

OUR VISION YOUR NEW WORLD

以新視野—創新世界——



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MESSAGE FROM MANAGEMENT

Towards Your New World In 2030

Our Group is building upon strong business foundations to expand into new ventures and geographies, and continuing to promote The Artisanal Movement on our journey to becoming a cultural enterprise. Our ongoing success relies on our understanding of the opportunities and challenges ahead of us in order to craft relevant solutions that stand the test of time and market trends. Global businesses are now facing volatility, uncertainty, complexity and ambiguity due to international politics, the rise of the millennial generation, urbanisation, climate change, digitalisation and other game changers. Our Group recognises the importance of embracing these megatrends and deploying shared economy and big data solutions as part of our way forward. For our conglomerate businesses, these insights have translated into internal workflow enhancements, new product launches and impactful customer engagement. Through these initiatives, we aim to create synergies within our business portfolio, evolve in the age of hyperconnectivity and manifest the cultural vision of The Artisanal Movement by curating opportunities for a life well-lived.

Our commitment, presented here in our New World Sustainability Vision 2030 (“SV2030”), is to integrate green aspirations, healthy living, smart potential and caring services into our operations, from planning to customer experience. In this way, we will create shared value through quality, meaningful and lasting products, services and cultural content.

As our businesses are gaining a greater presence in Mainland China and placing a larger emphasis on millennial customers, we listen closely to these market voices and have identified key challenges such as urbanisation, climate change, income inequality and ageing population. Underneath these complex issues, we see an aspiration for a holistic lifestyle among our customers and an opportunity to further explore mixed-use developments. Property development is no longer just about building structures, but also establishing platforms that support people to live, work, play and dream.

Building upon the K11 brand’s “art x commerce” hybrid model, we launched K11 Atelier at Victoria Dockside in Hong Kong – an innovative workplace that is certified to green building standards and provides wellness and cultural programmes for its tenants. In both Hong Kong and Mainland China, we are planning more mixed-use developments to improve resource efficiency and connectivity between cities and people.

While our businesses continued to deliver remarkable returns in FY2018, our success will also be measured in terms of environmental and community impact created. Our Group will continue to attract entrepreneurial talents, who embrace a global vision and strive for excellence as their purpose, and develop our existing employees to capture the opportunities in the era of disruptive technologies. It is through these talents that we can execute our vision and better serve our internal and external stakeholders.

In FY2018, our millennial employees inspired the Group to explore solutions to one of the housing issues in Hong Kong. As a response, we launched the NewGen First Home Program to offer financial subsidies and preferential payment arrangements to some first-time property owners among Hong Kong permanent residents aged 25-35. To promote green financing in Hong Kong and the Mainland and transparent impact reporting, our Group has also launched the first-in-market “New World Development Green Finance Framework” that covers both future green bonds and loans. Under this Framework, we have raised Hong Kong’s first green loan for an upcoming certified green and healthy building. From strength to strength, our Group will innovate with our society and customers in mind and deliver positive impact to all stakeholders. We welcome you to share any feedback and requests with us as we progress in The Artisanal Movement and the SV2030.

Dr. Cheng Chi-Kong, Adrian

Executive Vice-chairman & General Manager

Chairperson of the New World Group Sustainability Steering Committee

ABOUT OUR BUSINESS

Established in 1970 and headquartered in Hong Kong, New World Development Company Limited (“NWD”) has been listed on the Hong Kong Stock Exchange (HK Stock Code: 0017) since 1972. It is one of the constituent stocks of the Hong Kong Hang Seng Index and has established its premium brand in Hong Kong, Mainland China and Southeast Asia.

NWD and its subsidiaries (collectively, the “Group”) are principally engaged in different businesses, including property development and investment, construction, provision of services, infrastructure, hotel and department store operations, telecommunications, media, technology and other strategic businesses. NWS Holdings Limited (“NWSH”, HK Stock Code: 0659) and New World Department Store China Limited (“NWDS”, HK Stock Code: 0825) are also publicly listed in Hong Kong.

NWD’s Business Highlights

(as of 30 June 2018):

Revenue:

HKD 60,688.7 million

Cost of sales:

HKD 40,125.3 million

Profit attributable to shareholders:

HKD 23,338.1 million

Dividend per share:

HKD 0.48

Taxes paid:

HKD 6,272.4 million

Employee wages and benefits:

HKD 8,812.2 million

Total assets:

HKD 481,454.8 million

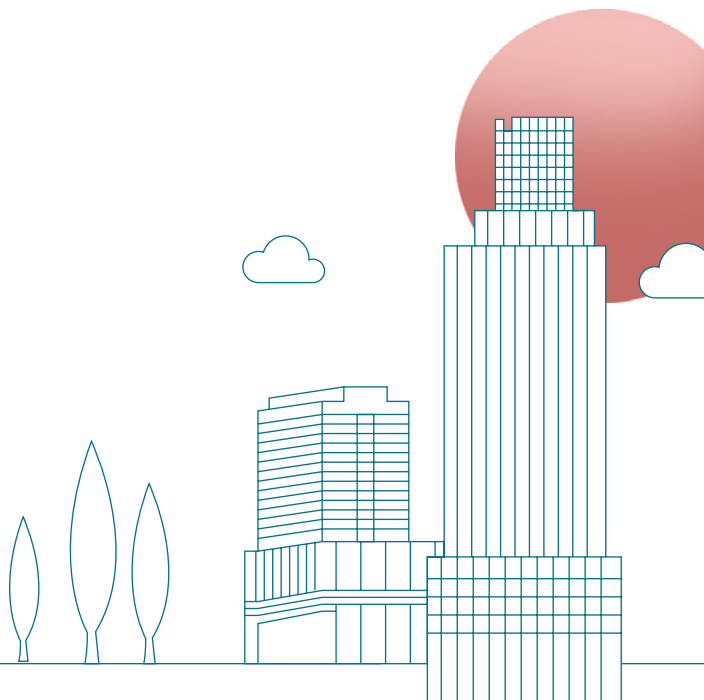
Net debt:

HKD 74,859.0 million

Total equity:

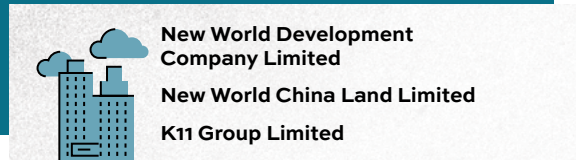
HKD 255,181.9 million

More financial information can be found in our **Annual Report 2018**.



Our Core Businesses

Property Development and Investment

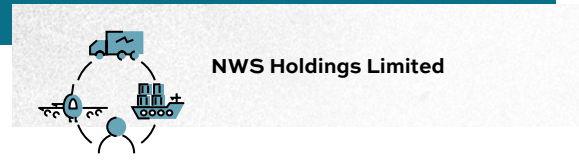


Over the past four decades, property development and investment has been the key driving force behind the Group's business and growth. NWD develops and invests in a portfolio of residential projects, as well as a sizeable property portfolio featuring shopping malls, offices, hotels and serviced apartments.

New World China Land Limited ("NWCL") is the flagship Mainland China property arm of the Group and one of the largest property developers in Mainland China. NWCL has a multi-faceted vision to build sustainable urban communities, developing a well-diversified portfolio of high quality residential neighbourhoods, large-scale mixed-use commercial landmarks, shopping centres, offices and hotel projects. Please refer to NWCL's corporate website for more details: <http://www.nwcl.com.hk/en>.

The Group has also created the "art x commerce" hybrid business model, as demonstrated by K11. The K11 museum-retail concept will be further developed across Mainland China.

Infrastructure and Services

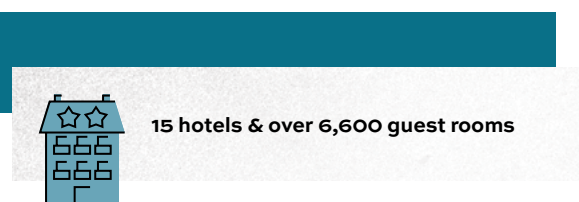


NWSH is the infrastructure and service flagship of NWD. It has diverse businesses and investments predominantly in Hong Kong and Mainland China, comprising toll roads, environmental management, port and logistics facilities, rail container terminals, commercial aircraft leasing, facilities management, healthcare services, construction and public transport. Please refer to NWSH's corporate website for more details: <http://www.nws.com.hk/en>. NWSH also publishes standalone sustainability reports, which can be accessed here: <https://sr.nws.com.hk/en/Sustainability/Sustainability-Reports>.

Department Stores



NWDS, our publicly-listed business unit and the retail arm of NWD, is one of the largest owners and operators of department stores in Mainland China. Please refer to NWDS' corporate website for more details: <http://www.nwds.com.hk/en>. NWDS also publishes standalone sustainability reports, which can be accessed here: <http://www.nwds.com.hk/en/csr/sustainability-report/>.



As of 30 June 2018, the Group had a total of 15 hotel properties in Hong Kong, Mainland China and Southeast Asia, providing over 6,600 guest rooms. Please refer to NWD's corporate website for more details: <http://www.nwd.com.hk/corporate/core-business/hotel>.

REPORTING APPROACH

Reporting Scope

This Report provides an overview of the Group's Environmental, Social and Governance (ESG) performance during the reporting period of 1 July 2017 to 30 June 2018.

The reporting boundary includes all areas of NWD's business over which the Group has major financial control, as well as those of ESG significance to the Group and its stakeholders. While this Report focuses on our core property businesses, the scope also covers our infrastructure and services, department stores, selected hotels and other businesses. Our extensive stakeholder engagement and materiality assessment exercise this year defined our material topics for inclusion in this Report. The outcome is detailed in the section "The Factors Influencing Our Focus Areas – Stakeholder Engagement".

Reporting Standards

This Report has been prepared in accordance with the GRI Standards: Core option, as well as the requirements stipulated in the latest ESG Reporting Guide set out in the Appendix 27 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited ("HKEx"). We have also made reference to the United Nations Sustainable Development Goals ("UN SDGs") in establishing our long-term sustainability vision, under which we will report ongoing performance and impact.

NWD has been a member of the Hang Seng Corporate Sustainability Index Series since 2015. We have responded to investor enquiries and provided information to various ESG surveys such as the Carbon Disclosure Project ("CDP") and the Global Real Estate Sustainability Benchmark ("GRESB"). In doing so, we identify material issues that are most relevant and important to the industries in which we operate.

NWD is also a Real Estate Member of GRESB. In GRESB's 2018 assessment, NWD ranked third among eight diversified listed businesses in East Asia with a score of 81/100 (global average: 68). NWD was awarded the "Green Star" designation in recognition of our efforts in driving ESG management and environmental performance in the property portfolio, and rated Grade A for the transparency and comprehensiveness of our sustainability disclosures.



**Hang Seng Corporate
Sustainability Index
Series Member 2017-2018**

NWD has been a member of the Hang Seng Corporate Sustainability Index Series since 2015.

Report Assurance

Data and information contained in this Report had been independently assured by the Hong Kong Productivity Council to ensure accuracy and credibility. The independent assurance statement could be found on page 61 of the Report.

Contact Us

We welcome your feedback on our Report and other sustainability-related matters. Please contact us at sustainability@nwd.com.hk.

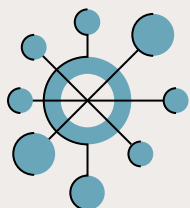
GROUP HIGHLIGHTS

New World Sustainability Vision 2030 launched

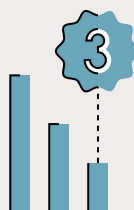
Please see page 13 for more details.



NEW WORLD SUSTAINABILITY VISION 2030



8 policies developed to strengthen ESG governance



In GRESB 2018, NWD ranked **3rd** among 8 diversified listed businesses in East Asia for ESG, with a score of **81/100** (global average: 68)



NWD was listed on the Hang Seng Corporate Sustainability Index for **5 consecutive years**



NWD was rated as an ESG **“Outperformer”** by Sustainalytics, an independent ESG research and rating company



Group revenue:
HKD 60,688.7 million



Profit attributable to shareholders:
HKD 23,338.1 million



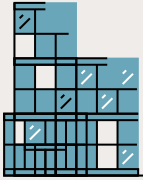
Dividend per share:
HKD 0.48



NWD Green Finance Framework launched – applicable to green bonds and green loans



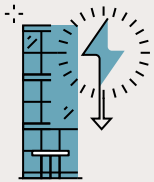
Hong Kong's 1st green loan (HKD 3.6 billion) raised for the King's Road Commercial Re-development Project



20⁽¹⁾ buildings awarded Hong Kong BEAM Plus Platinum/Gold certification

27⁽¹⁾ buildings awarded US LEED Platinum/Gold certification

12⁽¹⁾ buildings ranked two-star or above in the China Green Building Evaluation Standard



By 2030, we aim to achieve:

37%
energy intensity reduction (kWh/sq. m.) in major existing buildings against the 2012 baseline in Hong Kong

22%
energy intensity reduction (kWh/sq. m.) in major existing buildings against the 2015 baseline in Mainland China



Over **860,000 tonnes** of waste diverted from landfills



Over **82%**⁽²⁾ of the procurement budget was spent on local/regional suppliers



1.6 workplace injury rate (per 100 employees)



Over **388,000 hours** of training for staff



Over **34,000 hours** of staff volunteering in Hong Kong and Mainland China



Close to **500**⁽¹⁾ under-resourced students received **over 270,000 hours**⁽¹⁾ of professional sports training from the New World Springboard Programme



Under our in-house innovation scheme, Incubation Circle, over **630** business-related improvement projects were implemented, resulting in **HKD 90 million** estimated cost savings and **HKD 5.5 million** direct revenue



6 Hong Kong startups groomed by Eureka Nova, the Group's startup incubator to support entrepreneurship

Notes:

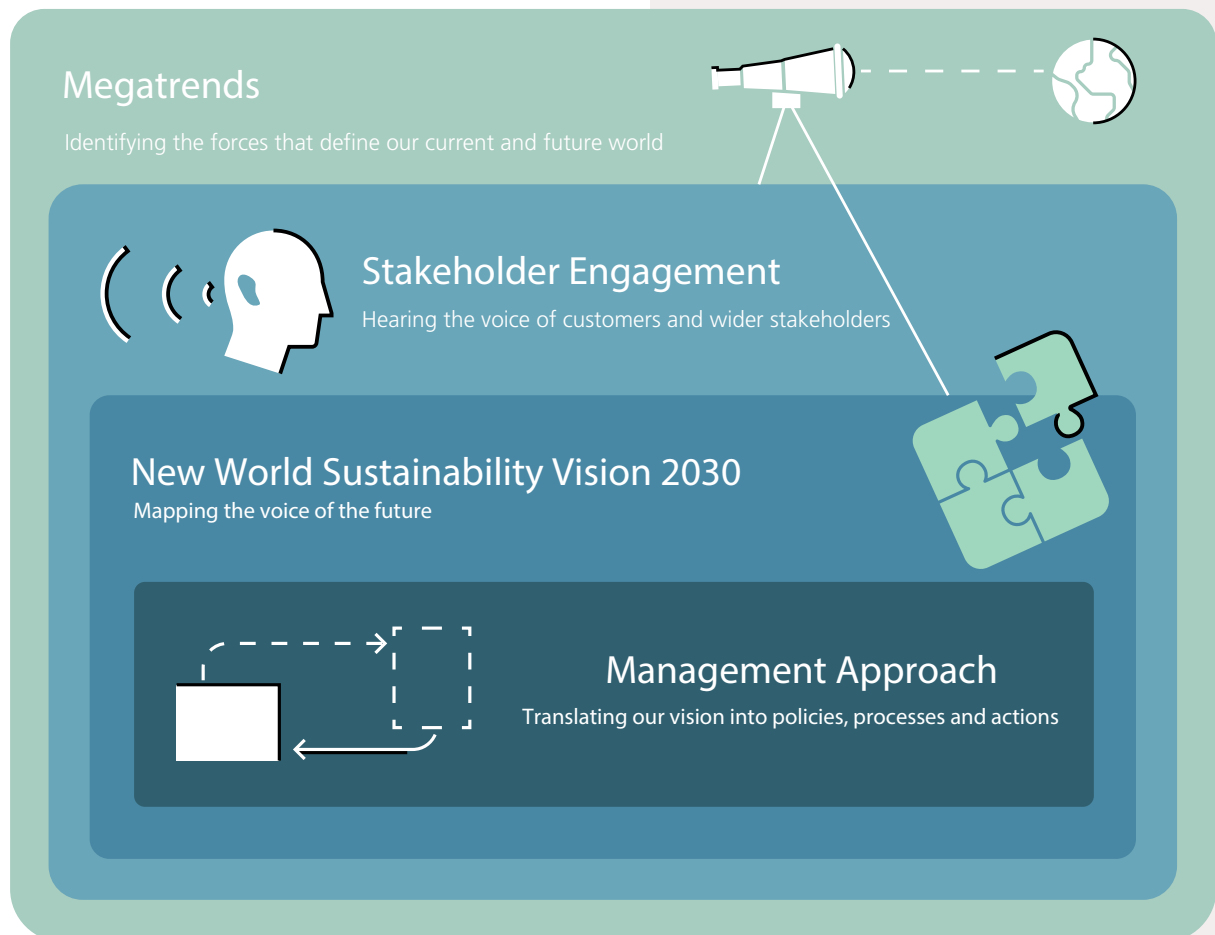
1) Cumulative figures up to FY2018

2) Covered NWDS and NWS

THE FACTORS INFLUENCING OUR FOCUS AREAS

The capability of an organisation to leap forward and realise its vision hinges on its ability to connect the voice of its stakeholders, management approach and business priorities, to megatrends defining our current and future world. We regularly review these connections to assess how they influence our operations and desired impact.





The four major factors driving our agenda and actions are shown below. The subsequent parts of this section delve into these factors in more detail.



Megatrends – Identifying the Forces that Define Our Current and Future World

In light of changing political, consumer market and environmental landscapes in recent years, keeping watch on the emergence and disruption of major trends becomes an essential activity for any business to stay relevant. By shaping our vision

and action to stay ahead of the transformation trajectory, downside risks could be minimised while capturing emerging opportunities to make a difference. We identified the following relevant megatrends as the most important for the Group:

	Megatrends	Challenges Presented	How We Plan to Respond
The Rise of Millennials 	As of 2017, 50% of the world's population was under the age of 30, the highest youth population in history ¹ .	Born in the digital age, the millennial generation has different expectations about work and lifestyle. This includes how they communicate and how they value impact as part of their identity.	We will continue to listen to the voices of younger customers and provide bespoke products and services by leveraging our diverse business portfolio to curate a convenient, contemporary and sustainable lifestyle.
Urbanisation 	Urban population is expected to contribute towards 66% of the total global population by 2050, compared to only 30% back in 1950 ² .	<p>Rising populations challenge a city's infrastructure, public services, natural resources and its ability to help them meet their aspirations.</p> <p>Ageing populations across many cities increase the demand for elderly care facilities and services, as well as affect the structure and productivity of the workforce.</p>	We are exploring how our mixed-use property projects can fulfill urban lifestyles and address the needs of an ageing population. For instance, we offer quality education and healthcare services, enhance connectivity in the community and expedite automation for more efficient services.
Environmental Issues 	The planet is under stress due to climate change, population growth and the rising economic power of the middle class.	By 2030, the demand for food is expected to rise by 35%, water by 40% and energy by 50% when compared with their levels in 2014 ³ .	We will adopt cleaner energy sources, develop sustainable buildings, manage our operational impact and engage our internal and external stakeholders to offer our customers a greener, low-carbon lifestyle.
Impact of Technology 	Penetration of mobile phones has reached nearly 68% globally, compared to less than 5% two decades ago ^{4,5} .	Better connectivity leads to a greater demand for businesses to respond and serve in a more timely and personalised manner, both online and offline.	We promote entrepreneurship to drive innovation and adopt new technologies, in order to meet the high-efficiency expectations of the digital age and capture opportunities presented by a shared economy.

