



新世界發展有限公司

New World Development Company Limited

(Stock Code: 0017)

SUSTAINABILITY REPORT

2019

NEW WORLD
NEW PURPOSE

The Artisanal Movement

WE CREATE, WE ARE ARTISANS

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A connected ecosystem



More than the sum of its parts

This diverse portfolio represents more than the sum of its parts.



We are listeners

who treasure the voice of customers in everything we do



We are innovators

who combine art, culture, heritage and technology to craft unique products, services and business models



We are incubators

who nurture talent, innovation and entrepreneurship across the Group and the communities

Major recognitions from sustainability benchmarks and indices



Ranked 1st among 12 diversified listed businesses in Eastern Asia in 2019



Listed for the 1st time on DJSI Asia Pacific



Hang Seng Corporate Sustainability Index Series Member 2019-2020

Member since 2015

Sustainalytics – Rated as an ESG “Outperformer” in 2019

MESSAGE FROM MANAGEMENT

New World Group continues its transformative journey to become a cultural enterprise, supporting a holistic lifestyle through its property businesses and other services, as well as connecting business success with social progress to create a win-win situation for the Group and society. After two full years of implementing the New World Sustainability Vision 2030 ("SV2030"), we refined our alignment to the United Nations Sustainable Development Goals and established ambitious targets for major businesses under the key SV2030 pillars of Green, Wellness and Caring. We recognise that sustainability must remain a top business priority for the Group to be in a position to create shared value and provide long-term benefits for our shareholders and other stakeholders in the community.

We spent the past year improving internal sustainability awareness; standardising new building designs and existing building management approaches; developing green financing initiatives and actively engaging with investors; growing new ventures in wellness and education; engaging suppliers, tenants and customers on sustainable operations; and expanding our impact in the community by creating shared value initiatives. We established a Board-level Sustainability Committee to guide the ongoing integration of Environmental, Social and Governance ("ESG") considerations into our businesses and long-term risk management. Our commitment to driving quality corporate management through ESG was recognised by our first-time listing on the Dow Jones Sustainability Asia Pacific Index and our number one ranking among Eastern Asia diversified listed businesses on the Global Real Estate Sustainability Benchmark ("GRESB") in 2019 (with a score of 90/100).

While we celebrate these achievements, we are fully aware of the urgency of responding to climate change and to social dynamics, especially in Hong Kong. We are striving to strengthen our resilience with more robust risk measures and a portfolio management approach that references the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD"). Further to the launch of the "NewGen First Home Program" last year, in 2019, we pledged to donate up to three million square feet of agricultural land to support innovative social housing development to empower low-income families and support upward social and economic mobility. We also plan to place more emphasis on measuring our impact in addressing ESG issues that are material to our business and disclosing the outcomes to stakeholders.

I would like to thank our business units for their tireless efforts and seamless coordination in fast-tracking these necessary enhancements in our management approach. Going forward, we will take a balanced view of purpose and profit, striving to deliver impressive returns for our shareholders, while responding to the needs and interests of all our stakeholders. We will create more synergies between our portfolio businesses to build a collaborative culture, sustainable communities and knowledge capital. We believe this community-building approach will convene like-minded changemakers to drive sustainability and social progress, kindling their creative power, driving innovation and creating a win-win situation for corporations and society. The road ahead will be challenging, but I am confident that our Group will support our stakeholders with our "design thinking" mindset, collaborative culture, and dedication to excellence. On behalf of the Group, I welcome feedback on our strategy and performance as we continue our journey.



Dr. Cheng Chi-Kong, Adrian

Executive Vice-chairman and General Manager
Chairperson, Sustainability Committee and
Group Sustainability Steering Committee

ABOUT OUR BUSINESS

Founded in 1970 and headquartered in Hong Kong, New World Development Company Limited (“NWD” or “The Group”) has been publicly listed on the Hong Kong Stock Exchange (HK Stock Code: 0017) since 1972. It is a constituent stock 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, roads, transportation, construction, hotel and department store operations, telecommunications, media, technology and other strategic businesses. The Group’s two listed companies are NWS Holdings Limited (“NWSH”, HK Stock Code: 0659), and New World Department Store China Limited (“NWDS”, HK Stock Code: 0825).

NWD BUSINESS HIGHLIGHTS (AS OF 30 JUNE 2019):

Revenue: HKD 76,763.6 million	Cost of sales: HKD 51,742.1 million
Profit attributable to shareholders: HKD 18,160.1 million	Dividend per share: HKD 0.51
Taxes paid: HKD 7,489.8 million	Employee wages and benefits: HKD 9,640.3 million
Total assets: HKD 503,284.9 million	Net Debt: HKD 88,288.0 million
Total equity: HKD 275,364.5 million	

More financial information can be found in our [Annual Report 2019](#).

OUR CORE BUSINESSES

PROPERTY DEVELOPMENT AND INVESTMENT



- **New World Development Company Limited**
- **New World China Land Limited**
- **K11 Group Limited**

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 wholly-owned by the Group and an early Hong Kong pioneer entering the China property market. Its portfolio covers large-scale mixed-use commercial landmarks, offices, shopping centres, residential neighbourhoods and hotels. Please refer to [NWCL's corporate website](#) for more details.

K11 Group Limited ("K11") is a global high-end lifestyle brand operator under the Group. It has created the "art x commerce" hybrid business model and the cultural retail concept. Its portfolio covers offices, shopping malls and retail. Please refer to [K11's corporate website](#) for more details.

ROADS, TRANSPORTATION AND CONSTRUCTION



- **NWS Holdings Limited**

NWSH is the diversified industries flagship of NWD. It has a wide range of businesses and investments predominantly in Hong Kong and Mainland China, comprising operation of roads, commercial aircraft leasing and construction. NWSH manages a strategic portfolio spanning sectors from environment, logistics, facilities management to transport. Please refer to [NWSH's corporate website](#) for more details. NWSH also publishes standalone sustainability reports, which can be accessed [here](#).

HOTELS



As at 30 June 2019, the Group has a total of 16 hotel properties in Hong Kong, Mainland China and Southeast Asia, providing more than 7,000 rooms. Please refer to [our website](#) for more details.

DEPARTMENT STORES



- **New World Department Store China Limited**

NWDS, the retail arm of NWD in Mainland China, is one of the largest owners and operators of department store in Mainland China. Please refer to [NWDS' corporate website](#) for more details. NWDS also publishes standalone sustainability reports, which can be accessed [here](#).

REPORTING APPROACH

REPORTING PERIOD

This Report provides an overview of the Group's Environmental, Social and Governance ("ESG") performance during the reporting period of 1 July 2018 to 30 June 2019 as well as the latest initiatives after FY2019 where specified.

REPORTING SCOPE

The scope of this Report includes all areas of NWD's business over which the Group has financial significance and operational influence, 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 roads, transportation and construction, department stores, selected hotels and other businesses. We conducted an extensive stakeholder engagement and materiality assessment exercise to define the material topics for inclusion in this Report. The outcome is detailed in the 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 Appendix 27 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited ("HKEx"). We have also disclosed our climate change actions making reference to the Task Force on Climate-related Financial Disclosures ("TCFD") requirements.

REPORT ASSURANCE

Data and information contained in this Report have been independently assured by the Hong Kong Quality Assurance Agency ("HKQAA") to ensure accuracy and credibility. Please refer to the independent Assurance Statement.

CONTACT US

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

Our Approach

SUSTAINABILITY GOVERNANCE

The Group takes an interactive approach to continuously strengthen our sustainability governance. We have in place a robust governance structure across all business units and adopt a holistic approach in ESG risk management. Beyond this, we conduct stakeholder engagement exercises and materiality assessments to ensure our business focus remain relevant to them; and we benchmark our performance against global ESG ratings to keep abreast of international best practices and trends. These external insights help us identify gaps for improving our ESG performance while referencing the New World Sustainability Vision 2030 ("SV2030").

GOVERNANCE STRUCTURE WITH BOARD OVERSIGHT



To demonstrate NWD's commitment to sustainability, we integrate sustainability management into corporate governance structures throughout the Group – from board-level committees to management-level group functions and business units. The Board of Directors (the "Board") discharges some of its responsibilities by delegating to five board-level committees. As a result, the Sustainability Committee plays a primary role in overseeing the management of the Group's sustainability endeavours.

SUSTAINABILITY COMMITTEE

The committee was established in November 2018 as the highest level of authority to oversee sustainability and ESG issues and risks. Reporting to the Board and chaired by our Executive Vice-chairman and General Manager, the Sustainability Committee comprises two independent non-executive directors and one executive director and directly oversees and advises on the NWD's sustainability strategy, work plans and performance targets to advance the Company's ESG leadership. Board members receive ESG-related training and updates where appropriate. The Terms of Reference of the Sustainability Committee are available [here](#).



Dr. Cheng Chi-Kong, Adrian

Executive Vice-chairman
and General Manager

(Chairperson of Sustainability Committee)

Re-designated as Executive Vice-chairman and General Manager from March 2017. Dr. Adrian Cheng is a member of the Executive Committee and the Chairperson of the Sustainability Committee of the Board of Directors of NWD. He is the Chairperson of the Group Sustainability Steering Committee, an executive director of NWSH and NWDS, the chairman of New World Group Charity Foundation Limited, an executive director of NWCL and a director of certain subsidiaries of the Group. Dr. Cheng oversees the strategic direction for the NWD's property development and investment activities. He has launched NWD's The Artisanal Movement since January 2015, and the K11 brand in 2008, a museum-retail complex that is at the nexus of art and commerce and has since extended K11's reach across retail, hospitality, offices and non-profit art education through K11 Art Foundation. He also directs early-stage funding to start-ups and technology-driven platforms.



Mr. Sitt Nam-Hoi

Executive Director

Appointed as an Executive Director in June 2018. Mr. Sitt is a member of the Executive Committee and the Sustainability Committee of the Board of Directors of NWD. Mr. Sitt joined the Group and was appointed as Head of Projects (Hong Kong) of NWD in February 2011. He is currently the senior director of the Project Management Department of NWD, director and chief design officer of NWCL and director of certain subsidiaries of the Group. Mr. Sitt is a Registered Architect, an Authorised Person and is responsible for overseeing all project management matters for all property development projects of the Group in Hong Kong. He has extensive project management experience and participated in various significant projects in Hong Kong and Mainland China.



Mr. Cha Mou-Sing, Payson

Independent Non-executive Director

Appointed as a Director in April 1989. Mr. Cha is a member of the Audit Committee, the Remuneration Committee and the Sustainability Committee of the Board of Directors of NWD. Mr. Cha also holds senior position in the board of directors in various listed public companies in Hong Kong.



Mr. Ip Yuk-Keung

Independent Non-executive Director

Appointed as an Independent Non-executive Director in June 2018. Mr. Ip is a member of the Audit Committee, the Nomination Committee and the Sustainability Committee of the Board of Directors of NWD. He also holds senior position in the board of directors in various listed public companies in Hong Kong. Mr. Ip is an international banking and real estate executive with 33 years of experience at different banks in Hong Kong, Asia and the United States. His areas of expertise are in real estate, corporate banking, risk management, transaction banking and wealth management. He is also a Vice Chairman of the Board of Governors of World Green Organization Limited and a member of the Committee on Certification for Principalship under the Education Bureau of the HKSAR Government.

The complete profile of the directors can be found in the Directors' Profile on pages 28 to 37 of our [Annual Report 2019](#), and on our [corporate website](#).

GROUP SUSTAINABILITY STEERING COMMITTEE ("STEERING COMMITTEE")

Reporting to the Sustainability Committee and comprising senior executives from Group functions and major business units, the Steering Committee drives practical implementation of ESG and sustainability initiatives under SV2030 and manages their performance to support the Sustainability Committee.

GROUP SUSTAINABILITY DEPARTMENT

Reporting directly to the Executive Vice-chairman and General Manager, the Department champions the Group's ESG integration into major businesses and functions and drives sustainable actions towards SV2030 throughout the Group's business ecosystem to benefit internal and external stakeholders.

GROUP SUSTAINABILITY TASKFORCE

Comprising members from various business units across the Group, the Taskforce serves as a knowledge exchange platform to drive ESG management and the implementation of SV2030. Taskforce members help identify ESG-related training needs and promote relevant trainings to all business units. They 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.

ESG RISK MANAGEMENT

The Group adopts both top-down and bottom-up approaches in relation to risk management covering ESG-related risks. The risk management process is integrated into our daily operations and is an ongoing process involving all parts of the Group from the Board down to each individual employee.

The **Risk Management Policy** is established for enhancing the effective implementation of the risk management and internal control exercises within the Group. Risk owners across the Group are required to report the risk review exercises to the Group Internal Audit Department by submitting the Risk Management and Internal Control Assessment Checklist half-yearly (including but not limited to business, operation as well as ESG risks). The Group Internal Audit Department analyses the feedback and reports to the Risk Management Committee, which supports the Audit Committee in deciding the Group's overall risk level and ensuring the effectiveness of its risk management system. ESG-related risks including, for example, bribery and corruption, business ethics, occupational health and safety and climate change are incorporated into the biannual assessment mentioned above. Any material ESG risks identified in this process are reported to the Sustainability Committee, which ultimately determines the Group's material ESG risks and acts as the centralised governance body to oversee all sustainability and ESG issues.

Moreover, an early risk flagging mechanism is established which enables the Group to proactively identify and assess emerging risks and broad areas of change, emanating from both internal and external factors (including but not limited to business, operation as well as ESG risks), and act on them in a timely manner. Risk owners have to flag and report any potential risks they perceived immediately to the corresponding risk oversight parties (which, for any ESG-related issues is the Group Sustainability Department) when significant impact is expected in any business area.

STAKEHOLDER ENGAGEMENT

In addition to the internal ESG governance bodies detailed above, we also consider views from our internal and external stakeholders to strengthen our ESG governance. We regularly engage our stakeholders to identify sustainability topics of importance to them as well as to identify business opportunities and address acknowledged risks, in order to further our sustainable development efforts.

This year, we commissioned a third-party consultant to provide an impartial assessment of our sustainability performance, gaining insights into stakeholders' priorities and identifying opportunities and risks that lie ahead of us. In FY2018 and FY2019, 26 in-depth interviews were conducted and a total of 855 responses to our online surveys, from both internal and external stakeholders mainly in Hong Kong and Mainland China, were assessed. This process revealed the relative priority of various ESG and financial issues that stakeholders perceive to be important to NWD.

We regularly utilise additional channels to engage different stakeholder groups. Here is a full account of our regular engagement channels for our stakeholders:

Stakeholder groups	Regular engagement channels
Employees	<ul style="list-style-type: none"> • Surveys, interviews and focus groups • Intranet, staff mobile app and sustainability e-newsletter • Training activities and talent development programmes • Staff competitions and team-building activities • Townhall meetings and forums • Taskforces and committees • Early risk flagging mechanism and half-yearly key risk reporting mechanism • Whistleblowing system
Tenants	<ul style="list-style-type: none"> • Sustainable Tenancy Pledge, a tenant engagement programme on sustainability practices • Surveys and interviews • Meetings, seminars and visits • Tenant mobile apps, e.g. WorkPro and K11 ATELIER HK










Stakeholder groups	Regular engagement channels
Customers	<ul style="list-style-type: none"> • Surveys • Club memberships, e.g. New World CLUB, NWCL Club, Klub 11 • Customer mobile apps, e.g. Artisanal Living and K11 branded apps • Social media and company websites • Customer service hotlines • Company events and visits
Supply chain partners	<ul style="list-style-type: none"> • Audits and performance review • Surveys and meetings • Tendering and procurement processes • Training and briefings
Local communities	<ul style="list-style-type: none"> • Public/community events • Company websites • Community initiatives, e.g. New World Springboard Programme and New World Harbour Race
Shareholders and investors	<ul style="list-style-type: none"> • Annual general meetings and results announcements • Annual and interim reports • Company websites • Roadshows and investor meetings • ESG investor surveys and benchmarking, e.g. CDP, GRESB
Media	<ul style="list-style-type: none"> • Surveys • Media briefings and press releases • Media interviews • Company events and visits • Feedback and responses to media enquiries
Academic and professional institutions	<ul style="list-style-type: none"> • Technical site visits • Advisory groups • Meetings, conferences, seminars and workshops
NGO partners	<ul style="list-style-type: none"> • Joint projects • Surveys • Meetings, conferences, seminars and workshops • Company events and visits
Government	<ul style="list-style-type: none"> • Public consultation • Meetings
Peer companies	<ul style="list-style-type: none"> • Surveys • Company events and visits

STRATEGIC MANAGEMENT OF MATERIAL TOPICS

In the independent materiality assessment survey, 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 to the wider community. The list of topics can be broadly classified as these areas:

- Economic and community
- Environment
- Labour practices
- Governance
- Operating practices

The table below includes the material topics that were identified by our stakeholders as highly important or critical to the Group, and the corresponding sections for our management approach. Climate change was not considered as a top priority by our stakeholders; however, we recognise its importance to our business nature and so it is included as an emerging material topic.

Material topics	Management approach	Relevance to SV2030 pillars	Boundary and impact	
			Inside the Group	Outside the Group
Governance				
★ Bribery & corruption	• <u>Corporate Governance</u>		✓	✓
★ Corporate governance	• <u>Corporate Governance</u>		✓	✓
★ Information privacy	• <u>Quality Products Driven by Voice of Customers</u>		✓	✓
Labour practices				
★ Occupational health & safety	• <u>Safeguarding Health and Safety</u>		✓	✓
★ Talent attraction & retention	• <u>Caring Workplaces</u> • <u>Talent Grooming</u>		✓	
★ Employee development	• <u>Talent Grooming</u>		✓	
★ Employee wellness	• <u>Promoting Good Health and Well-being</u>		✓	
★ Employee communication	• <u>Caring Workplaces</u>		✓	
Operating practices				
★ Customer wellness, health & safety	• <u>Safeguarding Health and Safety</u> • <u>Promoting Good Health and Well-being</u>		✓	✓
Environment				
★ Energy efficiency & greenhouse gas emissions	• <u>Group Environmental Performance</u>		✓	✓
★ Green architecture & infrastructure	• <u>Task Force on Climate-related Financial Disclosures</u>		✓	✓
★ Climate change	• <u>Task Force on Climate-related Financial Disclosures</u>		✓	✓



Green



Wellness



Caring

★ Critical

★ Highly important

★ Moderately important

CORPORATE GOVERNANCE

NWD is committed to maintaining a high standard of corporate governance practices for the interests of its shareholders and the performance of the Group. The Board regularly reviews and improves its corporate governance practices to ensure effective management and address stakeholder interests.



MATERIAL TOPICS

- Corporate governance
- Bribery & corruption

The **Anti-Fraud Policy**, **Conflict of Interest Policy** and **Whistleblowing Policy** aim to ensure the Group is free of corruption and uphold integrity throughout its businesses. These policies are covered in staff orientation and the Employee Handbook. A whistleblowing system is established for staff and other relevant parties to report misconduct cases. Every reported case will be handled in confidentiality and followed through in accordance with related policies and procedures. To uphold our business ethics, regular training on the “Prevention of Bribery Ordinance (Cap. 201)” is provided by the Hong Kong Independent Commission Against Corruption to Group staff.

Regardless of seniority and employment nature, all employees are required to fully comply with our Code of Conduct and other policies. In FY2019, we provided over 1,700 training hours on laws and regulation updates.

