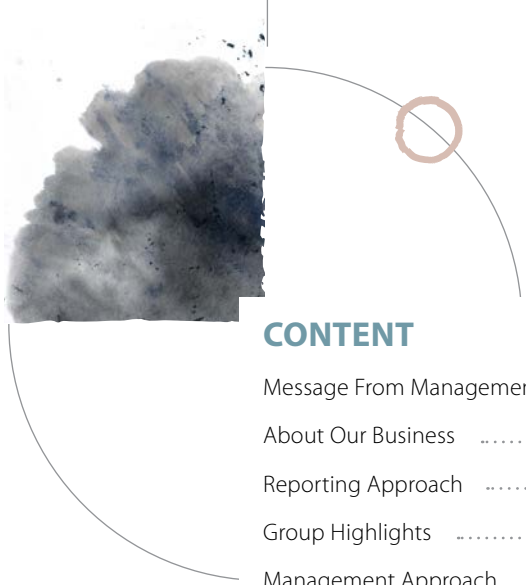


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CRAFT
OUR
FUTURE



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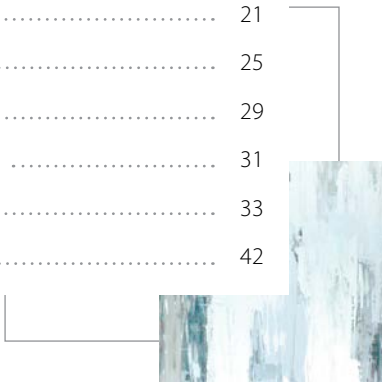
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MESSAGE FROM MANAGEMENT

Over the past years, we have been pursuing our corporate vision of building a better society through innovation and sustainable growth. Our unique brand personality, The Artisanal Movement, which encompasses "Imagination", "Bespoke", "Craftsmanship", "Heritage" and "Contemporary", inspires us to curate a modern living culture defined by these characteristics for the betterment of our society.

To achieve this vision, we have made collecting "Voice of Customers" a priority of New World Group. We have interviewed various stakeholders to identify material sustainability issues to the Group. We have gauged the interests of our customers in sustainability through annual satisfaction surveys and regular communications. By connecting our stakeholders with these opportunities, we hope to collide sustainability concepts, imagination and practical feedback to curate a one-of-a-kind "Artisanal Living" experience.

We have noticed our stakeholders across demographics aspire for a healthier community with lower environmental impact, improved community engagement, and more integration with technologies. This understanding motivates us to align our corporate vision with sustainability priorities in driving our businesses forward, i.e. to better the society by focusing on environmental protection, wellness, smart technologies, and caring for the community.

It has been a momentous year for the Group with various milestones achieved. We launched BEAM Plus pre-certified green residential projects in Hong Kong including MOUNT PAVILIA and SKYPARK. We pioneered healthy building design and achieved the world's first WELL Building Standard Pre-certification in an ongoing commercial project in Hong Kong. We are increasingly adopting new technologies from property planning to operation stages through the promotion of Building Information Modelling (BIM) and the "Artisanal Living" mobile app for customers. We have been promoting whole-person, quality education from offering "Multiple Intelligence" (M.I.) learning at D • PARK to providing life coaching to the under-resourced youth through the New World Springboard Programme.

Talent grooming is integral to staying competitive in the fast-changing market. We will continue to nurture the entrepreneurial spirit in each of our artisans and encourage practical innovation. We also reinforced our sustainability governance by establishing a Sustainability Department in NWD to drive and coordinate relevant initiatives across business units.

By presenting sustainability highlights in this report, I look forward to your suggestions in creating long-term shared value for all stakeholders. We welcome you to jointly craft and elevate the "Artisanal Living" experience and aspire for a sustainable future.

Dr. Cheng Chi-Kong, Adrian

Executive Vice-chairman & General Manager

Chairperson of New World Group Sustainability Steering Committee

ABOUT OUR BUSINESS

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

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

NWD's Business Highlights(as of 30 June 2017):

• Revenues: HK\$56,628.8 million	• Cost of sales: HK\$38,413.2 million	• Profit attributable to equity shareholders: HK\$7,675.7 million
• Dividend per share: HK\$0.46	• Taxes paid: HK\$4,755.6 million	• Employee wages and benefits: HK\$6,810.7 million

Please refer to our Annual Report 2017 for further information.

Here are our core businesses:

Property Development and Investment



New World
Development
Company Limited

New World
China Land
Limited

K11
Group
Limited

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

New World China Land Limited ("NWCL") is the flagship Mainland China property arm of the Group and one of the largest property developers in Mainland China. NWCL has a strong market presence with a diversified portfolio of high quality residential neighbourhoods, large-scale mixed-use commercial landmarks, shopping centres, offices and hotel projects.

The Group has also created the "art x commerce" K11 business model. The K11 museum/retail concept will be further developed with 20 more projects in nine cities across Mainland China.

Infrastructure and Services



NWS Holdings Limited

NWSH is the infrastructure and service flagship of NWD. It has diverse businesses and investments predominantly in Hong Kong and Mainland China, comprising toll roads, environmental management, port and logistics facilities, rail container terminals,

commercial aircraft leasing, facilities management, healthcare services, construction and public transport. Please refer to NWSH's corporate website (www.nws.com.hk) for more details.

Department Stores



New World Department Store China Limited

NWDS, our publicly-listed business unit, is one of the largest owners and operators of department stores in Mainland China. Please refer to NWDS' corporate website (www.nwds.com.hk) for more details.

Hotels



The Group has invested in 17 hotels in Hong Kong, Mainland China and South East Asia

As of 30 June 2017, the Group has invested in a total of 17 hotels in Hong Kong, Mainland China and Southeast Asia, providing more than 7,700 guest rooms. Please refer to NWD's corporate website (<https://www.nwd.com.hk/corporate/core-business/hotel>) for more details.

REPORTING APPROACH

Scope of this Report

This Report provides an overview of NWD's Environmental, Social and Governance ("ESG") performance during the reporting period between 1 July 2016 and 30 June 2017.

The reporting boundary includes NWD's businesses over which the Group has major financial control and those of environmental, social, and governance significance to the Group and its stakeholders. In addition to our core property development and investment businesses (including the corporate offices and a selected group of residential and commercial properties) in Hong Kong and Mainland China, we expanded the reporting scope this year to include our infrastructure and services business, department stores and selected hotel operations.

Reporting Standards

This Report is prepared in accordance with the Core option of the Global Reporting Initiative ("GRI") G4 Sustainability Reporting Guidelines, G4 Construction and Real Estate Sector Disclosures, 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").

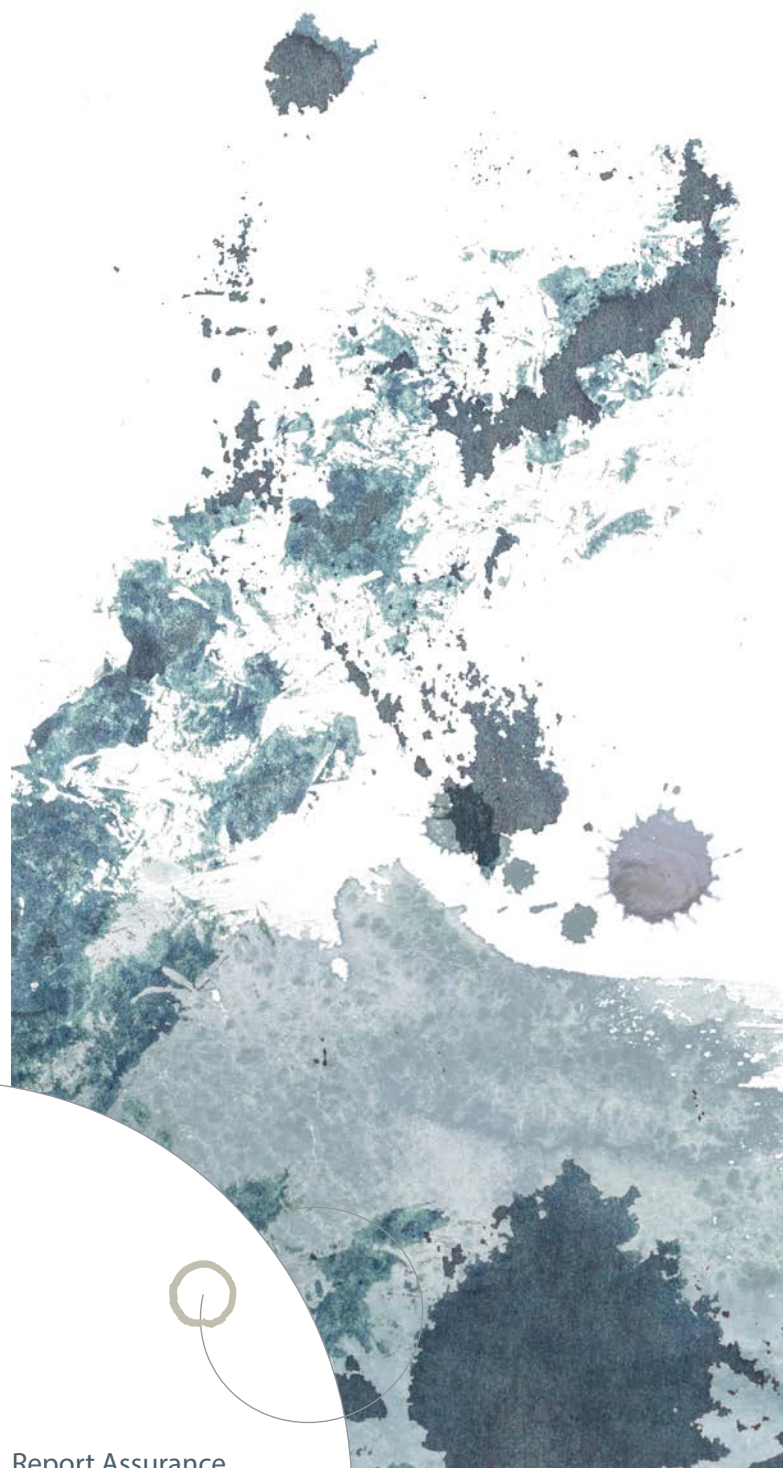
To adopt a more integrated reporting approach and embed sustainability into our business strategy and decision-making process, we have made reference to the International Integrated Reporting Framework released by the International Integrated Reporting Council ("IIRC"). The Six Capitals Framework is applied in different parts of this Report, through which we illustrate our interaction with the external environment as well as utilisation of resources and existing relationships to create values for stakeholders.



Hang Seng Corporate
Sustainability Index
Series Member 2016-2017



New World Development is a member of the Hang Seng Corporate Sustainability Index Series 2016–2017 and is listed on the Hong Kong Business Sustainability Index 2016



Report Assurance

Information contained in this Report has been independently assured by the Hong Kong Productivity Council to ensure accuracy and credibility. The independent assurance statement can be found on page 42 of the Report.

We welcome your feedback on this Report and other sustainability related enquiries. Please contact us at sustainability@nwd.com.hk.