¹ World Economic Forum (2017), Global Shapers Survey 2017. Retrieved from http://www.shaperssurvey2017.org/static/data/WEF_GSC_Annual_Survey_2017.pdf

² United Nations (2014), World Urbanization Prospects 2014 revision. Retrieved from <https://esa.un.org/unpd/wup/publications/files/wup2014-highlights.pdf>

³ National Intelligence Council (2014), Global Trends 2030 Alternative Worlds. Retrieved from <https://globaltrends2030.files.wordpress.com/2012/11/global-trends-2030-november2012.pdf>

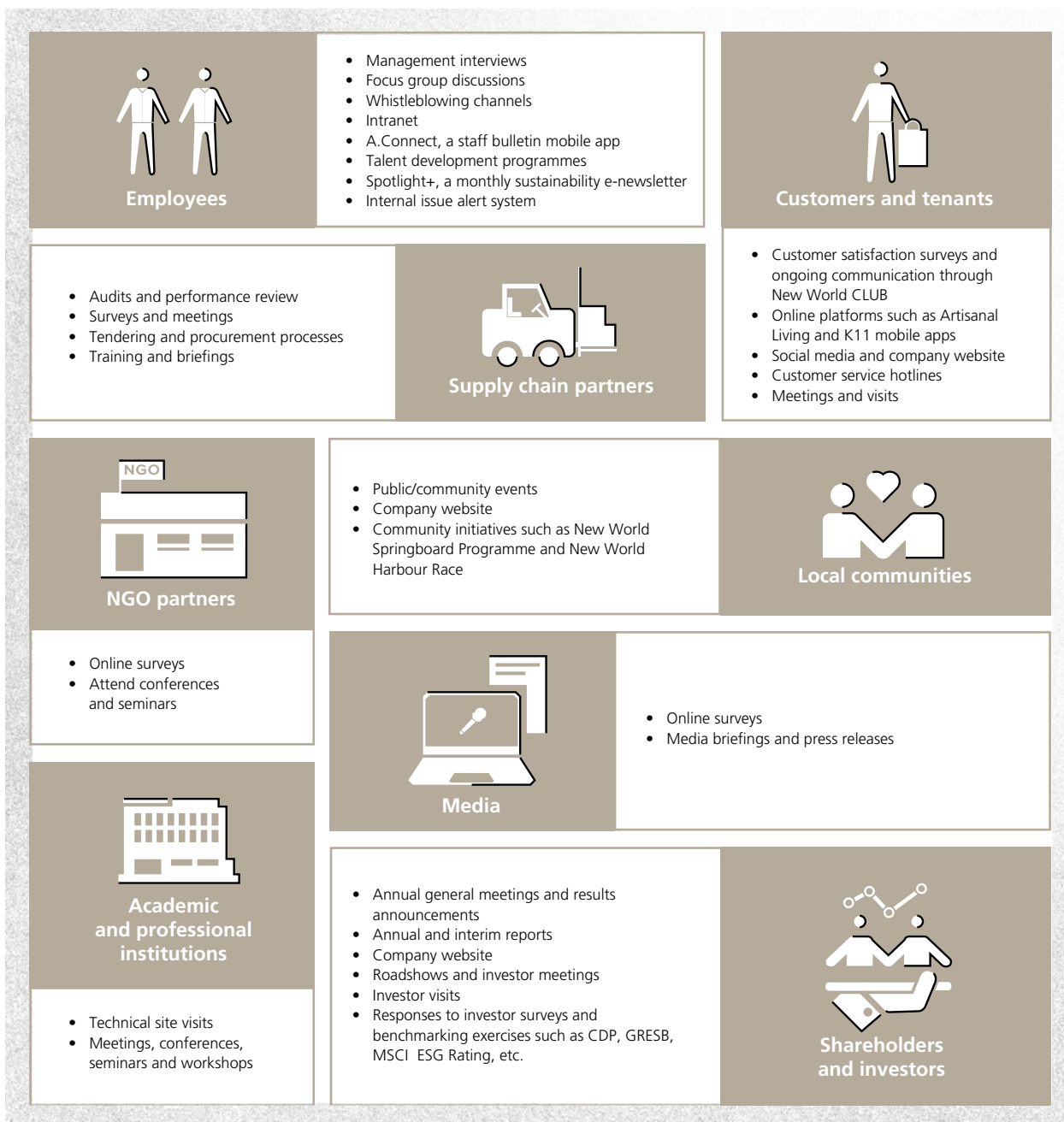
⁴ Hootsuite (2018), Digital in 2018. Retrieved from <https://hootsuite.com/pages/digital-in-2018>

⁵ Statista.com (2018), Number of mobile (cellular) subscriptions worldwide from 1993 to 2017. Retrieved from <https://www.statista.com/statistics/262950/global-mobile-subscriptions-since-1993/>

Stakeholder Engagement – Hearing the Voice of Customers and Wider Stakeholders

We regularly engage our stakeholders to identify key sustainability topics of importance to them as well as to identify business opportunities

and address risks, in order to further NWD's sustainable development efforts. Here are our regular engagement channels:



Materiality Assessment

The policies and actions that we pursue for sustainability are influenced by a process of regularly assessing which sustainability issues are the most material to our business and stakeholders.

In addition to our routine engagement with stakeholders, an independent consultant was commissioned in FY2018 to provide an impartial assessment of our sustainability performance, gaining insights into stakeholders' priorities and identifying opportunities and risks that lie ahead of us.

We expanded our scope of the stakeholder engagement and materiality assessment exercise this year to cover a wider spectrum of stakeholders from different sectors as well as demography. The selection of stakeholders for engagement was based on their relevance and importance to the Group's business and sustainable development. Some of the stakeholder engaged included the senior management of major business units, key internal departments, employees of different levels, customers, tenants, supply chain partners, social and green non-governmental organisations (NGOs) and media.

Stakeholders were asked to rate a list of ESG topics in terms of their relevance and importance to NWD's business continuity and development as well as the wider community. In addition, we also gauged our stakeholders' awareness and expectations of our SV2030 through this

exercise. The results were analysed in conjunction with desktop research and peer benchmarking. This year, there was a stronger focus from stakeholders on corporate governance, occupational health and safety as well as information privacy than in the previous year.

A summary of stakeholders' views is presented below.

Top five issues

- 1 Bribery and corruption
- 2 Corporate governance
- 3 Occupational health and safety
- 4 Information privacy
- 5 Talent attraction and retention

We acknowledged this feedback and began to address these issues through strengthening the ESG governance structure and policies, provision of training and monitoring and disclosure of key performance metrics. Our plans and initiatives will be further illustrated in subsequent chapters.

Second to the top five material issues above, stakeholders also indicated environmental impact reduction, promotion of wellness as well as talent and community development as important areas. The Group will continue to monitor megatrends and respond to stakeholders' feedback through tailoring our business offerings and programmes under the SV2030.

To solicit feedback from internal and external stakeholders for identifying our focus areas, we conducted:



26
in-depth interviews



an online survey, from which
218 responses
were received



New World Sustainability Vision 2030 – Mapping the Voice of the Future

Last year, we took the first step to identify 12 broadly-related UN SDGs that matched with the Group's major businesses. The extensive stakeholder engagement and materiality assessment this year highlighted key long-term issues such as climate change, energy efficiency, social integration, etc. in addition to the top five material issues identified. This insight enabled us to shortlist eight UN SDGs that are most relevant to our business priorities and stakeholders' aspirations. These form a solid foundation for the SV 2030, which steers the Group to curate products, services and cultural content revolving around Green, Wellness, Smart and Caring. Going forward, we will focus on these directions in our own initiatives and partnerships that support our community to adopt a more sustainable lifestyle.



**NEW WORLD
SUSTAINABILITY
VISION 2030**

*Together, we curate opportunities for a
life well-lived*

GREEN | Moving us towards a greener future

We preserve the environment through the way we operate (e.g. sustainable procurement) and by investing in green initiatives (e.g. clean energy, climate resilience and resource efficiency measures) in order to make our cities fit for the future.

WELLNESS | Promoting health in body and mind

We enhance wellbeing through our business ventures and wellness programmes, and by designing spaces that work better for people.

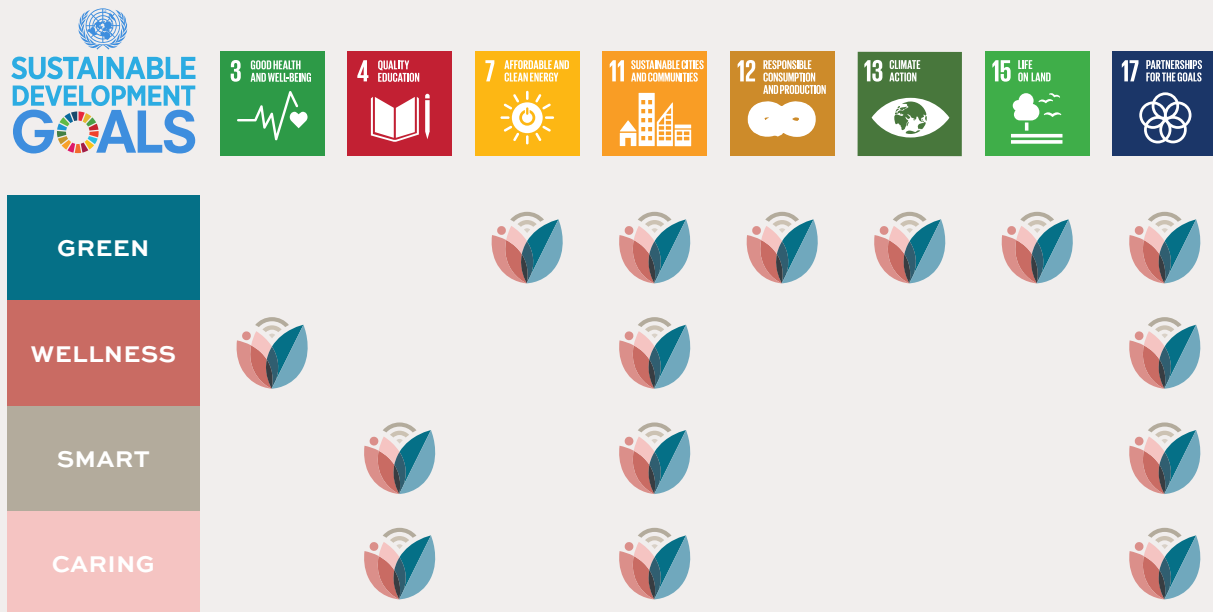
SMART | Using innovation to unlock potential

We unleash creativity by supporting entrepreneurs to innovate, helping children discover new skills through quality educational courses and using technology to improve experiences.

CARING | Nurturing our communities and culture

We create opportunities wherever we are by supporting local communities, providing training for our people and their families, and preserving local identity for all to enjoy.

Mapping of UN SDGs against SV 2030 Pillars



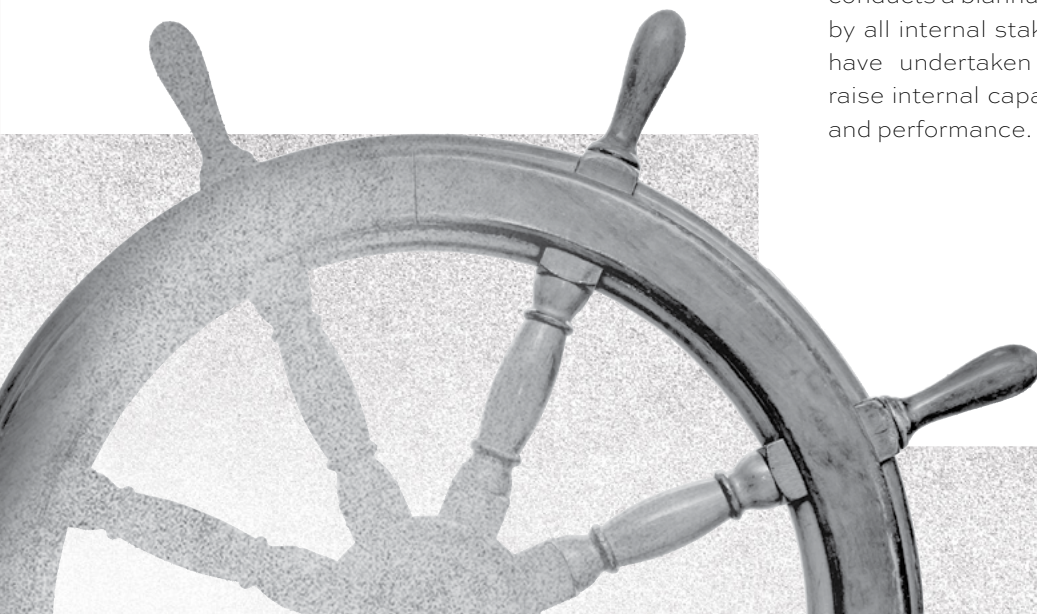
Further to the mapping above, the Group is currently developing targets under the SV2030 in connection with the UN SDGs. More details will be disclosed in the next reporting cycle.

Management Approach – Translating Our Vision into Policies, Processes and Actions

In order to translate our future vision into business practices, we are committed to continuously improving our governance framework for sustainability.

This includes incorporating relevant ESG aspects into the Risk Management & Internal Control Assessment Checklist (“the Checklist”) this year. The completion of this Checklist is a biannual

exercise that engages all NWD departments and business units to identify, assess and address these risks accordingly. The feedback collected from the Checklist is analysed by the internal audit department and reported to the Risk Management Committee, which supports the Board-level Audit Committee in deciding the Group’s overall risk level and ensuring the effectiveness of its risk management system. The Audit Committee conducts a biannual review of ESG risks identified by all internal stakeholders via the Checklist. We have undertaken Group-wide ESG training to raise internal capacity in managing relevant risks and performance.



A number of other bodies also provide support and direction in fostering a sustainability culture and driving performance:

- **Group Sustainability Steering Committee**

Chaired by our Executive Vice-chairman and General Manager and comprising senior members from Group functions and major business units.

- **Group Sustainability Taskforce**

Comprising members from NWD, NWCL, NWDS, NWSH, New World TMT, K11 and our hotel division, etc. The Taskforce serves as a knowledge-exchange platform to drive ESG management and the implementation of the SV2030 across the Group. Taskforce members are also ESG Persons-in-Charge, who support their respective business units in flagging ESG risks to the Group, implementing sustainability policies and compiling information for ESG disclosure.

- **NWD Sustainability Department**

Reports directly to the Executive Vice-chairman and General Manager and drives relevant Group-wide initiatives across NWD's major businesses and functions.

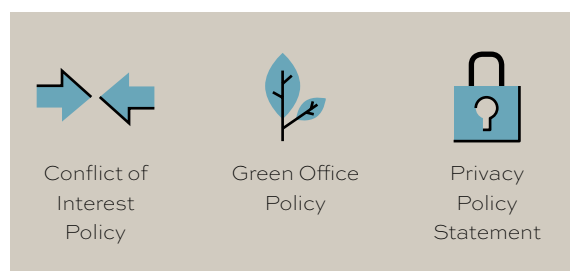
Going forward, we will strengthen Board-level oversight of sustainability and ESG performance disclosure, as well as the Group's overall sustainability directions, through establishing a Board-level Sustainability Committee. The Group Sustainability Steering Committee will continue to drive practical implementation of sustainability initiatives and manage performance to support the Board-level committee.

Sustainability Policies

The Group has developed the following policies and guidelines to strengthen ESG governance and performance management as well as to safeguard the rights and interests of key stakeholders.



The aforesaid policies complement some of our existing ones:



The policies are driven from the Group level to cover all business units, which are encouraged to adopt additional guidelines and practice notes based on specific operational needs.

For further details on these policies, please refer to our corporate sustainability website:

<http://www.nwd.com.hk/sustainability/en/group.html#policy>

OUR PRODUCTS AND SERVICES



OUR PRODUCTS AND SERVICES

We listen to our customer feedback closely and identify associated sustainability challenges and opportunities. Throughout the Group's diverse businesses, we drive innovation and entrepreneurship. We look for new synergies, while upholding the quality of our products and services through corporate policies and standards. In addition to building structures, our property projects serve as holistic lifestyle platforms.

From Feedback to Actions

Voice of Customers

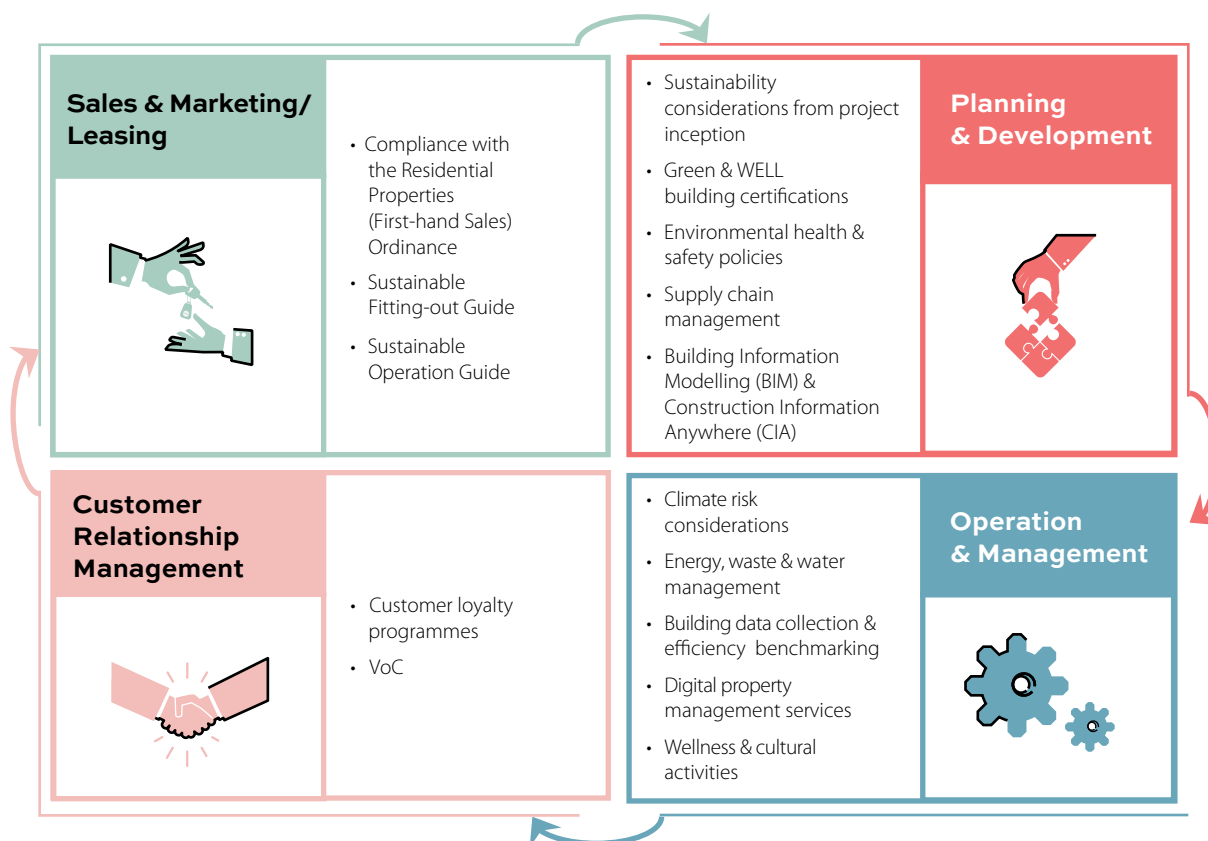
Our innovation and product development depends upon sufficient quantities of timely and relevant customer feedback. In FY2018, we set up a committee to collect, analyse and address the voice of customers ("VoC"). The committee comprises members of different key departments and business units, including sustainability representatives, to collect VoC from different business touch-points.

Stakeholder engagement throughout the building lifecycle

Our new Sustainable Building Policy covers regulatory, environmental and social factors, stakeholder engagement and risk management related matters to be considered by relevant departments at each stage of the building lifecycle. We maintain two-way communication with stakeholders on a regular basis. For instance, the occupants of residential properties can raise feedback both onsite and online, through the Artisanal Living mobile app and the New World CLUB online platform, among others.