Details of the Group’s corporate governance and risk management practices can be found in the Corporate Governance Report on our **corporate website**.

ESG PERFORMANCE BENCHMARKING

We participate in various third-party ESG ratings to benchmark our performance against global peers and inform our internal policymaking. This year, we have reached new milestones in local and global sustainability rankings. NWD has been a member of the Hang Seng Corporate Sustainability Index Series since 2015, and our rating has been upgraded to “AA” in 2019. NWD is ranked on the Dow Jones Sustainability Asia Pacific Index for the first time in 2019 and also ranked number one among diversified listed businesses in Eastern Asia by GRESB.

SUSTAINABILITY POLICIES

The Group has developed a suite of ESG-related policies and guidelines to strengthen ESG governance and performance management as well as to safeguard the rights and interests of key stakeholders. These policies apply to all business units, which are encouraged to adopt additional guidelines and practices based on specific operational needs. In FY2019, we published the **Sustainable Procurement Policy** to further enhance the Group’s management of sustainable procurement practices. The full suite of ESG policies are available on our **corporate website**.

QUALITY PRODUCTS DRIVEN BY VOICE OF CUSTOMERS

Voice of customers ("VoC") is NWD's core driver of innovation and product development. Our different businesses regularly collect customer feedback and have gradually included ESG considerations.

Our commitment to customer experience and relationship management is reflected in our product and service quality. We adopt 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, ISO 50001 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 regular checks to ensure compliance. K11 Art Mall Hong Kong and New World Tower have established its customer complaint handling procedures certified to the ISO 10002 Standard.

We provide accurate information on our products and services for our customers to help them make informed decisions and build trust in our 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.



We comply with data privacy laws and regulations and have designated a Personal Data Privacy Officer to address any data privacy concern from our stakeholders. Supported by IT security policies and procedures, the personal data of employees and customers are only accessible by authorised personnel on a need-to-know and need-to-use basis. The importance of data protection is also emphasised to all employees in our Code of Conduct and regular staff memos. We conduct regular reviews of our data privacy measures and provide regular training to our staff on the subject.



MATERIAL TOPICS

- Information privacy

MOVING SUSTAINABLY TOWARDS 2030



NEW WORLD SUSTAINABILITY VISION 2030

New World Sustainability Vision 2030 references the United Nations Sustainable Development Goals ("SDGs") and enhance our customer experience based on three pillars: Green, Wellness and Caring, and are enabled by a fourth pillar – Smart. Led at the highest level by our Sustainability Committee, and driven by our stakeholders' growing awareness of sustainable development, together we curate opportunities for a life well-lived.

As part of our journey to support the SDGs, we constantly evaluate our resource allocation, expertise and social impact with our business strategy and stakeholders in mind. To maximise our contribution to the SDGs, we have further sharpened our focus from eight SDGs to four under SV2030 which allows us to set targets and evaluate our progress.

Last year, we established energy-saving targets for our major properties in Hong Kong and the Mainland. Since then, we have made strides to engage more business units through technical site audits and management interviews with a third-party consultant to establish Group-wide targets under SV2030, which superseded the previous property targets.

When developing our Group-wide targets under the Green pillar of SV2030, we have identified business units over which we have direct operational control for developing environmental impact reduction roadmaps (herein "SV2030 Green Target Scope"). This SV2030 Green Target Scope represents over 70% of the "Sustainability Reporting Scope" as defined in Reporting Approach, both in terms of annual revenue and carbon emissions. Group-wide energy and carbon targets are set for property businesses of NWD, NWCL and K11, our construction businesses, NWSH¹ and NWDS¹. Certain businesses are excluded due to limited operational control such as residential properties.

In terms of water consumption and waste, since our construction operations in Hong Kong are environmentally material, targets were therefore set for NWCON as a first step. The Group is currently standardising water and waste management practices to establish targets in line with SV2030 Green Target Scope.

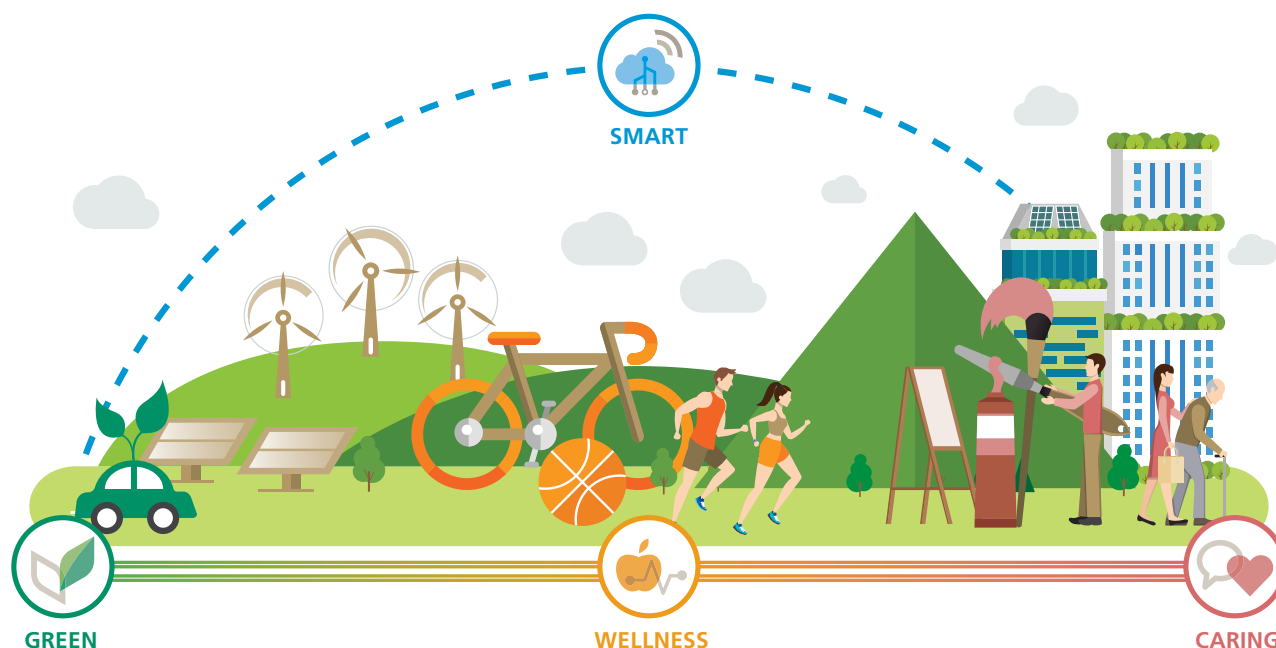
Our wellness and caring related commitments apply to all business units within our Sustainability Reporting Scope.

¹: please refer to these companies' sustainability reports for their scoping definition.



MATERIAL TOPICS

- Occupational health & safety
- Energy efficiency & greenhouse gas emissions
- Employee wellness
- Customer wellness, health & safety



SV2030 TARGET



NEW WORLD
SUSTAINABILITY
VISION 2030

Moving us towards a greener future

INITIATIVES:

- Sustainable building
- Stakeholder engagement on reducing environmental impacts
- Sustainable financing



New World Group -

Halve our environmental impact in energy and carbon emissions¹



↓ **50%**

energy intensity
(MWh/million HKD revenue)¹

FY2019 progress: ↓ **21%**



↓ **50%**

carbon emissions intensity
(tCO₂e/million HKD revenue)¹

FY2019 progress: ↓ **29%**

Construction²



↓ **15%**

waste-to-landfill intensity
(tonnes/million HKD revenue)²

FY2019 progress: ↓ **8%**



↓ **25%**

water intensity
(m³/million HKD revenue)²

FY2019 progress: ↓ **5%**



WELLNESS

Promoting health in body and mind

INITIATIVES:

- Health and safety policy and management system
- Safe and healthy built environment
- Healthcare and wellness ventures
- Wellness programmes for stakeholders



Improve the well-being of

20 million

stakeholders³

FY2019 progress:
6.9 million



Maintain the lost-time injury rate (LTIR)⁴ at/below

3.0 per 100 employees

FY2019 LTIR: **2.5**



SMART

Using innovation to unlock potential

INITIATIVES:

- Digitalisation of processes and customer experience
- Cultivation of entrepreneurship and innovation
- Solution-driven partnerships



CARING

Creating shared value for our communities and culture

INITIATIVES:

- Family-friendly and inclusive environments
- Quality education offerings
- Social mobility promotion
- Nurture of young entrepreneurs and cultural creatives
- Culture and heritage preservation
- Staff volunteering



Enhance the quality of life of

300 million

stakeholders³

FY2019 progress:
72 million



Commit to

> 340,000

staff volunteering hours

FY2019 progress: **> 160,000 hours**

1: Cover the SV2030 Green Target Scope. NWSH and NWDS also disclose their environmental targets in their Sustainability Report 2019. Using revenue as the intensity metrics was due to the diverse business nature of the Group's portfolio and that revenue is the common thread that can be adopted across sectors.

2: Cover NWCON only.

3: Cumulative number from baseline year FY2015 to FY2030 covering the Sustainability Reporting Scope.

4: Lost-time injury rate represents the number of injuries per 100 employees per year.

THE VALUE WE CREATE

MAJOR RECOGNITIONS

Listed for the first time
on DJSI Asia Pacific

MEMBER OF
Dow Jones Sustainability Indices
In collaboration with **CSAM**
a S&P Global brand

Ranked **1st** among 12 diversified listed businesses in Eastern Asia, with a score of 90/100 (global average: 72) and the highest **5-Star rating**

Listed for **6** consecutive years since 2015 (improved from AA- to **AA** in 2019-2020)

Sustainalytics –
Rated as an ESG
“**Outperformer**”
for 2 consecutive years since 2018



Hang Seng Corporate Sustainability Index Series Member 2019-2020

GREEN



HK BEAM Plus Gold or above:

22 buildings



U.S. LEED Gold or above:

22 buildings ¹

China Green Building Evaluation Standard “Two-Star” or above:



9 buildings ¹

27% of the Group’s GFA obtained green building certifications²



1st sustainable landscape certifications

SITES v2 Gold level in Greater China for Avenue of Stars and Salisbury Garden



NWCL issued a 5-year USD 310 million

green bond

at 4.75% coupon rate for 2 certified green property projects in the Greater Bay Area

Deployed Eco-World, a real-time building energy monitoring system, in over 20 properties with expected savings of

9.9 GWh and **HKD 10.5 million** in 2019



NWD obtained Hong Kong Green Council’s Sustainable Procurement Charter

Level 2 certification

NWD raised a 5-year HKD 1 billion

sustainability-linked loan, 1st in Asia

to link with GRESB performance



Sustainable Tenancy Pledge

launched in 3 buildings



About **80%** ³ of the procurement budget was spent on local/regional suppliers

1: The number of (pre)certified green buildings has been adjusted after clarification of the project’s certification status.
2: Covering projects under FY2019 sustainability reporting scope.
3: Covered NWDS and NWSH.

WELLNESS



WELL Building
Certification:



2 buildings



Launched HUMANSA – Hong Kong's
1st one-stop healthcare service

that follows a holistic healthcare model spanning
wellness, rehabilitation, elderly and home care

HUMANSA's HD Endoscopy Centre –
uses the **latest imaging
systems** in Hong Kong for early
detection of gastrointestinal cancer



>3,300

participants in New World
Harbour Race 2018

>1,500

runners joined
the NWS Geo
Hero Run 2018



CARING



27

startups incubated

Established G For Good –
pioneer of

**Creating
Shared Value**
(CSV) projects

Announced to
offer up to

3 million sq. ft.

of NWD's agricultural land to
NGOs or the HKSAR Government
for innovative social housing



605

artists and curators
supported by
K11 Art Foundation



960

under-resourced students received

>326,000

hours⁴ of professional
sports training from
New World Springboard Programme

Launched
New World Sustainability
Academy – conducted

1,396 hours of
sustainability-related training and activities



4: Cumulative figures since the inception of the Programme in FY2012.

SMART



37

intellectual property rights
granted/under application



42

startups participated in
NWD's Tech Day with

7

proofs-of-concepts identified

NWD
introduced
Hong Kong's **1st**

**property-purchase
blockchain platform**



Launched IMPACT KOMMONS –
Hong Kong's

**1st UN SDG-focused
startup accelerator**



SIGNATURE PROJECT— VICTORIA DOCKSIDE

After 10 years in the making, Victoria Dockside is the latest global art and design district for culture, creativity and innovation, situated along the historic harbourfront site in Tsim Sha Tsui, Hong Kong. The district comprises a 65-storey tower that houses both K11 ATELIER office and Rosewood Hotel; the luxury residences K11 ARTUS; the cultural-retail destination K11 MUSEA; and connecting to its neighbourhood, the harbourfront promenade's Avenue of Stars and Salisbury Garden.

At Victoria Dockside, we offer a wide range of services to our tenants, customers and the public. Exclusively offered to our K11 ATELIER office tenants, K11 ATELIER Academy is an open education and event platform that connects our tenants with culture programme to develop out-of-the-box thinking and form fresh perspectives for restoring work-life balance. We also launched Hong Kong's first voluntary "Sustainable Tenancy Pledge" for office and retail tenants at K11 ATELIER and K11 MUSEA, helping them to adopt sustainable practices in daily operations. K11 Kulture Academy offers our customers and the general public with workshops to promoting wellness, green living and a healthy way of life.



A Comfortable
Neighbourhood for
Body and Soul



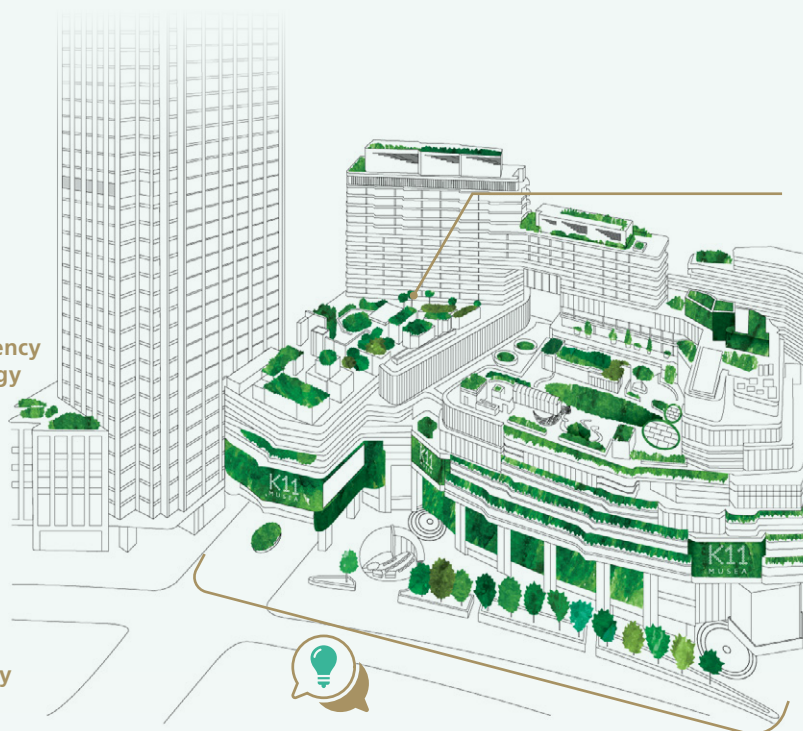
Environmental Efficiency
and Renewable Energy



Extensive Interior
and Exterior Greenery



Promoting Urban
Biodiversity –
Nature Discovery Park



K11 MUSEA
Cultural-Retail Destination



RECOGNITIONS FOR SUSTAINABILITY GOALS

Echoing the UN SDGs, Victoria Dockside provides the community with a sustainable and walkable neighbourhood enhanced by urban greenery, supporting greater understanding of urban biodiversity. It also offers an immersive, holistic experiences where live, work, play are intertwined. The dedication to sustainability is evident in the Victoria Dockside's green building certifications and awards.

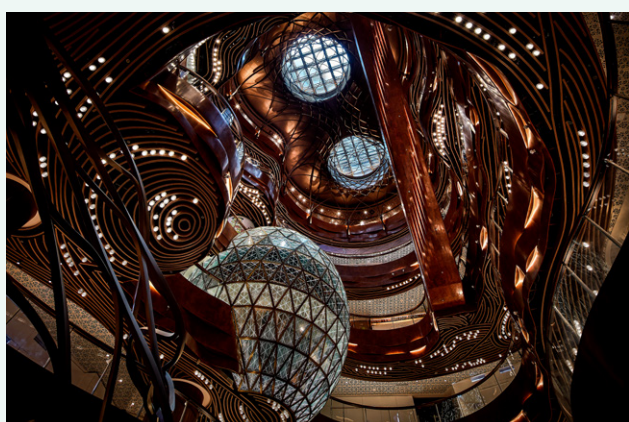
- HK BEAM Plus Certification
 - K11 ATELIER: Platinum Level
 - K11 MUSEA: Gold Level
 - K11 ARTUS: Gold Level
- U.S. LEED Certification
 - K11 ATELIER: Platinum Level
 - K11 MUSEA: Gold Level
 - K11 ARTUS: Gold Level
- SITES v2 Sustainable Landscapes Certification for its neighbourhood
 - Avenue of Stars
 - Salisbury Garden
- Hong Kong Green Building Award 2019:
 - Grand Award (New Buildings Category: Completed Projects – Commercial Building)
 - Special Citation on UN Sustainable Development Goals



K11 MUSEA CULTURAL-RETAIL DESTINATION

K11 MUSEA, meaning “a muse by the sea” and conceived as the Silicon Valley of Culture, plays a vital role in the exchange of ideas and acts as an international influencer of cultures in Hong Kong.

- Convenes 100 creative powers including international and local architects and a diverse group of artists, craftsmen, designers and incubates creative talents in curating this cultural destination of creativity, culture and innovation
- Propagates different cultures through art, architecture, design and sustainability alongside its delicate choice of retail offerings, guided tours and programmes



K11 MUSEA's "Opera Theatre"



"Festival de Cannes Film Week" at K11 MUSEA



PROMOTING URBAN BIODIVERSITY – NATURE DISCOVERY PARK

Located at K11 MUSEA, Nature Discovery Park is Hong Kong's first urban biodiversity museum and sustainability-themed education park. It aims to raise awareness of Hong Kong's ecological importance, rich urban biodiversity and promote a sustainable lifestyle. The Park offers guided green tours, workshops and urban farming experience. Since its opening, 15,000 visitors joined nature discovery tours and bespoke workshops.

- Hosts a variety of rare plants endemic to our shore
- Features butterfly and other insect specimens and art pieces
- Offers educational programmes suitable for children and families, in association with the Jane Goodall Institute Hong Kong, founded by United Nations Peace Ambassador Dr. Jane Goodall



Nature Discovery Park, Hong Kong's first urban biodiversity museum and sustainability-themed education park





A COMFORTABLE NEIGHBOURHOOD FOR BODY AND SOUL

Victoria Dockside promotes cultural art and embeds a passion for holistic, sustainable lifestyles. Riding on the rich history of the site, culture and creativity are at the forefront of the development. It is also designed to enhance air movement for a healthy and comfortable environment, provide more open space to the public and engage the community through different events and programmes.

