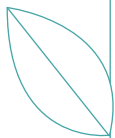


Shaping our Future through Collaboration and Innovation

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* Refer to Sustainability Report uploaded on NWS’s website for details.

Sustainability Report

ABOUT THIS REPORT

This 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 ending 30 June 2022 (“FY2022”). The report aligns 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”), references the Global Reporting Initiative (“GRI”) Standards 2021 and focuses on sustainability issues that have been identified as material to NWS’s business and its stakeholders. This report has been reviewed and approved by our Board of Directors (the “Board”).

Reporting Boundaries and Scope

This report discloses details on the sustainability governance and performance of NWS Holding’s corporate office and principal subsidiaries¹ and data from business segments including Roads, Insurance, Construction 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 Mainland China.
- Hunan NWS Expressway Management Co., Ltd. (“Hunan NWS Expressway”) is responsible for the management of Changliu Expressway, a 65 km dual expressway connecting Changsha and Liuyang in Hunan Province of Mainland China.

Insurance

FTLife Insurance offers a comprehensive range of life insurance products, accidents and health products to serve the diverse needs of its customers.

Construction

- Hip Hing Group provides professional design, procurement, engineering and construction services to a wide range of public, commercial and private projects.
- Vibro (H.K.) Limited (“Vibro”), a member of Hip Hing Group, is principally engaged in the design and construction of foundations and civil engineering works, and site investigation in the public and private sectors.

Facilities Management

- HML manages HKCEC, an award-winning venue for international exhibitions and conventions.
- Free Duty offers retail of a wide range of duty free merchandise at Hong Kong’s cross-border railway terminal and the Hong Kong-Zhuhai-Macao Bridge.

We aspire to be in leading market positions across the different industries we serve. For our non-controlled affiliates and associated companies, we endeavour to leverage our influence as Board and investors to actively engage them in sharing our core value and vision for sustainability stewardship.

In FY2022, there were no major changes to the scope of ESG metrics covered in the report compared with last year. After reviewing the ESG performance, the trends presented can be used for stakeholders’ reference and comparison. For detailed ESG performance, please refer to the Appendix for further explanations on significant changes in the performance data.

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 most material ESG impact to the Group and its stakeholders.

Sustainability Report

Reporting Standards and Principles

This report is prepared in accordance with the ESG Guide and with reference to the GRI Standards 2021. In stepping up our climate-related disclosures and addressing the expectations from our stakeholders, we also make reference to the framework recommended by the Task Force on Climate-related Financial Disclosures (“TCFD”).

The sustainability report was prepared based on reporting principles of materiality, quantitative, consistency and balance as set out in the ESG Guide.

Sustainability Reporting Assurance

This Report is externally assured to validate the accuracy and reliability of its content. Hong Kong Quality Assurance Agency (“HKQAA”) was commissioned to conduct independent reasonable assurance of the Sustainability Report in accordance with the International Standard on Assurance Engagement (“ISAE”) 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information and the ISAE 3410, Assurance Engagements on Greenhouse Gas (GHG) 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.

Share Your Thoughts

Thank you for reading NWS’s Sustainability Report 2022. Your feedback is critical for us to continuously improve our reporting and sustainability practices. Please share your suggestions and comments with us at sustainability@nws.com.hk.



Sustainability Report

OUR SUSTAINABILITY APPROACH

NWS is committed to delivering operational excellence in a sustainable manner. Our top management updated the vision, mission, and core values in FY2022 to keep pace with the developments of the industry, market trends and clients' expectations. Sustainability has been integrated into our new corporate vision "Fostering connectivity that enables our communities to thrive", and the new mission and values support our long-term growth to evolve our business in a more sustainable manner.

As a social responsible company, we are also in full support of our parent company, New World Development Company Limited ("NWD"), in striving towards the New World Sustainability Vision 2030 ("SV2030"), which references the United Nations Sustainable Development Goals ("SDGs") and establishes four priority pillars. Among the 17 SDGs, we have identified the four goals that are most relevant to our vision and business. The four pillars of SV2030 are intricately linked with the four SDGs. Under each of the four priority pillars, **NWS Sustainability Targets 2030** have been set and are overseen by incorporating into our corporate governance.



Connecting lives and building a sustainable and inclusive future

SDG 3 Good Health and Well Being

- Provide access to safe, effective and high-quality care and medical treatment
- Reduce environmental impacts through proper handling of emissions including greenhouse gas, air and water, etc.
- Enhance customer experiences by improving quality and wellness of our services

SDG 8 Decent Work and Economic Growth

- Contribute to economic growth
- Enhance economic productivity through business diversification, technological upgrades and innovation
- Provide employment and decent working opportunities for women and men, including young people and those with disabilities, and provide equal opportunity and pay for work of equal value
- Protect labour rights and provide safe and secure working environments for all employees

SDG 11 Sustainable Cities and Communities

- Provide safe road, sustainable and quality transport networks for the wider community and improve road safety
- Enhance inclusive and sustainable urbanization, enabling people to feel a sense of community
- Support positive economic, social and environmental links between urban and rural areas by strengthening local and regional development planning
- Environmental conservation

SDG 17 Partnerships for the Goals

- Promote the development, transfer, and dissemination of environmentally sound technologies to the wider communities in need
- Support effective and targeted capacity-building in communities for the implementation of SDGs
- Encourage and promote effective public, public-private and civil society partnerships



Sustainability Report

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

“

At NWS, sustainability is at the heart of our business, we are devoted to fostering connectivity that enables our business and communities to thrive.

”



Our unwavering commitment to the sustainable long term growth as a business is to create shared value for our employees, customers, business partners, the environment, and society. As the world continues to evolve and whilst continually overshadowed by various uncertainties, we must remain adamant on our commitments towards a sustainable future. As our business continue to evolve, we took an important step in 2022 to update our corporate vision, mission and core values to fortify our pledge to our stakeholders. NWS will continue to work diligently to transform them into action for our next generation.

Caring for our People and our Society

Through the year of 2022 the pandemic continues to have significant impact not only on our business, but also on the people across various social spectrum and the community. We take responsibility at heart to help the needy in our communities to overcome difficult times and recover from the challenges the pandemic has brought upon us. We leveraged our resources, network from the Group and business units to provide holistic support to the community, from donating anti-pandemic supplies via NWS Holdings Charities Foundation to people in need to launching specialized caring initiatives and offerings across our business units, including complimentary insurance coverage for 800 designated drivers by FTLife Insurance, providing storage area for anti-pandemic items at HKCEC, as well as the remarkable construction of over 850 quarantine units at Penny's Bay in under 90 days to support the Hong Kong Government's anti-pandemic measures by Hip Hing Group. As a testament of our commitment to the community, we celebrated the 20th anniversary of the NWS Volunteer Alliance and continue to expand our flagship NWS "EXP" Journey ("EXP Journey") programme to fully realize the potential of the youth, the pillars of the future generation.

Cultivating an agile work culture and fostering a sense of belonging to our colleagues is critical to the Group's success, we are conscious about the wellbeing of our employees and together with NWD and its subsidiaries (the "New World Group"), to launch a flexible work arrangement programme in FY2023, catering to the needs of our colleagues.

Sustainability Report

Prioritising Climate Resilience

Our commitment to environmental sustainability is demonstrated through NWS's Sustainability Targets 2030 as well as being in full support of the Hong Kong and Mainland China Governments' carbon neutrality plan by 2050 and 2060 respectively. We remain steadfast towards our effort on climate related actions and share the same vision and commitment as NWD advancing towards net zero. This year we have begun conducting physical risk assessments for two toll roads in Mainland China. Going forward, we will continue to further expand our ESG considerations in our investment decisions and supply chain management to create long-term value for our stakeholders.

We care and recognize all efforts made by stakeholders and would like to express heartfelt thanks especially to our employees, investors and business partners who have been part of our sustainability journey. We look forward to sharing our latest sustainability journey with you in this report.



Mr Ma Siu Cheung

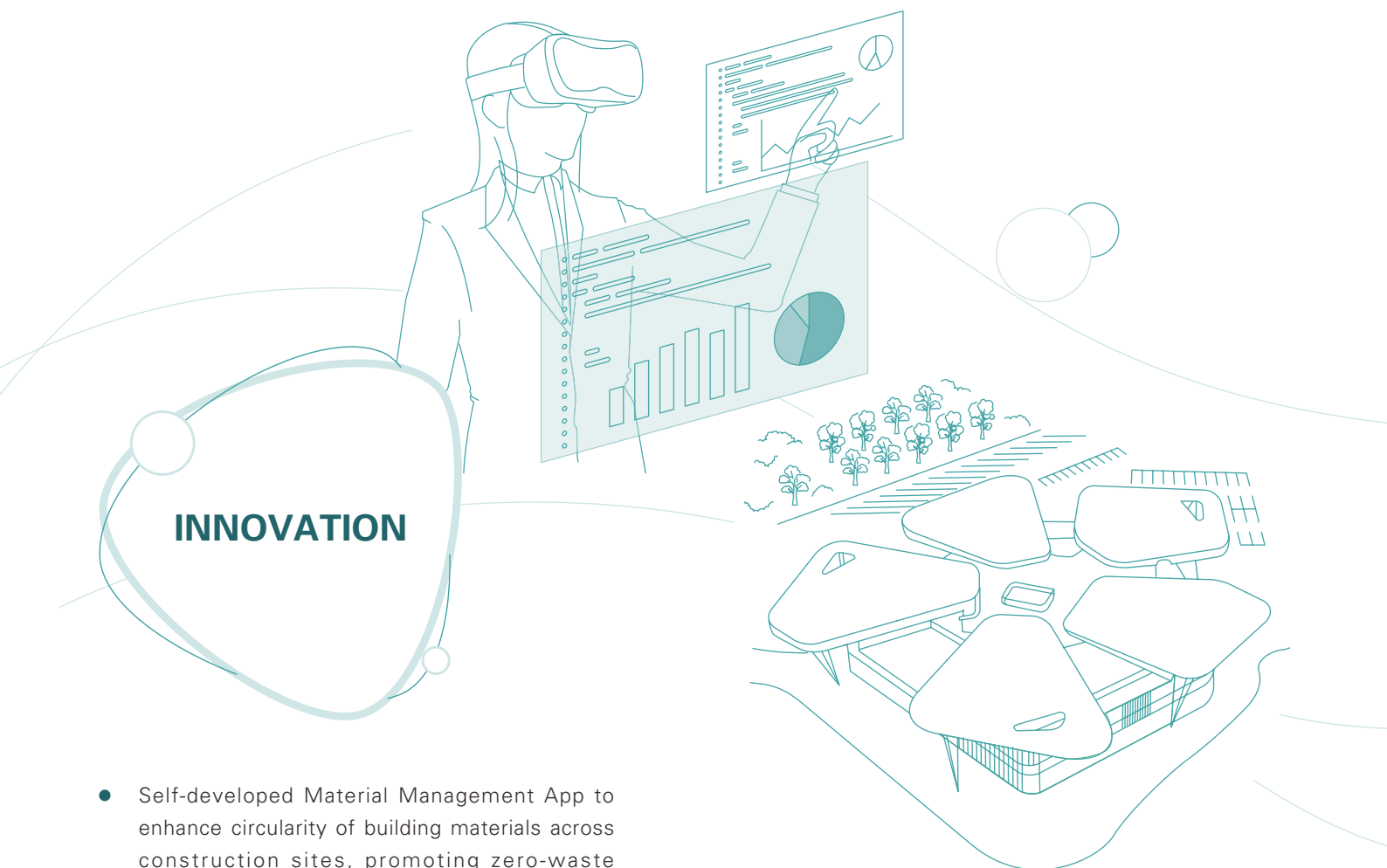
Chief Executive Officer and Chairman of the Sustainability Committee
NWS Holdings Limited



Sustainability Report

SUSTAINABILITY AT A GLANCE

Technology and innovation are fundamental in driving sustainability. Through engaging with stakeholders, we identified innovation as one of our top issues to empowering our operations to become greener and more efficient. With aspirations to position our businesses as the pioneers in driving sustainability in the respective industries, we have been striving for excellence. To this end, we have made it our priority to turn commitments into action. In particular, we continue to bring innovations to our daily operations and collaborate with our stakeholders to institutionalize sustainability within our corporate culture. We will carry on exploring investment opportunities to further optimize our processes and improve operational efficiencies across our diversified business portfolio.



- Self-developed Material Management App to enhance circularity of building materials across construction sites, promoting zero-waste generation.
- Established industry's first artificial intelligence ("AI") driven training to cultivate the force of next generation for the insurance industry.
- The Zhiyi West Lake Service Area under HZRR aspires to be the 1st service centre to be LEED² Platinum certified in Mainland China.
- Adopted the use of Demand Control Ventilation ("DCV") at the HKCEC's kitchen ventilation to enhance energy efficiency.

² Leadership in Energy and Environmental Design

Sustainability Report

- Leveraged the network and resource of the NWS ecosystem to donate over 10,000 anti-pandemic items through “SHARE FOR GOOD³”.
- Partnered with the start-up supplier to refine applications of BESS⁴ in our construction sites.
- Roads operations signed a memorandum of understanding (“MOU”) with Guangdong Guodian Longyuan Wind Power Generation and China Power Construction Group Urban Planning and Design Institute to enhance strategic partnership on renewable energy adoption.
- Enhanced learning experience of EXP Journey to include innovative technologies and habitat conservation topics.
- Collaborated with Equal Opportunities Commission to provide Diversity and Inclusion training and activities to strengthen employee awareness on ethnic minority and women empowerment.
- HML pledges “Net Zero Carbon Events”, calling on event industry to support sustainable development in union.

COLLABORATION



INSTITUTIONALIZATION



- Incorporated climate-related transition risks into ERM for regular review and assessment.
- Pioneered climate-related physical risks assessments for 2 toll roads in Mainland China as per IPCC’s⁵ latest predictions.
- Adopted a clean energy development strategy to achieve carbon neutrality ambition on domestic toll road operations.
- Accumulated HK\$4.49 billion sustainable financing to support business’ low carbon transformation.
- Adopted green building standards in nearly 100% of new building construction projects.

³ SHARE FOR GOOD – Hong Kong’s first large-scale crowd-donation platform created by NWD

⁴ Battery Energy Storage System

⁵ Intergovernmental Panel on Climate Change

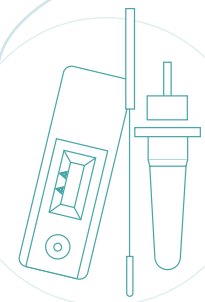
Sustainability Report

STANDING WITH THE COMMUNITY DURING COVID-19



The fifth wave of COVID-19 in early 2022 devastated Hong Kong, causing severe impact on society. Different community groups were faced with huge pressure from, amongst others, social-distancing measures and difficult purchase of essential supplies and surging cases created enormous pressure on local healthcare systems. Building upon its business diverse expertise, NWS leveraged its network to support members of the community, such as provision of supplies, voluntary services and financial support to frontline workers and elderly people.

Provision of Supplies and Financial Support



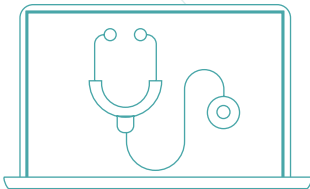
- Donation of 20,000 sets of rapid antigen test ("RAT") kits and 10,000 medical-grade oximeters to the underprivileged.
- Donation of a total of HK\$2.6 million to Hong Kong Coalition and Institute of Social Service Development in a series of anti-pandemic campaigns.
- 400 volunteer participations with over 2,700 service hours from March to April for the Hong Kong Community Anti-Coronavirus Link hotline centre.
- FTLife Insurance raised a total of more than HK\$350,000 of cash and in-kind donations internally, all of which were donated to beneficiary organizations as donations and used for purchase of materials.

Sustainability Report

- Hip Hing Group:
 - Joined forces with CIC⁶ to build 4 integrated container offices for care and attention homes of Pok Oi Hospital as temporary stays for caretakers and for storage of anti-pandemic items.
 - Constructed nearly 120 fully serviced quarantine units at Penny's Bay in fewer than 63 days by using BIM⁷ and MIC⁸.



