



APPENDIX

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

Parameter	Units	FY2020	FY2021	FY2022 ⁴	Year-on-year % change
Air Emissions^{5,6}					
Nitrogen oxide (NO _x)	Tonne	3.5	2.7	2.6	
Sulphur oxide (SO _x)	Tonne	0.009	0.008	0.007	
Particulate matters (PM ₁₀)	Tonne	0.87	0.89	0.88	
Energy Consumption⁷					
Diesel	Gigajoules (GJ)	32,249	48,940	73,748 ⁸	
Biodiesel	Gigajoules (GJ)	217,891	272,629	174,534 ⁹	
Unleaded petrol	Gigajoules (GJ)	11,735	12,132	11,203	
Liquefied petroleum gas	Gigajoules (GJ)	470	339	508	
Electricity	Gigajoules (GJ)	269,431	224,610	242,053	
Towngas ¹⁰	Gigajoules (GJ)	13,417	7,543	9,074	
Total energy consumption	Gigajoules (GJ)	545,193	566,194	511,119	
	MWh ¹¹	151,443	157,276	141,978	
Total energy consumption intensity	GJ/HK\$ million	27.1	22.3	18.2	-18.5%
On-site generated renewable energy for feed-in tariff ¹²	Gigajoules (GJ)	15	46	43	
Greenhouse Gas (GHG) Emissions^{13, 14}					
Scope 1 emissions	Tonne CO ₂ e	19,565	24,257	19,001	
Scope 2 emissions	Tonne CO ₂ e	51,214	34,335	39,316	
Total GHG emissions (scope 1 & 2) ¹⁵	Tonne CO ₂ e	70,779	58,592	58,317	
Total GHG emissions (scope 1 & 2) intensity	Tonnes CO ₂ e/ HK\$ million	3.5	2.3	2.1	-10.1%
Procured carbon offset ¹⁶	Tonne CO ₂ e	N/A	134	81	
Water Consumption¹⁷					
Municipal water used	m ³	1,097,070	1,231,519	991,156	
Water intensity	m ³ /HK\$ million	54.5	48.6	35.0	-27.3%
Wastewater direct discharge ¹⁸	m ³	NA	1,004,860	800,668	

Parameter	Units	FY2020	FY2021	FY2022 ⁴	Year-on-year % change
Waste					
Hazardous Waste Disposed					
Chemical waste (liquid) ^{19, 20}	Tonne	6	0.8	0 ²¹	
Chemical waste (solid)	Tonne	0.31	0.05	0.72 ²²	
Total chemical waste disposed ²³	Tonne	6.31	0.85	0.72	
Non-Hazardous Waste Disposed					
General waste to landfills (Exclude Hip Hing Group)	Tonne	2,386	1,083	1,492 ²⁴	
C&D waste to landfills (Only Hip Hing Group)	Tonne	45,935	41,208	38,607	
C&D waste to sorting facility	Tonne	12,628	31,311	28,532	
Total non-hazardous waste to landfills	Tonne	60,949	73,602	68,631	
Total non-hazardous waste intensity	Tonne/HK\$ million	3.0	2.9	2.44	
Total C&D waste generated ²⁵	Tonne	1,177,407	900,517	546,004 ²⁶	
Materials Recycled					
Inert C&D materials (to public fill facility)	Tonne	1,118,843	827,998	478,865	
Food waste	Tonne	130	25	31	
Cooking oil	Tonne	4.2	0.8	1.0	
Paper	Tonne	212	81	113	
Plastics bottles	Tonne	1.2	0.3	0.9	
Aluminium cans	Tonne	0.6	0.1	0.2	
Glass bottles	Tonne	16.4	0.9	1.7	
Total materials recycled	Tonne	1,119,208	828,106	479,014 ²⁷	

N/A: Data not available or not collected.

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

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

³ The environmental data of FY2020 to FY2022 has excluded data from transport operations for fair comparison, due to its business disposal since FY2020.

⁴ Sustainability performance data does not include Kai Tai Sports Park as Hip Hing Group is not the main contractor of the project but Kai Tak Sports Park Limited, a subsidiary of NWD.

⁵ Road air emission factors are based on the Hong Kong Environmental Protection Department's (EPD) EMFAC-HK Vehicle Emission Calculation model and the United States Environmental Protection Agency's (USEPA's) Vehicle Emission Modeling Software — MOBILE6.1. PM emission refers to respirable suspended particles (PM₁₀).

⁶ FY2020 is the first year to include company owned vehicles from all in-scope business units (excluding contract cars from Hip Hing Group's projects) and FY2021 is the first year to include contract cars from Hip Hing Group's project.