- A widened major wind corridor at the harbourfront to draw the sea breeze inland, enhancing air movement at pedestrian level and diluting traffic pollutants
- Public space with about seven times as much shades, over twice as many seating areas, and eight times more greenery than the Avenue of Stars offered before its renovation
- A spacious lawn at the heart of Salisbury Garden for art and creative activities, as well as general public use
- Various locations inside K11 MUSEA to showcase art pieces and host exhibitions from international and local talents to share art with the public
- Hong Kong's first voluntary "Sustainable Tenancy Pledge" for office and retail tenants at K11 ATELIER and K11 MUSEA, helping them to adopt sustainable practices in daily operations
- Four artfully curated themed guided tours at K11 MUSEA covering art, green, furniture and architecture



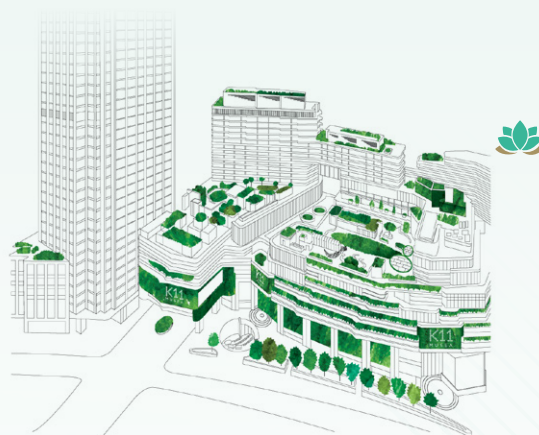
Public space and seating area at Salisbury Garden



The curvy design is inspired by the roots of a banyan tree, bringing an element of nature to the interior of K11 MUSEA



Art work installation at K11 MUSEA's public space





ENVIRONMENTAL EFFICIENCY AND RENEWABLE ENERGY

Sustainability is at the core of Victoria Dockside. Beyond educating our visitors, we also prioritised this in our building design through the deployment of renewable energy, as well as energy and water efficiency components onsite.

- K11 ATELIER is installed with an 110kW hybrid photovoltaics and building integrated photovoltaics system, one of the largest in Hong Kong. This renewable energy system also joined the feed-in-tariff scheme
- Energy usage intensity is 1.5 times lower than a typical local office building
- Up to 33% freshwater savings and 44% flushing water savings compared to industry baseline through water recycling and water-efficient fixtures
- Estimated over 10,000 m³ rainwater can be collected annually for irrigation



One of Hong Kong's largest hybrid photovoltaics and building integrated photovoltaics system



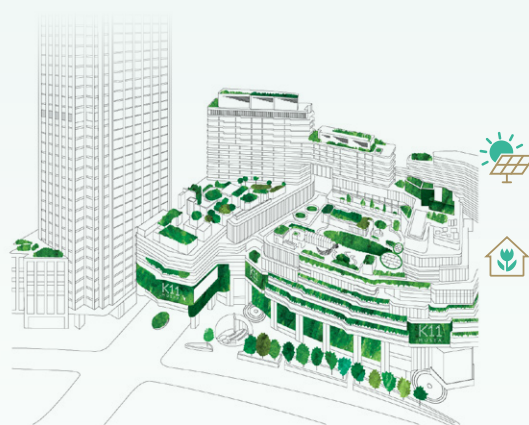
EXTENSIVE INTERIOR AND EXTERIOR GREENERY

Promoting urban greenery, Victoria Dockside is built with extensive interior and exterior flora, serving as an active hill of living terraces. Green walls and green columns are integrated into the façade of various buildings. In addition, K11 MUSEA also comprises indoor greenery, Bohemian Garden and Nature Discovery Park.

- 11,500 sq. m. of urban greenery, equivalent to 40 standard tennis courts
- Over 180 native and exotic species
- Built-in automatic irrigation for green walls and planters



Green wall with built-in automatic irrigation system



SIGNATURE PROJECT—

K11 ATELIER KING'S ROAD

K11 ATELIER King's Road is an urban office redevelopment project in Hong Kong's Island East, with a total gross floor area of 487,500 sq. ft., comprising 22 office floors, an exhibition space, and food and beverage outlets. Under SV2030, the building offers 70 sustainability features corresponding to the pillars of Green, Wellness and Caring through the adoption of Smart technologies.

“VERTICAL CREATIVE CITY” CONCEPT

As the tallest green and healthy office building in the neighbourhood, K11 ATELIER King's Road is the first project in Island East to introduce the “Vertical Creative City” concept that transforms the design, purpose and culture of workplaces. It integrates smart technologies, green design, art and craftsmanship with architecture, to support a lifestyle of comfort and sustainability in the building. It also:

- Promotes green design in the city
- Improves the streetscape and neighbourhood with greenery and a building setback design
- Creates a sustainable working environment

TRIPLE PLATINUM LEVEL BY
INTERNATIONAL BUILDING STANDARDS

- U.S. LEED Platinum final certification
- WELL Platinum final certification (the world's first WELL Platinum pre-certified project previously)
- HK BEAM Plus Provisional Platinum certification



ROOFTOP SKY GARDEN

- Rooftop terrace with a 170m jogging path
- 70 sq. m. edible landscape
- Mindfully designed and optimised with the aid of extensive computational modelling to support comfortable temperatures and so extend its availability throughout the year



Sky garden with jogging path and edible landscape



CIRCULAR ECONOMY

- Onsite organic waste treatment to convert food waste generated from food and beverage outlets within the building, reducing food waste volume by over 80%, to generate environmentally-friendly fertilisers for onsite landscape use



ENHANCED INDOOR ENVIRONMENTAL QUALITY

- High indoor air quality, exceeding the HKSAR Government Environmental Protection Department's Indoor Air Quality Good Class Standard with the installation of MERV 14 and carbon filters with ultraviolet germicidal irradiation for bacteria and mould control and the use of low VOC and lead-restricted building materials
- Thermal and olfactory comfort design, sophisticated acoustic design and electric light glare control



High indoor air quality, thermal and olfactory comfort and sophisticated acoustic design



EXTENSIVE GREENERY

Integrating flora into its design in innovative ways, the building provides a total of 6,700 sq. m. of greenery, equivalent to 2.2 times the site area or the size of 26 standard tennis courts.

- First inverted greenery installation through the adoption of the patented CEILINGGREEN® with a "Floating Green Box" podium design
- 90% of main roof area covered by greenery and landscape to reduce heat island effect
- Innovative façade design for additional greenery and a calming visual impact

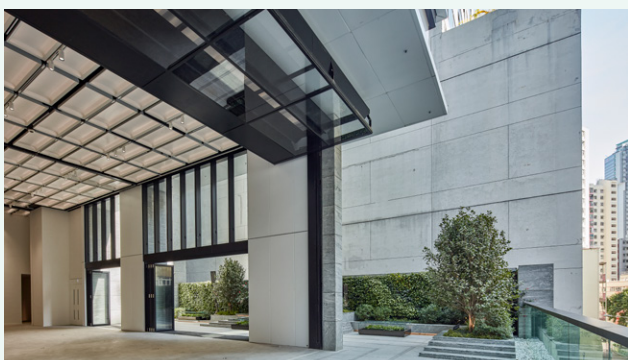


The floating "Green Box" realised by a patent design CEILINGGREEN®



ENGAGING THE BUILDING OCCUPANTS AND NEIGHBOURHOOD

- K11 ATELIER ACADEMY – available for the buildings tenants to join
- Exhibition space – a versatile and flexible space showcasing exhibitions of all kinds, including artworks and artistic installations, and acting as an incubation hub for budding creative professionals, as well as hosting activities to engage the neighbourhood
- Open space at the building's front entrance – to be converted into an area for social interactions on weekends, with plans to install recreational facilities, such as a swing, for public use
- "Sustainable Tenancy Pledge" – a means to actively engage our office and retail tenants in developing sustainability awareness and adopting sustainable practices



Exhibition space providing a versatile and flexible space showcasing different happenings and activities



ENABLING A SUSTAINABLE LIFESTYLE THROUGH SMART TECHNOLOGIES

- AI loading bay – access control to the unmanned loading bay facilitated by artificial intelligence technology, saving time and reducing roadside emissions from vehicles idling outside the loading bay
- Mobile app-based access control system – facilitates entry of office occupants and authorised users to common facilities as well as elevators for secure and seamless access
- Sustainability dashboard – supported by the rooftop weather station, providing information on outdoor climatic conditions and displaying a thermal comfort index for building users



Access control system with mobile app-based technology



Environmental Efficiency and Renewable Energy

- 220 sq. m. of hybrid solar photovoltaic and thermal system, the largest installation in Asia and first commercial project in Hong Kong, co-generating electricity and hot water
- A 3kW wind turbine system for landscape lighting
- Designed to achieve over 30% energy savings against the Building Energy Code of the Electrical and Mechanical Services Department ("EMSD") of the HKSAR Government
- An estimated 65% freshwater savings through rainwater harvesting, greywater recycling and the use of water-efficient systems



The largest installation of hybrid solar photovoltaic and thermal system in Asia

Smart



Using innovation to unlock potential



Our Smart innovations are enablers to drive impact under the Green, Wellness and Caring pillars of SV2030. We embrace SDG17 Partnerships for the Goals by forging partnerships that elevate customer experience and enhance communication among stakeholders.

INITIATIVES

Digitalisation of processes and customer experience

Cultivation of entrepreneurship and innovation

Solution-driven partnerships

ELABORATED IN THIS SECTION

[Examples of Innovations](#)

[Foster a Culture of Innovation](#)

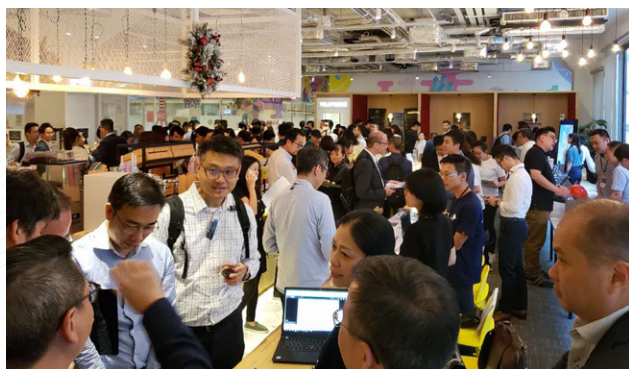
[Property-Purchase Blockchain Platform](#)

FOSTER A CULTURE OF INNOVATION

The internal Customer Committee and Innovation Lab serve as one of the official channels for the Group to discuss new ideas and solutions, supporting senior management to endorse practical innovations for implementation. As of FY2019, 37 intellectual property applications were approved or in progress.



To leverage partnership on innovative solutions, we invited 42 startups to join our first-ever Tech Day to present their solutions, addressing business challenges faced by the Group. Smart solutions on areas such as retail, healthcare, environmental and safety management were presented by the startups. The Tech Day attracted close to 400 attendees and led to further discussion and collaboration. Seven proofs-of-concepts were identified for follow up.



The A-Entrepreneur Adventure Programme continued to tap into the entrepreneurial potential of staff and recruit creative talents. Contestants pitched business ideas to the Group's management and external judges in a series of weekend hackathons. The Programme was held in Hong Kong, Shanghai, Wuhan and Shenyang, attracting close to 800 participants.

In partnership with Tencent, Eureka Nova - the Group's startup incubator, admitted 15 startups in the Greater Bay Area to its incubation programme in 2019, under the theme of "Smart Retail".



Powered by Eureka Nova, NWD has announced the launch of an accelerator programme, IMPACT KOMMONS in November 2019. Impact Kommons is Hong Kong's first UNSDG-focus startup accelerator. The eight-week programme will support startups to develop impact-focused proof-of-concept and provide commercialisation opportunities, echoing the Group's commitment to balance purpose and profit.

In terms of digitalisation, we continue to enhance our use of technological solutions to engage our tenants and customers. During the year, we upgraded the K11 HK mobile app to provide a one-stop mobile experience on our commercial and retail services and offerings. For example, our K11 ATELIER office tenants in Hong Kong can sign up to wellness programmes offered by K11 ATELIER Academy, while K11 Art Mall and K11 MUSEA customers can make restaurant reservations and redeem free parking through the mobile app. Customers can also book a stay at our luxury residence, K11 ARTUS, through the mobile app.



EXAMPLES OF INNOVATIONS:

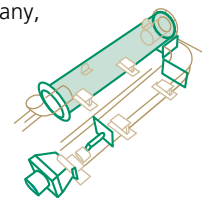
GREEN

AI Loading Bay:

Provides paperless and unmanned registration of visitors at the loading bay, saving time thanks to facial recognition and so reducing roadside emissions from vehicles idling outside the loading bay.

**Venturi Cyclone:**

Developed by our construction company, Hip Hing, this innovation minimises air pollutants in the exhaust fumes from diesel generators on construction sites and CO₂ emissions.

**Auto Power Supply System ("APS"):**

Piloted by Hip Hing, APS works like a mini-power station that serially connects several generators and distributes electricity to designated equipment on-demand, thereby reducing the number of generators needed and related diesel consumption.

**Construction Information Anywhere (CIA):**

Developed by NWCON, this cloud-based, mobile-friendly online system facilitates efficient distribution of drawings and documents for our construction projects among all project team members, including subcontractors. This year, the use of CIA saved an estimate of 34 million pieces of paper and the system was further enhanced with approval workflow functions that streamlined document review processes.



WELLNESS

Eco Diving Robot:

Replaces human divers to inspect and clean the sea water inlets of the cooling system of buildings, mitigating health and safety risks.

**Slide Cleaning Robot:**

Enables effective cleaning of slides in the Group's commercial and residential properties by injecting disinfectant air into the slides and then crawling through them with a brush, reducing our cleaners' risk of injury.



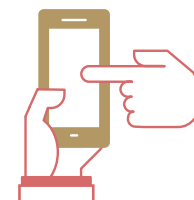
CARING

WorkPro:

To facilitate social networking and sharing of corporate resources among office tenants in Wuhan, NWCL collaborates with Tencent to upgrade the mobile app and WeChat mini programme WorkPro. Customer experience will be enhanced with improved functions of the new version.

**Staff Engagement Platform:**

NWCL collaborates with Tencent to develop another WeChat mini programme, enabling nationwide staff to share best practices on-the-job via this new platform and enhancing communication among colleagues.



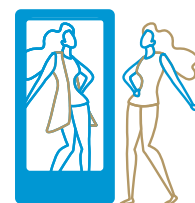
OTHER SMART INNOVATIONS

Gritworld:

This solution offers one-stop production of 3D animation, video and interactive modelling in shorter period of time and lower cost than traditional 3D modelling. It could be used in new shopping mall development to allow potential tenants to visualise the indoor environment and simulate customer journeys for better project planning. Potential tenants can evaluate the mall setting regardless of time and location which can also reduce the volume of marketing materials needed.

**Kalon:**

Incubated by Eureka Nova, Kalon utilises 3D body scan and virtual-fitting technology to enable online shoppers to try on clothes with personal 3D avatars. K11 Art Mall Hong Kong collaborated with fashion tenants to offer this experience to customers.



PROPERTY-PURCHASE BLOCKCHAIN PLATFORM

In February 2019, the Group introduced Hong Kong's first property-purchase blockchain platform, developed in collaboration with Hong Kong Applied Science and Technology Research Institute. This innovation makes property purchase more efficient, secure and green by streamlining administrative processes through an encrypted platform.

The system distributes key documents and records, including mortgage applications, legal documents and progress reports from developers, to relevant parties, such as banks and lawyers. The platform supports status updates and reminders for buyers to keep track digitally of important deadlines leading up to the settlement date. This significantly improves convenience and saves buyers at least eight hours in the application process, which otherwise would be spent following up with different parties.

Leveraging blockchain technology, the solution ensures the transparency, traceability and reliability of information. All information can be verified digitally as buyers can authorise banks and related bodies to access their encrypted information through the platform without the need for manual input and verification. Records stored this way are more difficult to corrupt and information security is therefore greatly enhanced.

In the past, whether for a bank mortgage application, a lawyer's preparatory document, or a developer's progress report, if buyers were applying for mortgages with four different banks, it was necessary to print a large number of documents involving at least 120 sheets of paper. With this blockchain platform, all parties can reduce unnecessary document printing, and the entire process becomes far more environmentally-friendly, while saving precious time and resources.

Green



Moving us towards a greener future



Guided by SDG 11 Sustainable Cities and Communities, the Group strives to reduce its adverse environmental impact, achieve operational resource efficiency and mitigate and adapt to climate change impacts. We enhance the connectivity of the city by providing safe and sustainable transport systems. In line with SDG 17 Partnerships for the Goals, we collaborate with stakeholders, such as tenants and industry organisations, to advance our efforts.

INITIATIVES

Sustainable building

Stakeholder engagement on
reducing environmental impacts

Sustainable financing

ELABORATED IN THIS SECTION

Echoing Recommendations of
the TCFD

Group Environmental
Performance

Building a Sustainable Future
with Our Suppliers

Engaging Our Tenants,
Customers and Residents

Sustainable Finance

ECHOING RECOMMENDATIONS OF THE TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES ("TCFD")

In FY2018, the Group made its first attempt to disclose its climate change strategy, covering Board governance of relevant issues, as well as adaptation and mitigation measures to address climate risks. This year, we brought our disclosure in line with the recommendations of TCFD. Certain areas of disclosure, specifically "Governance", "Risk Management" and "Metrics & Targets" apply to all business units. "Strategy" primarily focuses on the climate risks and opportunities related to our property businesses, including NWD, NWCL and K11, and describes how we manage building-related energy and carbon performance. Other business units, such as NWSH and NWDS will determine the materiality of climate change and the strategy required in response, specific to their operations.



MATERIAL TOPICS

- Climate change
- Energy efficiency & greenhouse gas emissions
- Green architecture & infrastructure

Key areas	New World Group's Approach
Governance	<p><i>Board oversight of climate-related risks and opportunities</i></p> <ul style="list-style-type: none"> • The Sustainability Committee convenes at least twice a year as per the terms of reference and oversees ESG risks and opportunities, covering climate-related issues. The organisational structure and processes by which the Sustainability Committee is informed about climate-related issues are specified in the section <u>Sustainability Governance</u>. • The Sustainability Committee considers climate-related issues when reviewing and guiding strategy under SV2030. The Committee endorsed the Group-wide sustainability policies and targets on parameters such as energy and carbon emissions. To monitor implementation and performance, individual assets and business units were required to develop roadmaps with specific measures and investments required. The target progress will be reported to the Sustainability Committee on a regular basis. <p><i>The role of the Group Sustainability Steering Committee</i></p> <ul style="list-style-type: none"> • The Sustainability Committee is supported by the Group Sustainability Steering Committee, which oversees the Group Sustainability Department to assess and manage building-related climate issues on a day-to-day basis in collaboration with key departments such as Project Management and Property Management.
Strategy	<p><i>Risks and opportunities identified over the short, medium and long term</i></p> <ul style="list-style-type: none"> • Physical risks: The Group acknowledges climate-related physical risks to building assets posed by rising temperatures, more extreme weather events, such as severe typhoons, sea-level rise and flooding in the short (0-3 years) and medium (4-10 years) term. Intensification of such risks is expected in the long term (11 years and beyond). These risks may destabilise the supply of construction raw materials and cause delays to construction works. The Group's assets may be damaged and building operations disrupted, resulting in reduced accessed, higher maintenance costs and increased insurance premiums. Climate change may also adversely impact our employees in terms of health and commuting and cause displacements in communities where we operate. • Transition risks: The Group recognises and keeps abreast of transition risks, such as increasingly stringent regulations (regional, national and local) to limit carbon emissions that may increase the operational costs of buildings in the medium-to-long term. We also keep in view technology changes, international trends such as achieving net zero in building design and operations and best practices in operational efficiency, as well as the latest developments in carbon trading and environmental taxes in Mainland China, for reference in planning or implementing internal carbon pricing in the future. • Opportunities: Climate change presents the Group with opportunities to develop resilient buildings and upgrade existing buildings to withstand climate impacts.