Leveraging Advantage of Business Ecosystem



- FTLife Insurance offered free COVID-19 related insurance to 800 designated taxi and bus fleet drivers and supported around 100 drivers who were contracted with COVID-19 with a total amount exceeding HK\$500,000.
- Gleneagles Hospital Hong Kong provided free video medical consultations, RAT Kits and 3 days of medicines for 1,250 patients with COVID-19.



- HML set up a storage and logistics centre for anti-pandemic-related supplies and increased efficiency of their delivery to support the government in combating the pandemic.

⁶ Construction Industry Council
⁷ Building Information Modelling
⁸ Modular Integrated Construction

Sustainability Report

SUSTAINABILITY GOVERNANCE

We believe that good corporate governance can bring long term benefits to our diversified business. Therefore, the Board and senior executives of NWS are responsible for our sustainability strategy and progress with full accountability. The Sustainability Committee (“Committee”) facilitates the oversight and management of all matters relating to sustainability. NWS’s sustainability goes beyond compliance and we strive to become a pioneer in the industries we serve. As we continue to develop and evolve our sustainability governance structure, we conduct regular internal reviews and external consultation to ensure our business units are effectively implementing initiatives and continually improving to create long-term shared values for our stakeholders.

Reporting directly to the Board, the abovementioned Committee comprises at least one executive director and one non-executive director appointed by the Board. The Committee is currently chaired by our Chief Executive Officer (“CEO”), Mr Ma Siu Cheung, and includes three executive directors, two non-executive directors, and two independent non-executive directors. The Committee is mandated by the Board in accordance with its *terms of reference* to review and evaluate the adequacy and effectiveness of the Group’s sustainability framework, from managing material ESG issues to monitoring the progress of our 2030 Sustainability Targets.

The Committee is supported by four task forces and sub-committees. Among which is the Environmental Management Committee (“EMC”), chaired by our Chief Operating Officer with member representatives of different business units across our operations. The EMC regularly reviews the effectiveness of implementation of the sustainability approach and the ESG performance at the business units’ level.



NWS Sustainability Governance

Sustainability Report

Policy and Guidelines

Sustainability-related policies and guidelines enable us to standardize and regulate our actions. Regular review and update of policies and guidelines are conducted to fully demonstrate our corporate governance and align with the expectations of stakeholders, the industry and the market. Regular training is provided to our staff to deepen their understanding in ensuring the policies are well understood and implemented properly. In FY2022, seven out of our eleven sustainability related policies were updated and respective trainings were provided.

Sustainability Related Policies

Environmental	Social		Governance
 <p>Sustainability Policy*</p>	 <p>Human Rights Policy*</p>	 <p>Health and Safety Policy*</p>	 <p>Anti-Fraud and Counter-Corruption Policy*</p>
 <p>Climate Change Policy*</p>	 <p>Supply Chain Management Guide*</p>	 <p>Sustainable Procurement Guide</p>	 <p>Whistleblowing Policy*</p>
 <p>Green Office Guide</p>	 <p>Sustainable Procurement Guide</p>	 <p>Supplier Code of Conduct</p>	

* Note: policies are updated during FY2022.

Risk Management

The identification, assessment and management of ESG risks, such as risks relating to sustainability, quality, and health and safety, are well incorporated into our ERM process. Various risks are attributed to designated personnel who are required to implement risk treatment plans for mitigation. In FY2022, the Group engaged an external consultant to support climate-related physical risk assessment for two of our toll roads in Mainland China (please refer to the chapter on *Greener Future* for further details). Through the ERM framework, the Group has also reviewed and evaluated the latest implications of climate-related transition risks as incorporated in our ERM since FY2021.

One of the Group's major risks identified for FY2022 is cyber security risk of which immediate actions were followed through. Further details can be referred to the section on *Data Protection and Customer Privacy*. The Group's effort in managing other ESG risks, such as talent attraction and retention risk, are described in respective sections of this sustainability report. For further details of our risk management processes, please refer to the Risk Management Report of the annual report.

Sustainability Report

Ethics and Anti-corruption

We conduct business in a highly professional and ethical manner while expecting the same is practiced along our supply chain. Our policies and guidelines clearly set out our expectations, going above and beyond the requirements of applicable laws and regulations to prevent money laundering, bribery, fraud and corruption. We have updated our "Anti-Fraud and Counter-Corruption Policy" this year. Full compliance to our "Anti-Fraud and Counter-Corruption Policy" is expected by all directors, senior management and employees of the Group as well as our business partners, associated companies and joint ventures.

Whistleblowing Policy

In response to the latest *Corporate Governance Code* announced by the Hong Kong Stock Exchange at the end of 2021, our "Whistleblowing Policy" was updated in due course to enhance transparency on our grievance mechanism. Each business unit may maintain its own whistleblowing procedures in accordance with industry practice. Apart from these, we encourage employees and third parties to report all suspected cases of misconduct. Confidentiality of whistle-blowers is absolutely protected and standardized procedures to conduct detailed and fair investigations are to follow. All cases are reported to the Audit Committee and the Executive Committee, while the Chairman of the Audit Committee will review the cases and the appropriateness of the actions taken. For further updates as related to the latest *Corporate Governance Code*, please refer to the Corporate Governance Report of the annual report for details.

Capability Building

To enhance the understanding of our "Whistleblowing Policy" and "Anti-fraud and Counter-Corruption Policy", employees are required to complete an e-learning course. Furthermore, an ERM induction E-learning course was launched to enhance business risk awareness and to emphasize the importance of early risk flagging and whistleblowing. We regularly invite external experts and practitioners to conduct training and share good practices as well as market trends for our employees. Please refer to the section *Nurturing Talents* for details of training hours on anti-corruption. Key training conducted by external parties are highlighted below:

Training	Content
Governance related webinars (by external legal firms)	"Director's Duties" and the "New Corporate Governance Code" to Directors and targeted employees.
Overview of notifiable and connected transactions (by external legal firms)	Notifiable and connected transactions and the relevant Listing Rules requirements with examples and case studies on the recent Hong Kong Stock Exchange enforcement actions.
Professional property management with integrity for general and managerial staff (by ICAC)	Understand the Prevention of Bribery Ordinance and proper ways to handle conflicts of interest and ethical dilemmas in property and facility management.
Ethical business practices (by ICAC)	Understand the Prevention of Bribery Ordinance and proper ways to handle conflicts of interest and ethical dilemmas in the workplace.









Intellectual Property Rights

Intellectual property ("IP") rights are an important element of NWS's business operations and constitute a valuable company asset. We have comprehensive measures in place to safeguard our IP which include our "IT Policy and Procedures" to prevent infringements on these rights. All IP rights are registered through formal channels and if any infringement is observed, legal advice will be sought and appropriate actions will be taken promptly.

Sustainability Report

PROGRESS TOWARDS OUR 2030 TARGETS

At NWS, we have set Group-wide environmental and social targets for FY2030 around the four pillars of Green, Wellness, Caring and Smart. This year, we remain on track to achieving our Sustainability Targets 2030. We focused on operating more efficiently across our business through embedding smart elements into our operations. The following table provides an overview of our Sustainability Targets 2030 and progress towards them.

SV2030 Pillars	FY2022 Progress		Relevant SDGs
 <p>Green</p> <p>Moving toward a greener future</p>	(Baseline: FY2013)		
	<p>↓52% Energy Intensity (Target: ↓ 50%) On track</p>	<p>↓60% Carbon Intensity (Target: ↓ 50%) On track</p>	
	<p>↓31% Water Intensity (Target: ↓ 30%) On track</p>	<p>>90% Reuse of construction and demolition materials (Target: >90%) Target Met</p>	
 <p>Wellness</p> <p>Promoting health in body and mind</p>	(Since FY2015)		
	<p>0.5 LTIR Maintain Lost-Time Injury Rate ("LTIR") below 3.0 per 100 employees Target Met</p>	<p>2.39 million Improve the well-being of >4 million beneficiaries On Track</p>	
 <p>Caring</p> <p>Nurturing our communities and culture</p>	(Since FY2015)		
	<p>Reached 10.9 million Enhance the quality of life of >17 million beneficiaries On Track</p>	<p>Accumulated 118,800 hours Accumulate 175,000 hours of voluntary service to the community On Track</p>	
 <p>Smart</p> <p>Using innovation to unlock potential</p>	<ul style="list-style-type: none"> AI training tool as pioneered by FTLife Insurance to transform the traditional learning approach and cultivate more professionals for the insurance industry. MMA is developed by Hip Hing Group to facilitate the exchange of surplus Construction and Demolition ("C&D") materials across its construction sites and promote circularity. Kitchen DCV system is installed at the HKCEC for continuous environmental improvement. The Zhiyi West Lake Service Area under HZRR aspires to be the 1st service centre to achieve LEED Platinum Certification in Mainland China. 		

The metrics for FY2022 suggest significant progress towards our Sustainability Targets 2030. However, the impact of the pandemic has continued to affect our business activities and correspondingly, reduction in energy and water consumption intensities. We are thus taking a forward-looking perspective in monitoring the target performances as we anticipate further business rebound from the pandemic.

Sustainability Report

STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT

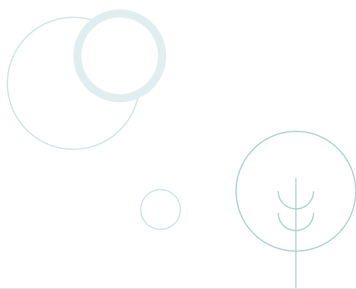
Stakeholder Engagement

Understanding the expectations and needs of our stakeholders has been fundamental to the success of NWS. Stakeholder engagement is a continuous journey where we connect regularly with our key stakeholders to better understand potential internal and external impacts towards our business. Please refer to our *website* for more details about the key stakeholder groups and the respective communication channels.

We carry out stakeholder engagement exercises regularly with an aim to identify the latest expectations from both our internal and external stakeholders. While the following materiality matrix was developed from a materiality assessment conducted in FY2021, we have reviewed these topics for their relevance to NWS based on several key criteria including the review of variance in our business portfolio, research on industry peers, analysis of megatrends and engagement of stakeholders.

In FY2022, 10 deep dive interviews and focus group discussions were employed to review the materiality matrix developed in FY2021, with a total of 30 key internal and external stakeholders. This year, as part of the stakeholder engagement process, directors and members of the Committee were invited to attend deep-dive interviews to provide their insights on sustainability issues that are important to NWS. Findings from the stakeholder engagement were communicated back to NWS senior management.

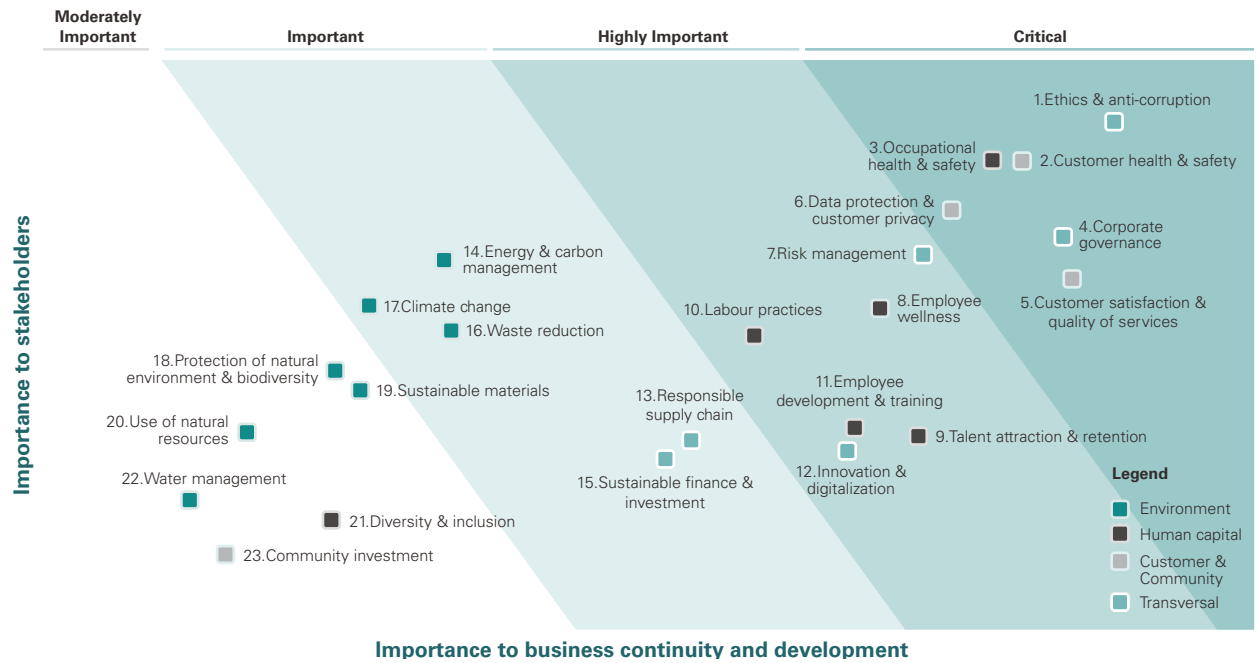
Based on the results of the review, the 23 material topics identified in the materiality assessment in FY2021 remain relevant and important to NWS this financial year.



Sustainability Report

Material Issues and Their Impact Boundaries

Materiality Matrix 2022



Material Issues for Prioritization and Their Impact Boundaries

Material Topics (1 being the most important)		How We Address Them (corresponding sections in this chapter)	Impact Boundary	
			Internal	External
Environment	16 Waste reduction	Greener Future	✓	✓
	14 Energy and carbon management		✓	✓
	17 Climate change		✓	✓
	19 Sustainable materials		✓	✓
	18 Protection of natural environment and biodiversity		✓	✓
	20 Use of natural resources		✓	✓
	22 Water management		✓	✓
Human Capital	3 Occupational health and safety	Thriving People	✓	✓
	9 Talent attraction and retention		✓	
	8 Employee wellness		✓	
	11 Employee development and training		✓	
	10 Labour practices		✓	✓
	21 Diversity and inclusion		✓	✓
Customer & Community	5 Customer satisfaction and quality of services	Optimizing Value Chain		✓
	2 Customer health and safety		✓	✓
	6 Data protection and customer privacy		✓	✓
	23 Community investment	Fostering an Inclusive Community	✓	✓
Transversal	1 Ethics and anti-corruption	Our Sustainability Approach	✓	✓
	4 Corporate governance		✓	✓
	7 Risk management		✓	
	12 Innovation and digitalization	Optimizing Value Chain Greener Future	✓	✓
	13 Responsible supply chain	Optimizing Value Chain	✓	✓
	15 Sustainable finance and investment	Greener Future	✓	✓

Sustainability Report

Key Insights from Stakeholder Engagement Process

With the challenges and drivers of four identified ESG megatrends, namely responsible supply chain, talent attraction and retention, diversity and inclusion, cyber security, assisted by subject experts from an independent third-party consultant, we looked into particular issues among our stakeholders through interviews and focus groups. Comments of peer best practices, difficulties and opportunities were shared to better fulfil evolving needs and to recognize their expectations and concerns as related to our sustainability performance. Apart from the ESG megatrends, climate change has been identified as top-of-mind by the majority of our stakeholders, and an additional megatrend that should be prioritized for NWS. Key insights from the stakeholders are summarised as below:

Megatrend	Stakeholder's concerns	How we are addressing
Responsible supply chain	<ul style="list-style-type: none"> • Availability of sustainable/ low carbon products on the market • Regulatory support from authorities on the use of low carbon construction materials • Awareness on sustainability within the supply chain 	<ul style="list-style-type: none"> • Engage suppliers to understand latest sustainable/low carbon product options and market best practices • Exchange knowledge and share insights to drive the decarbonization agenda, especially in the selection of construction materials • Explore methodology to practically collect reliable ESG data from the supply chain for disclosure
Talent attraction and retention	<ul style="list-style-type: none"> • Attracting and retaining suitable talent amidst evolving demand and supply in the market 	<ul style="list-style-type: none"> • Establish regular employee engagement channels, including conducting periodic employee satisfaction surveys to obtain employees opinions and address their needs • Respond to employee feedback. Going forward, we will launch the NWS Flexi Care programme in FY2023, a new Human Resources initiative to improving employee wellbeing and maintain competitiveness of staff benefits • Regular review of the competitiveness of the existing remuneration packages by benchmarking with industry • Provide comprehensive development and training for our staff to build capacity and promote career progression • Streamline work routines through digitalising administration processes