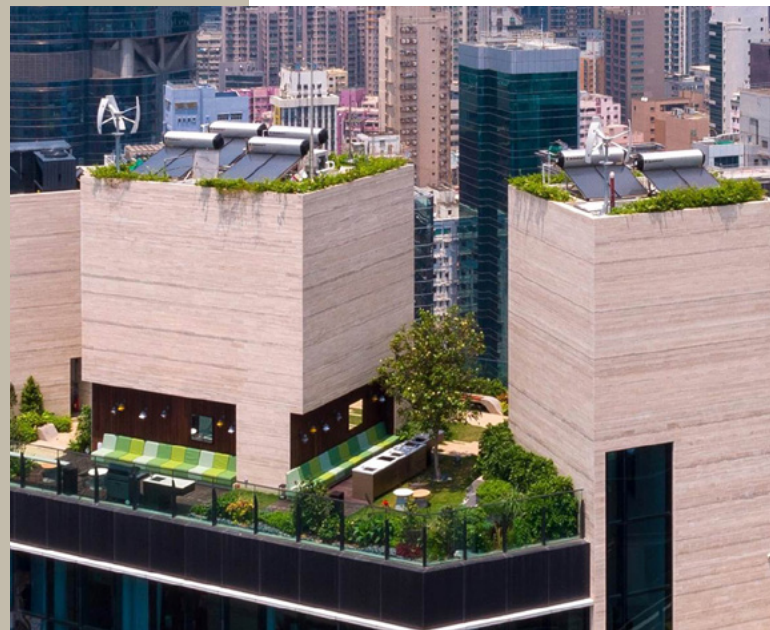
Among more than 700 responses received in our latest New World CLUB customer satisfaction survey, more than 80% of respondents felt "satisfied" or "very satisfied".

Sustainable Property Development Lifecycle



Commitment to Quality Buildings that Promote Sustainable Lifestyles

Our residential property project SKYPARK in Mongkok, Hong Kong, achieved BEAM Plus Gold-level green building certification and won the prestigious Quality Building Award 2018. Themed “Picnic in the Aurora Dreams”, SKYPARK is an oasis of serenity amid the hustle and bustle of Mongkok and a showcase for practical applications of sustainability. Building Information Modelling (BIM) was applied at the design and construction stage to enhance control of construction quality, environmental impact, time and costs. In addition to a resource-efficient building core and shell, extensive greenery can be found at the rooftop garden, providing a relaxing space for residents to enjoy the city view. Solar panels and wind turbines were installed for water heating for clubhouse showers and landscape lighting, respectively. The sky stairs on the rooftop also provide a space for social gatherings and events. These sustainability features, among others, are communicated to our residents through a digital display at the clubhouse. Our seasoned property management teams welcome feedback from our residents for providing more bespoke services.



Soliciting Feedback from Stakeholders

We organise exhibitions to showcase the crafts and stories behind our Group's unique brand personality, The Artisanal Movement. We invite feedback to drive continuous improvements. More than 5,000 stakeholders were engaged through the "Make Waves" exhibition at Victoria Dockside and the 2°C architecture exhibition during FY2018.



Quality assurance

We believe robust management systems create a solid framework for managing our performance and provide quality products and services. We have adopted various international standards and an integrated system for quality, environmental and health and safety management. New World Construction Company Limited ("NWCON") and Hip Hing Construction Company Limited ("Hip Hing") are certified to the ISO 9001, ISO 14001 and OHSAS 18001 Standards. Our suppliers and contractors are also required to adhere to the Group's Supplier Code of Conduct and to follow our requirements on business ethics, ethical conduct, labour practices, environmental conservation, human rights and legal compliance, with annual assessment and performance review to ensure compliance and satisfactory performance.

We provide accurate information about our products and services to our customers to help them make informed decisions and facilitate the trust-building relationship. Our frontline personnel and business partners are also required to provide accurate and complete information in marketing and sales, and to act with due skill, care and diligence. We ensure the correct labelling of our products to protect the interests of our customers.

Anti-corruption and integrity

All employees, including directors and full-time, part-time and temporary staff members of the Group, are required to fully comply with our Employee Code of Conduct, and other policies including the Anti-Fraud Policy, Conflict of Interest Policy and Whistleblowing Policy to ensure anti-corruption and uphold integrity throughout the Group. All major operations and business units use the Group's Risk Management & Internal Control Assessment Checklist to assess corruption-related risks every six months. In FY2018, more than 240 hours of associated training were delivered to introduce related ordinances regarding workplace corruption and other ESG risks. As part of our ESG training plan, we will explore the use of e-learning to enhance our staff's sustainability awareness.



Data privacy

We endeavour to build trusting relationships with our customers, tenants and communities by safeguarding personal data. We comply with data privacy laws and regulations. We conduct regular review of our data privacy measures and provide regular training to our staff on the subject.

A Personal Data Privacy Officer has been designated with contact information publicised on our website along with the Privacy Policy Statement, as well as in the Personal Information Collection Statements which will be provided upon collection of personal data, so as to provide a channel for customer to give feedback on any data privacy concern. IT security policies and procedures have been implemented to prevent unauthorised access. Unauthorised use of customer data is strictly prohibited. Customer data are only accessible by authorised personnel within the Group on a need-to-know and need-to-use basis. The importance of data protection is also emphasised to all employees in our Employee Code of Conduct.

Promoting Innovation and Creativity

From incubation to innovation

In 2013, we launched our Incubation Circle programme to collect, screen and implement novel ideas to optimise business processes and enhance our products and services. About 630 improvement projects have been implemented since the launch of the programme, which have brought an estimated cost saving of HKD 90 million and generated HKD 5.5 million direct revenue.

Our Customer Committee and Innovation Lab were set up in 2016 to fast-track the execution of new solutions and adoption of new technologies. These act as regular channels to collect and discuss innovative ideas, as well as expedite the implementation by facilitating senior management's approval of shortlisted ideas.

Marrying aspirations and imagination, our in-house professionals have invented products that are both aesthetically designed and highly functional. As a result, 34 intellectual property ("IP") rights have been granted or are under application through the process driven by the aforesaid platforms since 2016.

Driving Innovation via Supporting Startups

Eureka Nova assists young entrepreneurs in Hong Kong by providing a bespoke incubation programme and critical resources such as networking opportunities, an office space and access to funding. The programme collects disruptive business solutions, connects passionate change-makers, and enables the collision of bold ideas.

The Group is also collaborating with Tencent Makerspace to set up a culture and innovation centre in KOHO, one of our office buildings in Hong Kong. This partnership will help cultivate local multimedia talents.

NWCL partnered with the Institute of Digital China Inc. of Peking University to set up the Digital Innovation Institute. Collaborated with incubators for technology startups, the Digital Innovation Institute set up a platform to attract and draw related industries and talents for strengthening the Group's future business ecosystem in Beijing, Tianjin and Hebei Province.



Dedicated Teams for Digitalisation

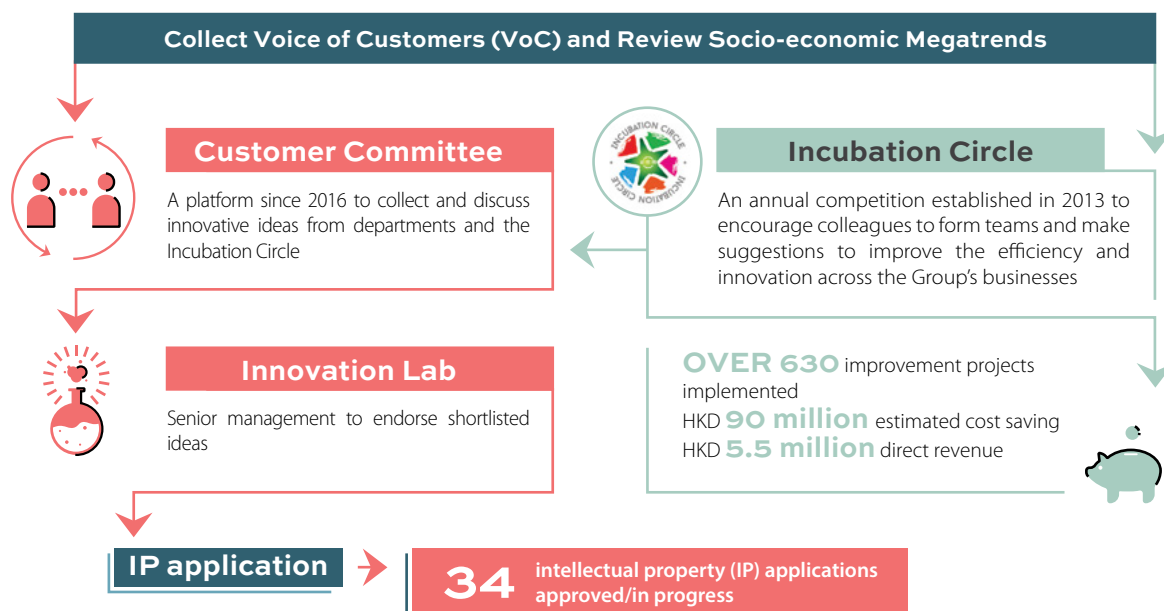
Digitalisation can bring efficiencies and save time, resources and money. We have dedicated teams to develop online platforms in-house, bringing ideas to life and driving associated IPs where practicable. Through these products and services, we provide customers with an experience integrated with our sustainability aspirations. For example, customers in Hong Kong can apply to lifestyle-related courses of K11 Kulture Academy related to art, design, food and wellness through the dedicated K11 app, which also provides guidance for interested visitors to navigate through the art exhibitions in the K11 Art Mall.

Another example is Artisan 360, a virtual reality website that shows our properties to potential customers with 360-degree images of our new flat units. New World First Bus and Citybus' mobile app provides passengers with real-time bus arrival information. The app has accumulated 3 million downloads with average daily enquiries of over 2 million.

A.Connect is an internal office app that enhances workflows and internal communication. Staff members can stay abreast of the latest happenings and achievements of major business units across the Group through this app. We are also developing an internal issue alert system through which staff members will be able to raise imminent operational-related incidents or crises for timely management.

The New World DigiTalent Programme organises training programmes to inspire and support our workforce to develop and implement creative digital solutions in their daily work through social media, digital marketing, online services, app development and data analytics.

Process To Drive Innovation



GREEN FINANCING

Hong Kong's First Green Loan for the King's Road Project

Sustainable project developments require sustainable funding. In light of our commitment to the SV2030, the Group announced the “New World Development Green Finance Framework” (“the Framework”) in March 2018 to enable the funding of sustainable building design and operational enhancements through green bonds or green loans. The Framework, which covers projects by NWD, NWCL and K11 in Hong Kong and Mainland China, was developed based on the Green Bond Principles 2018 and Green Loan Principles 2018 and reviewed by Sustainalytics, an independent ESG research and rating provider.

The eligibility criteria were developed with reference to the aforesaid Principles and a Green Finance Review Panel is in place to propose eligible projects for endorsement by senior management. Please refer to the full Framework at <http://www.nwd.com.hk/sustainability/en/group.html#green>

The inaugural transaction under the Framework was Hong Kong's first green loan (HKD 3.6 billion) for the King's Road Commercial Re-development Project. The green credentials of this loan had received a “Green Finance Certificate (Pre-issuance)” from the Hong Kong Quality Assurance Agency.

Green and healthy pre-certifications achieved:

- BEAM Plus (Platinum)
- LEED (Platinum)
- WELL v1 (Platinum; the world's first)

Green Features

Energy

- Energy-efficient design and installations with an anticipated 34% CO₂ emission reduction under the Building Energy Code of Hong Kong and the U.S. ASHRAE Standard
- Renewable energy installations including a wind turbine and solar photovoltaic thermal panels



Water

- Use of drip irrigation, rain water harvesting and drought-tolerant plants with an anticipated 65% reduction of potable water consumption measured against the LEED Standard

This project, with a target completion date in mid-2019, has not yet utilised the green loan funding as of the end of FY2018.

We will continue to explore other green financing opportunities to drive the creation of quality developments that echo our SV2030.



YOUR ENVIRONMENT

GREEN



YOUR ENVIRONMENT

To create sustainable living environments for our customers and tenants, we consider the long-term integrity of the ecosystem and natural resources, as well as climate risks, in our building design, operations, procurement and the curation of our commercial offers.

Sustainable Building Design and Climate Resilience

Our new Sustainable Building Policy sets out the Group's commitment to embed sustainability considerations into the full building lifecycle from the identification and acquisition of project sites and project design, to property management and

stakeholder engagement. Under the policy, we strive to achieve Gold or above level in BEAM Plus, Hong Kong's leading independent assessment of building sustainability performance, or LEED certifications for new commercial and retail buildings in Hong Kong and Mainland China.

As of the end of FY2018, 20 buildings have earned the BEAM Plus certification and 27 buildings have earned the LEED certification, achieving Platinum or Gold ratings. 12 buildings have also been certified to the China Green Building Evaluation Standard (two-star or above).



Climate Change Strategy

Board Governance

The Board oversees climate risks, which form part of the Risk Management Policy. The Audit Committee meets at least twice a year and decides the Group's overall risk level, which includes climate-related risks, and ensures the effectiveness of its risk management system.

Sustainable New Building Design and Construction

A Group-level Sustainable Building Policy guides NWD, NWCL and K11 to consider climate-related impacts in the building lifecycle and obtain BEAM Plus or LEED Gold or above green building certifications for new buildings where possible. We have developed internal sustainable building design guidelines for Hong Kong and Mainland China to cover specifications related to climate change adaptation. Building Information Modelling (BIM) is deployed to enhance the efficiency of project management and reduce adverse environmental impact (please refer to page 26 for more details). The Sustainable Procurement Policy also guides our operations to integrate climate change considerations into procurement decisions. For example, local and regional construction materials with lower carbon footprint are preferred.

Existing Building Energy Efficiency

We improve the energy efficiency of our existing buildings through real-time energy

monitoring and adopting energy saving practices. We also actively engage our building tenants and visitors on environmental awareness by way of fitting-out and operation guidelines, on-site building performance display and awareness programmes. Energy intensity reduction targets have been set for major commercial and retail buildings in Hong Kong and the Mainland. Going forward, we will explore the feasibility of establishing science-based targets to echo global directions in fulfilling the Paris Climate Agreement. Where practicable, we will obtain existing building certifications.

Further Mitigation and Adaptation Measures

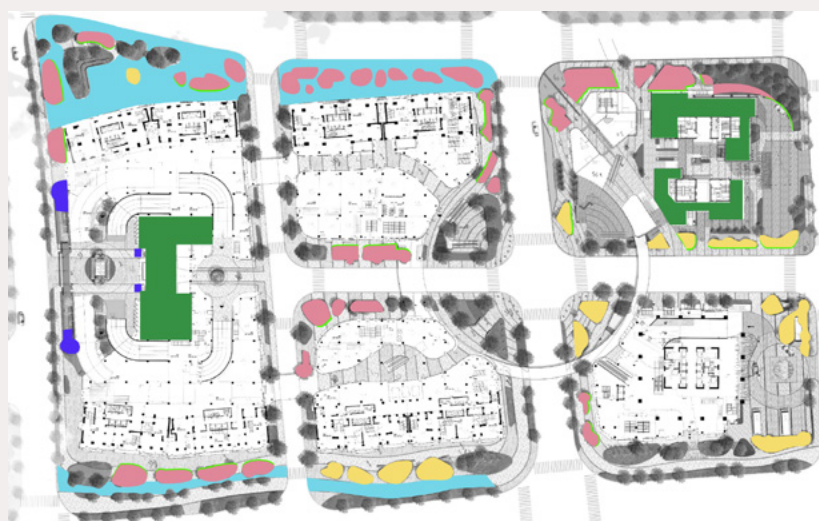
We implement prudent water management in our projects. "Sponge city" features are adopted to lower project flood risks (see the case study of Ningbo New World in the next page). In MOUNT PAVILIA, one of our residential properties in Hong Kong, greywater is treated onsite and provides 100% irrigation water. The use of renewable energy is also considered where appropriate.

We are preparing to assess physical risks of climate change at portfolio level. We will observe the guidelines of the Task Force on Climate-related Financial Disclosures (TCFD) to quantify associated financial impact.

Sponge City: Ningbo New World

We strive to build a more resilient city by applying climate change adaptation measures in our building design and water management. In addition to Canton First Estate in Foshan, our Ningbo New World, a large-scale mixed-use development project in Mainland China, integrated the Chinese Government's concept of "sponge city" as a means for urban water management

and to tackle flooding through features such as bioretention gardens, rain gardens, permeable pavements and green roofs. These measures lower flood risks by enhancing and redistributing water absorption capacities, as well as reducing the load to the municipal drainage system. The project also includes water efficiency measures and recycles treated rainwater for irrigation.



- | | | |
|---|--|--|
| ■ Bioretention | ■ Permeable pavement | ■ Green roof |
| ■ Tree pit | ■ Rain garden | ■ Bioswale |

Site map of Ningbo New World with deployment details of "sponge city" features, which are subject to finalisation upon project completion.

Building Information Modelling (BIM) and Construction Information Anywhere (CIA)

The Group has pioneered the full property lifecycle application of BIM among Hong Kong companies to reduce project development time, cost, construction risks, abortive works and wastage with computer simulation and 3D visualisation functionalities. Timely sharing of the latest project details with project team members and data-intensive models created on advanced software is a challenge to wider adoption of this full lifecycle BIM approach. We created the CIA, a cloud-based online system, to address this bottleneck by serving as a centralised project database for internal and external team members to access up-to-date project information easily on their computers or mobile devices. While BIM enables design coordination and the production of “virtual visual mock-up”, CIA allows more efficient distribution of relevant drawings and documents among all project

team members, including subcontractors. For instance, about 11,340 documents and 8,740 drawings of one ongoing project are handled digitally by the Document Control System of CIA. We plan to develop CIA eventually as an Enterprise Resource Planning system, enabling information from various building stages could be reviewed and archived for quality improvements and knowledge sharing.



Application of BIM: Tianjin Chow Tai Fook Finance Centre

Tianjin CTF Finance Centre is a mixed-used project comprising a retail mall, an office space, a hotel and serviced apartments. This development implemented BIM throughout the project cycle from contractual arrangements, detailed design management, to construction management, involving the use of 4D scheduling and virtual visual mock-up to facilitate design simulation and review as well as project handover and acceptance. The use of BIM facilitated more than 28,000 design layout adjustments, enabled the direct issuance of

40,000 detailed drawings, and increased the building modelling speed by three times, leading to reduced consumption and waste of construction materials, and saving construction time by about 150 days. Tianjin CTF Finance Centre is also one of the first projects to obtain 2018 China BIM Certification Union: Platinum.

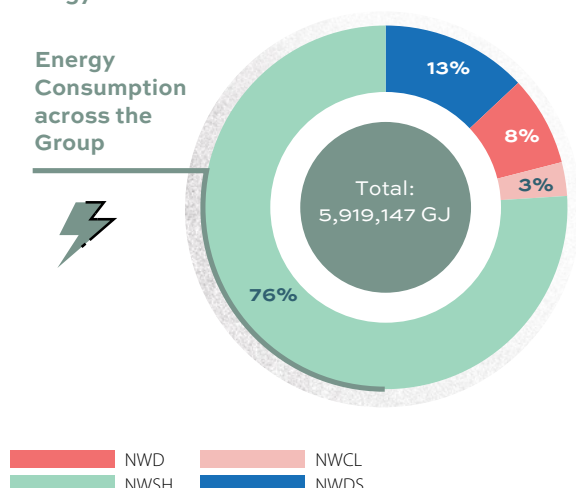


Monitoring Our Environmental Impact

Digitalisation of ESG data collection

The Group-wide ESG data management system Resource Advisor has been deployed since FY2017 to streamline data collection. Around 130 sites across our business units now report their ESG data via this system, which has enhanced traceability and accountability of the data and performance disclosure. Eco-world, a real-time building energy monitoring and benchmarking system synchronised with the building management systems, has also been installed at major properties in Hong Kong and Mainland China to record more accurate energy and carbon data.