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T: (852) 2523 1056 F: (852) 2810 4673
www.nwd.com.hk

GROUP HIGHLIGHTS



HK\$56,629 million

Group revenue



HK\$ 7,676 million

Profit attributable to shareholders



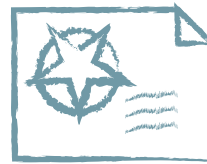
HK\$ 46 cents

Dividends per share



**The World's 1st
WELL Building
Pre-certificate**

for the King's Road commercial project in Hong Kong



93 %

of our total GFA of ongoing Hong Kong development projects was certified with green building standards



Over **790,000 tonnes**
of waste diverted from landfill



Achieved **5 %** reduction in energy consumption and
HK\$ 2.4 million saving
in electricity cost since "Eco-world" was implemented in FY2016



1.5

Workplace injury rate
(per 100 employees)



Over **340,000 hours**
of training provided for staff



Over **25,000 hours**
of staff volunteerism in Hong Kong
and Mainland China

MANAGEMENT APPROACH

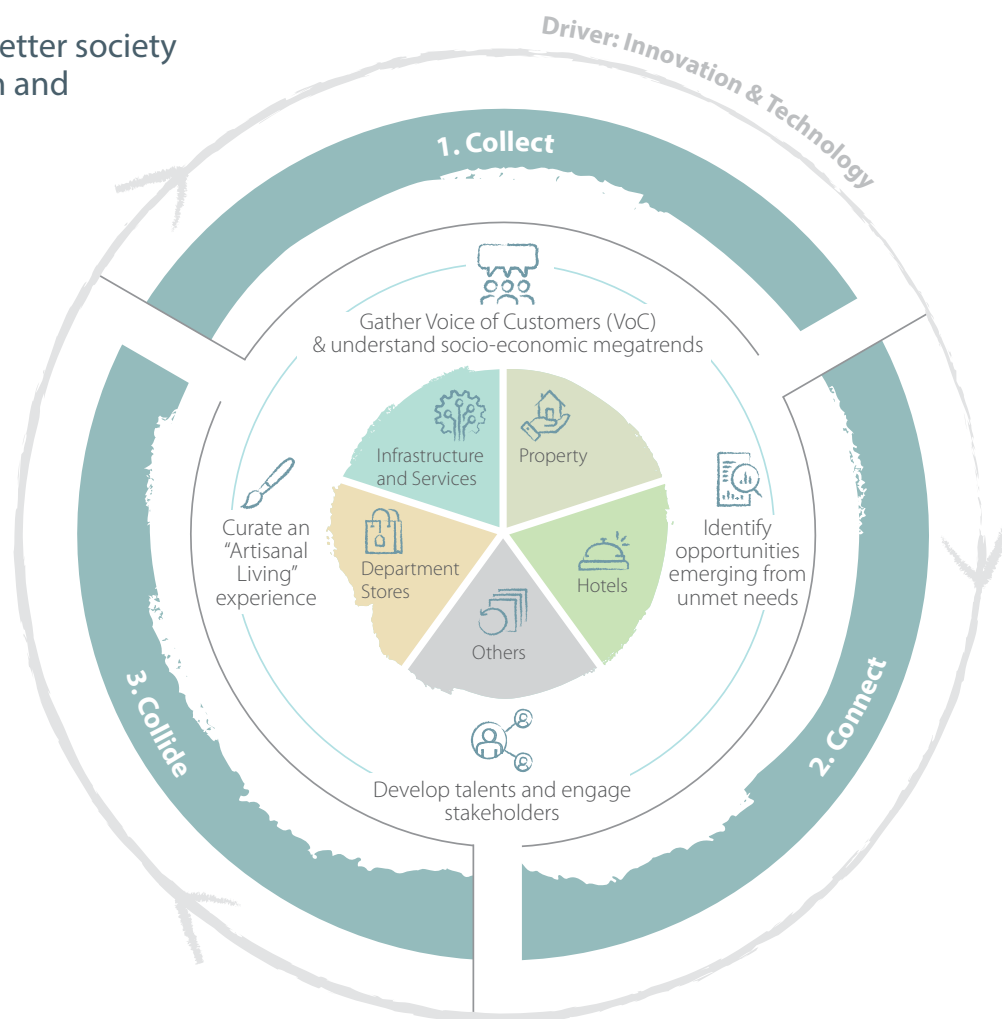
Values and Principles

Led by our corporate vision of building a better society through innovation and sustainable growth, the Group is committed to curating an “Artisanal Living” experience for stakeholders. Through understanding socio-economic megatrends and collecting feedback from stakeholders, we identify opportunities

from unmet needs and motivate our talents to unleash their innovation to meet these needs. Driven by innovation and enabled by technology, we provide **green, smart, caring and wellness-oriented offerings** in response to stakeholders’ aspirations, creating shared values for our customers and society.

Vision: To build a better society through innovation and sustainable growth

How we create value to achieve our corporate vision



Corporate Governance Framework

The **Board** is responsible for overseeing the overall corporate governance with the support of the following committees:

- **The Board-level Audit Committee** reviews and supervises the Group’s financial reporting process, risk management and internal control systems.
- **The Risk Management Committee** assists the Audit Committee with deciding the Group’s risk level and ensures

the effectiveness of the Group’s risk management systems. The Group-wide Risk Management Policy sets out the formal approach to risk management and provides guidance to Group functions and subsidiaries to enhance decision-making, performance, accountability and outcomes.

The following key Group-level policies are implemented to strengthen our corporate governance.

- **The Anti-Fraud Policy** sets out the Group’s expectations and requirements relating to prohibition, recognition, reporting and investigation of suspected fraud, corruption, misappropriation and other similar irregularities. This policy references, where appropriate, the principles embodied in the United Nations

Global Compact, World Economic Forum’s Partnering Against Corruption Initiative, and Transparency International’s Business Principles for Countering Bribery.

• **The Whistleblowing Policy** allows employees to raise concerns, in confidence, about misconduct, malpractice or irregularities in any matters related to the Group. The Group ensures that proper arrangements are in place for fair and independent investigations and appropriate follow-up actions.

• **The Conflict of Interest Policy** sets out various internal control rules and procedures to raise Directors' and employees' awareness of conflict of interest and promote good governance practices to safeguard the Group's interests.

For more information about the Board of Directors, management team and corporate governance structure, please refer to the relevant sections in the Group's Annual Report 2017, which can be accessed at www.nwd.com.hk/investor-relations.

Risks, Opportunities and Future Orientation

Key risks that would affect our short-, medium- and long-term success are identified under the Group's Risk Management Framework. All NWD departments and business units are required to identify and prioritise key risks, including those related to ESG, and report to the Group Internal Audit function and Risk Management Committee every six months. Key non-financial risks identified include environmental, occupational health and safety, human capital management, market changes and regulatory uncertainty.

We implement a robust safety management framework to ensure the safety of our staff and stakeholders in our operations and on our premises. Our construction businesses, New World Construction Company Limited (NWCON) and Hip Hing Construction Company Limited (Hip Hing), have formal health and safety committees for management and frontline workers to communicate safety issues, and hold on-going internal safety campaigns and training for employees and supply chain partners. We believe continuous

investments in upskilling our people are key to creating value for our customers and the community. We have a comprehensive "NW TALENT" appraisal assessment mechanism and a well-established talent development curriculum, New World University™, in place to establish a systematic pipeline for our staff on different levels. For more information, please refer to the chapter on Human Capital.

There are increasing expectations from customers and investors on the Group's sustainability performance. These motivate us to incorporate sustainability into the "artisanal living" experience being curated for our customers. This year, we have evaluated our business risks and opportunities by benchmarking against the United Nations Sustainable Development Goals (UN SDGs). Based on our business focus, we have identified the relevant UN SDGs that will guide us to develop long-term performance standards and targets around the areas of "green", "wellness", "smart" and "caring".

Future Directions

Relevant United Nations (UN) Sustainable Development Goals (SDGs)

Green

Protect the environment through:

- green building design;
- conservation of energy, carbon, water, waste and biodiversity;
- adoption of renewable energy; and
- sustainable procurement



Wellness

Promote holistic wellness through:

- healthy building features;
- wellness programmes; and
- community sports initiatives



Smart

- Digitalise internal processes and external services for a seamless online-to-offline experience; and
- Drive practical innovation by connecting our intrapreneurs with entrepreneurs



Caring

- Improve the social mobility of the under-resourced youth;
- Provide quality education for the community;
- Groom the next generation of talents, provide unique HR benefits; and
- Preserve local heritage and culture



Management Approach to Sustainability

The Group Sustainability Steering Committee, the Group Sustainability Department and the Group Green Taskforce work jointly to incorporate sustainability decisions into our daily business operations, in order to fulfill our commitment as a socially and environmentally responsible company.

The Group Sustainability Steering Committee is composed of members of the Group's management team and led by our Executive Vice-chairman and General Manager.

Policies endorsed by the Committee include the Group Sustainability Policy, Human Rights Policy, Green Office Policy, Health and Safety Policy and Supplier Code of Conduct. Each

of these policies provides guidance for employees to uphold the Group's standards and sustainability principles in different business processes.

The NWD Sustainability Department was newly established during the reporting period to drive relevant Group-wide initiatives across NWD's businesses and functions according to the strategic direction set by the Group Sustainability Steering Committee and NWD's management.

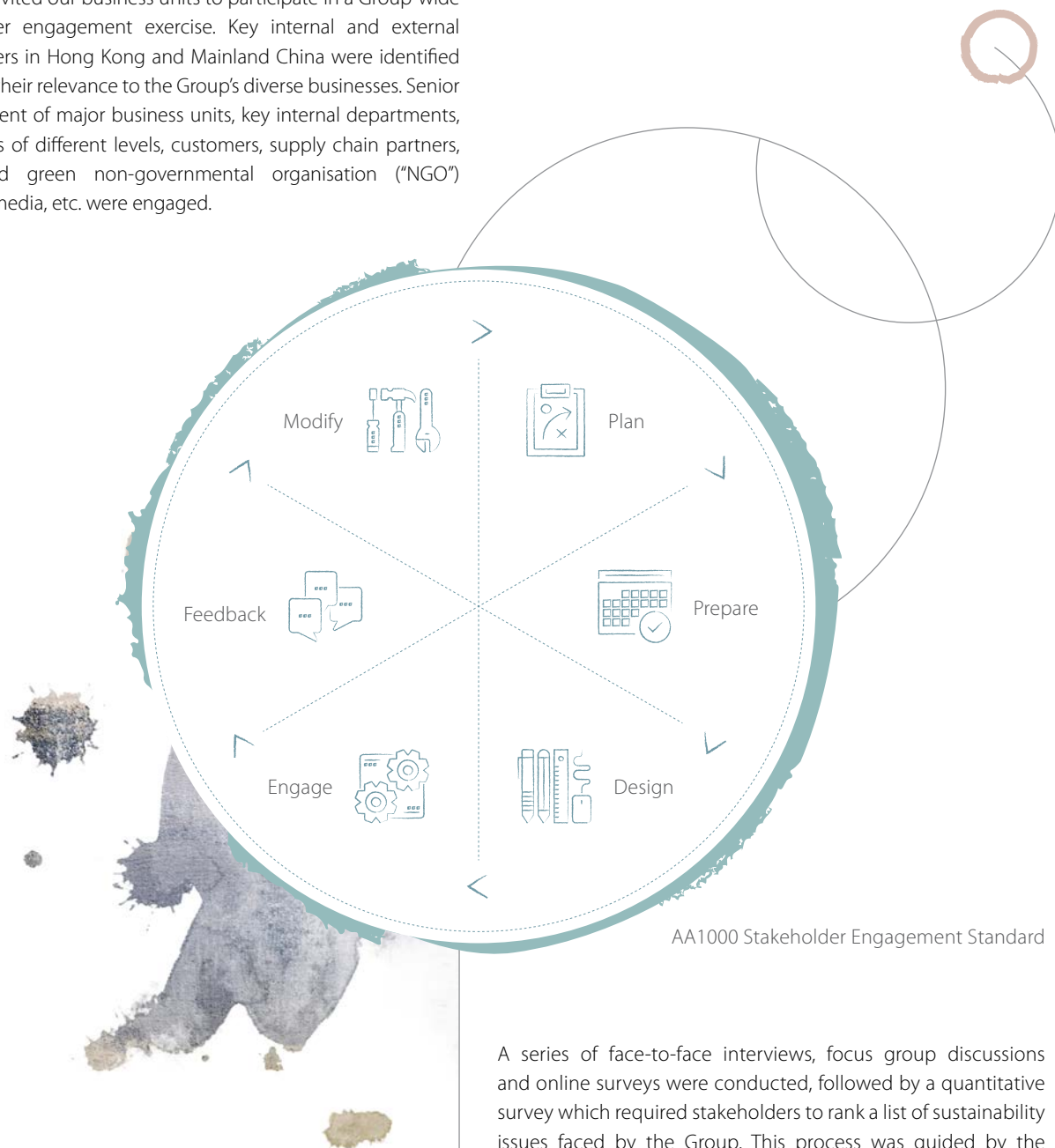
The Group Green Taskforce, comprising members from NWD, NWCL, NWDS and NWSH, serves as a knowledge-exchange platform which supports the Group's sustainability agenda.



STAKEHOLDER ENGAGEMENT

We maintain an ongoing dialogue with stakeholders and develop trust for transparent communication.

To gain holistic feedback on our approach to sustainability this year, we invited our business units to participate in a Group-wide stakeholder engagement exercise. Key internal and external stakeholders in Hong Kong and Mainland China were identified based on their relevance to the Group's diverse businesses. Senior management of major business units, key internal departments, employees of different levels, customers, supply chain partners, social and green non-governmental organisation ("NGO") partners, media, etc. were engaged.