Sustainability Report

Megatrend	Stakeholder's concerns	How we are addressing
Diversity and inclusion	<ul style="list-style-type: none"> Creating a more diversified and inclusive workplace and community 	<ul style="list-style-type: none"> Encourage female talents to participate in construction operation Review and update Human Rights Policy with enhanced guidelines on D&I Conduct D&I trainings to enhance staff awareness Offer programmes and charity fund with consideration to the needs of ethnic minority groups
Cyber security	<ul style="list-style-type: none"> Understanding of threats and monitoring capabilities as the business becomes more digitalized 	<ul style="list-style-type: none"> Conduct comprehensive risk assessments and audits through internal controls and/or engaging external specialists, both at the corporate and business units level to understand cyber security needs Provide periodic training and conduct phishing drills to promote cyber security awareness Continuously monitor evolving landscape with enhanced authorization and authentication mechanisms Consider insurance to cover losses arising from cyber incidents or data loss events
Climate change	<ul style="list-style-type: none"> Action on assessing and mitigating climate-related risks More stringent requirements on climate-related disclosures expected from regulatory bodies 	<ul style="list-style-type: none"> Conduct climate transition risk assessment and expand assessment scope of climate physical risk across portfolio On-going communication with suppliers on ESG issues including transparency on Scope 3 GHG emission data



Sustainability Report

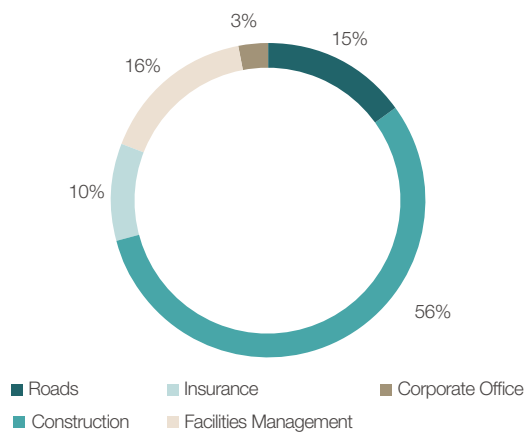
THRIVING PEOPLE

Our talents are the cornerstone of NWS’s business and the heart of our commitment to growing sustainably. We strive to create a culture where people feel heard and supported. In FY2022, the Group has a workforce of 4,862, among which the majority of our staff are based in Hong Kong where the Group is headquartered, with about 15% working in the Mainland China. This section of the report showcases how we support and care for our colleagues through improving our safety performance, promoting the health and wellbeing atmosphere, building a diverse and inclusive workplace, and empowering them to bring the best versions of themselves to work and feel proud while fostering cheerful and meaningful professional growth amongst our staff.

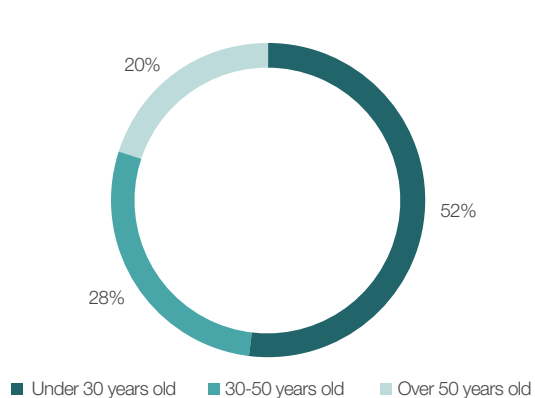
Putting the right governance and leadership in place is critical for developing a strong and caring culture. Policies and guidelines are well established, including our “Sustainability Policy”, “Human Rights Policy”, “Health and Safety Policy”, “Employee Handbook” and “Corporate Policy on Staff Responsibility”. These policies outline our strategies and expectations toward creating an equitable and supportive workplace, which are fully-communicated to our staff through relevant trainings, campaigns and employee newsletters.

In recognition of our long-standing commitments to caring for our employees, NWS has been awarded the “20+ Caring Company Logo” by the Hong Kong Council of Social Services and has been well recognized by JobMarket in becoming a winner of the Employer of Choice Award 2021, and was awarded HR Excellence Awards 2021/2022 from Hong Kong Institute of Human Resource Management.

Total Workforce by Industry



Total Workforce by Age Group



NWS received market commendation and recognition



NWS Summer Friday Activities

Sustainability Report

Employee's Rights

We are committed to protecting our employees' rights and ensuring their dignity by implementing fair labour practices across our operations, consistent with the principles of the UNGC⁹. Our "Corporate Policy on Staff Responsibility" and "Employee Handbook" outlines work hours, remuneration and benefits, including commitment against illegal labour and human trafficking and the rights on freedom of association and collective bargaining.

Talent Engagement and Retention

We engage our talent using an extensive and dynamic approach: Employees are encouraged to speak up and voice out through multiple communication channels such as employee surveys and group-wide town hall meetings. This year, we conducted an employee satisfaction survey with 95% response rate from the Group. Results from the survey indicates our staff are proud, motivated and curious to work in NWS. We encourage our staff to communicate openly in close collaboration with the top management. In June 2022, we hosted a "Dialogue with CEO" webinar where over 1,100 colleagues participated to understand top management's expectations on development for the upcoming financial year and beyond, with the desire to grow together.

An important aspect to attracting and retaining talent is our commitment to provide equitable remuneration packages based on employees' performance and their responsibilities. Employees receive feedback on their performance through a structured and open appraisal system that enables a two-way dialogue. We value each opinion and feedback from all of our employees and regularly benchmark against peer companies to ensure our packages remain fair and competitive. We plan to continue to strengthen our talent development programme, foster a strong mentor and coaching culture and provide each of our employees with a clear career path. This year we are proud to present 8 long-term service awards to employees who demonstrated dedication and willingness to grow our business together.

Promoting the Wellbeing of our People

At NWS, we value the wellbeing of our employees and continue to innovate on how we promote health and wellness in body and mind. We have supported our employees to actively improve their physical and mental health through events and wellness programmes. These include webinars on mental health and mindfulness workshops, and introducing a wellness subsidy to improve physical fitness awareness. FTLife Insurance launched an Employee Abundance Programme, with the support of Hong Kong Family Welfare Society, to provide holistic professional services for over 840 colleagues and their family members in FY2022 that cater both their mental and spiritual needs. The programme includes webinars by medical practitioners who provided professional advice on how to manage and cope with emotions during the pandemic.



Establishing exercise-friendly-work environment and promoting healthy living culture at work

Free Duty collaborated with the Leisure and Cultural Services Department to raise awareness and obtain fitness information of respondents in the "Territory-wide Physical Fitness Survey", which aims to create a database on physical fitness of local citizens. A total of 44 employees participated and through the survey, our staff gained better understanding of their own fitness condition and learned about the importance of physical health and exercising regularly in daily life. Various wellbeing activities were organized for colleagues in Mainland China during the year, including HZRR's "Happy Walking" walkathon event with more than 200 participants accomplishing a total of 3,800 km trail in October 2021.

⁹ United Nations Global Compact

Sustainability Report

Throughout COVID-19, NWS continued to provide support to our employees through flexible work arrangements and distributing care packages to frontline service staff. Care hampers filled with anti-pandemic supplies were sent to infected staff members. We also took proactive action to ensure our employees had access to vaccine information and made on-site vaccination arrangements. To allow our staff sufficient time to recuperate after getting vaccinated, they were entitled to paid vaccination leave which was extended to the fourth dose of the COVID-19 vaccine. These measures aim to protect our employees, their families and the wider community.

NWS Flexi Care Programme

In response to majority feedback from our employee satisfaction survey conducted in October 2021, we launched "Flexi Care Programme" in FY2023. It includes a series of family-centric and work-flexibility initiatives, such as imposing a 4.5-day work week during the summer time plus one work-from-home (WFH) day arrangement every week for office-based employees, enabling better bonding with families and beloved ones while maintaining a healthy work-life balance. In addition, we also lined up a series of Summer Fun activities for our employees, including birthday parties, booth games, orientation sessions etc. with aim to improve the work-life balance of our employees.



Work flexibility

- One WFH day per week to provide flexibility at work.
- Allow smart casual wear at office.
- Pilot 4.5-day work week this summer.



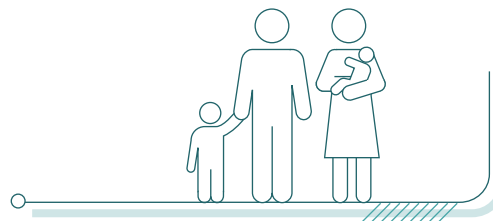
Staff engagement

- Leisurable events on every second Friday of the month in the afternoon time.
- An option to take half day off every Friday afternoon during summer time.



Extended health package

- Free medical coverage for dependents of employees at Manager level and above.
- Wellness subsidy to employees for the purpose of raising general fitness and physical awareness.



Family caring

- Extended the criteria of family care leave to cover non-sickness related situation.

Sustainability Report

Fostering a Diverse and Inclusive Workplace

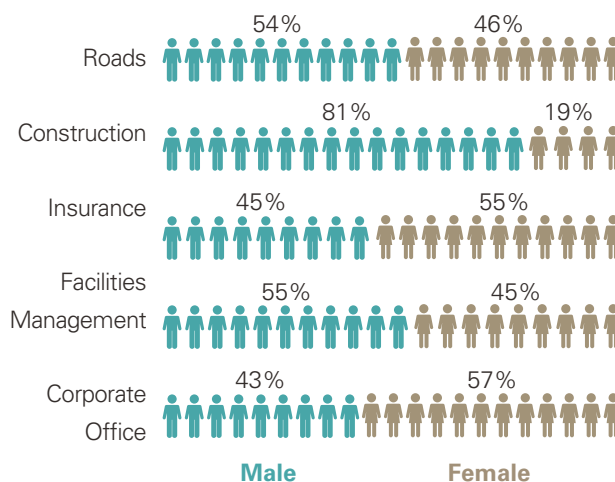
Culture is a crucial factor in the success of a business, NWS supports an inclusive workplace culture and drive for a more diverse and balanced workforce. We strive to foster diversity and inclusivity in the workplace so that our employees are treated with dignity and respect, free from any discrimination, bullying, physical and psychological harassment. As a signatory of the Racial Diversity and Inclusion Charter for Employers, NWS is committed to maintaining an equitable and supportive work environment by promoting diversity among the Group through education, training and engagement, such as hosting webinar training on “Cultural Diversity” and “Gender Equity in the Workplace”.



Promoting inclusive workplace across our construction sites

We strive to provide a diversified workplace with a balanced gender ratio across our business portfolio. NWS provides various career opportunities and platforms to encourage female employees to take up leadership roles and unlock their full potential. HML Managing Director Ms Monica Lee-Müller became the President of UFI – The Global Association of the Exhibition Industry, the first Asian female leader in this global organization’s 95 years of history. While recognising there are fewer female employees in the construction business, we have taken measures such as hosting “Lap Dog Challenge” to promote gender balance in the construction industry and to have the first female Project Manager, Ms Michele Lui from Hip Hing Group win the “Young Achiever of the Year” from RICS Awards 2021, demonstrating our persistent effort on promoting women empowerment and talent development.

Gender Profile by Industry



Join hands with ethnic minority cultural ambassadors to visit ethnic minority neighbourhood

Prioritising Health and Safety

Our long-term approach to safety goes beyond compliance and is built on strong foundation that includes a robust approach to mitigate risks to employees. This includes a “Health and Safety Policy” which outlines protocols including yearly assessments on the health and safety performance, providing employees with ergonomic office equipment, fire precautions and ensures each department develops a set of procedures in handling emergency situations. Apart from policy control, we have also provided 10,626 hours of occupational health and safety training to institutionalize a safety-first culture. We are also keen to embrace innovative technologies across our operations to reduce the health and safety risks to our frontline workers. For example, to enhance safety standardization and centralized control at construction sites, Hip Hing Group introduced an artificial intelligence detector to monitor the personal protective equipment usage. They also adopted “NOVADE”, a smart safety supervision system to minimize safety hazards, monitoring construction sites effectively.

Sustainability Report

Our Lost-Time injury rate in FY2022 is 0.5, which is much lower than our target of 3.0, while our Lost Day rate is 47.3% per 100 employees, a 30% reduction compared to last year. At Hip Hing Group, we sought to implement a series of safety measures to enhance the safety awareness of the project team and workers. Meetings of the independent panel of investigation for fatal accidents are held immediately after the accident, which consists of members from senior management and representatives from the safety department and is chaired by the Managing Director. The panel reviews the cause of accident and control measures to prevent similar accidents from happening in the future. Follow-up actions may include hosting a safety review forum to eliminate risks, issuing site memo to all site workers on reviewed safety measures and forming Project Special Safety Surveillance Teams to conduct regular site assessments.



Automatic Detection System for Safety Harness

Nurturing Talents

We are committed to the development of skills and opportunities that empower all our employees to grow and excel in their careers. Our objective is to create a continuous learning culture that drives performance and enable our employees to reach their full potential. We have set out a comprehensive approach on talent cultivation where we invest in providing training opportunities and learning incentives through structured development programmes. Key highlights on the training and development data in FY2022 include:

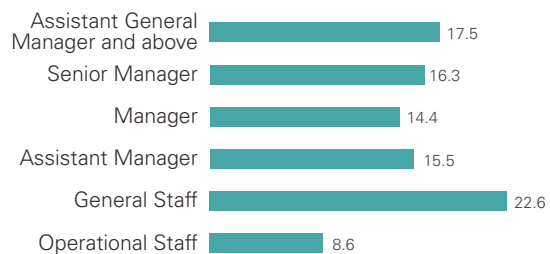
Total Training Hours by Training Topics

Training Topic	Total Hours of Training Provided
Anti-corruption	3,360
Corporate Culture	15,294
Environmental Protection	1,849
Occupational Health and Safety	10,626
Professional Development	25,204

Average Training Hours per Employee by Gender



Average Training Hours per Employee by Category



Sustainability Report

How We Cultivate our Employees



Talent Development

In FY2022, we co-launched a new e-learning platform with NWD, to provide over 200 online trainings covering a wide variety of topics which suit emerging market trends, from sustainability, innovative technologies, business, to corporate culture as well as laws and regulations. We provide theme-based trainings and motivate our employees to become learning planners. We also proactively collaborate with NWD and other external experts to build up our internal capacities. In FY2022, a series of five insight sessions with CEO and Executive Vice-Chairman of NWD, Dr Cheng Chi Kong, Adrian were hosted in June, covering topics such as demonstration of entrepreneurship, innovative business ideas and growth mind-set for colleagues to have better understanding of our corporate culture. Through a Group-wide webinar conducted in September 2022, our C-suite have delivered training to staff members across the Group on the company’s vision, mission and core values. In addition, we provide training schemes and annual membership fee subsidies for eligible employees as an incentive to drive capability building and industry transformation.

In addition to conventional training approaches, NWS actively explores new training techniques and platforms to enhance the learning efficiency of our employees. As part of our passion to inspire creativity and innovation, in FY2022, we participated in the New World Innovation Challenge 2021. Hip Hing Group won the competition with their revolutionary idea in proposing MMA as a solution to reducing C&D waste and our roads business won with combining the concept of post medical procedures recovery and hotel retreats.

Sustainability Report

Transforming Learning and Development with AI Integration

In partnership with a local start-up, FTLife Insurance developed the industry's first "AI Drill", an artificial intelligence and big data driven training tool that complements hybrid coaching for insurance agents to excel beyond industry standards. The AI Drill transforms traditional learning models. The platform is not only equipped with intelligent communication technology, but can also be customized to simulate 10 different virtual meeting scenarios, which can flexibly and comprehensively train insurance agents in sales and customer service techniques, cultivating more professionals for the industry.

