employees

Evaluating and Affirming Impacts, Risks, and Prospects

In our pursuit to identify ongoing and potential positive and negative impacts on the economy, environment, and society, we aligned material issues with global trends outlined in the World Economic Forum's Global Risks Report 2023. Through a comprehensive examination of the potential effects of these trends on our business and communities, we are better equipped to comprehend the challenges and opportunities that lie ahead.

Based on the engagement results, 21 material issues were identified in the double materiality assessment in FY2023. The issues will be discussed in five sections of the sustainability report. By tending to the most material issues for our business, we forge a holistic and forward-looking sustainability approach, reinforcing our resilience in a rapid changing world. We acknowledge the potential for progress, not only recognizing new possibilities for value creation, but also taking proactive action to realize them.



Megatrend	Material Issues	Relevant Sections of This Report ²	Reporting Pillars
Proliferation of illicit economic activity	Corporate Governance	Accounting for Effective Controls	Act with Integrity 
	Business Ethics and Anti-corruption	Ethical Business Approach	
	Risk Management	Turning Sustainability Risks into Opportunities	
Digital inequality and lack of access	Cybersecurity and Information Security	Embracing Innovation and Digitalization	Advance With Agility 
	Innovation and Digitalization		
Natural disasters and extreme weather events	Climate Change	Accelerating to Net Zero	Evolve Sustainably 
	Energy and Carbon Management	Green Operation	
Biodiversity loss and ecosystem collapse	Biodiversity and Land Use	Taking Action on Biodiversity	Evolve Sustainably 
	Waste Management and Pollution Control		
	Sustainable Finance and Investment	Investing for the Future	
Natural resource crises	Raw Materials and Natural Resources	Taking Action on Biodiversity	Create Shared Value 
	Supply Chain Management	Collaborating with Partners Along our Value Chain	
	Stakeholder Engagement and Partnership		
Diseases and health conditions	Health And Safety	Enhancing Employees' Rights and Wellbeing	Grow As One 
Erosion of social cohesion and societal polarization	Human Rights and Modern Slavery	Cultivating A Culture of Belonging	
	Employee Development and Training	Nurturing Our Talents for future	
Prolonged economic downturn	Talent Attraction and Retention	Recognizing the Needs for the Future Workforce	Create Shared Value 
	Community Investment	Fostering an Inclusive Community	
Digital inequality and lack of access	Innovation and Digitalization	Striving for continuous improvement	Advance With Agility 
Diseases and health conditions	Responsible Product		
Digital inequality and lack of access	Customer Satisfaction and Engagement		

² The relevant sections of this report disclose actions taken to manage the material topic and related impacts, as well as evaluate their effectiveness against goals, targets, and indicators.

Act With Integrity

Acting with integrity is NWS’ foundational core value. It acts as the cornerstone upon which we construct trust, credibility, and collective value. We are resolute in our commitment to exhibit transparency, honesty, and ethical decision-making. Our pursuit of upholding corporate governance standards and expectations is evident. At NWS, we aspire to cultivate an environment of accountability and responsibility, fostering trust among stakeholders — ranging from employees and customers to investors and the wider community.

Our commitment to integrity and ethical business practices ensures the seamless integration of sustainability into our strategies, decision-making processes, and operational endeavours. We are firm believers that sound corporate governance paves the path for the sustained success of our diverse businesses. To this end, we have enacted several policies, guidelines, and control measures that encompass all entities within NWS’ value chain. This comprehensive approach not only safeguards the company against legal and reputational hazards, but also ensures that our operations are guided by the principles of good governance.

ACCOUNTING FOR EFFECTIVE CONTROLS

Sustainability Governance Structure

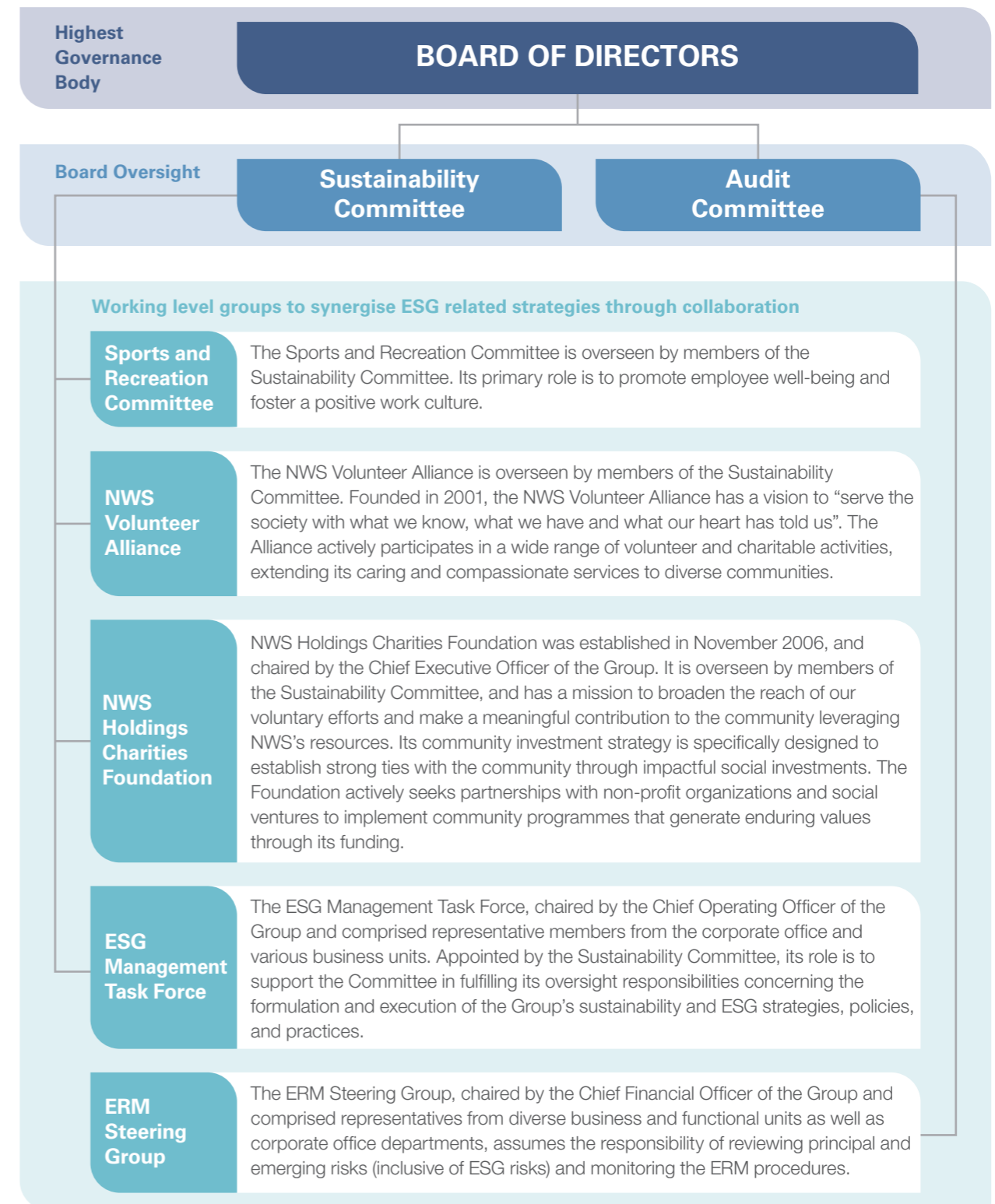
Our unwavering commitment to sustainability is interwoven into our corporate governance fabric. From the apex of our structure, the Board and senior executives bear full responsibility for our sustainability strategy and its progression. Their oversight is augmented by the Audit Committee and the Sustainability Committee, both of which routinely report to the Board to guarantee effective oversight.

The Sustainability Committee, as mandated by the Board in line with its defined terms of reference, undertakes the review and evaluation of the adequacy and effectiveness of the Group’s sustainability framework. This encompasses the management of material ESG issues as well as the monitoring of NWS Sustainability Targets 2030. Our Chief Executive Officer (“CEO”) of the Group, Mr Ma Siu Cheung, chairs the Sustainability Committee, which includes executive directors, non-executive directors, and independent non-executive directors. Collaborative efforts with task forces and sub-committees across the Group foster synergies and strategic partnerships with both internal and external stakeholders, thereby supporting the transition towards sustainability. The Committee periodically submits recommendations to the Board, drawing from internal reviews and external consultations to ensure effective implementation of initiatives and continual improvement to create long-term shared values for stakeholders.

The Audit Committee supports the Board to ensure the efficacy of the Group’s risk management and internal control systems. Risks and impacts pertaining to sustainability, quality, health, and safety are identified, assessed, and managed within the framework of the Enterprise Risk Management (“ERM”) process. These identified risks are evaluated using a standardized Risk Register Framework, gauging their impact, likelihood, and potential mitigations. The Audit Committee conducts bi-annual reviews of this process. For the complete ERM framework, please refer to the “**Risk Management Report**” in the Annual Report.

The Sustainability Committee incorporates the key sustainability related risks and mitigation measures identified in the Risk Register when reporting to the Board. These two Committees collaboratively assess the sufficiency of resources allocated to identified ESG risks and opportunities, coordinating with the other board-level committees for the implementation of sustainability strategies.

NWS Sustainability Governance



ETHICAL BUSINESS APPROACH

NWS is dedicated to safeguarding our reputation, revenue, assets, and information from any instance of fraud, corruption, deceit, or inappropriate conduct by either employees or third parties. Our conduct adheres to all relevant provisions outlined in the Corporate Governance Code, as stipulated in Appendix 14 of the Listing Rules. Our policies align with local regulations in the regions where we operate. To ensure adherence, we have instituted control mechanisms and persistently underscore the significance of ethics and integrity in the work of our employees. All stakeholders along our business value chain, including employees and other stakeholders, are expected to uphold our Code of Conduct. Compliance is overseen through established frameworks. We actively urge employees and other stakeholders to promptly report any suspected instances of fraud and related misconduct through diverse reporting channels.

To ensure robust compliance, we rely on the Enterprise Risk Management process as a central repository of information, facilitating our awareness of our legal obligations and global megatrend and enabling us to take appropriate steps to meet them. Our governing body remains well-informed, and we have defined clear procedures for reporting and escalation.

Our dedication to sustainability-related policies and guidelines steers us to establish standardized protocols that govern and regulate our business practices. We routinely conduct reviews and updates to align with the changing expectations and requirements from stakeholders, the industry, and regulatory bodies. Our rigorous approach to interconnecting corporate governance and ESG strategy has garnered industry recognition, including a special mention in the “Best Corporate Governance and ESG Awards” by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

Relevant Sustainability Policies and Guidelines

 <p>ENVIRONMENTAL</p> <ul style="list-style-type: none"> • Climate Change Policy • Sustainability Policy • Sustainable Office Guide 	 <p>SOCIAL</p> <ul style="list-style-type: none"> • Corporate Policy on Staff Responsibility • Employee Handbook • Health and Safety Policy • Human Rights Policy • Supplier Code of Conduct • Supply Chain Management Guide • Sustainable Procurement Guide 	 <p>GOVERNANCE</p> <ul style="list-style-type: none"> • Anti-Fraud and Counter-Corruption Policy • Data Privacy Policy • ERM Policy • ESG Board Oversight Statement • NWCS Cloud Adoption Policy • NWCS IT Policy • NWCS Incident Responses Policy • Personal Information Collection Statement • Whistleblowing Policy • ESG Due Diligence Guideline for Investment
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Anti-Fraud and Counter-Corruption

Dishonest and unethical conduct has the potential to erode the bedrock of trust we have built among both our internal and external stakeholders. Our “Anti-Fraud and Counter-Corruption Policy” extends beyond the requirements set by applicable laws and regulations, encompassing measures to prevent money laundering, bribery, fraud, and corruption. We hold every director, senior management member, and employee of the Group, along with business partners, associated companies, and joint ventures, accountable for full compliance with our anti-corruption policies. Upholding the high standards of integrity, all staff adhere to a meticulous commitment to legal regulations as guiding principles for individual conduct. We strictly adhere to the foundational principle of avoiding both actual and perceived conflicts of interest. In cases when conflicts of interest cannot be averted, staff are mandated to adhere to our Corporate Policy on Staff Responsibility, reporting and declaring all pertinent interests to the Group Human Resources Department, subsequently determining the appropriate course of action. Comprehensive records of such declarations are duly maintained.

Policies related to charitable giving is a testament to a comprehensive and transparent framework that articulates our approach and priorities concerning philanthropic donations and non-commercial sponsorships. We are dedicated to supporting locally registered charitable institutions and trusts, ensuring our contributions are directed towards organizations that uphold ethical practices and effect meaningful change within their communities. Moreover, we strictly prohibit any diversion of philanthropic donations or non-commercial sponsorships towards corrupt activities or improper advantages. Through these principles, we aim to instigate genuine social transformation and uphold unwavering standards of integrity in our charitable initiatives.

We duly recognize the significance of collaborating with pertinent stakeholders, including government entities. As a manifestation of our commitment to stakeholder engagement, we remain receptive to discussions with entities across our business value chain, thereby enhancing our operational approach. This openness extends to engaging in dialogues with governmental bodies. This collaborative approach aids us in addressing issues, aligning with regulations, and contributing to the comprehensive enhancement of our business practices. While we refrain from direct donations to political organizations, we actively participate in public dialogues and engage with relevant stakeholders on subjects that hold the potential to influence our operations. Any contributions or involvement with such organizations are conducted in adherence with the appropriate government and regulatory mandates.



Whistleblowing Policy

Each business unit retains the flexibility to establish its own whistleblowing procedures based on industry best practices. Given that our businesses engage a diverse array of stakeholders, from internal personnel to global partners, customers, and communities, these stakeholders constitute an integral aspect of our operations. We actively encourage both internal and external stakeholders to report suspected instances of misconduct through established channels to the Head of Group Audit and Risk Assurance. We will make every effort to keep whistleblower's identity and reported concern strictly confidential. Under certain circumstances where the whistleblower's identity must be revealed according to laws and regulations, the Group endeavours to take reasonable steps to protect the whistleblower from detriment.

All cases are reported to the Audit Committee and the Executive Committee, and the Chairman of the Audit Committee reviews each case through a thorough investigation, with appropriate actions taken if found necessary. For the latest updates related to the Corporate Governance Code, please refer to the "**Corporate Governance Report**" section.

Raising Awareness

We require all employees to complete e-learning course on our "Whistleblowing Policy" and "Anti-Fraud and Counter-Corruption Policy" regularly to enhance their awareness and understanding. Furthermore, the ERM induction e-learning course enhances staff's awareness of business risks, emphasizing the importance of early risk detection and whistleblowing. We regularly invite external experts to provide training on best practices and market trends.

The most recent session held in August 2023 for all staff discussed enforcement trends, focusing particularly on market misconduct, the Listing Rules, and recent enforcement actions. Additional details regarding training hours on anti-corruption can be found in the Appendix.

Briefing sessions for the revised anti-fraud and counter-corruption policy and whistleblowing policy were conducted for staff members in July 2022 and June 2023. This was preceded by two training sessions hosted by the Independent Commission Against Corruption ("ICAC") pertaining to Ethical Business Practices. These sessions aimed to enhance understanding about the Prevention of Bribery Ordinance and how to navigate situations involving conflicts of interest.

Advance With Agility

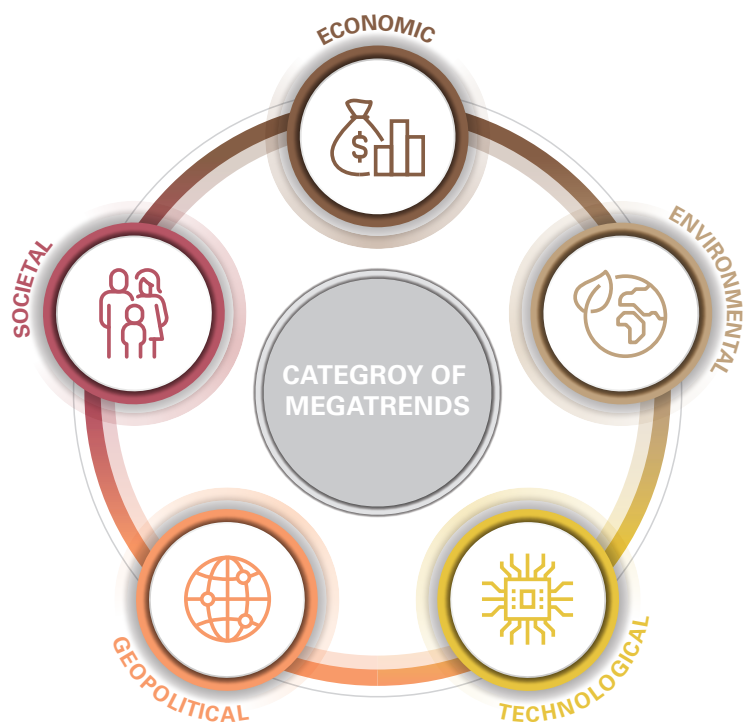
The risks and opportunities that our diverse businesses face is multifaceted, highlighting the significance of remaining prepared to respond swiftly and effectively to emerging trends. Agility is a fundamental principle embedded in our sustainability approach, empowering us to sustain business growth and success even in the face of changing market conditions and disruptions.

NWS continuously explores opportunities to adapt our business practices to maintain our competitive edge and create shared value to our stakeholders. In pursuit of this objective, we cultivate a culture of innovation and advancement, nurturing the development and integration of digital solutions. At the same time, we remain attuned to the vulnerabilities our business units face in today's rapid changing world. Our well-structured risk management policies and procedures have been designed to alleviate and mitigate the impacts of potential challenges.

TURNING SUSTAINABILITY RISKS INTO OPPORTUNITIES

NWS has instilled a culture of resilience and adaptability, positioning us to navigate the ever-changing world and maintain our industry leadership. Our comprehensive risk management process operates under the supervision of the Board, adopting a robust Three Lines Model bolstered by the guidance of the Audit Committee. Seamlessly integrated within this risk management framework is the identification, evaluation, and management of ESG risks, integrated into our ERM process. Experts are assigned to oversee diverse risks, shouldering the responsibility of crafting and executing risk mitigation strategies. For a comprehensive understanding of risk attribution and treatment, our Risk Management Report serves as a valuable resource. This report documents our consistent reporting process to the ERM Steering Group, Executive Committee, and Audit Committee.

In FY2023, NWS has aligned material topics with five key global megatrends encompassing economic, environmental, geopolitical, societal, and technological spheres. This strategic undertaking empowered us to review the latest implications of these global trends and assess the Group's position as well as sector-specific readiness in tackling these sustainability risks. This systematic approach captures our proactive stance in addressing challenges and seizing opportunities to drive favourable impacts. We channel our resources with precision to materialize measures and initiatives aimed at addressing the identified risks.



Framework for managing sustainability risks and opportunities



Integrating Sustainability Risks into Our Operations

Within the context of sustainability, materiality pertains to ESG issues that can have a significant impact on the company, both favourably and unfavourably. To foster a more robust connection between conventional and sustainability risks, we have integrated these risks into our ERM framework to enhance the risk management process, which facilitates the achievement of NWS Sustainability Targets 2030 while cultivating resilience against both physical and transitional impacts.

Our commitment extends to fostering a risk-aware culture that promotes a shared understanding of risk that bolsters our organization’s strategy, business model, operational methodologies, and competitive edge. A strong risk culture makes effective risk management possible, and hinges on the collective contributions of our workforce. For the details of the Three Lines Model of the Risk Governance Structure, please refer to the “**Risk Management Report**” section in the Annual Report.

Prioritizing Cybersecurity

As our operations progressively embrace digitalization, cybersecurity retains its position as a significant focus area. Our operational practices align with the stipulations of the Personal Data (Privacy) Ordinance (Cap. 486), the Personal Information Protection Law of the People’s Republic of China, and pertinent legal regulations. Notably, no material IT-related incidents were recorded during FY2023.

We have a clear approach to identifying and addressing information security risks. Through our internal review process, our business units meticulously assess their exposure to cyber risks and furnish half-yearly reports in the risk register. Oversight of cybersecurity concerns rests with the Data Leakage Prevention Committee at NWD. This centralized structure assumes responsibility for managing cybersecurity issues across all business units within New World Group, including NWS. The supervision of information and cybersecurity falls under the purview of the Head of Technology Risk at New World Corporate Services, who reports directly to the Executive Management team who is responsible for overseeing cybersecurity within the Group.

To ensure compliance and robustness, regular IT audits and internal compliance assessments, conducted by cybersecurity professionals, are integral to our operational routine, spanning both NWS and all affiliated business units. Underpinning our IT infrastructure and information security management system is the ISO 27001:2022 certification. NWS enforces a suite of data privacy and information security-related policies and procedures. The Privacy Management Programme constitutes a cornerstone in enhancing data lifecycle management while fortifying the integrity and confidentiality of personal data. This encompasses a range of measures spanning encryption, defence mechanisms, and alert systems.

Intellectual property (“IP”) rights stand as a central element of NWS’s operational landscape, and constitute a valuable corporate asset. A comprehensive framework is in place to safeguard our IP rights. Our “IT Policy and Procedures” defends against any encroachment on these rights. All IP rights undergo formal registration channels, and any perceived infringements trigger the solicitation of legal counsel and consideration of corrective measures.

In the face of continual technological advancements, it is incumbent upon us to keep pace with the evolving landscape of technologies and account for associated risks within our risk assessment processes. We offer relevant training to ensure that our staff members are able to identify and manage risks effectively. Over the Reporting Period, we hosted training sessions in partnership with the technology team from New World Corporate Services. These sessions shed light on risks demanding our pre-emptive attention as we harness the potential of Artificial Intelligence (“AI”) tools.

In tandem with our policies and security infrastructure, NWS nurtures employee competence through regular cyber security-focused training sessions aimed at refreshing knowledge, and provide regular simulating attacks to our employees to enhance their readiness and awareness (i.e. phishing email exercise). Noteworthy among these is our FY2023 Cyber Risk Training event, titled “Shape Up Cyber Risk Defence”. This encompassed a webinar on key themes including corporate and daily cyber risk response, alongside an interactive workshop on “Combating Social Engineering Attacks”. Maintaining robust security protocols within our day-to-day operations entails the regular scrutiny of our IT systems, supplemented by consultations with external specialists to identify avenues for improvement.

Business Continuity and Crisis Management

NWS has implemented business continuity plans (“BCP”) at business unit level and corporate office will initiate the review process in FY2024 to ensure effective crisis management and prevent operational interruptions. We maintain rigorous programmes to routinely test and validate the efficacy of these plans. Both business continuity and crisis management strategies are shared with internal and external stakeholders, facilitating comprehensive understanding. Additionally, our commitment to corporate resilience involves proactive data collection and meticulous risk analysis. This collective approach bolsters our ability to navigate an ever-evolving landscape of potential challenges.

OUR HOLISTIC APPROACH ON CYBER SECURITY



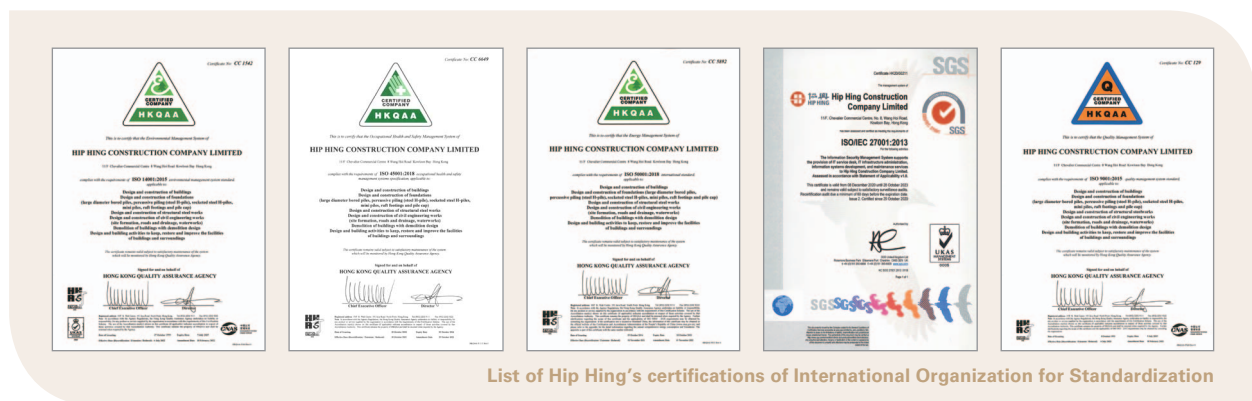
STRIVING FOR CONTINUOUS IMPROVEMENT

Responsible Service and Product Development

NWS is committed to ensuring that our services and products uphold environmental and social responsibility. Guided by our Sustainability Policy, we actively pursue innovative solutions to reduce environmental footprint and ensure service and product quality while minimizing local community impact. Collaborating closely with stakeholders throughout our value chain, we share and communicate expectations and commitments on responsible business practices with our suppliers. This includes aligning our supply chain network with environmental stewardship and social objectives, with Board oversight of our sustainability approach to ensure accountability.

Upholding Service and Product Quality

We remain dedicated to providing customers with quality products and services. Our rigorous protocols underpin assessments of product and service quality, while our business units are encouraged to adopt their own quality assurance strategies, demonstrating ownership and responsibility for upholding high standards. Our construction sites, for example, achieve certification according to internationally recognized standards such as ISO 9001 for Quality Management System, ISO 14001 for Environmental Management System, ISO 50001 for Energy Management System, ISO 45001 for Occupational Health and Safety Management System, and ISO 27001 Information Security Management System. Furthermore, in our toll road business, Changliu Expressway proactively participates in the “Review and Improve” initiative organized by the Hunan Provincial Department of Transportation. This annual evaluation allows us to review the operational services, safety performance, and customer satisfaction from diverse stakeholder viewpoints, including regulatory bodies. This presents an opportunity for enhancing road maintenance practices and, ultimately, service quality and customer contentment.



List of Hip Hing's certifications of International Organization for Standardization

We have built a strong reputation as a fair and ethical business partner in all the industries we work in. We are dedicated to responsible practices as we handle and deal with any issues regarding contracts and relationships throughout our entire value chain. As we commit to sustainability, we incorporate ESG factors into our supplier selection and management procedures, allowing us to actively contribute to a more sustainable future. By combining all these efforts, our goal is to make a positive impact together. For more details on our sustainable procurement practices, please refer to the “**Collaborating with Partners Along our Value Chain**” section of this report.

EMBRACING INNOVATION AND DIGITALISATION

We actively contribute to the development and adoption of process innovations that advance the resilience, productivity, and well-being of our operations and stakeholders. Leveraging digital technologies, we promote sustainable growth by enhancing innovation and efficiency in our products and services. Our dedication extends to integrating more new technologies into our operations and business processes.

Harnessing Emerging Technology for Business Success

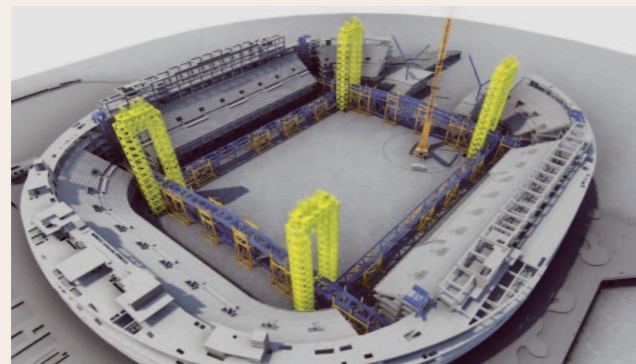
AI for Health and Safety at HKCEC

NWS has made continuous investments in upgrading HKCEC’s hardware and software, prioritizing visitor safety. To further enhance the safety of HKCEC’s visitors, HML has implemented the AI Life Sense Alert System to all 61 accessible toilets. By detecting users’ postures and movements, the system swiftly identifies accidents and distress signals, triggering alerts within 5 seconds. These alerts are immediately received by designated staff members and the security control room, facilitating provision of assistance to visitors in need within the critical life-saving golden timeframe.



Digital Twin at Hip Hing

Hip Hing embraces cutting-edge digital twin technology, which leverages a digital representation of project sites synchronized with their corresponding physical assets in real time through IoT devices, such as sensors and cameras. This advanced technology empowers the project team to predict and resolve issues, optimize design and engineering solutions, and ensure the successful implementation of safety measures throughout the construction project. Frontline workers also have access to the digital twin, enabling them to gain insights into the project, visualize construction process, and identify potential challenges. This accessibility enhances collaboration and communication among team members, resulting in smoother operations and increased productivity.