AA1000 Stakeholder Engagement Standard

A series of face-to-face interviews, focus group discussions and online surveys were conducted, followed by a quantitative survey which required stakeholders to rank a list of sustainability issues faced by the Group. This process was guided by the AA1000 Stakeholder Engagement Standard, an internationally-recognised framework, and was undertaken based on the principles of "inclusivity", "materiality" and "responsiveness". A third-party advisor was engaged to oversee the entire process and ensure credibility.

Feedback collected from stakeholders through different channels was analysed and assessed carefully to continuously strengthen the Group's stakeholder engagement practice and sustainability management and inform business strategies.

The following table summarises the identity of our key stakeholder groups, their priorities and engagement channels.

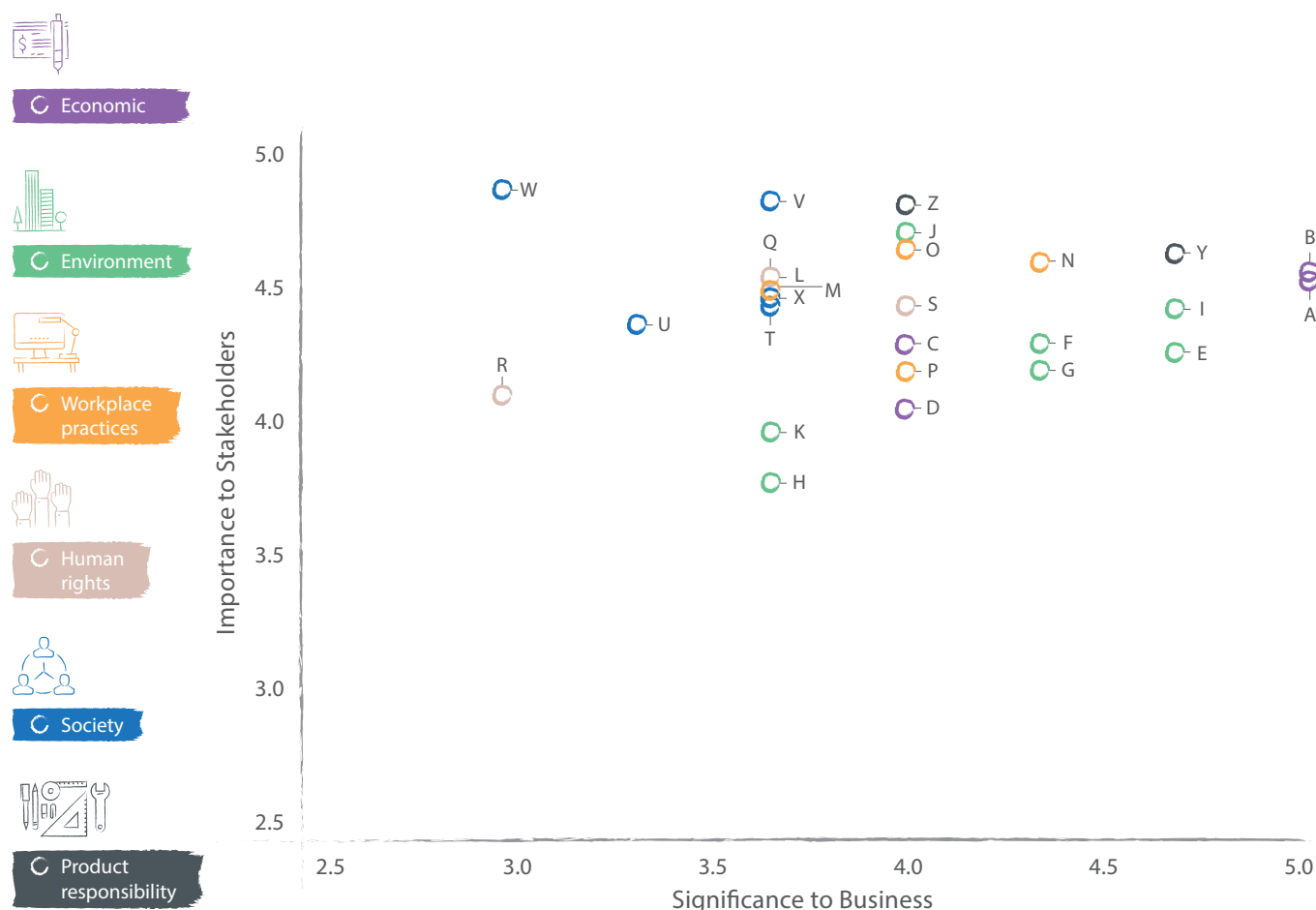
Stakeholders	Priorities	Engagement channels
Employees	Remuneration, benefits and welfare; career development opportunities; workplace wellness; diversity and equal opportunities; corporate culture and engagement	<ul style="list-style-type: none"> • Management interviews • Focus group discussions • Biennial employee satisfaction surveys • Whistleblowing channels • Intranet • Digital staff magazine • Talent development programmes
Customers and tenants	Quality and sustainability performance of products and services; bespoke design and customer experience; additional value creation	<ul style="list-style-type: none"> • Customer satisfaction surveys and ongoing communication through New World CLUB • Online platforms such as Artisanal Living app • Social media and company website • Customer service hotline • Meetings and visits
Supply chain partners	Fair and ethical business practices; knowledge sharing and win-win relationship; performance assessment requirements	<ul style="list-style-type: none"> • Audits and assessments • Surveys and meetings • Tendering and procurement processes • Training and briefings
Local communities	Contributions to the community; brand reputation; economic, environmental and social impacts from operations and project development	<ul style="list-style-type: none"> • Public/community events • Company website • Community initiatives such as New World Springboard Programme and New World Harbour Race
NGO partners	Economic, environmental and social impacts from operations and project development to the community	<ul style="list-style-type: none"> • Online surveys • Attend conferences and seminars
Academia and professional institutions	Latest standards and good practices; influence in the market and to the industry	<ul style="list-style-type: none"> • Arrange technical site visits (e.g. invitation to The Green Atrium) • Meetings, conferences, seminars and workshops
Media	Customer and community issues; NWD's transparency	<ul style="list-style-type: none"> • Online surveys • Media briefings and press releases
Shareholders and investors	Return on investment; risk and mitigation; compliance; valuation; good corporate governance; transparency	<ul style="list-style-type: none"> • Annual general meetings; results announcements • Annual and interim reports • Announcements and circulars • Roadshows and investor meetings • Investor visits • Response to investor surveys and benchmarking exercises such as CDP, MSCI ESG Rating

Materiality Assessment

The stakeholder engagement process provided insights for the Group to conduct a quantitative materiality assessment through identifying, ranking and validating material issues. Apart from the GRI G4 guidelines, we have additionally referenced the GRI G4 Real Estate and Construction Sector Disclosures, and taken into consideration the United Nations Sustainable Development Goals (SDGs) and the Materiality Map™ of the Sustainability Accounting Standards Board ("SASB") as appropriate to assist our stakeholders in identifying material issues.

The materiality matrix illustrates the relative importance of each sustainability issue to our stakeholders and businesses. A total of 12 material issues were identified and categorised into economic, product responsibility, environment, workplace practices and human rights. The result has informed the Group's strategic planning and Risk Management Framework. The rest of this Report will further demonstrate how these material issues are addressed.

MATERIALITY MATRIX



Materiality Ranking	Issues	Category	Index	Boundary*	
				Within the Group	Outside the Group
1	Market presence	Economic	B	●	●
2	Economic performance	Economic	A	●	●
3	Customer safety and responsibility	Product responsibility	Y	●	●
4	Waste management	Environment	I	●	●
5	Use of materials	Environment	E	●	●
6	Employee engagement	Workplace practices	N	●	●
7	Energy and greenhouse gas emissions	Environment	F	●	●
8	Water use	Environment	G	●	●
9	Customer privacy	Product responsibility	Z	●	●
10	Sustainable buildings	Environment	J	●	●
11	Occupational health and safety	Workplace practices	O	●	●
12	The risks of child labour and forced labour in business operations	Human rights	S	●	●
13	Indirect economic impact	Economic	C	●	●
14	Diversity and equal opportunities	Workplace practices	P	●	●
15	Procurement practices/Supply chain management	Economic	D	●	●
16	Compliance	Society	V	●	●
17	Human rights and non-discrimination	Human rights	Q	●	●
18	Employment practices	Workplace practices	L	●	●
19	Employee development and succession planning	Workplace practices	M	●	●
20	Anti-competitive behaviour	Society	X	●	●
21	Community investment	Society	T	●	●
22	Environmental impact of transport	Environment	K	●	●
23	Biodiversity	Environment	H	●	●
24	Grievance mechanisms	Society	U	●	●
25	Anti-corruption	Society	W	●	●
26	Freedom of association and collective bargaining for employees	Human rights	R	●	●

*indicates where the impacts of the sustainability issues occur.

INTELLECTUAL CAPITAL



True to the spirit of The Artisanal Movement, we place a strong emphasis on lifestyle and customer experience; we are committed to providing green, smart, caring and wellness-oriented offerings in response to stakeholders' aspirations, creating shared values for our customers and our society.



INTELLECTUAL CAPITAL

Building Brand Equity through The Artisanal Movement

The Group enriches the modern living culture with practical applications of sustainability through products and services.

- Mount Pavilia, selected as a finalist in the “Green Building Award 2016”, is a BEAM Plus (Provisional) project. The project incorporates an organic farming area as well as an aquaponic-plus-hydroponic system. The hydroponics onsite grows vegetables and treats the wastewater to support the aquaponic system. Food waste will be collected from residents and restaurant tenants to produce fish pellets and support the aquaponic system. On the other hand, the property also generates renewable energy through its rooftop wind turbines and solar panels to power the common areas and water heating system. Bicycle rental services are also offered to embed low-carbon living into the residents’ lifestyle.
- Remarkable customer experience is crafted by synergising art, people and nature in our Hong Kong K11 Art Mall. For example, “K11 Natural” is a 9,000-sq ft themed merchandise zone within the mall, aiming at promoting a healthy lifestyle through organic, local and natural products. Another example is “K11 Kulture Academy”, a salon-style learning platform offered by K11 and partners including renowned artists, filmmakers and music writers to invigorate talents and nurture cultural creatives. Under the Academy, the four faculties – “Art Infinity”, “Design”, “Art Food” and “Wellness” provide a holistic learning experience towards a sustainable lifestyle for participants.

The World 1st WELL Building Pre-certification

Our commercial re-development project on King’s Road Project has not only received BEAM Plus Platinum (Provisional) and LEED Platinum Pre-certification, but also achieved the world’s first WELL Building Standard Pre-Certification. The WELL Building Standard includes seven concepts concerning the holistic wellness of building users: air, water, nourishment, light, fitness, comfort and mind. We seek to acquire WELL Building Certifications where practicable or reference the recommended practice of the Standard for our future projects. This demonstrates our care for the wellbeing of our stakeholders and our aspiration to curate an “Artisanal Living” experience that goes beyond green buildings.



- The Group developed THE FOREST, a sports-themed shopping mall on “Sneakers Street” in Mongkok, to promote active living and wellness. The design of openable windows at THE FOREST maximises natural ventilation which could decrease the use of air-conditioning. THE FOREST connects residents of adjacent SKYPARK with diverse retail options and provides the neighbourhood a new communal space for gatherings, exhibitions and beyond.
- The Green Atrium, the Group’s certified green education centre in Yuen Long, cultivates the younger generations to understand and adopt green living. This project is equipped with the first commercial aeroponic system in Hong Kong. With the organic farm and aquaponic pond, The Green Atrium showcases a spectrum of traditional and modern agricultural technologies. The Green Atrium offers the residents of neighbouring Park Signature and the wider community green retail and farm-to-table dining options as well as experiential educational tours and workshops. Over 15,000 visitors have been engaged since 2015.

Capturing VoC is the first step that we take to create an exceptional customer experience. We embrace our policies and procedures on customer relationship management and welcome any constructive feedback from our customers for driving improvement and innovation. Customer feedback is collected through a variety of channels such as the VoC mobile app, surveys, New World CLUB events and internal taskforces. Enquiries and complaints are followed up and addressed in a timely manner. Constructive advice is adopted where practical to further enhance our products and services as well as reinforce the brand image to pave the way for providing unique values to our customers.