The AI Drill has also been integrated into the training of young talents in our "LEAP & Beyond Entrepreneurship Development Programme" to help them develop entrepreneurial skills in the insurance industry.



VR learning journey for young talents



Students from the Hong Kong Metropolitan University participated in "C-suite Job Shadowing" programme

Cultivating Future Leaders

To cultivate young talent for leadership roles, we are passionate about allocating resources to comprehensive development programmes and offer internal rotation programmes within the Group for our talents to explore different career opportunities. NWS and our business units have also implemented their own young talent development programmes that are catered to the different needs within their industries, such as the High Potential (Hipo) programme.



Case Study – Hip Hing Group gains market recognition by constructing excellent atmosphere

Hip Hing Group developed the Hip Hing Talent Development Programme to recruit and support young talents in building their own career paths. Potential candidates are supported through the Hip Hing Scholarship for their university studies and are offered on-the-job training through internships or job attachment programmes. Depending on their interest, young talents can choose to progress in becoming either a project manager under the Project Management Stream, or a site agent under the Works Supervision Stream.

Hip Hing Group has made efforts to reinvigorate the appeal of the construction industry to young and energetic talents. In recognition of Hip Hing Group's corporate culture of embracing change and innovation, Hip Hing Engineering Co., Ltd. was awarded the Revitalization Award and Vibro was awarded the Corporate Innovation Award by the Construction Industry Council in FY2021.



Apple Chan joined Hip Hing Group as an apprentice in 2017. She garnered the Most Improved Trainee of the Youth Employment and Training Programme by Labour Department, Outstanding Apprentice by CIC and VTC¹⁰ as well as the Young Lo Pan Award.

¹⁰ Vocational Training Council

Sustainability Report

GREENER FUTURE

Based on the Paris Agreement and the subsequent 26th United Nations Climate Change Conference in Glasgow (“COP26”), the governments of Mainland China and Hong Kong have committed to transition to a low-carbon economy and pledged to achieve carbon neutrality by 2060 and 2050 respectively. NWS strives to combat climate change and enhance our commitment towards a long-term emission reduction ambition. Since 2020, we established Group-wide environmental targets for FY2030 focusing on carbon emission, energy, water, and waste, in line with NWD SV2030 and SDGs, demonstrating our long-term commitment toward a low-carbon future, and creating shared value for our customers and stakeholders. As a responsible conglomerate, we are in full support of the NWD net zero ambitions and HKSAR government commitments to achieve carbon neutrality 2050, while leveraging all resources and business ecosystem to carefully protect our environment.

We recognize that the building and construction sector and the transport sector accounts for 36%¹¹ and 24%¹² of global GHG emissions respectively. As part of our core business portfolio, we endeavour to go beyond regulatory compliance, and consistently drive innovation in our business operations and service offerings to become greener and more resource-efficient. In addition to the oversight of the Sustainability Committee in driving the group-wide sustainability objectives, our Environmental Management Committee, chaired by an executive director of the Group and comprising representatives from NWS Holding’s corporate office and major subsidiaries, meets twice a year. This provides a platform connecting our various business units, so as to facilitate exchange of knowledge, experience and environmental best practices on sustainability among business units, and also to ensure the successful implementation of green initiatives.



Hong Kong Convention & Exhibition Centre

¹¹ Source: <https://globalabc.org/resources/publications/2021-global-status-report-buildings-and-construction>

¹² Source: <https://ourworldindata.org/co2-emissions-from-transport>

Sustainability Report

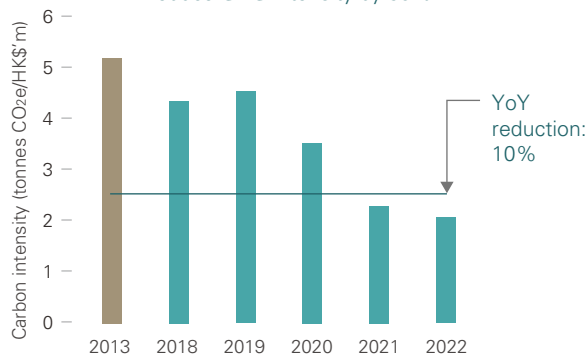
Our 2030 Environmental Targets

Environmental Performances



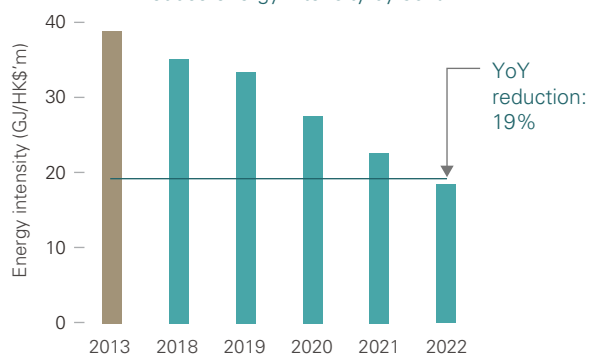
Carbon Intensity

Reduce GHG intensity by 50%



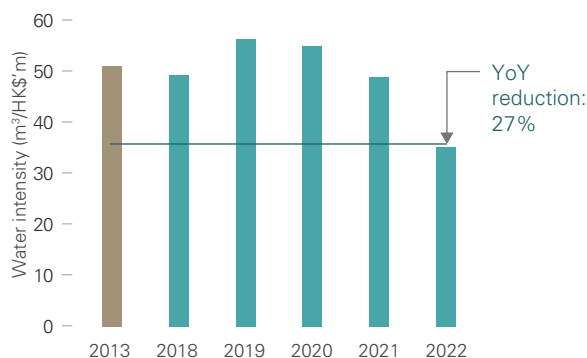
Energy Intensity

Reduce energy intensity by 50%



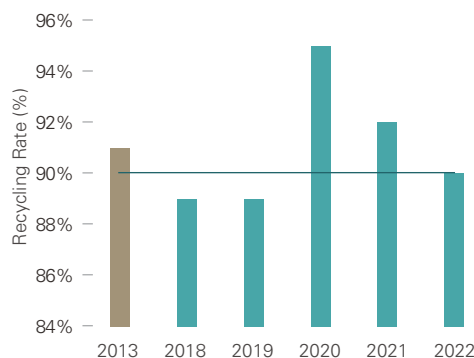
Water Intensity

Reduce water intensity by 50%



% of Construction Waste Reuse

Achieve at least 90% reuse of C&D material



In 2020, we set proactive targets for FY2030 to reduce our environmental footprint, and are making continuous progress towards these targets. Our metrics in FY2022 suggest significant progress towards our Sustainability Targets 2030. However, our businesses are still under significant impact of the pandemic, and the reduction in business activities resulted correspondingly in an overall reduction in energy and water consumption. For example, international events and exhibitions were still constrained, which led to the reduced electricity consumption of HML by 42% in FY2022 comparing to FY2019¹³ (before COVID-19). We are still taking a longer-term perspective in monitoring the target performances as we anticipate a continual business rebound from the pandemic. Regardless, we continued to implement our decarbonization plan and resource reduction initiatives, striving to make a positive impact toward our committed environmental targets.

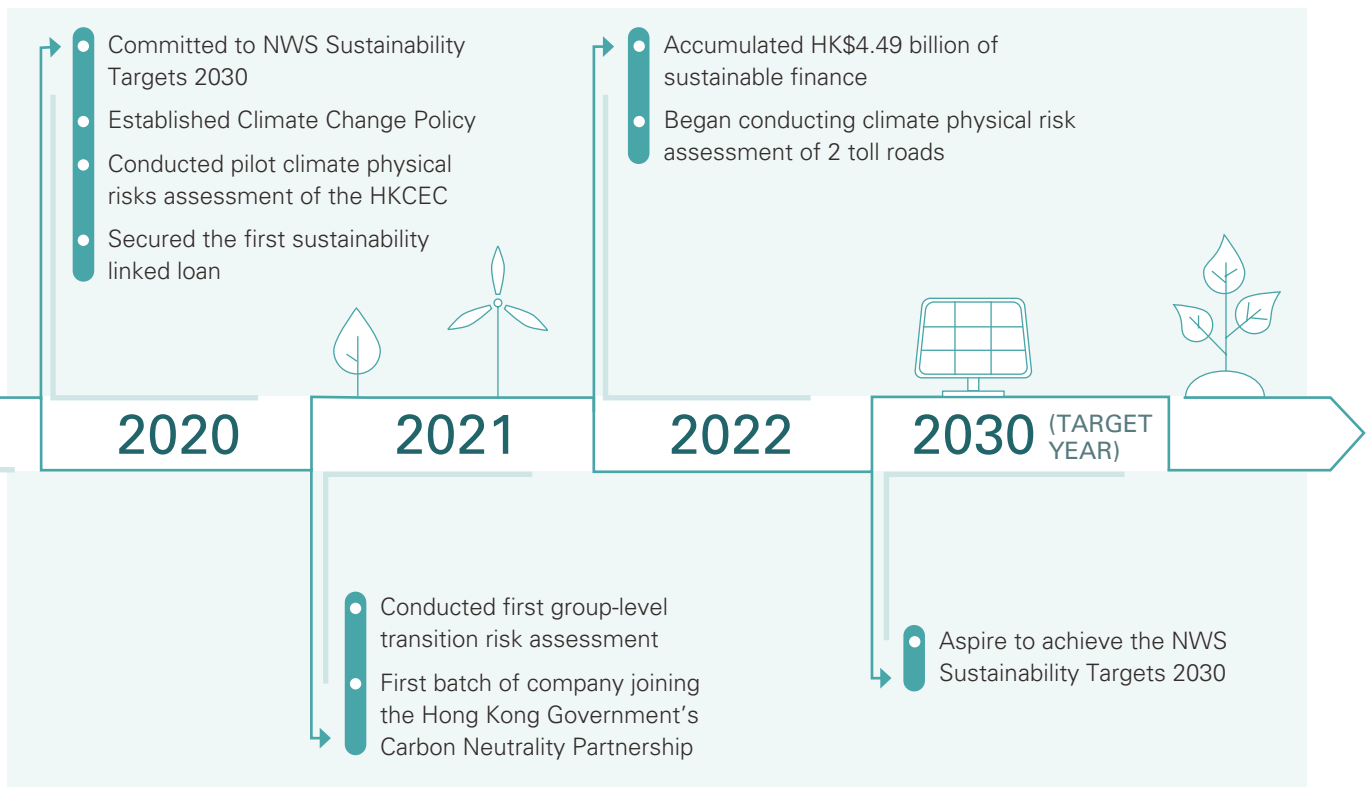
¹³ The financial year ending 30 June 2019

Sustainability Report

Accelerating Climate Resilience and Action

Climate resilience is an essential element of our sustainability in acting on further climate studies concerning our broader business operations, we strive to curb our carbon emissions and work collaboratively with our external and internal stakeholders to transition to a low-carbon economy. In this regard, NWS has proactively set out climate resilience strategies holistically at the group and various business unit levels. Apart from target setting and becoming one of the signatories of the Carbon Neutrality Partnership, we have also enhanced our decarbonization journey by taking the following actions and making future plans:

Our journey and implementation plan towards climate resilience



Knowledge sharing with industry leaders

Sharing environmental knowledge amongst our employees, partners, and peers is crucial for us to drive continuous changes collectively. The theme of this year's NWS Sustainability Forum was "Embracing Innovation Opportunities to Accelerate Climate Actions" where our management shared the latest NWS sustainability roadmap with the audience. We also invited distinguished guest speakers to exchange knowledge on how innovations could support addressing future sustainability trends, from climate-related policies to transforming business models to achieving net-zero ambitions. The event received enthusiastic support from over 800 staff across our business ecosystem including our Board of Directors, management and staff from both Hong Kong and Mainland China offices.



CEO Eric Ma, with our guest speakers sharing sustainability outlook at the NWS Sustainability Forum 2022

Sustainability Report

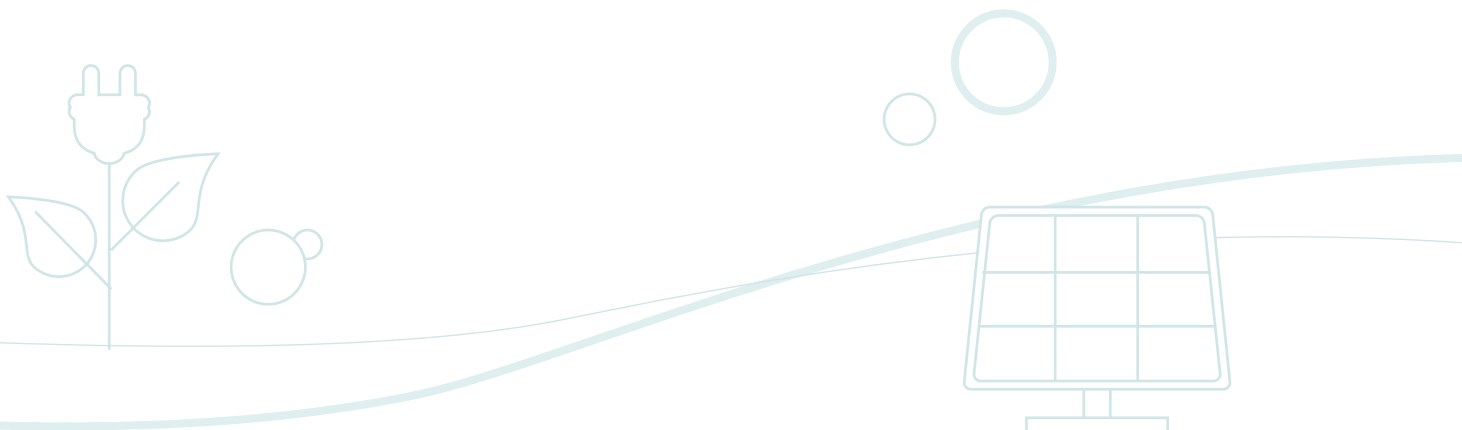
Addressing TCFD Recommendations

Recognizing the impact of climate change globally, as we progressively build our climate resilience, we strive to make reference to globally recognized reporting frameworks that guide us to communicate more comprehensively and better inform our investors and stakeholders on how climate-related issues may impact our business in the short, medium and long term, as well as our mitigating actions.



This year, we continue to uphold our work on climate-related disclosures with reference to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). Going forward, we will evolve and improve our disclosure as we progress in identifying our climate-related risks and devising respective measures to mitigate and manage these risks.

While we have disclosed details of our sustainability governance in an earlier section, we have highlighted our sustainability governance and approach as specific to climate-related risks with reference to above recommendations:



Sustainability Report

NWS's Actions on TCFD Disclosure

Recommendations of TCFD	Our responses and approach
Governance	<ul style="list-style-type: none"> • Definitions of roles and responsibilities in climate risks at all group levels • Constantly improve the approach to ESG in routine business operations and encourage sustainability stewardship in other investment portfolios without full ownership • The Board of Directors has ultimate responsibility for business sustainability and for driving long-term growth • Climate-related risks per TCFD are incorporated into the ERM framework of which the Board also has oversight • Sustainability Department is responsible for engaging all levels of operations in advising and driving the Group's sustainability commitments, including climate-related actions <p>For more details, please refer to the Sustainability Governance section of this Report.</p>
Strategy	<ul style="list-style-type: none"> • Stakeholders consider climate change as a top material issue and we are committed to formulating and implementing long-term plans and reduction targets on GHG emissions • Appropriate processes and measures to prevent or minimize potential risks. Extreme weather events would be taken into account as we devise our business continuity plan • ESG is factored into investment decisions, e.g. formalized in Sustainability Policy to phase out investments relating to coal-fired power plants • Diversify funding sources by increasing and institutionalizing the use of green financing • Perform climate-related risk assessment (physical and transition) by stages in light of the migration to a low-carbon economy
Risk Management	<ul style="list-style-type: none"> • Climate-related risks per TCFD are constantly incorporated into the ERM framework, of which the risks bank is continually updated as new risks are identified as we progress with our assessments on climate risks • Conduct by stages climate risks assessments to identify impacts in our business, e.g. in FY2022, physical risk assessment has begun on two toll roads in Mainland China; refer to Climate-related Transition Risk Assessment and Climate-related Physical Risk Assessment for more details on the progress
Metrics and Targets	<ul style="list-style-type: none"> • Scope 1 and 2 GHG Emissions in absolute units and by the intensity • Sustainability Targets 2030 – Energy, GHG Emission, Water and C&D waste recycling • Exploring the feasibility of Scope 3 GHG Emissions estimation • Accumulated green financing of HK\$4.49 billion

Sustainability Report

Climate-related Transition Risk Assessment

In 2021, NWS completed the first climate-related transition risk assessment on our key businesses concerning the International Energy Agency's Stated Policies Scenario ("STEPS") and desktop research on emerging policies and regulations related to climate change, within a timeframe of about five years into the future.