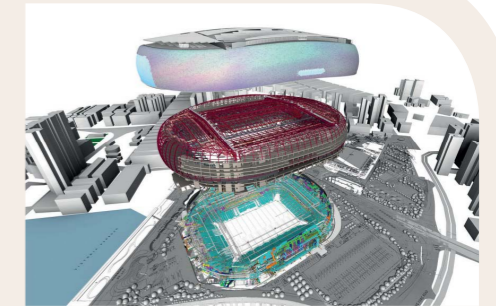
BIM automation on statutory compliance checks

Hip Hing has taken the lead in utilizing Building Information Modelling (“BIM”) for rule-based statutory compliance checks. The BIM team has devised different checking rules, incorporating them into a standardized model to enhance efficiency for project teams.

While fostering an innovation culture is our goal, we acknowledge the potential social challenges brought about by rapid digitalization, including digital inequality. Our aspiration is to cultivate an inclusive and technologically advanced community where everyone can reap the benefits of digital transformation. We spare no effort in equipping our employees with the necessary resources and support to empower them to contribute to technological advancement, creating solutions that enrich the community.

BIM for KTSP

Kai Tak Sports Park (“KTSP”), spanning an area of 28 hectares, is one of most significant infrastructure projects in Hong Kong in recent decades. The project team has been utilizing various integrated digital technologies, such as Building Information Modelling (“BIM”) to visualize the entire construction process. By integrating virtual reality (“VR”) and drone applications, BIM CAVE (“Computer Aided Virtual Environment”) technology has been widely used to streamline communications between the client and design team through immersive visual walk-throughs of the BIM model prior to finalizing the design.



Kai Tak Sports Park Overview

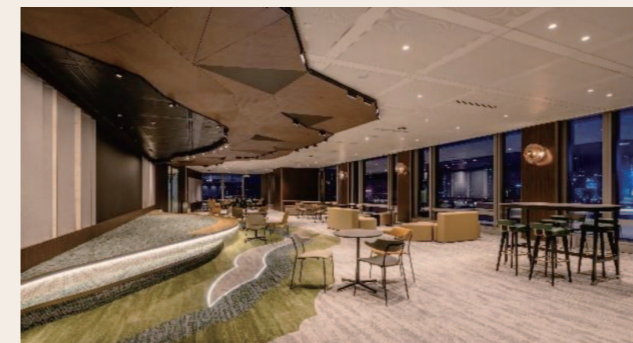


Kai Tak Sports Park Main Stadium BIM Model Explosion

Employing drones and photogrammetry, coupled with Autodesk’s ReCap, Navisworks, and BIM360, accurate site analyses were updated monthly. This facilitated online inspections enhancing safety through virtual site visits and reducing inspection and recording time. Moreover, the integration of VR technology facilitates efficient communication and collaboration, enabling stakeholders to collectively identify safety concerns and implement timely countermeasures. These advancements contribute to proactive safety management, early hazard identification, and effective implementation of safety measures throughout construction projects.

VR training and AI workshops at the GalaMuse

FTLife Insurance has set out to create an interactive space for FTLife Insurance colleagues (“Life Artisans”) and customers for training, experience, and relationship-building. The VR CAVE stands as a highlight, offering an immersive VR setting for visitors to explore financial gaps and protection needs at different life stages. Additionally, the use of VR technology and AI workshops provide simulated training for frontline Life Artisans, enhancing their expertise and customer service skills.



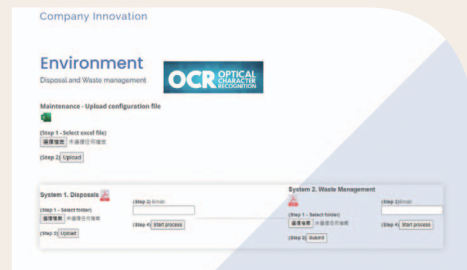
Digital Transformation in Workplace

Document Digitalization

Initiated by group corporate office, we transitioned 773,735 pages of documents into digital formats using the Document Management System (“DMS”) during the headquarters relocation, resulting in over 80% reduction in required storage space. Digital transformation has enabled business functions to shift away from manual processes, eliminating the need for cumbersome manual filing systems, mitigating the potential for human errors, and ultimately enhancing overall operational efficiency. Technological advancements now facilitate aspects of business automation.

AI Optical — Character Recognition

Hip Hing has deployed an AI-driven process automation platform for enhanced operational efficiency. Utilizing optical character recognition (“OCR”) technology, the platform aids in extracting information from scanned documents. This capability simplifies the conversion of data into organized text or tables, streamlining the process. Operating at a speed of 35 pages per minute with 98% accuracy, it significantly reduces manual processing time, greatly benefiting engineers and administrative staff.



Hip Hing Connect

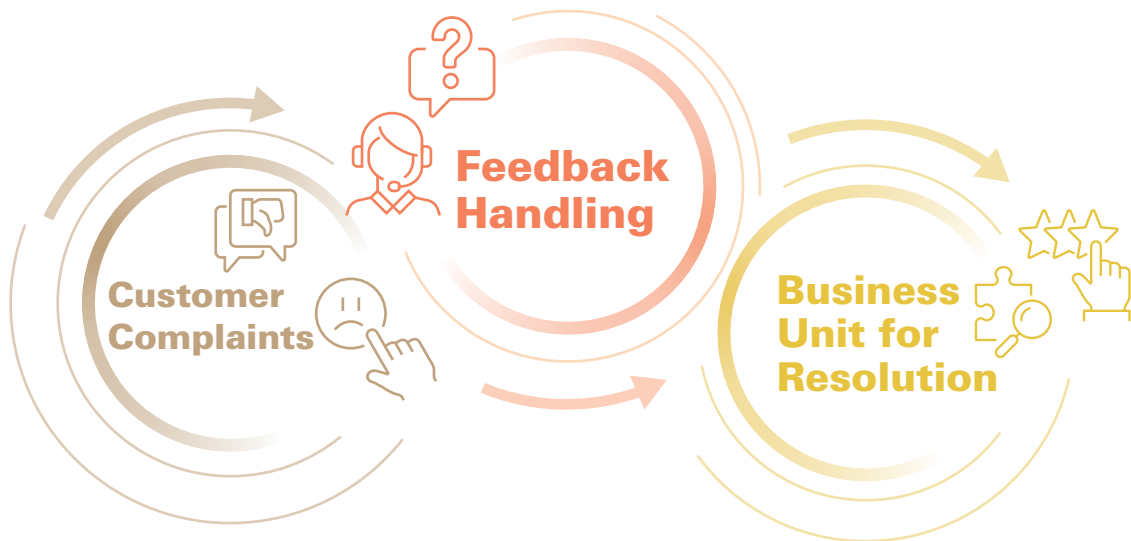
Introducing “Hip Hing Connect,” an app that empowers workers to digitize their information and complete site access registration using their personal mobile devices. The app facilitates the monitoring and analysis of safety performance and records, offering valuable insights into safety-related metrics. It also provides real-time weather updates and important messages, ensuring workers are well-informed about potential safety hazards. The app centralizes employee information, enhancing communication, coordination, and information sharing among the project team and subcontractors. Manual processes are eliminated, simplifying tasks, such as documentation and file management. Employee profiles, project updates, and task assignments are easily accessible and searchable, fostering improved decision-making and task execution. The app also supports license record verification and timely notifications for license renewal, facilitating seamless collaboration between the project team and subcontractors.



Delivering exceptional customer experience

Continuous improvement serves as the catalyst for our business’s sustainable advancement. We listen to our clients’ needs and continuously strive to align with the standards and expectations of the new generation. Our commitment rests in delivering products and services of exceptional quality, backed by transparent and comprehensive information that empowers customers to make informed decisions. Our drive for excellence propels us to consistently exceed our own benchmarks, adapting to the needs of today’s world.

Regular customer feedback empowers us to evolve in sync with their changing needs, presenting high-value propositions that encompass distinctive, personalized, and meaningful customer experiences. This valuable input also aids us in identifying both our strengths and areas for enhancement in the customer journey. We have conducted 1,500 times of customer satisfaction surveys during the Reporting Period and have established comprehensive communication channels to ensure the needs and expectations of customers have been fulfilled. 573 Customer complaints received are diligently addressed through our feedback handling systems within each business unit. To ensure the efficacy of our complaint resolution, we offer customers contact details on our business units’ respective websites, while dedicated teams to handle these comments and complaints. This process ensures proper documentation and regular management reviews. Such a structured approach allows us to identify areas for improvement and take appropriate actions to enhance our products and services based on customer feedback.



Our commitment to ethical conduct and responsible marketing is underscored by transparency and integrity in all communications. We adhere to the Trade Descriptions Ordinance (Cap. 362) and relevant legislation. Our marketing and sales approach aligns with applicable laws and labelling mandates, with dedicated personnel meticulously reviewing marketing materials to ensure accuracy and prevent any misleading information. Regular training sessions equip our employees to navigate these requirements attentively. Throughout the Reporting Period, there were no instances of regulatory non-compliance concerning marketing or labelling.

Empowering Our Customers and Their Families to Thrive

Amidst the rising healthcare risks associated with aging populations and the impacts of climate change, FTLife Insurance has taken proactive steps to enhance healthcare accessibility. Operating as a responsible insurer, FTLife Insurance embraces a family-centric approach that values enduring customer relationships. The expansive product portfolio caters to individuals spanning all life stages, from children to adults, families, and retirement. By concentrating on supplementing public health services, their offerings are designed to address the financial challenges of managing medical costs and providing essential support in the face of serious illness or loss of self-sufficiency.

Their stellar services are in tandem with their product offerings, reaffirming their commitment to surpassing customer expectations and fulfilling community needs. In the Reporting Period, FTLife Insurance earned distinction by capturing four awards at the Bloomberg Businessweek/Chinese Edition Financial Institution Awards 2023.







One of their outstanding products, the Everglow 128 Insurance Plan, secured the "Saving Plan — Outstanding Performance" accolade. This plan offers comprehensive wealth enhancement, featuring annual distribution of guaranteed cash coupons for up to 128 years. With flexible insured changes and potential non-guaranteed annual dividends, it presents an opportunity for wealth accumulation and succession planning. Additionally, their "FlexiCare" Medical Insurance Plan was celebrated with the "Health & Protection — Outstanding Performance" award. This plan goes beyond the bounds of the Voluntary Health Insurance Scheme ("VHIS"), providing comprehensive coverage and double aggregate limits for major illnesses. The benefits extend globally, ensuring a sense of security and unrestricted access to comprehensive medical insurance for their clientele.



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In a bid to co-create value with their customers, FTLife Insurance has partnered with New World CLUB to launch the "FTLife Insurance x New World CLUB" promotional event, an integral part to kickstart their new brand promise, "CIRCLE OUR NEW WORLD." Through organization of different events and activities, while sharing of resources within the ecosystem that encompass a broad spectrum, they offer four holistic life pillars, namely GROWealth, PowerUp, EDUtainment and FAMmunity, to empower their customers and their families to thrive in the aspects of wealth management, health and wellness, education, and quality of life, ensuring they can live life to the fullest with their loved ones.

 <p>GROWealth</p> <p>Our GROWealth initiative provides comprehensive wealth management and financial planning workshops. These workshops guide families in seizing opportunities to grow their wealth throughout various life stages.</p>	 <p>EDUtainment</p> <p>EDUtainment offers engaging programs in science, art, and culture. Designed for children, these programs foster creativity and critical thinking skills in a stress-free environment.</p>	 <p>PowerUp</p> <p>Through yoga classes and healing workshops, PowerUp promotes both physical and mental well-being. These activities help participants recharge and reinvigorate their senses.</p>	 <p>FAMunity</p> <p>FAMunity is a platform focused on family education and parent-child interaction. It strengthens family bonds while facilitating individual growth.</p>
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ACCELERATING TO NET ZERO

Climate change and energy and carbon management emerged as highly material topics in our FY2023 double materiality assessment. The increasing global concerns about climate-related natural disasters and extreme weather events pose significant risks to our business operations, employees, and stakeholders. Failing to address mitigation or adaptation initiatives can lead to multifaceted challenges.

Aligned with the recommendations of the Financial Stability Board’s Task Force on Climate-related Financial Disclosures (“TCFD”), NWS is committed to disclosing our assessment of climate change implications on an annual basis. This section follows TCFD’s recommended disclosures, outlining climate change risks, opportunities, their impact on our operations, and proactive measures we are taking.

Climate Governance

NWS adheres to its climate commitments, aligning with SV2030. The Board, supported by the Sustainability Committee (“SC”) and Audit Committee (“AC”), holds responsibility for our sustainability strategies. The Board oversees our strategic direction, performance, and climate change impacts. This role is highly valued and vital.

Chaired by Chief Executive Officer of the Group, the SC oversees strategy and climate-related goals. They endorse significant climate plans and actions, while the ESG Management Task Force (with corporate and business unit representatives) coordinates and monitors climate initiatives, managing budgets. Simultaneously, the AC evaluates ESG and climate risk management effectiveness, along with internal controls and climate vulnerability assessments. Both committees regularly report to the Board, providing comprehensive insights for evaluating climate risks and opportunities, guiding necessary actions.

This integrated approach fosters a coordinated and proactive response, allowing us to address climate risks and leverage opportunities in line with our sustainability vision. For more information on the roles and responsibilities related to sustainability governance, please refer to the “Accounting for Effective Control” section of this report.

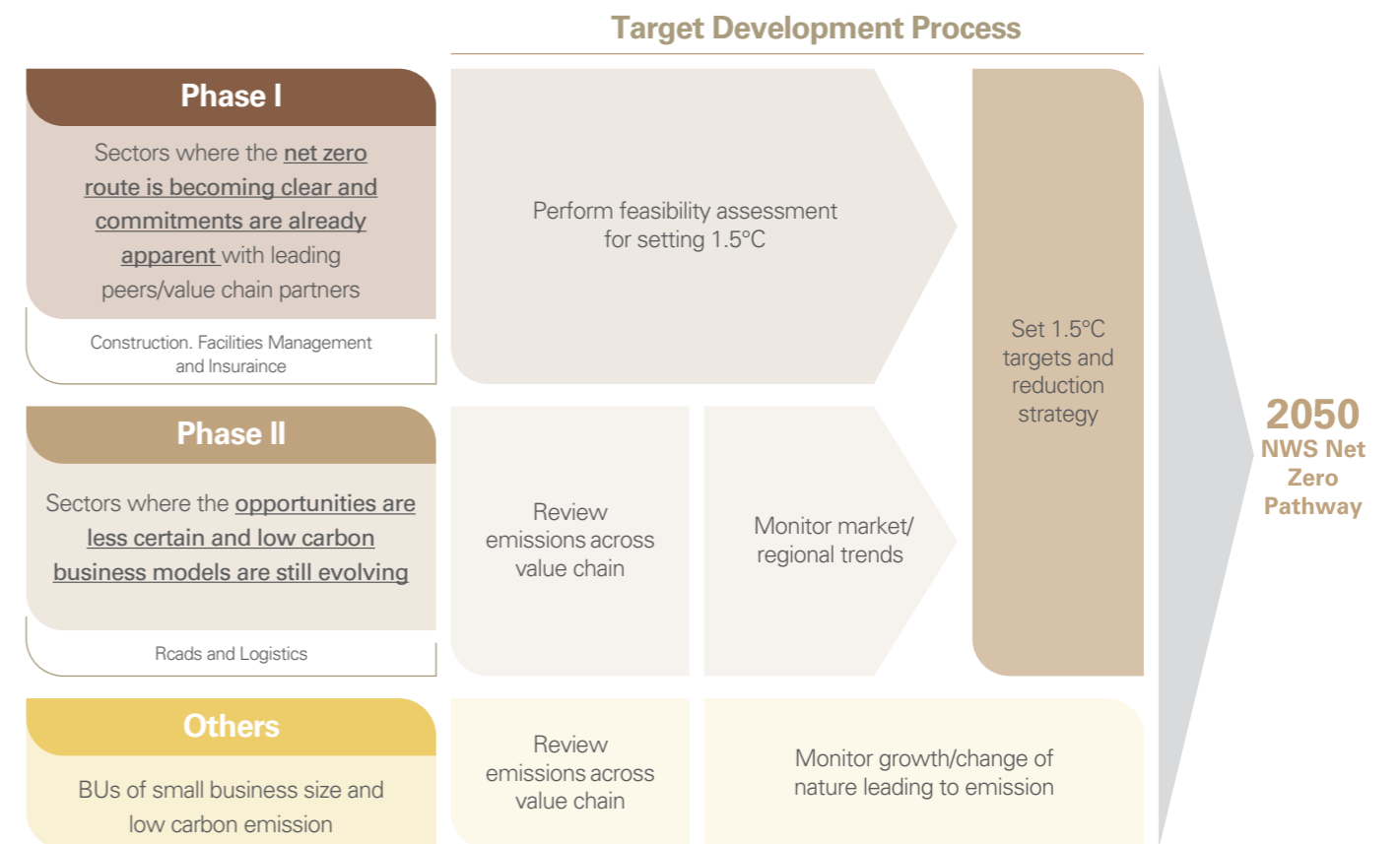


Climate Strategy

Transitioning to a net-zero world requires moving from commitment to action. NWS has a clear roadmap prioritizing tasks and goals, ensuring transparent progress toward a net-zero future. Committed to being part of climate solution, we aim for net-zero emissions by 2050, partnering with stakeholders for a sustainable transition.

Targets and baselines require continuous adjustment to accurately track progress. Thus, it is important to ensure science-based, internationally aligned targets. Near and mid-term (5-10 years) and long-term (2050 or earlier) milestones are being set. The process involves considering scenarios that balance business expansion and carbon reduction.

In FY2023, we have initiated a screening process to identify our business priorities for the net zero transition. We will approach net-zero for individual business units in phases, aligning targets with SBTi net zero standards. Feasibility assessments commence with Phase 1 sectors, where clear paths to net zero exist, e.g., construction, insurance, and facilities management. Phase 2 sectors will follow, focusing on value chains and evolving low-carbon models. This strategic prioritization accelerates net-zero progress while accounting for growth and partnerships.



NWS TOWARDS 2050 NET ZERO

AMBITIONS



Climate Risk Management

Our Climate Change Policy addresses climate change at both societal and operational levels. Climate risks are integrated into our company-wide risk management framework, reviewed periodically, and encompass short, medium, and long-term perspectives. Governance structure and risk management details are in “**Accounting for Effective Controls**” section of this report and the “**Risk Management Report**” section in the Annual Report.

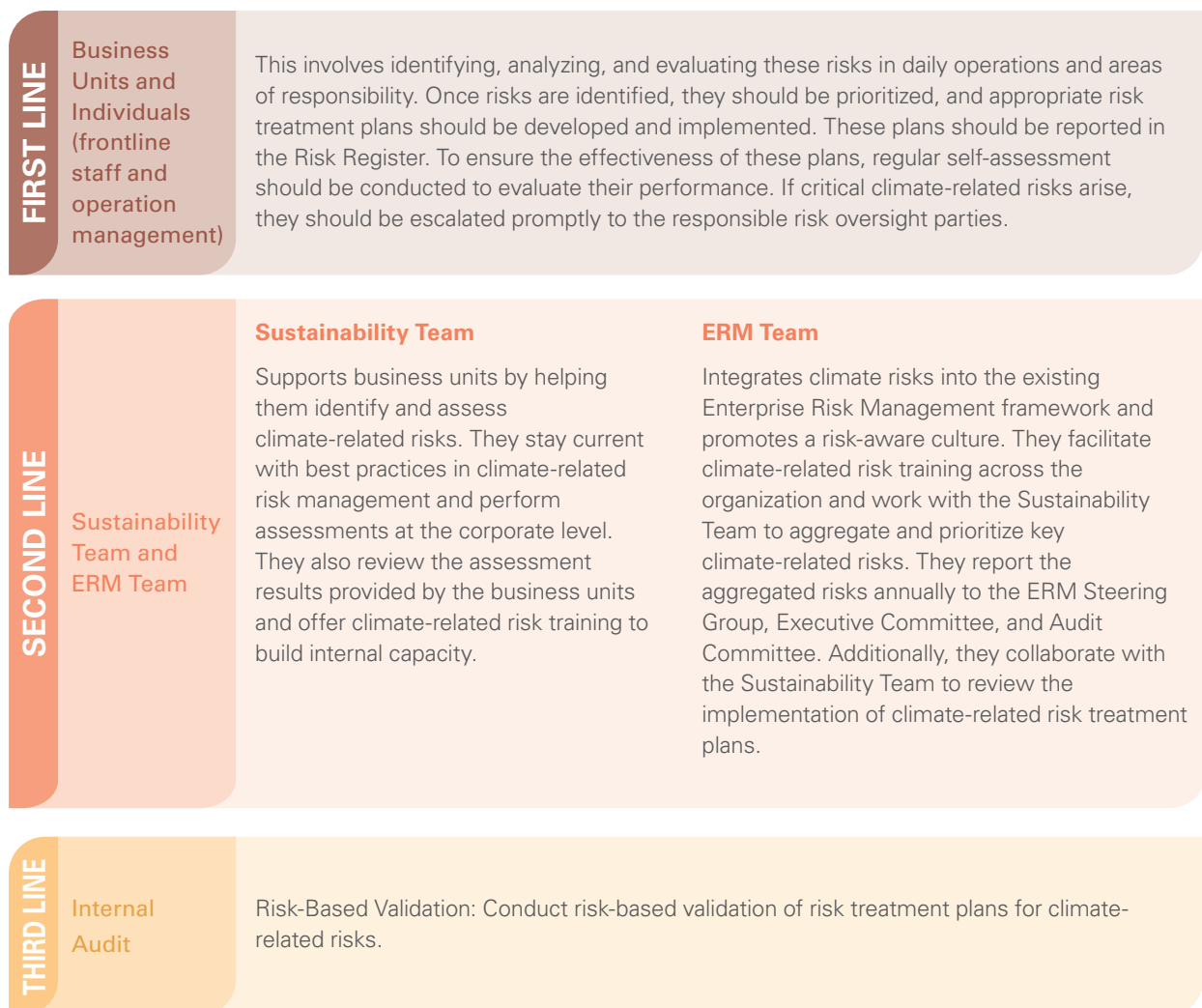
We systematically identify and manage climate-related risks following TCFD recommendations. Since FY2021, climate risks are part of our ERM process, alongside other risks. This revamped process evaluates physical and transition risks, assessing inherent and residual impacts, likelihood, and severity. High-impact, high-likelihood risks take priority for action.

Each Business Unit assigns risk owners for comprehensive risk identification and assessment based on daily operations and prepares a Risk Register every 6 months, which would be reviewed by the Sustainability Team and ERM Team. These teams provide ongoing support to monitor and track risk mitigation actions, offer necessary trainings, and escalate issues to the responsible risk oversight parties. They also report to the ERM Steering Group, the Executive Committee, and the Audit Committee, assisting the Board in formulating risk management practices and identifying regulatory requirements related to climate change.

For physical risks, we conduct a case-by-case review at the same governance level, referencing a third-party’s comprehensive climate change analysis based on the latest Intergovernmental Panel on Climate Change (“IPCC”) AR6 and TCFD recommendations. In FY2019, a climate scenario study at the HKCEC identified opportunities to enhance facility management for extreme wind and flood events. Since FY2022, we have expanded our physical risk assessment to include road management, specifically considering our wholly owned Hangzhou Ring Road and Changliu Expressway. This assessment evaluates physical risks across different timeframes and climate scenarios.

This assessment approach serves as a blueprint for scaling and replicating similar initiatives across our business units. By leveraging gained knowledge and experience, we continuously enhance our ERM approach for climate risk management, ensuring effective identification, mitigation, and quantification of climate-related risks in the future.

The Three Lines Model for managing Climate Risks

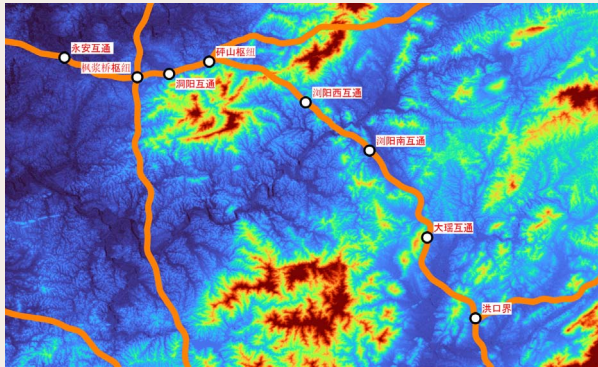


For more information on our ERM framework and risk management process, please refer to the “**Risk Management Report**” section in the Annual Report.

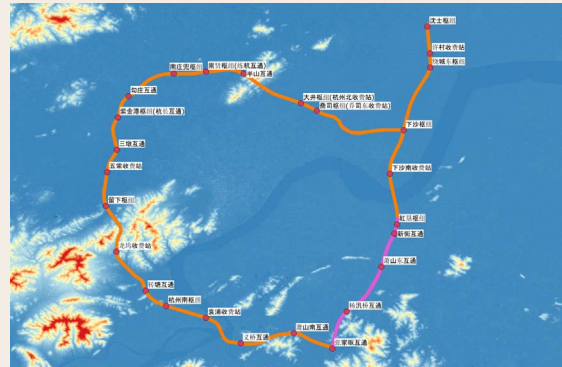
Climate Risk Assessment

NWS has undertaken multiple Climate Risk Assessments for our business units since adopting TCFD recommendations in FY2019. In line with our commitment to a low-carbon economy, we have conducted a comprehensive analysis of transition risks across the group. Additionally, we have conducted sensitivity assessments of physical risks for our business operations, identifying our Facility Management and Roads businesses as pioneers in addressing these risks. These assessments evaluate the vulnerability and criticality of various units to climate change, enhancing our understanding of potential hazards, operational resilience, and adaptive capacity.

In FY2023, we successfully completed the physical risk assessment for Hangzhou Ring Road & Changliu Expressway. During this assessment, we analyzed common climate hazards, including flooding, extreme temperatures, strong convective weather, fog, and tropical cyclones. This assessment served as the foundation for developing our long-term adaptation strategy, improving business continuity planning and emergency management.



Hunan Changliu Expressway



Hangzhou Ring Road

This physical risk assessment strategy has been piloted with two major toll roads, allowing us to accurately evaluate asset and operational exposure. This informed the development of a resilience enhancement plan achieved through a comprehensive review of site conditions, climate modelling, and hazard evaluation based on geographical locations, local weather trends, and projections. With this success, we aim to extend enhanced risk management practices to other business units, leveraging knowledge and experience gained across sectors, ensuring our portfolio benefits from insights and strategies that bolster overall resilience against climate-related challenges.

Metrics and Targets

NWS is fully dedicated to addressing climate change and actively participating in the solution. As part of this commitment, we have set medium to long-term goals of achieving net zero emissions.

To gauge our progress, we focus on key metrics, including CO₂ emissions in Scope 1, 2, and 3. Our business units are currently exploring the potential to establish science-based targets aligned with international frameworks for Scope 1 and 2 emissions. These targets consider business growth and carbon reduction. The Sustainability Committee takes responsibility for effective governance, establishing policies, guidelines, and procedures to drive CO₂ reduction efforts. Collaborating with business units to secure resources for implementing carbon reduction measures, such as energy optimization, sustainable resource utilization, technology investments, and community collaboration for positive impact. We acknowledge the dynamic nature of the external environment and the need to adjust targets and baselines to effectively track our progress. Therefore, we are actively considering the adoption of key performance indicators (“KPIs”) to incentivize our management approach. This encompasses climate-related metrics that allow us to quantify impacts in financial terms, including allocated investments, financial targets, and influence.

Achieving net zero requires collaboration with stakeholders, including corporates, value chain partners, and communities. We focus on establishing partnerships and collaborating with stakeholders to address Scope 3 emissions in accordance with international guidelines. By strengthening relationships with suppliers and fostering collaboration across the value chain, we can drive decarbonization innovations and effectively manage low-carbon transition. Together, we can accelerate climate solutions and achieve transformative change.

Additional information about our climate-related data and methodologies is available in the “**Appendix of Environmental Performance Data Summary**” of this Sustainability Report.

Scenario Analysis

Climate science remains a dynamic discipline, continually advancing our understanding of greenhouse gas emissions and anthropogenic climate change. At NWS, we are committed to staying at the forefront of this field, ensuring that our identified risks, anticipated policies, and ongoing initiatives are informed by the latest scientific research. Keeping pace with this evolving knowledge is particularly critical in our projection of future scenarios, underscoring the need for an agile risk identification and management approach.

Our approach to scenario analysis is an integral part of our risk identification process. We have developed a robust and adaptable method that is applicable across our various business units and assets. This systematic approach enables us to assess climate change risks by considering sensitivity and vulnerability across different climate scenarios. In our physical risk assessment, which references SSP2-4.5 and SSP5-8.5 climate projections, we evaluate factors, such as extreme temperatures, rainfall, typhoons, extreme wind, and fog events. To enhance the precision of our risk assessment, we incorporate satellite imagery, enabling us to develop tailored mitigation and adaptation strategies that account for specific conditions, including local topography. The outcomes of this analysis empower us to visualize and comprehensively assess potential impacts of climate-related risks, thereby facilitating effective prioritization.