Energy

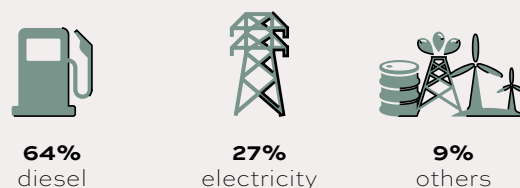


	Total		% change
	FY2017	FY2018	
Energy Consumption (GJ)	5,784,908 ¹	5,919,147 ²	+2%

Notes:

- 1) The data point has been adjusted to reflect the actual Towngas consumption; and
- 2) The data point excludes tenants' consumptions in all NWDS stores. NWSH had further revised the diesel consumption and the associated GHG emissions data after the publication of NWD Annual Report 2018 in October 2018.

ENERGY CONSUMPTION BY TYPE IN FY2018

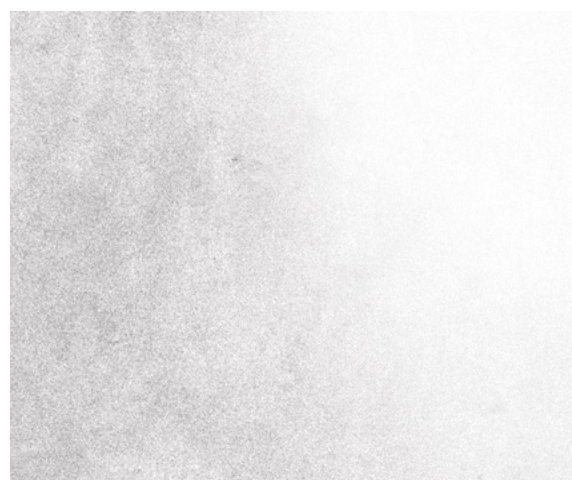


In FY2018, the Group's total energy consumption was 5,919,147 GJ, compared with 5,784,908 GJ in FY2017. The increase is mainly attributed to the higher fuel consumption in our expanding businesses.

The transportation fleets of NWSH accounted for more than 60% of the Group's total energy consumption. The relevant businesses have been upgrading their fleets to be more fuel-efficient with lower emissions. Nearly 90% of our bus fleet achieved Euro V or above efficiency standard. 10 electric buses and three Euro VI hybrid buses are also in service in Hong Kong.

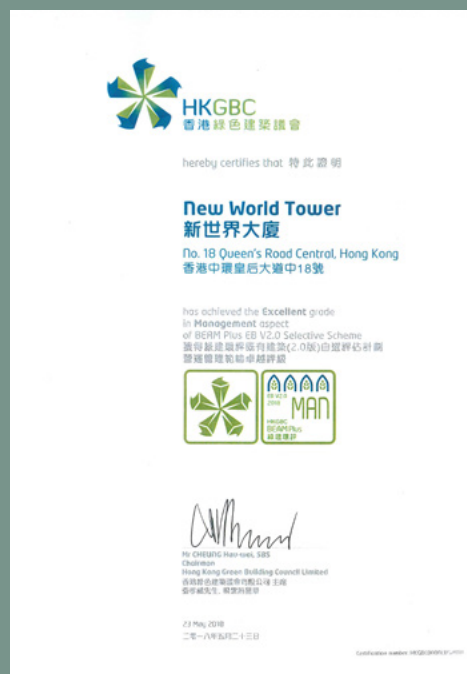
The second major source of energy consumption in our Group is buildings. We support the HKSAR Government's 4Ts Charter, through which building managers commit to a specific energy saving framework, and have pledged to reduce the energy consumption of selected existing buildings in Hong Kong. Alongside sustainable building features and certification requirements in the design stage, we also have the following energy saving targets for major commercial and retail properties developed and operated by NWD and K11 in Hong Kong and Mainland China:

- **Hong Kong:**
37% reduction (kWh/sq. m.) (2030 vs 2012)
- **Mainland China:**
22% reduction (kWh/sq. m.) (2030 vs 2015)



New World Tower Achieved Green Existing Building Certification

Under Hong Kong BEAM Plus EB V2.0, New World Tower was awarded the “Excellent” rating in the “Management” aspect of the selective scheme, demonstrating our commitment to improving energy efficiency and environmental performance.

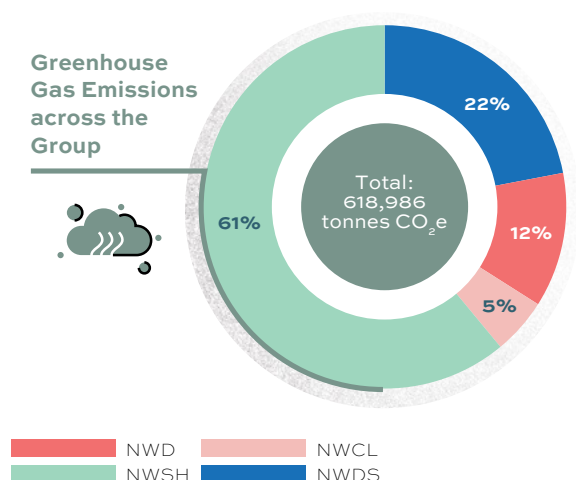


In the past two years, we increased the use of LED lighting and upgraded heating, ventilation, air-conditioning (HVAC) systems for instance, through the use of more energy-efficient, water-cooled chillers with variable speed drives, in our major commercial and retail properties in Hong Kong and Mainland China. Our portfolio has already achieved 23% energy reduction against the 2012 baseline in Hong Kong.

We adopt renewable energy where possible and practical. The rooftop of K11 Atelier at Victoria Dockside has one of the largest façade-integrated solar photovoltaic systems in Hong Kong. We will also pilot Hong Kong's first wave energy system in the neighbouring Avenue of Stars. Rosewood Phuket deploys the largest solar energy system among all hotels in Phuket, Thailand, which generates 113,000 kWh of electricity per year for water heating in the resort.



Greenhouse gas emissions and air emissions



	Total ¹		% change
	FY2017	FY2018	
GHG Emissions (tonnes of CO ₂ e)	714,184 ²	618,986 ³	-13%

Notes:

- 1) Calculated with reference to "Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong" by EPD and EMSD of the HKSAR Government;
- 2) The data point has been adjusted to reflect the actual Towngas consumption and ;
- 3) The data point excludes tenants' consumptions in all NWDS stores. NWSH had further revised the diesel consumption and the associated GHG emissions data after the publication of NWD Annual Report 2018 in October 2018.

The direct greenhouse gas (GHG) and air emissions mainly come from our bus and ferry fuel consumption. We will continue to explore fleet upgrades and the adoption of cleaner fuels such as ultra-low sulphur diesel and biodiesel in our transportation services.

In FY2018, the Group's GHG emissions were 618,986 tonnes of CO₂e, compared with 714,184 tonnes of CO₂e in FY2017. The decrease is mainly the results of enhancing GHG accounting methodology with more detailed vehicle types, and the exclusion of tenants' consumption in our department stores.

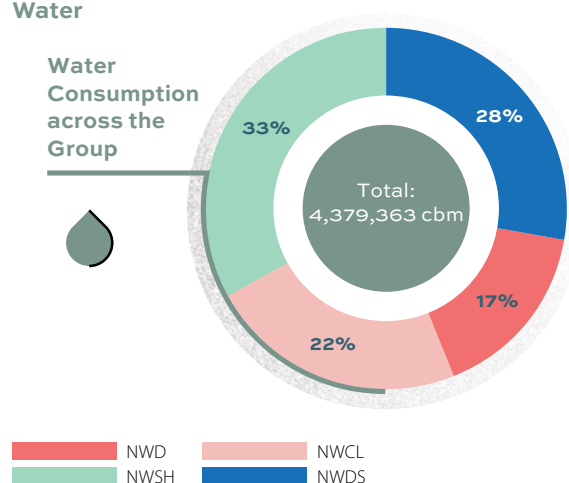
Air Emissions in FY2018

	tonnes
Nitrogen Oxides (NO _x)	798.4
Sulphur Oxides (SO _x)	1.6
Particulate Matters (PM)	57.5

Note:

The figures are derived from the distance travelled or fuel consumption multiplied by the factor provided by the HKEx Guide, which neglects different bus types and emission standards. We will enhance the measurement methodology in the future.

Water



	Total		% change
	FY2017	FY2018	
Water Consumption (cbm)	4,725,293	4,379,363 ¹	-7%

Note:

- 1) The data point excludes tenants' consumption in all NWDS stores.

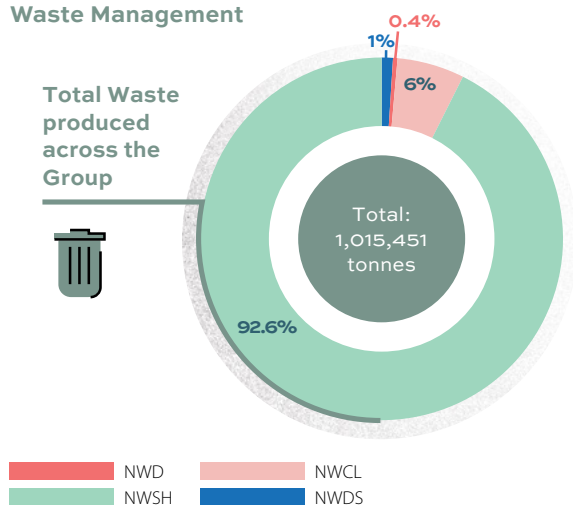
We recognise water-related risks as one of our long-term priorities especially for our expanding businesses in Mainland China. We strive to reduce water consumption and treat water to a standard for reuse in selected properties as far as practicable. MOUNT PAVILIA, one of our residential projects in Hong Kong, adopts 100% recycled wastewater for irrigation.

In FY2018, the Group's water consumption was 4,379,363 cbm, compared with 4,725,293 cbm in FY2017. The decrease is mainly the result of excluding tenants' water consumption in our department stores.

Wastewater Treatment Businesses

NWSH pursues environmentally-friendly businesses through Chongqing Derun Environment Company Limited and the restructured SUEZ NWS Limited. These two companies provide one-stop environmental services, including water and wastewater treatment, waste management, renewable resource recycling and utilisation, environmental remediation, as well as design, engineering and procurement services. In particular, SUEZ NWS offers wastewater treatment technologies that could effectively reduce major pollutant levels below 50% of the national requirement, alleviating adverse environmental and health impact.

Waste Management



	Total		%
	FY2017	FY2018	change
Waste Generated (tonnes)	888,171	1,015,451	+14%
Waste Recycled (tonnes)	799,217 ⁽¹⁾	867,366 ⁽¹⁾	+9% ⁽¹⁾

Notes:

1) Waste recycled data include both hazardous and non-hazardous waste. Data were adjusted to reflect the actual waste treatment. NWDS had further clarified that the food waste was incinerated instead of being recycled, resulting in changes of related data after the publication of NWD Annual Report 2018. NWDS will continue to strengthen monitoring of waste treatment.

The Group generated 1,015,451 tonnes of waste in FY2018, representing a 14% increase compared with FY2017, which is mainly attributable to the increased waste generated from our construction businesses. Of our total waste, 85% was recycled, as our construction businesses have adopted Engineered Waste Management Plan, BEAM Plus and LEED green building standards. Hip Hing also continued to implement the Inert Materials Transfer Programme to reuse inert construction waste as foundation filter materials in construction projects; an example of the Group embracing Circular Economy principles.

We are committed to supporting the HKSAR Government's Municipal Solid Waste Charging Scheme, which will take effect in late 2020. Manning House, one of our commercial properties in Hong Kong, completed a pilot study in FY2018 to gauge tenants' waste generation and engage them on waste reduction and recycling, preparing them for the upcoming legislation.

K11 Art Mall in Hong Kong has invited our tenants and selected food and beverage businesses in the community to join its food waste recycling programme since 2011. In 2018, we conducted a survey with tenants and applied data analysis to understand the challenges faced by our tenants in waste management and identify improvement opportunities in our operation. One waste reduction measure from NWSH is to donate unconsumed food from the Hong Kong Convention and Exhibition Centre ("HKCEC") to needy families and elderly people, through Food Angel, a local charitable organisation. NWCL has also invited more than 400 families to join the food waste recycling programmes across six regions.

The total hazardous waste produced by the Group in FY2018 was 630 tonnes. Our hazardous waste mainly comes from the chemical waste of our transportation businesses, such as lubricant and organic solvent. We have commissioned licensed service providers to collect and recycle these materials for safe and proper disposal.



Responsible resource use along our supply chains

We have a Group Sustainable Procurement Policy to encourage the use of materials from responsible and local sources. All suppliers and contractors are required to adhere to the Group's Supplier Code of Conduct. Our construction businesses assess the ESG performance of major suppliers including new suppliers every year.

Construction timber and concrete are the two key materials used by our businesses, in terms of sourcing volumes. We prioritise the use of timber certified to the Forest Stewardship Council ("FSC") standard or equivalent. NWCON commits to sourcing 100% FSC or an equivalent standard timber for temporary works in each project. Our property construction projects aim to source at least 10% of local materials that are grown or manufactured within a radius of 800 km from project sites, to reduce the environmental impact of transportation. Our hotels also offer amenities made of sustainable and natural materials.

We have been taking an active role in developing new construction materials. Hip Hing formed a partnership with Nano and Advanced Materials Institute Limited to develop green building materials. An award-winning technology was

developed to produce high-performance lightweight concrete. With lower thermal conductivity than regular concrete, this new concrete reduces the need for air-conditioning and in turn cuts energy consumption.

Conservation and biodiversity

As part of our Sustainable Building Policy, the Group considers biodiversity impacts and enhancement opportunities as we plan our property projects. For instance, MOUNT PAVILIA has a green coverage that is higher than BEAM Plus' requirement. Native plant species constitute the majority of the onsite vegetation, and so reduce irrigation needs and protect local biodiversity.

We support a water quality research initiative on the Victoria Harbour, Hong Kong, conducted by the Open University of Hong Kong, as part of our environmental protection efforts for the New World Harbour Race, the Group's annual city-level sporting event.

During the construction stage of Rosewood Phuket, prudent waste and erosion management had minimised adverse environmental impact on the sea. The resort had also collaborated with the navy and local government on placing 340 artificial reef structures and transplanting coral in the Emerald Bay to help replenish aquatic lives.

Promoting Conservation and Biodiversity: D•PARK Bird Watching

In support of the Hong Kong Bird Watching Society and The Conservancy Association, D•PARK organised an art exhibition to educate the public about the conservation of the Yellow-breasted Bunting, a newly listed critically endangered species. Through this art exhibition, visitors had the opportunity to understand the close relationship between farming and conservation, as well as the biodiversity and ecological value of the Long Yuen wetland in Hong Kong, which is an important habitat for the migratory Yellow-breasted Bunting.



Customer engagement on sustainability

We distribute the Sustainable Fitting-out Guide and Sustainable Operation Guide to support office and shop tenants to reduce their environmental impact and adopt practical eco-friendly and healthy practices.

We are one of the founding members of the Hong Kong Green Shop Alliance (“the Alliance”) initiated by the Hong Kong Green Building Council. The Alliance was established to raise green building awareness and disseminate sustainable practices in the retail industry. More than 30 tenants from eight properties of NWD have joined the Alliance.

In addition to the ISO 20121 Event Sustainability Management System Certification, the HKCEC launched the LoveGreen Meeting Package to offer low-carbon menus, recycling support, and surplus food donation services to customers.

Green Retail

From conception to tenant mix, we revolutionise the concept of retail by offering green and healthy options to customers. Spanning nearly 9,000 sq. ft., K11 Natural features a number of green catering and retail brands promoting nature, wellness and sustainability. NWDS maintains the sales proportion of eco-friendly merchandise at LOL (“Love • Original • Life”) Concept Shops at about 10%. To further promote green merchandising, the “LOL Green Proposal” will guide suppliers to pursue green procurement.



Green Procurement: LOL Green Proposal

NWDS' private label LOL (“Love • Original • Life”) offers quality lifestyle products sourced from different channels. We introduced the LOL Green Proposal as a precursor to any new collaboration with suppliers, indicating our preference for sustainable merchandise and asking our suppliers to produce proof of their product's green specifications. We make eco-friendly products, such as merchandise made with green materials and products in green packaging, our priority procurement choice. We have also introduced a range of DIY products made with certified eco-friendly raw materials and launched other green products such as environmentally-sound cork accessories and leather goods, as well as eco-resin children's goods. LOL stores will continue to source new green products to inspire our customers to embrace a green lifestyle.



YOUR HEALTH

WELLNESS



YOUR HEALTH

Governance for Health and Safety

Health and Safety (“H&S”) matters across the Group are overseen by the Group Sustainability Steering Committee, chaired by the Executive Vice-chairman and General Manager. The Group H&S Policy sets out our commitment to safeguard the H&S of employees, contractors, tenants and visitors on our premises and construction sites. We monitor and enforce the implementation of this policy with regular reviews and audits. In addition, H&S risk factors are incorporated in our risk management framework for evaluation by NWD departments and business units every six months. Consolidated findings are reported to the Board. More imminent H&S risks can be raised through the internal issue alert system for a timely response.

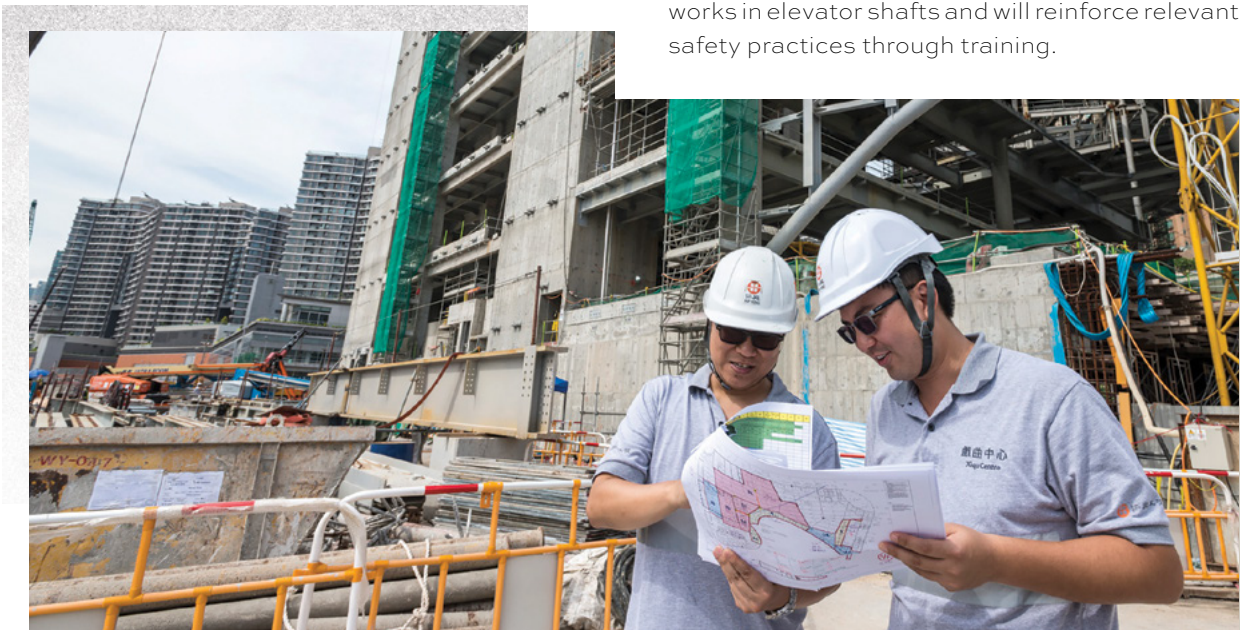
Construction Employees and Subcontractors

Both our Hong Kong construction businesses, NWCON and Hip Hing, have in place formal H&S committees and policies. An occupational H&S management system, certified to the OHSAS 18001 Standard, has been adopted to ensure the highest standard of occupational health and safety is embedded in the planning, design and construction stages of every project. During the tendering process, our construction companies share the Supplier Code of Conduct with subcontractors and benchmark their safety performances as part of the evaluation process, in addition to their professional competence and project track records.