Key areas	New World Group's Approach
Strategy	<p><i>Strategy</i></p> <ul style="list-style-type: none"> Internal awareness building: The topic of ESG risks is covered in our staff orientation and ongoing training. Training sessions related to ESG risks, covering climate change issues are held to raise internal awareness. For example, NWCL appointed a consultant to deliver training on the financial and operational implications brought by climate risks and relevant adaption/mitigation measures from the perspective of the real estate industry between July and October 2019. More than 200 executives from the Property Management, Engineering, Project Management, Human Resources and Finance departments in Guangzhou, Wuhan, Beijing and Shenyang attended the training. NWD established the "New World Sustainability Academy" to provide sustainability-related training and site visits to all business units and employees. More training on how to identify and manage climate-related risks will be provided by the "New World Sustainability Academy" for key internal departments, such as Project Management and Property Management. 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 energy consumption and waste. The Sustainable Procurement Policy also guides our operations to integrate climate change considerations into procurement decisions. For example, local and regional construction materials with a lower carbon footprint are preferred. Our construction operations also keep track of the availability of raw construction materials in light of climate change. Extreme weather events would also be taken into account for the scheduling of construction works. Existing building energy efficiency: We improve the energy efficiency of our existing buildings through real-time energy monitoring and by investing in energy-saving equipment and practices to reduce our emissions. Where practicable, we will also obtain green certification for existing buildings. Self-developed innovations, research and development are also encouraged to enhance building energy efficiency. Climate scenario planning study: The Greater Bay Area is located in the coastal area of Southeast China and is more susceptible to climate hazards such as typhoons and flooding. The Board approved the commencement of a climate scenario planning study to assess physical climate risks for major properties, including but not limited to commercial, retail and residential buildings, in the Greater Bay Area and transition risk at the company level. Two scenarios have been studied: <ul style="list-style-type: none"> ■ A medium scenario with about 2.5°C of global surface warming in 2100, corresponding to the Intergovernmental Panel on Climate Change ("IPCC") Representative Concentration Pathway ("RCP") 6.0 scenario ■ An extreme scenario with over 4°C of global surface warming in 2100, corresponding to the IPCC RCP 8.5 scenario <p>Under these scenarios, asset-level risk exposure to flooding, extreme wind, water stress and heat stress is being assessed. A risk score was assigned to each asset for each of the hazards under the two scenarios. In general, coastal cities such as Hong Kong are more prone to flood risks and storm surges than more inland cities such as Guangzhou in the Greater Bay Area. High-rise office buildings with glass façade are also more susceptible to the damages of strong winds and typhoons. Recommendations on resilience enhancement measures will then be studied. Insights gained from this analysis will also inform the design and planning of future buildings.</p>

Key areas	New World Group's Approach
Strategy	<ul style="list-style-type: none"> • Further mitigation and adaptation measures: We implement prudent water management in our projects. "Sponge city" features are adopted to lower project flood risks. In MOUNT PAVILIA, one of our residential properties in Hong Kong, 100% irrigation water is provided through rainwater harvesting and greywater treated onsite. The use of renewable energy is also considered where appropriate. For example, the rooftop of K11 ATELIER Victoria Dockside has one of the largest façade-integrated solar photovoltaic systems (capacity: 113 kW) in Hong Kong. • Building user engagement: We actively engage our commercial and retail tenants on sustainability awareness through the <u>Sustainable Tenancy Pledge</u>, which provides tenants with environmental assessments on design and operation, tools and tips to monitor and reduce environmental impact, ongoing awareness-raising and support through events and dialogues. This would help with lowering the Group's scope 3 emissions arisen from tenants' energy use in the long term. • Sustainable financing: The Group leverages sustainable financing tools, such as green/ESG-linked loans and green bonds to fund more certified green buildings and climate resilience measures in existing buildings. • Business strategy: The Group regularly reviews its business strategy to ensure both resilience and timely responses to climate-related risks and opportunities.
Risk management	<ul style="list-style-type: none"> • At the corporate level, the Group's <u>risk management framework</u> covers climate-related risks. • 100% of our construction operations in Hong Kong are certified to ISO 14001 Environmental Management System. About 66% of our office building GFA in the Hong Kong portfolio is certified to ISO 50001 Energy Management System. The adoption of these management systems enables us to manage day-to-day climate-related risks.
Metrics & targets	<ul style="list-style-type: none"> • The Group's energy consumption and carbon emission performance are monitored regularly and disclosed on an annual basis under <u>Group Environmental Performance</u>. • In the previous year, property-level targets were developed. This year, we deepened this effort and replaced these interim targets by conducting a more comprehensive target-setting exercise under SV2030 covering NWD, NWCL, K11, NWDS and NWSH. Intensity-based energy and carbon emission reduction targets were set. • We are assessing the feasibility of developing science-based targets (SBT) for NWD's building and construction businesses, responding to global best practice in fulfilling the Paris Climate Agreement. In addition to scope 1 and 2 emissions, SBT also requires companies to develop scope 3 targets and manage carbon emissions from hotspots along the value chain. The Group has started to engage tenants on capturing their environmental data and assist them to understand and manage their impacts and we will also monitor embodied carbon from our construction projects.
Public policy	<ul style="list-style-type: none"> • The Group supports the HKSAR Government's Long-term Decarbonisation Strategy to lead Hong Kong through a transition to a low-carbon economy by participating in the Energy Saving Charter and 4Ts Charter, as well as developing energy and carbon emission targets. We also provide input for public policy consultations through the participation of various industry organisations such as the Business Environment Council ("BEC") and Hong Kong Green Building Council ("HKGBC"). • We have become a signatory to BEC's Low Carbon Charter this year and have committed to participate in HKGBC's BEAM Plus Existing Buildings volume certification and "Advancing Net Zero" which will be kicked off in the coming year.

GROUP ENVIRONMENTAL PERFORMANCE

Our **Group Sustainability Policy** sets out an overarching approach to lowering our environmental impact in our operations across different business units of the Group. Building on this foundation, our business units adopt relevant sector-specific guidelines and observe international trends to formulate their environmental management approach and policies.

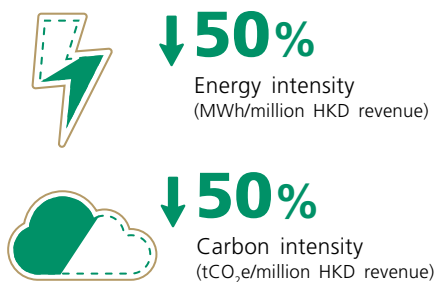
ENERGY AND CARBON MANAGEMENT

As part of our management strategy, our construction and building operations in Hong Kong deploy ISO 14001 Environmental Management System and ISO 50001 Energy Management System to manage their impact and strive for continuous improvements. We are also working to align the practices in Mainland China. The use of management tools such as Eco-world, our patented real-time energy monitoring and benchmarking system and a Group-wide ESG data management system will gradually be scaled up to strengthen performance monitoring and control.

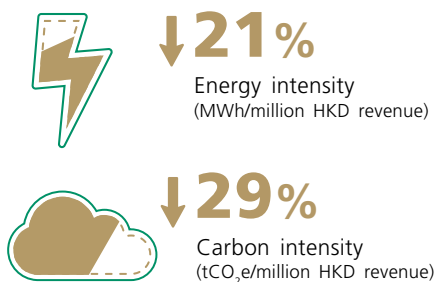
SV2030 TARGETS AND PROGRESS

Halve our energy and carbon intensity¹ by FY2030 (against baseline FY2015)

FY2030 TARGET



FY2019 PROGRESS

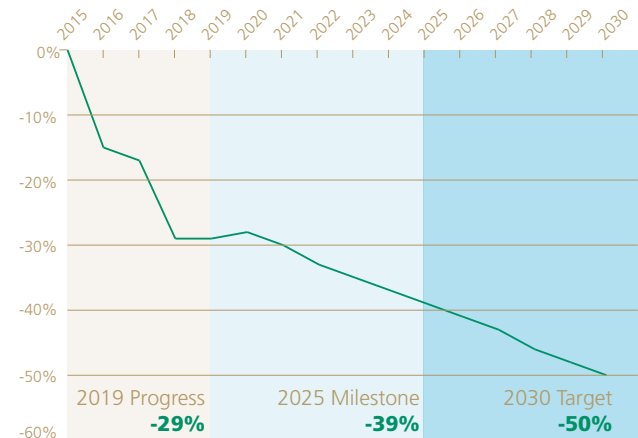


1: Cover the SV2030 Green Target Scope. Using revenue as the intensity metrics was due to the diverse business nature of the Group's portfolio and that revenue is the common thread that can be adopted across sectors.

Below is the trajectory which indicates our carbon intensity reduction in the years to come. We will review our SV2030 targets annually with consideration of international best practices and standards and will update the trajectory to reflect the Group's latest planning.

CARBON INTENSITY REDUCTION %

Baseline year



(Unit: tCO₂e/million HKD revenue)

Recent performance

The Group is committed to lowering energy consumption and carbon emissions. NWD's **Sustainable Building Policy** provides practical guidance for achieving a sustainable property development lifecycle, from project design and construction to property management and stakeholder engagement applicable to new and existing buildings. We have implemented major HVAC equipment upgrades in our existing building portfolio. For example, water-cooled variable speed drive (VSD) chillers were adopted in New World Tower in Hong Kong (estimated annual saving: 330 MWh). Major upgrades also took place in our managed facilities such as the Hong Kong Convention and Exhibition Centre and our assets in the Mainland, for instance, Wuhan New World Centre and Wuhan International Trade Tower of NWCL (estimated total annual saving: 510 MWh). The use of LED lighting has also scaled up across our properties and department stores in both Hong Kong and Mainland China (estimated annual saving: over 890 MWh). In recent years, we started monitoring our buildings' energy consumption using Eco-World, a real-time building energy monitoring system, in over 20 properties which helped yield an estimated saving of 9.9 GWh and HKD 10.5 million in 2019. The transportation businesses from NWSH have also upgraded their fleets with more environmentally-friendly models. Our construction businesses have also adopted BIM to reduce abortive works and hence minimise unnecessary energy use (estimated annual saving: 26MWh), among other environmental impacts. The use of biodiesel has been piloted in some of the construction sites (estimated annual reduction in carbon emissions: 44 tonnes of CO₂e).

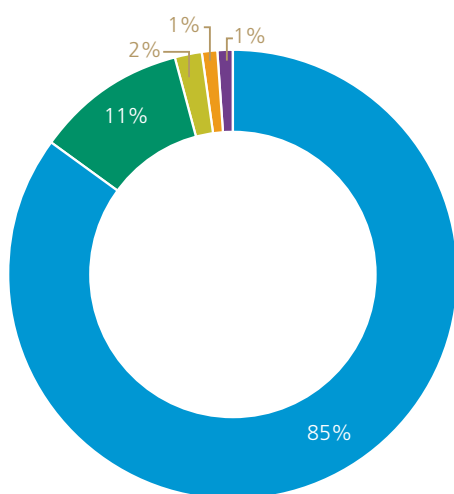
Ongoing or future measures

Going forward, the Group will continue to make progress to meet the SV2030 targets by pursuing the following directions, where applicable:

Building-related:

- Standardisation of new sustainable building design and management, including renewable energy deployment;
- Enhancement of energy efficiency of our existing building portfolio or daily operations;

ESTIMATED CONTRIBUTION OF ENERGY REDUCTION MEASURES



- Investment in energy-efficient systems and hardware/equipment upgrades
- Optimised operation schedules and housekeeping
- Enhanced monitoring and control through sub-metering and building analytics
- Retro-commissioning and re-commissioning
- Support stakeholders e.g. tenants to reduce energy consumption

Others:

- Scaling up the use of biodiesel at construction sites;
- Extending the use of BIM from the design phase to facilities management; and
- Exploration of further electrification of bus operations.

While these measures will help us achieve the SV2030 targets, we will monitor our tenants' energy consumption as well as embodied carbon from supply chain and indirect sources and explore innovations and technologies that accelerate our progress with an aim to establish science-based targets.

GROUP TOTAL ENERGY AND CARBON EMISSIONS

While we monitor our progress as part of the SV2030 Green Target Scope, we will continue to disclose our wider performance pertaining to the Sustainability Reporting Scope.

ENERGY

FY2019 TOTAL: 6,346,735 GJ



FY2018 TOTAL: 6,390,504 GJ



FY2017 TOTAL: 5,836,401 GJ



Energy Consumption across the Group

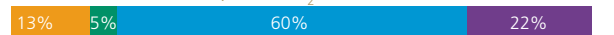
- NWD
- NWSH
- NWCL
- NWDS

CARBON EMISSIONS

FY2019 TOTAL: 616,569 tCO₂e



FY2018 TOTAL: 624,027 tCO₂e



FY2017 TOTAL: 663,798 tCO₂e



Greenhouse Gas Emissions across the Group

- NWD
- NWSH
- NWCL
- NWDS

Note:

Data have been revised for greater completeness and accuracy. Please refer to the Key Environmental Performance Data for details.

Energy use by type in FY2019

Diesel	Electricity	Others (e.g. Towngas and district cooling)
63%	27%	10%

This year, the Group's total energy consumption and carbon emissions showed slight reductions from FY2018. The transportation fleets of NWSH accounted for more than 60% of the Group's total energy consumption in FY2019. Our transportation businesses will gradually upgrade their fleets to be more fuel-efficient and reduce emissions. More than 95% of our bus fleet achieved Euro V efficiency standard or higher this year, an increase of about 5% from FY2018. Ten electric buses and 145 Euro VI hybrid buses are also in service in Hong Kong.

The second major source of energy consumption is building energy consumption. The Group is currently standardising environmental management practices across our portfolio under NWD and K11 in Hong Kong and Mainland China. Please refer to the [TCFD section](#) for further details on managing building energy consumption.

WATER MANAGEMENT

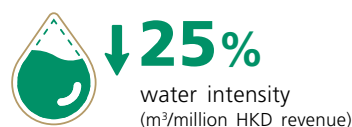
We responsibly manage water consumption and potential risks throughout the building lifecycle under the Sustainable Building Policy. The Group implements "sponge city" features in property projects, where needed, to redistribute water and tackle flooding.

Rainwater harvesting and greywater recycling facilities would be installed in our properties where feasible. We also select native species of flora for our landscape design which reduces water demand for irrigation. A climate scenario planning study has also been commissioned to assess climate-related water risks for major properties in the Greater Bay Area. Please refer to the [TCFD section](#) for more details.

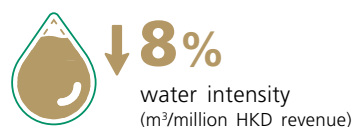
SV2030 TARGETS AND PROGRESS

As the first step towards our SV2030, we developed water reduction intensity targets for NWCON this year.

FY2030 TARGET



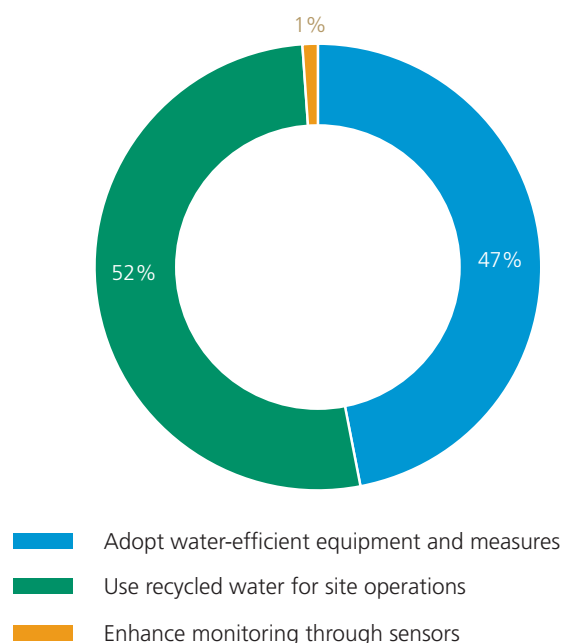
FY2019 PROGRESS



Ongoing measures

NWCON will continue to make progress to meet its construction water targets by pursuing the following directions:

ESTIMATED CONTRIBUTION OF NWCON'S WATER REDUCTION MEASURES



We are standardising management practices for targets setting within the [SV2030 Green Target Scope](#) in the future.

GROUP TOTAL WATER CONSUMPTION

FY2019 TOTAL: 4,676,739 m³



FY2018 TOTAL: 4,324,609 m³



FY2017 TOTAL: 4,634,068 m³



**Water Consumption
across the Group**

NWD
NWCL

NWSH
NWDS

Note:

Data have been revised for greater completeness and accuracy. Please refer to the Key Environmental Performance Data for details.

In FY2019, the Group's water consumption was 4,676,739 m³, compared with 4,324,609 m³ in FY2018. The increase is mainly the result of business expansions and our effort to start capturing the environmental impact of our construction businesses in Mainland China.

Waste Management

The **Sustainable Procurement Policy** guides us to consider the environmental impact of the full product or service lifecycle, and to minimise waste by rethinking consumption needs and prioritising durable and eco-friendly materials.

In light of tightening waste management regulations in Hong Kong and Mainland China, standardised waste management practices will be deployed gradually in existing and new properties in Hong Kong and Mainland China. For example, refuse rooms will be equipped with RFID-enabled weighing systems to record and monitor waste by type. We will also standardise the provision of waste facilities and services for tenants, such as onsite decomposers and collection services for recyclables and hazardous waste, while ensuring proper handling downstream by contractors.

SV2030 TARGETS AND PROGRESS

The waste from our construction operations constitutes over 80% of the Group's total waste generation. As the first step to addressing this, both NWD and NWSH¹ have established waste targets for our construction operations. In NWD, we developed a waste-to-landfill reduction intensity target for NWCON.

FY2030 TARGET



↓ 15%

Waste-to-landfill intensity
(tonnes/million HKD revenue)

FY2019 PROGRESS



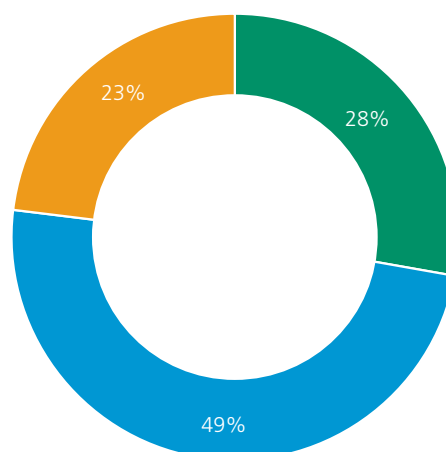
↓ 5%

Waste-to-landfill intensity
(tonnes/million HKD revenue)

Ongoing measures

NWCON will continue to make progress to meet the construction waste-to-landfill target by pursuing the following directions:

ESTIMATED CONTRIBUTION OF WASTE REDUCTION MEASURES



Reduce abortive works via BIM

Recycle and reuse onsite materials; and drive towards paperless operations

Use of metal formwork

We are standardising management practices for target setting within the SV2030 Green Target Scope in the future.