A list of risk registers comprising regulatory, technological, market and potential reputation risks were identified as a result of the assessment. We have incorporated the climate risks into our risk management process to review any impact routinely. A technical manual stipulates the approach for identification, assessment and management of transition risks under the ERM Framework. The transition risk assessment result was reviewed and included in the compilation of the risk profile of the Group, which was reported to the ERM Steering Group, Executive Committee and Audit Committee. The integration enables the Group to formalize the management of the existing climate-related measures and future action plans.

Business units and corporate office departments are required to identify and analyze significant risks, which cover climate-related transition risks, in the regular risk register exercise. In addition, the potential impact and risk treatment plan should be documented in the register. After the consolidation of risk information, the Group's risk profile and key risk treatments will be reviewed by the Board of Directors.

For more details of the ERM, please refer to the Risk Management Report.



Sustainability Report

The following table summarizes the top transition risks identified based on inherent risk assessment. The mitigation measures disclosed were updated due to the annual risks assessment review by business units and at the Group level. The expected time horizon of the anticipated risk is short to medium term.

	Top Transition Risk Identified	Mitigation Measure
Roads	<ul style="list-style-type: none"> Increasing demand for green vehicle facilities along major expressways as a result of the issuance of the Guidelines for Developing Electric Vehicle Charging Infrastructure by the National Development and Reform Commission, the demand of charging facilities, especially in support of long haul trips will increase 	<ul style="list-style-type: none"> Review policies on the green highway to comply with relevant regulations Collaborate with third-party to install EV charging facilities at the service areas and other appropriate sites
Construction	<ul style="list-style-type: none"> With the mandatory adoption of Building Information Modelling ("BIM") and Modular Integrated Construction ("MiC") by the government of HKSAR, on civil works projects and certain public housing works respectively, alongside the government's commitment in adopting green buildings in the public sector, the client's expectations and the change of market demand would require our preparedness on resource and expertise in coping with the new trends in construction 	<ul style="list-style-type: none"> Clearly define roles and responsibilities across departments for data centralization and improvement of data integrity Initiate a New Materials Study for the feasibility of adopting light-weight construction materials in MiC Engage and encourage our suppliers to obtain CIC Green Product Certification for their low-carbon products Allocate sufficient resources and budget to maintain up-to-date technologies
Insurance	<ul style="list-style-type: none"> More stringent regulatory disclosure requirements on climate change Requirement of financial management for climate change through stress testing 	<ul style="list-style-type: none"> Closely monitor the development of regulations on prudent financial management and disclosure relating to climate change Consider establishing a sustainability task force to drive initiatives
Facilities Management	<ul style="list-style-type: none"> More stringent regulatory requirements for green buildings management Growing stakeholder expectations on sustainability achievement 	<ul style="list-style-type: none"> Improve performance on building energy efficiency through equipment replacement projects Complete building energy audits on a regular basis Obtain certification, participate in external initiatives, publicize sustainability efforts
Corporate Office	<ul style="list-style-type: none"> More stringent regulatory disclosure requirements on climate change 	<ul style="list-style-type: none"> Closely monitor regulatory disclosure requirements and appoint external experts to assess climate risk

Sustainability Report

Climate-related Physical Risk Assessment

NWS had its climate scenario planning study piloted in 2019 to assess the climate-related physical risks faced by the HKCEC for improvements, such as enhancing facility management practices to better prepare for more extreme wind and floods. In FY2022, physical risk assessment was extended to road management with reference to the latest IPCC AR6 and the recommendations of the TCFD. The scope of the physical risk assessment covers our wholly owned HZRR and Changliu Expressway with scenario analyses to assess physical risks in the short, medium and long term, covering desktop review of sites, climate modelling and hazards assessment based on the geographical locations and the respective local weather trends and projections. Fuller assessment results and recommendations for enhancing resilience are anticipated in FY2023.



Road



Bridge



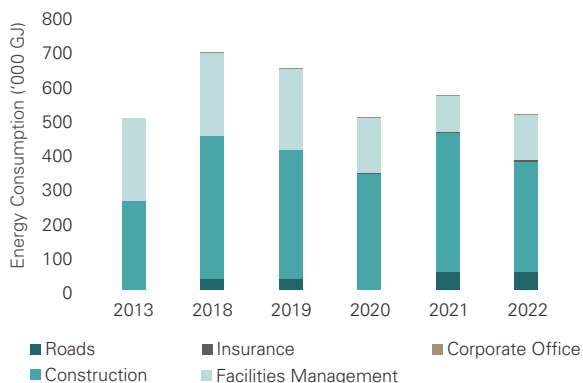
Tunnel

GHG Emissions and Energy Use

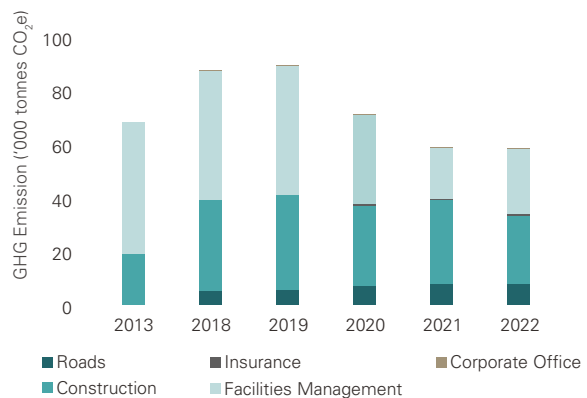
In line with our commitment to sustainability, we are dedicated to reducing our GHG and energy intensity by 50% by 2030. In addition, we strive to enhance energy efficiency across our businesses. The graph below shows our absolute GHG emissions and energy use since FY2013.

While the pandemic has impacted our business operations, resulting in lower energy consumption since FY2019, we take a holistic view toward energy reduction, and continue exploring more efficient technology and alternative energy with a lower carbon footprint in our operations. Examples of the principal measures taken by our business units will be highlighted in the following sections.

Trend of absolute energy consumption

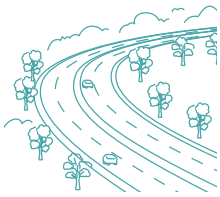


Trend of absolute GHG emission



Sustainability Report

Decarbonization in Roads



Road transportation contributes around 12%¹⁴ of global GHG emissions and is a key focus area for Mainland China to achieve the government's carbon neutrality targets. NWS is in full support of the country's initiatives through decarbonizing our road operations and encouraging users and customers to change in behaviour, striving toward the carbon neutrality target together.

Artificial Intelligence to Improve Road Management

In our road operation, we consistently improve our processes, enhancing users' experience. Since 2018, HZRR has adopted a series of technological upgrades to improve the 103.4 km toll road operations. For example, with AI and big data analyses, the automated system can quickly identify anomalies that may interrupt traffic flow, such as vehicles stopping illegally, vehicle breakdowns and trespassing pedestrians. Timely response to road incidents can significantly reduce traffic congestion, improve road safety and reduce GHG and air emissions, enhancing user experience with less congested traffic.

HZRR also launched an automatic high traffic volume forecasting alert system in FY2021, which provides warnings to road users through an automatic lighting alert and speaker announcement system at traffic hotspots, such as congested ramps on the HZRR, with warning lights and speakers installed. The smart system utilizing AI technology can detect traffic congestion and road incidents to alert road users, improving the safety of all road users by offering them peace of mind while driving.

At Changliu Expressway, we introduced an intelligent tunnel management and control platform in FY2022, which supports remote monitoring and emergency response, reducing the frequency of on-site inspections, improving work efficiency and reducing safety risks. Moreover, a smart cash collection system was also introduced to support cash from tolls deposited directly to the banking system, significantly reducing the frequencies to collect cash from toll stations by vehicles, whilst reducing carbon emission from vehicular fuel use.

A Pioneering Concept of Service Area

As one of the first service area designs in Mainland China to incorporate the concept of sustainability, Zhiyi West Lake Service Area is designed in harmony with the surroundings. It includes a number of green features designed to reduce environmental impacts and, enhance the comfort of our customers. For example, weather sensors are strategically placed to monitor real-time water conditions to achieve optimal thermal comfort in the indoor environment and lower temperatures. The sensors are designed to operate with enhanced insulation and automated shading of the building envelope to achieve higher energy efficiencies. In addition, the rainwater harvesting system are installed to maximize water efficiency by collecting rainwater for reuse on the site. For the increased generation of renewable energy on-site, photovoltaic panels are installed on the Zhiyi West Lake Service Area rooftops. The system is designed to generate an estimated 440,000 kWh of electricity annually, equivalent to 133 households' annual electricity consumption in Hong Kong¹⁵.

¹⁴ Source: <https://ourworldindata.org/ghg-emissions-by-sector>

¹⁵ Source: <https://www.emsd.gov.hk/energylabel/en/cal/cal.php>

Sustainability Report

Use of Alternative Energy

In support of the national goals for electrifying and decarbonising the mobility sector, we consistently seek opportunities and partnerships on applications from renewable energy ("RE") for our road operations. In the past couple of years, we have explored the use of RE on various roadside applications, from integrated noise barriers to retaining walls for slope stabilization. During the reporting year, Changliu Expressway has replaced its inspection vehicles from fossil fuel to electric vehicles (EV). In addition, Zhiyi West Lake Service Area has scheduled more than 50 EV chargers to enable the broader adoption of EVs on highway and toll roads.



Signing of tripartite strategic cooperation framework agreement with a national leading enterprise

In FY2022, we came into a strategic alliance with Guangdong Guodian Longyuan Wind Power Generation and China Power Construction Group Urban Planning and Design Institute to promote intelligent highways in support of the national carbon neutrality target by 2060.

Assessment of Climate Readiness

In our stakeholder engagement this year, climate change was identified as one of the emerging areas of concern. Meaningful actions to mitigate climate risks and opportunities arising from the changing climate will be vital to the long-term growth of our business. Recognizing the diverse nature of our business, we have been conducting climate risk assessments across our operations to better understand and prepare for the impact brought about by climate change.

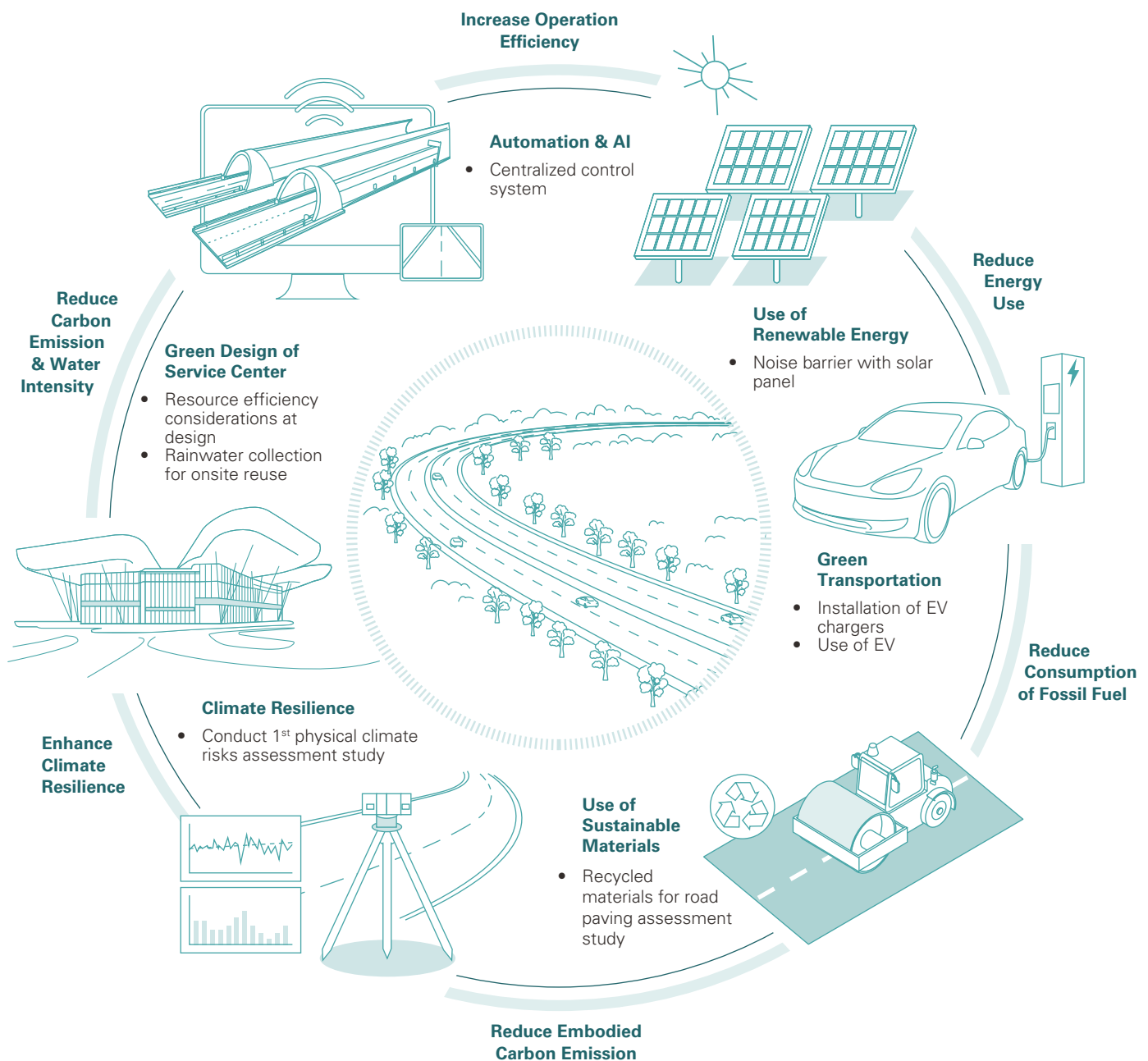
With more frequent record rains and severe flooding becoming more prominent in Mainland China, we are considering the potential impact of climate change on our road operations. As part of our climate action plan, we have begun climate-related physical risk assessments on HZRR and Changliu Expressway. The assessment covers desktop studies and physical walkthroughs of our infrastructures plus vulnerability assessment under the SSP1-2.6, SSP2-4.5 and SSP5-8.5 climate scenarios as per climate projections from the IPCC AR6. We anticipate the assessments will be completed towards the first half of 2023, when we will have a further understanding of vulnerability and strengthen our resilience accordingly.

Sustainability Report

Use of Sustainable Materials

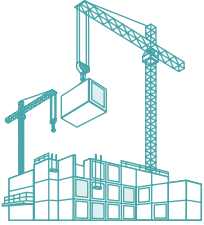
In line with our commitment to adopting innovative concepts for a sustainable future, our road business is exploring using sustainable materials in our expressways. For example, Changliu Expressway became the first road management company to adopt a new road repair approach for 3 km expressways. This novel technology uses a raw material made from waste tyres that not only enhances the efficiency of the repair works because it can be applied at lower temperatures and hence allow maintenance works at night but also contributes to lowering waste generation. The material is more durable and provides a means for recycling waste tyres. On the other hand, HZRR developed GT Tech, a protective layer to enhance the durability of the asphalt underneath to minimize attrition and lower the use of materials.

Major Decarbonization Approach in Road Operation



Sustainability Report

Reducing GHG Emission during Construction



Hip Hing Group is one of the industry leaders in the construction industry in Hong Kong. As decarbonization initiatives gain momentum, we should enhance the practice of sustainable construction, bringing positive impact to the entire construction ecosystem.