Going beyond statutory requirements, joint management-worker taskforces are in place to monitor and review on-site health and safety processes. Dedicated safety officers onsite also conduct regular safety inspections to identify potential safety risks and ensure proper mitigation measures are implemented. In addition, the deployment of BIM and augmented reality technologies during site inspections allows for visualisation of designs and lowering H&S risks. We provide our staff and subcontractors with job-specific operating guidelines and training to safeguard their health and safety. During the reporting period, more than 10,000 hours of H&S training were provided for staff and subcontractors of NWCON and Hip Hing.

HHC Construction Company Limited (“HHC”), our construction arm in Mainland China, has set H&S targets which aim to rule out fatality, serious work-related injuries and major errors related to equipment and facilities failure, as well as major fire incidents and other workplace hazards. HHC requires subcontractors to sign off the Annual Zero Safety Incident Commitment and Subcontractor Safe Production Management Agreement and provides safety training for all operational staff. Onsite safety audits are undertaken at least once every two months.

Regrettably, a fatality of a worker of a construction subcontractor was recorded during the reporting period in Hong Kong. To mitigate this risk in future, we strengthened the safety management system for workers undertaking repair and maintenance works in elevator shafts and will reinforce relevant safety practices through training.



Building Users

We develop healthy buildings and curate wellness programmes to enhance the lives of our communities and deepen engagement with stakeholders.

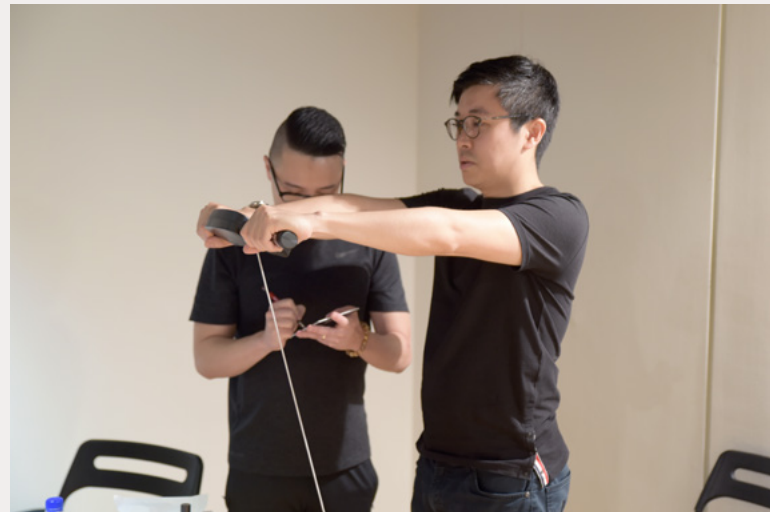
In our upcoming King's Road Project in Hong Kong, we intend to deliver health benefits to each building user by adopting biophilic design principles such as extensive indoor and outdoor green features, and providing indoor air quality and water above the local standards. Spaces for physical activities will also be available for tenants' use to promote active living.

To protect our customers' health in the hotels and retail mall in Shenyang K11, we deployed a mid-high air filtering system in addition to the use of eco-friendly adhesives and sealants which emit lower volatile organic compounds.

Not only do the buildings offer health benefits, but our engagement programmes support building users to make the most of opportunities to enhance their health and wellbeing. For example, office tenants in K11 Atelier in Hong Kong and Mainland China can enjoy the K11 Atelier Academy, a comprehensive wellness curriculum covering fitness, yoga, cultural appreciation, lifestyles, and more, nourishing both the bodies and the minds of our tenants. Visitors of K11 Art Mall in Hong Kong can immerse themselves in a broad array of wellness workshops, from meditation and mindfulness to aromatherapy and organic food, through the K11 Kulture Academy.



During the reporting period, we have started a smart metering pilot in Manning House, Hong Kong, a commercial building which hosts mainly medical practitioners as tenants. The smart meters monitor real-time energy consumption and indoor air quality metrics such as PM2.5, carbon dioxide, humidity, etc. With these smart meters, tenants can learn more about their electricity usage and indoor air quality, potentially triggering positive behaviour changes for a more eco-friendly and healthy workplace. At New World Tower, we held a 'Wellness Fest' in June 2018 to promote holistic wellbeing among tenants and Group staff, as part of SV2030. It featured lunchtime health seminars, and booths offering health food tasting, postural and body fat checks, and running postural assessments. About 100 tenants and Group colleagues attended.



Employees

NWD Central Administration Department oversees matters relating to employee workplace safety and wellness. Mindful of our staff's physical and mental wellbeing, our comprehensive wellness programme provides staff with fruit, fitness classes, sporting competitions, seminars on stress management, networking opportunities and affinity groups such as the Christian Family, etc. Staff members based in KOHO, one of our corporate offices in Hong Kong, also enjoy in-house gym facilities. Employee health and safety metrics are tracked and our target is to achieve a lower year-on-year work-related injury rate, and ultimately create an injury/hazard-free workplace.

Passengers of Public Transport

We are deeply saddened by the unfortunate fatal accident involving Citybus in September 2017 and are determined to enhance safety provisions to better protect passengers and pedestrians. In conjunction with the investigation of the accident, the senior management of our bus companies has undertaken a comprehensive review of bus captains' working hour guidelines with major stakeholders including the Government and labour unions. Following the Transport Department's revisions of bus operational guidelines in February 2018, New World First Bus and Citybus announced the introduction of new measures including phased reduction of working hours per shift, and more rest facilities. The salary package for frontline staff was also enhanced.

We have also set up an internal working group to study possible measures to further enhance bus safety, including the installation of in-vehicle safety devices and seatbelts on all seats and trainings for bus captains. Automated external defibrillators have also been installed in multiple ferry piers and will be made available in selected ferries in the future.



Our Wellness Businesses

The Group aspires to building an ecosystem of wellness businesses which will provide a one-stop shop of holistic wellness for stakeholders. We have invested in New Century Healthcare to develop middle to high-end gynecologic and pediatric specialty medical services, as well as family healthcare management services, in the Greater China region. K11 has invested in Hua Medicine, a clinical-stage drug development company. This financing would enable commercialisation of a novel therapy which seeks to address the underlying causes of Type 2 diabetes.

Opened in March 2018, the Gleneagles Hong Kong Hospital ("GHK") is a joint venture between NWSH and Parkway Pantai, with the University of Hong Kong being its exclusive clinical partner, providing cutting-edge medical services for the community. GHK performed the Hong Kong's first hyperthermic intraperitoneal chemotherapy for treating ovarian cancer, a treatment that leads to significant improvement in reducing recurrence and enhancing overall survival for patients with ovarian cancer, as published in the New England Journal of Medicine.



YOUR COMMUNITY

CARING



YOUR COMMUNITY

Fostering an Ideal Workplace

We create a supportive workplace conducive for growth and development. Our Employee Handbook is regularly shared with our employees, and spells out employment-related policies covering employee grievances, equal opportunity, and the Employee Code of Conduct. These lay the foundation for an open, diverse and respectful workplace free of harassment, intimidation, bias and discrimination on the grounds of age, gender, disability, religion, family status and obligations, race and colour.

The Human Rights Policy reinforces this message and safeguards the civil rights of not only employees but also suppliers, subcontractors, etc. such as freedom of speech, association and collective bargaining. Under this policy, the employment of forced/child labour is strictly prohibited from our operations. This policy also guides our employees to identify risks related to human rights. In case of experiencing violation or inappropriate treatment within the Company or by business partners, employees must report the incidents, and the internal audit department would conduct further investigation where appropriate.

The annual performance appraisal provides an opportunity for staff members to discuss career planning, identify areas for further development and maximise career potential with their line managers. We also provide staff members with a wide range of caring benefits such as flexible working hours, paternity leave, family-care leave and Care Points, which can be converted from unused annual leave to cover medical expenses.

Talent Grooming

Our employees are our source of innovation and ingenuity, which is critical to future-proofing the Group's business. A. New World University™ is a comprehensive talent grooming curriculum which develops Group talents through various training and development opportunities and financial support. High-flying talents take the opportunity to gain exposure to the wider New World business ecosystem and broaden their professional network through development programmes such as YoungSTAR Programme, New Manager Programme and Accelerating Management Talent Programme. For example, the YoungSTAR Programme recruits over 20 promising staff members of assistant manager grade or below from across the Group, to take part in activities including business visits to operations in Mainland China, a design-thinking workshop, and network events with distinguished entrepreneurs. YoungSTARS also receive mentorship and are encouraged to apply their learning and pitch new business ideas to the senior management.



In our department store operations, we provide the senior management with training sessions on digitalisation and its benefits for customer profiling and experience curation. The training was conducted in the forms of webinars, site visits, etc. Over 150 staff members were trained in 2018 and they were tasked with disseminating the new knowledge with other colleagues from their departments or stores.

We have invited external speakers to conduct training to heighten sustainability awareness across the Group. The training engaged more than 250 staff members and covered ESG risks, supply chain best practices, the “Prevention of Bribery Ordinance (Cap 201)” by the Hong Kong Independent Commission Against Corruption, and equal opportunity related legislation by the Equal Opportunities Commission. A bespoke internal training was also provided for the senior management of our department store business, connecting the major directions of the SV2030 with the retail market landscape in Mainland China, and inspiring participants to apply the vision to business strategies and operations.

Fostering Entrepreneurship

To support the Group’s vision of expanding its business ecosystem in the realm of “cultural technologies” from digitally-enabled education to e-sports, multimedia and wellness, we call for talents with an entrepreneurial mindset to inject fresh perspectives into the Group and capture opportunities from fast-changing technologies and disruptive business models. We aim to attract bright millennial talents to join our ranks and nurture them to drive practical innovations.

A•Entrepreneur Adventure Programme is one of our latest innovative talent acquisition initiatives, through which we aimed to attract entrepreneurial talents from all over the world. Candidates participated in weekend hackathons and pitched business ideas about cultural technologies to our judging panels, which comprised both senior management and startup experts. Outstanding candidates were offered positions with the Group on a full-time, part-time or consultancy basis to drive innovations. We have engaged nearly 300 participants through the programme.

Social Inclusion

Mixed-use development

Mixed-use developments enable our customers and tenants to live, play, shop and work in close-knit communities, where the proximity of day-to-day destinations allows for more convenience. The reduced need for transportation also results in a lower environmental impact. One of the key examples is Victoria Dockside at Tsim Sha Tsui waterfront in Hong Kong, which comprises K11 Atelier Office Tower, K11 MUSEA (our new flagship museum-retail complex which will open in Q3 of 2019 and targets global millennial customers) and K11 ARTUS (serviced residences opening in 2019). The Avenue of Stars and Salisbury Garden are located in Victoria Dockside’s surrounding neighbourhood. With community interests in mind, we had revitalised the Salisbury Garden with enhanced access to and visibility of the Victoria Harbour, barrier-free waterfront steps and more seating areas, as well as spacious performance spaces for the public to enjoy. In the future, the adjacent Avenue of Stars will also be a welcoming public space with seven times more shaded areas and over twice as many seating areas compared with the pre-renovation site.

Please refer to page 43 for the sustainability features of Victoria Dockside and the adjacent neighbourhood.

NWCL updated its internal Sustainable Building Design Guidelines in FY2018, adding new design recommendations related to social integration and community wellness.

Improving housing affordability

The NewGen First Home Program, piloted during the reporting period, supported some young home buyers aged 25-35 in Hong Kong with a reduced down payment, subsidised stamp duty and progressive mortgage repayment arrangements. THE PARKVILLE in Hong Kong was the first pilot project providing 15 units under the programme, which was well-received by the market with oversubscription.

Caring facilities

We offer breastfeeding facilities to families in shopping malls such as K11 Art Mall and

D • PARK in Hong Kong. Since New World First Ferry launched the first breastfeeding room in Hong Kong public transportation in 2016, about 600 users have benefited. For ferries without breastfeeding rooms, priority seats with high privacy are arranged.

Supporting the Community via Corporate Citizenship and Charity

The Group is committed to promoting local social development by improving the social mobility of the under-resourced youth, supporting the promotion of art and culture, and fostering active living in the community.

Community programmes

The Group recognises sport as an instrumental vehicle for personal growth. Celebrating the fifth anniversary, the New World Springboard Programme continues to groom the under-resourced youth to become Hong Kong's future sports stars through professional training in swimming, basketball, golf and tennis. As of the end of the reporting period, there have been close to 500 participants and over 270,000 hours of training provided. We celebrated this important milestone by publishing a book entitled *Invisible Beauty Nurtured over Five Years*, and establishing a new scholarship to deepen our efforts to nurture these future leaders.



The NWS Career Navigator for Youth programme was launched in 2016 to empower young people to set career goals as early as possible and help them equip themselves for the world of work. In collaboration with non-profit organisations such as Po Leung Kuk and 10 schools in the Tsuen Wan and Kwai Tsing districts in Hong Kong, this programme offers teachers and high school students long-term career planning support through a wide range of opportunities, including corporate visits and exchanges with management and staff, workshops, mock interviews, job shadowing, and post-examination coaching. NWSH's corporate volunteers also take the role of mentors, providing guidance for the students. Since the launch of the programme, 5,000 young people and teachers have taken part in over 170 activities spanning more than 25 industries.

NWSH's "Count on You - Safe Home for Seniors" programme aims to provide domestic and emotional support to elderly people in the Wong Tai Sin district who lack financial means and close families. As the first stage, home safety assessments are conducted by occupational therapists. Then retired craftsmen and corporate volunteers help with modifications to make the homes safer and more comfortable, preserving their traditional skills and putting them to good use. In the coming year, there will also be a series of workshops and activities to promote home safety and inter-generational interaction.



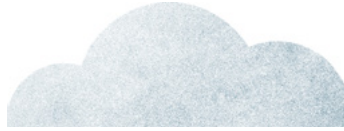
Community sports events

In 2017, the iconic “M” Mark New World Harbour Race revitalised the historic cross-harbour race route from 40 years ago, which stretched from the Tsim Sha Tsui Public Pier to the Golden Bauhinia Square Public Pier at Wan Chai, Hong Kong. The race drew participation from 2,940 swimmers from around the globe. There were 17 young outstanding swimmers from the New World Springboard Programme participating in the race and 10 of which competed in the racing category.

We continued to sponsor the European Challenge Tour – Foshan Open 2017, which is one of the most significant sporting events in Guangdong and facilitates cultural exchanges between Guangdong and the world. In 2017, a total of 126 golfers were engaged. We also collaborated with local charitable organisations to host a charity walk for participants, as well as a charity sale: the proceeds were donated to under-resourced and hearing-impaired children, as well as to elderly people living alone.

Meanwhile, NWS Geo Hero Run in 2017 attracted over 1,500 runners who raced through the world-renowned Hong Kong UNESCO Global Geopark. No paper cups were provided, and recyclable and reusable cups were used at the water stations along the race route. Runners were encouraged to bring their own bottles and cutlery. Recyclables were collected and sent to a community recycling centre for proper processing afterwards, and fruit residue was sent to a non-profit organic farm for composting.





Hong Kong Golf & Tennis Academy Charity Foundation

Established in 2014, the Hong Kong Golf & Tennis Academy Charity Foundation delivers coaching and educational programmes to facilitate the personal development of children and young people, inspiring them to lead active and healthy lives.

K11 Art Foundation

The K11 Art Foundation continues to incubate young contemporary artists and promotes public art education in Greater China. The Emerald City exhibition, which was open to the public between March and May 2018, brought together a kaleidoscope of contemporary artworks including paintings and sculptures to explore the natural and built environments through the lens of geometry. Its aim was to demonstrate how geometry shapes one's conception of the world, and inspire visitors to look at the world beyond the confines of geometry. The exhibition engaged more than 7,000 visitors.



Culture for Tomorrow

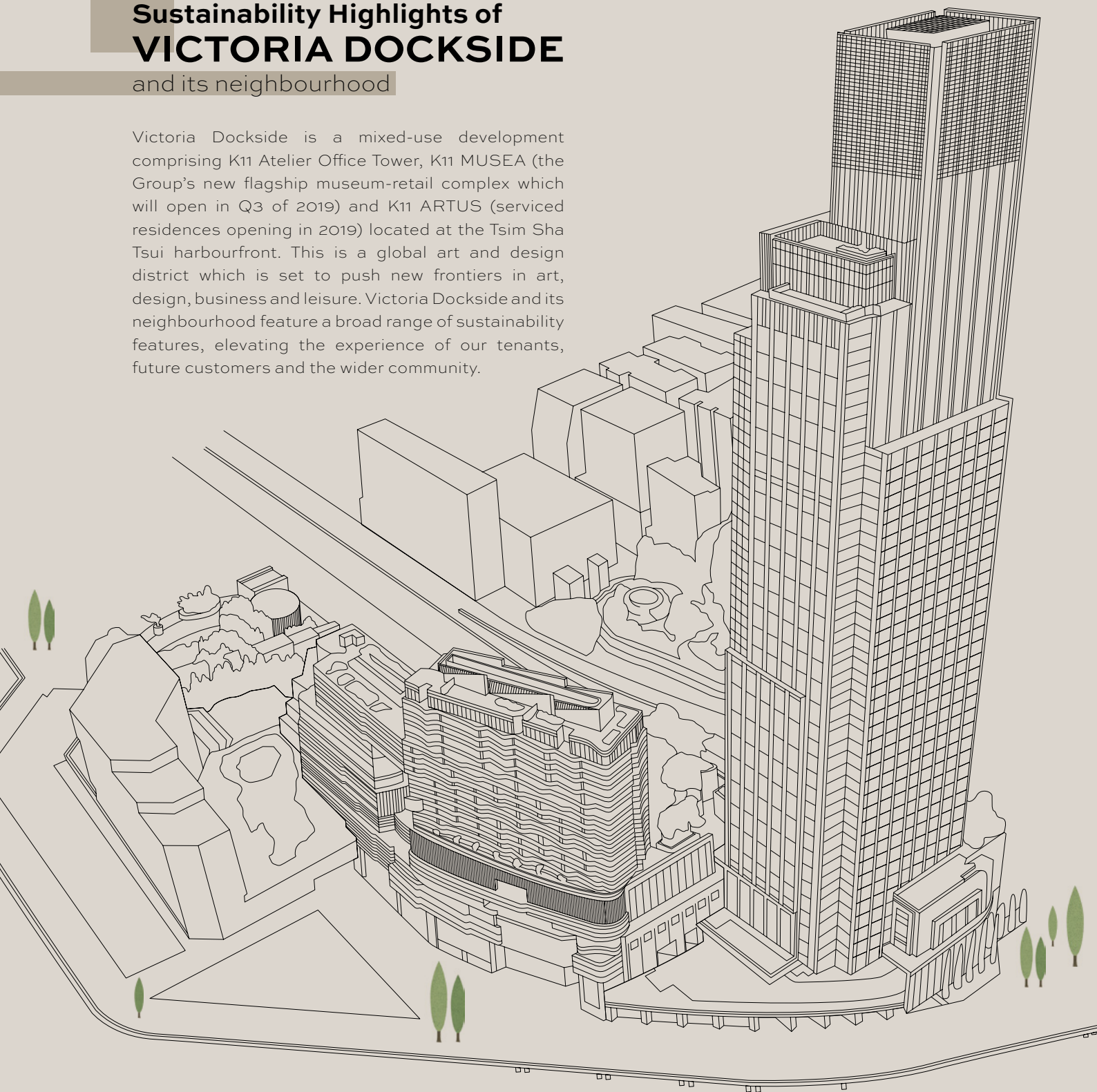
Culture for Tomorrow is a non-profit organisation founded in 2017 to actualise design and architectural innovation. Its debut cross-cultural event, Hot is Cool: A Cultural Dialogue between Finland and Hong Kong, was held in December 2017. The event put together a Finnish sauna and a Hong Kong pavilion in a public space, inspiring visitors to reimagine these two culturally symbolic public facilities and explore the social meanings behind them. A series of design exhibitions, cultural salons, creative workshops and reading and music performances was curated for the public, drawing about 10,000 visitors.