⁷ Energy conversion factors of different fuel types are referenced from Greenhouse Gas Inventory Guidance: Direct Emissions from Stationary Combustion Sources, January 2016, published by USEPA.

⁸ The increase in diesel usage was due to the increase number of new project sites of Hip Hing Group in FY2022 comparing to last year.

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

¹⁰ Each unit of Towngas consumption has a heat value of 48 MJ.

¹¹ 1 gigajoule (GJ) = 0.278 MWh

¹² The scope covers the grid-connected solar panels installed in the rooftop of the HKCEC only. The installed renewables covered are for the feed in-tariff scheme in Hong Kong, therefore their energy generated will not offset the overall Group's usage.

¹³ Greenhouse Gas (GHG) emissions were calculated based on the Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong, 2010 Edition published by the Environmental Protection Department and the Electrical and Mechanical Services Department, which includes carbon dioxide (CO₂), methane (CH₄) and nitrous oxide (N₂O) of Scope 1 and 2 emissions.

¹⁴ For Hong Kong operations, EF adopted for purchased electricity are 0.71 kg CO₂e/kWh and 0.39 kg CO₂e/kWh as provided by HK Electric Investments Sustainability Report 2021 and CLP Sustainability Report 2021 respectively, subjecting to the location of operation. The EF for Towngas is 0.588 kg CO₂e/unit as provided by The Hong Kong and China Gas Company Limited ESG Report 2021. For Mainland China operation, the EF adopted for purchased electricity is 0.581 kg CO₂/kWh, which is referenced from The Ministry of Ecology and Environment of People's Republic of China.

¹⁵ Besides the Group's continuous effort on energy saving, the reduction in GHG emission was also due to the cleaner purchased electricity from the power companies, HK Electric Investments and CLP, which resulted lower emission factors since 2021.

¹⁶ Hip Hing Group has initiated a programme to offset carbon emission from fossil fuel consumption of its construction equipment in FY2021, the amount of carbon offset was procured to cover the fuel consumption between March to June 2021.

¹⁷ Figure excludes water consumption at Corporate Office of NWS Holdings and FTLife Insurance's offices as the amount of water use is not available as rental premises in Hong Kong.

¹⁸ For Free Duty, Hunan NWS Expressway, and Zhejiang NWS Expressway, it was assumed 100% municipal water usage was directly discharged as waste water. For Hip Hing Group, 20% of water consumption is estimated to be recycled for on-site reuse; For HML, the wastewater discharge amount was the actual data recorded in the sewage discharge bills.

¹⁹ Chemical waste is the only type of hazardous wastes within the in-scope business units. Chemical waste is properly stored at the premise of the business operations and handled by qualified third-party contractors for disposal as required by local regulations.

²⁰ The weight of chemical waste (liquid) is converted by using the density figure 1.0 kg/litre from the Australian Hazardous Waste Data and Reporting Standard 2017 revision.

²¹ The reduction in chemical waste disposed (liquid) was because there were fewer construction projects at fitting-out stage in FY2022 and thus less chemical waste generated.

²² The increase in chemical waste disposed (solid) was because replacement of damaged street light together with the construction works of Hangzhou 2022 Asian Games conducted, as well as some exhibitions were resumed in HML with replacement of more efficient lights during FY2022, thus more chemical waste generated.

²³ "Total non-hazardous waste to landfill" is the summation of "General waste to landfills (Exclude Hip Hing Group)", "C&D waste to landfills (Only Hip Hing Group)" and "C&D waste to sorting facility".

²⁴ The increase of "General waste to landfills" was mainly due to the increase of general waste resulted from HML's increased number of events in FY2022.

²⁵ "Total C&D waste generated" is the summation of "C&D waste to landfills" (Only Hip Hing Group), "C&D waste to sorting facility" and "Inert C&D waste (to public fill facility)".

²⁶ The reduction of "Inert C&D waste (to public fill facility)" was due to the fact that most of the construction site were not in foundation stage without the need of massive disposal of inert materials, meanwhile the adoption of Material Management App in Hip Hing Group facilitated the internal material circularity, rather than direct waste disposal to public fill.

²⁷ The significant decrease of "Total Materials Recycled" was due to the decrease in "Inert C&D waste (to public fill facility)" and reduction in quantity of various recycled materials from Hip Hing Group and HML.