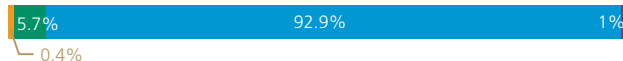
1: Hip Hing Construction, the major waste contributor of NWSH, is committed to diverting 90% of waste from landfills annually. For details of NWSH's environmental targets, please refer to NWSH's sustainability report.

GROUP TOTAL WASTE

FY2019 TOTAL: 910,749 tonnes



FY2018 TOTAL: 1,015,484 tonnes



FY2017 TOTAL: 888,170 tonnes



**Total Waste
Produced
across the Group**

NWD

NWCL

NWSH

NWDS

The Group generated 910,749 tonnes of waste in FY2019, representing a 10% decrease compared with FY2018, which is mainly attributable to the enhanced waste management practices of our construction operations. We continue to adopt BIM to reduce construction waste. For example, the use of BIM on the construction site of K11 ATELIER King's Road prevented over 50% of abortive works compared with the traditional construction method.

During FY2019, we conducted waste audits on selected buildings in Hong Kong and Mainland China. Around 10 properties under our portfolio in Hong Kong have participated in voluntary waste pilots facilitated by different Non-Governmental Organisations ("NGOs") in preparation for the municipal solid waste legislation.

Note:

Data have been revised for greater completeness and accuracy. Please refer to the Key Environmental Performance Data for details.

OUR COMMITMENT TO BIODIVERSITY

We are committed to conserving biodiversity and the ecosystem by complying with relevant statutory requirements. We conduct ecological assessments at the pre-development stage where applicable and avoid developments in the World Heritage areas and International Union Conservation of Nature Category I-IV protected areas. We aim to minimise the potential adverse impact of our operations on biodiversity and promote ecosystem restoration to the maximum extent.

These commitments are demonstrated in our sustainable building lifecycle. We strive for Sustainable SITES Initiative ("SITES") certification where possible, which sets a framework for sustainable landscape development projects, including a focus on landscape, ecosystems and biodiversity. Our recent project – the Tsim Sha Tsui Waterfront Revitalisation which covers Salisbury Garden and Avenue of Stars – has achieved SITES v2 Gold certification and is the first certified outdoor space in Mainland China and Hong Kong. This revitalisation covers over 75,000 sq. ft. and over 40% of the species used are native, to maintain local habitat. The renovated Avenue of Stars has 8.3 times more green coverage than the site prior to its renovation.

In our recently opened K11 MUSEA, the new cultural-retail destination on Victoria Dockside, we have launched the Nature Discovery Park, which is Hong Kong's first urban biodiversity museum and sustainability-themed education park. The Park offers guided green tours to raise awareness of Hong Kong's ecological importance and cultural heritage, alongside workshops and urban farming experiences. Through the Nature Discovery Park, we hope to help preserve the city's rich biodiversity and educate future generations on the importance and wonders of the natural world.

During the year, we also promoted conservation and biodiversity among our communities. For example, we organised an exhibition and a workshop for the public in K11 malls in Wuhan and Shenyang, China. In Hong Kong, NWSH co-organised the Geo Hero Run 2018 with the Association for Geoconservation, Hong Kong to raise awareness about geoconservation and environmental protection.

BUILDING A SUSTAINABLE FUTURE WITH OUR SUPPLIERS

The Group's **Sustainable Procurement Policy** sets out our commitment to reduce material use and responsible and ethical sourcing. 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 ones every year. To raise awareness and incentivise suppliers to contribute to sustainable development, NWCON favours suppliers who demonstrate their commitment to sustainability upon tender and quotation evaluation.

NWD is a founding member of the Hong Kong Green Council's Sustainable Procurement Charter, which was established with reference to the internationally-recognised ISO 20400 Sustainable Procurement Guidance. Under the Charter's certification process, a desktop audit on our sustainable procurement practices was conducted in FY2019. NWD's central procurement obtained a Level 2 certification, demonstrating a mature level of sustainable procurement practices. We have been recognised as a Sustainable Consumption Enterprise by the Business Environment Council. NWD also signed the Green Event Pledge of the Environmental Protection Department of the HKSAR Government to instil sustainability awareness among event partners.

Construction timber and concrete are the two key materials used by our property businesses in terms of sourcing volumes. When sourcing these materials, preference is given to suppliers who can provide sustainable and local material options. NWCON commits to sourcing 100% Forest Stewardship Council or an equivalent standard timber for temporary works in each project. Our property construction projects aim to source at least 10% of materials locally, that are grown or manufactured within a radius of 800 km from project sites, to support local suppliers and to reduce the environmental impact of transportation. We have also supported the Hong Kong Construction Industry Council to develop a carbon assessment tool to understand the embodied carbon of construction materials and the carbon emissions of on-site construction processes in Hong Kong. The tool creates a common platform to evaluate carbon performance from raw material extraction to the end of construction and so supports the industry to reduce carbon emissions.

During the year, the Hong Kong Convention and Exhibition Centre ("HKCEC") launched the "Think Before Plastic" campaign and started replacing disposable plastic cutlery, straws and meal boxes with non-plastic alternatives. An extensive communication campaign was conducted to engage event organisers, exhibitors, contractors, visitors and restaurant guests. The campaign saved over 1 million pieces of plastics within the first six months. HKCEC was awarded the 2019 Sustainable Development Award by UFI, the Global Association of the Exhibition Industry.



ENGAGING OUR TENANTS, CUSTOMERS AND RESIDENTS



MATERIAL TOPIC

- Customer wellness, health & safety

It is through working closely with our stakeholders that we can realise our full potential in reducing environmental impact and creating an environment conducive to the well-being of our building occupants. This approach is in line with SDG 17 Partnerships for the Goals to achieve sustainable outcomes for our communities.

As founding members of the Hong Kong Green Shop Alliance, New World Group and K11 are advocates for green building concepts and sustainable retail practices. To date, 34 tenants across multiple sites, including D-PARK, K11 Art Mall Hong Kong, New World Tower and THE FOREST, have committed to taking various green operating measures under the "Green Shop Pledge".

Through our public-facing K11 Kulture Academy, we offer free art tours within our malls. Over 200,000 people visit our art exhibitions across the five K11 sites annually, arousing public interest in contemporary art and enhancing quality of life in the community. Another key focus of K11 is to enhance community well-being, and so K11 Kulture Academy in Hong Kong offers a range of workshops to promote wellness, green living and healthy lifestyles.

K11 also collaborates with local NGOs to host sustainability-related events at our sites to raise public awareness. During the year, K11 Shenyang hosted the International Children's Art Exhibition, with the themes of animals and the living world. It showcased 866 pieces of children's artwork and reached over 500,000 through media exposure. K11 Select in Guanggu, Wuhan also partnered with the SEE Foundation in China and hosted a biodiversity exhibition and related workshops. The event attracted 600 visitors and reached over 10,000 of media exposure.



At selected NWCL residential properties, food waste collection and recycling programmes are in place to divert waste from landfill. Residents are educated about food waste and invited to take part in waste reduction activities through community workshops, home visits, newsletters and social media engagement. Over 900 households participated in food waste collection and recycling programmes last year, handling over 110 tonnes of food waste. One of NWCL's residential developments, Beijing Xin Yi Garden, rolled out a smart waste pilot programme in 2018 with the aim to reduce municipal solid waste generation and increase the recycling rate. The programme revealed that food waste formed a significant portion of the municipal solid waste generated. Over 800 kg of food waste was collected over the course of the pilot programme, and it achieved a participation rate among residents of over 60%.



K11 SUSTAINABLE TENANCY PLEDGE

The Group has launched several initiatives to galvanise and support commercial tenants and residential occupants in driving impact for sustainability. During the year, K11 launched Hong Kong's first voluntary "Sustainable Tenancy Pledge" (the "Pledge") for office and retail tenants at K11 ATELIER Victoria Dockside, K11 ATELIER King's Road and K11 MUSEA. As part of the tenancy agreement for our office tenants, the Pledge offers guidelines for sustainable fitting-out and operations, free smart metering to optimise energy efficiency, and waste and recycling management services to help reduce waste. On top of the Pledge, K11 ATELIER Academy offers tenants access to activities that promote health and wellness, such as yoga and mindfulness.

The Pledge for our retail tenants at K11 MUSEA is specially designed with extended offerings to cover diverse needs across all tenant types. Tenants are given bespoke consultations on energy-saving measures, indoor air quality optimisation or LEED standards benchmarking. K11 also hosts regular events and training sessions to raise sustainability awareness among tenants and help them adopt sustainable practices in their daily operations. Participating food and beverage tenants make additional commitments, such as reducing plastic disposables, offering sustainable menu items, and food waste reduction and separation at source.

SUSTAINABLE FINANCE

The “New World Development Green Finance Framework” (“the Framework”) was established in March 2018 to enable the funding of sustainable building design and operational enhancements through green bonds or green loans. The Framework, which applies to 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. A Green Finance Review Panel is in place to propose eligible projects for endorsement by senior management. Please refer to the full Framework [here](#).

We are a founding member of the Hong Kong Green Finance Association, demonstrating our support of the HKSAR Government’s efforts to establish Hong Kong as the regional green finance hub.

TRANSACTIONS UNDER THE FRAMEWORK

Green Loan

Category	Green Buildings
Project	K11 ATELIER King’s Road ¹
Location	Hong Kong
GFA	487,500 sq. ft.
Nature	Office
Certification	<ul style="list-style-type: none"> • HK BEAM Plus Provisional Platinum certification obtained in September 2016 • U.S. LEED Platinum final certification obtained in August 2019 • WELL Platinum final certification obtained in December 2019
Term loan facility	HKD3.6 billion
Drawdown amount	HKD1.1 billion

1: Refer to “King’s Road Commercial Re-development Project” in FY2018, which has completed shortly after FY2019.

Green Bond

The “New World China First Green Bond” (ISIN Code: XS1915712233) was issued on 5 December 2018 under NWCL’s USD 2 billion medium-term note programme. This USD 310 million green bond carries a coupon rate of 4.75% and a 5-year maturity due 2023. The proceeds from the green bond are used to finance the following two green projects in the Greater Bay Area, both due for completion by the end of 2021. The “New World China First Green Bond” had received the “Green Finance Certificate (Pre-issuance)” from Hong Kong Quality Assurance Agency and the “Best Green Bond — Real Estate (Asia-Pacific region)” award by The Asset, an international financial magazine.

Category	Projects	Allocation of proceeds
Green Buildings	New World Zengcheng Comprehensive Development Project ²	USD206.4 million (67%)
Green Buildings	Qianhai CTF Finance Tower ²	USD101.7 million (33%)
Total allocated proceeds		USD308.1 million (100%)
Total net proceeds ³		USD308.1 million (100%)

2: The project names are subject to finalisation before official opening.

3: Total net proceeds received is USD308.1 million out of the USD310 million green bond.

New World Zengcheng Comprehensive Development Project

Location	Guangzhou, China	
GFA	250,000 sq. m.	
Nature	Office, retail, serviced apartments and hotel	
Funding Transaction	Aggregated amount of proceeds earmarked:	USD 194.2 million
	Remaining balance:	USD 12.2 million
Certification	<ul style="list-style-type: none"> U.S. LEED (Gold Pre-certification) Commercial portion (two office towers including retail, hotel and serviced apartments) obtained in November 2018 China Green Building Evaluation Standard “Two-Star”— obtained for the project as a whole in December 2019 	

HIGHLIGHTS OF GREEN ELEMENTS

Energy Efficiency

- Air handling units with variable frequency control
- Demand control ventilation
- Variable speed drive for all chilled water pumps
- Pre-heat domestic hot water by the cooling tower condensate water (for hotel)
- Air-side free cooling during cold season
- Efficient chillers
- Energy efficient lighting and control system

Estimated Environmental Impact

Annual energy savings exceeding LEED baseline performance¹ by 11% or more

Sustainable Water and Wastewater Management

- Wastewater recycling for toilet flushing in the self-owned office, co-working space and serviced apartments
- 100% low-flow sanitary fixtures
- Rainwater harvesting for irrigation and basement carpark area washing
- Water-efficient sprinkler irrigation system

Estimated Environmental Impact

Annual potable water savings exceeding LEED baseline performance by over 40%

1: Based on ASHRAE 90.1-2010 as baseline (LEED v4 2014 BD+C: Core and Shell Development).



Qianhai CTF Finance Tower

Location	Shenzhen, China	
GFA	180,100 sq. m.	
Nature	Office and retail	
Funding Transaction	Aggregated amount of proceeds earmarked:	USD 89.3 million
	Remaining balance:	USD 12.4 million
Certification	<ul style="list-style-type: none"> • U.S. LEED (Gold Pre-certification) — South Tower, North Tower and Retail Podium obtained in October 2018 • China Green Building Evaluation Standard “Three-Star” — Entire project targets to attain the design label by 2019 • WELL (Gold Pre-certification) — North Tower and Retail Podium obtained in November 2018 	

HIGHLIGHTS OF GREEN ELEMENTS

Energy Efficiency	Estimated Environmental Impact
<ul style="list-style-type: none"> • Air handling units with variable frequency control • Demand control ventilation • Variable speed drive for chilled water pumps • Energy efficient radiant chilled ceiling/beam systems (South Tower) • Air-side free cooling during cold season • Energy efficient lighting and control system 	Annual energy savings exceeding LEED baseline performance ² by 14% or more
Sustainable Water and Wastewater Management	Estimated Environmental Impact
<ul style="list-style-type: none"> • City greywater for flushing and irrigation use • Harvest rainwater and air conditioning system condensate for recycling use • 100% low-flow sanitary fixtures • Water efficient irrigation system with humidity sensor control 	Annual potable water savings exceeding LEED baseline performance by over 45%

2: Based on ASHRAE 90.1-2007 as baseline (LEED v3 2009 BD+C: Core and Shell Development).



Sustainability-linked Loan

In November 2019, NWD raised a 5-year HKD 1 billion sustainability-linked loan in equal tranches of HKD 500 million each for a term loan and a revolving loan. This is the first sustainability-linked loan of NWD, the proceeds of which will be used for funding measures driving the long-term sustainability targets and enhancing buildings' climate resilience, as well as for general corporate funding and refinancing purposes.

A discount on the interest rate of the loan will be provided when NWD achieves pre-determined sustainability milestones, including NWD's environmental impact reduction targets (refer to table below) which form part of the Group-wide SV2030 targets, as well as the key performance indicators ranked annually by GRESB. This loan is the first in Asia to link with GRESB performance.

NWD'S ENVIRONMENTAL IMPACT REDUCTION PERFORMANCE			
	Baseline Performance (FY2018)	FY2019 Performance	% change against baseline
Greenhouse gas (GHG) emissions ¹ (tonnes CO ₂ e/m ²)	0.09	0.08	-11%
Energy consumption ¹ (MWh/m ²)	0.14	0.14	0%
Water consumption ¹ (m ³ /m ²)	0.90	0.86	-4%
Waste from NWD's construction operation in Hong Kong ² (tonnes/million HKD revenue)	2.56	1.91	-25%

1: GHG emissions, energy and water consumption cover NWD's existing buildings. New buildings will be counted within the target scope after two years of operation.

2: Covers waste generated by NWCON, which is a material waste contributor for NWD in terms of weight (metric tonnes).

Wellness



Promoting health in body and mind

SV2030 TARGET



Improve the well-being of
20 million
stakeholders*

FY2019 progress: **6.9 million**

*Cumulative number from baseline year FY2015 to FY2030 covering the Sustainability Reporting Scope.



Maintain the lost-time injury rate** (LTIR) at/below
3.0 per 100 employees

FY2019 LTIR: **2.5**

**Lost-time injury rate represents the number of injuries per 100 employees per year.



Guided by SDG 3 Good Health and Well-being, the Group strives to promote health and well-being, provide quality and innovative healthcare solutions for the community and ensure occupational health and safety during our operations. We collaborate with stakeholders such as NGOs to advance our efforts.

INITIATIVES

Health and safety policy and management system

Safe and healthy built environment

Healthcare and wellness ventures

Wellness programmes for stakeholders

ELABORATED IN THIS SECTION

[Safeguarding Health and Safety](#)

[Safeguarding Health and Safety](#)

[Developing Holistic Wellness](#)

[Promoting Good Health and Well-being](#)

SAFEGUARDING HEALTH AND SAFETY



MATERIAL TOPICS

- Occupational health & safety
- Customer wellness, health & safety

The health and safety (“H&S”) of our employees, contractors, visitors and tenants is our utmost priority. The Group’s **H&S Policy** sets out our commitments to safeguard H&S among our stakeholders including employees, contractors, tenants and visitors on its premises and construction sites. Our **Supplier Code of Conduct** stipulates the H&S expectations to new suppliers during the pre-screening process as well as requirements which our existing suppliers should follow.

This topic is particularly material for our construction businesses. While delivering quality projects, we protect our employees’ and contractors’ H&S in day-to-day operations and enhance their awareness through routine operational guidelines and regular training on quality control, environmental and H&S topics.

NWCON and Hip Hing are both certified by internationally-recognised systems for quality, environmental, energy as well as H&S management systems of ISO 9001, ISO 14001, ISO 50001 and OHSAS 18001. We regularly review our occupational health and safety (OHS) management systems and take into consideration our employees’ and contractors’ feedback to drive continuous improvement on how we safeguard the health and safety of our colleagues. In the supplier selection process, we give preference to suppliers with these certifications. To ensure adequate ESG measures are in place, we conduct factory visits and supplier audits, covering ESG aspects, to our key suppliers regularly. We also provide training to help them keep abreast of our ESG requirements. In cases where non-compliances are identified, monitoring measures and warning system are in place, and such issues will be reported to management. Further actions, including suspension of work, suspension of tender invitation, re-evaluation and re-assessment to the suppliers, will be conducted in serious or recurring non-compliance cases. Safety requirements are also incorporated as part of the contractual agreements.

Through our quality assurance and sustainability performance monitoring process, NWCON conducts regular site inspections and quality checks against major raw materials and supplies to ensure suppliers’ quality and sustainability standards are met. Operational hazards and risks are identified, managed and investigated through our emergency preparedness and response procedures. During the year, there were zero fatalities in our construction businesses and over 31,000 hours of H&S training were delivered to our staff and contractors. OHS-related topics (such as working at height, fire drills) as well as other health-related topics and available healthcare services to the employees and contractors are included in training programmes. Employees and contractors also have access to non-occupational medical and healthcare services through other means such as health insurance.

HHC Construction Company Limited (“HHC”), our construction arm in Mainland China, has set H&S targets which aim to rule out fatalities, 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 month.



DEVELOPING HOLISTIC WELLNESS

Alongside many cities in Asia and globally, Hong Kong is facing an ageing population coupled with a strong demand for healthcare and wellness services. In light of this, the Group launched our new healthcare brand, HUMANSA, to provide Hong Kong's first one-stop healthcare service that follows a holistic model spanning wellness, rehabilitation, elderly and home care with the support of technology and a professional multidisciplinary team.