Guided by the Risk Assessment and Treatment Process, and after establishing the appropriate context, risk owners within each business unit undertake a climate impact analysis for the identified physical and transitional climate risks. This analysis involves evaluating potential impacts on our business operations. Subsequently, we allocate necessary resources to devise appropriate mitigation measures that address these risks.





Climate scenarios adopted



Climate Scenario	Change in Temperature (2081-2100)*	Emissions Trend*	Scenario Characteristics
<p>SSP2-4.5 (Intermediate)</p> 	+2.1-3.5°C	<p>CO₂ emissions remain around current levels until the middle of the century</p> 	<p>Economic Development: Social, economic, and technological trends remain consistent with historical patterns.</p> <p>Climate Policy: Global and national institutions work towards sustainable development goals, but progress is slow.</p> <p>Physical Environment: Environmental systems undergo degradation.</p> <p>Social Environment: Income inequality either persists or improves gradually, with challenges in reducing vulnerability to societal and environmental changes.</p>
<p>SSP5-8.5 (Very High)</p> 	+3.3-5.7°C	<p>CO₂ emissions roughly double from current levels by 2050</p> 	<p>Economic Development: Economic growth and technological advancement continue to rely on fossil fuels.</p> <p>Climate Policy: Lack of new climate policies and substantial investments in health, education, and institutions to enhance human and social capital.</p> <p>Physical Environment: Confronting significant environmental impacts.</p> <p>Social Environment: Confidence in effectively managing social and ecological systems, potentially including geo-engineering if necessary.</p>

* estimates from IPCC Sixth Assessment Report

Steps for Climate Risk Assessment



	Risks	Potential Impact to our Business	Mitigation Plan
PHYSICAL	Acute		
	 <p>Extreme weather events Key BU affected: Corporate and all BUs</p>	<ul style="list-style-type: none"> Acute climate events present significant challenges to our business operations, including an increased risk of injuries and loss of life, suspension of business activities for extended periods, and damages to company assets, leading to substantial financial implications. 	<ul style="list-style-type: none"> Construct climate-resilient assets by conducting comprehensive storm water drainage studies and regular inspections. Collaborate with external consultants to assess the potential impact of strong winds/typhoons on our company's assets. Develop a comprehensive disaster recovery plan and business continuity strategy to ensure a rapid response and swift resumption of operations during and after extreme weather events. Mitigate financial consequences through the implementation of appropriate insurance coverage.
	Chronic		
	 <p>Change in precipitation patterns and extreme variability in weather patterns Key BU affected: Corporate and all BUs</p>	<ul style="list-style-type: none"> The alteration in precipitation patterns and variability in weather conditions pose risks to our operations. These include health risks from changing climate, like heat-related illnesses, poor air quality, and other health issues. Sectors sensitive to chronic climate hazards, such as insurance and construction, may face long-term operational changes. 	<ul style="list-style-type: none"> Evaluate building performance for optimal indoor air quality and cooling in higher outdoor temperatures. Assess health risks from changing climate conditions, taking steps to ensure employee well-being. Implement strategies for climate-sensitive industries to enhance resilience. Mitigate financial impacts through suitable insurance coverage.
	 <p>Sea-level rise Key BU affected: Corporate and all BUs</p>	<ul style="list-style-type: none"> Rising sea levels can lead to coastal flooding, erosion and saltwater intrusion into freshwater systems causing road and facility damage, resulting in unforeseen repair and maintenance expenses. Moreover, flooding events can trigger rises in operational expenditure ("OPEX"), impacting the financial performance of our operations. 	<ul style="list-style-type: none"> Assess the value of infrastructure located in flood-prone areas and incorporate climate-related hazards into the planning process. Allocate resources for implementing climate-resilience measures to safeguard our infrastructure assets from flood-related risks.
	 <p>Extreme heat Key BU affected: Corporate and all BUs</p>	<ul style="list-style-type: none"> Extreme heat poses a risk to all business units. Individuals might be impacted by heat-related illnesses, such as heat exhaustion and heat stroke and poses significant health risks for vulnerable population. 	<ul style="list-style-type: none"> Ensure that cooling systems, such as air conditioning, are properly maintained and function efficiently during extreme heat. Implement heat safety protocols to protect employees working in outdoor or high temperature environments.
	 <p>Extreme wind Key BU affected: Corporate and all BUs</p>	<ul style="list-style-type: none"> Extreme wind can interfere with essential services and disrupt our operation. Strong winds have the potential to cause significant damage to buildings, infrastructure, and other structures. Typhoons can lead to escalated repair expenses and hinder facility access, potentially causing supplementary operational costs from event postponements or cancellations. 	<ul style="list-style-type: none"> Perform routine building maintenance to enhance wind resilience and overall condition. Each business unit establish an operational emergency plan during typhoon situations, aiding in prompt and effective decision-making.

	Risks	Potential Impact to our Business	Mitigation Plan
TRANSITIONAL	 <p>Growing market expectations and requirements on management and disclosure</p> <p>Key BU affected: Corporate and all BUs</p>	<ul style="list-style-type: none"> Inadequate response to these rising expectations could adversely affect our brand reputation, impacting customers, employees, and partners. 	<ul style="list-style-type: none"> Continuously review financial disclosures with professional parties and advisors to assess the potential implications and advantages of meeting market expectations.
	 <p>Failing to consider climate-related risks in investment decision-making</p> <p>Key BU affected: Corporate and Insurance</p>	<ul style="list-style-type: none"> Neglecting climate-related risks while making investment decisions can lead to reduced long-term returns, as investments in assets vulnerable to transition and physical risks may underperform. Additionally, overlooking these risks can alienate ESG-conscious customers who prioritize sustainability. 	<ul style="list-style-type: none"> Collaborate closely with external fund managers and data vendors to comprehensively assess the impact of climate risks on our investment portfolio. Infuse climate-related risk considerations into our investment due diligence processes and portfolio management strategies. Proactively engage in proxy voting on ESG matters within investee companies to promote sustainable practices. Leverage the ESG task force to guide, oversee, and drive sustainable initiatives across the organization.
	 <p>Growing stakeholder concerns, including investors and rating agencies, regarding ESG performance</p> <p>Key BU affected: Corporate and all BUs</p>	<ul style="list-style-type: none"> Potential reputation loss among customers and the community. Potential loss of financing and investment opportunities. 	<ul style="list-style-type: none"> Develop and implement comprehensive ESG management systems in each business unit to ensure transparent and effective communication of our ESG initiatives and progress.
	 <p>Increasing market and regulatory pressure for the use of sustainable materials for buildings and infrastructure</p> <p>Key BU affected: Construction</p>	<ul style="list-style-type: none"> Higher material costs in procurement processes, including the purchase of Green Certified Products. Potential disruption to construction progress due to limited availability or choice of materials. Elevated construction costs to adopt new, greener construction technology and equipment. 	<ul style="list-style-type: none"> Enforce supplier criteria for Green Certified Products. Maintain engagement with suppliers to stay informed about evolving market trends in the construction industry. Transition away from diesel-powered machinery and explore the adoption of electrified and sustainable equipment.
	 <p>Introduction of new policies and/or regulations for carbon emissions, such as carbon taxes</p> <p>Key BU affected: Corporate and all BUs</p>	<ul style="list-style-type: none"> Potentially substantial financial impact from carbon taxes related to traditional fuel vehicles. Failure to adapt to these new regulations could result in heightened costs and potential non-compliance. 	<ul style="list-style-type: none"> Evaluate the feasibility of implementing an internal carbon price mechanism to factor in the financial implications of carbon emissions. Conduct a thorough assessment of the vehicle fleet to identify actionable steps and pathways for transitioning to electric vehicles ("EVs").
	 <p>Potential regulatory requirements and guidelines concerning green building management and building operational efficiency.</p> <p>Key BU affected: Facilities Management and Construction</p>	<ul style="list-style-type: none"> Non-compliance with these regulatory mandates may lead to penalty fines and adverse repercussions on the Group's overall reputation. 	<ul style="list-style-type: none"> Adhere to regulatory mandates pertaining to building systems and operations and undertake additional facility retrofitting when deemed necessary. Craft a comprehensive Net Zero roadmap aimed at steering the transition towards achieving carbon neutrality. Procure materials sustainably, prioritizing the use of environmentally and socially friendly resources. Promote sustainable practices by offering incentives and acknowledgment programmes for stakeholders.

Evolve Sustainably

The looming threat of global warming poses a threat to the global economy, intensifying the challenges posed by frequent and severe climate hazards, such as heatwaves and typhoons within the Greater Bay Area. As highlighted in the IPCC AR6 Synthesis Report, the prominence of climate-related risks is growing, and their enduring repercussions are projected to amplify exponentially. In light of this urgency, we recognize the imperative for immediate action. Rather than yielding to the climate emergency, we firmly believe that embracing a net-zero transformation can yield more gains than losses.

Aligned with the tenets of the Paris Agreement, both China and Hong Kong are upholding their respective carbon neutrality plans and targets. It is foreseeable that regulatory demands will evolve to become increasingly stringent requirements that will transform the industries in which we operate.

NWS remains resolute in pursuing sustainable growth to safeguard our long-term success and value for our stakeholders. This pursuit is manifested through the infusion of innovative practices into our operations, aimed at mitigating projected losses and damage to both humanity and ecosystems. Our focus on bolstering energy efficiency and accelerating the transition towards a low-carbon business is central to this endeavour.

The Group has implemented various emission management strategies across our operations, culminating in a commendable 4% reduction in overall greenhouse gas emission intensity compared to the previous year. Furthermore, we have pledged our active support for the Asia-Pacific Green Deal for Business, assuming a proactive role in supporting climate actions for green transformation through green energy, green infrastructure, green finance, green innovation, and green production.

Recognizing that over 90% of global biodiversity loss, water stress, and around half of global greenhouse gas emissions are attributed to natural resource extraction and processing³, we understand that effective resource management is critical in reducing our environmental impact. This environmental challenges highlights the Group's dedication to prioritizing ecosystem protection through initiatives that promote product upcycling and reuse ("Taking Action On Biodiversity") and the sustainable sourcing of raw materials ("Collaborating With Partners Along Our Value Chain").

³ United Nations Environment Programme, & International Resource Panel (2019). *Global Resources Outlook 2019: Natural Resources for the Future We Want — Summary for Policymakers*. <https://wedocs.unep.org/20.500.11822/27518>.

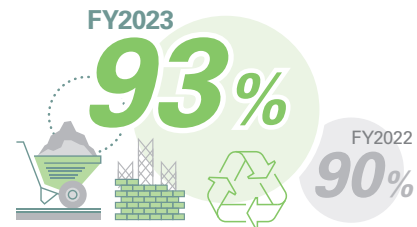
GREEN OPERATION

In our pursuit of reducing the carbon footprint of our operations, we continuously enhance our operational processes to maximize efficiency and efficacy. We systematically evaluate the entire lifecycle of our operations, pinpointing opportunities to minimize environmental impacts at various stages of operation. By focusing on areas with the highest emissions, we channel our resources into targeted mitigation initiatives, thereby devising tailored strategies for different part of our operations. We are actively exploring innovative ways, such as embracing emerging technologies or pioneering new business models, to either eliminate or diminish the environmental footprint ingrained in our portfolios.

Green Construction

According to the World Green Building Council, buildings account for approximately 39% of global carbon emissions, with 28% arising from operational emissions and the remaining 11% from materials and construction processes⁴. We understand the construction industry exerts a broad spectrum of environmental impacts, encompassing substantial waste generation, intense water consumption, air pollution, and notably, greenhouse gas emissions.

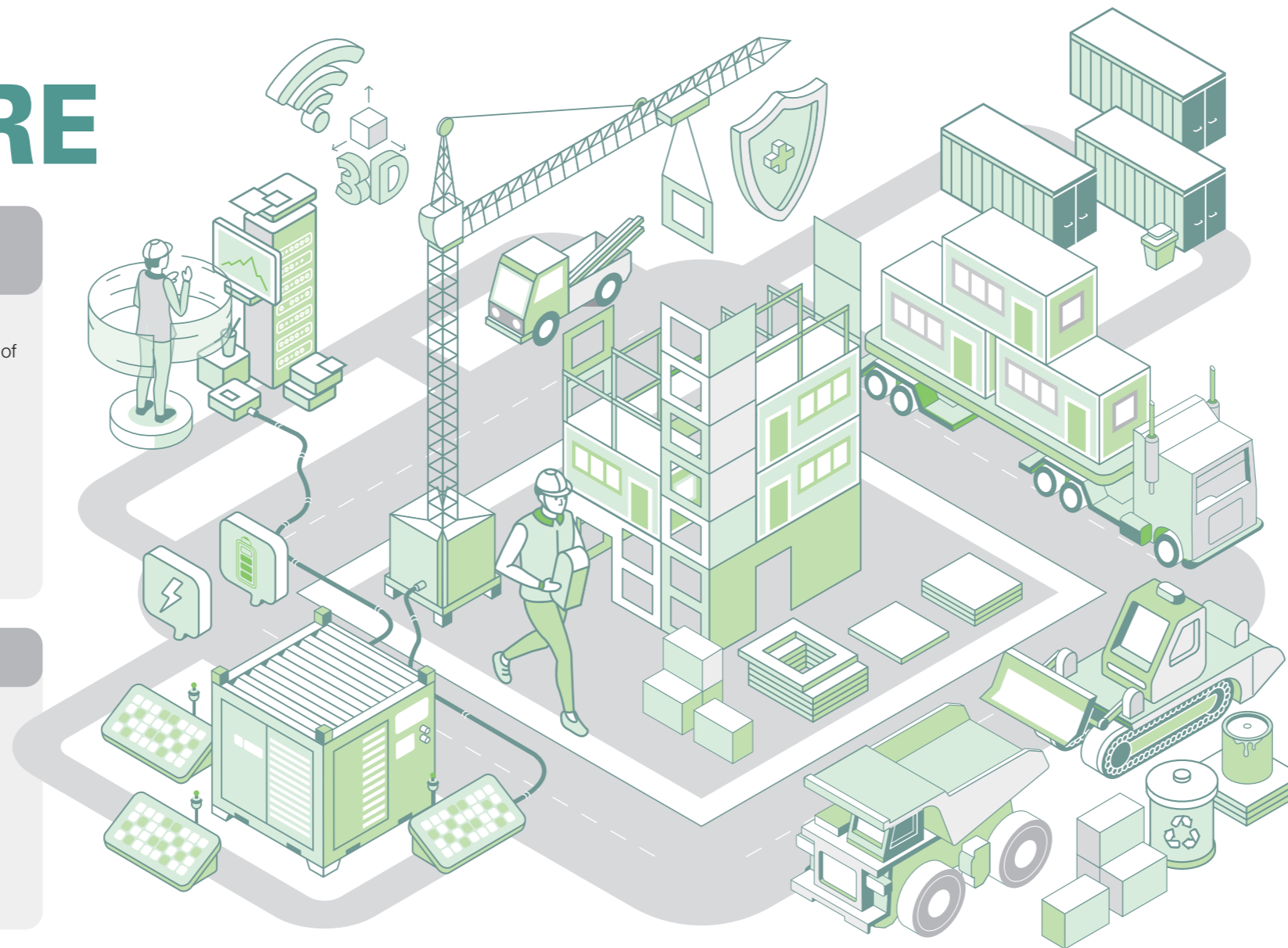
Our construction segment, Hip Hing, is dedicated to mitigating our environmental impact by implementing a robust Environmental Management System (“EMS”) that adheres to the ISO 14001:2015 environmental management system standard. In FY2023, Hip Hing has a 93% of reuse rate on Construction and Demolition (“C&D”) materials year.



Acknowledging that material waste and energy utilization on construction sites are primary impact facets, Hip Hing embraces innovative and digital solutions, such as BIM, MiC, as well as robotics and automation, to elevate construction practices. This proactive approach, underpinned by their ethos of “thinking green and going green while enjoying the process of trial and error,” has facilitated the seamless integration of the measures detailed below. These initiatives contribute to decarbonization endeavours while concurrently enhancing production efficiency and safety.

⁴ Abergel T, Dean B, Dulac J, Hamilton I, Wheeler T. Global Status Report — Towards a zero-emission, efficient and resilient buildings and construction sector; 2018. ISBN 978-92-807-3729-5.

CONSTRUCTION FOR THE FUTURE



BUILDING INFORMATION MODELLING (“BIM”)

The process of collaboratively designing, building, and operating a building using a coherent system of 3D models

Benefits

- Integration of both people and technology
- Streamlined time and cost efficiencies
- Enhanced building efficiency
- Facilitates a dynamic and synchronized approach to project management

ELECTRIFICATION

Adoption of Battery Energy Storage System and implementation of Auto Power Supply (“APS”) Systems enabling QPME certified generators to respond directly to load demand

Benefits

- Projected reduction of generator fuel consumption by over 30%

MODULAR INTEGRATED CONSTRUCTION (“MiC”)

Prefabricated construction involving offsite manufacturing of building sections

Benefits

- Decreased total project construction time
- Mitigation of adverse weather impacts
- Improved working environment and site safety
- Minimized construction waste
- Reduced dust and noise

SUSTAINABLE BUILDING MATERIALS

Utilization of low-carbon, carbon-neutral, or carbon-storing materials

Benefits

- Reduction of carbon emissions from materials

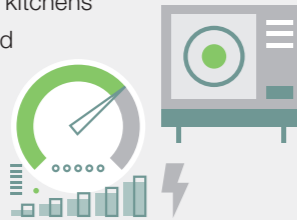
Achievements at the Construction process

1. Their innovative construction methodologies, as showcased in the InnoCell residential accommodation project, have led to remarkable efficiency gains. Integrating BIM, 3D scanning, and 3D printing with MiC resulted in a construction programme shortened by approximately 40%. Hip Hing was awarded the Outstanding MiC Projects and MiC Champions (Contractors) awards this year from the Construction Industry Council.
2. They achieved a significant milestone by winning 15 awards at the Construction Industry Machinery Operation Competition in July 2022. This accomplishment recognized their investment in robotic technology and expertise in advanced machinery operation.
3. The implementation of a Battery Energy Storage System (“BESS”) at Two Taikoo Place earned us the esteemed Platinum accolade at the Hong Kong Green Awards for the second consecutive year.
4. Overcoming the challenges of sourcing low-carbon steel for construction, our efforts at Kai Tak Sports Park exemplify the potential of collaborative partnerships in driving sustainable development. The entire roof of the Main Stadium comprises 15,000-tonne of low-carbon structural steel, which marks a significant step towards decarbonization in the construction sector. Utilizing low-carbon steel not only reduced greenhouse gas emissions during construction but also extended to the supply chain of raw materials, showcasing our imagination of the future outlook of the construction industry.

GREEN FACILITIES MANAGEMENT

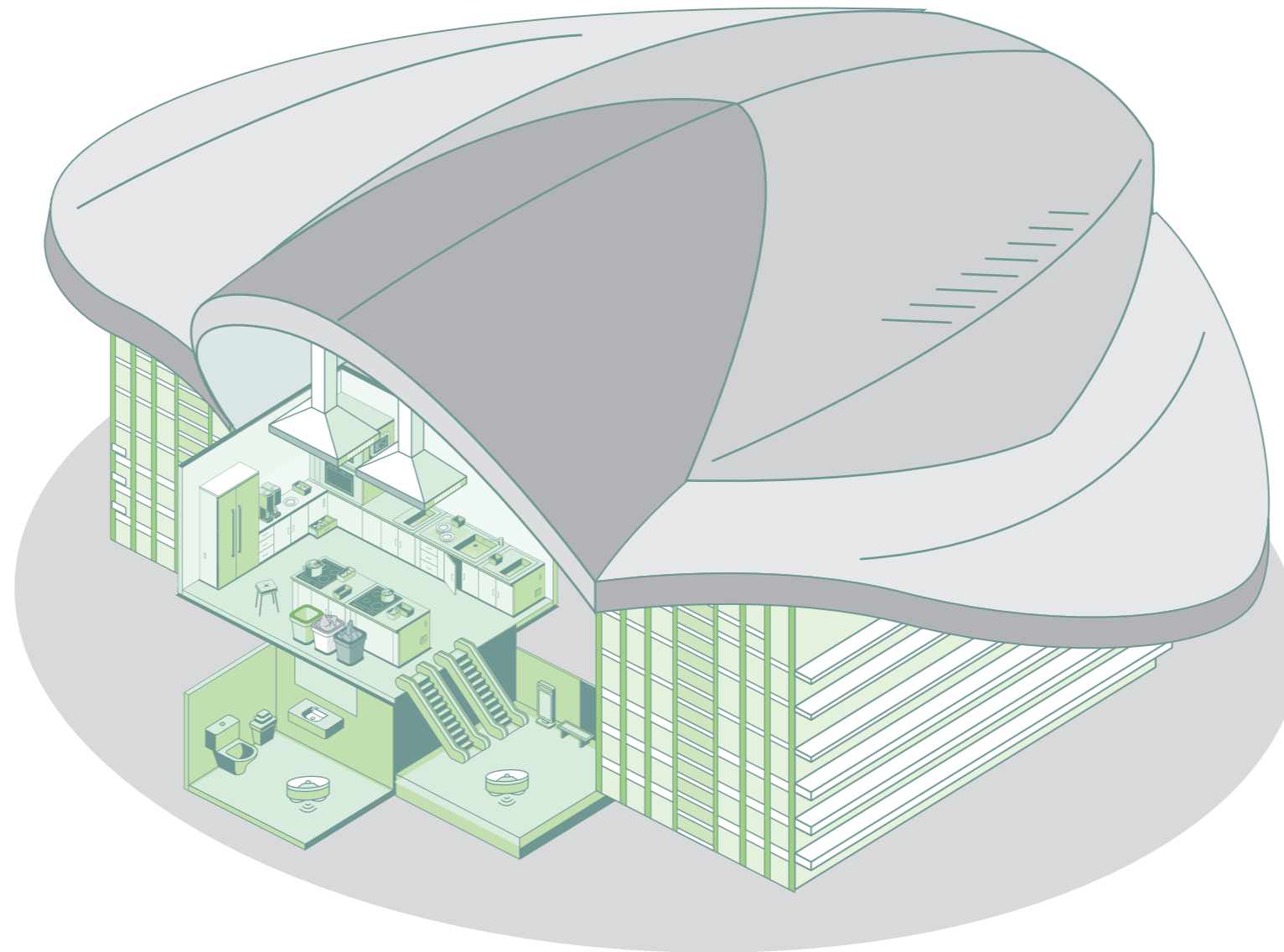
ENERGY EFFICIENCY

- Replacement of chillers and air handling units with EC-Plug fans and energy balancing valves
- Calorifiers replacement
- Replacement of lighting with more energy-efficient alternatives
- Installation of solar panels
- Implement of Kitchen Demand-Control Ventilation System in kitchens
- Implement of demand control ventilation for hall areas
- Chiller plant optimization



REDUCE WATER FOOTPRINT

- Replacement of water fixtures in guest washrooms with more efficient alternatives
- Adoption of robots for floor cleaning leading to an 80% reduction in water usage for floor cleaning



BUILDING MAINTENANCE

- Retro-commissioning for optimized energy performance
- Utilization of data analytics for enhanced energy management
- Application of demand control ventilation in kitchens
- Revamp of building management system
- Installation of power/energy meters



WASTE MANAGEMENT AND RECYCLING

- Implementation of plastic wrapper recycling
- Set up of sorting facilities



PROMOTING ENVIRONMENTAL AWARENESS AND COLLABORATION

- Educating exhibition participants on energy efficiency
- Procuring sustainable seafood
- Offering Green Meeting Packages



With their dedication to the Net Zero Carbon Events initiative, the sustainable operation of the HKCEC stands as a cornerstone of HML's commitment. Leading the industry in sustainability, HML earned the distinction of becoming the first organization in Hong Kong to be awarded the ISO 20121 Event Sustainability Management System certification. In FY2023, HML achieved the Gold Rating of "LEED Certification of Existing Building". Moreover, their sights are set on securing "BEAM Plus EB Gold ratings" by FY2024.

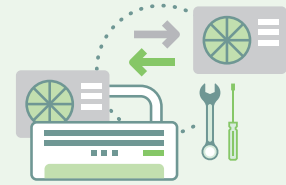
The carbon footprint attributed to HML primarily stems from HKCEC's operations. In response, HML has embraced a three-pronged approach to decarbonization, including large-scale replacements, retrofits, and long-term carbon offsetting of emissions, creating a multi-faceted pathway towards a sustainable future. This strategic diversity yields a host of advantages, ranging from

reduced environmental impact to reduced environmental cost of exhibitions for the community, ultimately benefiting all stakeholders in the long run. By adopting this systematic tripartite framework, HML retains agility, optimizes capital investments and stays on course to meet their ambitious goal of reducing carbon emissions by 50% by 2030, ultimately progressing toward a net-zero emissions status by 2050.

The technology for reducing building emissions is well-established, yet executing effective emissions reduction strategies remains a challenge. This process requires collaboration from various stakeholders, including exhibition participants like visitors and attendees. HML is committed to closely cooperating with their partners to integrate environmental considerations into future infrastructure and building development.

The Cooling System in HKCEC

As global temperatures continue to rise, achieving a balance between providing visitors at the HKCEC with a comfortable environment and minimizing the environmental impact becomes increasingly crucial. By implementing advanced cooling technologies and optimizing energy consumption, HML is committed to enhancing the visitor experience while demonstrating their dedication to environmental responsibility and sustainable practices.



As part of the extensive renovation and infrastructure upgrade project, HML replaced twelve sets of air handling units (“AHU”) across four exhibition halls with advanced electronically commutated (“EC”) plug fans equipped with energy balancing valves. These new EC plug fans require less motor power, leading to increased energy efficiency and reliability. Designed with multiple smaller fans within each AHU to provide optimal air flow, these upgraded units significantly enhance reliability. Additionally, ultraviolet lamps were integrated into the new AHUs to improve air quality, contributing to a healthier environment for both HKCEC visitors and staff, as certified by the IAQwi\$e Certificate of the Hong Kong Green Organization Certification (“HKGOC”). This upgrade is projected to save around 200,000 kWh per year, equivalent to 0.5% of HML’s energy consumption, resulting in cost savings of HK\$0.4 million.

Seawater Chillers

As part of an ongoing sustainability initiative, HML has undertaken a phased replacement of outdated chillers at the HKCEC. The first phase, completed in 2022, involved replacing two older chillers with eco-friendly seawater-cooled models.

During the selection process for the new chillers, HML recognized the benefits of using the more efficient R514A refrigerant over the original R314A, including reduced operating pressures and enhanced energy efficiency. Moreover, R514A boasts a notably brief 22-day atmospheric lifetime and is a non-ozone depleting refrigerant, significantly reducing its environmental impact. Leveraging the coastal location of HKCEC, the new chillers capitalize on the ample supply of seawater as a natural cooling medium, minimizing energy consumption for interior air conditioning and reducing the overall carbon footprint through sustainable design.

As HML proceeds with the replacement of the remaining five chillers in 2023, they are aiming to decrease energy consumption for the HKCEC chiller plant, the venue’s most energy-intensive component. These initiatives align with governmental energy-saving policies. By replacing 7 chillers in HKCEC is anticipated to save approximately 2.84 million kWh of electricity and HK\$5.6 million. The savings started from July 2022 and can be achieved at the end of June 2024.

Engagement and collaboration

HML proactively engages participants of exhibitions and events, providing guidance on best practices for energy conservation. The client-facing team collaborates closely with booth designers and contractors to minimize carbon emissions stemming from lighting, monitors, and the transportation of bamboo for scaffolding. HML also partners with NGO to reduce food waste by donating unconsumed food. As part of a comprehensive effort to reduce their carbon footprint, HML has systematically transitioned to paperless operations throughout the venue by digitizing forms, flyers, and more.

Through incremental and collaborative steps, HML aims to establish sustainability as the norm, reshaping the industry ecosystem to prioritize minimal waste and efficient resource utilization. Prominent signage has been installed to educate on the importance of maintaining moderate temperatures. As a frontrunner in the exhibition industry, HML will continue pursuing innovative collaborations to protect our planet through education, resource conservation, and the adoption of green technologies.