SOCIAL DATA SUMMARY ²⁸

Parameter	Units	FY2020	FY2021	FY2022	
Workforce					
Total Number of Employees ²⁹	No. of employees	5,506	4,938	4,862	
By Gender	Male	3,663	3,356	3,314	
	Female	1,843	1,582	1,548	
By Employment Type	Full-time employees	5,452	4,891	4,797	
	Part-time employees	54	47	65	
By Contract Type	Permanent employees	5,016	4,725	4,634	
	Fixed-term/temporary employees	490	213	228	
By Seniority	Operational Staff	3,985	3,524	3,419	
	General Staff	706	634	605	
	Assistant Manager	264	243	247	
	Manager and Senior Manager	420	381	433	
	Assistant General Manager and above ³⁰	131	156	158	
By Geographical Region	Hong Kong	4,654	4,155	4,114	
	Mainland China	851	780	747	
	Others	1	3	1	
By Age Group	Under 30 years old	1,085	951	949	
	30-50 years old	2,954	2,639	2,538	
	Over 50 years old	1,467	1,348	1,375	
Total New Hires ³¹	No. of employees	1,047	597	1,093	
New Hires Rate ³²	%	19	12	23	
Total Number of Leavers ³³	No. of employees	971	1,237	1,214	
Turnover Rate ³⁴	%	17	25	25	
Health and Safety					
Total Hours Worked	No. of hours	12,392,359	11,083,153	10,784,065	
Work-related Lost-time injuries (Sick Leave > 0 day)	No. of case	42	20	27	
Reportable Work-related Injuries (sick Leave > 3 days)	No. of case	35	17	19	
Work Day Lost due to Work-related Injuries ³⁵	No. of days	5,152	3,623	2,551	
Lost-day Rate ³⁶	per 100 employees	83.1	65.4	47.3	
Lost-time injury rate (LTIR) ³⁷	per 100 employees	0.7	0.40	0.5	
Work-related Fatalities	No. of cases	0.0	0.0	0.0	
Fatality rate ³⁸	%	0	0	0	
Training					
Average Training Hours per Employee	No. of hours	10.4	12.7	11.6	
Average Training Hours per Employee (by Gender)	Male	10.4	10.7	11.2	
	Female	10.5	17.0	12.3	
By Type of Training	Anti-corruption	No. of hours	2,472	1,434	3,359
	Corporate culture	No. of hours	6,560	8,637	15,284
	Environmental protection	No. of hours	1,514	4,063	1,849
	Occupational health and safety	No. of hours	14,684	12,230	10,626
	Professional development	No. of hours	29,180	25,777	25,204
Average Training Hours Completed per Employees (By Seniority)	Operational Staff	No. of hours	9.5	7.0	8.6
	General Staff	No. of hours	15.9	30.2	22.6
	Assistant Manager	No. of hours	11.1	26.9	15.5
	Manager	No. of hours	9.7	21.9	14.4
	Senior Manager	No. of hours	9.4	23.7	16.3
Assistant General Manager and above	No. of hours	9.8	24.1	17.5	

Detailed Breakdown in FY2022

Parameter		Units	Male	Female
Workforce				
By Geographical Region	Hong Kong	No. of employees	2,911	1,203
	Mainland China	No. of employees	403	344
	Others	No. of employees	0	1
By Employment Type, Gender and Region	Full-time	No. of employees	3,295	1,502
	Part-time	No. of employees	19	46
By Contract Type and Gender	Permanent Contract	No. of employees	3,154	1,502
	Fixed-term or Temporary Contract	No. of employees	160	68
By Seniority and Gender	Operational Staff	No. of employees	2,497	922
	General Staff	No. of employees	282	323
	Assistant Manager	No. of employees	154	93
	Manager and Senior Manager	No. of employees	289	144
	Assistant General Manager and above	No. of employees	92	66
New Hires				
By Gender		No. of employees	786	307
Rate by Gender ³⁹		%	16.2	6.3
By Geographical Region and Gender ⁴⁰	Hong Kong	No. of employees	719	220
	Mainland China	No. of employees	66	83
	Others	No. of employees	1	4
By Age Group and Gender	< 30 years old	No. of employees	301	173
	30-50 years old	No. of employees	307	85
	> 50 years old	No. of employees	178	49
Rate by Geographical Region ³⁸	Hong Kong	%		19.3
	Mainland China	%		3.1
	Others	%		0.1
Turnover				
Leavers By Gender		No. of employees	860	354
Rate by Gender ⁴¹		%	17.7	7.3
By Geographical Region and Gender	Hong Kong	No. of employees	777	265
	Mainland China	No. of employees	80	88
	Others	No. of employees	3	1
Rate by Geographical Region ⁴²	Hong Kong	%		21.4
	Mainland China	%		3.5
	Others	%		0.1
By Age Group and Gender	Under 30 years old	No. of employees	210	97
	30-50 years	No. of employees	413	191
	> 50 years old	No. of employees	237	66
Rate by Age Group ⁴³	Under 30 years old	%		6.3
	30-50 years	%		12.4
	> 50 years old	%		6.2
Parental Leave				
Employees who took Parental Leave		No. of employees	59	20
Employees returned to work after Parental Leave ended		No. of employees	59	19
Return-to-work Rate by Gender ⁴⁴		%	100	95

²⁸ The social data from FY2020 to FY2022 excluded data from transport operations. As of FY2021, transport business including NWFB, Citybus and NWFF were fully disposed of in FY2021.