HUMANSA
仁山優社



HUMANSA uses the latest medical technology, including VR equipment and advanced physical fitness and rehabilitation equipment. Examples include the HandyRehab robotic hand, a rehabilitation aid created through research and development in Hong Kong, and the Smart Glove, which treats the hands of stroke patients. Automatic Retinal Image Analysis is another cutting-edge technology that has been brought in to assess the risk of stroke, diabetes, heart disease, high blood pressure and other conditions through taking "retinal photos". HUMANSA offers state-of-the-art neural rehabilitation treatments for patients who have had a stroke, Parkinson's disease or dementia-related illnesses, through appropriate and engaging methods to help them recover faster. Its endoscopy centre also uses the latest HD endoscopic imaging systems for early detection of gastrointestinal cancer.

We are also committed to providing safe and quality buildings that are conducive to health and well-being of our building users and the community. We aim to apply for WELL Building Standard certification for suitable projects.

Our WELL building portfolio:

Project	Location	Certification
K11 ATELIER King's Road	Hong Kong	WELL v1 Platinum
Qianhai CTF Finance Tower (North Tower & Retail Podium)	Mainland China	WELL v1 Gold Pre-certification

PROMOTING GOOD HEALTH AND WELL-BEING



MATERIAL TOPICS

- Employee wellness
- Customer wellness, health & safety

Employees are our asset and their health and well-being are important to us. Mindful of our staff's physical and mental well-being, the Group provides a comprehensive and bespoke benefits package and promotes an active and healthy lifestyle through a wide variety of wellness activities. NWD and NWSH encourage employees to walk more steps daily to promote health consciousness and work-life balance. Staff are rewarded with incentives if they achieve specific fitness goals. Our staff wellness activities also include fitness classes, sporting competitions and relaxation classes apart from providing staff with fruit and seminars on topics such as stress management delivered by medical experts. As well as caring about our staff's health and well-being, NWCON also extends their wellness-related initiatives to contractors through health talks, sports club activities and other programmes. During the year, NWD also conducted a workplace-related health survey to help employees understand their health conditions and mental well-being.



Our Group encourages an active lifestyle through community sports events. NWD continued to sponsor the iconic "M" Mark New World Harbour Race, which attracted over 3,300 swimmers from around the world in 2018. The Geo Hero Run organised by NWSH in 2018 was joined by over 1,500 runners who took the 10 km and half-marathon courses in the Hong Kong UNESCO Global Geopark in Sai Kung. Runners with disabilities from 20 organisations also joined the races. In Mainland China, NWCL organised major sporting events including the 2018 European Challenge Tour – Foshan Open, the Canton Cup International School Football Tournament in Guangdong, as well as the 2018 Great Walker Fund-raising Trekking Event in Beijing. NWDS also organised its first summer sports day as part of the "Action for Joy" recreational series with 13 different types of sports to encourage colleagues to do more exercises and release daily stress.

THE FOREST, our sports-themed shopping mall in Hong Kong, also promotes an active urban lifestyle and organises a series of sports-related events, exhibitions and live broadcasts to promote a healthy lifestyle to the public.



Caring



Creating shared value for our communities and culture

SV2030 TARGET



Enhance the quality of life of **300million** stakeholders*

FY2019 progress: **72 million**



Commit to **>340,000** staff volunteering hours

FY2019 progress: **>160,000 hours**

*Cumulative number from baseline year FY2015 to FY2030 covering the Sustainability Reporting Scope.



The Group acts as a responsible corporate citizen through fostering an ideal workplace, providing caring facilities for stakeholders and community engagement and investments. SDG 4 Quality Education, steers us to build an education business that facilitates quality early childhood development, provide training and development opportunities for staff and under-resourced youth to enhance their career prospects and curate experiences that promote sustainable lifestyles. In line with SDG 11 Sustainable Cities and Communities, we aim to safeguard our cultural heritage and craftsmanship. We also pursue SDG 17 Partnerships for the Goals by collaborating with like-minded organisations and businesses to advance our efforts.

INITIATIVES

Family-friendly and inclusive environments

Quality education offerings

Social mobility promotion

Nurture of young entrepreneurs and cultural creatives

Culture and heritage preservation

Staff volunteering

ELABORATED IN THIS SECTION

[Caring Workplaces](#)

[Caring Facilities](#)

[Talent Grooming](#)

[Education Offerings for Our Customers](#)

[Community Investment and Engagement](#)

[Community Investment and Engagement](#)

CARING WORKPLACES

We are committed to fostering an ideal workplace with policies and initiatives to address the feedback of our employees beyond statutory requirements. Our Employee Handbook is accessible to all employees, and it covers employment-related policies such as how to address employee grievances, policy and practice for equal opportunities, and our Code of Conduct. These lay the foundation for open, diverse and respectful places of work, free of harassment, intimidation, bias and discrimination on the grounds of age, gender, disability, religion, family status and obligations, race and colour. These documents also provide guidelines for employees addressing record keeping, approval procedures and appropriate behaviour related to bribery and corruption, as well as how to flag any ethical issues.



MATERIAL TOPICS

- Talent attraction & retention
- Employee communication

NWD is a signatory of the Racial Diversity and Inclusion Charter of the Equal Opportunities Commission, Hong Kong, demonstrating our commitment to promoting an inclusive and diversity workplace and making full use of the talents, skills, experience of different employees to ensure they can achieve their full potential. The Group is proactively encouraging engagement with racial minorities through different recruitment and internship opportunities, and also through staff volunteering activities.



NWD supported the Racial Diversity and Inclusion Charter of the Equal Opportunities Commission, Hong Kong

The **Human Rights Policy** safeguards the civil rights not only of employees but also suppliers and subcontractors, including freedom of speech, association and collective bargaining. Under this policy, the employment of forced or child labour is strictly prohibited in all our operations. This policy also guides our employees to identify risks related to human rights. If they experience any 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. A mitigation or remediation plan would then be implemented.

We maintain two-way communication with employees through regular e-newsletters, networking activities and feedback sessions. The annual performance appraisal provides an opportunity for all staff members to discuss career planning, identify areas for further development and maximise career potential with their line managers. Our staff members also enjoy a wide range of caring benefits such as flexible working hours, paternity leave beyond the statutory requirements, family-care leave and CarePoints, which can be converted from unused annual leave to cover medical expenses. As our businesses expand, we see the need to enhance our communication with employees across geographical boundaries.

TALENT GROOMING



MATERIAL TOPICS

- Talent attraction & retention
- Employee development

Talent grooming is one of our strategic focus areas. We design our training based on business needs and offer comprehensive talent development programmes to grow our talents from all levels. We also provide education subsidies and sponsorships to support employees' development. Our focus on talent grooming and developing an innovative and entrepreneurial culture helps to attract and retain talents.

A-Entrepreneur Adventure Programme has been our innovative talent acquisition initiative in recent years. We organised A-Entrepreneur Adventure Day in Hong Kong and Mainland China, to attract entrepreneurial talents to join and inject fresh perspectives into the Group, as well as capture opportunities from fast-changing technology and business models. Since the Programme started in 2018, 50 talents were recruited from Hong Kong and Mainland China. We also work to support employee development. We empower our employees to harness customer engagement to develop our business strategy, a series of design thinking workshops were offered across NWD. These also enabled staff to build empathy for customers and develop user-centric business offerings.

The "New World Sustainability Academy" was established to provide training and site visits on sustainability-related topics to raise employee awareness. This year, 1,396 hours of training were delivered on topics ranging from ESG risks and waste management to sustainable events and climate risks.

The NWDS Management Academy, NWDS' internal training unit, also released the NWDS Talent Cultivation Development Plan in April 2019 to offer a holistic and systematic agenda for talent cultivation. Among the new initiatives, the Train-the-Trainer Programme aims to empower NWDS' employees by training up managerial staff who will then pass down their knowledge and skills to others. To become an authorised trainer, candidates are required to complete video courses on various topics such as human resources management and business practices. During FY2019, 83 colleagues were trained to become authorised trainers, 13 of which were at the level of Assistant General Manager or above.



EDUCATIONAL OFFERINGS FOR OUR CUSTOMERS

D Mind Education, the Group's new education venture, provides children with quality English language courses. Courses related to art, culture, lifestyles and more are provided for retail customers and office tenants through K11 Kulture Academy and K11 ATELIER Academy in Hong Kong and Mainland China.

CARING FACILITIES

We offer breastfeeding facilities for employees, as well as families visiting our shopping malls, such as K11 Art Mall Hong Kong, THE FOREST and D-PARK in Hong Kong, and within our ferry operations. For our office tenants in K11 ATELIER King's Road, we also offer a nursing room on every floor for the working mothers. Extensive indoor playgrounds combined with a child-oriented tenant mix at D-PARK appeal to customers who wish to spend quality time with their families.

COMMUNITY INVESTMENT AND ENGAGEMENT

The Group is committed to promoting local social development by incubating projects that create shared value ("CSV"), improving the social mobility of under-resourced youth, and supporting the promotion of art and culture. We also encourage staff volunteering to serve the needs of local communities. In FY2019, more than 27,900 hours of staff volunteering were recorded across the Group.

INNOVATIVE SOCIAL HOUSING

Businesses are powerful members of any society and have an important role to play in empowering lives. While we strive for business performance improvement and creating value for our shareholders, it is also our aspiration to balance the needs of different stakeholders to cultivate a sustainable local community.

On 25 September 2019, NWD announced the plan to offer up to 3 million sq. ft. of its agricultural land to NGOs and/or the HKSAR Government for the provision of innovative social housing and community building to grass-root families. The first beneficiary of this new scheme is Light Be, a Hong Kong social enterprise, which will be granted three plots of agricultural land totalling 28,000 sq. ft. This will enable Light Be to establish Hong Kong's first Light Village, a social housing project that aims to improve housing affordability.

The offer will allow Light Be to build local communities that will empower lives through vocational training, education programmes and cultural activities. This move epitomises our efforts to cultivate a brighter future in local neighbourhoods, especially for the next generation in Hong Kong. Going forward, NWD will continue to work with more NGOs to benefit the society through innovative social housing.



NWD announced the establishment of Hong Kong's first Light Village with Hong Kong's social enterprise, Light Be

CREATING SHARED VALUE: A WIN-WIN FOR CORPORATIONS AND SOCIETY

CREATING SHARED VALUE

Traditionally, the first priority of the commercial sector's business philosophy has been to focus on the pursuit of profit. As an innovative cultural enterprise, the Group recognises that corporates have a social responsibility to contribute to the wider community, and this larger purpose does not mean profits will be forgotten. We are committed to strike a balance between delivering returns for our shareholders, and responding to the needs and interests of all our stakeholders. By striving to achieve this balance, and by making it sustainable, corporations and society will truly thrive together.

This concept of CSV has the power to unleash and generate greater innovation and business growth for businesses while creating infinitely scalable and self-sustaining solutions to our society's most pressing problems. This belief has also inspired us to set up the Shared Value Department and G For Good Limited in the past year in order to move forward with our vision of social progress internally and externally.

G FOR GOOD

In early 2019, G For Good was established, combining a foundation with an impact fund. The foundation aims to advocate and build communities of social innovators, deliver CSV projects and organise conferences and workshops to provoke social innovation knowledge for the benefit of society at large. The impact fund aims to support various entrepreneurial social innovation projects, through all three stages of discovery, development and incubation.

By the end of 2019, we had already shared our vision and values to an audience of more than 10,000 via various institutional events. We have also incubated a number of companies that address societal issues in their profit-making business models, for example, OnBoard.

G For Good also enriches New World Group's aspiration to build an ecosystem of social innovation businesses by bringing social innovators into the talent pool, as well as its aspiration to develop stakeholder-centric products and services, create sustainable networks of customers and shareholders, and fuel long-term profits.



ONBOARD VISION TO EMPOWER LOCAL SPORTS AND BUSINESS COMMUNITIES

OnBoard is a start-up that aims to create sustainable “post-retirement” career paths for athletes in Hong Kong through incubation, job-matching and careers advice as well as internships and job shadowing arrangement services. Since its establishment in January 2019, it has benefited over 30 athletes, including a prominent basketball league player and coach who co-founded a sports marketing agency with us to run sports-related events and marketing campaigns. Leveraging the co-founder’s expertise and knowledge in the sports industry, the start-up drove a photo exhibition namely “Beyond The Field” featuring local athletes at THE FOREST. This was the first-ever campaign in Hong Kong that was run entirely by athletes, featured athletes and hosted at a sports-themed shopping mall. The success of the



campaign illustrated the synergy brought together by the social innovation project and the benefits and encouragements indicated to local business and sports communities.

REINJECTING PURPOSE INTO BUSINESS IN THE LONG TERM

Moving forward, we aim to expand our CSV models to issues including but not limited to gender equality, diversity and inclusion, youth, and education. By kindling these small flames, we hope to light the path ahead for other like-minded agents of change to bring about social progress, cultural incubation and sustainable development. By the end

of 2019, we had become one of the founding members of Shared Value Project Hong Kong. In doing so, we are humbled to invite other businesses to look at decisions and opportunities through the lens of shared value to create a new wave of global growth together.



G For Good partners with other companies that embraces CSV to host events and workshops for the communities



The First Assembly organised in August 2019 invited more than 200 students, young executives and business practitioners to share and discuss experiences in doing good in business

THE GROUP'S SELECTED ENDEAVOURS:

Organisation/Initiative	Description	Impact
Incubate CSV projects		
	<ul style="list-style-type: none"> • Incubates social innovation projects that create shared value • Provides start-up seed funding and business referrals to local athletes with commercially-feasible ideas through the OnBoard platform 	<ul style="list-style-type: none"> • Six startups under G For Good's incubation, with two to three in the pipeline to be completed by the end of 2019
Improve social mobility		
	<ul style="list-style-type: none"> • Supports under-resourced youth through professional training in swimming, basketball, golf and tennis 	<ul style="list-style-type: none"> • Cumulative impact since inception: <ul style="list-style-type: none"> ■ 960 participants ■ >326,000 training hours • Provided selected participants with employment opportunities and total allowance of >HKD22,500
NWS Career Navigator For Youth	<ul style="list-style-type: none"> • Improves the employability of secondary school students through corporate visits, mock interviews, job shadowing, etc. 	<ul style="list-style-type: none"> • Cumulative impact since inception: <ul style="list-style-type: none"> ■ >7,000 participants ■ >240 activities held, spanning more than >25 industries
Promote art and culture		
 	<ul style="list-style-type: none"> • Conserves and rejuvenates fast-disappearing Chinese traditional craftsmanship (national intangible cultural heritage) • Builds research initiatives, public educational programmes and craft modernisations in a multi-disciplinary approach aiming to enhance urban experiences and expand potential markets of Chinese crafts internationally 	<ul style="list-style-type: none"> • New craft products are generated for K11 to promote traditional craftsmanship in a modern presentation. Consignments of craftsmen's works are presented at K11 platforms with part of the proceeds benefitting the craftsmen ecosystem and supporting the Foundation's research • Craft applications are enabled within K11 platforms to enhance content such as architectural input, decorative elements to real estate projects and hospitality to enrich customer journeys as a promotion of craftsmen's artisanship
 	<ul style="list-style-type: none"> • Incubates young contemporary artists and promotes public art education in Greater China 	<ul style="list-style-type: none"> • Cumulative number of artists/curators supported: 605 • Number of exhibitions held in 2019: 9
	<p><i>"Glow Like That" exhibition of K11 Art Foundation</i></p>	

SUSTAINABILITY PERFORMANCE DATA

KEY ENVIRONMENTAL PERFORMANCE DATA

	Units	New World Group			NWD ⁽¹⁾			NWCL			NWSH			NWDS		
		FY2019	FY2018	FY2017	FY2019	FY2018	FY2017	FY2019	FY2018	FY2017	FY2019	FY2018	FY2017	FY2019	FY2018	FY2017
Construction Materials ⁽²⁾																
Timber (renewable materials)	tonne	20,720	744	460	-			20,230			490	744	460			
Bricks	tonne	15,232	10,141	26,729	3,091			11,019			1,122	10,141	26,729			
Cement	tonne	4,827	5,901	10,030	2,012			718			2,097	5,901	10,030			
Cement mortar	tonne	45,211	10,716	12,285	486			43,213			1,512	10,716	12,285			
Concrete	tonne	967,647	1,385,541	857,572	217,067			152,115			598,465	1,385,541	857,572			
Reinforcing steel bars	tonne	100,361	149,213	119,415	22,580			24,638			53,142	149,213	119,415			
Sand	tonne	287,392	13,865	27,230	3,952			276,000			7,440	13,865	27,230			
Stones	tonne	79,177	9,871	56,922	-			3,566			75,611	9,871	56,922			
Energy Consumption																
Direct energy consumption	GJ ⁽³⁾	4,382,752	4,541,374 ⁽⁴⁾	4,014,785 ⁽⁴⁾	80,984	81,077 ⁽⁴⁾	85,405 ⁽⁴⁾	24,584	21,053	149,311	4,182,140	4,311,095 ⁽⁴⁾	3,631,790	95,044	128,150	148,280 ⁽⁴⁾
Biodiesel	GJ	199,808	233,090	65,703	0	0	0	0	0	0	199,808	230,990 ⁽⁵⁾	65,703	0	0	0
Natural gas	GJ	175,411	209,759	343,051	65,677	71,391	76,055	18,139	15,485 ⁽⁶⁾	142,709	0	0	0	91,596	122,883	124,287
Gasoline	GJ	21,798	23,176 ⁽⁴⁾	25,309 ⁽⁴⁾	2,026	646	326	4,919	4,955	5,730	12,482	14,616 ⁽⁴⁾	14,770	2,371	2,959 ⁽⁷⁾	4,483
Liquefied petroleum gas	GJ	1,686	1,259 ⁽⁴⁾	860	94	82	78	1,041	508	782	551	669 ⁽⁴⁾	0	0	0	0
Diesel	GJ	3,984,048	4,076,192 ⁽⁴⁾⁽⁸⁾	3,579,863	13,187	8,958	8,946	485	105	90	3,969,299	4,064,821 ⁽⁴⁾⁽⁸⁾	3,551,317	1,077	2,308 ⁽⁹⁾	19,510
Indirect energy consumption	GJ	1,963,984	1,849,130 ⁽⁴⁾	1,821,616 ⁽⁴⁾	743,817	538,464 ⁽⁴⁾	331,269	170,816	156,998 ⁽⁴⁾	148,004 ⁽⁴⁾	428,570	444,537 ⁽⁴⁾	438,509	620,781	709,131 ⁽⁴⁾	903,833 ⁽⁴⁾
Electricity	GJ	1,683,141	1,603,518 ⁽⁴⁾	1,719,586 ⁽⁴⁾	572,333	404,505 ⁽¹⁰⁾	317,780	146,963	131,990 ⁽⁴⁾	141,849 ⁽⁴⁾	405,007	419,243 ⁽⁴⁾	413,623	558,837 ⁽¹¹⁾	647,780 ⁽¹¹⁾	846,335
Towngas	GJ	38,454	40,872 ⁽⁴⁾	38,369	14,913	15,578	13,483				23,541	25,294 ⁽⁴⁾	24,886			
District heating	GJ	85,796	86,359	63,654	-	-	-	23,853	25,008	6,155				61,943	61,351	57,499
District cooling	GJ	156,565	118,373	-	156,565	118,373	-				22					
Solar energy	GJ	28	8	7	6	8	7									
Air Emissions																
Nitrogen oxides (NOx)	tonne	2,604	2,665 ⁽⁴⁾⁽¹²⁾	801	0.23	0.2					2,604	2,665 ⁽⁴⁾⁽¹²⁾	801			
Sulphur oxides (SOx)	tonne	3	3 ⁽⁴⁾⁽¹²⁾	2	0	0.0					3	3 ⁽⁴⁾⁽¹²⁾	2			
Particulate matters	tonne	110	111 ⁽⁴⁾⁽¹²⁾		0.02	0.1					110	111 ⁽⁴⁾⁽¹²⁾				
Greenhouse Gas (GHG) Emissions ⁽¹³⁾																
Total GHG emissions	tonne CO ₂ e	616,569	624,027 ⁽⁴⁾	663,798 ⁽⁴⁾	106,247	83,316 ⁽⁴⁾	72,105 ⁽⁴⁾	30,555	29,516 ⁽⁴⁾	37,113 ⁽⁴⁾	366,869	376,908 ⁽⁴⁾	375,325	112,899	134,287 ⁽⁴⁾	179,255 ⁽⁴⁾
Scope 1 emissions (excluding refrigerants)	tonne CO ₂ e	299,722	310,697 ⁽⁴⁾	334,666 ⁽⁴⁾	5,203	5,446 ⁽⁴⁾	5,567 ⁽⁴⁾	1,407	1,282	8,409	287,969	296,433 ⁽⁴⁾	312,236	5,142	7,536 ⁽⁴⁾	8,455 ⁽⁴⁾
Scope 1 emissions (refrigerants)	tonne CO ₂ e	162	364	2,133	162	364	2,133	-	-	-	-	-	-			
Scope 2 emissions	tonne CO ₂ e	316,685	312,966 ⁽⁴⁾	326,998 ⁽⁴⁾	100,881	77,506 ⁽⁴⁾	64,405	29,148	28,234 ⁽⁴⁾	28,704 ⁽⁴⁾	78,899	80,475 ⁽⁴⁾	63,089	107,757	126,751 ⁽⁴⁾	170,800 ⁽⁴⁾