Sustainability Highlights of VICTORIA DOCKSIDE

and its neighbourhood

Victoria Dockside is a mixed-use development comprising K11 Atelier Office Tower, K11 MUSEA (the Group's new flagship museum-retail complex which will open in Q3 of 2019) and K11 ARTUS (serviced residences opening in 2019) located at the Tsim Sha Tsui harbourfront. This is a global art and design district which is set to push new frontiers in art, design, business and leisure. Victoria Dockside and its neighbourhood feature a broad range of sustainability features, elevating the experience of our tenants, future customers and the wider community.



Click to view the sustainability features

K11 Atelier



K11 MUSEA &
K11 ARTUS



Avenue of Stars



Salisbury Garden

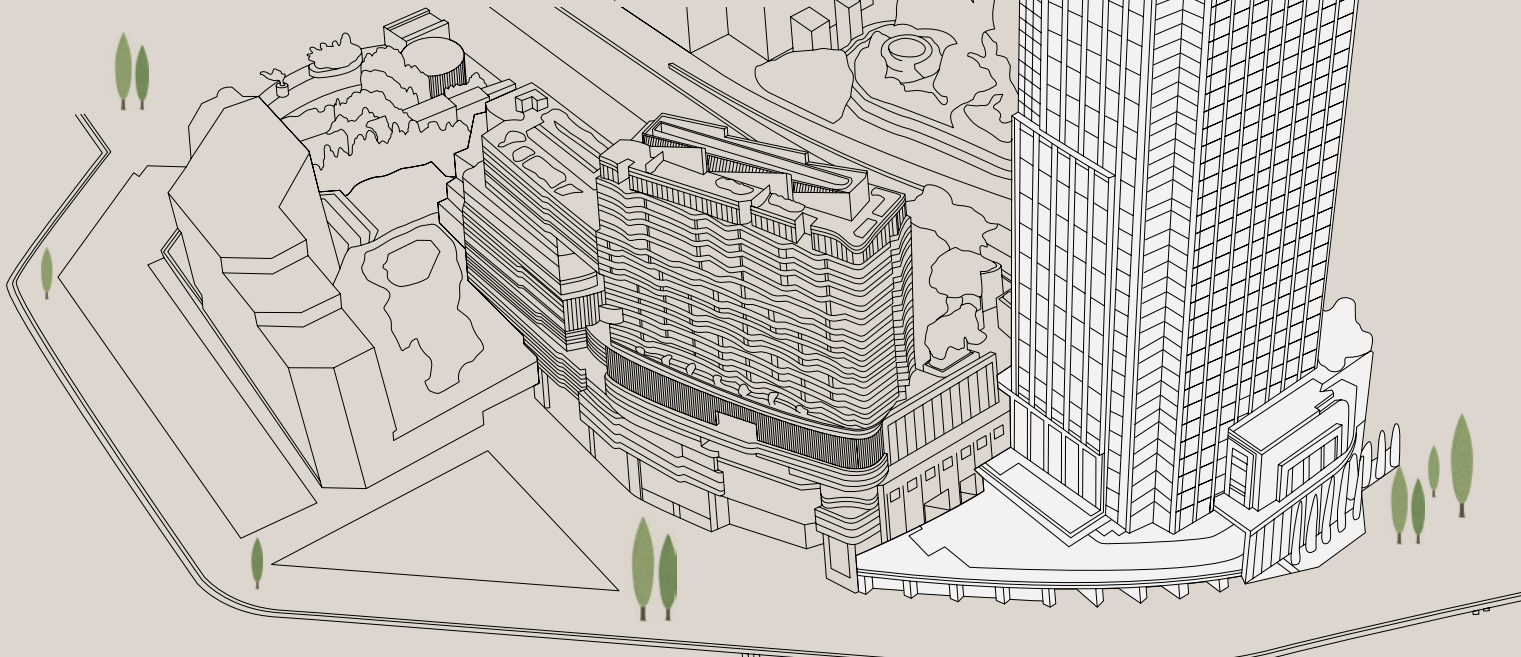


Victoria Dockside

Our Neighbourhood

Sustainability Highlights of VICTORIA DOCKSIDE

Victoria Dockside is a mixed-use development comprising K11 Atelier Office Tower, K11 MUSEA (the Group's new flagship museum-retail complex which will open in Q3 of 2019) and K11 ARTUS (serviced residences opening in 2019) located at the Tsim Sha Tsui harbourfront. This is a global art and design district which is set to push new frontiers in art, design, business and leisure. Victoria Dockside and its neighbourhood feature a broad range of sustainability features, elevating the experience of our tenants, future customers and the wider community.



K11 Atelier

- Achieved LEED (Platinum) and BEAM Plus green building pre-certifications
- The building façade is integrated with one of the Hong Kong's largest photovoltaic solar systems
- The open and engaging office space allows for more natural lighting and increased productivity
- The K11 Atelier Academy offers a comprehensive wellness curriculum and activities for tenants

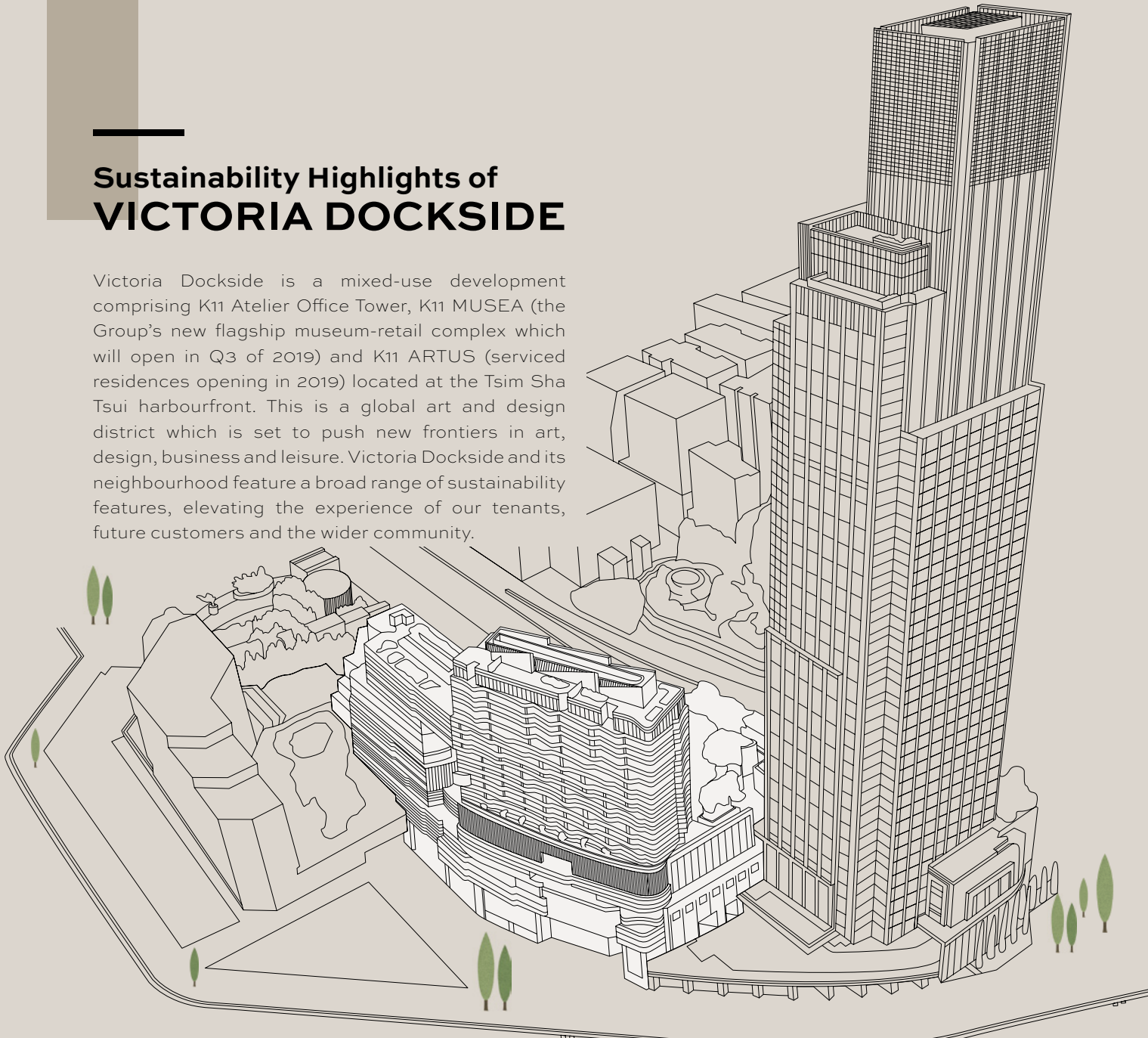
K11 MUSEA & K11 ARTUS

OUR NEIGHBOURHOOD



Sustainability Highlights of VICTORIA DOCKSIDE

Victoria Dockside is a mixed-use development comprising K11 Atelier Office Tower, K11 MUSEA (the Group's new flagship museum-retail complex which will open in Q3 of 2019) and K11 ARTUS (serviced residences opening in 2019) located at the Tsim Sha Tsui harbourfront. This is a global art and design district which is set to push new frontiers in art, design, business and leisure. Victoria Dockside and its neighbourhood feature a broad range of sustainability features, elevating the experience of our tenants, future customers and the wider community.



K11 Atelier

K11 MUSEA & K11 ARTUS

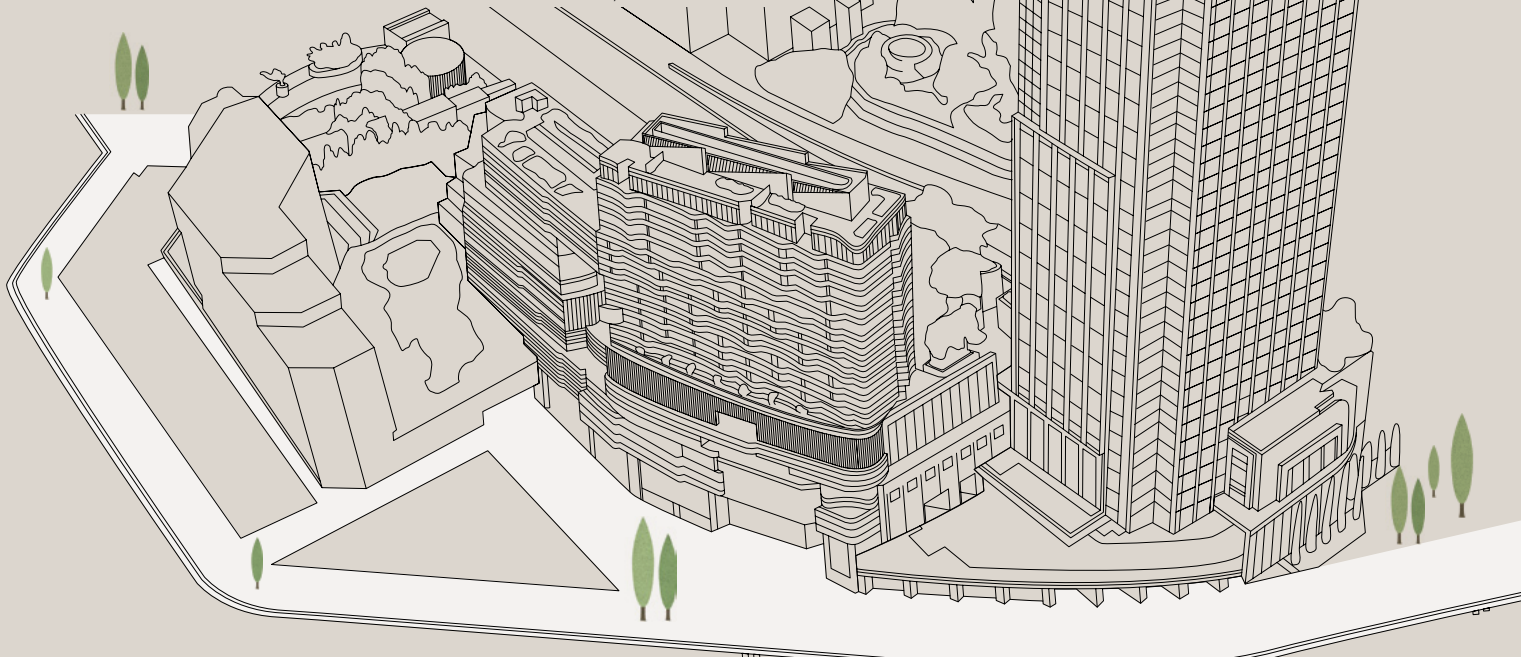
OUR NEIGHBOURHOOD

- Achieved LEED (Gold) and BEAM Plus (Gold) green building pre-certifications
- Extensive interior and exterior greenery equivalent to the size of 18 tennis courts (i.e. 50,000 square feet) making the façade green wall one of the largest in the world
- Use of eco-friendly materials such as limestone and wood on the interior
- Rainwater harvesting is anticipated to provide 100% of irrigation water
- The use of a seawater-cooled, oil-free chiller system is anticipated to cut annual energy use by over 12% compared to the baseline of the US ASHRAE 90.1 Standard



Sustainability Highlights of OUR NEIGHBOURHOOD

Victoria Dockside is a mixed-use development comprising K11 Atelier Office Tower, K11 MUSEA (the Group's new flagship museum-retail complex which will open in Q3 of 2019) and K11 ARTUS (serviced residences opening in 2019) located at the Tsim Sha Tsui harbourfront. This is a global art and design district which is set to push new frontiers in art, design, business and leisure. Victoria Dockside and its neighbourhood feature a broad range of sustainability features, elevating the experience of our tenants, future customers and the wider community.



VICTORIA DOCKSIDE

- Will pilot Hong Kong's first wave-powered generator
- Use of eco-friendly facilities, including wooden railings and benches
- Will create a welcoming public space with about seven times as much shades, over twice as many seating areas, and eight times more greenery than the site offered before its renovation

Avenue of Stars

Salisbury Garden



Sustainability Highlights of OUR NEIGHBOURHOOD

Victoria Dockside is a mixed-use development comprising K11 Atelier Office Tower, K11 MUSEA (the Group's new flagship museum-retail complex which will open in Q3 of 2019) and K11 ARTUS (serviced residences opening in 2019) located at the Tsim Sha Tsui harbourfront. This is a global art and design district which is set to push new frontiers in art, design, business and leisure. Victoria Dockside and its neighbourhood feature a broad range of sustainability features, elevating the experience of our tenants, future customers and the wider community.



VICTORIA DOCKSIDE

Avenue of Stars

Salisbury Garden

- Enhanced access to and visibility of the Victoria Harbour, with barrier-free waterfront steps
- A spacious lawn at the heart of the garden is available for art and creative activities, as well as general public use



SUSTAINABILITY PERFORMANCE DATA

Key Environmental Performance Data in FY2017 and FY2018

	Units	New World Group Total		NWD ⁽¹⁾		NWCL		NWSH		NWDS	
		FY2017	FY2018	FY2017	FY2018	FY2017	FY2018	FY2017	FY2018	FY2017	FY2018
Construction Materials ⁽²⁾											
Timber (renewable materials)	tonne	460	744					460	744		
Bricks	tonne	26,729	10,141					26,729	10,141		
Cement	tonne	10,030	5,901					10,030	5,901		
Cement mortar	tonne	12,285	10,716					12,285	10,716		
Concrete	tonne	857,572	1,385,541					857,572	1,385,541		
Reinforcing steel bars	tonne	119,415	149,213					119,415	149,213		
Sand	tonne	27,230	13,865					27,230	13,865		
Stones	tonne	56,922	9,871					56,922	9,871		
Energy Consumption											
Direct Energy Consumption	GJ ⁽³⁾	4,014,380	4,262,653	85,283	80,895	149,311	21,053	3,631,790	4,032,555	147,997	128,150
Biodiesel	GJ	65,703	233,090	0	0	0	0	65,703	233,090 ⁽⁴⁾	0	0
Natural Gas	GJ	343,051	209,759	76,055	71,391	142,709	15,485 ⁽⁵⁾	0	0	124,287	122,883
Gasoline	GJ	24,904	22,222	204	465	5,730	4,955	14,770	13,844	4,200	2,959 ⁽⁶⁾
Liquefied Petroleum Gas	GJ	860	609	78	82	782	508	0	19	0	0
Diesel	GJ	3,579,863 ⁽⁷⁾	3,796,973 ⁽⁸⁾	8,946	8,958	90	105	3,551,317	3,785,602 ⁽⁸⁾	19,510	2,308 ⁽⁹⁾
Indirect Energy Consumption	GJ	1,770,521	1,656,486	331,263	420,083	154,414	144,770	438,509	443,853	846,335	647,780
Electricity	GJ	1,732,152	1,614,963	317,780	404,505 ⁽¹⁰⁾	154,414	144,770	413,623	417,908	846,335	647,780 ⁽¹¹⁾
Towngas	GJ	38,369 ⁽¹²⁾	41,523	13,483	15,578			24,886	25,945		
Renewable Energy - Solar	GJ	7	8	7	8						
Air Emissions											
Nitrogen Oxide (NOx)	tonne	800.5	798.4		0.2			800.5	798.2		
Sulphur Oxide (SOx)	tonne	1.7	1.6		0			1.7	1.6		
Particulate Matters	tonne	0	57.5		0.1			0	57.4		
Greenhouse Gas (GHG) Emissions ⁽¹³⁾											
Total GHG emissions	tonne CO2e	714,184	618,986 ⁽¹⁴⁾	69,962	77,024	39,087	31,483	375,325	376,615 ⁽¹⁴⁾	229,809	133,864
Scope 1 emissions	tonne CO2e	334,714 ⁽¹²⁾	310,835 ⁽¹⁴⁾	5,558	5,432	8,409	1,282	312,236	296,392 ⁽¹⁴⁾	8,511	7,729
Scope 2 emissions	tonne CO2e	379,470 ⁽¹²⁾	308,151	64,405	71,592	30,678	30,201	63,089	80,223	221,298	126,135 ⁽⁹⁾
Water Consumption											
Municipal water used	cbm	4,725,293 ⁽¹⁵⁾	4,379,363	586,257	728,269	770,793	977,287	1,412,757	1,441,503	1,955,486	1,232,304 ⁽¹¹⁾
Waste											
Non-hazardous waste disposed of at landfills/incinerated	tonne	88,954 ⁽¹⁶⁾	148,085 ⁽¹⁶⁾	1,520	3,540	18,037	58,011	56,313	76,597	13,084 ⁽¹⁶⁾	9,937 ⁽¹⁶⁾
Non-hazardous waste recycled or reused, including the below:	tonne	799,216 ⁽¹⁶⁾	866,737 ⁽¹⁶⁾	120	132	13	75	798,615	865,980	468 ⁽¹⁶⁾	549 ⁽¹⁶⁾
Construction & demolition waste	tonne	797,614	863,519	0	0	0	0	797,614	863,519	0	0
Paper	tonne	372	423	47	82	7	0	318	341	0	0
Cardboard	tonne	469	557	0	0	4	9	0	0	464	548
Plastics	tonne	6	6	2	3	2	1	2	2	0	0
Aluminium	tonne	2	3	1	3	0	0	0	0	0	0
Scrap metal	tonne	299	1,622	1	4	0	2	295	1,615	3	1
Glass	tonne	29	52	6	12	0	0	23	40	0	0
Food waste	tonne	72	99	60	25	0	63	12	11	0	0
Cooking oil	tonne	23	15	2	3	0	0	21	12	0	0
Scrap tyres	tonne	331	440	0	0	0	0	331	440	0	0

Note:

(1) Covered NWD and its project management, property/ facilities management, investment, selected hospitality and food and beverage businesses

(2) Excluded the construction business in Mainland China. The Group will monitor the use of construction materials and other environmental parameters of HHC Construction Company Limited, our construction business in Mainland China.

(3) The factors for converting the base units of different fuel types to gigajoule (GJ) are available from the guidelines from the US Environmental Protection Agency. Towngas also discloses its conversion factor on its corporate website.

(4) Hip Hing, one of the subsidiaries of NWSH, extended the use of biodiesel to about one-third of its construction sites in FY2018, hence a considerable increase in consumption.

(5) A considerable reduction in natural gas consumption was recorded in FY2018 as the boilers at one of the residential properties were no longer in use.