²⁹ Total Number of Employees refers to the number of employees of the in-scope business units under the Sustainability Report as of 30 June of the respective year.

³⁰ Assistant General Manager and above includes remunerated directors from Board of Directors, CEO and COO.

³¹ Since FY2019, the definition of Total New Hires covers permanent employees only.

³² New Hires Rate is calculated as the Number of New Hires divided by the Total Number of Employees.

³³ Total Number of Leavers includes both voluntary and involuntary leavers as of 30 June of the respective year.

³⁴ Turnover Rate is calculated as the Total Number of Leavers divided by Total Number of Employees.

³⁵ Number of Work Day Lost due to Work-related Injuries was adjusted since FY2020 to align with the Labour Department's definition (i.e. excludes only statutory holidays).

³⁶ Lost-day Rate represents the Number of Work Day Lost due to Work-related Injuries per 100 employees per year. It is calculated as the total Number of Work Day Lost due to Work-related Injuries divided by the Total Hours Worked and multiplied by 200,000. The factor 200,000 is the annual hours worked by 100 employees, based on 40 hours per week for 50 weeks a year.

³⁷ Lost-time Injury Rate (LTIR) represents the number of injuries per 100 employees per year. It is calculated as the Number of Work-related Lost-time Injuries divided by the Total Hours Worked and multiplied by 200,000. The factor 200,000 is the annual hours worked by 100 employees, based on 40 hours per week for 50 weeks a year.

³⁸ Fatality Rate is calculated as the number of Work-related Fatalities divided by the Total Number of Employees.

³⁹ New Hires Rate by Gender for the respective year is calculated as the Number of New Hires by respective gender divided by the Total Number of Employees.

⁴⁰ New Hires Rate by Geographical Region is calculated as the Number of New Hires in the corresponding region divided by Total Number of Employees.

⁴¹ Turnover Rate by Gender for the year is calculated as the Number of Leavers by respective gender divided by the Total Number of Employees.

⁴² Turnover Rate by Geographical Region is calculated as the Number of Leavers in the corresponding region divided by the Total Number of Employees.

⁴³ Turnover Rate by Age Group is calculated as the Number of Leavers of respective age group divided by the Total Number of Employees.

⁴⁴ Return-to-work Rate by Gender is calculated as the Number of Employees Returned to work after Parental Leave ended divided by the Number of Employees who took Parental Leave under subsequent gender group.

GRI STANDARDS CONTENT INDEX

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

GRI Standards	Disclosure	Section/Remarks
GRI 2: General Disclosures 2021		
2-1	Organisational details	About this Report
2-2	Entities included in the organisation's sustainability reporting	About this Report
2-3	Reporting period, frequency and contact point	About this Report
2-4	Restatements of information	About this Report Environmental Performance Data Summary Social Data Summary
2-5	External assurance	Verification Statement
2-7	Employees	Thriving People Social Data Summary
2-9	Governance structure and composition	Sustainability Governance
2-10	Nomination and selection of the highest governance body	Annual Report 2022
2-11	Chair of the highest governance body	Sustainability Governance
2-12	Role of the highest governance body in overseeing the management of impacts	Sustainability Governance
2-13	Delegation of responsibility for managing impacts	Sustainability Governance
2-14	Role of the highest governance body in sustainability reporting	Sustainability Governance
2-15	Conflicts of interest	Annual Report 2022
2-18	Evaluation of the performance of the highest governance body	Annual Report 2022 Sustainability Governance
2-19	Remuneration Policy	Annual Report 2022
2-20	Process to determine remuneration	Annual Report 2022
2-22	Statement on sustainable development strategy	Message from the Chief Executive Officer and Chairman of the Sustainability Committee
2-23	Policy commitments	Sustainability Governance
2-24	Embedding policy commitments	Sustainability Governance
2-25	Processes to remediate negative impacts	Stakeholder Engagement and Materiality Assessment
2-26	Mechanisms for seeking advice and raising concerns	Sustainability Governance
2-27	Compliance with laws and regulations	No reported cases of non-compliance that had a significant impact on the Group in FY2022.
2-28	Membership associations	Memberships and Affiliations
2-29	Approach to stakeholder engagement	Stakeholder Engagement and Materiality Assessment