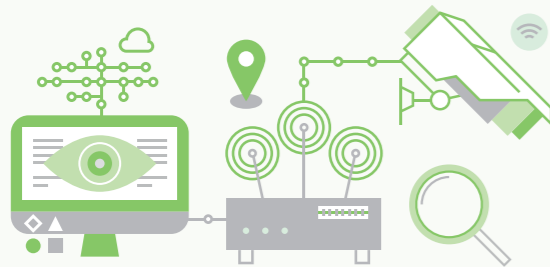
GREEN TOLL ROAD MANAGEMENT

In today's evolving energy landscape, a transition away from fossil fuels is underway, with electric vehicles projected to dominate the transportation sector. However, transportation remains a notable emitter of greenhouse gases, accounting for approximately one third of global emissions from end-users sectors⁵. As road operators, our emissions largely arise from road users utilizing petroleum-based fuels, which constitute 95% of transportation energy. To attain net zero emissions, we are revamping our management strategies and facilitating partners and road users in adopting renewable energy sources within our scope of operation.

⁵ Hannah Ritchie (2023) — "Which form of transport has the smallest carbon footprint?". Published online at OurWorldInData.org. Retrieved from: 'https://ourworldindata.org/travel-carbon-footprint'

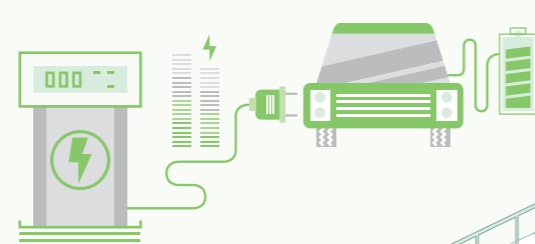
SUPREMIND SYSTEM

Real-time AI monitors traffic to improve road safety and alleviate congestions



EV CHARGERS

EV chargers installed for wider electric vehicle adoption on toll roads.



INTELLIGENT TUNNEL MANAGEMENT AND CONTROL PLATFORM

Remote monitoring aids swift response.



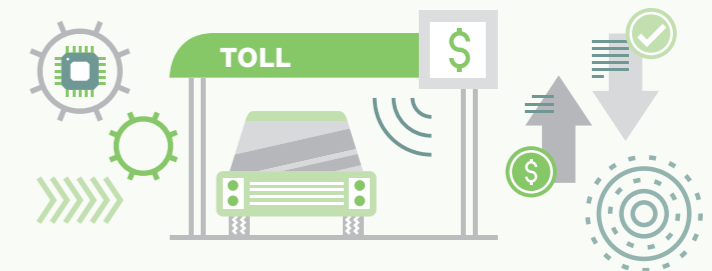
SMART CASH COLLECTION SYSTEM

Tolls directly deposited into the banking system.



ELECTRONIC TOLL COLLECTION SYSTEM AND AUTOMATED / SELF-SERVED TOLL-COLLECTION MACHINES

Replace cash collection and increase operation efficiency



Adopting Artificial Intelligence to Improve Road Management

Hangzhou Ring Road and Changliu Expressway have taken significant strides in embracing innovative technological solutions to advance their decarbonization objectives. These solutions are designed to augment road efficiency and alleviate the issue of vehicle idling caused by traffic congestion, ultimately leading to a reduction in carbon emissions.

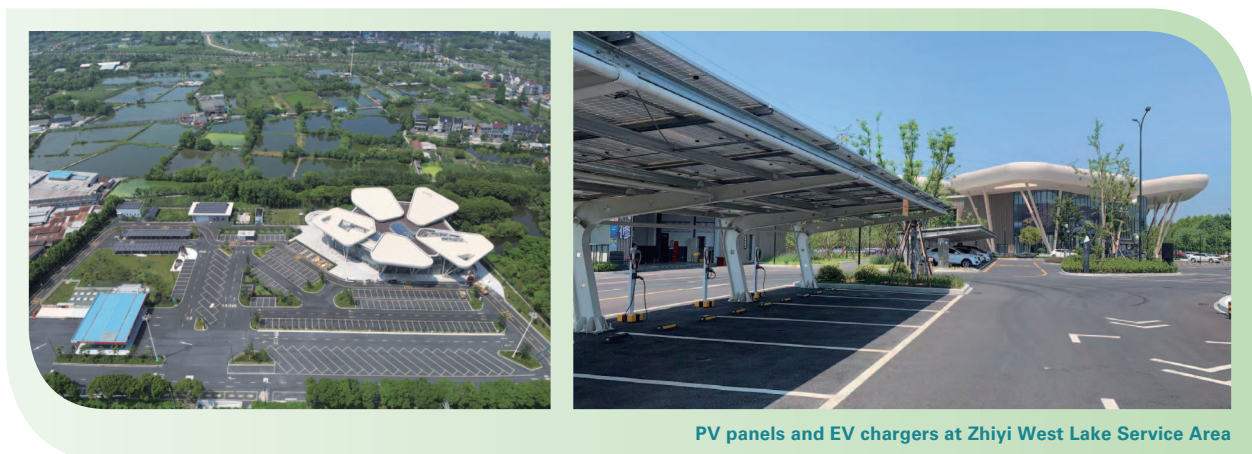
Hangzhou Ring Road led the adoption of the “Supremind” system. This platform harnesses the capabilities of artificial intelligence to surveil traffic conditions and identify anomalies on expressways in real-time. The Supremind intelligent platform enables swift detection and early warning of abnormal events, thereby considerably reducing the time required for incident management and congestion alleviation. Beyond its multifaceted advantages in security and safety, this cutting-edge system also plays a pivotal role in the reduction of greenhouse gas emissions. By enabling rapid responses to traffic congestion, the system significantly diminishes fuel consumption caused by idling vehicles. As a result, congestion time on a single expressway was reduced by approximately 5,040 hours in 2023 compared to 2021.

A similar system was implemented by Changliu Expressway in the previous year. This intelligent tunnel management and control platform facilitates remote monitoring and emergency responses, thereby minimizing the need for on-site inspections, enhancing work efficiency, and reducing safety risks. Furthermore, a smart cash collection system was introduced, allowing tolls to be directly deposited into the banking system. This innovation eliminates the necessity for trips to toll stations for cash collection. This significantly reduces indirect carbon emissions associated with lower vehicular fuel consumption. The environmental and operational enhancements derived from these innovations underscore the potential of emerging technologies in aligning sustainability goals with performance targets.

Supporting Operational Activities with Sustainable Resources

As renewable energy technology matures, our efforts to electrify operations gain momentum, aligning with the government’s commitment to achieve a complete transition to renewable energy. To enhance visibility of our commitment and progress towards achieving net zero emissions, Hangzhou Ring Road and Changliu Expressway have embraced the sustainability-related policy of the NWS Group.

We consistently explore opportunities and partnerships to implement renewable energy solutions within our road operations. In recent years, we have investigated electrifying critical elements of highway management, including roadside facilities and inspection vehicles. Moreover, we have planned more installation of electric vehicle (“EV”) chargers to promote and to support wider EV adoption on toll roads. Over time, our aim is to transform the energy source for these applications from conventional electricity to renewable sources. During the Reporting Period, Hangzhou Ring Road initiated the installation of photovoltaic panels at the Zhiyi West Lake Service Area and office spaces. This initiative generated 0.27 MWh of solar energy, leading to an approximate reduction of 211 tonnes in carbon emissions.



PV panels and EV chargers at Zhiyi West Lake Service Area

TAKING ACTION ON BIODIVERSITY

NWS is committed to minimizing our impact on natural habitats and biodiversity. Our policies and guidelines reflect this dedication. We incorporate biodiversity considerations and the concept of circular economy into our decision-making and business operation.

Minimizing Environmental Impact

This fiscal year, NWS has avoided significant financial liability tied to environmental violations as we have established a number of internal policies in efforts to minimizing habitat disruption and degradation. HML has long been an industry leader with regards to sustainability, being the first organization in Hong Kong to receive the ISO 20121 Event Sustainability Management System certificate. Similarly, all of Hip Hing's construction sites adhere to global standards, including the ISO 14001 Environmental Management System, ensuring our projects prevent or mitigate adverse environmental impacts, spanning water, air, and noise. This commitment is supported by site project teams conducting Environmental Impact (or Life Cycle) Assessments. Beyond our direct operations, we place substantial importance on the indirect impacts of our activities. All business units are expected to follow the Group's ESG Due Diligence Guideline for Investment, prohibiting controlling investments that tie to animal testing and power plants.

Our operations often involve transforming land use, particularly in building the convention center, expressways, and construction projects. Through active engagement with affected communities, we incorporate local perspectives, particularly environmental ones. Community members residing near our operations possess valuable insights into the local ecology. Through their participation, we harness their understanding of the local ecosystem to minimize ecological disruption. Our proficiency in managing project complexities, engaging with communities, overseeing projects, and fostering sustainable development positions us to address ecological concerns and drive equitable change. This collaborative approach ensures that projects are seamlessly integrated into the local ecosystem, with a strong focus on conserving biodiversity and maintaining ecological equilibrium.

Eco-friendly Construction in Hip Hing's New Project

Hip Hing comprehends the critical significance of conserving the local ecosystem and prioritizing community well-being. They have seamlessly woven biodiversity considerations into their design criteria and decision-making processes, effectively mitigating the environmental impacts of their operations. Their construction approach adheres to regulatory standards while minimizing disruptions to the local ecosystem and its surroundings.

- Utilizing precast concrete and environmentally friendly building materials.
- Leveraging advanced building technologies to enhance production efficiency.
- Monitoring and managing potential environmental disturbances, including volatile organic compounds ("VOCs"), noise, and vibration.
- Incorporating eco-friendly methods to enhance the work environment.
- Evaluating and communicating socio-economic dependencies and impacts.

Aligned with their commitment, Hip Hing's projects in the Kai Tak Development Area this year foster a profound sense of community cohesion and a deep connection with nature. The project design revolves around safeguarding ecological value, creating open spaces that seamlessly harmonize with the natural environment, promoting inclusivity, and encouraging interactions among community members. An innovative tilted glassing technique was implemented in the architectural design to reduce glare from sunlight and maximize the utilization of natural light, reducing the reliance on artificial lighting.

FTLife Insurance Forest Mask — Balancing Needs and Environmental Concerns

FTLife Insurance partnered with New World Mask to introduce the FTLife Insurance Forest Mask, a project that successfully strikes a balance between meeting essential needs and addressing environmental concerns. In collaboration with EcoMatcher, a frequent partner of NWS known for connecting companies with foundations dedicated to global tree planting, FTLife Insurance Forest Mask engaged the public by inviting them to make a commitment to environmental protection with a “Green Pledge”. They collected 5,500 pledges at the end of the project, effectively raising public awareness about pressing environmental challenges.

This project goes beyond mere awareness-building. FTLife Insurance Forest Mask takes tangible action by planting a tree for every pledge submitted. By collaborating with EcoMatcher, the project exemplifies a seamless alignment between fulfilling immediate needs and addressing environmental issues. This commitment to sustainability, coupled with the positive impact on climate change and ecosystems, led to FTLife Insurance being recognized with the “Special ESG Awards — Outstanding ESG Performer of the Year — Gold Award” in the ESG Achievement Awards 2021/2022 organized by the Institute of ESG & Benchmark.



Reducing our Water Footprint

Water usage has emerged as a critical material concern, given the escalating concerns surrounding water scarcity at our operational sites in the Mainland and Hong Kong. This year, we achieved a notable 5% reduction in water intensity compared to FY2022, putting us on course to achieve our FY2030 target of cutting water intensity by 50% against our FY2013 baseline.



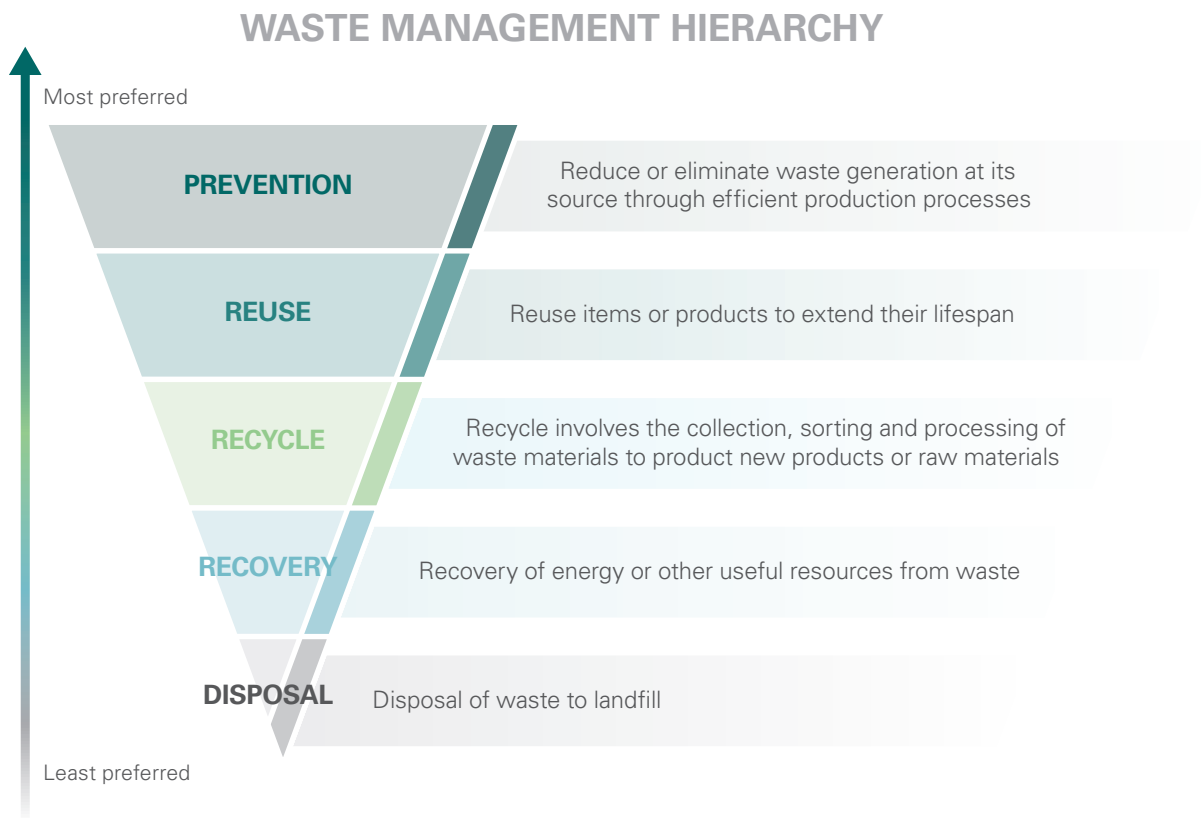
Within our operations, construction constitutes a significant 83% of our Group’s water consumption, rendering it our most water-intensive sector. In anticipation of safeguarding essential natural resources, we have proactively pursued measures to enhance water efficiency. At project sites, Hip Hing implements on-site water replenishment and wastewater treatment for reuse in applications like vehicle washing and floor cleaning. The Zhiyi West Lake Service Area was thoughtfully designed with a zero-discharge system capable of treating and recycling 292,000 tonnes of wastewater annually, aligning with national quality standards. Moreover, we are in collaboration with suppliers to introduce water-saving technologies in accordance with our procurement standards. As we look forward, we are poised to explore partnerships focusing on community watershed protection projects, further optimizing our water utilization and quality compliance across our facilities.

As part of the HKCEC 5-year Advancement Project, HML has been enhancing the water efficiency of HKCEC’s facilities. HML has successfully replaced more effective water fixtures in all guest restrooms. The flushing system is optimized for high usage periods, such as book fairs and food expos, due to a reduction in the water flow rate of the flushing valves from over 4 liters per cycle to 1.2 liters. The urinal flushing valve used in washrooms is recognized as Grade 1 Water Efficient by the Water Supplies Department, according to the Water Labelling Scheme (“WELS”).

Furthermore, by employing robotic technology for floor cleaning, HML has achieved an impressive 80% reduction in water consumption for floor cleaning purposes. Through proactive maintenance and rigorous quality assurance of water supply facilities, we have significantly improved our capacity to mitigate risks of water system failures, providing dependable, high-quality water services that fulfil the needs of both visitors and exhibitors.

Managing Waste Through a Circular Economy

Waste holds a spectrum of environmental implications encompassing air, water, and land, contributing to biodiversity decline, habitat degradation, and accounting for 5% of global greenhouse gases. Amidst emerging resource challenges and trade complexities, optimizing resource efficiency has gained paramount importance. Inefficient resource utilization leads to the unnecessary discard of valuable resources, imposing substantial economic and environmental burdens on our company. We recognize that sound waste management not only averts the adverse consequences associated with waste, but also offers the prospect of resource recovery, fostering environmental, economic, and social advantages, while steering us toward a sustainable future. The merits become evident of embracing a circular economy approach, where waste is viewed as a valuable resource that can be reclaimed and harnessed for productive purposes. Products can be reintroduced, and their constituent materials can be recovered and repurposed through recycling. Adhering to the pivotal principles of the waste management hierarchy, NWS formulates strategies for waste reduction spanning our operations and value chain.



The Group monitors our waste minimization efforts, pinpointing areas primed for enhancement. These insights facilitate the identification of initiatives to shrink our waste footprint across our activities and value chain. HML has attained the Wastewi\$e certification of the Hong Kong Green Organization Certification (“HKGOC”) for its operations of the HKCEC. Aiming to ratchet up waste reduction endeavours and curtail the ecological impact of organizing events, they have set a goal of recycling 3,000 kg of wrapping plastic within the next three years.

Optimizing Resource Use

At NWS, our focus on waste and pollution minimization spans across all business units, aiming to achieve both environmental and financial benefits through the introduction of innovative systems and digital tools that facilitate real-time monitoring, tracking, and analysis of waste generation and disposal trends. We are seeking opportunities to advocate responsible packaging practices throughout our value chain, encompassing suppliers and partners.



PREVENTION	FTLife Insurance	FTLife Insurance has embarked on a digital transformation journey, replacing conventional paperwork with a digital-based platform. The inaugural phase of their online insurance platform, CIRCLE, empowers customers to carry out insurance policy applications and review sales materials at their convenience. This initiative not only enhances service options but also streamlines operational processes
	Roads	Hangzhou Ring Road continues to integrate GT Tech, an ultra-thin protective layer that enhances road durability, crack resistance, and impermeability. This technology prolongs road service life by two to three years, while concurrently reducing asphalt material usage by 60% and stone material usage by 75%. Beyond its resource efficiency, GT Tech improves the user experience by offering enhanced skid resistance and reduced noise compared to conventional roads.
	HML	The commitment to "Think Before Plastic" is deeply rooted in HML's corporate ethos. They've transitioned from disposable plastic cutlery, straws, and stirrers to eco-friendly wood or paper alternatives. Furthermore, vending machines and restaurants now dispense glass or canned beverages instead of plastic bottles. HML has also pursued the replacement of non-renewable resources with sustainable, renewable, and low-impact alternatives. In FY2023, HML actively seeks partnerships to develop plastic-free food packaging solutions, with the ultimate aim of achieving a completely plastic-free approach.
REUSE	Hip Hing	Construction and demolition ("C&D") waste constitute a significant portion of NWS' waste footprint. As a result, NWS aspires to achieve a minimum of 90% reuse of C&D materials by 2030. The Hip Hing Material Management App diverts surplus construction materials to projects where they are needed, preventing the generation of 500 tonnes of waste in FY2023.
RECYCLE	Hip Hing	Hip Hing has launched a safety helmet recycling initiative aimed at fostering environmental awareness and safety among its workers. The campaign encourages employees to identify expired or damaged helmets, which are then collected, shredded, and recycled. Through this program, over 600 helmets have been successfully recycled
	Roads	Changliu Expressway has embraced the utilization of waste tires as raw material for road repairs. This novel approach not only reduces waste generation but also enhances durability compared to conventional materials.
	HML	With a firm commitment to sustainability, HML has set an ambitious target to recycle 3,000 kg of wrapping plastic within three years. This initiative aims to further curtail waste generation and minimize the environmental impact associated with organising events.
RECOVER	HML	HML sends the food waste to the Organic Resource Recovery Centre Phase 1 ("O•PARK1") to convert food waste into biogas for electricity generation, showcasing their dedication to resource recovery and environmental stewardship.

INVESTING FOR THE FUTURE

Providing capital and funding to companies and project are pivotal in driving systemic change for a successful net-zero transition. We acknowledge the significant role that our investment strategies play in mitigating climate-related risks and facilitating the transition to a low-carbon economy. The global shift towards sustainability is reshaping the economic landscape, introducing both new challenges and opportunities for us.

In FY2023, NWS Group and FTLife Insurance introduced the “ESG Due Diligence Guideline” for Investment and Responsible Investment Standard, respectively, as an essential framework that integrates ESG factors into our investment analysis and decisions. This approach aligns with NWS’s commitment to mitigating sustainability risks and achieving long-term returns in a sustainable manner. Each proposed investment is rigorously screened against an Exclusion List, which outlines specific sectors and activities that we do not support:

- **Gambling:** Direct equity investment in or operation of gambling facilities.
- **Modern Slavery/Human Trafficking:** Activities or operations associated with potential modern slavery or human trafficking risks.
- **Military:** Direct involvement in the sale, manufacturing, or distribution of military weapons or equipment.
- **Animal Testing:** Operations or investments in medical facilities involving animal testing.
- **Coal, Petroleum, Nuclear:** Ownership, operation, or investment in power plant facilities related to coal, petroleum, or nuclear energy.
- **Detention Facilities:** Ownership, operation, or investment in detention facilities.

Proposed investment⁶ will undergo thorough scrutiny using the ESG Due Diligence Checklist before being presented to our internal Executive Committee. This checklist assesses potential risks in the environmental, social, and governance domains. For each identified risk, mitigation plans are devised as part of the evaluation process.

Throughout the investment holding period, NWS actively monitors the progress of portfolio companies in their sustainability endeavours. Aligned with our SV2030 strategic pillars, NWS Holdings’ sustainability committee regularly reviews the action plans and their implementation status with the management of portfolio companies. We also request timely reports on progress, including the quantification of greenhouse gas emissions and other relevant performance indicators.

⁶ The ESG Due Diligence applies to direct investment over 50% of equity control or with operational control.

Our commitment to sustainability extends to financing, with HK\$6.2 billion in green and sustainability financing accumulated across our operations as at 30 June 2023. We recognize financing as a key incentive to drive our sustainability outcomes and purposefully integrate sustainability into our business decision-making processes. A notable achievement is Hip Hing’s participation as the first construction contractor in Asia to engage in Caltex’s new carbon offset-paired program in Hong Kong this year. This innovative program seeks to match CO₂ emissions resulting from industrial diesel combustion with offsets generated from nature-based projects in China. By offsetting diesel consumption from construction machinery, this initiative contributes to our ongoing pursuit of net-zero aspirations.



Hip Hing drives the industry leadership on BIM

Our proactive investment in various technologies supports our low-carbon transition. Building Information Modelling (“BIM”) signifies the construction future, enhancing delivery, performance, waste reduction, energy efficiency, and built environment resilience.

Hip Hing seizes the opportunity to explore and elevate its technical prowess, driving industry leadership. In 2023, we achieved a significant milestone by establishing Innovative BIM Solution (“IBS”) in the Greater Bay Area. IBS, staffed by a team of 30 BIM professionals, offers vital support for BIM production, coordination, renderings, and 4D simulations. Aligned with our digital transformation blueprint and resolute commitment to pioneering technologies, IBS embodies our unwavering innovation pursuit.

FTLife Insurance Supports The Low Carbon Economy Transition

As a prominent player in the insurance industry, FTLife Insurance recognizes its pivotal role as a sizable asset owner. Within this context, they acknowledge that our Scope 3 emissions, which mainly encompassing financed emissions, constitute a substantial portion of their indirect greenhouse gas inventory.

Aligned with the globally recognized principles, FTLife Insurance has embarked on a resolute journey to transition their investment portfolio towards achieving net-zero emissions. We follow an Integrated Approach in Responsible Investment. FTLife Insurance commits to responsible investment covers the entirety of our investment universe, while with different approaches and thresholds to reflect the specificity of each asset class.


FTLife Insurance’s Responsible Investment Standard is guided by the United Nations Principles for Responsible Investment (“UNPRI”), organized across six implementation pillars:

The Principles		Implementation Pillars
1.	Incorporate ESG issues into investment analysis and decision-making processes.	I. Exclusion II. Inclusion III. Fundamental Research IV. Portfolio Analytics
2.	Be active owners and incorporate ESG issues into our ownership policies and practices.	V. Active Stewardship and Partnership
3.	Seek appropriate disclosure on ESG issues by the entities in which we invest.	
4.	Promote acceptance and implementation of the Principles within the investment industry	
5.	Work together to enhance our effectiveness in implementing the Principles	VI. Reporting and Disclosure
6.	Report on our activities and progress towards implementing the Principles	

FTLife Insurance believes that implementing responsible investment can help fulfil their fiduciary duties to the shareholders and policyholders in terms of risk-adjusted returns, while generating positive impact to the environment and society. By incorporating ESG into the investment process, they can reduce the long-term transition and physical risk of their investment portfolio, and capture return opportunities by investing into companies and projects that meet the unmet ESG needs.

In the inclusion (positive screening) investment portfolio, FTLife Insurance chose to invest in various Asia Pacific ESG and impact investment funds and vehicles that were at the forefront of the industry. By doing so, FTLife Insurance aims to set a leading example for other asset owners, to nurture the still developing ESG and impact investing ecosystem in Asia Pacific, and to support a just and inclusive transition in this region.

FTLife Insurance integrated responsible investment approach:

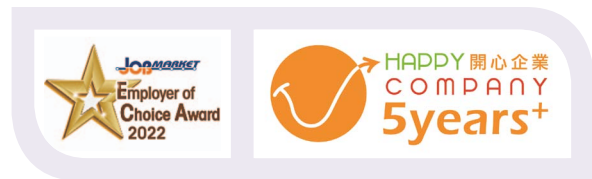
 Exclusion (Negative Screening)	 Inclusion (Positive Screening)
<ul style="list-style-type: none"> • Already fully divested from tobacco, controversial weapons, and coal businesses surpassing defined thresholds. • For other industries, utilize best-in-sector selection and active stewardship for ESG concerns. 	<ul style="list-style-type: none"> • Include investments driving ESG transition or generating measurable positive impacts. • Adopt widely recognized sustainable investment criteria like climate bond initiative, well recognized taxonomies, SFDR and HK Securities and Futures Commission fund definitions.
 Integrate ESG in research	 Monitor ESG Performance
<ul style="list-style-type: none"> • Apply ESG to fundamental research guiding investments in direct assets and funds. 	<ul style="list-style-type: none"> • Employ carbon intensity and ESG ratings to gauge investment sustainability. • Continue to add other portfolio monitoring metrics to understand different angles of ESG.
 Active Stewardship and Partnership	 Report and disclosure
<ul style="list-style-type: none"> • Direct engagement via proxy voting. • Indirect engagement by assessing asset manager’s ESG capacity and engagement effort. • Champion ESG integration within industry networks. 	<ul style="list-style-type: none"> • Responsible investment report as an recurring agenda item in the Investment Management Committee.

Grow As One

Our employees form the cornerstone of our achievements, embodying our company's essence. The World Economic Forum's 2023 Future of Jobs Report underscores the impact of evolving economic, health, and geopolitical trends on global labour markets. These trends have led to declining real wages due to an ongoing cost-of-living crisis, and workers' expectations and concerns about the quality of work have become increasingly prominent worldwide.

In navigating this new era, we understand that environmental, financial, and social pressures bring new and complex challenges across the Asia Pacific region. Thriving within this context, we offer extensive support to facilitate our colleagues' transformation and integration of digital technologies. Our approach revolves around people, ensuring inclusivity and representation, extending its reach to their families. We endeavour to foster an inclusive, diverse, and supportive organizational culture that offers equal opportunities irrespective of background.

Our workforce and their respective communities form the bedrock of our success. We strive to maintain an engaged workforce and robust community by upholding values of integrity, collaboration, accountability, innovation, and respect. Our concerted efforts to benefit our employees and the communities we engage with have been well recognized. NWS has proudly earned the "Happy Company 5 years+". Our contributions were also recognized at "the Employer of Choice Award", "Corporate Social Responsibility ("CSR") Award", and "ESG HR Strategy Excellence Award" by Job Market, honouring our commitment to empowering our workforce and enriching society.



ENHANCING EMPLOYEES' RIGHTS AND WELL-BEING

Upholding Employees' Rights and Wellbeing

Fostering an engaged and motivated workforce hinge on actively seeking their insights and feedback, enabling us to pinpoint areas demanding additional support and resources for both personal and professional advancement. Simultaneously, we take multifaceted steps to fortify talent pipelines, uphold human rights, and reconstruct societal connections. Guided by the United Nations Global Compact, our personnel management practices, policies, and systems comprehensively encompass and uphold the rights of our workforce. We stand as an equal opportunity employer, with all employment decisions grounded in individuals' professional competence rather than any personal attributes. Our dedication extends to cultivating a workplace culture defined by respect, free from harassment, intimidation, bias, or discrimination in any form. An established employee grievance policy ensures equitable treatment and addresses complaints, resolving issues through a well-defined process.