(6) During FY2018, NWDS tightened its control over the use of company cars by its stores, hence the drop in gasoline consumption.

(7) FY2017 data point was adjusted to reflect the actual diesel consumption.

(8) NWSH had further revised the diesel consumption data after the publication of NWD Annual Report 2018 in October 2018. The considerable increase in FY2018 was due to business growth.

(9) In recent years, most of NWDS' company cars have switched to use gasoline instead of diesel, hence the drop in diesel consumption in FY2018.

(10) The considerable increase in FY2018 was due to business expansion.

(11) FY2018 data excluded tenants' resource consumptions in all NWDS stores.

(12) FY2017 data were adjusted to reflect the actual Towngas consumption.

(13) Calculated with reference to "Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong" by EPD and EMSD of the HKSAR Government

(14) NWSH revised the greenhouse gas emissions data due to the change of diesel consumption mentioned in note (8) after the publication of NWD Annual Report 2018.

(15) FY2017 data point was adjusted to reflect the actual water consumption.

(16) Data were adjusted to reflect the actual waste treatment. In addition, NWDS had further clarified that the food waste was incinerated instead of being recycled, resulting in changes of data after the publication of NWD Annual Report in October 2018. NWDS will continue to strengthen monitoring of waste treatment.

SUSTAINABILITY PERFORMANCE DATA

Key Human Resources Data in FY2017 and FY2018

	New World Group Total ⁽¹⁾				NWD ⁽²⁾				NWCL				NWSH				NWDS			
	FY2017		FY2018		FY2017		FY2018		FY2017		FY2018		FY2017		FY2018		FY2017		FY2018	
Staff Information ⁽³⁾																				
Total number ⁽⁴⁾	35,299		27,521 ⁽⁵⁾		757		496		8,279		7,545		11,874		11,989		4,727		4,598	
Permanent	35,098		17,031		756		473		8,271		2,329		11,869		10,797		4,711		2,089	
Temporary/Fixed term	201		10,490		1		23		8		5,216		5		1,192		16		2,509	
Full-time	34,984		27,115		757		484		8,279		7,545		11,597		11,667		4,724		4,589	
Part-time	315		406		0		12		0		0		277		322		3		9	
Operational Staff	14,928		17,069		143		0		2,400		3,680		10,148		10,265		1,867		1,948	
General Staff	14,248		6,049		312		234		4,418		2,599		981		971		1,652		1,420	
Assistant Manager	2,536		1,871		93		67		363		255		314		286		878		834	
Manager	2,144		1,409		96		80		594		512		221		234		250		309	
Senior Manager	941		600		45		38		337		327		109		121		0		0	
Assistant General Manager and above	502		523		68		77		167		172		101		112		80		87	
Hong Kong	13,245		13,592		757		495		338		483		11,181		11,316		39		40	
Mainland China	22,036		13,917		0		1		7,925		7,060		693		673		4,688		4,558	
Others	18		12		0		0		16		2		0		0		0		0	
Under 30 years old	9,445		5,317		223		139		1,902		1,560		1,624		1,636		1,118		963	
30 - 50 years old	18,538		15,258		405		256		5,179		4,932		4,923		4,915		3,449		3,475	
Over 50 years old	7,316		6,946		129		101		1,198		1,053		5,327		5,438		160		160	
Male	21,308		17,621		410		238		4,528		4,295		8,964		9,780		2,012		1,868	
Female	13,991		9,900		347		258		3,751		3,250		2,910		2,209		2,715		2,730	
Turnover & New Hire Rates																				
	Turnover (%)	New Hire (%)	Turnover (%)	New Hire (%)	Turnover (%)	New Hire (%)	Turnover (%)	New Hire (%)	Turnover (%)	New Hire (%)	Turnover (%)	New Hire (%)	Turnover (%)	New Hire (%)	Turnover (%)	New Hire (%)	Turnover (%)	New Hire (%)	Turnover (%)	New Hire (%)
Total	17.3	13.5	16.5	15.2	32.1	51.1	16.7	19.2	24.5	12.7	4.2	2.5	11.5	10.8	14.6	15.3	34.8	23.0	38.2	34.8
Hong Kong	5.5	5.7	7.5	8.4	32.1	51.1	16.7	19.2	0.8	0.5	0.3	1.9	11.2	10.0	14.0	14.9	0.3	0.2	0.2	0.2
Mainland China	11.8	7.8	9.0	6.8	0	0	0	0	23.7	12.2	3.9	0.6	0.3	0.8	0.6	0.4	34.6	22.8	38.0	34.6
Others	0	0	0	0	N/A	N/A	N/A	N/A	0	0.1	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Under 30 years old	6.6	6.5	5.8	6.2	16.1	25.1	6.7	8.7	8.8	6.3	0.8	0.3	2.9	4.3	3.3	4.9	15.0	11.2	16.6	17.9
30 - 50 years old	8.1	6.0	7.6	6.9	13.1	22.1	8.1	10.3	12.3	6.0	2.5	1.7	4.1	4.2	5.3	6.2	19.3	11.7	20.9	16.9
Over 50 years old	2.6	1.0	3.2	2.1	2.9	4.0	2.0	0.2	3.4	0.5	1.0	0.5	4.6	2.3	6.0	4.2	0.6	0.1	0.8	0.1
Male	9.2	6.9	9.5	8.6	16.1	27.2	6.7	7.7	14.1	6.8	2.4	1.7	8.5	7.4	11.8	11.8	12.4	8.3	13.6	11.3
Female	8.0	6.6	7.0	6.6	16.0	23.9	10.1	11.5	10.4	5.9	1.9	0.8	3.0	3.4	2.8	3.5	22.4	14.7	24.6	23.6
Performance Review																				
		No.	%		No.	%		No.	%		No.	%		No.	%					
Employees receiving regular performance review (no. and %)		21,110	77		473	95		7,081	94		10,885	91								
Male		14,567	83		231	97		4,065	95		8,926	91								
Female		6,543	66		242	94		3,016	93		1,959	89								
Operational staff		13,841	81		N/A	N/A		3,574	97		9,245	90								
General Staff		4,260	70		212	91		2,361	91		922	95								
Assistant Manager		999	53		66	99		227	89		277	97								
Manager		1,168	83		80	100		474	93		347	98								
Senior Manager		434	72		38	100		282	86		N/A ⁽⁶⁾	N/A ⁽⁶⁾								
Assistant General Manager and above		408	78		77	100		163	95		94	84								

	New World Group Total ⁽¹⁾		NWD ⁽²⁾		NWCL		NWSH		NWDS	
	FY2017	FY2018	FY2017	FY2018	FY2017	FY2018	FY2017	FY2018	FY2017	FY2018
Health and Safety ⁽³⁾										
Number of lost-time injuries (sick leave > 0 days)	424 ⁽⁹⁾	484	9	0	47	68	304	360	18	18
Number of reportable injuries (sick leave > 3 days)		378		0		58		303		0
Number of high-consequence work-related injuries ⁽¹⁰⁾		31		0		12		18		0
Lost-time injury rate (per 100 employees)	1.4 ⁽⁹⁾	1.6	1.2	0	0.5	0.9	2.4	2.4	0.4	0.4
High-consequence injury rate (per 100 employees)		0.1		0		0.2		0.1		0
Lost days due to injuries	18,041	23,238	140.0	0	1,649	2,545	14,905	18,678	897	1,174
Lost day rate (per 100 employees)	61.6	75.1	18.7	0	19.1	33.7	115.8	125.2	18.4	24.5
Number of occupational diseases		0		0		0		0		0
Occupational disease rate (per 100 employees)		0		0		0		0		0
Number of fatalities	1	0	0	0	0	0	1	0	0	0
Fatality rate (%)	0	0	0	0	0	0	0	0	0	0
Average Training Hours Per Staff										
All Staff	9.8	14.1	5.6	6.6	13.7	16.4	13.7	14.8	8.6	6.5
Male		14.9		6.2		17.8		15.2		3.8
Female		12.7		7.0		14.5		12.9		8.3
Operational Staff	13.6	16.0	0.2	0.0	16.0	19.5	13.6	14.7	12.7	11.8
General Staff	6.5	10.8	5.9	6.7	12.2	12.1	15.1	13.8	5.5	2.5
Assistant Manager	7.4	9.8	7.9	9.7	15.7	17.5	15.2	18.7	4.8	2.2
Manager	8.8	14.0	9.2	7.2	14.2	17.9	13.6	15.9	6.6	2.4
Senior Manager	6.6	10.9	9.9	6.8	12.0	15.2	N/A ⁽⁶⁾	N/A ⁽⁶⁾	N/A	N/A
Assistant General Manager and above	14.6	11.1	4.5	2.7	15.9	11.8	11.7	18.9	25.9	6.9

Note:

(1) In addition to the major business units i.e. NWD, NWCL, NWSH and NWDS, the data of the Group's project management, property/facilities management, investment, selected hospitality and food and beverage businesses were covered.

(2) Covered NWD head office, project management, property/facilities management, investment, selected hospitality and food and beverage businesses in FY2017. In FY2018, only the head office was covered and other operations were covered in the overall New World Group data.

(3) The employees data reported are captured through an established human resources system and there were no significant seasonal variations in the number of employees reported. The organisation's activities are mainly performed by our own employees.

(4) Boundary of the data reported are in line with the scope of the sustainability report

(5) The drop in FY2018 is mainly attributed to refining Rosewood Hotel Group's data scope.

(6) The data of "Senior Manager" were covered in the "Manager" category.

(7) NWDS will explore the feasibility of collecting the data.

(8) The health and safety data included employees only.

(9) The injury-related data were adjusted to rectify errors.

(10) High-consequence work-related injuries (excluding fatalities) refers to work-related injury that results in an injury from which the worker cannot, does not, or is not expected to recover fully to pre-injury health status within 6 months

MAJOR SUSTAINABILITY RECOGNITIONS

Organiser	Award	Companies/Properties
Bank of China	Bank of China Corporate Environmental Leadership Award	The Green Atrium
BCI Asia	Top Ten Developer 2018 Hong Kong	NWD
BCI Asia	BCI Asia Interior Design Award 2018	BOHEMIAN HOUSE, MOUNT PAVILIA & THE PAVILIA HILL
Bloomberg Businessweek (Chinese edition)	Listed Enterprises of the Year 2017	NWSH
Bureau of Civil Affairs of Guangzhou Municipality	Guangdong Poverty Alleviation Cotton Tree Gold Cup	NWCL
Business Environment Council	Sustainable Consumption Enterprise	NWD, NWCL, NWDS & NWSH
	Sustainable Consumption Recognition Scheme – Certificate of Excellence – Supplier	The Gaia Organic Farm of The Green Atrium
CAPITAL magazine	7 th Corporate Social Responsibility Award	NWD
	The 12 th CAPITAL Outstanding China Enterprise Awards – CAPITAL Outstanding Chinese Department Store Enterprise	NWDS
Chartered Institute of Management Accountant	CGMA Best Employer Partner Award for NWD-CIMA Management Accounting Programme	NWD
China Chain Store and Franchise Association	2017 CCFA Top 10 Corporate Universities in the CCFA Top 10 Corporate Universities	NWDS
China Real Estate TOP 10 Research Team	2017 TOP 10 Brands of China Commercial Real Estate Companies	NWCL
CLP	CLP Green Plus 2017 Merit Award	The Green Atrium
CTgoodjobs	Best Compensation & Benefits Award 2017	NWD
Fast Company	China's Top 10 Most Innovative Companies 2018	K11
FuturARC	FuturARC Green Leadership Award 2018 - Merit	MOUNT PAVILIA
GRESB	<ul style="list-style-type: none"> Ranked 3rd out of 8 diversified listed businesses in East Asia Score: 81/100 (global average: 68) Awarded the “Green Star” recognition Rated Grade A for the transparency and comprehensiveness of sustainability disclosures 	NWD
Guandian	Ranked 4 th on the 2017 Non-mainland Best Real Estate Enterprise Ranking List	NWCL
Guandian Index Institute	China Top 100 Players of The Commercial Real Estate	NWCL
Hang Seng Indexes Company Limited	Hang Seng Corporate Sustainability Index Series 2017- 2018	NWD
	Hang Seng Corporate Sustainability Benchmark Index 2017-2018	NWSH
Hong Kong Productivity Council	The 8 th Hong Kong Outstanding Corporate Citizenship Awards	
	<ul style="list-style-type: none"> Gold Award in the Enterprise category 	NWSH
	<ul style="list-style-type: none"> Gold Award in the Volunteer Team category 	NWSH
	<ul style="list-style-type: none"> Silver Award in the Volunteer Team category 	NWD

Organiser	Award	Companies/Properties
Hong Kong Professional Building Inspection Academy	5-Star Property Award	SKYPARK
	Excellent Property Award	BOHEMIAN HOUSE
HR Asia magazine	HR Asia Best Companies to work for in Asia 2018	NWD
HSBC	Green Achievement Award of HSBC Living Business Awards 2017	The Green Atrium
JobMarket	Employer of Choice Award	NWD, NWSH & K11
	Asia Pacific Outstanding Employer Award	K11
	Employee Engagement Award	NWD
	Compensation and Benefits Award	NWD
	Innovative Recruitment Strategy Award	NWD
Leisure and Cultural Services Department, HKSAR Government	Best Landscape Award for Private Property Development	
	• Gold Award	MOUNT PAVILIA & THE PAVILIA HILL
	• Merit Award	HKGTA & SKYPARK
Overseas Education College of Shanghai Jiao Tong University	• Environmental Efficiency Award	MOUNT PAVILIA
	Chinese Corporate University Rankings - 2017 China's Best Corporate University	NWDS
	Grand Award	SKYPARK
Quality Building Award 2018	Merit	MOUNT PAVILIA
	Finalist	THE PAVILIA HILL
Sustainalytics	Score: 68/100 (Outperformer)	NWD
The Asset magazine	The Asset Corporate Awards 2017 - Gold Award in the category of Environmental, Social and Corporate Governance	NWDS
The Department of Health, HKSAR and the Occupational Safety and Health Council	Grand Award of the Joyful@Healthy Workplace Best Practices Award	NWD
The Golden Globe Tigers 2018	Excellence and Leadership for four categories, HR Leadership, Social Media, HR Technology, and Real Estate	NWD
The Hong Kong Council of Social Service	Business for Sustainability Scheme 2017/18 - Business for Sustainability Logo	NWDS
	Caring Company Logo	
	• 5 Years Plus Logo	NWCL & NWDS
	• 10 Years Plus Logo	NWD
The Hong Kong Institute of Financial Analysts and Professional Commentators Limited	• 15 Years Plus Logo	NWSH
	IFAPC Outstanding Listed Companies Award 2018	NWSH

Organiser	Award	Companies/Properties
The Hong Kong Institution of Engineers and The Institution of Structural Engineers	Shenyang New World EXPO won the “Commendation Merit” in the Structural Excellence Award 2017	NWCL
The Hong Kong Management Association	Certificate of Excellence of Hong Kong Sustainability Awards 2017	NWD & NWSH
The League of American Communications Professionals 2016/17 Vision Awards	NWDS Sustainability Report 2017 - Platinum Award in the Category of Retailing - Multi-line Retail	NWDS
	NWDS Sustainability Report 2017 - Most Creative Report Worldwide Award	NWDS
The Stevie Awards	The Stevie Awards for Great Employers 2017 - Gold Stevie Winner (Real Estate)	NWD
World Green Organisation	Green Office and Eco-Healthy Workplace Awards Labelling Scheme	NWCL & NWDS
	<ul style="list-style-type: none"> • Green Office Awards Label • Eco-Healthy Workplace Label 	

MEMBERSHIPS AND CHARTERS

Organisations	Nature of Memberships
Business Environment Council	Council Member
GRESB	Real Estate Member
Hong Kong Green Building Council	Gold Patron Member
The Real Estate Developers Association of Hong Kong	NWD's Senior Management sits on the Board of Directors and the Executive Committee.
WWF Hong Kong	Silver Member
Organisations	Name of Charters
Environment Bureau, Hong Kong SAR Government	Charter on External Lighting
	Food Wise Charter
Environment Bureau and Electrical and Mechanical Services Department, Hong Kong SAR Government	Energy Saving Charter
	Energy Saving Charter on “No ILB”
	4Ts Charter

CONTENT INDEX FOR REPORTING GUIDELINES

This Report has been prepared in accordance with the GRI Standards: Core option and complies with all “Comply or Explain” provisions on General Disclosures (“GD”) and environmental Key Performance Indicators (“KPI”) of HKEx ESG Reporting Guide.

During the reporting period, there were no confirmed non-compliance incidents or grievances about environmental protection, employment practices, labour standards, human rights, product responsibility or anti-corruption that would have a significant impact on the Group.

GRI Indicator	HKEx ESG Guide	Description	References and Remarks
GRI 102: General Disclosures 2016			
Organisational Profile			
102-1		Name of the organisation	<ul style="list-style-type: none"> About Our Business (p.4)
102-2		Activities, brands, products and services	<ul style="list-style-type: none"> The Annual Report 2018 contains additional information about our principal activities in the notes named “Principal Subsidiaries”, “Principal Joint Ventures” and “Principal Associated Companies”. The section entitled “Principal Projects Summary” provides information on quantity of products and services provided including major property development and investment projects in Hong Kong and Mainland China, hotels and infrastructure projects.
102-3		Location of headquarters	
102-4		Location of operations	
102-5		Ownership and legal form	
102-6		Markets served	
102-7		Scale of the organisation	<ul style="list-style-type: none"> About Our Business (p.4) Group Highlights (p.7-8) The Annual Report 2018 contains additional information on segment revenues, group capitalisation and vacancy rates in “Management Discussion and Analysis”, “Financial Highlights” and “Executive Vice-chairman’s Report” respectively. The section entitled “Principal Projects Summary” provides information on major property development and investment projects in Hong Kong and Mainland China as well as other hotels and infrastructure projects
102-8	KPI B1.1	Information on employees and other workers	<ul style="list-style-type: none"> Sustainability Performance Data (p.49-50)
102-9		Supply chain	<ul style="list-style-type: none"> The Group has a network of diverse product and service suppliers such as consultants for sustainable building design, package contractors for our construction businesses, suppliers for our retail and hospitality businesses, etc.
102-10		Significant changes to the organisation and its supply chain	<ul style="list-style-type: none"> Please refer to the Annual Report 2018 for information about changes in operations and share capital in the sections headed “Executive Vice-chairman’s Report”, “Management Discussion and Analysis” and “Report of Directors”. Data on significant changes in the supply chain is not available.
102-11		Precautionary Principle or approach	<ul style="list-style-type: none"> The Factors Influencing Our Focus Areas – Megatrends (p.10) The Factors Influencing Our Focus Areas – Stakeholder Engagement (p.11-12) Our Products and Services (p.16-21)
102-12		External initiatives	<ul style="list-style-type: none"> Our Environment – Minimising Environmental Impact (p.27 & 32) Memberships and Charters (p.53)
102-13		Membership of associations	<ul style="list-style-type: none"> Memberships and Charters (p.53)

GRI Indicator	HKEx ESG Guide	Description	References and Remarks
Strategy			
102-14		Statement from senior decision-maker	<ul style="list-style-type: none"> Message from Management (p.3)
102-15		Key impacts, risks, and opportunities	<ul style="list-style-type: none"> The Factors Influencing Our Focus Areas – Stakeholder Engagement (p.11-12) The Factors Influencing Our Focus Areas – Management Approach (p.14-15) Our Products and Services (p.17 & 19-20) Your Environment (p.23-32) Your Health (p.33-36) Your Community (p.37-42) Annual Report 2018 – “Risk Factors”
Ethics and Integrity			
102-16		Values, principles, standards, and norms of behaviour	<ul style="list-style-type: none"> The Factors Influencing Our Focus Areas – Management Approach (p.14-15)
Governance			
102-18		Governance structure	<ul style="list-style-type: none"> The Factors Influencing Our Focus Areas – Management Approach (p.14-15)
Stakeholder Engagement			
102-40		List of stakeholder groups	<ul style="list-style-type: none"> The Factors Influencing Our Focus Areas – Stakeholder Engagement (p.11)
102-41		Collective bargaining agreements	<ul style="list-style-type: none"> Within the scope of the Report, none of our employees are covered by collective bargaining agreements.
102-42		Identifying and selecting stakeholders	<ul style="list-style-type: none"> The Factors Influencing Our Focus Areas – Stakeholder Engagement (p.12)
102-43		Approach to stakeholder engagement	<ul style="list-style-type: none"> The Factors Influencing Our Focus Areas – Stakeholder Engagement (p.11-12)
102-44		Key topics and concerns raised	<ul style="list-style-type: none"> The Factors Influencing Our Focus Areas – Stakeholder Engagement (p.12) The Factors Influencing Our Focus Areas – Management Approach (p.14-15) Our Products and Services (p.16-21) Your Environment (p.23-32) Your Health (p.33-36) Your Community (p.37-42)
Reporting Practice			
102-45		Entities included in the consolidated financial statements	<ul style="list-style-type: none"> About Our Business (p.4-5) Reporting Approach – Reporting Scope (p.6) Please refer to “Principal Subsidiaries”, “Principal Joint Ventures” and “Principal Associated Companies” in the Annual Report 2018 for further information.
102-46		Defining report content and topic boundaries	<ul style="list-style-type: none"> Reporting Approach – Reporting Scope (p.6) The Factors Influencing Our Focus Areas – Stakeholder Engagement (p.11-12)
102-47		List of material topics	<ul style="list-style-type: none"> The Factors Influencing Our Focus Areas – Stakeholder Engagement (p.12)
102-48		Restatements of information	<ul style="list-style-type: none"> Sustainability Performance Data (p.48-50)
102-49		Changes in reporting	<ul style="list-style-type: none"> Reporting Approach – Reporting Scope (p.6) The Factors Influencing Our Focus Areas – Stakeholder Engagement (p.12)
102-50		Reporting period	<ul style="list-style-type: none"> Reporting Approach – Reporting Scope (p.6)
102-51		Date of most recent report	<ul style="list-style-type: none"> Sustainability Report 2017 was published in January 2018.
102-52		Reporting cycle	<ul style="list-style-type: none"> Sustainability Reports are published online on an annual basis.