GRI Standards	Disclosure	Section/Remarks
GRI 3: Material Topics 2021		
3-1	Process to determine material topics	Stakeholder Engagement and Materiality Assessment
3-2	List of material topics	Stakeholder Engagement and Materiality Assessment
3-3	Management of material topics	Stakeholder Engagement and Materiality Assessment
GRI 201: Economic Performance 2016		
201-1	Direct economic value generated and distributed	Annual Report 2022
GRI 203: Indirect Economic Impacts 2016		
203-1	Infrastructure investments and services supported	Annual Report 2022 Fostering an Inclusive Community
GRI 204: Procurement Practices 2016		
204-1	Proportion of spending on local suppliers	Optimizing Value Chain
GRI 205: Anti-corruption 2016		
205-1	Operations assessed for risks related to corruption	Annual Report 2022 Sustainability Governance
205-2	Communication and training about anti-corruption policies and procedures	Sustainability Governance
205-3	Confirmed incidents of corruption and actions taken	Sustainability Governance
GRI 302: Energy 2016		
302-1	Energy consumption within the organisation	Environmental Performance Data Summary
302-3	Energy intensity	Environmental Performance Data Summary
302-4	Reduction of energy consumption	Environmental Performance Data Summary
GRI 303: Water and Effluents 2018		
303-1	Interactions with water as a shared resource	Greener Future
303-2	Management of water discharge-related impacts	Greener Future
303-5	Water consumption	Environmental Performance Data Summary
GRI 304: Biodiversity 2016		
304-2	Significant impacts of activities, products and services on biodiversity	Greener Future
304-3	Habitats protected or restored	Greener Future

GRI Standards	Disclosure	Section/Remarks
GRI 305: Emissions 2016		
305-1	Direct (Scope 1) GHG emissions	Environmental Performance Data Summary
305-2	Energy indirect (Scope 2) GHG emissions	Environmental Performance Data Summary
305-4	GHG emissions intensity	Environmental Performance Data Summary
305-5	Reduction of GHG emissions	Environmental Performance Data Summary
305-7	Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions	Environmental Performance Data Summary
GRI 306: Waste 2020		
306-1	Waste generation and significant waste-related impacts	Environmental Performance Data Summary
306-2	Management of significant waste-related impacts	Environmental Performance Data Summary Greener Future
306-3	Waste generated	Environmental Performance Data Summary
306-4	Waste diverted from disposal	Environmental Performance Data Summary
306-5	Waste directed to disposal	Environmental Performance Data Summary
GRI 401: Employment 2016		
401-1	New employee hires and employee turnover	Social Data Summary
401-3	Parental leave	Social Data Summary
GRI 403: Occupational Health and Safety 2018		
403-1	Occupational health and safety management system	Thriving People
403-2	Hazard identification, risk assessment, and incident investigation	Thriving People
403-3	Occupational health services	Thriving People
403-4	Worker participation, consultation, and communication on occupational health and safety	Thriving People
403-5	Worker training on occupational health and safety	Thriving People Social Data Summary
403-6	Promotion of worker health	Thriving People
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Thriving People
403-9	Work-related injuries	Social Data Summary
403-10	Work-related ill health	Thriving People

GRI Standards	Disclosure	Section/Remarks
GRI 404: Training and Education 2016		
404-1	Average hours of training per year per employee	Social Data Summary
404-2	Programs for upgrading employee skills and transition assistance programs	Thriving People Social Data Summary
GRI 405: Diversity and Equal Opportunity 2016		
405-1	Diversity of governance bodies and employees	Thriving People Social Data Summary
GRI 406: Non-discrimination 2016		
406-1	Incidents of discrimination and corrective actions taken	No reported cases of non-compliance related to discrimination that had a significant impact on the Group in FY2022.
GRI 408: Child Labor 2016		
408-1	Operations and suppliers at significant risk for incidents of child labor	Optimizing Value Chain
GRI 409: Forced or Compulsory Labor 2016		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Optimizing Value Chain
GRI 413: Local Communities 2016		
413-1	Operations with local community engagement, impact assessments, and development programs	Fostering an Inclusive Community Standing with the Community during COVID-19
413-2	Operations with significant actual and potential negative impacts on local communities	Fostering an Inclusive Community Standing with the Community during COVID-19
GRI 416: Customer Health and Safety 2016		
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	No concluded cases of regulatory non-compliance regarding Health and Safety that had a significant impact on the Group in FY2022.
GRI 418: Customer Privacy 2016		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	No concluded cases of regulatory non-compliance regarding customer privacy in FY2022.

RECOMMENDATIONS OF TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (“TCFD”) CONTENT INDEX

The following indicates the location of direct response to the disclosures with reference to the Recommendations of Task Force on Climate-related Financial Disclosures (“TCFD”) included in this Sustainability Report. We will continue to gradually disclose comprehensive climate-related information in line with the TCFD recommendations.