We strictly adhere to relevant legislation, regulations, and codes pertaining to illegal labour and human trafficking in all jurisdictions of operation. In Hong Kong, our adherence includes the Employment Ordinance (Cap. 57, Laws of Hong Kong), Immigration Ordinance (Cap. 115, Laws of Hong Kong), and Crimes Ordinance (Cap. 200, Laws of Hong Kong). To date, no instances of non-compliance related to human rights violations, illegal labour, or human trafficking exist within our organization.

Our Corporate Policy on Staff Responsibility serves as a compass, outlining essential facets, such as equal opportunity, diversity and inclusion, prohibition of illegal labour and human trafficking, and the preservation of freedom of association and collective bargaining. Our “Corporate Policy on Staff Responsibility” and “Employee Handbook” detail essential aspects, such as work hours, remuneration, benefits, and our stance against illegal labour and human trafficking. The “Human Rights Policy” strictly prohibits discrimination based on characteristics like race, gender, religion, or sexual orientation. Violations of this policy may entail disciplinary actions, including dismissal. To ensure adherence, the policy undergoes regular review and amendments are endorsed by the Sustainability Committee. We respect each staff member’s right to form, or join associations of their own choosing. We also affirm our commitment to engaging in good faith negotiations with our staff members as we recognize the importance of open dialogue to foster an equitable and diverse workplace. For an in-depth exploration of our act, please refer to the subsequent “**Cultivating A Culture of Belonging**” section.

In recognizing the personal privacy of our workforce, our “Data Privacy Policy” ensures compliance with pertinent laws and regulations governing the collection, processing, and storage of personal data. Emphasizing data protection, the Privacy Policy outlines measures instituted to safeguard data confidentiality, integrity, and availability. All employment-related personal data is managed in accordance with the provisions of the Personal Data (Privacy) Ordinance (Cap. 486, Laws of Hong Kong).

Elevating Well-Being as a Priority for All

Amidst exacerbated corporate challenges related to employee health and well-being, we have channeled investments into diverse employee well-being programmes and initiatives. These efforts span both Group-wide benefits and initiatives tailored to specific business units. An annual highlight, our corporate office rolls out annual summer well-being and family centric programme, hosting an array of team activities and family-oriented events for our colleagues and their loved ones. The intent is to elevate employee well-being and boost productivity. Each activity is thoughtfully curated to promote a healthy work-life balance, foster team cohesion, and cultivate a positive and engaging work environment.

We conducted an employee survey on the summer programmes, revealing that high satisfaction rate of the summer programme. Building upon this success, we have broadened our engagement initiatives to encompass a broader spectrum of health-focused activities. These include Health Talk sessions, Lunch & Learn sessions, yoga classes, and Green Lunch events. We create supportive and positive atmosphere where employees can flourish personally and professionally. They reflect the wider effort to foster a conducive work environment that attracts and retains motivated and dedicated talent.

WELLNESS ACTIVITIES



Recognizing the diverse requirements of our distinct business units, NWS has customized its programmes with the active involvement of business unit-level Employee Wellness Committees. These committees play a crucial role in understanding and addressing the unique needs of each business unit within NWS, acknowledging the distinct challenges that each industry presents, facilitating transparent communication and feedback channels to gain deeper insights into the well-being concerns and aspirations of our workforce. Given the collaborative nature of our businesses, these employee engagement initiatives play a pivotal role in sustaining high morale, strengthening relationships, and enhancing productivity across both organizations. We aim to cultivate an environment where employees feel empowered to seek assistance and speak up.

Safeguarding Employee Health and Safety

Ensuring employee health and safety extends far beyond mere regulatory compliance in our organization. Occupational Safety and Health (“OSH”) stands as our foremost priority, driving our unwavering commitment to OSH initiatives across the company. Our approach is comprehensive, involving the maintenance of our OSH management system through close collaboration with business units. Leveraging emerging technologies and innovative practices, we actively anticipate, prevent, and address potential workplace disruptions and crises.

Our dedication to OSH is not confined to adhering to health and safety laws in our operating region, we have also integrated these risks into our Enterprise Risk Management approach. This approach involves the adoption of novel technologies and practices to mitigate work-related accidents and illnesses, safeguarding the health and well-being of our workforce. Our OSH Management System is designed to assess and uphold prevention and protection standards. Continuous improvement is achieved through the establishment, auditing, and review of safety and health objectives and targets. We monitor implementation and effectiveness, dedicating ample resources to continually fortify our management systems.

Our health and safety expectations are communicated clearly to both employees and service providers, who collectively engaged in 11,849 hours of occupational health and safety training. The Lost-Time Injury Rate (“LTIR”) serves as a performance indicator, facilitating the regular evaluation of both our workforce and service providers. Our LTIR achieved a rate of 0.62 during the Reporting Period, significantly outperforming our target of 3.0 by 80%. Moreover, our Lost Day Rate has been reduced to 58.7% per 100 employees.

In alignment with the International Labour Organization (“ILO”) Guidelines on Occupational Safety and Health Management System (“OSHMS”), Occupational Safety and Health Ordinance (Cap. 509) and Companies Ordinance (Cap. 622), NWS prioritizes a continuous improvement cycle in our approach to occupational health and safety.

POLICY AND OSH SYSTEM

Our business units have established a structured hierarchy of control under our “Health and Safety Policy” to address workplace hazard identification, assessment, and incident investigation. The overarching objective is to proactively eliminate hazards across our operations. Hip Hing’s OSH system has achieved ISO 45001 certification and complies with the Code of Practice of Factories & Industrial Undertakings (Safety Management Systems) Regulations.

ACTION FOR IMPROVEMENT

When our evaluation of the OSH management system indicates insufficiencies in preventive and protective measures for hazards and risks, we implement corrective measures for enhancement. A notable initiative within Hip Hing is the active involvement of top management in morning exercise sessions and lunchtime gatherings at our sites. This provides an avenue for staff and workers at all levels to exchange perspectives on site safety and health with our key decision makers.

ORGANIZING

We place a strong emphasis on our safety-first culture through comprehensive employee training. We ensure clear communication of our health and safety expectations to both employees and service providers. We actively seek feedback from both employees and service providers to enhance awareness and improve performance in matters of occupational health and safety.

EVALUATION

In response to identified concerns, we take a range of follow-up actions. Our safety forums serve as platforms for open discussions and knowledge sharing among stakeholders. To communicate revised safety measures effectively, we circulate memos ensuring that all relevant parties are informed of necessary changes. Furthermore, Project Special Safety Surveillance Teams are formed to conduct regular assessments at construction sites, promoting safety compliance and identifying potential risks.

PLANNING & IMPLEMENTATION

Each of our business units is tasked with establishing independent OHS management systems, incorporating a comprehensive reporting mechanism tailored to their specific requirements. For instance, Hip Hing adopts a proactive approach in the event of incidents, involving an independent panel to review the root causes and prevention strategies. This panel conducts thorough analyses and documentation to enhance our comprehension of each incident.



SMART SITE SAFETY SYSTEM



SAFETY POINTS SYSTEM IN HIP HING CONNECT

It is undoubtable that behaviour of workers is a crucial factor in site safety. We introduced a “Safety Points System” in the newly invented mobile application “Hip Hing Connect” to boost correct safe working attitudes in our construction sites. Safety points will be given to workers who have done correctly during performing their works. The safety points can redeem gifts, e.g., cash coupon, to encourage workers to work safely. On the other hand, safety points will be deducted if unsafe practice is identified, and workers will be required to attend safety training course.



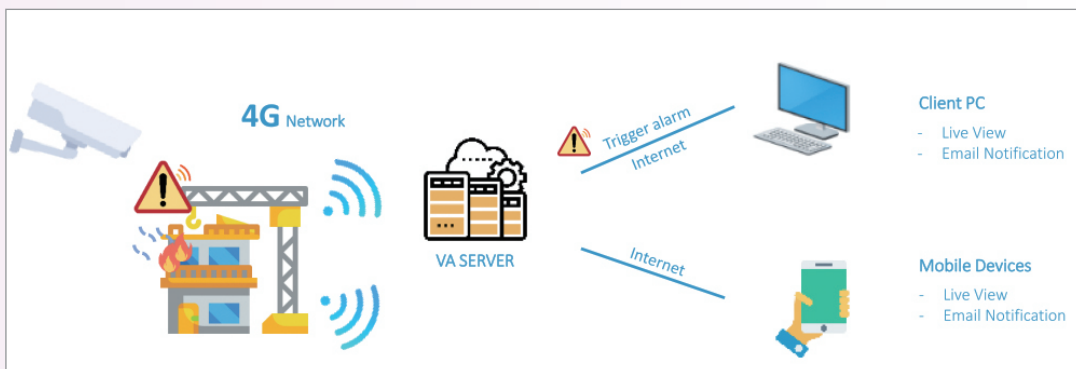
DIGITAL WORKS SUPERVISION SYSTEM (“DWSS”)

Utilizing the capabilities of mobile devices and associated software, this system provides an ongoing, real-time, digitalized checklist of employee tasks. This transparency empowers project teams to pinpoint areas for improvement and deliver targeted guidance and feedback. Moreover, it equips managers with the tools needed to navigate the digital work environment adeptly, optimizing operations and elevating team performance.



FIRE HAZARD MONITORING SYSTEM

Our Fire Hazard Monitoring System, equipped with AI cameras, rapidly detects smoke and fire hazards in real-time. This immediate response capability significantly reduces the potential for damage or injury. By issuing prompt alerts and conducting surveillance, our system contributes to the overall safety of our sites and the well-being of our workforce.



RECOGNIZING THE NEEDS FOR THE FUTURE WORKFORCE

There is an accelerated shift towards the future of work. It changes the way of managing workspaces and interacting among colleagues. As we navigate these changes, it becomes crucial to align our strategies with the evolving behaviours of new employees. Our goal is to shape the office of tomorrow that keeps people connected while providing more flexibility for interaction.

Flexible working in Construction

In the face of a diminishing labour pool and an aging workforce, it has become imperative to attract and retain the next generation of talent in the construction industry. Hip Hing acknowledges that the younger workforce places significant emphasis on achieving a harmonious balance between professional commitments and personal pursuits, along with prioritizing their holistic well-being. In response, we have taken a proactive step by implementing a five-day work week complemented by flexible working hours, a transition that commenced in March 2023.



In conjunction with the adoption of the five-day work week, Hip Hing has introduced a comprehensive two-day family care leave policy and rolled out a suite of employee wellness initiatives. These initiatives have been thoughtfully designed to augment the physical and mental well-being of our colleagues. By advocating for heightened work flexibility and fostering a healthful work-life balance, Hip Hing aspires to cultivate an environment that resonates with and retains younger professionals within the construction industry.

Reimagining the Physical Space

In a landscape shaped by technological advancements and the growing prevalence of remote work and flexible schedules, employees have come to appreciate the advantages of enhanced flexibility and autonomy. Nowadays, professionals now prioritize a dynamic and adaptable work environment that caters to their unique work styles and preferences. With the recent relocation of the NWS corporate office to a new office in Lai Chi Kok, we actively involve our colleagues in shaping a workspace that nurtures collaboration, innovation, and face-to-face interaction.

Brand-new headquarters office in Lai Chi Kok

Within this new office, we have dedicated particular attention to crafting an ergonomic environment that champions the physical well-being of our colleagues and elevates their work efficiency. Every aspect of the workspace has been carefully designed, from adjustable desks and ergonomic chairs that cater to individual preferences and postures, to well-placed partition wall that enables connection with the working community. Leveraging the glass façade of the building, we have installed glass partition walls to harness natural light, suffusing the entire space with a luminous and revitalizing ambience for our colleagues.

Recipient of Gold Leed Certification

Achieved Platinum certification in WELL Building Standard

Attained Gold Rating in BEAM Plus assessment



Glass Partition Wall

- Make the entire office bathe in daylight
- Allow light from outside to penetrate the room area



Double Layer Curtain with time control

- Allow natural daylight and glare control
- Block the sun heat from windows and maintain a stable room temperature



Low Partition Wall

- Allow daylight in while maintaining privacy
- Have a visual connection with the outside world

CULTIVATING A CULTURE OF BELONGING

NWS places a significant emphasis on fostering a sense of belonging in our workplace, welcoming individuals from diverse backgrounds and celebrating their unique differences. We understand a workplace that is diverse and inclusive is the driving force behind our success, fueling creativity, innovation, talent attraction, customer engagement, and risk mitigation. To progress inclusion and diversity in our workplace, we focus on the following areas:



Advancing Diversity and Inclusion

As a signatory of the Racial Diversity and Inclusion Charter for Employers, NWS is fully committed to nurturing an inclusive workplace culture that strives for diversity and equilibrium within our workforce. Our “Human Rights Policy” is integrated throughout our entire organizational structure, encompassing business units and partnerships. This Policy exemplifies our dedication to fostering equal opportunities and ensuring that every employee is treated with dignity and fairness, regardless of age, gender, ethnicity, or any other aspect of diversity. Through constant policy enhancements and communications, we actively nurture an inclusive workspace where every individual is treated with esteem and regard, and they can work without fear of discrimination, bullying, or any form of physical or psychological harassment. We disseminate our expectations to stakeholders through educational campaigns, training initiatives, and engagement events.



Ms Monica Lee-Müller

At our workplace, we believe in celebrating and embracing the success of our colleagues, a diverse and talented group of individuals. It is important to foster an environment where every individual’s achievements are valued and acknowledged. We proudly celebrate the achievements of our senior female leaders. Our HML Managing Director, Ms Monica Lee-Müller, assumed the role of President of UFI — The Global Association of the Exhibition Industry for 2021/2022, marking the first instance of an Asian female leader in the organization’s 95-year history. Moreover, she received the Medal of Honour from the HKSAR Government in 2023 for her outstanding contributions to promoting the development of the convention and exhibition industry in Hong Kong.

Our commitment to pay equity is manifested in providing equal remuneration for both men and women in equivalent job roles. To address this, we instill a strong emphasis on diversity and inclusivity throughout our recruitment, development, and promotion processes. Our hiring managers receive comprehensive training to identify and counteract unconscious bias during the recruitment process, ensuring impartial and equitable evaluations of candidates. Candidates are assessed solely on their academic qualifications, technical knowledge and competency level, which are essential for the applied job. Gender is never a factor in evaluation. Remuneration for suitable candidates is commensurate with the prevailing market level. The remuneration committee routinely reviews the competitiveness of our existing remuneration packages by benchmarking against industry standards.

Supporting our colleagues and their families

In today’s fast-paced work environment, we recognize the importance of achieving a healthy work-life balance and supporting our employees in meeting their personal and professional commitments. That is why we have developed the “Flexi Care Programme,” an innovative initiative designed to retain our valuable staff while promoting growth opportunities.

Through the Programme, we offer tailored support systems, empowering our workforce to navigate the dynamic global landscape with resilience and adaptability. Our goal is to create an environment that enables employees to reach their full potential while fulfilling their family responsibilities. By implementing family-centric initiatives and providing comprehensive support, we are dedicated to fostering an environment where employees can thrive both personally and professionally.

Extended health package	Family caring
<ul style="list-style-type: none"> • Extending complimentary medical coverage to dependents of employees at Manager level and above. • Offering a wellness subsidy to employees for health-related expenses such as medical check-ups, vaccines, eye exams, and gym memberships. 	<ul style="list-style-type: none"> • Implementing a 5-day paternity leave policy for male staff members with spouses who have recently given birth. • Expanding the scope of family care leave to encompass situations beyond sickness-related circumstances.

Hip Hing’s Young Members’ Club (“YMC”)

In anticipation of a shortage of talent, Hip Hing acknowledges the significance of nurturing the next generation of leaders and embedding a culture of succession planning. The Young Members’ Club (“YMC”) includes young employees from diverse business units, facilitating collaboration, networking, and the incubation of innovative ideas, thus sharpening their adaptability to navigate industry shifts. By creating a community of peers who share similar age and background, the YMC promotes a sense of unity among these up-and-coming professionals. Hip Hing’s leadership actively engages with this group, incorporating their fresh perspectives into the company’s forward-looking trajectory seeking insights to shape their strategic development. Through the YMC, they aim to build leadership capabilities of young professionals. Members of the YMC are entrusted with responsibilities, such as organizing events, sharing institutional knowledge, and fostering team cohesion.



Be Social	Be the Catalyst
<p>Cultivating networks and fostering robust relationships with industry peers and professionals through social events and professional gatherings that facilitate the exchange of ideas.</p>	<p>Nurturing talent can significantly contribute to a future of accomplished leadership. YMC is dedicated to enabling professional training and development that can fuel the growth of the young generation, ultimately benefitting the entire company.</p>
Be the Voice	Be the Change
<p>YMC is the voice of youth within the Group. Through the presentation of shared perspectives, members can reach out to the management, give honest feedback on the company’s strategies and development, and offer original insights from their workplace experience.</p>	<p>Young people seek something greater than themselves. With innovation, sustainability, and corporate responsibility gaining prominence in our industry and beyond, YMC aims to capture the viewpoints of their community, raise awareness, and take action to address these pressing issues.</p>

Engaging Our Workforce

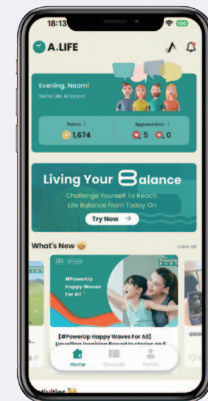
At NWS, we want our employees to feel that their voices are heard and valued. Our approach to talent engagement is designed to facilitate open expression and active participation, achieved through various avenues, such as employee surveys and town hall meetings. We harness digital platforms to facilitate efficient communication, thus enhancing dialogue and engagement. Initiatives, like “Talk to MD” town hall meetings facilitate direct interactions with top leadership, fostering transparency, accessibility, and accountability within the Group. Through these initiatives, we continuously share corporate information, encourage employee suggestions, and foster cross-departmental conversations. Regular feedback mechanisms enable us to gauge employee satisfaction, enabling informed enhancements and sustaining a nurturing and fulfilling work environment. Moreover, we deeply respect each staff member’s decision to be part of associations or labour unions, or not. If they choose to be part of one, we engage with their representatives in good faith.









Establishing a culture of constructive feedback not only reconnects employees with their work but also makes them feel genuinely appreciated for their contributions, thereby driving the success of both our company and our workforce. In this regard, we have implemented a structured 360-degree appraisal process, enabling colleagues to receive comprehensive feedback and insights to identify potential areas for growth. We emphasize the significance of fostering two-way communication in the workplace, consistently dedicated to cultivating a robust culture of mentorship and coaching. These endeavours not only instill a sense of value and purpose but also enhance job satisfaction and engagement, ultimately resulting in the enduring retention of our valued workforce.

Fostering Culture of Appreciation in the Digital Era

In the dynamic landscape of the digital age, nurturing employee engagement within the framework of a digitized workplace stands as a pivotal priority. Acknowledging this need, NWS corporate office and FTLife Insurance introduced the innovative “A.LIFE” app — an internal digital interactive platform meticulously crafted to amplify staff connectivity, collaboration, and engagement in an efficient and interactive manner.

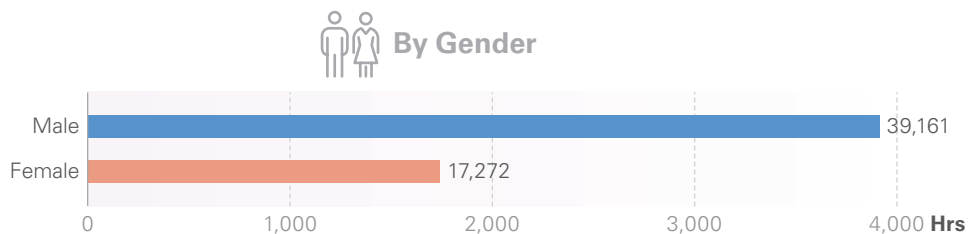
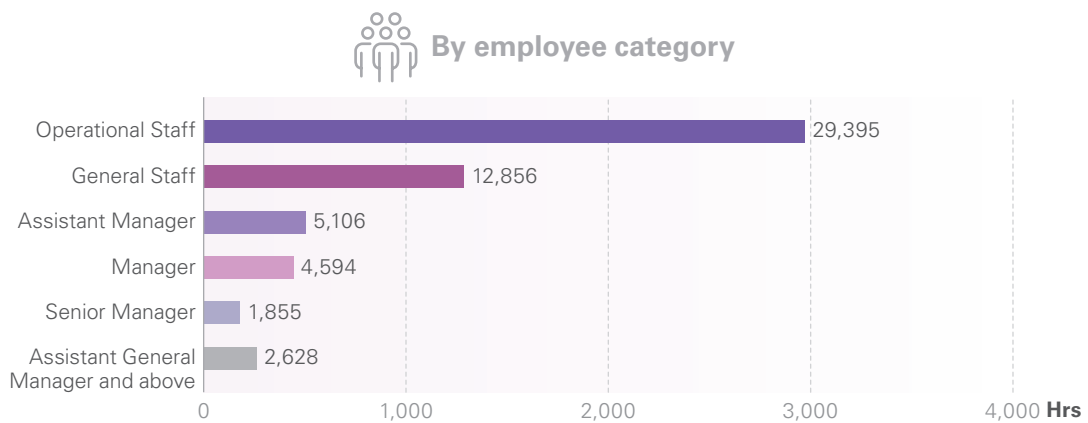
The A.LIFE app presents a user-friendly interface, accompanied by an array of 8 interactive features tailored to facilitate seamless communication, robust collaboration, meaningful recognition, and expedient information sharing among colleagues. Our intention is to extend the app’s utility across all NWS business units, fostering amplified cross-business unit synergies and nurturing a culture of cohesion and unity.



 <p>Stay connected 24/7</p>	 <p>Collaborate with teams</p>	 <p>Receive instant company updates</p>	 <p>Send appreciation</p>
 <p>Receive accredited wellness articles by health professionals</p>	 <p>Engage staff participation through games and quizzes</p>	 <p>Organize internal events</p>	 <p>Redeem rewards</p>

NURTURING OUR TALENTS FOR THE FUTURE

In order to cultivate a workforce that is ready for the future, we must carefully consider the skills required for both employees and the Company to achieve long-term success. We consistently evaluate talent gaps and identify the necessary capabilities to address evolving industry demands through training needs surveys. We nurture leadership qualities at every level by allocating resources to robust development initiatives, such as the HiPo Programme, e-learning, and mentoring, all of which refine adaptable skillsets and essential knowledge. By empowering our talent to unleash their full potential despite changing market dynamics, we ensure our workforce remains attuned to emerging needs through regular assessments, comprehensive training, and strategic deployment.



Our Training and Development Focuses

CAPABILITIES BUILDING

We identify and prioritize the development of high-potential employees to enhance their skill sets and readiness for future challenges.

LEADERSHIP DEVELOPMENT

Our aim is to equip potential leaders with the necessary skills to tackle increasingly complex challenges that may arise as they transition into leadership roles.

CAREER DEVELOPMENT

We help leaders enhance self-awareness and clarify career goals, enabling them to leverage their strengths and reach their full potential.

Following the successful launch of the new e-learning platform with NWD in 2022, we continued to offer training on topics aligned with market trends throughout FY2023. These topics range from sustainability, innovative technologies, and business strategies to corporate culture and legal regulations. Our online platform provides bite-sized learning opportunities, allowing employees to enhance their skills and knowledge at their own pace, using their mobile phones, tablets, or other connected devices. This approach promotes continuous learning across various subjects.

Through ongoing performance reviews, we identify and nurture high-potential employees using a nomination-based leadership development programme. By cultivating the growth of these emerging leaders, this systematic framework not only secures the expertise required to achieve our business goals, but also ensures the retention of top talent. We are committed to offering sustainable career pathways for young individuals to fulfil their aspirations.

As detailed in BU specific policies on improving employees’ knowledge and skills for discharging duties at work, we leverage both internal resources and external experts to deliver high-quality training experiences that are engaging, practical, and relevant. Our diverse employee training programs are designed to address specific areas of skill development, encompassing topics such as, management skills, technology training, and more. Our goal is to empower our employees to thrive in their roles and align their expertise with the evolving needs of the workplace.

FTLife Insurance’s AI Drill

In collaboration with a local start-up, FTLife Insurance has pioneered the industry’s first “AI Drill,” an innovative training tool driven by artificial intelligence and big data. This tool complements hybrid coaching methods designed to elevate insurance agents’ performance beyond conventional industry standards. The AI Drill platform redefines traditional learning approaches by incorporating intelligent communication technology. It provides comprehensive training for insurance agents, focusing on communication and presentation techniques through simulated virtual presentation scenarios.



BIM Accredited Courses on Coordinator and BIM Manager Training

Hip Hing is at the forefront of embracing innovation and advanced technologies such as Building Information Modelling (“BIM”) to deliver high-quality projects successfully. Hip Hing’s BIM team, which initially introduced BIM during the HKCEC — Atrium Link Extension project, has evolved into a strong force, consistently delivering innovative solutions.

With the adoption of BIM becoming obligatory for all projects, Hip Hing provides comprehensive BIM training for their staff, fostering a culture where every individual is encouraged to become proficient in BIM techniques. The company’s commitment to be the industry leader in BIM is further highlighted by the recognition from the Construction Industry Council for their accredited BIM Manager Training Course and BIM Coordinator (“CCBC”) Course. Hip Hing’s strategic approach revolves around offering a diverse range of BIM training for various staff categories, while also nurturing a larger pool of in-house BIM Coordinators. This concerted effort ensures that BIM capabilities and expertise permeate throughout the organization. As an integral part of Hip Hing’s digitalization journey, more than 8,000 hours of BIM-related training were provided to staff members in FY2023.



Create Shared Value

In the dynamic landscape of today's world, a proactive approach to identifying and addressing emerging risks is essential to our mission of generating sustainable, long-term value for all stakeholders. We aim to enhance the company's competitiveness while simultaneously fostering economic and social advancement within the communities where we operate. To effectively tackle these challenges, we concentrate on establishing and expanding the connections between societal progress and economic growth. Through collaboration with community and business partners, we not only foster economic prosperity by meeting community needs, but also cultivate scalable and self-sustaining solutions that align with our operations.

COLLABORATING WITH PARTNERS ALONG OUR VALUE CHAIN

For the effective supervision of our business value chain, we rely on robust guidelines, regular communication, and vigilant monitoring. We work together diligently with our value chain partners to source and create products and services that are both environmentally and socially sustainable. Additionally, NWS continuously looks to enhance operations and performance through strategic partnerships. Harnessing the influence of both stakeholder engagement and the expansive networks of our partners equip us to cater to the changing environment and the community more effectively where we operate. We also nurture collaborative relationships with start-ups, and universities, thereby accessing external expertise to harness new technologies and maintain our position at the innovation forefront.

Establishing a Resilient and Sustainable Value Chain

Flexibility and responsiveness are key attributes of our supply chain management strategy, enabling us to manage risks throughout our value chain, including factors like depleting resources and evolving customer preferences. Our objective is to source responsibly and sustainably, upholding environmental protection and ensuring equitable and respectful treatment of all involved in the production process. Our steadfast commitment has been recognized since 2017, as we earned the distinction of a "Sustainable Consumption Enterprise" from the Business Environmental Council ("BEC") in Hong Kong.

While procurement responsibilities are decentralized across our business units, we maintain comprehensive group-wide policies and guidelines that outline sustainability expectations for our suppliers. In accordance with the Supplier Code of Conduct (the "Code") initiated by our parent company, New World Development, we actively seek partnerships with Suppliers who uphold the tenets of sustainable development. We monitor and assess compliance of our suppliers with the environmental, social and compliance standards established in our Code of Conduct and contractual agreements, through regular audits and corrective action plans for high-risk suppliers if gaps emerge. In the Reporting Period, we conducted assessments covering 66% of our supplier base. Through strict enforcement of our standards and accountability measures, we aim to continuously raise sustainability standards across the value chain.

Sustainable Procurement Guide




Our Sustainable Procurement Guide outlines our collective commitment to minimize environmental impact and promote local, ethical, and responsible sourcing. We strongly encourage our major business partners, contractors, and subcontractors to align their practices with these sustainability principles whenever possible. Additionally, we place emphasis on the use of green-labelled products.

The guide establishes a unified commitment across our workforce involved in procurement decisions to integrate sustainability into sourcing practices, thereby aligning procurement choices with ethical accountability and stewardship. This includes reducing environmental footprints by advocating for the 3R consumption approach — reducing material demands, reusing goods, and recycling waste. We actively minimize the procurement of single-use disposable items and excessive product packaging. Moreover, our guide directs procurement teams to source environmentally-friendly and health-conscious alternatives to conventional options, while actively avoiding products that have negative impacts on the environment and society. We also explore sourcing options from diverse suppliers that support local economies and vulnerable communities. By formalizing these sustainable practices, our objective is to instigate adoption across our supply chain — from internal teams to major business partners, contractors, and subcontractors.