GRI Indicator	HKEx ESG Guide	Description	References and Remarks
102-53		Contact point for questions regarding the report	<ul style="list-style-type: none"> Reporting Approach – Contact Us (p.6)
102-54		Claims of reporting in accordance with the GRI Standards	<ul style="list-style-type: none"> Reporting Approach – Reporting Standards (p.6)
102-55		GRI content index	<ul style="list-style-type: none"> Content Index for Reporting Guidelines (p.54-60)
102-56		External assurance	<ul style="list-style-type: none"> Reporting Approach – Report Assurance (p.6) Assurance Statement (p.61)

Material Topics

Economic Performance

GRI 103: Management Approach 2016

103-1		Explanation of the material topic and its boundary	<ul style="list-style-type: none"> The Factors Influencing Our Focus Areas – Stakeholder Engagement (p.12)
103-2		The management approach and its components	<ul style="list-style-type: none"> The Factors Influencing Our Focus Areas – Management Approach (p.14-15)
103-3		Evaluation of the management approach	<ul style="list-style-type: none"> Annual Report 2018 – “Executive Vice-chairman’s Report”, “Management Discussion and Analysis” and “Risk Factors”

GRI 201: Economic Performance 2016

201-1		Direct economic value generated and distributed	<ul style="list-style-type: none"> About Our Business (p.4) Group Highlights (p.7) Annual Report 2018 – “Consolidated Income Statement”
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Indirect Economic Impacts

GRI 103: Management Approach 2016

103-1		Explanation of the material topic and its boundary	<ul style="list-style-type: none"> The Factors Influencing Our Focus Areas – Stakeholder Engagement (p.12)
103-2		The management approach and its components	<ul style="list-style-type: none"> The Factors Influencing Our Focus Areas – Management Approach (p.14-15)
103-3		Evaluation of the management approach	

GRI 203: Indirect Economic Impacts 2016

203-1		Infrastructure investments and services supported	<ul style="list-style-type: none"> Group Highlights (p.7-8) Our Products and Services – Promoting Innovation and Creativity (p.20) Green Financing (p.22) Your Environment – Building Information Modelling (BIM) and Construction Information Anywhere (CIA) (p.26) Your Community (p.37-47)
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Anti-corruption

GRI 103: Management Approach 2016

103-1		Explanation of the material topic and its Boundary	<ul style="list-style-type: none"> The Factors Influencing Our Focus Areas – Stakeholder Engagement (p.12)
103-2	GD-B7	The management approach and its components	<ul style="list-style-type: none"> The Factors Influencing Our Focus Areas – Management Approach (p.14-15)
103-3	KPI B7.1	Evaluation of the management approach	<ul style="list-style-type: none"> Our Products and Services (p.19) Your Community (p.39) <p>The Group had zero concluded legal cases regarding corrupt practices brought against the Group or its employees during the reporting period.</p>

GRI 205: Anti-corruption 2016

205-1	KPI B7.2	Operations assessed for risks related to corruption	<ul style="list-style-type: none"> The Factors Influencing Our Focus Areas – Management Approach (p.14-15) Our Products and Services (p.19)
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GRI Indicator	HKEs ESG Guide	Description	References and Remarks
Environmental Performance			
Materials Use			
GRI 103: Management Approach 2016			
103-1		Explanation of the material topic and its boundary	<ul style="list-style-type: none"> The Factors Influencing Our Focus Areas – Stakeholder Engagement (p.12)
103-2	GD-A2	The management approach and its components	<ul style="list-style-type: none"> The Factors Influencing Our Focus Areas – Management Approach (p.14-15) Your Environment (p.24-25 & 31-32)
103-3		Evaluation of the management approach	
GRI 301: Materials 2016			
301-1	KPI A2.5	Materials used by weight or volume	<ul style="list-style-type: none"> Sustainability Performance Data (p.48) Packaging materials are not considered material to the Group's businesses hence such data are not disclosed.
Energy			
GRI 103: Management Approach 2016			
103-1		Explanation of the material topic and its boundary	<ul style="list-style-type: none"> The Factors Influencing Our Focus Areas – Stakeholder Engagement (p.12)
103-2	GD-A2	The management approach and its components	<ul style="list-style-type: none"> The Factors Influencing Our Focus Areas – Management Approach (p.14-15) Your Environment (p.24 & 27-28)
103-3	KPI A2.3	Evaluation of the management approach	
GRI 302: Energy 2016			
302-1	KPI A2.1	Energy consumption within the organisation	<ul style="list-style-type: none"> Your Environment (p.27) Sustainability Performance Data (p.48)
Water and Effluents			
GRI 103: Management Approach 2016			
103-1		Explanation of the material topic and its boundary	<ul style="list-style-type: none"> The Factors Influencing Our Focus Areas – Stakeholder Engagement (p.12)
103-2	GD-A2	The management approach and its components	<ul style="list-style-type: none"> The Factors Influencing Our Focus Areas – Management Approach (p.14-15) Your Environment (p.24-25 & 30)
103-3		Evaluation of the management approach	
GRI 303: Water and Effluents 2018			
303-1	KPI A2.2	Water consumption	<ul style="list-style-type: none"> Your Environment (p.24-25 & 29) Sustainability Performance Data (p.48)
	KPI A2.4	Issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved	<ul style="list-style-type: none"> Your Environment (p.29)
Emissions			
GRI 103: Management Approach 2016			
103-1		Explanation of the material topic and its boundary	<ul style="list-style-type: none"> The Factors Influencing Our Focus Areas – Stakeholder Engagement (p.12)
103-2	GD-A1	The management approach and its components	<ul style="list-style-type: none"> The Factors Influencing Our Focus Areas – Management Approach (p.14-15) Your Environment (p.24 & 29)
103-3		Evaluation of the management approach	There were no confirmed non-compliances or grievances during the reporting period.
GRI 305: Emissions 2016			
305-1	KPI A1.2	Direct (Scope 1) GHG emissions	<ul style="list-style-type: none"> Your Environment (p.29) Sustainability Performance Data (p.48)
305-2		Indirect (Scope 2) GHG emissions	
305-5	KPI A1.5	Reduction of GHG emissions	
305-7	KPI A1.1	Nitrogen oxides (NO _x), Sulphur oxides (SO _x), and other significant air emissions	

GRI Indicator	HKEx ESG Guide	Description	References and Remarks
Waste			
GRI 103: Management Approach 2016			
103-1		Explanation of the material topic and its boundary	<ul style="list-style-type: none"> The Factors Influencing Our Focus Areas – Stakeholder Engagement (p.12)
103-2	GD-A1	The management approach and its components	<ul style="list-style-type: none"> The Factors Influencing Our Focus Areas – Management Approach (p.14-15) Your Environment (p.26 & 30)
103-3		Evaluation of the management approach	<ul style="list-style-type: none"> There were no confirmed non-compliances or grievances during the reporting period.
GRI 306: Effluents and Waste 2016			
306-2	KPI A1.3 & A1.4	Waste by type and disposal method	<ul style="list-style-type: none"> Your Environment (p.30) Sustainability Performance Data (p.48)
	KPI A1.6	Reduction of waste	
Environmental Compliance			
GRI 103: Management Approach 2016			
103-1		Explanation of the material topic and its boundary	<ul style="list-style-type: none"> The Factors Influencing Our Focus Areas – Stakeholder Engagement (p.12)
103-2	GD-A3 & KPI A3.1	The management approach and its components	<ul style="list-style-type: none"> The Factors Influencing Our Focus Areas – Management Approach (p.14-15) Your Environment (p.23-32)
103-3		Evaluation of the management approach	
GRI 307: Environmental Compliance 2016			
307-1	GD-A1	Non-compliance with environmental laws and regulations	No significant fines or sanctions for noncompliance with laws and regulations.
Supplier Environmental Assessment			
GRI 103: Management Approach 2016			
103-1		Explanation of the material topic and its boundary	<ul style="list-style-type: none"> The Factors Influencing Our Focus Areas – Stakeholder Engagement (p.12)
103-2	GD-B5	The management approach and its components	<ul style="list-style-type: none"> The Factors Influencing Our Focus Areas – Management Approach (p.14-15) Our Products and Services (p.19)
103-3		Evaluation of the management approach	<ul style="list-style-type: none"> Your Environment (p.31-32)
GRI 308: Supplier Environmental Assessment 2016			
308-1		New suppliers that were screened using environmental criteria	<ul style="list-style-type: none"> The Factors Influencing Our Focus Areas – Stakeholder Engagement (p.11) The Factors Influencing Our Focus Areas – Management Approach (p.14-15) Your Environment (p.31-32)

Social Performance

Employment

GRI 103: Management Approach 2016

103-1		Explanation of the material topic and its boundary	<ul style="list-style-type: none"> The Factors Influencing Our Focus Areas – Stakeholder Engagement (p.12)
103-2	GD-B1	The management approach and its components	<ul style="list-style-type: none"> The Factors Influencing Our Focus Areas – Management Approach (p.14-15) Your Community (p.38-39)
103-3		Evaluation of the management approach	There were no confirmed non-compliances or grievances during the reporting period.

GRI Indicator	HKEx ESG Guide	Description	References and Remarks
GRI 401: Employment 2016			
401-1	KPI B1.2	New employee hires and employee turnover	<ul style="list-style-type: none"> Sustainability Performance Data (p.49)
Occupational Health and Safety			
GRI 103: Management Approach 2016			
103-1		Explanation of the material topic and its boundary	<ul style="list-style-type: none"> The Factors Influencing Our Focus Areas – Stakeholder Engagement (p.12)
103-2	GD-B2	The management approach and its components	<ul style="list-style-type: none"> The Factors Influencing Our Focus Areas – Management Approach (p.14-15)
103-3		Evaluation of the management approach	<ul style="list-style-type: none"> Your Health (p.33-36)
GRI 403: Occupational Health and Safety 2018			
403-1	KPI B2.3	Occupational health and safety management system	<ul style="list-style-type: none"> Your Health (p.34 & 36)
403-7		Prevention and mitigation of occupational health and safety impacts	
403-9	KPI B2.1, B2.2 & B2.3	Work-related injuries	<ul style="list-style-type: none"> Sustainability Performance Data (p.50) <p>There was one case of construction-related fatality and a fatal bus accident during the reporting year.</p>
Training and Education			
GRI 103: Management Approach 2016			
103-1		Explanation of the material topic and its boundary	<ul style="list-style-type: none"> The Factors Influencing Our Focus Areas – Stakeholder Engagement (p.12)
103-2	GD-B3 Development and Training	The management approach and its components	<ul style="list-style-type: none"> The Factors Influencing Our Focus Areas – Management Approach (p.14-15) Our Products and Services (p.19-21)
103-3		Evaluation of the management approach	<ul style="list-style-type: none"> Your Health (p.34 & 36) Your Community (p.38-39)
GRI 404: Training and Education 2016			
404-1	KPI B3.2	Average hours of training per year per employee	<ul style="list-style-type: none"> Sustainability Performance Data (p.50)
404-3		Percentage of employees receiving regular performance and career development reviews	
Non-discrimination			
GRI 103: Management Approach 2016			
103-1		Explanation of the material topic and its boundary	<ul style="list-style-type: none"> The Factors Influencing Our Focus Areas – Stakeholder Engagement (p.12)
103-2	GD-B1	The management approach and its components	<ul style="list-style-type: none"> The Factors Influencing Our Focus Areas – Management Approach (p.14-15)
103-3		Evaluation of the management approach	<ul style="list-style-type: none"> Your Community (p.38)
GRI 406: Non-discrimination 2016			
406-1	GD-B1	Incidents of discrimination and corrective actions taken	There were no confirmed non-compliances or grievances during the reporting period.
Labour Standards			
	GD-B4	Policies and compliance on child and forced labour	<ul style="list-style-type: none"> The Factors Influencing Our Focus Areas – Stakeholder Engagement (p.12) The Factors Influencing Our Focus Areas – Management Approach (p.14-15) Your Community (p.38) <p>There were no confirmed non-compliances or grievances during the reporting period.</p>

GRI Indicator	HKEx ESG Guide	Description	References and Remarks
	KPI B4.1	Measures to review employment practices to avoid child and forced labour	<ul style="list-style-type: none"> Your Community (p.38)
	KPI B4.2	Steps taken to eliminate such practices when discovered	<ul style="list-style-type: none"> Your Community (p.38)
Community Investment			
	GD-B8, KPI B8.1 & B8.2	Focus areas of contribution and resources contributed	<ul style="list-style-type: none"> Group Highlights (p.8) The Factors Influencing Our Focus Areas – Stakeholder Engagement (p.12) The Factors Influencing Our Focus Areas – Management Approach (p.14-15) Your Community (p.37-42)
Supplier Social Assessment			
GRI 103: Management Approach 2016			
103-1		Explanation of the material topic and its boundary	<ul style="list-style-type: none"> The Factors Influencing Our Focus Areas – Stakeholder Engagement (p.12)
103-2	GD-B5	The management approach and its components	<ul style="list-style-type: none"> The Factors Influencing Our Focus Areas – Management Approach (p.14-15) Your Environment (p.31) Your Health (p.34) Your Community (p.38)
103-3		Evaluation of the management approach	<ul style="list-style-type: none"> Your Environment (p.31) Your Health (p.34) Your Community (p.38)
GRI 414: Supplier Social Assessment 2016			
414-1		New suppliers that were screened using social criteria	<ul style="list-style-type: none"> The Factors Influencing Our Focus Areas – Stakeholder Engagement (p.12) The Factors Influencing Our Focus Areas – Management Approach (p.14-15) Your Environment (p.31) Your Health (p.34) Your Community (p.38)
Customer Health and Safety			
GRI 103: Management Approach 2016			
103-1		Explanation of the material topic and its boundary	<ul style="list-style-type: none"> The Factors Influencing Our Focus Areas – Stakeholder Engagement (p.12)
103-2	GD-B6	The management approach and its components	<ul style="list-style-type: none"> The Factors Influencing Our Focus Areas – Management Approach (p.14-15) Our Products and Services (p.19)
103-3		Evaluation of the management approach	There were no confirmed non-compliances or grievances during the reporting period.
GRI 416: Customer Health & Safety 2016			
416-1		Assessment of the health and safety impacts of products and service categories	<ul style="list-style-type: none"> Our Products and Services (p.19)
Customer Privacy			
GRI 103: Management Approach 2016			
103-1		Explanation of the material topic and its boundary	<ul style="list-style-type: none"> The Factors Influencing Our Focus Areas – Stakeholder Engagement (p.12)
103-2	KPI B6.5	The management approach and its components	<ul style="list-style-type: none"> The Factors Influencing Our Focus Areas – Management Approach (p.14-15) Our Products and Services (p.20)
103-3		Evaluation of the management approach	
GRI 418: Customer Privacy 2016			
418-1	KPI B6.2	Substantiated complaints concerning breaches of customer privacy and loss of customer data	There were no confirmed substantiated complaints or losses of customer data during the reporting period.



ASSURANCE STATEMENT

New World Development Company Limited (“NWD”) has prepared its Sustainability Report 2018 (hereinafter referred to as “the Report”) in accordance with the Global Reporting Initiative (GRI) Standards: Core option and the Environmental, Social and Governance Reporting Guide (ESG Guide) issued by the Hong Kong Exchanges and Clearing Limited (HKEx). The Hong Kong Productivity Council (HKPC) was commissioned by NWD to provide independent limited assurance¹ of the Report, which covers the sustainability data and information of NWD in terms of environmental, social, governance and economic aspects between 1 July 2017 and 30 June 2018.

Objectives

The main objective of HKPC’s assurance work was to provide independent assurance on the completeness, accuracy and reliability of the data and information presented in the Report. More specifically, the objectives were to:

- assess whether the scope of the Report covered all significant aspects of NWD’s sustainability performance;
- check whether the Report conformed to the Core option of the GRI Standards and the “Comply or Explain” provisions² of the HKEx ESG Guide;
- evaluate whether the selected statements and data presented in the Report are accurate;
- review whether the data and information management mechanisms used to prepare the Report were reliable; and
- provide recommendations for future reports.

Approach

HKPC’s assurance procedures³ consisted of a comprehensive review of the Report, followed by the selection of a representative sample of statements and data pertaining to the significant sustainability aspects of NWD for assurance. During an interview with NWD representatives conducted on 7 December 2018, we reviewed and examined the data collection systems and supporting materials relating to the selected statements and data as well as NWD’s relevant management practices and initiatives.

Conclusion

Based on the data and information provided by NWD, it is concluded that the Report conforms to the Core option of the GRI Standards and the “Comply or Explain” provisions of the HKEx ESG Guide. It presents an overview of NWD’s environmental, social, governance and economic performance with respect to its identified material aspects within the reporting boundary of NWD.

The selected sample statements and data of the Report examined during the assurance process is consistent with the source materials reviewed and reflects a fair account of NWD’s environmental, social, governance and economic performance. The data collection and information management systems adopted by NWD are generally considered to be reliable.

NWD is encouraged to maintain the comparability of environmental and social data in the Report especially when there are significant changes on the material aspects to facilitate stakeholders understanding on its performance over time.

A handwritten signature in blue ink, appearing to read 'Peggy Tang', is positioned above the name and title.

Peggy Tang
Senior Consultant
Hong Kong Productivity Council
19 December 2018

¹ This assurance statement has been prepared for NWD for the purpose of assuring the statements and data presented in its Sustainability Report 2018 only. The statement was prepared based on HKPC’s review of data and information provided by NWD during the assurance process. HKPC will not accept or assume any responsibility or liability (legal or otherwise) in relation to this assurance statement.

² The “Comply or Explain” provisions cover the “General Disclosures” and “Key Performance Indicators” (KPIs) of “Subject Area A. Environmental”, and the “General Disclosures” of “Subject Area B. Social” of the HKEx ESG Guide.

³ Our assurance work did not cover data and information which had already been published in the press releases, on NWD’s or its subsidiaries’ websites, in the subsidiaries’ sustainability reports, or in the annual reports of NWD.



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