Disclosure Areas	TCFD Recommended Disclosure	NWS's Approach	References
Governance	Describe the board's oversight of climate-related risks and opportunities.	<p>We have clear definitions of roles and responsibilities in management of climate risks as part of ESG governance. The Board oversees and has ultimate responsibility for business sustainability and in driving long-term growth.</p> <p>NWS's Enterprise Risk Management (“ERM”) framework is adopted to manage risks, including climate-related risks, with the Board's oversight as per TCFD recommendations since FY2021.</p> <p>The Board strives to improve our approach to ESG in routine operation and achieve sustainability stewardship across our business and investment portfolio.</p>	<p>Sustainability Governance</p> <p>Addressing TCFD Recommendations</p>
	Describe management's role in assessing and managing climate-related risks and opportunities.	<p>The Board is assisted by the Sustainability Committee and four task forces and sub-committees in managing NWS's sustainability commitments, including monitoring material ESG risks and performance against targets. The Sustainability Department is responsible to engage all levels of operations in advising and driving the Group's sustainability commitments, including climate-related actions.</p>	<p>Sustainability Governance</p> <p>Addressing TCFD Recommendations</p>
Strategy	Describe the climate-related risks and opportunities the company has identified over the short, medium, and long term.	<p>Comprehensive materiality assessments are conducted regularly to identify key ESG issues that are important to our stakeholders and our business. Climate change was one of the top material issues identified in FY2022 and we are committed to formulate and implement long-term plans and reduction targets on GHG emissions.</p> <p>We are conducting climate risk assessments in phases to understand on how climate change may impact our business. Since our assessment to study potential physical climate risks faced by the HML, we began a physical climate risk assessment for Zhejiang NWS Expressway and Hunan NWS Expressway. Assessment results are anticipated in FY2023.</p>	Addressing TCFD Recommendations

Disclosure Areas	TCFD Recommended Disclosure	NWS's Approach	References
	Describe the impact of climate-related risks and opportunities on the company's businesses, strategy, and financial planning.	<p>Our approach is to apply sustainability principles across all aspects of our business, from planning to implementation. NWS is committed to mitigate risk exposure through appropriate risk management strategies and implementing adequate internal controls. Appropriate processes and measures to prevent or minimize potential risks are established which include incorporating potential impacts of extreme weather events in business continuity plans as well as integrating ESG considerations into our investment decisions.</p> <p>We are also actively diversifying our funding sources by increasing and institutionalising the use of green financing. As of June 2022, NWS accumulated HK\$4.49 billion in sustainable finance instruments.</p>	Addressing TCFD Recommendations
	Describe the resilience of the company's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	<p>Our climate-related risks assessments are conducted with reference to internationally recognized methodologies. The transition risk assessment on our key businesses was conducted with reference to International Energy Agency's Stated Policies Scenario ("STEPS"). We gained greater insight into climate-related transition risks and their potential impact on our business as we transition to a low carbon economy.</p> <p>Our climate-related physical risk assessment on our roads business in FY2022 was conducted with reference to the latest Intergovernmental Panel on Climate Change ("IPCC") AR6 and the latest recommendations of the TCFD. Scenario analyses were conducted to assess physical risks in addition to carrying out desktop review of sites, climate modelling and hazards assessment based on the geographical locations, respective local weather trends and projections.</p> <p>In 2021, NWS became a signatory to the Carbon Neutrality Partnership as part of our commitment to accelerate our decarbonization agenda.</p>	Addressing TCFD Recommendations