Industrial Trend of Sustainable Construction

Hip Hing Group has been highly recognized in the industry in the adoption of innovative approaches, the MiC¹⁹ approach, which enhances overall productivity and safety standards, construction quality and sustainability. We have proficiently adopted the use of our in-house MiC expertise in the development of a large-scale transitional social housing project at Tung Tau, Yuen Long, where we successfully completed the design and construction of three 4-storey high residential blocks with steel MiC in June 2022. The project provides a total of 1,800 units and communal facilities for underprivileged families and will be operated and managed by the charity Hong Kong Sheng Kung Hui Welfare Council to build a caring community. In addition, Hip Hing Group continually supports BIM's development by providing financial resources to upgrade our internal IT system and staff's expertise to adopt the wider use of BIM in our projects, staying ahead of the industry. As a pioneer in the industry, our BIM team at Hip Hing Group is highly recognized with numerous awards in its capability.

Fostering Electrification in Construction Sites

Electrification in construction and using more energy efficient construction technology has been a focus for Hip Hing Group. Hip Hing Group partnered with a start-up company and deployed 16 Battery Energy Storage Systems (BESS) at 13 project sites to facilitate our decarbonizing progress. Hip Hing Group is currently one of the largest users of BESS within the Hong Kong construction industry. Application of BESS is a cleaner alternative for Hip Hing Group as it does not produce point-source pollutants and it reduces its carbon footprint.



The BESS replaces the conventional diesel generators



Sustainability Report

Practicing Green Construction

Hip Hing Group also utilizes Auto Power Supply (“APS”) Systems, comprising silent generators (QPME certified) to supply energy for the site area. While generators are synchronized for load sharing, they can also be automatically operated according to load demand. Moreover, the APS has zero downtime, which greatly enhances the electricity supply’s stability and is more energy efficient. The system is estimated to save more than 30% of fuel consumption compared to traditional generators.

Another example of reducing GHG emissions within construction sites is introducing an automatic engine switch-off system on forklift trucks. Hip Hing Group noticed that operators often leave the engines of idle forklift trucks running, creating potential environmental, health and safety risks. The automatic engine switch-off system cuts off the diesel supply to the engine after detecting that the operator has left the vehicle for a pre-determined period. The system not only reduces the potential safety risk from an unattended forklift truck but also reduces the amount of fuel consumed.

Green Facilities Management



Maintaining existing equipment in good condition contributes to reducing operational carbon emissions. HML is one of the founding signatories of the “Net Zero Carbon Events” initiative, pledging to reduce carbon emissions by 50% by 2030 and achieving net zero by 2050. HML Managing Director, Ms Monica Lee-Müller was the first Hong Kong exhibition industry representative to speak at the 26th United Nations Climate Change Conference, advocating sustainable development.

Reducing resource consumption is of utmost importance to HML’s decarbonization journey, and energy use has the largest contribution to HML’s carbon emission profile. In tackling this, HML has its decarbonization focus on energy efficiency categorized in three key aspects:


- 5-year advancement project that includes replacement of building facilities
- Infrastructure upgrade
- On-going practices

HML embarked on a five-year advancement project which includes retrofitting equipment to enhance our energy and water conservation efforts to provide our customers with a greener and more comfortable experience. The Project involves large-scale renovation and upgrade of the HKCEC facilities and infrastructure, including replacing facilities such as lighting, water fixtures, air-handling units (AHU), and adopting high-efficiency Electrically Commutated (EC) plug fans, and the replacement of water-cooled chillers with high energy efficiencies and refrigerants of low GWP¹⁶. In FY2022, lighting retrofit projects, such as upgrading approximately 400 traditional halogen and neon tube lights to LED lights were completed with an estimated yearly energy saving of around 90,000 kWh.

¹⁶ Global Warming Potential

Sustainability Report

Decarbonization strategy in facilities management of the HKCEC

Decarbonization Strategy		
<p>5-year Advancement Project:</p> <p>Enhancement of building facilities' energy efficiency through facilities improvement since 2019, include:</p> <ul style="list-style-type: none"> • Replacement of chillers • Calorifiers replacement • Lighting replacement • Water pumps • Installation of solar panels 	<p>Infrastructure Upgrade:</p> <ul style="list-style-type: none"> • Revamp of building management system • Installation of power/energy meters 	<p>On-going Practices:</p> <ul style="list-style-type: none"> • Retro-commissioning to optimize energy performance • Use of big data analytics to improve energy management • Application of demand control ventilation in kitchens
<p>Aspiration towards Green Building Certification</p> <ul style="list-style-type: none"> • Targeting LEED and BEAM Plus EB Gold rating in 2023 		

HML has also begun replacing its chillers in phases as chillers contribute to a large part of buildings' operational carbon emissions and energy consumption. Therefore, not only was energy efficiency a prime consideration of the new chillers, but refrigerant with lower GWP was also carefully selected. Furthermore, the life cycle of the product, including LCC¹⁷ and LCA¹⁸, was also the key decision-making consideration in the tender selection process.



Case Study – LCC and LCA for Chillers Selection

HML plans to replace a total of seven chillers in phases from FY2022 onwards. The first phase included the replacement of two chillers in 2022 with more energy-efficient and low GWP sea water-cooled chillers. Besides energy efficiency, the chillers use more environment-friendly refrigerant R514a instead of the conventional R134a. With GWP of 2 and 1,430 for R514a and R134a respectively, the new refrigerant will have GWP around 715 times lower than that of the conventional refrigerant, further lowering the environmental impact.

Life Cycle Assessment and Life Cycle Cost

During the selection of chillers, we also take into consideration of LCA and LCC over a nominal life of chillers of 25 years. Instead of the capital cost alone, we consider the operating and maintenance costs, energy consumption and thus carbon emissions during the chillers' lifetime of operation. As a result, upon completing all chiller's replacement, it is estimated to have an annual saving of 2.84 million kWh/year and >2,500 ton/year of carbon.



Two 2500TR chillers replaced in FY2022

Life cycle assessment avoiding an estimate of >2,500 ton CO₂/year

¹⁷ Life Cycle Costs

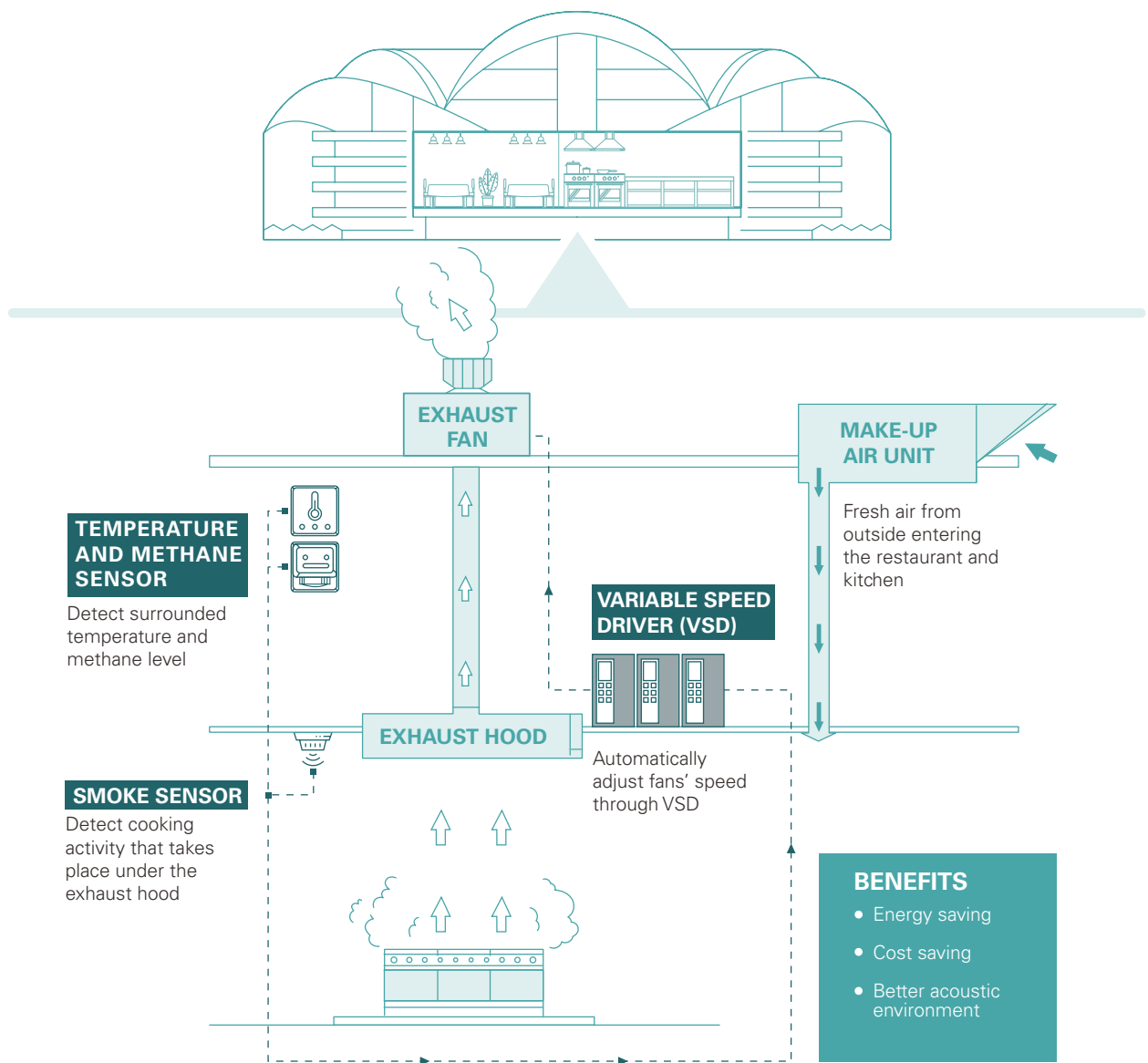
¹⁸ Life Cycle Assessment

Sustainability Report

Demand Control Ventilation

HML not only improves the energy efficiency in its exhibition areas and the common areas from MVAC to lighting, they also extend to details like kitchen ventilation. Since FY2021, HML has been experimenting DCV system in three HKCEC kitchens, including Congress Plus, Harbour Kitchen and Staff Canteen, by retrofitting the conventional kitchen ventilation systems. Using sensors, the ventilation system can be controlled by modulating the kitchen exhaust fan speed depending on cooking activity, in terms of smoke and temperature. With the capability to adjust the exhaust fans speed per demand, the energy use is significantly reduced. The DCV system also included a methane detection sensor to detect any gas leakage. This project is expected to achieve a saving of 220,000 kWh/year, representing approximately 157 tonnes of CO₂-e emission, equivalent to planting 6,826 trees¹⁹.

Mechanism of Demand Control Ventilation



¹⁹ According to NWS sustainability report 2020, 716 kg of CO₂-e emissions equivalent to 31 trees (i.e., 23 kg/tree). Therefore 157 tonnes equivalent to 6,826 trees.

Sustainability Report

Managing Waste through Circular Economy

We use resources on a needs-only basis and reduce, reuse and recycle as much as practical. This year, we further encourage our businesses and staff to adopt more innovative solutions toward waste circularity and to repurpose our waste.

C&D waste is the main waste type from our businesses, and we recognize how the disposal of waste can put tremendous strain on landfills, not to mention the operating cost that it imposes. Considering this, Hip Hing Group leverages the nature of works among its construction sites and their respective construction phases. Together with the use of technology, they have developed a mobile app to exchange surplus construction materials and facilitate the reuse of inert waste across its construction sites, reducing waste generation and reducing operation costs. Since piloting the app in FY2022, positive results have been demonstrated.



Case Study – Material Management App (MMA)

Hip Hing Group developed the Material Management App (MMA), a digital, cloud-based system to facilitate the exchange of surplus C&D materials across its construction sites to maximize the use of resources and minimize waste generation.

Leveraging the use of the app, projects with surplus C&D and reusable construction materials can be matched with other projects of Hip Hing Group which require those materials. The app’s Unique Selling Proposition enables maximizing the utilization of reusable construction materials to reduce embodied carbon emissions and traffic volumes, release pressure on the fill banks and realize the effect of a circular economy. In FY2022, through the app, an estimated of over 500 tonnes of C&D waste were diverted from landfills.

Match over 500 tonnes C&D materials



User Interface of the Material Management App

Sustainability Report

Other business units of the Group demonstrate how waste reduction can also enhance customer experience, delivering shared value. Our roads business introduced paperless invoicing at tolls booths and encouraged electronic tender documentation to reduce generation of paper waste. The insurance sector is traditionally a paper-heavy industry due to stringent regulations and processes which call for a lot of documentation. Considering this, FTLife Insurance is practicing this new norm of business operation, making use of digital platforms to process insurance-related transactions where at the same time, minimizing its impact to the environment.



Case Study – Sim Card Donation Scheme

As FTLife Insurance upholds strong governance in its business operation, it is in full swing of its digitalization journey. Since officialising the Paper Reduction Campaign in 2022, FTLife Insurance has saved over 45% of paper usage in the first half of 2022, compared to the same period in 2021. The amount of paper saved is equivalent to saving more than 100 trees.

In its campaign, FTLife Insurance has also engaged its customers in switching to e-policy and e-notification as well as encouraging their use of the Reach FTLife customer app, kick-started through the launch of **Go Green Go Digital sim card donation scheme** for Q2 FY2022.

Besides engaging customers to go paperless, for each successful customer's registration and switching-over to e-service, FTLife Insurance will donate sim cards to underprivileged children to support their online learning through their NGO partner – Principal Chan Free Tutorial World. 9,000



9,000 sim cards were donated to 4,500 children to support their on-line learning

sim cards were donated to 4,500 children through this FY period, alleviating the burden of these underprivileged families especially during COVID-19.

9,000 sim cards were donated to 4,500 children

Sustainability Report

Inspirations to Reducing Food Waste

Food waste represents 35% of municipal solid waste in Hong Kong. As the operator of a world-class convention and exhibition centre, HML motivates staff, event organizers and visitors to recycle waste by introducing various waste recycling facilities and measures. Not only has HML discontinued the use of most single use plastics, we also recycle food waste through the Government's food waste processing facility Organic Resources Recovery Centre Phase 1, which converts food waste into biogas for energy. Besides, HML developed the "HKCEC Waste Management Guide for Organisers and Exhibitors", providing concrete tips in managing wastes, including construction waste, general waste as well as recyclables and food waste.

To raise employees' awareness of food waste, FTLife Insurance partnered with Eco-Greenergy. This local environmental and social enterprise supports customers to adopt greener lifestyles while enhancing an inclusive society. During FTLife Insurance's Green Month in June 2022, the social enterprise organized a series of awareness-raising activities to promote greener lifestyle choices and to rethink waste, such as coffee grounds upcycling. As a result, a total of 10 kg of coffee grounds were collected from the activity and used in green workshops where they learned to upcycle the coffee grounds into soaps and fertilizers.

At our corporate office, we established the "Towards Zero Waste" task force responsible for regular engagement with internal employees to minimize waste generation and recycle more. Employees were educated to clean recyclables, including used plastic lunch boxes and Tetrapaks. Sending recyclables to the Green@Sheung Wan Recycling Store is now made a routine at our corporate office. We have successfully recycled over 1,800 pieces of waste in FY2022.



Staff engagement on waste innovation competition

"Green My City" waste innovation competition

NWS organised the "Green My City" waste innovation competition in November 2021 aiming to encourage new ideas to reduce office waste from employees. The winning proposals were shortlisted based on evaluation from a judging panel comprised of our CEO, a number of department heads and votes from employees. The winning proposals were intriguing with ideas from innovative technology adoption to rewarding participants with K-dollars, the New World ecosystem's digital currency.

In handling hazardous waste, the level and types of its generation varies among our business units, and are managed in accordance with the local regulatory requirements, from storage to disposal, where the use of a qualified third-party contractor is mandatory. We ensure procedures are in place for their proper management and at the same time, we strive to reduce the total amount of hazardous waste generation in our operation.