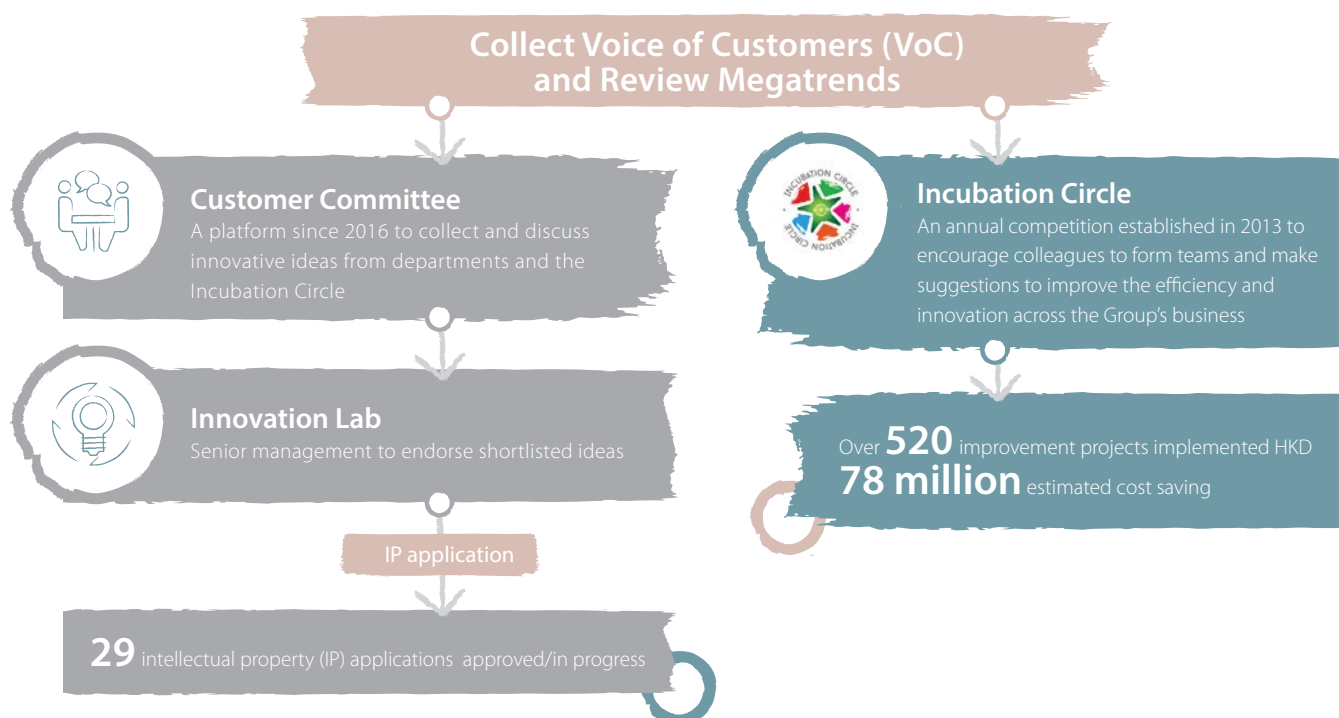
In 2016, our department store operations launched an initiative in which our staff took on the role of “Chief Experience Officer” and conducted face-to-face interviews with over 7,000 customers in stores to gauge their feedback, such as the call for more convenient payment methods and refund procedures, enabling us to offer a more bespoke shopping experience for customers.

Sustaining Growth by Imagination and Innovation

Our quintessential Incubation Circle programme nurtures “intrapreneurs” and fosters imagination to create sustainable values for our customers. With an objective to engage our people to think outside the box, the programme helps collect, screen and implement novel ideas to optimise business processes and enhance our products and services. This year, a new category, “CHANCE”, was added to engage all staff in generating ideas about setting up new businesses within the Group. Assessment of the proposed ideas is carried out by a panel of the Group’s senior management based on a range of criteria, including the robustness of the business model and development strategy, to ensure real values are created and delivered to the Group and communities. More than 520 improvement projects have been implemented since the launch of the programme in 2013.

The Group places a strong emphasis on protecting intellectual property (“IP”) rights and adopts robust policies and procedures to prevent any infringement of IP rights, including copyrights and patents. Employees are strongly encouraged to invent new solutions and be pioneers in embracing new technologies. With imagination and aspiration, our professionals have invented products that are both aesthetically designed and highly functional. 29 IP rights have been granted or are under application through the process driven by our Customer Committee and Innovation Lab since 2016. Our patented product, a sliding screen “PANELRAMA®” allows residential occupants to flexibly organise the interior space for work, life and play.

Process To Drive Innovation



Building Trust in Customer Relationships

The trust of our customers forms the foundation of our business success and brand heritage. To build trust with the community that we serve, we strive to protect our customers’ health, safety and privacy through delivering safe and secure products and services.

Stringent procedures have been undertaken to monitor performance and deliver the promised quality. For example, in our property development projects, health and safety considerations are incorporated from design to after-sales care. Safe and quality materials are selected for construction. Projects during construction, upon completion and prior to handover are vetted for safety and quality to ensure good condition and performance.

The Group complies with data privacy laws and regulations and respects customer privacy. The Group safeguards customers’

and tenants’ personal data by implementing robust policies and procedures to prevent unauthorised access. Unauthorised use of customer data is strictly prohibited. Customer data are only accessible by authorised personnel within the Group on a need-to-know and need-to-use basis. The importance of data protection is also emphasised to all employees in our Staff Code of Conduct.

We believe that providing accurate and consistent information about our products and services to our customers helps them make informed decisions and facilitate trust-building with them. Our frontline personnel and business partners are required to provide accurate and complete information in marketing and sales and act with due skill, care and diligence. Correct labelling of our products is strictly observed to protect the interest of our customers.

NATURAL CAPITAL



Sustainability is embedded in our property development lifecycle. Going beyond managing our environmental performance, we consider broader community interests, with an aim to create a lasting legacy for future generations.

NATURAL CAPITAL

Commitment to Sustainable Property Development Lifecycle

We embrace technology, innovation and efficiency throughout the property development lifecycle. Considerable thoughts and efforts are invested in managing the environmental impact from design to after-sales. The latest developments are illustrated in the diagram below.

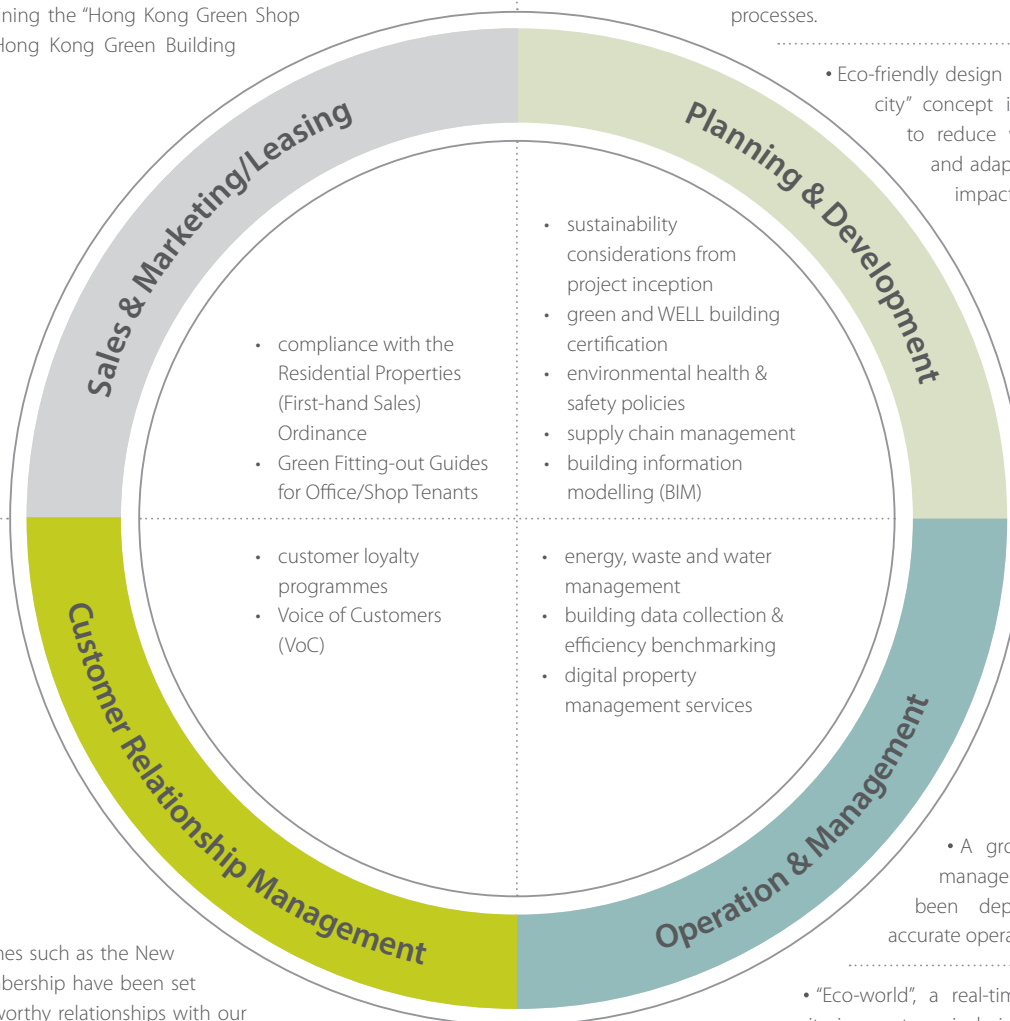
- Piloting Artisans 360, a virtual show flat web and mobile app platform, with 360-degree images of new flat units.

- Engaging tenants on green operational practices and offering recognition by joining the "Hong Kong Green Shop Alliance" of the Hong Kong Green Building Council.



- Building Information Modelling (BIM) is being integrated from the planning through operation stages in both Hong Kong and Mainland projects, allowing for more efficient use of resources including energy, water and materials and as a result more streamlined work processes.

- Eco-friendly design such as the "sponge city" concept is being rolled out to reduce water consumption and adapt to climate change impacts.



- Loyalty programmes such as the New World CLUB membership have been set up to build trustworthy relationships with our customers and convey our commitment to sustainable operations.
- Gauging customers' interest in sustainability through events and surveys.



- A group-wide ESG data management system has been deployed to capture accurate operational information.

- "Eco-world", a real-time building energy monitoring system, is being piloted at more properties in Hong Kong and the mainland for operational efficiency. Electricity consumption has been reduced by 5% since "Eco-world" was first implemented in FY2016, which is equivalent to around HK\$2.4 million saving in energy cost.

- The "Artisanal Living" mobile app was launched to provide more convenience by connecting our residents with digital property management services, event updates and retail promotions and offers.



Community Planning

As a property developer and investor, we consider the long-term impact of our built environment to our customers, neighbourhood businesses, and the community. We attempt to understand the demographics, local business landscape, environmental sensitivities, and social needs in planning and development. This is particularly true for projects in Mainland China – where possible, we echo the Government's policy direction and support the innovation and curation of a cultural lifestyle.

Sustainable Buildings

To preserve natural heritage, specific targets have been developed to reduce the environmental impact of new and existing buildings. All new buildings in Hong Kong will seek to achieve BEAM Plus (Gold) green building certification or above. During the reporting period, 93% of our ongoing Hong Kong project GFA has applied for BEAM Plus. Twelve projects in Mainland China, with more than one million square metres (sq m) floor area, have obtained LEED Gold or Platinum Certifications or Pre-certifications. We have started to develop a set of internal "Green Building Design Guidelines" for Hong Kong residential projects while updating the China version for different property types to achieve consistency. Apart from green building certification, we also target to achieve WELL Building Standard to promote and curate a healthy lifestyle for our customers.

Minimising Greenhouse Gas and Air Emissions

Building energy consumption is a major source of greenhouse gas emissions. As a signatory of the HKSAR Government's 4Ts Charter, we pledged to reduce the energy consumption of selected existing buildings in Hong Kong by 5% before 2020. We set energy-saving targets and timelines, share success stories and involve building managers and building users in implementing energy efficiency measures.

Responsible Use of Materials

As part of our green building initiatives, we encourage using materials from responsible sources. For example, we prioritise timber that is certified to Forest Stewardship Council ("FSC") standard or equivalent. Our property construction projects aim to source at least 10% of local materials that are grown or manufactured within a radius of 800 km from the project sites in order to reduce the environmental impacts of transportation. Our hotels also offer amenities made of sustainable and natural materials.