Disclosure Areas	TCFD Recommended Disclosure	NWS's Approach	References
Risk Management	Describe the company's processes for identifying and assessing climate-related risks.	<p>The identification, assessment and management of climate-related transition risks are under the ERM Framework. The risk register is periodically reviewed by our business units to ensure the information is relevant and up-to-date. A technical manual was established to stipulate the approach for identification, assessment and management of transition risks.</p> <p>We will continue to conduct and review climate-related risks assessments across our business portfolio.</p>	<p>Addressing TCFD Recommendations</p> <p>Climate-related Transition Risk Assessment</p> <p>Climate-related Physical Risk Assessment</p>
	Describe the company's processes for managing climate-related risks.	The climate-related risk assessment results were integrated in the risk profile and risks banks of the Group with regular updates. The results are reviewed and reported to the Board-level Sustainability Committee and Audit Committee. The integration enables the Group to formalize the management of the existing climate-related measures and future treatment plans.	Addressing TCFD Recommendations
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the company's overall risk management.	<p>A number of regulatory, technological, market and potential reputation risks were identified as a result of the climate transition risk assessment. While no significant impacts were identified, we have incorporated the risks into our ERM to routinely review any changes of impacts.</p> <p>Our climate-related physical risk assessment was extended to the roads business in FY2022 from the pilot assessment of our facilities management business. Further assessment results and recommendations to enhancing resilience are anticipated in FY2023.</p>	Addressing TCFD Recommendations
Metrics and Targets	Disclose the metrics used by the company to assess climate-related risks and opportunities in line with its strategy and risk management process.	Indicators of GHG emissions and energy consumption (absolute and intensity values) are identified as climate-related metrics and disclosed in our annual Sustainability Report.	<p>Addressing TCFD Recommendations</p> <p>GHG Emissions and Energy Use</p> <p>Environmental Performance Data Summary</p>
	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	The data of Scope 1 and 2 GHG emissions, total GHG emissions and total GHG emissions intensity are disclosed in our Sustainability Report. The indicator of procured carbon offset has been newly disclosed since FY2021 to showcase our commitment in reducing carbon emissions. We will explore the feasibility of Scope 3 GHG emissions estimation across various business segments.	<p>Addressing TCFD Recommendations</p> <p>GHG Emissions and Energy Use</p> <p>Environmental Performance Data Summary</p>
	Describe the targets used by the company to manage climate-related risks and opportunities and performance against targets.	Group-wide NWS sustainability targets including carbon intensity and energy intensity are set against a FY2013 baseline.	<p>Addressing TCFD Recommendations</p> <p>Progress towards our 2030 Targets</p>

AWARDS AND RECOGNITIONS

Organiser	Awards and Recognitions	Companies
Architectural Services Department	Green Contractor Award	Hip Hing Group
Autodesk	Hong Kong BIM Awards 2021	Hip Hing Group
Bloomberg	Bloomberg Businessweek/Chinese Edition Financial Institution Awards 2022	FTLife Insurance
Breastfeeding Friendly Community Initiative	<ul style="list-style-type: none"> Breastfeeding Star Premise Most Popular Breastfeeding-friendly Premise of 2022 	HML
Capital	<ul style="list-style-type: none"> The Listed Enterprise Excellence Awards 2021 – Outstanding Corporate Strategy Award Corporate Social Responsibility Award 2021 	NWS Corporate Office
Charitable Choice	Charitable Choice Awards 2022 – Corporate Donor of the Year	HML
China Finance Summit	11 th China Finance Summit – 2022 Best Employer Award	NWS Corporate Office
Construction Industry Council (CIC)	<ul style="list-style-type: none"> Construction Industry Outstanding Apprentice Awards 2021 Construction Digitalization Award 2021 Outstanding Contractor Award 	Hip Hing Group
CIC Construction Industry Sports & Volunteering Programme	<ul style="list-style-type: none"> Construction Industry Volunteers – Certificate of Recognition Construction Industry Volunteer Award Scheme 2021 	Hip Hing Group
Community Investment and Inclusion Fund	Social Capital Builder Logo Award	HML
CSRWorks International	Asia Sustainability Reporting Award 2021	NWS Corporate Office
CTgoodjobs	<ul style="list-style-type: none"> Top Happiest Culture (Grand) Best Innovative L&D Initiative (Grand) Top Workplace Companies (Gold) Best HR Leader of the Year Award 	FTLife Insurance
Development Bureau & CIC	27 th Considerate Contractors Site Award Scheme	Hip Hing Group
Department of Health	Mental Health Friendly Supreme Organisation	Free Duty
Employees Retraining Board (ERB)	ERB Manpower Developer Award Scheme – Manpower Developer	HML
Green Council	Hong Kong Green Awards 2021 <ul style="list-style-type: none"> Sustainable Development Goals Achievement Awards Hong Kong 2021 (Grand) Sustainable Development Goals Achievement Awards Hong Kong 2021 – Best Approach Sustainable Development Goals Achievement Awards Hong Kong 2021 – Stakeholder Engagement 	Hip Hing Group HML