Offering Sustainable Choices for our Customers

In our commitment to sustainability, we meticulously assess the adoption of goods and services, evaluating criteria, such as biodiversity friendliness, environmental impact, and social responsibility. We prioritize the use of sustainable materials and actively seek partnerships with our local supply chain partners to increase the use of eco-friendly materials.

We Work with Suppliers to Phase Out Unethical Supply of Food and Single-Use Plastics.

<ul style="list-style-type: none"> HML prohibits the use of rare or endangered species in activities and supply chains by offering shark’s fin alternative menu to support marine life and enhance biodiversity. <div style="text-align: center; margin-top: 20px;">  </div>	<ul style="list-style-type: none"> They introduce LoveGreen Meeting Packages designed for event organizers, featuring eco-friendly menus utilizing locally-sourced, sustainable and seasonal ingredients as much as possible to reduce the environmental impact of food production and transportation. With the clients’ permission, the suitable unconsumed food from these eco-friendly meetings will be donated to social welfare organizations, transforming potential waste into resources for those who are in need. <div style="text-align: center; margin-top: 20px;">  </div>	<ul style="list-style-type: none"> The HKCEC has been awarded ISO 20121 Event Sustainability Management System certification for event sustainability management. The vision “Think Before Plastic” underpins HML’s sustainability strategy, leading to the replacement of disposable cutlery, straws, and stirrers with biodegradable alternatives. Furthermore, vending machines and restaurants provide glass or canned beverages instead of plastic bottles. <div style="text-align: center; margin-top: 20px;">  </div>
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We leverage cutting-edge technologies to drive innovation

- Hip Hing actively promotes the use of 100% temporary wood materials certified by the Forest Stewardship Council and/or the Programme for the Endorsement of Forest Certification in construction projects. Additionally, our building initiatives incorporate low-carbon concrete certified at the platinum level by the CIC Green Product Certification.



- Hangzhou Ring Road continues its adoption of GT Tech, an ultra-thin protective layer that enhances road durability, crack resistance, and impermeability. This technology extends road service life by two to three years, while reducing the consumption of asphalt material by 60% and stone material by 75%, making it highly resource efficient.



- Changliu Expressway embraces the innovative use of waste tyres as raw material for road repairs. This new approach not only reduces waste generation but also offers heightened durability in comparison to conventional materials.



- HML actively seeks partnerships to develop plastic-free food packaging solutions, with the goal of becoming entirely plastic-free. This dedication underscores their determination to drive sustainable practices.



Procurement Risk Management

Our Supply Chain Management Guide underscores the importance of supplier alignment with our sustainability strategy. Throughout the supplier engagement process, from selection to contract administration, NWS mandates ESG requirements. This inclusive approach encompasses identifying sustainability risks associated with procured products and services. We proactively conduct routine performance evaluations, and encourage them to explore innovative environmental solutions and products.

Our Risk Register serves as integral tools for addressing procurement risks. The assessments are thoroughly examined in every department and business unit, and they provide valuable findings and suggestions that are quickly communicated to the relevant departments. Our active engagement extends to collaborating with the industry to source green-certified products or materials that adhere to local health and safety standards. By constantly updating information on sustainability, cost, quality, and availability, we ensure the optimal fulfilment of client requirements. This approach not only enhances our capacity for informed decision-making, but also underscores our commitment to sustainability, quality, and efficient resource management.

Hip Hing: Knowledge Sharing for Net Zero and Green Procurement

In February 2023, Hip Hing’s Sustainability Department organized a training event titled “Knowledge Sharing on Green Procurement and Adoption of CIC Green Product Certificate towards Net Zero” at their headquarters. Mr Tony Ip, a member of the Board of Directors at HKGBC, was invited to share with Hip Hing’s internal colleagues about the Green Product Certification introduced by the Construction Industry Council (“CIC”). The session shed light on the certification’s standardized approach in evaluating products against green benchmarks, demonstrating how contractors contribute to achieving net-zero goals by embracing green building standards.

The training session, attended by over 60 participants, proved instrumental in equipping professionals within the construction industry with a comprehensive understanding of the environmental impact of the materials and products they use and choose. Equipped with this newfound knowledge, participants are better positioned to make informed choices, opting for environmentally friendly and sustainable alternatives.

HML: Facilitating Industry Transition

HML actively supports event organizers in planning and delivering environmentally responsible events. The “HKCEC Waste Management Guide for Organizers and Exhibitors” puts the guideline into practice, setting up recycling bins and sizeable enclosures to foster waste reduction, reuse, and recycling among organizers and participants alike. Embracing a commitment to sustainable event practices, HML advocates for the utilization of minimal materials and the adoption of reusable alternatives for stand constructions, signage, and stages. The introduction of recycling stations within event venues encourages the collection of diverse recyclables, including paper, plastic, glass, and food waste. Ambassadors appointed by HML facilitate the adoption of sustainable practices by exhibitors, visitors, and contractors, ensuring responsible waste disposal and management. Additionally, NWS remains steadfast in its resolve to eliminate unnecessary packaging in its service deliveries, further underscoring its dedication to sustainability.



Collaborating with Local Communities

Our commitment to local social enterprises continues to be a cornerstone of our community engagement strategy. By supporting ventures that offer skills training, apprenticeships, and entrepreneurial programmes, we expand the pool of qualified talent available for our operations. Moreover, our investments in start-ups pioneering resource efficiency, waste reduction, and circular solutions contribute to both our business and society.

We also emphasize collaboration between our business units to advance our circular economy initiatives. Internally, we raise environmental awareness through efforts such as FTLife Insurance’s “Green Month” featuring workshops and educational activities. FTLife Insurance partnered with NGO Eco-Greenery for workshops where employees upcycled 10 kg of coffee grounds into soaps and fertilizers. Externally, our business units partner with organizations to benefit the communities they operate in. Changliu Expressway, for instance, processes 9 tonnes of food waste annually in collaboration with local villages, turning food scraps into animal feed and fertilizers. These partnerships demonstrate the positive outcomes achieved through collaborative sustainability efforts across our operations.

Our Diverse Partnerships to Drive Sustainable Innovations

Enhancing the Wellbeing of Our Workforce	Reducing the Carbon Footprint in Construction	Nurturing a Future Workforce
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Hip Hing has collaborated with Wada Bento to introduce hot-chain vending machines at remote project sites where lunch options are limited. Leveraging proprietary heat-chain technology, Wada Bento maintains meal temperatures above 60°C, ensuring food safety. The use of non-toxic, biodegradable sugarcane pulp containers for lunchboxes further minimizes environmental impact. This partnership offers nutritious, appropriately portioned meals to on-site workers while prioritizing eco-friendly packaging.



Since 2020, Hip Hing has joined forces with a local start-up to implement 18 battery energy storage systems (“BESS”) across 14 project sites. By replacing diesel generators with BESS, approximately 2,850 tonnes of carbon emissions are eliminated annually. This transition not only reduces fuel costs by 85% but also slashes carbon footprint by 81%. These partnerships with emerging ventures exemplify our commitment to shared value, providing access to advanced technologies and services that benefit operations, employees, and the environment.



Hip Hing’s Apprenticeship Scheme is dedicated to fostering the next generation of industry professionals from within local communities. Designed to align with evolving industry demands, the scheme offers comprehensive training that enriches newcomers’ technical knowledge, refines their skills, and supports personal development. To empower motivated individuals, the Educational Support Scheme provides financial assistance to former apprentices, enabling them to pursue higher education in STEM programmes that equip them for leadership roles and advanced career paths. By investing in the growth of emerging local talent, NWS establishes enduring value for both our business and society.

Promoting Inclusive and Equitable Transformations

Hip Hing's dedication to inclusive and equitable change is exemplified through our collaborative approach to a transformative housing project. Leveraging our expertise in Modular Integrated Construction ("MiC"), we developed 1,800 new flat units, aiding low-income communities in transitioning from inadequate living conditions to improved housing that caters to their fundamental needs and fosters social equity.

As a contractor for Transitional Housing Project at United Court, Tung Tau, Yuen Long, we have played a pivotal role in enabling positive community transformation. MiC is adopted when building United Court, which consists of 8 residential blocks; each block has four floors. United Court offers units with various sizes and accessible units to cater for the needs of different families. It is equipped with integrated social service centre, mini-store, self-service laundry, communal kitchen, SE United Cut, plaza, communal farm, and waste stations.

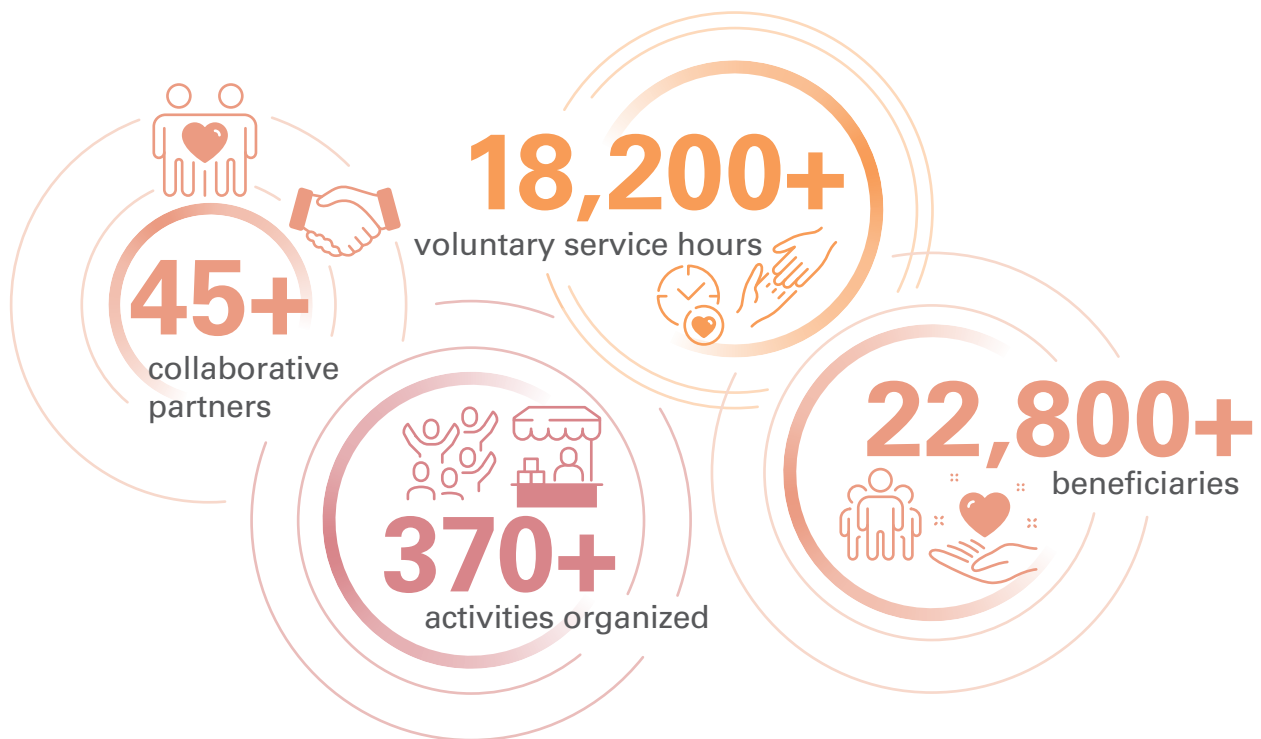


Acknowledging our impact on the broader community through expressway infrastructure operations, NWS has supported the collaborative conversion project beneath the Changliu Expressway, partnering with local Village Committees. This joint initiative has introduced new fitness equipment, basketball courts, a theatre stage, and park seating, expanding access to recreational opportunities. NWS has assumed the annual management fee to ensure ongoing maintenance. Similarly, we have transformed over 100,000 m² of space beneath Hangzhou Ring Road bridges into sports facilities, parking lots, driving instruction courses, and recreational venues, contributing to public welfare. This innovative repurposing has mitigated safety concerns, reduced maintenance costs, generated revenue, and significantly improved the quality of life around Hangzhou Ring Road. This project forms part of the Group's environmental investments, with FY2023 lease income amounting to approximately RMB1.5 million.

FOSTERING AN INCLUSIVE COMMUNITY

In the pursuit of nurturing a sustainable and inclusive community, NWS harnesses its extensive array of resources and networks. The company takes proactive strides in fostering collaborations across its diverse business units and extends its engagement to the broader community, bolstering enduring development. Through strategic investments and voluntary efforts, NWS aims to make a positive impact on the communities it operates in. NWS’s fundamental community investment strategy is founded upon three essential pillars: “Empowering the Next Generations”, “Cultivating a Volunteer Culture”, and “Advocating Environmental Sustainability”. The company’s contributions span both financial backing and in-kind donations, with a dedicated focus on local organizations and initiatives that promote inclusivity, equality, and social mobility. Furthermore, we also encourage employee volunteering services, empowering our workforce to actively connect with communities and channel their time, expertise, and competencies towards meaningful causes. By seamlessly integrating the resources from our Charities Foundation, skill-sharing, and hands-on engagement, we amplify positive influence on the societies we serve.

Overview of the social impacts in FY2023



Empowering the Next Generation

At NWS, we firmly believe in the transformative influence of empowering young individuals, propelling them towards unlocking their latent potential and forging pathways to their future success. To create shared values within the community, we partner with non-governmental organizations, governmental bodies, and fellow corporations for a wide range of community activities and programmes. These initiatives are designed to bolster the growth and development of local youth, equipping them with the skills, knowledge, and confidence needed to pursue their aspirations and become consequential contributors to society’s betterment. By partnering with community stakeholders, we can create opportunities for employment, mentorship, and capacity enhancement, thereby ensuring that those in vulnerable positions are granted the required care and assistance.

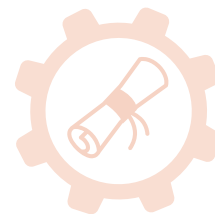
Empowering Youth with the EXP Journey Programme

Collaborating with Po Leung Kuk and YWCA, NWS launched the EXP Journey programme, an immersive initiative offering local youth diverse career experiences. Structured around three core components — “EXPloration”, “EXPerience”, and “EXPerimentation” — this programme departed from conventional classroom education, providing hands-on insights into various professional paths. Leveraging the New World Group’s ecosystem, participants gained practical experience in different industries, unveiling hidden potential and passions. Throughout the Reporting Period, NWS organized corporate visits, webinar, job search skills workshop and job shadowing, enriching participants’ exploratory journey.

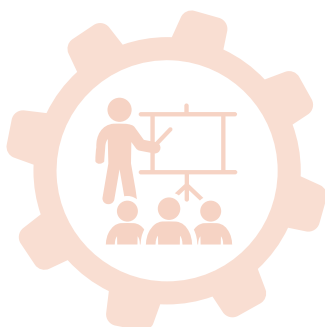


Physical Corporate Visits
— HKCEC

Physical Corporate Visits
— ATL Logistics Centre



Job Shadowing
in NWS and BUs



Physical Corporate Visits — The GalaMuse

Nurturing Sports Talents Through Charity Snooker Class

In October 2022, FTLife Insurance organized an event aimed at nurturing holistic development in young athletes. By inviting 30 junior sports elites from the Cheers Up Foundation, FTLife Insurance provided them with an opportunity to engage in a snooker class hosted by Master Snooker Kingdom. Guided by the renowned snooker player Mr Marco Fu, participants delved into a realm beyond sports techniques, enhancing their self-esteem, sportsmanship, and overall attitude.



Spreading Festive Joy among SEN Children

In the festive spirit of giving, FTLife Insurance held a heartwarming event to bring joy to families with children having special educational needs (“SEN”). In collaboration with The Salvation Army, a group of SEN children enjoyed a delightful outing at the LEGOLAND Discovery Centre at K11 MUSEA. This initiative aimed to provide an enjoyable and educational experience for the children and create cherished memories for their families, promoting inclusivity and shared happiness.



Outing with SEN children

Cultivating a Culture of Volunteerism

Recognizing the integral role that employees play within their communities, NWS is committed to fostering a sense of social responsibility among its workforces. Central to this commitment is our proactive approach in equipping employees with resources and support to establish and nurture community connections. We actively incentivize employees, their families, and friends to participate by offering initiatives, such as a HK\$500 charity donation for every new volunteer, who joins NWS Volunteer Alliance and contributes over 24 hours of service. This recognition not only underlines our appreciation for their efforts, but also amplifies the collective impact through corporate matching gift initiatives. Through the joint dedication of our employees, we aspire to create a meaningful and enduring positive change within the communities we engage with.

Celebrating Mother's Day with a Purpose

In celebration of Mother's Day, the NWS Volunteer Alliance joined forces with two non-profit organizations to organize fun-filled workshops. Volunteers and underprivileged children from local and ethnic minority backgrounds joined hands to learn new skills and craft handmade creations, including greeting cards and cookies for their mothers. This initiative not only celebrated mothers but also underscored the power of community collaboration in making meaningful moments.



Mother's Day Celebration

Preserving Cultural Heritage through Entertainment

Hip Hing Group's Vibro Volunteer Team, in collaboration with the Hong Kong Young Women's Christian Association, presents the annual Cantonese Opera Show, a vibrant event aimed at delighting and engaging the elderly. Drawing the participation of over 1,000 senior citizens, the show provides a joyful and culturally enriching experience. Beyond entertainment, the show plays a vital role in preserving Hong Kong's cultural heritage, contributing to the promotion of traditional art forms and fostering an inclusive and culturally vibrant community. Through initiatives like the Cantonese Opera Show, the Hip Hing Group actively supports and fosters the appreciation of traditional art forms, enhancing the lives of the elderly and enriching the broader community.



Cantonese Opera Show for Senior Citizens

Enriching Lives through Community Engagement

Free Duty demonstrated their commitment to Creating Shared Value (“CSV”) by donating funds and mobilizing volunteers to organize a Christmas Party for underprivileged children in collaboration with Hans Anderson Club. This heartwarming event brought together 20 children and 6 dedicated volunteers, offering engaging storytelling sessions and festive activities that not only spread joy but also instilled moral values and enhanced the children’s learning capabilities.



Christmas Party for underprivileged children

Advocating Environmental Responsibility

NWS acknowledges our reliance on the Earth for our operations and the imperative to safeguard it for future generations. Through collaboration with stakeholders, including employees, local communities, and environmental groups, we cultivate a culture of environmental consciousness and action, fostering positive change and a sustainable future.

Transforming Waste into New Possibilities

The “Upcycling for New Life” initiative, pioneered by NWS aims to give a new purpose to discarded logistics pallets. These pallets, once used in operations, are collected from the ATL Logistics Centre and creatively repurposed into an array of furniture items, such as shelves, bar counters, and planters. Through this transformative process, NWS not only reduces waste but also engages the community in crafting vibrant public spaces. We intend to expand and further develop this program, continuing to generate shared value for all stakeholders involved.



Upcycling for New Life Program



Appendix





INDEPENDENT PRACTITIONER'S LIMITED ASSURANCE REPORT TO THE BOARD OF DIRECTORS OF NWS HOLDINGS LIMITED

We have undertaken a limited assurance engagement in respect of the selected sustainability information of NWS Holdings Limited (the "Company"), and its subsidiaries (collectively "the Group") as listed below, under the 'Identified Sustainability Information' section, and identified with a ✓ in the Company's Sustainability Report for the year ended 30 June 2023 ("Sustainability Report 2023").

Identified Sustainability Information

The Identified Sustainability Information for the year ended 30 June 2023 is summarised below:

Environmental

Air Emission

- Sulphur oxide (SOx) (Tonne)

Energy Consumption

- Diesel (GJ)
- Biodiesel (GJ)
- Unleaded petrol (GJ)
- Liquefied petroleum gas (GJ)
- Electricity (GJ)
- Towngas (GJ)
- Total energy consumption of FY2022 and FY2023 (GJ)
- Year-on-year change between FY2022 and FY2023 on total energy consumption (%)
- Total energy consumption (MWh)
- On-site generated renewable energy for feed-in-tariff (GJ)

Greenhouse Gas (GHG) Emissions

- Scope 1 GHG Emissions (TonneCO₂e)
- Scope 2 GHG Emissions (TonneCO₂e)
- Total GHG emissions of FY2022 and FY2023 (scope 1 & 2) (TonneCO₂e)
- Year-on-year change between FY2022 and FY2023 on total GHG emissions (scope 1 & 2) (%)
- Procured carbon offset (TonneCO₂e)

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Water Consumption

- Municipal water used in FY2022 and FY2023 (m³)
- Year-on-year change between FY2022 and FY2023 on total municipal water used (%)

Waste — Hazardous Waste Disposed

- Chemical waste (liquid) (Tonne)
- Chemical waste (solid) (Tonne)
- Total chemical waste disposed (Tonne)

Waste — Non-Hazardous Waste Disposed

- General waste to landfills (Exclude Hip Hing Group) (Tonne)
- C&D waste to landfills (Only Hip Hing Group) (Tonne)
- C&D waste to sorting facility (Tonne)
- Total non-hazardous waste to landfills (Tonne)
- Total C&D waste generated (Tonne)

Materials Recycled

- Inert C&D materials (to public fill facility) (Tonne)
- Food waste (Tonne)
- Cooking oil (Tonne)
- Paper (Tonne)
- Plastics bottles (Tonne)
- Aluminium cans (Tonne)
- Glass bottles (Tonne)
- Total materials (Tonne)

SV2030 Green Targets

- Energy consumption (MWh)
- Carbon emissions (TonneCO₂e)
- Reuse of C&D material (% of construction waste reuse)
- Municipal water used (m³)



Social

Workforce

- Total number of employees (Number)
- Total workforce by gender (Number)
- Total workforce by employment type and a breakdown by gender (Number)
- Total workforce by contract type and a breakdown by gender (Number)
- Total workforce by seniority and a breakdown by gender (Number)
- Total workforce by age group (Number)
- Total number of leavers (Number)
- Total number of leavers by gender (Number)
- Turnover rate (%)
- Turnover rate by gender (%)
- Turnover rate by geographical region (%)
- Turnover rate by age group (%)
- Total new hires (Number)
- Total new hires by gender (Number)
- New hires rate (%)
- New hires rate by gender (%)
- New hires rate by geographical region (%)

Health and Safety

- Total hours worked (Number)
- Work-related lost-time injuries (sick leave >0 days) (Number)
- Work day lost due to work-related injuries (Number)
- Lost-day rate (Per 100 employees)
- Lost-time injury rate (LTIR) (Per 100 employees)
- Work-related fatalities (Number)
- Fatality rate (%)

Training

- Average training hours per employee (Number)
- Average training hours per employee (by gender) (Number)
- Training hours by type of training (Number)
- Average training hours completed per employee by seniority (Number)

Parental leave

- Employees who took parental leave (Number)
- Employees returned to work after parental leave ended (Number)
- Return-to-work rate by gender (%)



Our assurance was with respect to the year ended 30 June 2023 information only and we have not performed any procedures with respect to earlier periods or any other elements included in the 2023 Sustainability Report and, therefore, do not express any conclusion thereon.

Criteria

The criteria used by the Company to prepare the Identified Sustainability Information is set out in the 2023 Sustainability Report.

The Company's Responsibility for the Identified Sustainability Information

The Company is responsible for the preparation of the Identified Sustainability Information in accordance with the Criteria. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of Identified Sustainability Information that is free from material misstatement, whether due to fraud or error.

Inherent limitations

The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measures and measurement techniques and can affect comparability between entities. In addition, GHG quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Management, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.



Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Identified Sustainability Information based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements other than Audits or Reviews of Historical Financial Information, and, in respect of greenhouse gas emissions, International Standard on Assurance Engagements 3410, Assurance Engagements on Greenhouse Gas Statements, issued by the International Auditing and Assurance Standards Board. These standards require that we plan and perform this engagement to obtain limited assurance about whether the Identified Sustainability Information is free from material misstatement.

A limited assurance engagement involves assessing the suitability in the circumstances of the Company's use of the Criteria as the basis for the preparation of the Identified Sustainability Information, assessing the risks of material misstatement of the Identified Sustainability Information whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the Identified Sustainability Information. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above we:

- made inquiries of the persons responsible for the Identified Sustainability Information;
- understood the process for collecting and reporting the Identified Sustainability Information;
- performed limited substantive testing on a selective basis of the Identified Sustainability Information to check that data had been appropriately measured, recorded, calculated and reported; and
- considered the disclosure and presentation of the Identified Sustainability Information.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the Company's Identified Sustainability Information has been prepared, in all material respects, in accordance with the Criteria.



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Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Company's Identified Sustainability Information for the year ended 30 June 2023 is not prepared, in all material respects, in accordance with the Criteria.

Our report has been prepared solely for the Board of Directors of the Company and is not to be used for any other purpose. We do not assume responsibility towards or accept liability to any other parties for the content of this report.

A handwritten signature in black ink, appearing to read "PricewaterhouseCoopers", is written over a faint, light-colored grid background.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 29 September 2023

ENVIRONMENTAL PERFORMANCE DATA SUMMARY^{1,2,3}

Parameter	Unit	FY2021	FY2022	FY2023
Air Emissions^{4,5}				
Nitrogen oxide (NO _x)	Tonne	2.60 ⁶	2.49 ⁶	2.96
Sulphur oxide (SO _x)	Tonne	0.008	0.007	0.006
Particulate matters (PM ₁₀)	Tonne	0.21 ⁶	0.21 ⁶	0.27
Energy Consumption⁷				
Diesel	Gigajoules (GJ)	47,744 ⁶	73,028 ⁶	155,833 ⁸
Biodiesel ⁹	Gigajoules (GJ)	272,629	174,498 ⁶	288,717 ¹⁰
Unleaded petrol	Gigajoules (GJ)	12,132	11,203	10,599
Liquefied petroleum gas	Gigajoules (GJ)	416 ⁶	640 ⁶	547
Electricity	Gigajoules (GJ)	224,610	245,653 ⁶	304,433
Towngas	Gigajoules (GJ)	7,543	9,074	13,099 ¹¹
Total energy consumption ¹²	Gigajoules (GJ)	565,076 ⁶	514,816 ⁶	773,228
	MWh ¹³	156,966 ⁶	141,805 ⁶	214,957 ¹⁴
Total energy consumption intensity	GJ/HK\$ million	22.3	18.2 ⁶	19.0 ¹⁵
On-site generated renewable energy for feed-in tariff ¹⁶	Gigajoules (GJ)	46	43	44
Greenhouse Gas (GHG) Emissions^{17,18,19}				
Scope 1 emissions	Tonne CO ₂ e	24,272 ⁶	19,007 ⁶	32,918 ²⁰
Scope 2 emissions	Tonne CO ₂ e	34,335	41,575 ⁶	51,447
Total GHG emissions (Scope 1 & 2)	Tonne CO ₂ e	58,607 ⁶	60,582 ⁶	84,365
Total GHG emissions (Scope 1 & 2) intensity	Tonne CO ₂ e/ HK\$ million	2.3	2.2 ⁶	2.1 ¹⁵
Procured carbon offset ²¹	Tonne CO ₂ e	134	81	457
Water Consumption²²				
Municipal water used	m ³	1,231,519	991,399 ⁶	1,371,523 ²³
Water intensity	m ³ /HK\$ million	48.6	35.3 ⁶	33.6 ¹⁵
Wastewater direct discharge ²⁴	m ³	1,004,4386	804,300 ⁶	1,100,062

Parameter	Unit	FY2021	FY2022	FY2023
Waste				
Hazardous Waste Disposed				
Chemical waste (liquid) ^{26 27}	Tonne	0.8	0	0
Chemical waste disposed (solid)	Tonne	0.05	0.72	0.43 ²⁸
Total chemical waste disposed	Tonne	0.85	0.72	0.43
Non-Hazardous Waste Disposed				
General waste to landfills (exclude Hip Hing Group)	Tonne	1,083	1,492	2,985 ²⁹
C&D waste to landfills (only Hip Hing Group)	Tonne	41,208	38,607	43,806
C&D waste to sorting facility	Tonne	31,311	28,532	41,895 ³⁰
Total non-hazardous waste to landfills ³¹	Tonne	73,602	68,631	88,686
Total non-hazardous waste intensity	Tonne/HK\$ million	2.90	2.44	2.17
Total C&D waste generated ³²	Tonne	900,517	546,004	1,051,719
Materials Recycled				
Inert C&D materials (to public fill facility)	Tonne	827,998	478,865	966,018
Food waste	Tonne	25	31	88
Cooking oil ³³	Tonne	0.8	1.0	3.4
Paper	Tonne	81	113	147
Plastics bottles	Tonne	0.3	0.9	5.7
Aluminium cans	Tonne	0.1	0.2	0.3
Glass bottles	Tonne	0.9	1.7	6.9
Total materials recycled	Tonne	828,106	479,014	966,269 ³⁴

¹ Majority of figures are rounded to whole number unless otherwise presented with decimals as appropriate.