Sustainability Report

Taking Action on Biodiversity

NWS is committed to conserving the natural habitat and minimizing impact on biodiversity. When sourcing materials, we follow our “Sustainable Procurement Guide”, taking considerations of ESG impacts when procuring products and services to meet our operational needs, from use of timber from sustainable forests, to sourcing sustainable seafood from responsible fisheries. We make every effort to minimize habitat disturbance and degradation, from ensuring proper tree protection in construction to avoiding shark-fin and promoting sustainable seafood in menus.

Protecting biodiversity through staff and community engagement is just as important in raising awareness and protecting our natural capital. We partner with different community organizations to host different biodiversity-related activities. FTLife Insurance launched several initiatives since 2021 in support of tree planting through the social enterprise EcoMatcher, a platform that runs global reforestation programmes for carbon reduction. The programme also aims to support low-income farmers worldwide to improve their lives by creating more job opportunities through tree planting. We have received 3,000 green pledges through this initiative and over 1,000 trees were planted as of June 30, 2022, offsetting an estimated 12 tonnes of carbon, benefiting 7 families of local farmers in Thailand.



FTLife Tree Planting initiative — One Plan One Tree

In addition, we continued to engage with young talents to participate in estuary guided tours and organized eco-tours with the Nature Conservancy, raising awareness among young talents in local biodiversity preservation and explore new skill sets in supporting marine habitat protection.



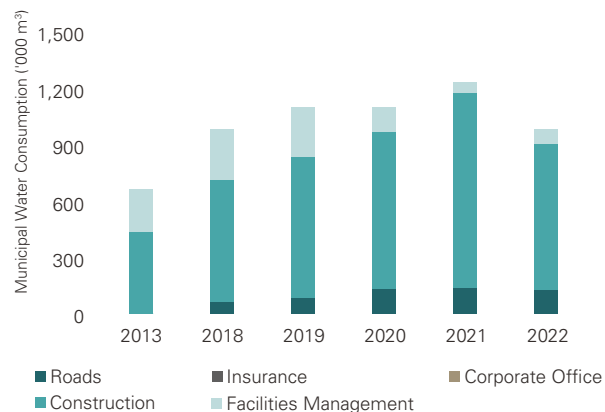
Estuary guided tour

Sustainability Report

Reducing Our Water Footprint

Amidst global water stress concerns and availability of quality fresh water, we recognize the importance of adopting a comprehensive approach towards water management to maintain and enhance the efficiency in the long run. A number of water conservation initiatives have been implemented across our operations with efforts to achieving our water intensity target.

Absolute municipal water consumption



The absolute municipal water consumption experienced a decrease of 19.5% as compared with FY2021. We are on track for the water intensity target set against a FY2013 baseline. Among our business segments, Hip Hing Group remains the largest contributor regarding water use, at 79% of the Group's overall water footprint. The roads business and facilities management are the second and third largest contributors for water consumption, at 13% and 8% respectively over the total water footprint of the Group.

Our business units actively track and explore innovative technology to reduce our water consumption. Within our construction business, Hip Hing Group has established water reuse guidelines to reduce the freshwater use in commissioning phases, including systematic flushing process and other ponding tests on water seepage. Besides, on-site treated wastewater is reused for vehicle washing and floor cleaning. A real-time wastewater monitoring system is also available at our construction sites to ensure discharged wastewater complies with statutory discharge requirements.

The Zhiyi West Lake Service Area under HZRR was designed to attain zero water discharge with on-site wastewater treatment facility to enable the reuse of wastewater from flushing and landscape irrigation and cleaning applications. The system has a capacity of 292,000 tonnes per annum and the treated effluents meet the national standard of the "Reuse of Urban Recycling Water-Water Quality Standard for Urban Miscellaneous Use".

As we anticipate businesses to progressively pick up, HML has continued to identify means to reduce water consumption, such as replacing 100% water fixtures with water efficient ones in the guest washrooms. Since last year, cleaning robots, Harry and Hana, were also adopted to support floor cleaning, saving 12 m³ of water per month, equivalent to 80% saving of cleaning water use.

Sustainability Report

OPTIMIZING VALUE CHAIN

NWS is committed to provide premium products and services across our business. We proactively respond to expectations of stakeholders of the value chain; striving to enhance our brand image among the public and to offer our clients safe, and consistently high quality products and services. Aligned with our dedication in protecting the environment, we strive to consider and prioritize products and services with sustainability elements. We endeavour to provide higher transparency and work closer with our suppliers and contractors to strengthen the market position of our value chain.

Supply Chain Management

Our commitment to responsible business practices extends into our supply chain. ESG considerations are integrated into the selection and management of new/existing service providers and contractors, abiding to our "*Supplier Code of Conduct*" and "*Supply Chain Management Guide*", as well as other related processes. Suppliers' performances are regularly reviewed and assessed to ensure highest standards are met, including compliance to regulatory requirements regarding environmental, health and safety, and labour practices. In adopting a clear, systematic supply chain management approach, NWS has established a reputation as a fair and equitable business partner across the industries we serve.

Sustainable Procurement

NWS has been recognized as a "Sustainable Consumption Enterprise" by the Business Environmental Council in Hong Kong since 2017. Under our "*Sustainable Procurement Guide*", our business units actively promote reducing the environmental footprint of our supplies and encourage sourcing from local²⁰ responsible suppliers. Local suppliers accounted for over 99% of our total suppliers in FY2022, comprising of 86% from Hong Kong and 13.6% from Mainland China, to reflect our commitment towards supporting local sourcing. Suppliers who act on the principles of sustainable development are preferred during the selection and procurement process.

Geographical Breakdown of Suppliers



²⁰ Local suppliers includes suppliers from Hong Kong and Mainland China.

Sustainability Report

As social and environmental issues vary across the Group, they are managed according to the needs of each business unit. Our business units also have supply chain and procurement management frameworks in place addressing their differentiated business needs. As we commit to our Sustainability Targets 2030, close collaboration with our service providers plays an essential part of our roadmap towards decarbonization. We actively adopt sustainable products across our diversified business units. Further examples on our collaborations throughout our value chain are covered throughout this report.

In the construction business, where sustainable procurement are actively promoted, Hip Hing Group uses 100% temporary wood materials certified with Forest Stewardship Council and/or Programme for the Endorsement of Forest Certification in construction. We also utilize concrete with low carbon that are certified by the CIC Green Product Certification at platinum level in building projects. For facilities management, HML offers canned beverages from vending machines, while restaurants have stopped providing beverages in plastic bottles, promoting green supply chain at source.

Supply Chain Assessment and Evaluation

We systematically review and assess suppliers through established procedures. The “*Supply Chain Management Guide*” provides an overview to incorporate ESG factors into supply chain management. Suppliers are assessed with consideration to sourcing risk and regular reviews on the suppliers’ ESG performance. Each of our business units have the flexibility to develop guidelines and implement its procurement practices based on its industry background. We regularly monitor performance and adherence of the Group’s related policies and guidelines of our suppliers through regular meetings, audits and inspections. Going beyond compliance, suppliers are encouraged to demonstrate their commitments on sustainability through disclosure and integration of ESG elements into their business operations.

Supply Chain Engagement and Partnerships

To deliver quality products and services across our diversified business, we proactively work with our suppliers to act in alignment with our sustainability agenda. Through hosting dedicated focus groups with our suppliers, we communicated our commitment to decarbonization and shared ideas to enhancing climate resilience along the supply chain, such as the data transparency on Scope 3 GHG emissions of the supply chain in the future. Our business units also engage with their suppliers on a regular basis to review and enhance their ESG performance. Going forward, we will continue to work with our suppliers to better understand and improve our supply chain management approach and strategies.

Connecting with contractors to jointly enhance ESG performance

Hip Hing Group engaged construction workers in the “Life First Campaign” to enhance safety awareness and raise working safety standards on sites. They also reward suppliers and sub-contractors with outstanding environmental performances in the launch of the “Star of Environment” programme, where the most distinct workers for reducing waste are rewarded with coupons.



Safety review forum to enhance the safety awareness of the workers

Sustainability Report

Continuous Innovation for Quality Customer Service

We are committed to delivering quality, competitive and satisfactory products and services by incorporating ESG elements and supporting the current and future needs of customers and the society.

Upholding Service and Product Quality

We focus on delivering quality products and services to our customers, which is essential for our business sustainability. We have strict protocols that guide our product and service quality, and we continue to take the advantage of technological advancement to deliver premium services to meet our customers' satisfaction. We adopt international standards to guide our quality, environmental, and safety actions. All Hip Hing Group's construction sites are certified against International Organization for Standardization (ISO) Standards, such as ISO 9001 Quality Management System, ISO 14001 Environmental Management System, ISO 50001 Energy Management System, and ISO 45001 Occupational Health and Safety Management System. Through adopting these management approach, we assess items with high risk profiles on sites and identify respective mitigation measures alongside routine audits and inspections.

Safeguarding Customer Health and Safety

We strive to provide the safest environment for both our customers and employees and the risk of injuries can be minimized through better care and technology. We actively invest in training for our employees as well as in the latest technologies to enhance safety that positively impact on our community of users. We have also increased efforts to protect our customers and staff through innovative products and services.

In FY2022, FTLife Insurance was honoured to receive the Health & Protection Product – Outstanding Award at the Bloomberg Businessweek/Chinese Edition Financial Institution Awards 2022 for the ComboPro Insurance Plan. The Plan provides an innovative package of all-rounded critical illness, medical, accident and life protection coupled with wellness benefits to address mental and physical strains faced by our customers.

Free COVID-19 vaccine coverage for all new and existing customers

During the COVID-19 pandemic, our insurance business played an important role in addressing the needs of our community. FTLife Insurance adheres to the promise of "Think beyond insurance" by exploring and introducing COVID-19 related products:

- Free insurance coverage for any side effects or hospitalization induced by COVID-19-vaccines
- Over 300,000 customers benefited from this new offering



COVID-19 related insurance products by FTLife Insurance

Apart from the commitment of ensuring health and safety of customers, NWS has always placed strong emphasis on customer wellbeing and will continue to strive to improve with a number of innovative measures to improve service standards and quality. Our business units attained recognitions from the industry as well as the community and we will strive to make continuous progress in addressing Wellness and Smart.

Sustainability Report

HZRR uses the Unmanned Aerial Vehicle (UAV) for inspection

For our roads business, we actively incorporate smart designs and concepts to enhance user experience. Our HZRR adopts the use of new technology, UAV to conduct inspections on slopes, guardrails, toll stations rooftop, isolation fences and other incidents on expressways. The technology not only helped safeguard the safety of roads for users but also improved the efficiency and safety of inspections as well as reducing costs.



Use of UAV for road inspection

Data Protection and Customer Privacy

We have a clear approach in identifying and addressing information security risks. In FY2021, the Group has further strengthened the information security architecture with enhanced authorization and authentication mechanisms. Data privacy and information security related policies and procedures, including the Personal Information Collection Statement, are in place at Group and business unit levels, to improve the data lifecycle management and safeguard the integrity and confidentiality of personal data.

Cyber Security

Through the stakeholder engagement exercise conducted in FY2022, we learned that our stakeholders considered cyber security a topic of concern as our business transforms to become more digitalized. In our internal review process, business units examine their cyber risk exposure and report in the risk register on a half yearly basis. Our cyber security assessment in FY2020 highlighted the growing risks and regulations in data protection and customer privacy and the need for a long term action plan. Mitigating actions taken within the year are summarized:

Sustainability Report

Our Holistic Approach on Cyber Security



Computer system

- Encrypt data for all computational end point with internal storage
- Perform drill test on a regular basis for system recovery
- Restrict copying of data from office computers to all USB drives
- Track record for file transfer in email and Zoom
- Deploy multilayer defense solutions
- Provide alert system mechanism for any detected suspicious behaviour



Policies and Guidelines

- The “NWCS IT Policy”
- The Data Privacy Policy
- The Personal Data Retention Policy
- Up-to-date Personal Information Collection Statement



Governance and Management

- Information security of NWS is overseen at corporate level by the IT department of NWCS
- Cyber security issues governed by the Data Leakage Prevention Committee of NWD
- Implement Privacy Management Programme
- Appoint staff with information security expertise to conduct regular compliance checking
- Conduct IT Audit for NWS and business units on a regular basis to enhance operation management of cyber security risk



Training and Awareness

- Regular cyber security related trainings for knowledge refreshment
- Issue regular email alert
- Screening of IT system
- Conduct stakeholder engagement with external expert and internal colleagues to identify improvement opportunities

Attaching Importance to Information Privacy

With rapidly changing technologies and increasing IT demands among business units, we foresee greater cyber security and data risks in our business. Our cyber security governance establishes the architecture with policies to enhance the building of internal systems for information protection. In addition to having relevant policies and statements in place to protect sensitive customer information, NWS also provides proactive support to our parent company – New World Group’s Data Leakage Prevention Committee which oversee and centralize management on cyber security issues for all business units. Our measures are developed with the intent to optimize data management process and safeguard customers’ data privacy, from data collection to destruction through our computer systems and ensuring applicable procedures are followed by persons who need to handle the data. We ensure our operations comply with the Personal Data (Privacy) Ordinance (Cap. 486), the Personal Information Protection Law of the People’s Republic of China and relevant laws and regulations. There were no material IT-related incidents recorded in FY2022.

Sustainability Report

Responsible Marketing

NWS strictly adheres to the Trade Descriptions Ordinance (Cap. 362) and relevant legislation to ensure that our products and services meet applicable laws and labeling requirements. Designated staff are responsible to review marketing and promotional materials before issuance to ensure accuracy and avoid disclosing misleading information. Regular training is also provided to our staff to ensure these requirements are properly followed. There were no reported cases of regulatory non-compliance regarding marketing or labelling during the reporting year.

Customer Feedback and Communication

The Group values all feedback from our customers – Voice of Customer, which we see as opportunities to improve customer relationship and demonstrate our commitment to quality and meeting our customers' needs and expectations. During the reporting year, NWS Holdings has conducted a satisfaction survey with over 350 customers and an average satisfaction rate of 98% was achieved. Our business units have customer feedback handling systems tailored to their business, ensuring insights from our customers are dealt with in appropriate ways. Contact information is available at each of our business units' websites. Comments and complaints are carefully handled by dedicated teams and are properly recorded and reviewed by management on a regular basis to identify areas for improvement.

Unmanned AI convenience store at Zhiyi West Lake Service Area under HZRR

An AI convenience store at the Zhiyi West Lake Service Area was introduced to accurately identify products and shopping behaviours of the customers. A new shopping experience of "Take and go away without paying physically" was promoted to further reduce the manpower and product costs, and also enable us to continually deliver enhanced customer experiences.



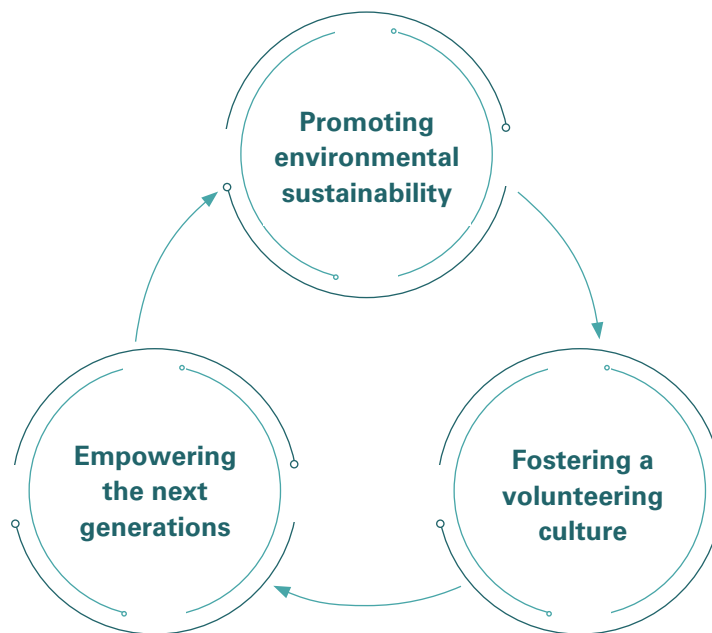
AI convenience store at HZRR

Sustainability Report

FOSTERING AN INCLUSIVE COMMUNITY

As one of the key themes of our sustainability pillars is fostering an inclusive community, we partner with social enterprises and non-governmental organizations (NGOs) to help a wide range of community members including ethnic minorities, those with disabilities, and low-income families. Our community investment strategy clearly states three focus areas, which are **empower the next generations, foster a volunteer culture, and promote environmental sustainability**. The core of our community engagement and investment work is spearheaded by the NWS Holdings Charities Foundation and the NWS Volunteer Alliance. In line with our commitment, we aim to create a sustainable and inclusive community for everyone and especially to provide opportunities to nurture the next generation, empowering them to recognize their capabilities, raising their environmental awareness, building up confidence and standing up for their values.