Organiser	Awards and Recognitions	Companies
Hong Kong Alliance Built Asset & Environment Information Management Associations	Hong Kong openBIM/openGIS Award 2022	Hip Hing Group
Hong Kong Construction Association	<ul style="list-style-type: none"> • Hong Kong Construction Environmental Awards • Construction Safety Award 	Hip Hing Group
Hong Kong Green Building Council & The Professional Green Building Council	Green Building Award 2021	Hip Hing Group
Hong Kong Housing Authority	Quality Public Housing Construction and Maintenance Awards 2021	Hip Hing Group
Hong Kong Institute of Building Information Modelling	HKIBIM Awards 2021	Hip Hing Group
Hong Kong Institute of Construction	Outstanding Apprentice Awards 2021	Hip Hing Group
Hong Kong Institute of Human Resource Management	HKIHRM HR Excellence Awards 2021/2022	NWS Corporate Office
Hong Kong Quality Assurance Agency	Business Resilience & Community Contribution Awards 2021 <ul style="list-style-type: none"> • Gold Seal for Business Resilience & Community Contribution • Management Award for Business Resilience & Community Contribution (Customer Partnership for Excellence) • Leadership Award for Business Resilience & Community Contribution – Thomas Tong, Deputy Managing Director of HML • Frontline Award for Business Resilience & Community Contribution – Nichola Yam, Assistant Executive Housekeeper of HML 	HML
Hong Kong Seng Kung Hui Welfare Council Limited	The 23 rd Outstanding Volunteer Awards – Corporate Caring Awards	NWS Corporate Office
HR Asia	HR Asia Best Companies to Work for In Asia 2021	NWS Corporate Office
Institute of ESG & Benchmark	ESG Achievement Awards 2022 <ul style="list-style-type: none"> • ESG Benchmark Awards – Diamond Award • Outstanding Performance in Corporate Governance 	NWS Corporate Office
Institution of Mechanical Engineers – Hong Kong Branch	Best Project Award 20/21	Hip Hing Group
JobMarket	Employer of Choice, Corporate Social Responsibility (CSR) Award	NWS Corporate Office
Labour Department	Construction Industry Safety Short Film Competition	Hip Hing Group
MORS Group	Asia Corporate Excellence & Sustainability Awards	NWS Corporate Office

Organiser	Awards and Recognitions	Companies
Occupational Health and Safety Council	Joyful @ Healthy Workplace Best Practices Award (Enterprise/Organisation Category) – Grand Award	FTLife Insurance
	Joyful @ Healthy Workplace Best Practices Award (Enterprise/Organisation Category) – Outstanding Award	NWS Corporate Office
	Hong Kong Outstanding OSH Employee Award <ul style="list-style-type: none"> • Organization/enterprise – Foreman (Gold) • Organization/enterprise – Management (Gold) 	Hip Hing Group
	Construction Safety Promotional Campaign 2021 <ul style="list-style-type: none"> • The 22nd Construction Safety Award 	Hip Hing Group
	Occupational Health Award 2021-22	NWS Corporate Office
Promoting Happiness Index Foundation	Happy Workplace	NWS Corporate Office
The Hong Kong General Chamber of Small and Medium Business Ltd.	Partner Employer Award – Outstanding Enterprise	Free Duty
	Partner Employer Award 2021	Hip Hing Group
The Hong Kong Institute of Construction Managers	Construction Management Awards 2020	Hip Hing Group
The Hong Kong Management Association	Hong Kong Sustainability Award 2020/21 – Certificate of Excellence	NWS Corporate Office HML
World Green Organisation	• Sustainable Leadership Award	NWS Corporate Office
	• Sustainable Business Award	

MEMBERSHIPS AND AFFILIATIONS

Organiser	Memberships and Affiliations	Companies
Business Environmental Council	Power Up Coalition	NWS Corporate Office
	Low Carbon Charter	NWS Corporate Office
Department of Health	Breastfeeding Friendly Workplace	NWS Corporate Office
Environment Bureau	Carbon Neutrality Partnership	NWS Corporate Office
	Charter on external lighting	FTLife Insurance, HML
	Food Wise Charter	NWS Corporate Office
Environment Bureau & Electrical and Mechanical Services Department	Energy Saving Charter	NWS Corporate Office, Free Duty
	Energy Saving Charter on "No ILB"	NWS Corporate Office, Free Duty
Environmental Campaign Committee	Hong Kong Green Organisation Certification	NWS Corporate Office, HML Hip Hing Group
	Carbon Reduction Certificate	NWS Corporate Office
	Energywise Certificate & Wastewise Certificate (Excellent Level)	HML
Environmental Protection Department	Green Event Pledge	NWS Corporate Office, FTLife Insurance
	The Food Wise Charter	HML
Joint Meetings Industry Council	"Net Zero Carbon Events" Pledge	HML
Labour Department	Good Employer Charter	NWS Corporate Office, Free Duty
Occupational Safety & Health Council	Joyful @ Healthy Workplace Charter	NWS Corporate Office, Free Duty
The Equal Opportunities Commission	The Racial Diversity & Inclusion Charter For Employers	NWS Corporate Office, Free Duty
The Hong Kong Council of Social Service	Caring Company Logo	NWS Corporate Office (20 years), HML (15 years), Hip Hing Group, Free Duty
UNICEF Hong Kong	Breastfeeding Friendly Workplace	Free Duty
	Say Yes To Breastfeeding	NWS Corporate Office