In collaboration with the Nano and Advanced Materials Institute, Hip Hing developed the "capsule technology" for producing strong, lightweight concrete with superior thermal and acoustic insulation properties. As a result of the concrete's lighter weight, the technology helps to reduce energy consumption and carbon emissions during its transportation.

We curate developments which bring more connected communities in which housing, dining, retail facilities and more can be found in close proximity. On the environmental front, mixed use developments reduce customers' need for private transportation and resulting greenhouse gas emissions.

Leading the industry, the Group develops its own BIM approach and pilots application from project planning to operational stages. The three-dimensional models enable project teams to visualise designs, manage engineering processes, identify hidden defects and blind spots in advance and reduce abortive works, allowing for better management of environmental resources, costs, quality and health and safety risks. Tianjin Chow Tai Fook Finance Centre in Mainland China is an example where BIM was applied from planning to operation. The Group seeks to scale up the adoption of BIM in upcoming projects.

In addition to enhancing building energy efficiency, our transport business has been upgrading its fleet to be more fuel-efficient. Currently, over 1,300 environmentally-friendly Euro V or above buses are in service. Hybrid and electric buses are also being tested on the road to reduce roadside emissions.



Waste Reduction

At our construction sites, responsible practices are implemented to minimise environmental impacts. We adopt industry standards such as the Engineered Waste Management Plan and the BEAM Plus standard. An Inert Materials Transfer Programme that reuses inert construction waste as input materials and foundation filler materials for other construction projects has also been established. This reduces waste sent to landfill as well as project costs, as fresh sand need not be purchased and delivered to project sites.

We support the Government's waste management policies and encourage public participation in waste reduction and recycling. Substantial efforts have been devoted to waste management and highly recognised by the public. For example, our Hong Kong K11 Art Mall attained the "Grand Award" of "Green Building Award 2016 (Existing Buildings Category – Facilities Management)" for its active engagement of tenants and neighbourhood businesses in recycling food waste and converting the waste into useful resources.

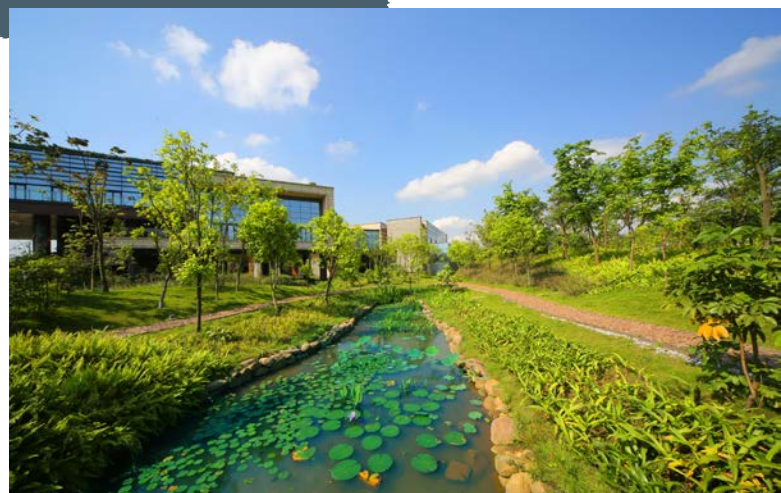
We are also committed to supporting the Hong Kong Government's Municipal Solid Waste ("MSW") Charging Scheme, which is slated to take effect in late 2019. New World Tower and Manning House have been undertaking a pilot study since mid-2017 to measure waste generation, raise tenants' awareness on waste reduction and prepare them for the upcoming legislation.

To reduce food waste, we have launched food waste and used cooking oil recycling programmes at food and beverage outlets of our hotels and commercial properties including Hong Kong Convention and Exhibition Centre (HKCEC) and K11 Hong Kong Art Mall. In addition, we donate food surplus to Foodlink Foundation, an NGO dedicated to fighting hunger, fostering nutritional wellness among those in need and reducing disposal of food waste to landfills.

Our offices and shopping malls have echoed the Producer Responsibility Scheme ("PRS") of the Government and collected the regulated waste electrical and electronic equipment (e-waste) for proper treatment by ALBA IWS, a contractor appointed by the Government Under the PRS, e-waste arising from property management and corporate activities such as computers, printers and monitors are collected, with functional items being refurbished and donated to families in need.

Water Management

We acknowledge the impacts of climate change and strive to build a more resilient city by incorporating the Chinese Government's "sponge city" concept into our building design and water management, including our recent large-scale mixed-use projects in Guangzhou and Ningbo. By mimicking nature, the design of a "sponge city" reduces flood risks by enhancing and redistributing absorption capabilities across the targeted areas. The rainwater runoff which is diverted to replenish the groundwater helps improve water reuse and enhances water security.



Taking inspiration from our cultural heritage, features such as the ecological detention pond, rainwater garden and permeable pavements are adopted to improve urban drainage. For example, the Canton First Estate Project in Foshan, Guangdong can process up to 4.45 million cubic metres (cbm) of rainwater and greywater each year and can withstand a once-every-50-year torrential rainstorm.

VALUE CHAIN



We collaborate with our supply chain partners and customers to drive sustainable operations holistically. Our tenants and customers are engaged regularly to provide feedback which enables us to offer bespoke products and services.



VALUE CHAIN

Managing Our Suppliers

At New World Group, we consider our suppliers and contractors to be essential parts in the design and delivery of superior products and services. As a responsible business, we are obliged to exert a positive influence on our supply chain network.

With a wide spectrum of businesses, the Group's suppliers range from construction materials and the services of subcontracted workers, to buses and highly specialised vehicle parts; from food for hotels, to consumer goods for our retail businesses. We are committed to selecting local suppliers wherever possible, so as to support the domestic economy and create employment opportunities. To deliver differentiated products and services of top quality, all suppliers and contractors are required to adhere to the Group's Supplier Code of Conduct and follow our requirements on ethical conduct, labour practices, environmental conservation and legal compliance. NWCON has adopted an integrated management system for quality, environmental and health and safety that is certified to the ISO9001, ISO14001 and OHSAS18001. New vendors are required to complete a Supplier Sustainability Self-Assessment Questionnaire with information on their performance and track record on quality, environment and health and safety.

Systematic risk monitoring and management procedures are adopted to identify, minimise and mitigate supply chain-related risks, including those that are related to environmental, social and governance aspects. We are well aware of the importance of two-way communication with our supply chain partners and strive to nurture a mutually beneficial relationship that encourages exchange of ideas, knowledge sharing and higher industry standards. Our expectations are regularly communicated to our suppliers and contractors through various channels such as training, meetings and sharing sessions. Guidance and ongoing support are provided to our vendors and follow-up actions are taken in a timely manner.

We recognise and celebrate their outstanding performance to encourage continuous improvement. For example, NWSH has acknowledged the excellent performance of its key subcontractors and invited representatives of the subcontractors to share their success stories in business events.

We promote sustainable procurement in our hotel operations. To minimise our carbon footprint, locally-sourced materials are preferred. Pentahotel Hong Kong, Kowloon does not offer shark fin in the food menu to promote a more sustainable dining culture.

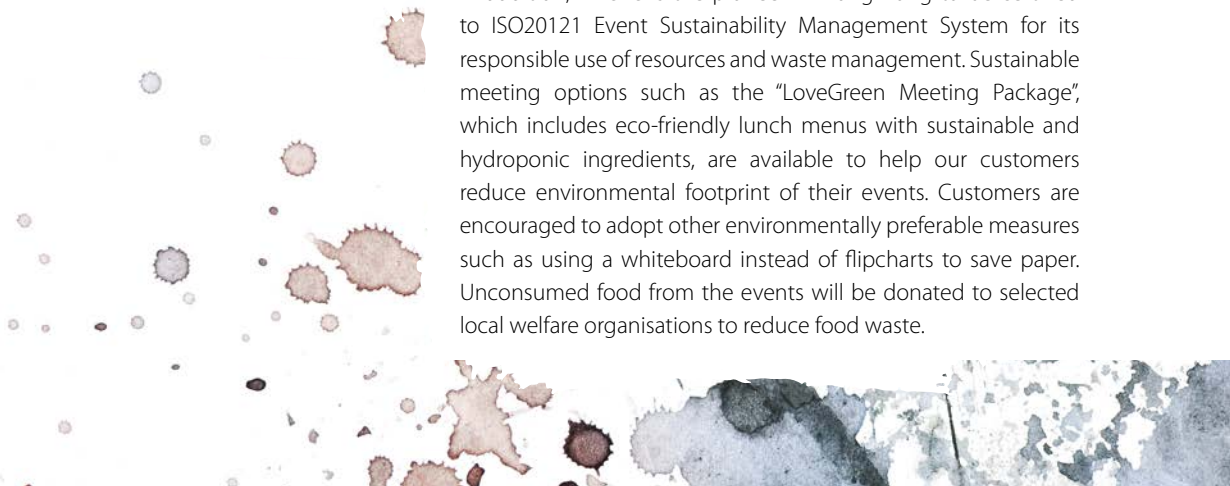
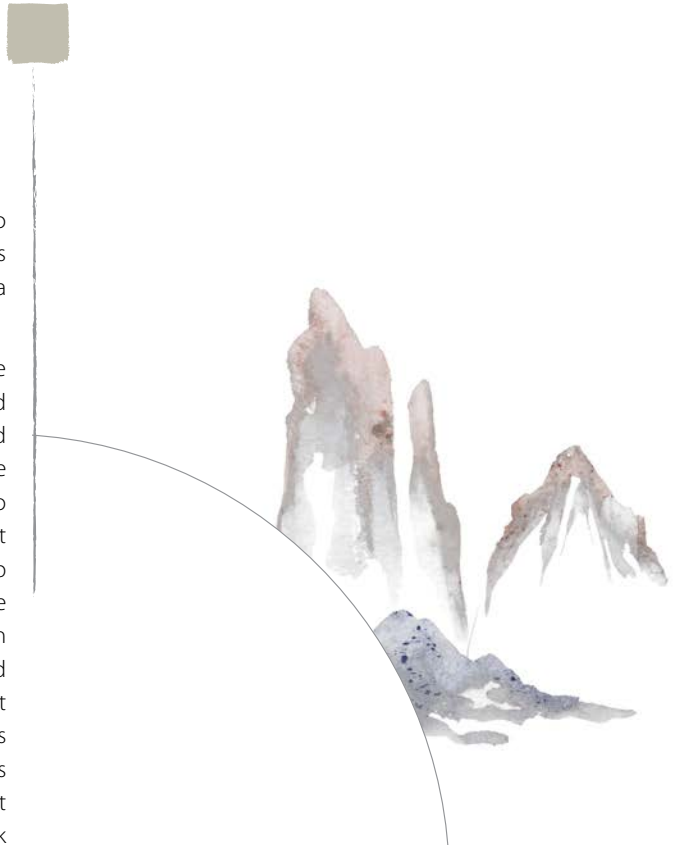
Creating Synergy through Tenant Engagement

To strengthen the business ecosystems and create a greater synergy in driving a modern taste of living, we devise solutions to help our tenants use our commercial premises in a more environmentally responsible way.

The Group's Green Fitting-out Guides for Office/Shop Tenants offer commercial building tenants practical green measures for planning and undertaking the renovation.

We are one of the founding members of the "Hong Kong Green Shop Alliance", which was initiated by the Hong Kong Green Building Council (the "HKGBC"). The Alliance was established to raise green building awareness and sustainable practices in the retail industry. More than 30 tenants from seven properties of NWD have participated in this meaningful endeavour. The participants have made a Green Shop Pledge and will implement green measures including responsible use of resources and waste management at their shops according to the checklist developed by the HKGBC. The Alliance serves as a platform for sharing best practices among members across retail, food and beverage and property sectors, creating a synergistic impact towards building a sustainable shopping environment for customers.

In addition, HKCEC is the pioneer in Hong Kong to be certified to ISO20121 Event Sustainability Management System for its responsible use of resources and waste management. Sustainable meeting options such as the "LoveGreen Meeting Package", which includes eco-friendly lunch menus with sustainable and hydroponic ingredients, are available to help our customers reduce environmental footprint of their events. Customers are encouraged to adopt other environmentally preferable measures such as using a whiteboard instead of flipcharts to save paper. Unconsumed food from the events will be donated to selected local welfare organisations to reduce food waste.