	Units	New World Group			NWD ⁽¹⁾			NWCL			NWSH			NWDS		
		FY2019	FY2018	FY2017	FY2019	FY2018	FY2017	FY2019	FY2018	FY2017	FY2019	FY2018	FY2017	FY2019	FY2018	FY2017
Water Consumption																
Municipal water consumption	m³	4,676,739	4,324,609 ⁽⁴⁾	4,634,068 ⁽⁴⁾	1,206,523	728,269	586,257	1,196,278	922,533 ⁽⁴⁾	679,567 ⁽⁴⁾	1,274,208	1,441,503	1,412,757	999,730 ⁽¹¹⁾	1,232,304 ⁽¹¹⁾	1,955,486
Waste																
Non-hazardous waste disposed of at landfills/incinerated	tonne	145,717	148,086 ⁽¹⁴⁾	88,954	18,304	3,540	1,520	62,054	58,011	18,037	56,376	76,598 ⁽¹⁴⁾	56,313	8,983	9,937	13,084
Non-hazardous waste recycled or reused, including the below:	tonne	764,182	866,735 ⁽¹⁴⁾	799,216	30,997	132	120	353	75	13	732,497	865,979 ⁽¹⁴⁾	798,615	335	549	468
Construction & demolition waste	tonne	761,510	863,519	797,614	29,843	0	0	28	0	0	731,639	863,519	797,614	0	0	0
Paper	tonne	421	423	372	149	82	47	10	0	7	262	341	318	0	0	0
Cardboard	tonne	362	557	469	0	0	0	28	9	4	0	0	0	334	548	464
Plastics	tonne	23	6	6	13	3	2	7	1	2	3	2	2	0	0	0
Aluminium	tonne	11	3	2	10	3	1	0	0	0	1	0	0	0	0	0
Scrap metal	tonne	1,279	1,622	299	923	4	1	64	2	0	292	1,615	295	1	1	3
Glass	tonne	44	52	29	8	12	6	1	0	0	35	40	23	0	0	0
Food waste	tonne	496	99	72	48	25	60	215	63	0	233	11	12	0	0	0
Cooking oil	tonne	12	14 ⁽¹⁴⁾	23	3	3	2	0	0	0	9	10 ⁽¹⁴⁾	21	0	0	0
Scrap tyres	tonne	21	440	331	0	0	0	0	0	0	21	440	331	0	0	0
Hazardous waste	tonne	851	662	0	162	0	0	0	0	0	688	662		0	0	0

Notes:

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

(2) Excluded the construction business in Mainland China in FY2017 and FY2018. New World Construction Company Limited (NWCON) has became part of NWD in FY2019 instead of under NWSH.

(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) Data were adjusted to reflect the actual consumption and/or associated emissions.

(5) 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.

(6) 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.

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

(8) 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 and FY2019 data excluded tenants' resource consumptions in all NWDS stores.

(12) NO_x and particulate matters emissions from NWSH New World First Ferry (NWFF) fleet were included since FY2018. SO_x emissions have already included those arising from NWFF in all reporting years.

(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) Data were adjusted to reflect the actual waste treatment.

SUSTAINABILITY PERFORMANCE DATA

KEY SOCIAL DATA

	New World Group ⁽¹⁾						NWD ⁽²⁾						NWCL						NWSH						NWDS					
	FY2019		FY2018		FY2017		FY2019		FY2018		FY2017		FY2019		FY2018		FY2017		FY2019		FY2018		FY2017		FY2019		FY2018		FY2017	
Staff Information ⁽³⁾																														
Total number ⁽⁴⁾	27,042		27,521 ⁽⁵⁾		35,299		535		496		757		6,908		7,545		8,279		10,798		11,989		11,874		3,883		4,598		4,727	
Permanent	17,056		17,031		35,098		487		473		756		2,202		2,329		8,271		9,462		10,797		11,869		1,780		2,089		4,711	
Temporary/Fixed term	9,986		10,490		201		48		23		1		4,706		5,216		8		1,336		1,192		5		2,103		2,509		16	
Full-time	26,579		27,115		34,984		502		484		757		6,908		7,545		8,279		10,488		11,667		11,597		3,870		4,589		4,724	
Part-time	463		406		315		33		12		0		0		0		0		310		322		277		13		9		3	
Operational Staff	14,636		17,069		14,928		2		0		143		1,254		3,680		2,400		9,363		10,265		10,148		1,746		1,948		1,867	
General Staff	8,035		6,049		14,248		242		234		312		4,491		2,599		4,418		825		971		981		1,112		1,420		1,652	
Assistant Manager	1,719		1,871		2,536		66		67		93		222		255		363		235		286		314		642		834		878	
Manager	1,467		1,409		2,144		93		80		96		497		512		594		190		234		221		291		309		250	
Senior Manager	523		600		941		46		38		45		187		327		337		100		121		109		0		0		0	
Assistant General Manager and above	662		523		502		86		77		68		257		172		167		85		112		101		92		87		80	
Hong Kong	14,005		13,592		13,245		534		495		757		219		483		338		10,144		11,316		11,181		44		40		39	
Mainland China	13,022		13,917		22,036		1		1		0		6,689		7,060		7,925		654		673		693		3,839		4,558		4,688	
Others	15		12		18		0		0		0		0		2		16		0		0		0		0		0		0	
Under 30 years old	4,992		5,317		9,445		135		139		223		1,323		1,560		1,902		1,367		1,636		1,624		650		963		1,118	
30 - 50 years old	15,223		15,258		18,538		303		256		405		4,663		4,932		5,179		4,372		4,915		4,923		3,106		3,475		3,449	
Over 50 years old	6,827		6,946		7,316		97		101		129		922		1,053		1,198		5,059		5,438		5,327		127		160		160	
Male	17,196		17,621		21,308		245		238		410		3,720		4,295		4,528		8,889		9,780		8,964		1,618		1,868		2,012	
Female	9,846		9,900		13,991		290		258		347		3,188		3,250		3,751		1,909		2,209		2,910		2,265		2,730		2,715	
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 (%)	Turnover (%)	New Hire (%)	Turnover (%)	New Hire (%)	Turnover (%)	New Hire (%)	Turnover (%)	New Hire (%)	Turnover (%)	New Hire (%)
Total	10.3	12.3	16.5	15.2	17.3	13.5	15.0	16.3	16.7	19.2	32.1	51.1	1.4	1.1	4.2	2.5	24.5	12.7	10.9	12.5	14.6	15.3	11.5	10.8	6.4	0.3	38.2	34.8	34.8	23.0
Hong Kong	7.4	9.4	7.5	8.4	5.5	5.7	15.0	16.3	16.7	19.2	32.1	51.1	0.03	0	0.3	1.9	0.8	0.5	10.4	12.2	14.0	14.9	11.2	10.0	0.2	0.3	0.2	0.2	0.3	0.2
Mainland China	2.9	2.8	9.0	6.8	11.8	7.8	0	0	0	0	0	0	1.4	1.1	3.9	0.6	23.7	12.2	0.5	0.3	0.6	0.4	0.3	0.8	6.1	0	38.0	34.6	34.6	22.8
Others	0	0.0	0.03	0.03	0	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Under 30 years old	3.2	4.9	5.8	6.2	6.6	6.5	5.0	4.5	6.7	8.7	16.1	25.1	0.8	0.3	0.8	0.3	8.8	6.3	2.2	4.1	3.3	4.9	2.9	4.3	0.7	0.1	16.6	17.9	15.0	11.2
30 - 50 years old	4.4	5.2	7.6	6.9	8.1	6.0	7.9	11.0	8.1	10.3	13.1	22.1	0.6	0.7	2.5	1.7	12.3	6.0	3.7	4.3	5.3	6.2	4.1	4.2	5.1	0.2	20.9	16.9	19.3	11.7
Over 50 years old	2.6	2.1	3.2	2.1	2.6	1.0	2.1	0.7	2.0	0.2	2.9	4.0	0.1	0.1	1.0	0.5	3.4	0.5	5.0	4.1	6.0	4.2	4.6	2.3	0.5	0.03	0.8	0.1	0.6	0.1
Male	5.9	7.2	9.5	8.6	9.2	6.9	7.1	7.1	6.7	7.7	16.1	27.2	0.8	0.6	2.4	1.7	14.1	6.8	8.0	9.9	11.8	11.8	8.5	7.4	2.8	0.1	13.6	11.3	12.4	8.3
Female	4.3	5.1	7.0	6.6	8.0	6.6	7.9	9.2	10.1	11.5	16.0	23.9	0.7	0.5	1.9	0.8	10.4	5.9	2.9	2.6	2.8	3.5	3.0	3.4	3.5	0.2	24.6	23.6	22.4	14.7

	New World Group ⁽¹⁾						NWD ⁽²⁾						NWCL						NWSH						NWDS					
	FY2019		FY2018		FY2017		FY2019		FY2018		FY2017		FY2019		FY2018		FY2017		FY2019		FY2018		FY2017		FY2019		FY2018		FY2017	
Performance Review																														
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Employees receiving regular performance review (no. and %)	25,442	94	21,110	77			487	91	473	95			6,810	99	7,081	94			9,670	90	10,885	91			3,883	100	(7)			
Male	16,084	94	14,567	83			228	93	231	97			3,680	99	4,065	95			7,974	90	8,926	91			1,618	100				
Female	9,358	95	6,543	66			259	89	242	94			3,130	98	3,016	93			1,696	89	1,959	89			2,265	100				
Operational staff	13,334	91	13,841	81			1	50	-	-			1,227	98	3,574	97			8,308	89	9,245	90			1,746	100				
General Staff	7,820	97	4,260	70			197	81	212	91			4,437	99	2,361	91			792	96	922	95			1,112	100				
Assistant Manager	1,716	100	999	53			66	100	66	99			238	107	227	89			222	94	277	97			642	100				
Manager	1,434	98	1,168	83			91	98	80	100			483	97	474	93			183	96	347	98			291	100				
Senior Manager	515	98	434	72			46	100	38	100			185	99	282	86			96	96	- ⁽⁶⁾	- ⁽⁶⁾			-	-				
Assistant General Manager and above	623	94	408	78			86	100	77	100			240	93	163	95			69	81	94	84			92	100				
Health and Safety ⁽⁸⁾																														
Number of lost-time injuries (sick leave > 0 days)	710		484		424		4		0		9		275		68		47		360		360		304		6		18		18	
Number of reportable injuries (sick leave > 3 days)	344		378				2		0				30		58				272		303				5		0			
Number of high-consequence work-related injuries ⁽⁹⁾	37		31				0		0				2		12				33		18				0		0			
Lost-time injury rate (per 100 employees)	2.5		1.6		1.4		0.7		0		1.2		5.3		0.9		0.5		2.7		2.4		2.4		0.1		0.4		0.4	
High-consequence injury rate (per 100 employees)	0.1		0				0		0				0.04		0.2				0.2		0.1				0		0			
Lost days due to injuries	17,495		23,238		18,041		72		0		140.0		1,247		2,545		1,649		14,604		18,678		14,905		114		1,174		897	
Lost day rate (per 100 employees)	61.1		75		61.6		13.2		0		18.7		23.9		33.7		19.1		108.4		125.2		115.8		2.8		24.5		18.4	
Number of occupational diseases	0		0				0		0				0		0				0		0				0		0			
Occupational disease rate (per 100 employees)	0		0				0		0				0		0				0		0				0		0			
Number of fatalities	2		0		1		0		0		0		0		0		0		1 ⁽¹⁰⁾		0		1		1		0		0	
Fatality rate (%)	0.01		0		0		0		0		0		0		0		0		0.01		0		0.01		0.03		0		0	
Average Training Hours per Staff																														
All Staff	15.0		14.1		9.8		10.0		6.6		5.6		16.6		16.4		13.7		16.0		14.8		13.7		3.3		6.5		8.6	
Male	15.5		14.9				10.3		6.2		4.9		16.8		17.8		14.3		15.7		15.2		14.8		2.9		3.8		7.7	
Female	14.3		12.7				9.8		7.0		6.4		16.4		14.5		12.9		17.2		12.9		10.5		3.7		8.3		9.3	
Operational Staff	16.1		16.0		13.6		0		0		0.2		0		19.5		16.0		0		14.7		13.6		0		11.8		12.7	
General Staff	12.5		10.8		6.5		8.8		6.7		5.9		12.4		12.1		12.2		12.9		13.8		15.1		3.1		2.5		5.5	
Assistant Manager	16.2		9.8		7.4		13.7		9.7		7.9		41.9		17.5		15.7		18.0		18.7		15.2		4.8		2.2		4.8	
Manager	14.4		14.0		8.8		9.1		7.2		9.2		16.4		17.9		14.2		12.5		15.9		13.6		10.3		2.4		6.6	
Senior Manager	22.7		10.9		6.6		15.6		6.8		9.9		35.0		15.2		12.0		8.2		- ⁽⁶⁾		- ⁽⁶⁾		-		-		-	
Assistant General Manager and above	13.3		11.1		14.6		9.1		2.7		4.5		13.7		11.8		15.9		11.8		18.9		11.7		9.3		6.9		25.9	

Notes:

(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 and FY2019, 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 are 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 could mainly be attributed to the fact that Rosewood Hotel Group refined its data scope and reported only staff number of Rosewood Beijing.

(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 include employees only.

(9) High-consequence work-related injuries (excluding fatalities): 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.

(10) In March 2019, a traffic accident involving Citybus resulted in two deaths including a bus captain with more than 10 others injured. Investigation of the accident was conducted and necessary arrangements were made for the deceased. Follow-ups on the condition of the injured passengers are on-going.

MAJOR SUSTAINABILITY RECOGNITIONS

Organiser	Award	Companies / Properties
Alaya Consulting Limited	Hong Kong ESG Reporting Awards 2019 Best ESG Report – Large Cap – Commendation	NWD
Agency for Volunteer Service	Hong Kong Community Volunteers (Corporate Member) Certificate of Appreciation	NWDS
Business Environment Council	Sustainable Consumption Enterprise	NWD, NWCL & NWDS
CAPITAL magazine	The 8th Corporate Social Responsibility Award	NWD
China Chain Store and Franchise Association	CCFA Top 10 Corporate Universities	NWDS
	2019 CCFA Top 10 Corporate Universities – Best Operational Management Award	
DJSER.com	2018-2019 China Real Estate & Design Awards – Gold Award	Guangzhou Chow Tai Fook Finance Centre
Dow Jones Sustainability Indices	Dow Jones Sustainability Asia Pacific Index 2019	NWD
Environmental Campaign Committee	Energywi\$e Certificate “Excellence Level”	NWCL
	Wastewi\$e Certificate “Excellence Level”	NWCL
Fast Company	World’s Most Innovative Companies 2019	K11
Global Real Estate Sustainability Benchmark (GRESB)	Five-Star rating	NWD
	Diversified Listed Businesses in Eastern Asia – 1 st	
Hang Seng Indexes Company Limited	Hang Seng Corporate Sustainability Benchmark Index 2018-2019	NWSH
	Hang Seng Corporate Sustainability Index Series 2018-2019	NWD
Hong Kong Federation of Innovative Technologies and Manufacturing Industries	Asia International Innovative Invention Award	NWCL
Hong Kong Green Building Council	Green Building Award 2019	
	Grand Award - New Buildings Category: Completed Projects - Commercial Building	Victoria Dockside
	Merit Award - New Buildings Category: Completed Projects - Residential Building	MOUNT PAVILIA & SKYPARK
	Special Citation on UN Sustainable Development Goals New Buildings Category: Completed Projects Commercial Building	Victoria Dockside
	Finalist - New Buildings Category: Projects Under Construction and / or Design - Commercial Building	K11 ATELIER King’s Road
	Finalist - Existing Buildings Category: Completed Projects - Commercial Building	THE FOREST
	Finalist - Existing Buildings Category: Completed Projects - Institutional Building	Tsim Sha Tsui Waterfront Revitalization
	Finalist - Research & Planning Category	NWD
	Finalist - Building Products & Technologies Category	NWD
	Finalist - Green Building Leadership Category: Developers	NWD
	Finalist - Green Building Leadership Category: Facilities Management	New World Property Management Company Limited

Organiser	Award	Companies / Properties
Hong Kong Productivity Council	The 9th Hong Kong Outstanding Corporate Citizenship Awards	
	Silver Award in the Enterprise category	NWSH
	Merit in the Enterprise category	NWD
HR Asia magazine	HR Asia Best Companies to work for in Asia 2019	NWD
JobMarket	Employer of Choice Award 2018	
	Professional Award – Leadership Development Award	NWD
	Professional Award – Employee Engagement Award	
Leadership in Energy and Environmental Design (LEED)	Greenbuild China 2019 – Industry Pioneer	Avenue of Stars
Shared Value Project	2019 Shared Value Awards	
	Winner, Small/medium organisation leading through shared value	G for Good
The Asset Magazine	The Asset Corporate Awards 2018	
	Corporate Governance and Investor Relations – Gold Award	NWD
	Environmental Responsibility and Social Responsibility – Gold Award	
	Environmental, Social and Governance – Gold Award	NWDS
	The Asset Magazine Regional Awards 2019	
	Best Green Bond - Real Estate	NWCL
The Chinese University of Hong Kong Business School's Centre for Business Sustainability	Hong Kong Business Sustainability Index 2018	
	The Top 10 HKBSI Company Ranking – "Pace-setter" level	NWD
The Hong Kong Council of Social Service	Caring Company Logo	
	5 Years Plus Logo	NWCL & NWDS
	15 Years Plus Logo	NWD & NWSH
The Hong Kong Management Association	Hong Kong Sustainability Awards 2018/19	
	Sustainability Awards – Large-sized Organizations	
	Special Recognition for Outstanding Sustainability Initiative	NWD
	Certificate of Excellence – Large-sized Organizations	NWSH
World CSR Day	Global CSR Excellence & Leadership Awards 2019	
	Best Corporate Social Responsibility Practices	
	Community Development	NWD
	Innovations in CSR Practices	
World Green Organisation	Green Office and Eco-Healthy Workplace Awards Labelling Scheme	
	Green Office Awards Label	NWCL & NWDS
	Eco-Healthy Workplace Label	
	Sustainable Business Award 2018	NWSH

MEMBERSHIPS AND CHARTERS

Organisations	Nature of Memberships
Business Environment Council	Council Member
GRESB	Real Estate Member
Hong Kong Green Building Council	Platinum Patron Member
Hong Kong Green Finance Association	Founding Member
Shared Value Project Hong Kong ¹	Founding Member
The Real Estate Developers Association of Hong Kong	NWD's Senior Management sits on the Board of Directors and the Executive Committee
Urban Land Institute	Asia Pacific Regional Corporate Member
WWF Hong Kong	Silver Member

Organisations	Name of Charters
Business Environment Council	Low Carbon Charter
Environment Bureau, Hong Kong SAR Government	Charter on External Lighting
	Green Event Pledge
	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
Green Council	Sustainable Procurement Charter
The Equal Opportunities Commission	The Racial Diversity & Inclusion Charter For Employers

¹ Membership under G For Good Limited, a subsidiary of NWD.