² The amount of revenue used to calculate intensities denotes only revenues of business units under the sustainability reporting scope. Revenue from Hip Hing Group was discounted using Architectural Services Department (ArchSD) Building Works Tender Price Index, Civil Engineering and Development Department (CEDD) Works Index and Labour Cost index from the Census and Statistics Department, HKSAR for buildings, infrastructure and civil projects, respectively.

³ Environmental performance data does not include Kai Tak Sports Park.

⁴ Road air emission factors are based on the Hong Kong Environmental Protection Department's (EPD) EMFAC-HK Vehicle Emission Calculation model and the United States Environmental Protection Agency's (USEPA's) Vehicle Emission Modeling Software — MOBILE6.1. PM emission refers to respirable suspended particles (PM10).

⁵ From vehicle emissions

⁶ Figure has been restated due to the alignment of calculation methodology.

⁷ Energy conversion factors of different fuel types are referenced from Greenhouse Gas Inventory Guidance: Direct Emissions from Stationary Combustion Sources, January 2016, published by USEPA. The following conversion factors are used to standardize the units to Gigajoules (GJ): biodiesel (0.036 GJ/L), diesel (0.039 GJ/L), unleaded petrol (0.035 GJ/L), liquefied petroleum gas (0.05 GJ/kg), electricity (0.0036 GJ/kWh), on-site generated renewable energy for feed-in tariff (0.0036 GJ/kWh) and Towngas (0.048 GJ/unit).

⁸ The increase in diesel usage was anticipated as more new projects was awarded to the construction business during FY2023, which imposed intensive use of energy at the initial construction stage comparing to last year.

⁹ The emission factor (EF) of biodiesel is updated according to the latest calculation in "Greenhouse gas reporting: conversion factors 2022" from the Department for Environment, Food & Rural Affairs (DEFRA) of UK.

10 The increase in biodiesel usage was anticipated as more new projects was awarded to the construction business during FY2023, which imposed intensive use of energy at the initial construction stage comparing to last year.

11 The increase in Towngas usage was anticipated to be due to the resumption of facility management business' catering and food and beverage services, which increased Towngas usage by such business activities comparing to last year.

12 The increase in total energy consumption was due to the as more new projects was awarded to the construction business during FY2023, which imposed intensive use of energy at the initial construction stage.

13 1 gigajoule (GJ) = 0.278 MWh

14 The increase in total energy consumption is due to the increased usage in diesel, biodiesel and Towngas.

15 PwC has only performed assurance over the numerator of intensity calculation, which is the total energy consumption, total Greenhouse Gas (GHG) emissions, and municipal water used. PwC has not provided assurance over the denominator, which is the revenue of NWS.

16 The scope covers the grid-connected solar panels installed in the rooftop of the HKCEC only. The installed renewables covered are for the fit-in-tariff scheme in Hong Kong, therefore the energy generated will not offset the overall Group's usage.

17 GHG emissions were calculated based on the Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong, 2010 Edition published by the Environmental Protection Department and the Electrical and Mechanical Services Department of HKSAR Government, which includes CO₂, methane (CH₄) and nitrous oxide (N₂O) of Scope 1 and 2 emissions.

18 For the Hong Kong operations, EF adopted for purchased electricity are 0.68 kg CO_{2e}/kWh and 0.39 kg CO_{2e}/kWh as provided by HK Electric Investments Sustainability Report 2022 and CLP Sustainability Report 2022, respectively, subjecting to the location of operation. The EF for Towngas is 0.0531 kg CO₂/MJ (for CO₂); 0.00000092916 kg/MJ (for CH₄); and 0.00000020625 kg/MJ (for N₂O) as provided by Hong Kong Environmental Protection Department GHG Guidelines. For the mainland operation, the EF adopted for purchased electricity is 0.581 kg CO₂/kWh, which is referenced from The Ministry of Ecology and Environment of the People's Republic of China.

19 GHG emissions figures in FY2022 were restated due to the alignment of calculation methodology in FY2023.

20 The increase in Scope 1 emissions was due to increase in total energy consumption.

21 Hip Hing Group has initiated a programme to offset carbon emission from fossil fuel consumption of its construction equipment since FY2021, the amount of carbon offset was procured to cover the fuel consumption throughout each financial year.

22 Figure excludes water consumption at Corporate Office of NWS Holdings as the floor-level submetering is not available at its office premises.

23 The increase in municipal water used was due to resumption of relevant business activities, meanwhile the Group put great efforts to upkeep water efficiency in business operations thus no fluctuation of water intensity in FY2023.

24 For Free Duty, FTLife Insurance, Hunan NWS Expressway, and Zhejiang NWS Expressway, it was assumed 100% municipal water usage was directly discharged as wastewater. For Hip Hing Group, 20% of water consumption is estimated to be recycled for on-site reuse; For HML, the wastewater discharge amount was the actual data recorded in the sewage discharge bills.

25 The increase in wastewater direct discharge is due to increase in municipal water used.

26 Chemical waste is properly stored at the premise of the business operations and handled by qualified third-party contractors for disposal as required by local regulations.

27 The weight of chemical waste (liquid) is converted by using the density figure 1.0 kg/litre from the Australian Hazardous Waste Data and Reporting Standard 2017 revision.

28 The decrease in chemical waste disposed (solid) was due to completion of refurbishment projects in our road operations.

29 The increase of "General waste to landfills" was mainly due to the increase of general waste resulted from increased number of events in our facility-management operations during FY2023.

30 The increase in C&D waste to sorting facility was due to more new projects was awarded to the construction business during FY2023, which imposed increased amount of C&D waste generated at the initial construction stage.

31 "Total non-hazardous waste to landfill" is the summation of "General waste to landfills (Exclude Hip Hing Group)", "C&D waste to landfills (Only Hip Hing Group)" and "C&D waste to sorting facility".

32 "Total C&D waste generated" is the summation of "C&D waste to landfills" (Only Hip Hing Group), "C&D waste to sorting facility" and "Inert C&D waste (to public fill facility)".

33 The weight of cooking oil is converted by using the density figure 918.31 kg/m³ from EPA Mandatory Reporting Rule Subpart-C.

34 The significant increase of "Total materials recycled" was due to the increase in "Inert C&D waste (to public fill facility)" from Hip Hing.

SOCIAL DATA SUMMARY³⁵

Parameter	Unit	FY2021	FY2022	FY2023	
Workforce					
Total number of employees ³⁶	No. of employees	4,938	4,862	4,797	
By Gender	Male	No. of employees	3,356	3,314	3,276
	Female	No. of employees	1,582	1,548	1,521
By Employment Type	Full-time employees	No. of employees	4,891	4,797	4,748
	Part-time employees	No. of employees	47	65	49
By Contract Type	Permanent employees	No. of employees	4,725	4,634	4,765
	Fixed-term/temporary employees	No. of employees	213	228	32
By Seniority	Operational Staff	No. of employees	3,524	3,419	3,468
	General Staff	No. of employees	634	605	449
	Assistant Manager	No. of employees	243	247	245
	Manager and Senior Manager	No. of employees	381	433	463
By Age Group	Assistant General Manager and above ³⁷	No. of employees	156	158	172
	Under 30 years old	No. of employees	951	949	846
	30–50 years old	No. of employees	2,639	2,538	2,562
	Over 50 years old	No. of employees	1,348	1,375	1,389
Total New Hires ³⁸	No. of employees	597	1,093	1,141	
New Hires Rate ³⁹	%	12	22	24	
Total Number of Leavers ⁴⁰	No. of employees	1,237	1,214	1,167	
Turnover Rate ⁴¹	%	25	25	24	
Health and Safety					
Total Hours Worked ⁴²	No. of hours	11,083,153	10,784,065	10,705,555	
Work-related Lost-time Injuries (Sick Leave > 0 day)	No. of case	20	27	33	
Work Day Lost due to Work-related Injuries ⁴³	No. of days	3,623	2,551	3,172	
Lost-day Rate ⁴⁴	per 100 employees	65.4	47.3	59.3	
Lost-time Injury Rate (LTIR) ⁴⁵	per 100 employees	0.4	0.5	0.6	
Work-related Fatalities	No. of cases	0.0	0.0	0.0	
Fatality Rate ⁴⁶	%	0	0	0	
Training					
Average Training Hours per Employee ⁴⁷	No. of hours	12.7	11.6	11.8	
Average Training Hours per Employee (by Gender) ⁴⁸	Male	No. of hours	10.7	11.2	12.0
	Female	No. of hours	17.0	12.3	11.4
By Type of Training	Anti-corruption	No. of hours	1,434	3,359	909
	Corporate culture	No. of hours	8,637	15,284	19,435
	Environmental protection	No. of hours	4,063	1,849	887
	Occupational health and safety	No. of hours	12,230	10,626	12,601
	Professional development	No. of hours	25,777	25,204	21,868
Average Training Hours Completed per Employees (by Seniority) ⁴⁹	Operational Staff	No. of hours	7.0	8.6	8.5
	General Staff	No. of hours	30.2	22.6	28.6
	Assistant Manager	No. of hours	26.9	15.5	20.8
	Manager	No. of hours	21.9	14.4	14.8
	Senior Manager	No. of hours	23.7	16.3	12.1
	Assistant General Manager and above	No. of hours	24.1	17.5	15.3

Detailed Breakdown in FY2023

Parameter		Unit	Male	Female
Workforce				
By Employment Type and Gender	Full-time	No. of employees	3,251	1,497
	Part-time	No. of employees	25	24
By Contract Type and Gender	Permanent Contract	No. of employees	3,261	1,504
	Fixed-term or Temporary Contract	No. of employees	15	17
By Seniority and Gender	Operational Staff	No. of employees	2,502	966
	General Staff	No. of employees	208	241
	Assistant Manager	No. of employees	154	91
	Manager and Senior Manager	No. of employees	314	149
	Assistant General Manager and above	No. of employees	98	74
New Hires				
By Gender		No. of employees	764	377
Rate by Gender ⁵⁰		%	15.9	7.9
New Hires Rate by Geographical Region ⁵¹	Hong Kong			22.9
	Mainland China			0.9
	Others			0
Turnover				
Leavers by Gender		No. of employees	778	389
Turnover Rate by Gender ⁵²		%	16.2	8.1
Turnover Rate by Geographical Region ⁵³	Hong Kong			22.6
	Mainland China			1.7
	Others			0
Turnover Rate by Age Group ⁵⁴	Under 30 years old			5.5
	30–50 years			11.8
	> 50 years old			7
Parental Leave				
Employees who took Parental Leave		No. of employees	54	36
Employees returned to work after Parental Leave ended		No. of employees	54	33
Return-to-work Rate by Gender ⁵⁵		%	100	92

³⁵ The social data from FY2021 to FY2023 excluded data from logistics operations.

³⁶ Total Number of Employees refers to the number of employees of the in-scope business units under the Sustainability Report as of 30th June of the respective year.

³⁷ Assistant General Manager and above includes remunerated directors from Board of Directors, CEO and COO.

³⁸ The definition of Total New Hires covers permanent employees only.

³⁹ New Hires Rate is calculated as the Number of New Hires divided by the Total Number of Employees.

⁴⁰ Total Number of Leavers includes both voluntary and involuntary leavers as of 30th June of the respective year.

⁴¹ Turnover Rate is calculated as the Total Number of Leavers divided by Total Number of Employees.

⁴² Total Hours Worked is calculated by multiplying the total number of employees by the number of paid working hours stipulated in their respective employment contracts.

⁴³ Number of Work Day Lost due to Work-related Injuries is aligned with the Labour Department's definition (i.e. excludes only statutory holidays).

⁴⁴ Lost-day Rate represents the Number of Work Day Lost due to Work-related Injuries per 100 employees per year. It is calculated as the Total Number of Work Day Lost due to Work-related Injuries divided by the Total Hours Worked and multiplied by 200,000. The factor 200,000 is the annual hours worked by 100 employees, based on 40 hours per week for 50 weeks a year.

⁴⁵ Lost-time Injury Rate (LTIR) represents the number of injuries per 100 employees per year. It is calculated as the Number of Work-related Lost-time Injuries divided by the Total Hours Worked and multiplied by 200,000. The factor 200,000 is the annual hours worked by 100 employees, based on 40 hours per week for 50 weeks a year.

⁴⁶ Fatality Rate is calculated as the number of Work-related Fatalities divided by the Total Number of Employees.

⁴⁷ Average Training Hours per Employee for the year is calculated as the total number of training hours divided by the total number of employees.

⁴⁸ Average Training Hours per Employee by Gender for the year is calculated as the total number of training hours divided by the total number of employees by respective gender.

⁴⁹ Average Training Hours Completed per Employee by Seniority for the year is calculated as the total number of training hours completed by respective seniority divided by the total number of employees by respective seniority.

⁵⁰ New Hires Rate by Gender for the respective year is calculated as the Number of New Hires by respective gender divided by the Total Number of Employees.

⁵¹ New Hires Rate by Geographical Region is calculated as the Number of New Hires in the corresponding region divided by Total Number of Employees.

⁵² Turnover Rate by Gender for the year is calculated as the Number of Leavers by respective gender divided by the Total Number of Employees.

⁵³ Turnover Rate by Geographical Region is calculated as the Number of Leavers in the corresponding region divided by the Total Number of Employees.

⁵⁴ Turnover Rate by Age Group is calculated as the Number of Leavers of respective age group divided by the Total Number of Employees.

⁵⁵ Return-to-work Rate by Gender is calculated as the Number of Employees Returned to work after Parental Leave ended divided by the Number of Employees who took Parental Leave by respective gender.

GRI STANDARDS AND HKEX CONTENT INDEX

The following table indicates the location of our direct response to GRI Standards disclosures included in this report.

Statement of Use NWS Holdings Limited has reported the information cited in this GRI content index for the period 1st July 2022 to 30th June 2023 with reference to the GRI Standards.

GRI 1 version GRI 1: Foundation 2021

GRI 2: General Disclosures 2021

GRI Standards	Description	HKEX ESG Guide		Report Section/Remarks
		Reference	Description	
Organisational Details and Reporting Practices				
2-1	Organisational details			About This Report
2-2	Entities included in the organisation's sustainability reporting			About This Report
2-3	Reporting period, frequency and contact point			About This Report
2-4	Restatements of information			Environmental Performance Data Summary; Social Data Summary
2-5	External assurance			Appendix
2-6	Activities, value chain and other business relationships			About This Report
Activities and workers				
2-7	Employees	KPI B1.1	Total workforce by gender, employment type, age group	Social Data Summary

GRI Standards	Description	HKEX ESG Guide		Report Section/Remarks
		Reference	Description	
Governance				
2-9	Governance structure and composition			Accounting For Effective Controls; Annual Report 2023
2-10	Nomination and selection of the highest governance body			Annual Report 2023
2-11	Chair of the highest governance body			Annual Report 2023
2-12	Role of the highest governance body in overseeing the management of impacts			Accounting For Effective Controls
2-13	Delegation of responsibility for managing impacts			Accounting For Effective Controls
2-14	Role of the highest governance body in sustainability reporting			About This Report
2-15	Conflicts of interest			Annual Report 2023
2-16	Communication of critical concerns			Turning Sustainability Risks Into Opportunities
2-17	Collective knowledge of the highest governance body			Turning Sustainability Risks Into Opportunities
2-18	Evaluation of the performance of the highest governance body			Accounting For Effective Controls
2-19	Remuneration Policy			Annual Report 2023
2-20	Process to determine remuneration			Annual Report 2023
2-21	Annual total compensation ratio			Annual Report 2023

GRI Standards	Description	HKEX ESG Guide		Report Section/Remarks
		Reference	Description	
Strategy, policies and practices				
2-22	Statement on sustainable development strategy			Message From The Chief Executive Officer And Chairman Of The Sustainability Committee
2-23	Policy commitments			Our Sustainability Approach; Turning Sustainability Risks Into Opportunities Enhancing; Employees' Rights And Well-Being
2-24	Embedding policy commitments			Ethical Business Approach
2-25	Processes to remediate negative impacts			Ethical Business Approach
2-26	Mechanisms for seeking advice and raising concerns			Ethical Business Approach
2-27	Compliance with laws and regulations			Ethical Business Approach
2-28	Membership associations			Collaborating with Partners Along Our Value Chain; Memberships and Affiliations
Stakeholder engagement				
2-29	Approach to stakeholder engagement			Stakeholder Engagement And Materiality Assessment
2-30	Collective bargaining agreements			Enhancing Employees' Right And Well-Being

GRI 3: Material Topics 2021

GRI Standards	Description	HKEX ESG Guide Reference	Description	Report Section/Remarks
3-1	Process to determine material topics			Stakeholder Engagement And Materiality Assessment
3-2	List of material topics			Stakeholder Engagement And Materiality Assessment

HKEX Mandatory Disclosure Requirements

	Governance Structure	A statement from the board containing the following elements: <ul style="list-style-type: none"> (i) a disclosure of the board's oversight of ESG issues; (ii) the board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and (iii) how the board reviews progress made against ESG related goals and targets with an explanation of how they relate to the issuer's businesses. 	Accounting For Effective Controls
	Reporting Principles	<ul style="list-style-type: none"> (i) Materiality (ii) Quantitative (iii) Consistency 	About This Report
	Reporting Boundary	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change	About This Report

GRI		HKEX		
Standards	Description	ESG Guide	Description	Report Section/Remarks
Reference				
Economic				
GRI 201: Economic Performance 2016				
3-3	Management of material topic	General Disclosure B7	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion	Ethical Business Approach
201-1	Direct economic value generated and distributed	KPI B8.2	Resources contributed (e.g. money or time) to the focus area	Annual Report 2023; Fostering An Inclusive Community
201-2	Financial implications and other risks and opportunities due to climate change	KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them	Accelerating To Net Zero
GRI 203: Indirect Economic Impacts 2016				
3-3	Management of material topic			Fostering An Inclusive Community
203-1	Infrastructure investments and services supported			Annual Report 2023; Fostering An Inclusive Community
GRI 204: Procurement Practices 2016				
3-3	Management of material topic			Collaborating With Partners Along Our Value Chain

GRI Standards		HKEX ESG Guide		Report Section/Remarks
Standards	Description	Reference	Description	
GRI 205: Anti-corruption 2016				
3-3	Management of material topic	General Disclosure B7	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering	Ethical Business Approach There were no reported cases of non-compliance that had a material impact on the Group in FY2023.
205-1	Operations assessed for risks related to corruption			Ethical Business Approach
205-2	Communication and training about anti-corruption policies and procedures	KPI B7.3	Description of anti-corruption training provided to directors and staff	Ethical Business Approach; Social Data Summary
205-3	Confirmed incidents of corruption and actions taken	KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases	Ethical Business Approach
		KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored	Ethical Business Approach
Environment				
GRI 301: Materials 2016				
3-3	Management of material topic	General Disclosure A2, A3	Policies on the efficient use of resources, including energy, water and other raw materials. Policies on minimising the issuer's significant impact on the environment and natural resources	Green Operation; Taking Action On Biodiversity
		KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced	We did not collect this data. The use of packaging material is not material to the Group.

GRI		HKEX		
Standards	Description	ESG Guide	Description	Report Section/Remarks
		Reference		
GRI 302: Energy 2016				
3-3	Management of material topic	General Disclosure A2, A3	Policies on the efficient use of resources, including energy, water and other raw materials. Policies on minimising the issuer's significant impact on the environment and natural resources	Green Operation; Taking Action On Biodiversity
302-1	Energy consumption within the organisation	KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility)	Environmental Data Summary
302-3	Energy intensity			Environmental Data Summary
302-4	Reduction of energy consumption	KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them	Charting Our Sustainability Progress; Green Operation; Environmental Data Summary
GRI 303: Water and Effluents 2018				
3-3	Management of material topic	General Disclosure A2, A3	Policies on the efficient use of resources, including energy, water and other raw materials Policies on minimising the issuer's significant impact on the environment and natural resources	Green Operation; Taking Action On Biodiversity
303-1	Interactions with water as a shared resource	KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them	Green Operation There were no problems encountered in sourcing water in our operations in FY2023. Fresh water used by the Group's operations is sourced locally from the respective municipalities that are considered adequate and fit for purpose and we strive to conserve water consumption.

GRI		HKEX		
Standards	Description	ESG Guide Reference	Description	Report Section/Remarks
		KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	Taking Action On Biodiversity
303-2	Management of water discharge related impacts			Taking Action On Biodiversity
303-5	Water consumption	KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility)	Environmental Data Summary
GRI 304: Biodiversity 2016				
3-3	Management of material topic	General Disclosure A2, A3	<p>Policies on the efficient use of resources, including energy, water and other raw materials</p> <p>Policies on minimising the issuer's significant impact on the environment and natural resources</p>	Green Operation; Taking Action On Biodiversity
304-2	Significant impacts of activities, products, and services on biodiversity	KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	Taking Action On Biodiversity

GRI		HKEX		
Standards	Description	ESG Guide	Description	Report Section/Remarks
		Reference		
GRI 305: Emissions 2016				
3-3	Management of material topic	General Disclosure A1, A3	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. Policies on minimising the issuer's significant impact on the environment and natural resources	Green Operation; Taking Action On Biodiversity There were no reported cases of non-compliance that had a significant impact on the Group in FY2023.
305-1	Direct (Scope 1) GHG emissions	KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	Environmental Data Summary
305-2	Energy Indirect (Scope 2) GHG emissions			
305-4	GHG emissions intensity			
305-5	Reduction of GHG emissions	KPI A1.5	Description of emissions target(s) set and steps taken to achieve them	Charting Our Sustainability Progress; Environmental Data Summary
305-7	Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions	KPI A1.1	The types of emissions and respective emissions data	Environmental Data Summary

GRI		HKEX		
Standards	Description	ESG Guide	Description	Report Section/Remarks
		Reference		
GRI 306: Waste 2020				
3-3	Management of material topic	General Disclosure A1, A3	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. Policies on minimising the issuer's significant impact on the environment and natural resources	Green Operation; Taking Action On Biodiversity There were no reported cases of non-compliance that had a significant impact on the Group in FY2023.
306-1	Waste generation and significant waste-related impacts			Environmental Data Summary
306-2	Management of significant waste-related impacts	KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them	Charting Our Sustainability Progress; Taking Action On Biodiversity; Environmental Data Summary
306-3	Waste generated	KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	Environmental Data Summary
		KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	Environmental Data Summary
306-4	Waste diverted from disposal			Environmental Data Summary
306-5	Waste directed to disposal			Environmental Data Summary

GRI		HKEX		
Standards	Description	ESG Guide	Description	Report Section/Remarks
		Reference		
Social				
GRI 401: Employment 2016				
3-3	Management of material topic	General Disclosure B1	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, antidiscrimination, and other benefits and welfare	Enhancing Employees' Rights And Well-Being There were no reported cases of non-compliance related to employment that had a material impact on the Group in FY2023.
401-1	New employee hires and employee turnover	KPI B1.2	Employee turnover rate by gender, age group and geographical region	Social Data Summary
401-3	Parental leave			Social Data Summary
GRI 403: Occupational Health and Safety 2018				
3-3	Management of material topic	General Disclosure B2	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Enhancing Employees' Rights And Well-Being There were no reported cases of non-compliance related to health and safety that had a material impact on the Group in FY2023.
403-1	Occupational health and safety management system			Enhancing Employees' Rights And Well-Being
403-2	Hazard identification, risk assessment, and incident investigation			Enhancing Employees' Rights And Well-Being
403-3	Occupational health services			Enhancing Employees' Rights And Well-Being
403-4	Worker participation, consultation, and communication on occupational health and safety			Enhancing Employees' Rights And Well-Being

GRI Standards	Description	HKEX ESG Guide		Report Section/Remarks
		Reference	Description	
403-5	Worker training on occupational health and safety	KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Social Data Summary
403-6	Promotion of worker health			Enhancing Employees' Rights And Well-Being
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships			Enhancing Employees' Rights And Well-Being
403-9	Work-related injuries	KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year	Social Data Summary
		KPI B2.2	Lost days due to work injury	Social Data Summary
403-10	Work-related ill health			Enhancing Employees' Rights And Well-Being; Social Data Summary
GRI 404: Training and Education 2016				
3-3	Management of material topic	General Disclosure B3	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities	Nurturing Our Talents For The Future
404-1	Average hours of training per year per employee	KPI B3.1	The percentage of employees trained by gender and employee category	Social Data Summary Relevant data including the average training hours completed per employee by gender and employee category, and total training hours by training topics completed is available under Thriving People.
		KPI B3.2	The average training hours completed per employee by gender and employee category	Social Data Summary
404-2	Programs for upgrading employee skills and transition assistance programs			Social Data Summary

GRI Standards		HKEX ESG Guide		Report Section/Remarks
Standards	Description	Reference	Description	
GRI 405: Diversity and Equal Opportunity 2016				
3-3	Management of material topic	General Disclosure B1	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare	Enhancing Employees' Rights And Well-Being There were no reported cases of non-compliance related to employment that had a significant impact on the Group in FY2023.
405-1	Diversity of governance bodies and employees	KPI B1.1	Total workforce by gender, employment type, age group and geographical region	Social Data Summary
GRI 406: Non-discrimination 2016				
3-3	Management of material topic	General Disclosure B1	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare	Enhancing Employees' Rights And Well-Being There were no reported cases of non-compliance related to employment that had a material impact on the Group in FY2023.
406-1	Incidents of discrimination and corrective actions taken			There were no reported cases of non-compliance related to discrimination that had a material impact on the Group in FY2023.
GRI 408: Child Labour 2016				
3-3	Management of material topic	General Disclosure B4	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour	Enhancing Employees' Rights And Well-Being
408-1	Operations and suppliers at significant risk for incidents of child labor			Enhancing Employees' Rights And Well-Being

GRI		HKEX ESG Guide		
Standards	Description	Reference	Description	Report Section/Remarks
		KPI B4.1	Description of measures to review employment practices to avoid child and forced labour	Enhancing Employees' Rights And Well-Being
		KPI B4.2	Description of steps taken to eliminate such practices when discovered	Enhancing Employees' Rights And Well-Being
GRI 409: Forced or Compulsory Labor 2016				
3-3	Management of material topic	General Disclosure B4	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour	Enhancing Employees' Rights And Well-Being
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor			Enhancing Employees' Rights And Well-Being
GRI 413: Local Communities 2016				
3-3	Management of material topic	General Disclosure B8	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Fostering An Inclusive Community
413-1	Operations with local community engagement, impact assessments, and development programs			Fostering An Inclusive Community
413-2	Operations with significant actual and potential negative impacts on local communities			Fostering An Inclusive Community
		KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Fostering An Inclusive Community
		KPI B8.2	Resources contributed (e.g. money or time) to the focus area	Fostering An Inclusive Community

GRI		HKEX ESG Guide		Report Section/Remarks
Standards	Description	Reference	Description	
GRI 416: Customer Health and Safety 2016				
3-3	Management of material topic			Striving For Continuous Improvement
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services			There were no concluded cases of regulatory non-compliance regarding Health and Safety that had a material impact on the Group in FY2023.
GRI 418: Customer Privacy 2016				
3-3	Management of material topic	KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored	Turning Sustainability Risks Into Opportunities
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data			There were no concluded cases of regulatory non-compliance regarding customer privacy that had a material impact on the Group in FY2023.
Supply Chain Management				
		General Disclosure B5	Policies on managing environmental and social risks of the supply chain	Collaborating With Partners Along Our Value Chain; Striving For Continuous Improvement
		KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored	Collaborating With Partners Along Our Value Chain; Striving For Continuous Improvement
		KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored	Collaborating With Partners Along Our Value Chain; Striving For Continuous Improvement
		KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored	Collaborating With Partners Along Our Value Chain; Striving For Continuous Improvement

GRI		HKEX		
Standards	Description	ESG Guide		
		Reference	Description	Report Section/Remarks
Product Responsibility				
		General Disclosure B6	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress	Collaborating With Partners Along Our Value Chain; Striving For Continuous Improvement There were no reported cases of non-compliance that had a significant impact on the Group in FY2023.
		KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	There were no recalls concerning the provision and use of products and services for safety and health reasons in the reporting year.
		KPI B6.2	Number of products and service related complaints received and how they are dealt with	The Group received a total of 573 complaints in relation to product and services during FY2023. Refer to “Embracing Innovation And Digitalisation” section for description of complaint handling mechanism.
		KPI B6.3	Description of practices relating to observing and protecting intellectual property rights	Turning Sustainability Risks Into Opportunities
		KPI B6.4	Description of quality assurance process and recall procedures	Recall is not material to the Group’s operations, yet recall procedures are in place for Free Duty to inform customers for refund when recall incidents are confirmed with manufacturers. Free Duty purchase products from “Authorized Distributors” only. To ensure the quality of products, the Best Before Date of Free Duty’s products are reviewed on monthly basis and the storage temperature is regularly checked internally.