SOCIAL AND RELATIONSHIP CAPITAL



We understand our local communities and respond to their needs. We take pride in our long-standing heritage of community investment to improve social mobility, promote sports and healthy living, support local entrepreneurship and promote art and culture.



SOCIAL AND RELATIONSHIP CAPITAL

Understanding our local communities, foreseeing their needs and delivering bespoke products and services are our top priorities. We take pride in our long-standing heritage of community investment to improve social mobility, promote sports and healthy living, support local entrepreneurship and advocate art and culture.

Meeting Community Needs

D • PARK – “the World’s First Multiple Intelligence (M.I.) Kids Mall” – is a 630,000-sq ft shopping mall with nearly 140 store carefully selected for local families and an “M.I. Zone” with learning courses and interactive games to promote whole-body development of children. We have successfully integrated the M.I. theory developed by Harvard University of the United States, into our shopping mall, capturing opportunities that introduce quality “edutainment” and generate positive impact to our community.

Improving Social Mobility

The New World Springboard programme, funded by the New World Group Charity Foundation for the fifth year, has continued to offer long-term professional sports training and community exposure to local under-resourced youth. One of the latest additions to the programme was the Teens Club, which provides life coaching to students aged 13 and above through activities such as workshops and corporate visits.



In 2017, NWSH collaborated with three NGOs in Hong Kong to launch the “NWS Career Navigator For Youth” programme for 10 secondary schools. Intended for a long term, the programme has already engaged about 400 students and 100 teachers in Tsuen Wan and Kwai Tsing Districts. The programme supports and instils inspiration into the youth regarding their future career path through workshops and mentorship. Outstanding participants are able to have an opportunity to shadow different types of jobs in the Group.

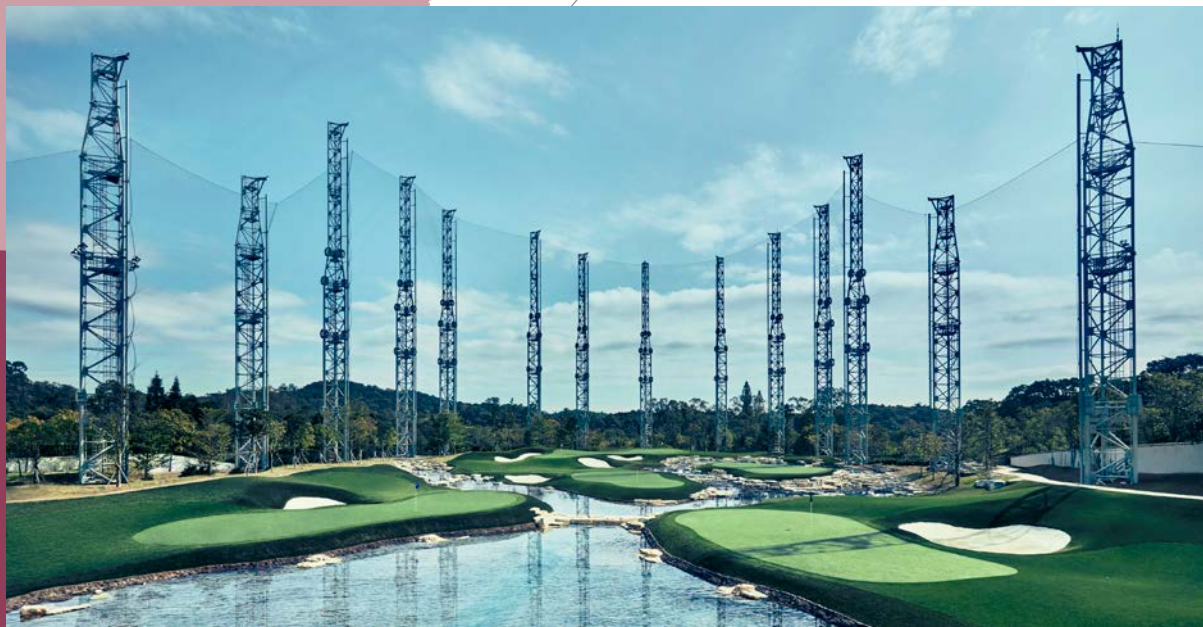
Promoting Sports and Healthy Living

The New World Harbour Race, one of Hong Kong’s most iconic sports events, engaged a record number of 2,734 international and local swimmers in 2016. To inject new and exciting ideas into this heritage event, we invited members of the Hong Kong Swimming Team who competed in the Rio Olympics to join the charity category of the Race. Furthermore, 19 young swimmers from our New World Springboard programme took this opportunity to apply their skills gained from the training and completed the Race with encouraging results.

Sponsored by NWCL, the European Challenge Tour – Foshan Open 2016, as one of the most significant sports and sustainability events in Foshan and a crucial platform for cultural exchanges between Guangdong and the world, successfully attracted a total of 126 golfers from 20 jurisdictions. We worked together with charitable organisations to engage participants through charity walk, promoting the conservation of natural environment while supporting children with autism.

Hong Kong Golf & Tennis Academy - A Holistic Sports and Wellness Destination

As a holistic sports and wellness destination, Hong Kong Golf & Tennis Academy (HKGTA) in Sai Kung promotes active artisanal living through its bespoke sports training and golf workshops infused with STEM (Science, Technology, Engineering and Mathematics) elements for students, etc. HKGTA is dedicated to nurturing young golf and tennis athletes through its Active Youth Grant. Community organisations, NGOs and schools receiving funding from HKGTA Charity Foundation ignite a passion for sports among the under-resourced youth and build up their self-confidence through active participation in sports, empowering them to lead healthier and more fulfilling lives.



Supporting Local Entrepreneurship

Entrepreneurship has been a key driver for growth and development in Hong Kong's history. We are keen to play a role in fostering a start-up friendly culture in Hong Kong by establishing Eureka Nova, a social enterprise that assists young entrepreneurs by providing a bespoke incubation programme on cultural technologies and critical resources

such as networking opportunities, office space and access to funding. Through our incubation platform, disruptive business solutions will be collected, passionate change-makers connected and bold ideas collided to create sustainable values for the community.

Perfect Platform for Youth Development

Managed by one of our business units – New World Facilities Management Company Limited, Youth Square nurtures the youth with diversified development activities. In 2016, Youth Square collaborated with Centre for Corporate Sustainability and Innovations of Hang Seng Management college and hosted the two-day “Youth Leadership Camp on Sustainable Entrepreneurship”. About 20 students from Hong Kong, Mainland China, Indonesia, Thailand and the Philippines gained exposure to sustainable entrepreneurship through sharing sessions, learnt about the UN SDGs and developed innovative ideas for tackling sustainable development issues.



Advocating Art and Culture

K11 Art Mall infuses art into our stakeholders' everyday lives. The mall hosts art exhibitions open to the public on a regular basis. K11 celebrated its Art Month of 2017 with the theme of “ME:MILLENNIALS”, under which a series of new media art exhibitions were curated to illustrate how digitalisation brought new possibilities to contemporary arts.



The K11 Art Foundation (“KAF”) is a registered not-for-profit organisation founded in 2010 that incubates young contemporary artists and promotes public art education in Greater China. KAF focuses on engaging young emerging Chinese artists and connecting them with local, regional and international stages to gain greater public exposure. KAF has also forged partnerships with many prestigious art institutions for regional and international projects. For example, KAF partnered with the New Museum of New York City in Mainland China for the first time and presented “After us”, a group art exhibition featuring both international and emerging Chinese artists. During March and April 2017, KAF and MoMA PS1, one of the oldest and largest non-profit contemporary art institutions in the United States, co-presented “.com/.cn”. The exhibition showcased works by multiple Chinese and foreign artists that responded to the age of the Internet and its influence on their worldviews as well as political and economic systems.



HUMAN CAPITAL



New World Artisans thrive in an inclusive workplace where they are amply provided with development and caring programmes. We foster an innovative culture through all-round training, provision of networking opportunities and strategic talent acquisition.

HUMAN CAPITAL

The Group's unique brand personality is not only demonstrated in our bespoke projects and services but also reflected in our employee-centric human capital management strategies. We believe in the artisanal spirit in each employee and, collectively, they form the key to our success.

Fostering an Ideal Workplace

The Group is committed to providing a productive and inclusive working environment that embraces diversity and equality. Our Employee Handbook has incorporated the guidelines covering compensation and dismissal, recruitment and promotion, rest periods, equal opportunity, diversity, anti-discrimination, whistleblowing and benefits and welfare, such as medical insurance, Mandatory Provident Fund and discretionary bonus, to ensure compliance with the relevant laws and regulations. We review our remuneration packages periodically to ensure that our employees are assessed and rewarded based on their capabilities, responsibilities and performance.

In line with the principles of the United Nations Global Compact, the Group Human Rights Policy has been developed to reaffirm our commitment to respecting and protecting the fundamental rights of our employees and our businesses partners including suppliers and contractors. We strictly prohibit the employment of child, forced, and other illegal forms of labour in our operations and expect our business partners to adhere to similar standards. The policy has been communicated to and strictly followed by all employees, who are encouraged to report any potential violation.

“Care Points” - Bespoke Staff Caring Programme

Our employees may use the “CarePoints” converted from unused annual leave to cover medical expenses of outpatient services, dental and medical treatments and check-ups, in addition to the medical insurance and subsidies already provided by the Group. This measure has been extended to employees on all levels and their non-working dependents.



Health and Safety, Wellness

Occupational health and safety is given a high priority. Our construction arms NWCON and Hip Hing have formal health and safety policies and committees for management and communication. We use an OHSAS 18001-compliant management system to ensure the highest standards of occupational health and safety are factored into planning, design and construction processes.

Regrettably, a fatality of a rescue team member from Hangzhou Ring Road in NWS was recorded during the reporting period. Road safety risk management systems for frontline workers have been strengthened to mitigate the operational risk.

NWCON has developed the “Family Circle” concept with an aim to foster a sense of family among staff and package contractors. NWCON is committed to working with package contractors in creating a safe working environment and enhance the health and

safety awareness of all employees through comprehensive safety training, performance monitoring and reporting, and feedback mechanisms for continuous improvement.

At our construction sites, we promote workplace safety awareness via campaigns, training, forums, internal surveys and incentive schemes. Feedback is solicited from frontline workers under our “We Hear Your Voice” campaign and through the NWCON Health and Safety Committee to enhance safety practices. Technologies such as BIM have also been applied to reduce abortive works and safety risks during construction phase.

We care about both physical and mental health of our staff. A comprehensive wellness programme offers yoga classes, weight management workshops, parenting, stress management and self-care talks have also been organised to encourage work-life balance and living with quality.

Talent Acquisition

Acquisition of right talents fuels the growth of the Group. To identify and recruit young talents to join our ranks, we deliver recruitment talks and hold career fairs at local universities and form partnerships with them.



The Group believes that the millennial generation is the driver for future growth. We collaborated with the University of Hong Kong and launched the New World Group Business Executive Students ("BEST") Programme in 2013. This programme welcomes students from all disciplines and aims to equip students with business knowledge and prepare them for the dynamic business world. The Programme features a range of lectures by senior management of the Group and company visits. Outstanding participants are selected to join the Group Internship Programme.



Creative Talent Acquisition Process

Our artisanship is reflected in the talent acquisition process in which candidates for the Group Management Trainee (MT) were invited to participate in “Artisans Go!”, through which they explored the Hong Kong K11 Art Mall, developed business ideas and pitched to a judging panel comprising NWD’s department heads. An alternative application route named “Artisans Blast” allowed candidates to demonstrate their artisanal spirit on social media platforms. Over 300 videos and photos were received. Through these innovative and creative channels, we received a record-high number of MT applications this year.



Nurturing Talents and Instilling Imagination

Continuously investing in upskilling our people is a key to supporting our ongoing business growth. The Group and its business units have adopted talent appraisal metrics to identify leaders among our employees. The Group Human Resources Department developed “NW TALENT”, an appraisal framework that assesses employees’ six core competencies, including forward strategic planning ability, capability to drive results, leadership and talent grooming, Emotional Quotient (EQ) and Adversity Quotient (AQ), ability to solve complex problems and self-awareness to promote entrepreneurship as rapid transformation is needed to capture opportunities of technological advancement. We value the innovation and disruption that entrepreneurs could potentially bring to transcend the Group’s business.

For example, in order to ensure the leadership is adapted to the fast-changing retail market, NWDS conducts a rigorous 360-degree appraisal on senior management twice a year.