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.5-6)
102-2		Activities, brands, products and services	<ul style="list-style-type: none"> Annual Report 2019 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	
102-8	KPI B1.1	Information on employees and other workers	<ul style="list-style-type: none"> Sustainability Performance Data (p.59-60)
102-9		Supply chain	<ul style="list-style-type: none"> Our Approach – Quality Products Driven by Voice of Customers (p.15) GREEN (p.40) WELLNESS (p.48)
102-10		Significant changes to the organisation and its supply chain	<ul style="list-style-type: none"> Please refer to the Annual Report 2019 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 the Directors”. Data on significant changes in the supply chain is not available.
102-11		Precautionary Principle or approach	<ul style="list-style-type: none"> Our Approach – Sustainability Governance (p.9-14) Our Approach – Quality Products Driven by Voice of Customers (p.15)
102-12		External initiatives	<ul style="list-style-type: none"> GREEN (p.34, 40) CARING (p.52) Memberships and Charters (p.63)
102-13		Membership of associations	<ul style="list-style-type: none"> Memberships and Charters (p.63)

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.4)
102-15		Key impacts, risks, and opportunities	<ul style="list-style-type: none"> • Our Approach to Sustainability – Strategic Management of Material Topics (p.13) • Our Approach to Sustainability – ESG Risk Management (p.11) • GREEN (p.31-41) • WELLNESS (p.48) • CARING (p.54-56) • Annual Report 2019 – “Risk Factors”
Ethics and Integrity			
102-16		Values, principles, standards, and norms of behaviour	<ul style="list-style-type: none"> • Our Approach – ESG Risk Management (p.11) • Our Approach – Corporate Governance (p.14)
Governance			
102-18		Governance structure	<ul style="list-style-type: none"> • Our Approach – Sustainability Governance (p.9-11)
Stakeholder Engagement			
102-40		List of stakeholder groups	<ul style="list-style-type: none"> • Our Approach – Stakeholder Engagement (p.12)
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"> • Our Approach – Stakeholder Engagement (p.12)
102-43		Approach to stakeholder engagement	<ul style="list-style-type: none"> • Our Approach – Stakeholder Engagement (p.12)
102-44		Key topics and concerns raised	<ul style="list-style-type: none"> • Our Approach – Strategic Management of Material Topics (p.13) • GREEN (p.32-34, 41-42) • WELLNESS (p.48, 50) • CARING (p.52-53)
Reporting Practice			
102-45		Entities included in the consolidated financial statements	<ul style="list-style-type: none"> • About Our Business (p.5-6) • Reporting Approach – Reporting Scope (p.7) • Annual Report 2019 – “Principal Subsidiaries”, “Principal Joint Venture”, “Principal Associated Companies” under the “Notes to the Financial Statements” section.
102-46		Defining report content and topic Boundaries	<ul style="list-style-type: none"> • Reporting Approach – Reporting Scope (p.7) • Our Approach – Strategic Management of Material Topics (p.13)
102-47		List of material topics	<ul style="list-style-type: none"> • Our Approach – Strategic Management of Material Topics (p.13)
102-48		Restatements of information	<ul style="list-style-type: none"> • GREEN (p.36, 38-39) • Sustainability Performance Data (p.57-58)

GRI Indicator	HKEx ESG Guide	Description	References and Remarks
102-49		Changes in reporting	<ul style="list-style-type: none"> • Reporting Approach – Reporting Scope (p.7) • Sustainability Performance Data (p.57-58)
102-50		Reporting period	<ul style="list-style-type: none"> • Reporting Approach – Reporting Period (p.7)
102-51		Date of most recent report	<ul style="list-style-type: none"> • Sustainability Report 2018 was published in December 2018.
102-52		Reporting cycle	<ul style="list-style-type: none"> • Sustainability Reports are published online on an annual basis.
102-53		Contact point for questions regarding the report	<ul style="list-style-type: none"> • Reporting Approach – Contact Us (p.7)
102-54		Claims of reporting in accordance with the GRI Standards	<ul style="list-style-type: none"> • Reporting Approach – Reporting Standards (p.7)
102-55		GRI content index	<ul style="list-style-type: none"> • Content Index for Reporting Guidelines (p.64-72)
102-56		External assurance	<ul style="list-style-type: none"> • Reporting Approach – Report Assurance (p.7) • Assurance Statement (p.73)

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">• Our Approach – Strategic Management of Material Topics (p.13)• Annual Report 2019 – “Executive Vice-chairman’s Report”, “Management Discussion and Analysis” and “Risk Factors”.
103-2		The management approach and its components	
103-3		Evaluation of the management approach	
GRI 201: Economic Performance 2016			
201-1		Direct economic value generated and distributed	<ul style="list-style-type: none">• About Our Business (p.5)• Annual Report 2019 – “Consolidated Income Statement”
Indirect Economic Impacts			
GRI 103: Management Approach 2016			
103-1		Explanation of the material topic and its boundary	<ul style="list-style-type: none">• Our Approach – Stakeholder Engagement (p.12)• Our Approach – Strategic Management of Material Topics (p.13)
103-2		The management approach and its components	
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">• SMART (p.27-30)• GREEN (p.35, 42-46)• CARING (p.54-56)

GRI Indicator	HKEx ESG Guide	Description	References and Remarks
Anti-corruption			
GRI 103: Management Approach 2016			
103-1		Explanation of the material topic and its Boundary	<ul style="list-style-type: none">• Our Approach – Stakeholder Engagement (p.12)• Our Approach – Strategic Management of Material Topics (p.13)• Our Approach – Corporate Governance (p.14)• Our Approach – Quality Products Driven by Voice of Customers (p.15)• CARING (p.52) <p>The Group had zero concluded legal cases regarding corrupt practices brought against the Group or its employees during the reporting period.</p>
103-2	GD-B7	The management approach and its components	
103-3	KPI B7.1	Evaluation of the management approach	
GRI 205: Anti-corruption 2016			
205-1	KPI B7.2	Operations assessed for risks related to corruption	<ul style="list-style-type: none">• Our Approach – ESG Risk Management (p.11)• Our Approach – Strategic Management of Material Topics (p.13)• Our Approach – Corporate Governance (p.14)• Our Approach – Quality Products Driven by Voice of Customers (p.15)• CARING (p.52)

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">• Our Approach – Stakeholder Engagement (p.12)• Our Approach – Strategic Management of Material Topics (p.13)• GREEN (p.33, 39-41)
103-2	GD-A2	The management approach and its components	
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.57-58) <p>Packaging materials are not considered material for the Group’s businesses hence such data are not disclosed.</p>
Energy			
GRI 103: Management Approach 2016			
103-1		Explanation of the material topic and its boundary	<ul style="list-style-type: none">• Our Approach – Stakeholder Engagement (p.12)• Our Approach – Strategic Management of Material Topics (p.13)• GREEN (p.35-36)
103-2	GD-A2	The management approach and its components	
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">• GREEN (p.35-36)• Sustainability Performance Data (p.57-58)

GRI Indicator	HKEx ESG Guide	Description	References and Remarks
Water and Effluents			
GRI 103: Management Approach 2016			
103-1		Explanation of the material topic and its boundary	<ul style="list-style-type: none">• Our Approach – Stakeholder Engagement (p.12)• Our Approach – Strategic Management of Material Topics (p.13)• GREEN (p.37-38)
103-2	GD-A2	The management approach and its components	
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">• GREEN (p.37-38)• Sustainability Performance Data (p.57-58)
	KPI A2.4	Issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved	<ul style="list-style-type: none">• GREEN (p.34, 37-38)
Emissions			
GRI 103: Management Approach 2016			
103-1		Explanation of the material topic and its boundary	<ul style="list-style-type: none">• Our Approach – Stakeholder Engagement (p.12)• Our Approach – Strategic Management of Material Topics (p.13)• GREEN (p.32-37) <p>There were no confirmed instances of non-compliances or grievances during the reporting period.</p>
103-2	GD-A1	The management approach and its components	
103-3		Evaluation of the management approach	
GRI 305: Emissions 2016			
305-1	KPI A1.2	Direct (Scope 1) GHG emissions	<ul style="list-style-type: none">• GREEN (p.35-37)• Sustainability Performance Data (p.57-58)
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	
Waste			
GRI 103: Management Approach 2016			
103-1		Explanation of the material topic and its boundary	<ul style="list-style-type: none">• Our Approach – Stakeholder Engagement (p.12)• Our Approach – Strategic Management of Material Topics (p.13)• GREEN (p.39-42) <p>There were no confirmed instances of non-compliances or grievances during the reporting period.</p>
103-2	GD-A1	The management approach and its components	
103-3		Evaluation of the management approach	
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">• GREEN (p.39)• Sustainability Performance Data (p.57-58)
	KPI A1.6	Reduction of waste	

GRI Indicator	HKEx ESG Guide	Description	References and Remarks
Environmental Compliance			
GRI 103: Management Approach 2016			
103-1		Explanation of the material topic and its boundary	<ul style="list-style-type: none">• Our Approach – Stakeholder Engagement (p.12)• Our Approach – Strategic Management of Material Topics (p.13)• GREEN (p.35-42)
103-2	GD-A3 & KPI A3.1	The management approach and its components	
103-3		Evaluation of the management approach	
GRI 307: Environmental Compliance 2016			
307-1	GD-A1	Non-compliance with environmental laws and regulations	There were no significant fines or sanctions for non-compliance 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">• Our Approach – Stakeholder Engagement (p.12)• Our Approach – Strategic Management of Material Topics (p.13)• GREEN (p.40)• WELLNESS (p.48)
103-2	GD-B5	The management approach and its components	
103-3		Evaluation of the management approach	
GRI 308: Supplier Environmental Assessment 2016			
308-1		New suppliers that were screened using environmental criteria	<ul style="list-style-type: none">• Our Approach – Stakeholder Engagement (p.12)• Our Approach – Strategic Management of Material Topics (p.13)• GREEN (p.40)

SOCIAL PERFORMANCE

Employment			
GRI 103: Management Approach 2016			
103-1		Explanation of the material topic and its boundary	<ul style="list-style-type: none">• Our Approach – Stakeholder Engagement (p.12)• Our Approach – Strategic Management of Material Topics (p.13)• CARING (p.52-53) <p>There were no confirmed instances of non-compliances or grievances during the reporting period.</p>
103-2	GD-B1	The management approach and its components	
103-3		Evaluation of the management approach	
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.59-60)

GRI Indicator	HKEx ESG Guide	Description	References and Remarks
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">• Our Approach – Stakeholder Engagement (p.12)• Our Approach – Strategic Management of Material Topics (p.13)• WELLNESS (p.48)
103-2	GD-B2	The management approach and its components	
103-3		Evaluation of the management approach	
GRI 403: Occupational Health and Safety 2018			
403-1	KPI B2.3	Occupational health and safety management system	<ul style="list-style-type: none">• WELLNESS (p.48)• CARING (p.53) <p>We acknowledge that information currently disclosed on how employees and contractors are protected against reprisals regarding risk flagging (which includes OHS risks) is limited. We plan to improve our disclosure in the coming year.</p>
403-2		Hazard identification, risk assessment, and incident investigation	
403-3		Occupational health services	
403-4		Worker participation, consultation, and communication on occupational health and safety	
403-5		Worker training on occupational health and safety	
403-6		Promotion of worker health	
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.59-60)
Training and Education			
GRI 103: Management Approach 2016			
103-1		Explanation of the material topic and its boundary	<ul style="list-style-type: none">• Our Approach – Stakeholder Engagement (p.12)• Our Approach – Strategic Management of Material Topics (p.13)• Our Approach – Quality Products Driven by Voice of Customers (p.15)• WELLNESS (p.48)• CARING (p.53)
103-2	GD-B3	The management approach and its components	
103-3		Evaluation of the management approach	
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.59-60)
404-3		Percentage of employees receiving regular performance and career development reviews	

GRI Indicator	HKEx ESG Guide	Description	References and Remarks
Non-discrimination			
GRI 103: Management Approach 2016			
103-1		Explanation of the material topic and its boundary	<ul style="list-style-type: none">• Our Approach – Stakeholder Engagement (p.12)• Our Approach – Strategic Management of Material Topics (p.13)• CARING (p.52)
103-2	GD-B1	The management approach and its components	
103-3		Evaluation of the management approach	
GRI 406: Non-discrimination 2016			
406-1	GD-B1	Incidents of discrimination and corrective actions taken	There were no confirmed instances of 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">• Our Approach – Stakeholder Engagement (p.12)• Our Approach – Strategic Management of Material Topics (p.13)• CARING (p.52) There were no confirmed instances of non-compliances or grievances during the reporting period.
	KPI B4.1	Measures to review employment practices to avoid child and forced labour	<ul style="list-style-type: none">• CARING (p.52)
	KPI B4.2	Steps taken to eliminate such practices when discovered	<ul style="list-style-type: none">• CARING (p.52)
Community Investment			
	GD-B8, KPI B8.1 & B8.2	Focus areas of contribution and resources contributed	<ul style="list-style-type: none">• Our Approach – Stakeholder Engagement (p.12)• Our Approach – Strategic Management of Material Topics (p.13)• CARING (p.54-56)
Supplier Social Assessment			
GRI 103: Management Approach 2016			
103-1		Explanation of the material topic and its boundary	<ul style="list-style-type: none">• Our Approach – Stakeholder Engagement (p.12)• Our Approach – Strategic Management of Material Topics (p.13)• GREEN (p.40)• WELLNESS (p.48)• CARING (p.52)
103-2	GD-B5	The management approach and its components	
103-3		Evaluation of the management approach	
GRI 414: Supplier Social Assessment 2016			
414-1		New suppliers that were screened using social criteria	<ul style="list-style-type: none">• Our Approach – Stakeholder Engagement (p.12)• Our Approach – Strategic Management of Material Topics (p.13)• GREEN (p.40)• WELLNESS (p.48)• CARING (p.52)

GRI Indicator	HKEx ESG Guide	Description	References and Remarks
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"> • Our Approach – Stakeholder Engagement (p.12)
103-2	GD-B6	The management approach and its components	<ul style="list-style-type: none"> • Our Approach – Strategic Management of Material Topics (p.13)
103-3		Evaluation of the management approach	<ul style="list-style-type: none"> • Our Approach – Quality Products Driven by Voice of Customers (p.15) <p>There were no confirmed instances of non-compliances or grievances during the reporting period.</p>
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 Approach – Quality Products Driven by Voice of Customers (p.15) • WELLNESS (p.48)
Customer Privacy			
GRI 103: Management Approach 2016			
103-1		Explanation of the material topic and its boundary	<ul style="list-style-type: none"> • Our Approach – Stakeholder Engagement (p.12)
103-2	KPI B6.5	The management approach and its components	<ul style="list-style-type: none"> • Our Approach – Strategic Management of Material Topics (p.13)
103-3		Evaluation of the management approach	<ul style="list-style-type: none"> • Our Approach to Sustainability – Quality Products Driven by Voice of Customers (p.15)
GRI 418: Customer Privacy			
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.



VERIFICATION STATEMENT

SCOPE AND OBJECTIVES

Hong Kong Quality Assurance Agency ("HKQAA") has been commissioned by New World Development Company Limited (hereinafter referred to as "NWD") to conduct an independent verification of its Sustainability Report 2019 (the "Report") covering NWD's Environmental, Social and Governance performance for the period 1st July 2018 to 30th June 2019.

The aim of this verification is to provide a limited assurance of the Report which is prepared in accordance with the Core option of the Global Reporting Initiative Sustainability Reporting Standards ("GRI Standards") and the requirements stipulated in the Environmental, Social and Governance Reporting Guide ("ESG Reporting Guide") set out in Appendix 27 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as well as making references to the disclosure recommendations published by the Task Force on Climate-related Financial Disclosures ("TCFD").

HKQAA provides independent assurance on the completeness, accuracy and reliability of the data and information stated in the Report through this verification process. The objectives are to:

- review whether the scope of the Report covers all significant aspects of NWDs' sustainability performance;
- verify whether the Report addresses the Core option of the GRI Standards, ESG Reporting Guide and TCFD's disclosure recommendations;
- verify whether the selected data and statements presented in the Report are accurate and consistent; and
- evaluate whether the data and information management mechanism for preparing the Report is reliable.

LEVEL OF ASSURANCE AND METHODOLOGY

The process applied in this verification was based on the International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information and ISAE 3410, Assurance Engagements on Greenhouse Gas Statements issued by the International Auditing and Assurance Standards Board. The verification procedure was designed for devising opinions and conclusions to obtain a limited level of assurance. The extent of this verification process undertaken covered the criteria specified in the GRI Standards: Core Option, ESG Reporting Guide and TCFD's disclosure recommendations.

The verification procedures included reviewing systems and processes for collecting, collating and reporting of the performance data and information, verifying relevant documentation, interviewing responsible personnel with accountability for preparing the Report. Raw data and information, and supporting evidence of the selected samples were thoroughly examined during the verification process according to the sampling plan.

INDEPENDENCE

NWD is responsible for the collection and presentation of the information. HKQAA did not involve in the collection and calculation of data or the compilation of the reporting contents where HKQAA's verification activities are entirely independent from NWD.

CONCLUSION

Based on the verification results, nothing has come to our attention that causes us to believe that the data and information in the Report is not prepared, in all material aspects, in accordance with the GRI Standards: Core Option, the ESG Reporting Guide and TCFD's disclosure recommendations. The data and information verified is regarded as accurate, consistent, reliable and complete.

Connie Sham

Head of Audit
Hong Kong Quality Assurance Agency
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新世界發展有限公司

New World Development Company Limited

30/F, New World Tower 1, 18 Queen's Road Central, Hong Kong

T: (852) 2523 1056 F: (852) 2810 4673

www.nwd.com.hk