IFRS S2 REFERENCE TABLE

We support the latest international reporting standard to provide consistent, timely and comparable information related to climate-related issues. Starting from this year, we began mapping our climate related disclosures to the latest recommendations of the International Sustainability Standards Board’s (ISSB) IFRS S2 Climate-related Disclosures published in June 2023.

Relevant information can be found in the specified section of the NWS Sustainability Report.

Governance

IFRS S2 Requirements	Description	Report Section/Remarks
IFRS S2 6 Disclosure of information about the governance body (the Board and its associated committee charged with governance of ESG issues) with oversight of climate-related risks and opportunities, and information about management’s role in those processes.		
IFRS S2 6-a	Identity of the governance body within the body responsible for oversight of climate-related risks and opportunities.	Accounting For Effective Controls
IFRS S2 6-b	How the governance body’s responsibilities for climate-related risks and opportunities are reflected in terms of reference, board mandates and other related policies.	Accounting For Effective Controls
IFRS S2 6-c	How the governance body ensures that the appropriate skills and competencies are available to oversee strategies designed to respond to climate-related risks and opportunities.	Accounting For Effective Controls
IFRS S2 6-d	How and how often which the governance body and the committees are informed about climate-related matters and the associated climate related risks and opportunities.	Accounting For Effective Controls
IFRS S2 6-e	How the governance body and the committees consider climate-related risks and opportunities when overseeing NWS’s strategy, decisions on major transactions, and risk management policies, including any assessment of trade-offs and analysis of sensitivity to uncertainty that may be required.	Turning Sustainability Risks Into Opportunities

Strategy

IFRS S2 Requirements	Description	Report Section/Remarks
IFRS S2 9 Disclosure of climate-related financial disclosures regarding NWS's strategy to understand its strategy for addressing significant climate-related risks and opportunities.		
IFRS S2 9-a	The significant climate-related risks and opportunities that NWS reasonably expects could affect our business model, strategy and cashflows, our access to finance and our cost of capital, over the short, medium or long term.	Accelerating To Net Zero
IFRS S2 9-b	The effect of significant climate-related risks and opportunities on NWS's business model and value chain.	Accelerating To Net Zero
IFRS S2 9-c	The effect of significant climate-related risks and opportunities on management's strategy and decision making including its transition plans.	Accelerating To Net Zero
IFRS S2 9-d	The effect of significant climate-related risks and opportunities on NWS's financial position, financial performance and cash flows at the reporting period, and the anticipated effects over the short, medium and long term-including how climate related risks and opportunities are included in its financial planning.	Accelerating To Net Zero
IFRS S2 9-e	The climate resilience of NWS's strategy to significant physical risks and significant transition risks.	Accelerating To Net Zero

IFRS S2 Requirements	Description	Report Section/Remarks
IFRS S2 10 Disclosure of information on significant climate-related risks and opportunities that could reasonably be expected to affect the entity's business model, strategy and cash flows, its access to finance and its cost of capital, over the short, medium or long term.		
IFRS S2 10-a	A description of significant climate-related risks and opportunities and the time horizon over which each could reasonably be expected to affect our business model, strategy, and cash flows, its access to finance and its cost of capital, over the short, medium or long term.	In progress for strategy enhancement
IFRS S2 10-b	How NWS defines short, medium and long term and how these definitions are linked to NWS's strategic planning horizons and capital allocation plans.	
IFRS S2 10-c	Whether the risks identified are physical risks or transition risks. For example, acute physical risks could include increased severity of extreme weather events such as cyclones and floods, and example of chronic physical risks could include rising sea levels or rising mean temperatures. Transition risks could include regulatory, technological, market, legal or reputational risks.	Accelerating To Net Zero
IFRS S2 13 Disclosure of information on NWS's assessment of the current and anticipated effects of significant climate-related risks and opportunities on its business model.		
IFRS S2 13-a	A description of the current and anticipated effects of significant climate-related risks and opportunities on NWS's value chain.	Accelerating To Net Zero
IFRS S2 13-b	A description of where in NWS's value chain significant climate-related risks or opportunities are concentrated, (for example, geographical areas, facilities or types of assets, inputs, outputs or distribution channels).	Accelerating To Net Zero

IFRS S2 Requirements	Description	Report Section/Remarks
IFRS S2 14 Disclosure of information on the effects of significant climate-related risks and opportunities on its strategy and decision-making, including its transition plans.		
IFRS S2 14-a	<p>How NWS has responded to, and plans to respond to, climate-related risks and opportunities in our strategy and decision-making, including how we plan to achieve any climate-related targets we have set and any targets required to meet by law or regulation. This shall include:</p> <ol style="list-style-type: none"> i. current and anticipated changes to NWS' business model, including our resource allocation, to address climate-related risks and opportunities; ii. current and anticipated direct mitigation and adaptation efforts; iii. current and anticipated indirect mitigation and adaptation efforts; iv. any climate-related transition plan NWS has, including information about key assumptions used in developing its transition plan, and dependencies on which our transition plan relies; and v. how we plan to achieve any climate-related targets, including any greenhouse gas emissions targets. 	<p>Accelerating To Net Zero; Collaborating With Partners Along Our Value Chain; Investing for the Future; Turning Sustainability Risks Into Opportunities</p>
IFRS S2 14-b	<p>Information about how NWS is resourcing, and plans to resource.</p>	<p>Charting Our Sustainability Progress; Our Sustainability Vision; Green Operation</p>
IFRS S2 14-c	<p>Quantitative and qualitative information about the progress of plans disclosed in the Reporting Period.</p>	<p>Our Sustainability Vision</p>

IFRS S2 Requirements	Description	Report Section/Remarks
IFRS S2 15 Disclosure of information on the effects of significant climate-related risks and opportunities on its financial position, financial performance and cash flows for the reporting period, and the anticipated effects over the short, medium and long term –including how climate-related risks and opportunities are included in our financial planning.		
IFRS S2 15-a	The effects of climate-related risks and opportunities on the our financial position, financial performance and cash flows for the reporting period (current financial effects).	In progress for enhancement
IFRS S2 15-b	The anticipated effects of climate-related risks and opportunities on our financial position, financial performance and cash flows over the short, medium and long term, taking into consideration how climate-related risks and opportunities are included in our financial planning (anticipated financial effects).	
IFRS S2 16 Disclosure of quantitative and qualitative information on how climate-related risks and opportunities affect our financial position, financial performance and cash flows for the Reporting Period, and the anticipated effects in the next Reporting Period.		
IFRS S2 16-a	How climate-related risks and opportunities have affected our financial position, financial performance and cash flows for the reporting period.	In progress of resourcing skills and capabilities to provide the information
IFRS S2 16-b	The climate-related risks and opportunities identified in paragraph 16(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.	

IFRS S2 Requirements	Description	Report Section/Remarks
IFRS S2 16-c	<p>How we expect our financial position to change over the short, medium and long term, given our strategy to manage climate-related risks and opportunities, taking into consideration:</p> <ul style="list-style-type: none"> i. our investment and disposal plans, including plans the entity is not contractually committed to; and ii. our planned sources of funding to implement its strategy. 	
IFRS S2 16-d	<p>How we expect our financial performance and cash flows to change over the short, medium and long term, given our strategy to manage climate-related risks and opportunities.</p>	
<p>IFRS S2 22 Disclosure of analysis on the resilience of NWS’s strategy and business model to climate-related changes, developments or uncertainties — taking into consideration our identified significant climate-related risks and opportunities and related uncertainties.</p>		
IFRS S2 22-a	<p>The results of the analysis of climate resilience, which shall enable users to understand:</p> <ul style="list-style-type: none"> i. the implications, if any, of NWS’s findings for our strategy, including how we would need to respond to the effects identified; ii. the significant areas of uncertainty considered in the analysis of climate resilience; iii. NWS’s capacity to adjust or adapt our strategy and business model over the short, medium and long term to climate developments in terms of: <ul style="list-style-type: none"> 1) the availability of, and flexibility in, existing financial resources, including capital, to address climate-related risks, and/or to be redirected to take advantage of climate-related opportunities; 2) the ability to redeploy, repurpose, upgrade or decommission existing assets; and 3) the effect of current or planned investments in climate-related mitigation, adaptation or opportunities for climate resilience. 	<p>Accelerating To Net Zero; Investing For The Future</p>

IFRS S2 Requirements	Description	Report Section/Remarks
IFRS S2 22-b	<p>How the analysis has been conducted, including:</p> <ul style="list-style-type: none"> i. Information about the inputs NWS used: <ul style="list-style-type: none"> 1) which scenarios were used for the assessment and the sources of the scenarios used; 2) whether the analysis has been conducted by comparing a diverse range of climate-related scenarios; 3) whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks; 4) whether the entity has used, among its scenarios, a scenario aligned with the latest international agreement on climate change; 5) an explanation of why NWS has decided that our chosen scenarios are relevant to assessing NWS’s resilience to climate-related risks and opportunities; 6) the time horizons used in the analysis; 7) the inputs used in the analysis, including but not limited to — the scope of risks, the scope of operations covered, details of the assumptions; and ii. the key assumptions NWS made in the analysis: <ul style="list-style-type: none"> 1) climate-related policies in the jurisdictions in which NWS operates; 2) macroeconomic trends; 3) national- or regional-level variables; 4) energy usage and mix; and 5) developments in technology; and iii. the reporting period in which the climate-related scenario analysis was carried out. 	Accelerating To Net Zero

Risk Management

IFRS S2 Requirements	Description	Report Section/Remarks
IFRS S2 25 Disclosure of information on the process, or processes, by which climate-related risks and opportunities are identified, assessed and managed.		
IFRS S2 25-a	<p>The processes and related policies NWS use to identify, assess, prioritize and monitor climate-related risks, including information about:</p> <ul style="list-style-type: none"> i. the inputs and parameters NWS use; ii. whether and how NWS uses climate-related scenario analysis to inform our identification of climate-related risks; iii. how NWS assesses the nature, likelihood and magnitude of the effects of those risks; iv. whether and how NWS prioritizes climate-related risks relative to other types of risk; v. how NWS monitors climate-related risks; and vi. whether and how NWS has changed the processes we use compared with the previous Reporting Period. 	Accelerating To Net Zero
IFRS S2 25-b	<p>The processes NWS uses to identify, assess, prioritize and monitor climate-related opportunities, including information about whether and how the NWS uses climate-related scenario analysis to inform the identification of climate-related opportunities.</p>	Accelerating To Net Zero
IFRS S2 25-c	<p>The extent to which, and how, the processes for identifying, assessing, prioritizing and monitoring climate-related risks and opportunities are integrated into and inform NWS overall risk management process.</p>	Accelerating To Net Zero

Metrics and targets

IFRS S2 Requirements	Description	Report Section/Remarks
IFRS S2 28 Disclosure of information on how NWS measures, monitors and manages its significant climate-related risks and opportunities.		
IFRS S2 28-a	Information relevant to the cross-industry metrics categories, which are relevant to entities regardless of industry and business model.	Charting Our Sustainability Progress; Our Sustainability Vision
IFRS S2 28-b	Industry-based metrics that are associated with particular business models, activities or other common features that characterize participation in the industry NWS operates.	
IFRS S2 28-c	Targets set by NWS , and any targets we are required to meet by law or regulation, to mitigate or adapt to climate-related risks or take advantage of climate-related opportunities, including metrics used by the governance body or management to measure progress towards these targets.	
IFRS S2 28-d	Targets set by the entity to mitigate or adapt to climate-related risks or maximize climate-related opportunities.	

IFRS S2 Requirements	Description	Report Section/Remarks
IFRS S2 29 Disclosure of cross-industry metric categories.		
IFRS S2 29-a	<p>Greenhouse gas emissions:</p> <ul style="list-style-type: none"> i. NWS's absolute gross greenhouse gas emissions generated during the reporting period, measured in accordance with the Greenhouse Gas Protocol Corporate Standard, expressed as metric tons of CO₂ equivalent, classified as: <ul style="list-style-type: none"> 1) Scope 1 emissions; 2) Scope 2 emissions; and 3) Scope 3 emissions; ii. measurement of greenhouse gas emissions in accordance with the requirements listed in the HKEX ESG Guide Appendix 2: Reporting Guidance on Environmental KPIs; iii. the approach we used to measure our greenhouse gas emissions including: <ul style="list-style-type: none"> 1) the measurement approach, inputs and assumptions NWS uses to measure its greenhouse gas emissions; 2) the reason why NWS has chosen the measurement approach, inputs and assumptions we use to measure our greenhouse gas emissions; and 3) any changes we made to the measurement approach, inputs and assumptions during the Reporting Period and the reasons for those changes; iv. for Scope 1 and Scope 2 greenhouse gas emissions disclosed disaggregate emissions between: <ul style="list-style-type: none"> 1) the consolidated accounting group; and 2) other investees excluded; and v. for Scope 2 greenhouse gas emissions disclosed, disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to inform users' understanding of the entity's Scope 2 greenhouse gas emissions. 	Environmental Data Summary

IFRS S2 Requirements	Description	Report Section/Remarks
IFRS S2 29-b	Climate-related transition risks — the amount and percentage of assets or business activities vulnerable to transition risks	In progress for enhancement
IFRS S2 29-c	Climate-related physical risks — the amount and percentage of assets or business activities vulnerable to physical risks	
IFRS S2 29-d	Climate-related opportunities — the proportion of revenue, assets or other business activities aligned with climate-related opportunities	
IFRS S2 29-e	Capital deployment — the amount of capital expenditure, financing or investment deployed toward climate-related risks and opportunities	
IFRS S2 29-f	<p>Internal carbon prices:</p> <ul style="list-style-type: none"> <li data-bbox="459 1032 1011 1133">i. the price for each metric tonne of greenhouse gas emissions that NWS uses to assess the costs of its emissions; <li data-bbox="459 1144 1011 1245">ii. an explanation of how NWS is applying the carbon price in decision-making (for example, investment decisions, transfer pricing and scenario analysis). 	
IFRS S2 29-g	<p>Remuneration:</p> <ul style="list-style-type: none"> <li data-bbox="459 1335 1011 1435">i. the percentage of executive management remuneration recognized in the current period that is linked to climate-related considerations; and <li data-bbox="459 1447 1011 1505">ii. a description of how climate-related considerations are factored into executive remuneration. 	

IFRS S2 Requirements	Description	Report Section/Remarks
IFRS S2 33 The quantitative and qualitative climate-related targets NWS has set to monitor progress towards achieving our strategic goals, and any targets we are required to meet by law or regulation, including any greenhouse gas emissions targets		
IFRS S2 33-a	Metrics used to assess progress towards reaching targets and achieving NWS's strategic goals.	Our Sustainability Vision
IFRS S2 33-b	The objective of the target.	Our Sustainability Vision
IFRS S2 33-c	The part and subsidiary of the NWS Group to which the target applies.	Our Sustainability Vision
IFRS S2 33-d	The period over which the target applies.	Our Sustainability Vision
IFRS S2 33-e	The base period from which progress is measured.	Our Sustainability Vision
IFRS S2 33-f	Any milestones or interim targets.	Our Sustainability Vision
IFRS S2 33-g	If the target is quantitative, whether it is an absolute target or an intensity target.	Our Sustainability Vision
IFRS S2 33-h	How the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.	Our Sustainability Vision
IFRS S2 34 The approach to setting and reviewing each target, and how NWS monitors progress against each target		
IFRS S2 34-a	Whether the target and the methodology for setting the target has been validated by a third party.	In progress for enhancement
IFRS S2 34-b	The entity's processes for reviewing the target.	
IFRS S2 34-c	The metrics used to monitor progress towards reaching the target.	
IFRS S2 34-d	Any revisions to the target and an explanation for those revisions.	

IFRS S2 Requirements	Description	Report Section/Remarks
IFRS S2 36 For each greenhouse gas emissions target disclosed, some additional detail shall be disclosed		
IFRS S2 36-a	Which greenhouse gases are covered by the target.	Accelerating To Net Zero; Environmental Data Summary
IFRS S2 36-b	Whether Scope 1, Scope 2, or Scope 3 greenhouse gas emissions are covered by the target.	Accelerating To Net Zero; Environmental Data Summary
IFRS S2 36-c	Whether the target is a gross greenhouse gas emissions target or net greenhouse gas emissions target.	Accelerating To Net Zero; Environmental Data Summary
IFRS S2 36-d	Whether the target was derived using a sectoral decarbonization approach.	Our Sustainability Vision; Accelerating To Net Zero
IFRS S2 36-e	<p>The planned use of carbon credits of NWS to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target:</p> <ol style="list-style-type: none"> i. the extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits; ii. which third-party scheme(s) will verify or certify the carbon credits; iii. the type of carbon credit, including whether the underlying offset will be nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or removal; and iv. any other factors necessary for users of general purpose financial reports to understand the credibility and integrity of the carbon credits the entity plans to use. 	In progress for enhancement

AWARDS AND RECOGNITIONS

Organizers	Awards and Recognitions	Companies
Agency for Volunteer Service	Hong Kong Long Service Award 2022	Hip Hing Group
Autodesk	Hong Kong BIM Awards	Hip Hing Group
BCI Asia Construction Information Ltd	BCI Asia Top 10 Contractor Awards 2023	Hip Hing Group
Bloomberg	Bloomberg Businessweek/Chinese Edition Financial Institution Awards 2023 <ul style="list-style-type: none"> Outstanding Product and Service — Saving Plan, Health & Protection, Digital Marketing Outstanding Company — Training Academy of the Year 	FTLife Insurance
buildingSMART International	The buildingSMART International Award	Hip Hing Group
Chartered Association of Building Engineers	Built Environment Awards 2022 <ul style="list-style-type: none"> Sustainability — Highly Commended 	Hip Hing Group
Chinese Finance Summit 2022	Employer of Choice Award 2023	NWS Corporate Office
Community Investment and Inclusion Fund	Social Capital Builder (SCB) Logo Awards 2022	NWS Corporate Office HML
Construction Industry Council	CIC Construction Innovation Award 2022	Hip Hing Group
	MiC Achievement Ceremony 2022 — Outstanding People	Hip Hing Group
	Hong Kong Construction Common Data Environment Award	Hip Hing Group
CTgoodjobs	Gold Award 2022, Best Family-friendly Employment Policy	NWS Corporate Office
	Grand Award 2022, Best Corporate Social Responsibility	NWS Corporate Office
	Grand Award 2022, Employer of the Year	FTLife Insurance
	Grand Award 2022, Best Innovative L&D Initiative	FTLife Insurance

Organizers	Awards and Recognitions	Companies
Department of Health	Mental Health Friendly Supreme Organisation	Hip Hing Group FTLife Insurance
Development Bureau and Construction Industry Council	Celebration of BIM Achievement 2022 <ul style="list-style-type: none"> BIM Projects 2022 BIM Organisations 2022 & Most Improved BIM Organisations 2022 	Hip Hing Group
Employees Retraining Board	ERB Manpower Developer Award Scheme	Hip Hing Group
Equal Opportunities Commission	Hong Kong Green Organisation Certification Scheme	NWS Corporate Office Hip Hing Group FTLife Insurance
	Equal Opportunity Employer for Gender Equality & Family Status Equality	HML
ET Net	FinTech Awards 2022 <ul style="list-style-type: none"> Appreciation Certificate on Environmental, Social, and Governance 	FTLife Insurance
Green Council	Hong Kong Green Awards 2022	Hip Hing Group
Happiness at Work Promotional Scheme	Happy Company 5 years+	NWS Corporate Office
HKIE, Building Services Division	Excellent Building Award 2023	Hip Hing Group
Home and Youth Affairs Bureau and the Agency for Volunteer Service	Outstanding Corporate & Non-commercial Organization	NWS Corporate Office
Home and Youth Affairs Bureau and Community Investment and Inclusion Fund	Outstanding Volunteer/Group	NWS Corporate Office
	Outstanding Collaboration Project	NWS Corporate Office
	Volunteer Hour Awards — Top Ten Highest Volunteer Hours	NWS Corporate Office
	Volunteer Hour Awards — Corporate & Non-Commercial Organization Award — Gold Award	NWS Corporate Office
	2022-24 Social Capital Builder Awards <ul style="list-style-type: none"> Social Capital Builder Logo Award 	HML

Organizers	Awards and Recognitions	Companies
Hong Kong Construction Association	HKCA Construction Safety Award	Hip Hing Group
Hong Kong Exhibition & Convention Industry Association	HKECIA Industry Awards of Excellence 2023 — Outstanding Award for Pandemic Response	HML
Hong Kong Institute of Construction Managers	Quality Building Award 2022	Hip Hing Group
Hong Kong Institute of Human Resource Management	Construction Management Awards 2022	Hip Hing Group
Hong Kong Internet Registration Corporation Limited	Web Accessibility Recognition Scheme — Triple Gold Award Triple Gold Award at the Web Accessibility Recognition Scheme 2022-2023 (Website Stream)	NWS Corporate Office
Water Supplies Department	Quality Water Supply Scheme for Buildings — Flushing Water — Blue	HML
Hong Kong Lo Pan Kwong Yuet Tong	Excellent Young Lo Pan Award 2022	Hip Hing Group
Hong Kong Professional Building Inspection Academy	Hong Kong Professional Building Inspectors Academy Awards 2022 <ul style="list-style-type: none"> Quality Building Setting Out Team of the Year Five Stars Residency 	Hip Hing Group
Hong Kong Quality Assurance Agency	Management Award for Business Resilience & Community Contribution — Leadership Award for Business Resilience & Community Contribution 2022	HML
HR Asia	HKQAA Recognition Awards for Organisations <ul style="list-style-type: none"> Frontline Award for Business Resilience & Community Contribution 2022 Management Award for Business Resilience & Community Contribution (Customer Partnership for Excellence) 2022 Gold Seal for Business Resilience & Community Contribution 2022 	HML
HR Asia	Best Companies to Work for In Asia 2023	FTLife Insurance

Organizers	Awards and Recognitions	Companies
Institute of Financial Planners of Hong Kong	IFPHK Financial Education & ESG Leadership Awards 2022	FTLife Insurance
JobMarket	Employer of Choice Award 2022 <ul style="list-style-type: none"> Corporate Social Responsibility (CSR) Award 2022 ESG HR Strategy Excellence 	NWS Corporate Office
Labour Department	Construction Industry Safety Award Scheme 2022/2023 <ul style="list-style-type: none"> Merit Award — Building Construction Sites (Public Contracts) Merit Award, Good Performance Certificate — Building Construction Sites (Private Contracts) Silver Award, Merit Award — Safety Team Outstanding Frontline Foremen 	Hip Hing Group
Lighthouse Club Hong Kong	Contractors Safety Award 2023 Champion <ul style="list-style-type: none"> Champion, Bronze Award — Site Safety Practitioner Award Silver Award, Bronze Award — Project Leader Award Runner Up — Safe Foreman Award Chairman's Award — Safe Project Team Award 	Hip Hing Group
Mandatory Provident Fund Schemes Authority	<ul style="list-style-type: none"> Good MPF Employer 5 years+ — NWS, Free Duty, HML MPF Support Award — HML 	Free Duty NWS Corporate Office HML
Occupational Safety & Health Council	Joyful@Healthy Workplace Best Practices Award (Enterprise/Organization) — Excellence Award	Hip Hing Group FTLife Insurance
Royal Institution of Chartered Surveyors	RICS Awards Hong Kong 2022 <ul style="list-style-type: none"> Construction Project Management Team of the Year — Highly Commended 	Hip Hing Group
The Hong Kong Council of Social Service	<ul style="list-style-type: none"> Age-Friendly Appreciation Scheme 2022 Employment Friendly Charter 	NWS Corporate Office
The Hong Kong General Chamber of Small and Medium Business Ltd	EMployment Friendly Charter	NWS Corporate Office
The Hong Kong General Chamber of Small and Medium Business Ltd	Partner Employer Award	Free Duty

Organizers	Awards and Recognitions	Companies
The Hong Kong Institute of Surveyors	HKIS QS Awards 2022	Hip Hing Group
The Institute of ESG & Benchmark	ESG Achievement Awards 2022/20223	FTLife Insurance
The Occupational Safety and Health Council	Hong Kong Outstanding OSH Employee Award <ul style="list-style-type: none"> • Organisation/Corporate Group — Foreman Award • Organisation/Corporate Group — Management Award 	Hip Hing Group
The Vocational Training Council	2022 Outstanding Apprentice Award Presentation Ceremony cum Earn and Learn Day	Hip Hing Group
WealthAsia	2022 Benchmark Wealth Management Awards <ul style="list-style-type: none"> • Insurance Company of the Year 2022 • Broker Support — Best-in-Class • Academy of the Year 2022 • Health Care Product — Best-in-Class • Social Media Engagement — Outstanding Achiever • ESG Integration — Merit 	FTLife Insurance
World Association of Cooks Societies	Hong Kong International Culinary Classic 2023	HML
World MICE Awards	3rd Annual World MICE Awards — Hong Kong's Best Convention Centre 2022	HML
WorldGBC	Asia Pacific Leadership in Green Building Awards 2022	Hip Hing Group

MEMBERSHIPS AND AFFILIATIONS

Organizer	Memberships and Affiliations	Companies
Agency for Volunteer Service	Recognition for supporting the association in building a caring and inclusive society	FTLife Insurance
British Standards Institution	ISO 20121 Event Sustainability Management Systems	HML
Environment and Ecology Bureau	Charter on External Lighting	HML FTLife Insurance
Environment Bureau & Electrical and Mechanical Services Department	Energy Saving Charter on “No ILB”	Free Duty NWS Corporate Office Hip Hing Group
Environmental Campaign Committee	EnergyWi\$e Certificate (Good Level) & WasteWi\$e Certificate (Excellent Level)	FTLife Insurance
	Hong Kong Green Organisation	FTLife Insurance
	EnergyWi\$e Certificate & WasteWi\$e Certificate (Excellent Level)	HML
	Hong Kong Green Organisation	HML
Environment and Ecology Bureau	EnergyWi\$e Certificate & WasteWi\$e Certificate (Good Level)	Free Duty
	IAQ Certificate 22-23 — Executive Office, Administration Office, HKTDC, HKTDC SME Centre (Good Class)	HML
Environment and Ecology Bureau	IAQwi\$e Certificate (Good Level)	HML
	Food Wise Charter Signatory	HML Free Duty
Food and Health Bureau & Department of Health & Hospital Authority	Organ Donation Promotion Charter	Free Duty

Organizer	Memberships and Affiliations	Companies
Hong Kong Exhibition & Convention Industry Association	Executive Committee Member	HML
	Sustainability Charter	HML
Hong Kong General Chamber of Commerce	Member of Hong Kong General Chamber of Commerce	HML
Hong Kong Quality Assurance Agency	“Anti-Epidemic Hygiene Measures Certification Scheme” Certified Organization — Hong Kong Convention and Exhibition Centre (Management) Limited	HML
Hong Kong Taxi Council	Appreciation Award for free coverage to designated taxi fleet who provided COVID patients with free transport services	FTLife Insurance
Hong Kong Tourism Board	Congress Plus — Quality Merchant for 20 consecutive years	HML
	The Atrium — Quality Merchant for 10 consecutive years	HML
International Association of Convention Centres	Member of International Association of Convention Centres	HML
Joint Meetings Industry Council	The Net Zero Carbon Events Pledge	HML
Labour Department	Signatory of Good Employer Charter 2020	Free Duty
	Signatory of Good Employer Charter 2020	HML
Meetings and Exhibitions Hong Kong	Member of Meetings & Exhibitions Hong Kong	HML
Occupational Safety & Health Council	Joyful@Healthy Workplace Charter	Free Duty
Promoting Happiness Index Foundation	Happiness at Work Promotional Scheme 2023	HML
SGS Hong Kong Limited	HACCP Certification based upon Codex Alimentarius General Principles of Food Hygiene CXC 1-1969 (2000)	HML
The Equal Opportunities Commission	The Racial Diversity & Inclusion Charter for Employers Signatory	Free Duty NWS Corporate Office HML

Organizer	Memberships and Affiliations	Companies
The Hong Kong Council of Social Service	20 Years Plus Caring Company Logo	FTLife Insurance
	20 Years Plus Caring Company Logo	HML
	20 Years Plus Caring Company Logo	NWS Corporate Office
	10 Years Plus Caring Company	Free Duty
	20 Years Plus Caring Company Logo	Hip Hing Group
The International Congress and Convention Association	ICCA Member	HML
U.S. Green Building Council	LEED Accreditation	HML
UFI The Global Association of the Exhibition Industry	UFI The Global Association of the Exhibition Industry — Board Member	HML
UNICEF Hong Kong	Breastfeeding Friendly Workplace	Free Duty
WWF	Earth Hour 2023	FTLife Insurance

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