New World University™ is our caring 60-year pipeline to develop Group talents and their families from 5 to 65 years old through training and development programmes, educational allowances, scholarships, complemented by measures such as provision of paid leave of up to three days annually for taking professional examinations. A full spectrum of talent development initiatives tailored for all levels of employees is available, including the Group MT and Internship Programme, YoungSTAR Programme, Accelerating Management Talent Programme and Executive Management Programme.

Promoting Innovation and Creativity

New management approaches are in place to develop millennial employees with entrepreneurial opportunities and short-term rewards. For instance, our department store business encourages its employees to collaborate and become small business owners. A web platform has been established for promoting new small brands and merchandise and for tracking sales. Employees develop a stronger sense of belonging through co-owning small businesses and making joint decisions with senior management.

The New World DigiTalent Programme provides interactive training on design thinking, the application of big data analytics

and digital marketing strategies with an aim to inspire the Group’s employees and accelerate our technology transformation and drive business improvement.

We connect our employees to encourage communication, sharing and ideas exchange. The “HR • CONNECT” programme organises informal mixers, site visits and brainstorming sessions for our employees to broaden their network, contribute ideas and foster a collaborative culture.

DATA TABLES

Key Environmental Performance Data in 2016/17

GRI G4 Indicators	HKEx KPIs		Units	New World Group Total
EN1 & EN2	A2.5	Material Use		
		Paper (A3 & A4)	kg	276,411
		Paper products	kg	33,601
		Timber	tonne	460
		Bricks	tonne	26,729
		Cement	tonne	10,030
		Cement mortar	tonne	12,285
		Concrete	tonne	857,572
		Reinforcing steel bars	tonne	119,415
		Sand	tonne	27,230
		Stones	tonne	56,922
EN3	A2.1	Energy Consumption		
		Biodiesel	GJ	65,703
		Natural Gas	GJ	343,051
		Gasoline	GJ	24,904
		Liquefied Petroleum Gas	GJ	860
		Diesel	GJ	3,579,010
		Electricity	GJ	1,732,152
EN15 EN16	A1.2	Greenhouse Gas (GHG) Emissions⁽¹⁾		
		Total GHG emissions	tonne CO ₂ e	801,674
		Scope 1 Emissions	tonne CO ₂ e	405,353
		Scope 2 Emissions	tonne CO ₂ e	396,320
EN8	A2.2	Water Consumption		
		Municipal water used	cbm	4,666,413
EN23	A1.3 & A1.4	Waste		
		Waste disposed of at landfills ⁽²⁾	tonne	89,422
		Waste recycled or reused, including the below:	tonne	798,414
		Electronic & electrical waste	tonne	1
		Construction & demolition waste	tonne	797,614
		Paper	tonne	372
		Cardboard	tonne	4
		Plastics	tonne	6
		Aluminium	tonne	2
		Scrap metal	tonne	296
		Glass	tonne	29
		Food waste	tonne	72
		Cooking oil	tonne	19

Note:

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

(2) Excluded general waste arisen from residential properties in Hong Kong. The Group will strengthen waste management practices and improve tracking of this data in future.

Key Human Resources Data in 2016/17

GRI G4 Indicators	HKEx KPIs	New World Group Total		
G410	B1.1	Staff Information		
		Total number		35,299
		Permanent		35,098
		Temporary		201
		Full-time		34,984
		Part-time		315
		Operational Staff		14,928
		General Staff		14,248
		Assistant Manager		2,536
		Manager		2,144
		Senior Manager		941
		Assistant General Manager and above		502
		Hong Kong		13,245
		Mainland		22,036
		Overseas		18
		Aged 30 or below		9,445
		Aged 30-39		10,630
		Aged 40-49		7,908
		Aged 50 and above		7,316
		Male		21,308
		Female		13,991
LA1	B1.2	Turnover & New Hire Rates		
			Turnover (%)	New Hire (%)
		Total	17.3	13.5
		Hong Kong	5.5	5.7
		Mainland China	11.8	7.8
		Overseas	0.0	0.0
		Aged 30 or below	6.6	6.5
		Aged 30-39	5.5	4.2
		Aged 40-49	2.6	1.8
		Aged 50 and above	2.6	1.0
		Male	9.2	6.9
		Female	8.0	6.6
LA6	B2.2	Health and Safety		
		Total number of injuries		426
		Injury rate (per 100 employees)		1.5
		Total lost days due to injuries		18,041
		Lost days rate (per 100 employees)		61.6
	B2.1	Total fatality		1
LA9	B3.2	Average Training Hours Per Staff		
		All Staff		9.8
		Operational Staff		13.6
		General Staff		6.5
		Assistant Manager		7.4
		Manager		8.8
		Senior Manager		6.6
		Assistant General Manager and above		14.6

MAJOR SUSTAINABILITY AWARDS

Organiser	Award	Companies / Properties
Hang Seng Indexes Company Limited	Hang Seng Corporate Sustainability Index Series 2016-2017	NWD
	Hang Seng Corporate Sustainability Benchmark Index 2016-2017	NWSH
The Hong Kong Council of Social Service	Caring Company Logo	
	• 15 Years Plus Logo	NWSH
	• 10 Years Plus Logo	NWD
	• 5 Years Plus Logo	NWDS
The Hong Kong Council of Social Service	Business for Sustainability Logo 2016/17	NWD & NWDS
Hong Kong Polytechnic University	The 2 nd Hong Kong Business Sustainability Index	NWD
Hong Kong Quality Assurance Agency	HKQAA CSR Index Plus	NWD & NWSH
Hong Kong Management Association	Award for Excellence in Training and Development 2016 Most Innovative Award	NWD
Home Affairs Bureau & the Family Council	Family-friendly Employers Award Scheme	
	• Distinguished Family-Friendly Employer	NWD & NWDS
	• Special Mentions (Gold)	NWD & NWDS
Hong Kong Productivity Council & Committee on the Promotion of Civic Education	The 7 th Hong Kong Corporate Citizenship Programme	
	• Silver Award – Enterprise category	NWSH
	• Bronze Award – Volunteer Team category	NWSH & NWD
CAPITAL magazine	Corporate Social Responsibility Awards 2017	NWD
The 6 th China Charity Festival Committee	Responsible Brand Award 2016	NWD
The Mirror Post Cultural Enterprises	Outstanding Corporate Social Responsibility Award	NWD
China Real Estate Business & China International Real Estate & Architectural Technology Fair (CIHAF)	2016 Top 30 China Most Competitive Green Developers	NWCL
Property Guru Group	2016 China Property Awards – Special Recognition in CSR	NWCL
The Asset magazine	The Asset Corporate Awards 2016: Gold Award – Corporate Governance, Social Responsibility, Environmental Responsibility and Investor Relations	NWDS
HR Asia magazine	HR Asia Best Companies to Work For in Asia 2017	NWD
Human Resources magazine	HR Innovation Awards 2016 – HR Grand Winner	NWD
Labour and Welfare Bureau – Community Investment and Inclusion Fund	Social Capital Builder Award 2016	NWD & NWSH
The 5 th China Finance Summit	The Best Employer's Award	NWD
Environmental Protection Department and Environmental Campaign Committee	Certificate of Hong Kong Green Organization	NWD, NWDS & K11 Hong Kong

Organiser	Award	Company / Properties
Hong Kong Green Building Council and Professional Green Building Council	Green Building Award 2016	
	• Finalist – New Buildings Category : Completed Projects – Commercial Building	The Green Atrium & Canton First Estate New World – Canton International House
	• Special Citation in Eco-Service Infrastructure Network – New Buildings Category : Completed Projects – Commercial Building	Canton First Estate New World – Canton International House
	• Grand Award – Existing Buildings Category : Facilities Management	Hong Kong K11 Art Mall
	• Finalist – New Buildings Category : Project Under Construction and/or Design – Residential Building	Mount Pavilia
Federation of Hong Kong Industries	2016 BOCHK Corporate Environmental Leadership Awards	
	• EcoChallenger	Hong Kong K11 Art Mall
	• EcoPartner	The Green Atrium
U Magazine	U Green Awards 2015-2016 : Outstanding Green Contribution Award – Shopping Mall	Hong Kong K11 Art Mall
China Chain Store & Franchise Association	2016 CCFA Retail Innovation Award	NWDS

MEMBERSHIPS AND CHARTERS

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

CONTENT INDEX

GRI G4 General Standard Disclosures		HKEx ESG Reporting Guide	Location of Disclosure	Notes
Strategy and Analysis				
G4-1	Message from Senior Management	--	Message from Management	--
Organisational Profile				
G4-3	Name of the organisation	--	About our Business	The Annual Report 2017 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.
G4-4	Primary brands, products, and services	--		
G4-5	Headquarters	--		
G4-6	Countries of operation	--		
G4-7	Nature of ownership and legal form	--		
G4-8	Markets served	--		
G4-9	Scale of the organisation	KPI B1.1	<ul style="list-style-type: none"> • Group Highlights • About our Business • Human Capital – Talent Acquisition • Data Tables 	The Annual Report 2017 contains additional information on segment revenues, group capitalisation and vacancy rates in "Management Discussion and Analysis", "Financial Highlights" and "Executive Vice-chairman's Report" respectively. The section entitled "Principal Projects Summary" provides information on major property development and investment projects in Hong Kong and Mainland China as well as other hotels and infrastructure projects.
G4-10	Workforce profile	KPI B1.1		
G4-11	Collective bargaining	--	---	Within the scope of the Report, none of our employees are covered by collective bargaining agreements.
G4-12	Supply chain description	General Disclosure (GD)-B5	<ul style="list-style-type: none"> • Natural Capital – Commitment to Sustainable Development Lifecycle • Value Chain – Managing our Suppliers 	The Sustainable Property Development Lifecycle diagram illustrates the sequence of activities of our property development and investment businesses. Data on our supply chain partners (number, location, type and value of transactions) cannot be disclosed as it is not available in this reporting cycle.
G4-13	Significant changes during the reporting period	--	--	Please refer to the Annual Report 2017 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 this year.

GRI G4 General Standard Disclosures		HKEx ESG Reporting Guide	Location of Disclosure	Notes
G4-14	Precautionary approach	--	Management Approach – Corporate Governance Framework; Risks, Opportunities and Future Orientation	The application of “Precautionary Principle” is considered in our approach to potential environmental impacts of the Group. In accordance with Principle 15 of the United Nations (UN) Rio Declaration on Environment and Development, 1992, we will take a preventive and proactive approach to avoid severe or irreversible environmental damage.
G4-15	Externally-developed charters, principles and initiatives	--	<ul style="list-style-type: none"> Natural Capital – Minimising Greenhouse Gas and Air Emissions Value Chain – Creating Synergy through Tenant Engagement Memberships and Charters 	--
G4-16	Membership of external associations	--	Memberships and Charters	--

Identified Material Aspects and Boundaries

G4-17	Entities included in consolidated financial statements	--	Reporting Approach – Scope of this Report	Please refer to “Principal Subsidiaries”, “Principal Joint Ventures” and “Principal Associated Companies” in the Annual Report 2017 for further information.
G4-18	Defining the report content	--	<ul style="list-style-type: none"> Reporting Approach – Scope of this Report Materiality Assessment 	--
G4-19	List of material aspects	--	<ul style="list-style-type: none"> Stakeholder Engagement Materiality Assessment 	--
G4-20	Aspect Boundary within the organisation	--	Materiality Assessment	--
G4-21	Aspect Boundary outside the organisation	--		
G4-22	Restatements of information	--	--	Sustainability Report 2017 does not contain any restatements of information.
G4-23	Significant changes in the scope and aspect boundaries	--	Reporting Approach – Scope of this Report	In addition to the Group’s property development and investment businesses in Hong Kong and Mainland China, the scope of Sustainability Report 2017 extended to include sustainability performance of our infrastructure and services, department stores and hotel businesses.