Only through collaboration could we create more positive impact in the community. As a company with diversified businesses, we fully leverage our resources and network within our ecosystem, including partnerships among our business units as well as different units within our parent company, and the wider community, to support the long-term development of society and future generations by means of community investment, cash and in-kind donation, and various volunteering services.



NWS Community Investment Strategy

Sustainability Report

Celebrating 20 years of Serving the Community

Our strong tradition of active community engagements through volunteering has evolved from philanthropy and charity complements to creating shared values for the community. We have been vigorously promoting the spirit of caring and have served the community through the employee-led NWS Volunteer Alliance established since 2001. As we celebrated the 20th Anniversary of NWS Volunteer Alliance, we are proud to have developed the strong culture in serving our community and we strive for continued efforts in creating a more inclusive society through promoting social inclusion, equality and respect.

20
01

Formation of "NWS Volunteer Alliance"

20
06

Held the first annual "NWS Caring Day" to celebrate the anniversary of the Group's Hong Kong Listing by providing community service to the needy.



NWS Caring Day

20
22

Organized appreciation ceremony to volunteers with active participation.



Awarded to volunteers for their contribution

20
21

Launched EXP Journey, our new flagship programme to provide youth with learning opportunities beyond the classroom, in exploring different career experiences.



Students exploring new technology as part of EXP Journey

Sustainability Report

“ We serve our society with what we know, what we have and what our heart has told us ”



Over 100 partners



Over 118,900 beneficiaries



Contributed over 227,000 hours of service

*Data covers from 11/2001 to 6/2022

2008

Launched our signature event “NWS Hong Kong Geo Wonders Hike”. The event successfully arouse public awareness on geological conservation for over 10 years.



Students exploring nature at NWS Hong Kong Geo Wonders Hike

2012

Provided specialized training to our volunteers, including haircutting, chair-based dance, handicraft and balloon twisting to uphold more quality services to the community.

2020

Gave back to local communities where we operate. We expanded The Alliance to Mainland China, including Changsha, Guangzhou, Hangzhou and Tianjin since 2019 and welcomed the volunteers from FTLife Insurance to the team in 2020.



NWS Volunteer Alliance in China

2019

Initiated “Catch Your 5***” programme for children with special education needs (SEN) to develop non-academic skills.



SEN students learning through specially designed interactive games

Sustainability Report

Empowering the Next Generations

NWS believes that nurturing young people and providing them with a supportive environment to unleash their full potential are the keys to their future success. Youth empowerment can contribute to creating employment and long-term growth for the community. Throughout the years, NWS has focused on bringing learning beyond the school environment by launching a geological training programme for secondary school students, and a community programme for children with special educational needs. NWS's signature Creating Shared Value programme, namely EXP Journey, bringing real life work experience to the students. The programme allows them to explore, experience and experiment with their passion and develop their future career aspirations.

Youth Empowerment through EXP Journey



Visits at the Hong Kong Science Park offered to EXP Journey participants

Experience Sharing – Unlocking Innovative Minds of the Next Generation

26 EXP Journey participants were invited for a day-trip to the Hong Kong Science Park. Participants got to learn about next-gen technology from the management of four start-up companies and they also learned about Hong Kong's innovation stories in the Science Park's four strategic areas of AI & Robotics, Biomedical Technology, Data & Smart City, and FinTech.

Inspiring Talk at School

Staff members shared interesting work stories through 10 talks organized for the participants from 10 secondary schools. As EXP Journey embarks on its second year, there were 22 volunteers and 50 students that joined the Junior Achievement Future Skills workshop this year. The workshop aims to develop students' 3C skills – Collaboration, Creativity, and Critical thinking.



Our staff member shared with participants on workplace fun facts



Students job-shadowing across NWS business units

Job Shadowing

39 students experienced working at different NWS departments, business units and NGOs for 2 days.

Sustainability Report

Field Trips

Teachers and students from Buddhist Yip Kei Nam Memorial College were invited to visit the ATL to experience the operations and learn about ATL’s sustainability features such as the rooftop solar photovoltaic system, at first-hand.



Students learning about the ATL



Participants making chocolate truffles at the HKCEC

Apprentice Workshops

Executive Pastry Chef, Ken Lee from HML, taught 12 students how to make chocolate truffles to experience the job of a pastry chef.

Positive feedback from participants



“ This programme provided me with a lot of precious experience and I enjoyed exploring a variety of business units during the field trips. ”

EXP participant from the Buddhist Yip Kei Nam Memorial College



“ As teachers, we would like to better understand different career development options for our students. EXP Journey has provided us abundant knowledge and opportunities to enrich our student’s’ exposures. ”

Teacher from the Buddhist Yip Kei Nam Memorial College

Sustainability Report

Promoting Youth's Upward Social Mobility and Caring for Ethnic Minorities

Consistent with the principles of the UNGC, our "Human Rights Policy" reaffirms our commitment to treat our stakeholders with dignity, fairness and respect. We recognize fostering an inclusive and multicultural community can reduce inequality and is a key factor for sustainable development. Through providing educational programmes and scholarships, we want to help children from marginalized communities achieve their full potential. We kick-started the Chinese learning programme for primary school students from ethnic minorities in June and targeted to deliver 30 Chinese enhancement classes from June to September 2022.

FTLife Insurance Supported Underprivileged Students through Principal Chan

Since 2019, FTLife Insurance has set up a three-year Scholarship programme for underprivileged students from "Principal Chan Free Tutorial World" to encourage their improvement in academic performance, about 1,000 students have benefited from the 3-year Scholarship programme.



FTLife Insurance actively engages with community

Fostering a Volunteering Culture

NWS recognize an active volunteering programme is an important aspect of corporate social responsibility. Connecting our employees to the community and leveraging upon our diverse networks are key to fostering a vibrant volunteering culture to serve our communities.

Power up Volunteering Ecosystem through Incentives

The NWS volunteer programme consists of different incentives to encourage active participation from employees and their families and friends, such as donating HK\$500 to charity for every new volunteer who has volunteered for more than 24 hours, which multiplies social impact through corporate matching gift measures.

Sustainability Report

Connecting the wider elderly group through partnership with NGOs

Elderly isolation and loneliness, a public health issue as cautioned by the World Health Organization, has become more prominent during the pandemic and can severely impact the physical and mental wellbeing among the elderly. Recognizing the challenges presented by the aging population, NWS plays our part to encourage active aging, such as organizing various social initiatives to connect the elderly with their peers in the community. Our Hip Hing Group – Vibro Volunteer Team partnered with the Hong Kong Young Women’s Christian Association to host an annual Cantonese Opera Show that was attended by over 700 elderly citizens this year. HML partnered with St. James’ Settlement this year to organize Christmas gatherings for 20 pairs of elderly people and their caregivers to build social connection over lunch and afternoon tea.

Promoting Environmental Sustainability

With the rapid growth of the urban environment, the United Nations estimates that by 2050, two-thirds of the world’s population will live in cities. As a caring company, we consider it our responsibility to protect the planet for the wellbeing of the future generations. To support our next generation to create a greener community, NWS has initiated a number of sustainability initiatives this year that are focused on environmental protection and biodiversity conservation with the objective to build up knowledge amongst internal and external stakeholders.



Case Study – Habitat Heroes: An Inspiring Journey for Young Talents to Restore Marine Habitat

83% of the global carbon cycle is circulated through the ocean. Restoring coastal wetland is an important nature-based solution to increase carbon sequestration and combating climate change. Together with The Nature Conservancy Hong Kong, NWS launched our Group’s first biodiversity themed programme for young talent, namely Habitat Heroes, to understand our local ecosystems as well as to demonstrate what nature can do for the cities, and the ways to preserve biodiversity.

In June, a total of 18 participants of the EXP Journey and corporate volunteers gathered at Pak Nai and Kon Pak Stream to carry out environmental fieldwork, ranging from water sampling to wildlife observation to discovering and learning about the abundant varieties of wildlife.



Students of EXP Journey explore biodiversity at Pak Nia and Kon Pak Stream

Sustainability Report

HONG KONG STOCK EXCHANGE ESG REPORTING GUIDE CONTENT INDEX

The following indicates the location of or direct response to the disclosures required by Hong Kong Stock Exchange ESG Reporting Guide included in this report.

Aspect and Key Performance Indicators (KPIs)	Description	Section/Remarks
Governance Structure	A statement from the board containing the following elements: (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, prioritize 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.	Sustainability Governance
Reporting Principles	A description of, or an explanation on, the application of the (i) Materiality, (ii) Quantitative, (iii) Consistency reporting principles.	About this Report
Reporting Boundary	Reporting boundaries of the ESG report and process of setting them.	About this Report
A. Environmental		
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Sustainability Governance; There were no reported cases of non-compliance that had a significant impact on the Group in FY2022.
KPI A1.1	The types of emissions and respective emissions data.	Environmental Performance Data Summary
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) GHG emissions (in tonnes) and, where appropriate, intensity.	Environmental Performance Data Summary
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity.	Environmental Performance Data Summary
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity.	Environmental Performance Data Summary

Sustainability Report

Aspect and Key Performance Indicators (KPIs)	Description	Section/Remarks
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Progress towards Our 2030 Targets; Greener Future
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.	Progress towards Our 2030 Targets; Greener Future
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Sustainability Governance
KPI A2.1	Direct and/or indirect energy consumption by type in total (kWh in '000s) and intensity.	Environmental Performance Data Summary
KPI A2.2	Water consumption in total and intensity.	Environmental Performance Data Summary
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Greener Future
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.	Greener Future There were no problems in sourcing water encountered in our operations in FY2022. 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.
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Data not tracked. The use of packaging material is not material to the Group.

Sustainability Report

Aspect and Key Performance Indicators (KPIs)	Description	Section/Remarks
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimizing significant impacts on the environment and natural resources.	Sustainability Governance
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Greener Future
Aspect A4: Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Sustainability Governance
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.	Greener Future
B. Social		
Aspect B1: Employment and Labour Practices		
General Disclosure	Information on: (a) the policies; and (b) 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. Policies on employment practices.	Sustainability Governance There were no reported cases of non-compliance related to employment that had a significant impact on the Group in FY2022.
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	Social Data Summary
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Social Data Summary
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) 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.	Sustainability Governance There were no reported cases of non-compliance related to health and safety in FY2022.

Sustainability Report

Aspect and Key Performance Indicators (KPIs)	Description	Section/Remarks
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
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Thriving People
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Sustainability Governance; Thriving People
KPI B3.1	Percentage of employees trained by gender and employee category.	Social Data Summary; Data not tracked. 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	Average training hours completed per employee by gender and employee category.	Social Data Summary
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour. Policies on preventing child and forced labour.	Thriving People There were no reported cases of non-compliance related to labour standards that had a significant impact on the Group in FY2022.
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Thriving People
KPI B4.2	Description of steps taken to eliminate child and forced labour practices when discovered.	Thriving People

Sustainability Report

Aspect and Key Performance Indicators (KPIs)	Description	Section/Remarks
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Optimizing Value Chain
KPI B5.1	Number of suppliers by geographical region.	Optimizing Value Chain
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.	Optimizing Value Chain
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Optimizing Value Chain
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Optimizing Value Chain
Aspect B6: Product Responsibility		
General Disclosure	Information on: <ul style="list-style-type: none"> (a) the policies; and (b) 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. 	<p>Sustainability Governance;</p> <p>Optimizing Value Chain</p> <p>There were no reported cases of non-compliance that had a significant impact on the Group in FY2022.</p>

Sustainability Report

Aspect and Key Performance Indicators (KPIs)	Description	Section/Remarks
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 433 complaints in relation to product and services during FY2022. Refer to "Optimizing Value Chain" section for description of complaint handling mechanism.
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Sustainability Governance
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.
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Optimizing Value Chain

Sustainability Report

Aspect and Key Performance Indicators (KPIs)	Description	Section/Remarks
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Sustainability Governance There were no reported or concluded legal cases in FY2022.
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.	Sustainability Governance There were no reported or concluded legal cases of corruption brought against the Group or its employees that had a significant impact on the Group in FY2022.
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Sustainability Governance
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Sustainability Governance
Aspect B8: Community Investment		
General Disclosure	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
KPI B8.1	Focus areas of contribution.	Fostering an Inclusive Community
KPI B8.2	Resources contributed to the focus area.	Fostering an Inclusive Community

Sustainability Report



VERIFICATION STATEMENT

Scope and Objectives

Hong Kong Quality Assurance Agency (“HKQAA”) performed a reasonable assurance engagement on the sustainability disclosures stated in the Sustainability Report 2022 (“the Report”) of NWS Holdings Limited (“NWS”) for the period from 1st July 2021 to 30th June 2022.

The Report is prepared in accordance with the Environmental, Social and Governance Reporting Guide (“ESG Guide”) set out in the Appendix 27 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Exchanges and Clearing Limited (HKEx), and with reference to the Global Reporting Initiative (“GRI”) Standards 2021.

Our responsibility is to express an assurance conclusion on the completeness, accuracy and reliability of the sustainability data and information stated in the Report. The objectives are to:

- assess the completeness of the scope to cover all significant aspects of NWS sustainability performance;
- verify the fulfillment in addressing the ESG Guide and review the referencing of the GRI Standards 2021;
- evaluate the accuracy of the selected data and information presented in the Report including the performance of NWS Sustainability Targets 2030 and progress status, Environment and Social Performance Data, etc.; and
- review the reliability of the data and information management mechanism for preparing the Report.

Level of Assurance and Methodology

We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information and the International Standard on Assurance Engagements (ISAE) 3410, Assurance Engagements on Greenhouse Gas Statements issued by the International Auditing and Assurance Standards Board. The verification procedure was designed for devising opinions and conclusions to obtain a reasonable level of assurance. The extent of this verification process undertaken covered the criteria specified in the ESG Guide and the GRI Standards 2021.

Within the scope of our verification, we conducted the following procedures and activities:

- reviewing internal systems and processes for collecting, analyzing, aggregating and reporting of the performance data;
- verifying performance of NWS Sustainability Targets 2030 and progress status, Environment and Social Performance Data, including key metrics of energy, greenhouse gases, water, waste, health and safety, employment and training, etc.;
- interviewing responsible personnel with accountability for preparing the Report; and
- examining raw data and supporting evidence of the selected samples according to the risk-based sampling plan.

Sustainability Report

Independence

NWS is responsible for the collection and presentation of the information. Our verification activities are independent and impartial.

Conclusion

The verification results revealed that:

- The Report has been prepared in accordance with the ESG Guide and with reference to the GRI Standards 2021;
- The Report illustrates NWS's sustainability performance, covering all material and relevant aspects and topics, in a balanced, comparable, clear and timely manner;
- The data and information disclosed in the Report are reliable and accurate; and
- In FY2022, NWS has achieved a 10.1% reduction from FY2021 in Greenhouse Gas (Scope 1 & 2) intensity.

In conclusion, HKQAA has obtained reasonable assurance and is in the opinion that the disclosures in the Report reflect most prudently the sustainability performance of NWS in all material aspects, which provides clear information for stakeholders to make informed decisions on NWS's overall sustainability performance.

Signed on behalf of Hong Kong Quality Assurance Agency



Connie Sham

Head of Audit

Hong Kong Quality Assurance Agency

September 2022