Stakeholder Engagement

G4-24	List of stakeholders engaged	--	Stakeholder Engagement	
G4-25	Identification and selection of stakeholders	--		
G4-26	Approach to stakeholder engagement	--		

GRI G4 General Standard Disclosures		HKEx ESG Reporting Guide	Location of Disclosure	Notes
G4-27	Key topics and concerns raised through stakeholder engagement and how the organisation has responded	--	<ul style="list-style-type: none"> Management Approach – Values and Principles Stakeholder Engagement 	
Report Profile				
G4-28	Reporting period	--	Reporting Approach – Scope of this Report	
G4-29	Date of most recent previous report	--	--	Sustainability Report 2016 was published in October 2016.
G4-30	Reporting cycle	--	--	Sustainability Reports are published online on an annual basis.
G4-31	Contact point for enquiries	--	Reporting Approach	--
G4-32	"In accordance" option and GRI Content Index	--	Reporting Approach	--
G4-33	External assurance	--	<ul style="list-style-type: none"> Reporting Approach – Report Assurance Assurance Statement 	--
Governance				
G4-34	Governance structure	--	Management Approach – Corporate Governance Framework	Information about our governance structure is available in the Annual Report 2017 section entitled "Corporate Governance Report".
Ethics and Integrity				
G4-56	Values, principles, standards and norms of behaviour	--	Management Approach – Values and Principles	--
Anti-corruption				
--	Information on policies and compliance with relevant laws and regulations relating to bribery, extortion, fraud and money laundering	GD-B7	Management Approach – Corporate Governance Framework	Please refer to "Corporate Governance Report" of our Annual Report 2017.
--	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases	KPI B7.1	--	The Group had zero concluded legal cases regarding corrupt practices brought against the Group or its employees during the report period.

GRI G4 General Standard Disclosures		HKEx ESG Reporting Guide	Location of Disclosure	Notes
--	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	KPI B7.2	Management Approach – Corporate Governance Framework	--
GRI G4 Specific Standard Disclosures		HKEx ESG Reporting Guide	Location of Disclosure	Notes
Economic Performance				
G4-DMA	Disclosure on management approach	--	About our Business	The business review of the Group is set out in the sections headed "Executive Vice-chairman's Report", "Management Discussion and Analysis" and "Risk Factors" of the Annual Report 2017.
G4-EC1	Direct economic value generated and distributed	--	<ul style="list-style-type: none"> About our Business Group Highlights Data Tables 	Please refer to the "Consolidated Income Statement" in the Annual Report 2017 for further information about revenues, operating costs and payments to shareholders. Employee wages and benefits can be referenced to note "Staff Costs". Payments to the Government are disclosed in the "Consolidated Statement of Cash Flows". The "Report of the Directors" contains information on charitable and other donations the Group made during the financial year.
Market Presence				
G4-DMA	Disclosure on management approach	--	<ul style="list-style-type: none"> Management Approach Human Capital – Fostering an Idea Workplace 	--
G4-EC6	Proportion of senior management hired from the local community at significant locations of operation	--	--	Members of the Board of Directors are all hired from Hong Kong. Please refer to the "Directors' Profile" of the Annual Report 2017.
Materials				
G4-DMA	Disclosure on management approach	GD-A2	Natural Capital – Commitment to Sustainable Property Development Lifecycle and Responsible Use of Materials	--
G4-EN1	Materials used by weight or volume	KPI A2.5	Data Tables	--
G4-EN2	Percentage of materials used that are recycled input materials	--	Data Tables	Timber used in the construction is renewable. In total, 460 tonnes of timber was used during the reporting period for construction.

GRI G4 Specific Standard Disclosures		HKEx ESG Reporting Guide	Location of Disclosure	Notes
Energy				
G4-DMA	Disclosure on management approach	GD-A2 KPI A2.3	<ul style="list-style-type: none"> • Management Approach – Values and Principles • Natural Capital – Commitment to Sustainable Property Development Lifecycle; Sustainable Buildings 	--
G4-EN3	Energy consumption within the organisation	KPI A2.1	Data Tables	--
CRE1	Building energy intensity	KPI A2.1	--	0.6GJ/sq. m. (The energy intensity figure covers electricity consumption of the common areas of selected commercial properties in Hong Kong.)
Water				
G4-DMA	Disclosure on management approach	GD-A2 KPI A2.4	<ul style="list-style-type: none"> • Management Approach to Sustainability – Value and Principles • Natural Capital – Commitment to Sustainable Property Development Lifecycle; Water Management 	
G4-EN8	Total water withdrawal by source	KPI A2.2	Data Tables	The in-scope entities only use municipal water supply.
CRE2	Building water intensity	KPI A2.2	--	0.8 cbm /sq. m. (The water intensity figure covers water consumption of the common areas of selected commercial properties in Hong Kong.)
Emissions				
G4-DMA	Disclosure on management approach	GD-A1	<ul style="list-style-type: none"> • Management Approach to Sustainability – Value and Principles • Natural Capital – Commitment to Sustainable Property Development Lifecycle; Minimising Greenhouse Gas and Air Emissions 	--
G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	KPI A1.1 & A1.2	Data Tables	--
G4-EN16	Indirect GHG emissions (Scope 2)		Data Tables	--

GRI G4 Specific Standard Disclosures		HKEx ESG Reporting Guide	Location of Disclosure	Notes
CRE3	GHG emissions intensity from buildings		--	0.1 tonne CO ₂ e/sq. m. (The GHG emissions intensity figure covers emissions arisen from electricity consumption of the common areas of selected commercial properties in Hong Kong.)
Effluents and Waste				
G4-DMA	Disclosure on management approach	GD-A1 KPI A1.5	<ul style="list-style-type: none"> Management Approach – Value and Principles Natural Capital – Commitment to Sustainable Property Development Lifecycle; Waste Reduction 	--
G4-EN23	Total weight of waste by type and disposal method	KPI A1.3 & A1.4 & A1.6	Data Tables	--
Products and Services				
G4-DMA	Disclosure on management approach	GD-A3	<ul style="list-style-type: none"> Management Approach Intellectual Capital – Building Brand Equity through The Artisanal Movement Natural Capital – Commitment to Sustainable Property Development Lifecycle 	--
G4-EN27	Extent of impact mitigation of products and services	KPI A3.1	<ul style="list-style-type: none"> Group Highlights Natural Capital – Commitment to Sustainable Property Development Lifecycle; Sustainable Buildings 	All new buildings in Hong Kong will seek to achieve BEAM Plus Gold-level Green Building Certification or above. During the reporting period, 93% of ongoing Hong Kong project GFA has applied for BEAM Plus.
Compliance (Environmental)				
G4-DMA	Disclosure on management approach	--	Management Approach – Values and Principles	--
G4-EN29	Significant fines and sanctions for non-compliance with laws and regulations	GD-A1	--	No significant fines or sanctions for non-compliance with laws and regulations
Employment				
G4-DMA	Disclosure on management approach	GD-B1	Human Capital – Fostering an Ideal Workplace	--
G4-LA1	New employee hires and employee turnover	KPI B1.2	Data Tables	--

GRI G4 Specific Standard Disclosures		HKEx ESG Reporting Guide	Location of Disclosure	Notes
Occupational Health and Safety				
G4-DMA	Disclosure on management approach	GD-B2 KPI B2.3	Human Capital – Health and Safety, Wellness	--
G4-LA6	Injury rate, lost-days rate and work-related fatality	KPI B2.1 & B2.2	<ul style="list-style-type: none"> Human Capital – Health and Safety, Wellness Data Tables 	--
Training and Education				
G4-DMA	Disclosure on management approach.	GD-B3	Human Capital – Talent Acquisition; Nurturing Talents and Instilling Imagination; Promoting Innovation and Creativity	--
G4-LA9	Average hours of training	KPI B3.2	Data Tables	--
Child Labour				
G4-DMA	Disclosure on management approach	GD-B4	Human Capital – Fostering an Ideal Workplace	--
G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labour, and measures taken to contribute to the effective abolition of child labour	KPI B4.1 & B4.2	Human Capital – Fostering an Ideal Workplace	--
Forced or Compulsory Labour				
G4-DMA	Disclosure on management approach	GD-B4	Human Capital – Fostering an Ideal Workplace	--
G4-HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of all forms of forced or compulsory labour	KPI B4.1 & B4.2	Human Capital – Fostering an Ideal Workplace	--
Local Communities				
G4-DMA	Disclosure on management approach	GD-B8	<ul style="list-style-type: none"> Management Approach – Values and Principles Natural Capital – Community Planning Social and Relationship Capital 	--

GRI G4 Specific Standard Disclosures		HKEx ESG Reporting Guide	Location of Disclosure	Notes
G4-SO1	Operations with local community engagement, impact assessments and development programmes	KPI B8.1 & B8.2	Social and Relationship Capital – Meeting Community Needs; Improving Social Mobility; Promoting Sports and Healthy Living; Supporting Local Entrepreneurship; Advocating Art and Culture	--
Compliance (Society)				
G4-DMA	Disclosure on management approach		Management Approach – Values and Principles	
G4-SO8	Significant fines and sanctions for non-compliance with laws and regulations	GD-B1, B2, B4 & B6	Management Approach – Values and Principles	No significant fines or sanctions for non-compliance with laws and regulations
Customer Health and Safety				
G4-DMA	Disclosure on management approach	GD-B6 KPI 6.3 & B6.4	<ul style="list-style-type: none"> Management Approach – Values and Principles; How We Create Value Intellectual Capital – Building Brand Equity through The Artisanal Movement; Building Trust in Customer Relationships 	--
G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	KPI 6.1	--	There is no significant product and service categories for which health and safety impacts are assessed for improvement.
G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes	GD-B6	--	During the reporting period, NWSH had one case of non-compliance.
Customer Privacy				
G4-DMA	Disclosure on management approach	GD-B6 KPI B6.5	Intellectual Capital – Building Trust in Customer Relationships	--

GRI G4 Specific Standard Disclosures		HKEx ESG Reporting Guide	Location of Disclosure	Notes
G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	KPI B6.2	--	The Group received zero substantiated complaints regarding breaches of customer privacy and losses of customer data during the reporting period.
Compliance (Product Responsibility)				
G4-DMA	Disclosure on management approach	GD-B6	Management Approach – Values and Principles and How We Create Values	--
G4-PR9	Significant fines and sanctions for non-compliance with laws and regulations	GD-B6	--	No significant fines or sanctions for non-compliance with laws and regulations

The following table provides a high-level mapping of this Report to the content elements suggested under the Integrated Reporting Framework established by the International Integrated Reporting Council ("IIRC").

Content Elements of the Integrated Reporting (IR) Framework	Location of Disclosures
Organisational Overview and External Environment	Message from Management About our Business Group Highlights Management Approach Stakeholder Engagement and Materiality Assessment Human Capital Data Tables
Governance	Management Approach Stakeholder Engagement and Materiality Assessment
Business Model	Management Approach
Risks and Opportunities	Management Approach
Strategy and Resource Allocation	Message from Management Management Approach
Performance	Group Highlights Intellectual Capital Natural Capital Value Chain Social and Relationship Capital Human Capital Data Tables
Outlook	Management Approach
Basis of Preparation and Presentation	Reporting Approach Stakeholder Engagement and Materiality Assessment



ASSURANCE STATEMENT

New World Development Company Limited ("New World Group") has prepared its Sustainability Report 2017 (hereinafter referred to as "the Report") in accordance with the Global Reporting Initiative (GRI) G4 Sustainability Reporting Guidelines and with reference to the Environmental, Social and Governance Reporting Guide (ESG Guide) issued by the Hong Kong Exchanges and Clearing Limited (HKEx). The Hong Kong Productivity Council (HKPC) was commissioned by New World Group to provide independent assurance¹ of the Report, which covers the sustainability performance of New World Group in terms of environmental, social and economic aspects between 1 July 2016 and 30 June 2017.

Objectives

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

- assess whether the scope of the Report covered all significant aspects of New World Group's sustainability performance;
- check whether the Report conformed to the Core option of the GRI G4 Sustainability Reporting Guidelines and the "Comply or Explain" provisions of the HKEx ESG Guide;
- evaluate whether the selected statements and data presented in the Report were accurate;
- review whether the data collection and information management mechanisms used to prepare the Report were reliable; and
- provide recommendations for future reports.

Approach

HKPC's assurance procedures² consisted of a comprehensive review of the Report, followed by the selection of a representative sample of statements and data pertaining to the significant sustainability aspects of New World Group for assurance. During an interview with New World Group representatives conducted on 13 December 2017, we reviewed and examined the data collection systems and supporting materials relating to the selected statements and data as well as New World Group's relevant management practices and initiatives.

Conclusion

Based on the information provided by New World Group, it is concluded that the Report conforms to the Core option of the GRI G4 Sustainability Reporting Guidelines and the "Comply or Explain" provisions of the HKEx ESG Guide. It presents an overview of New World Group's environmental, social and economic performance with respect to its identified material aspects within the reporting boundary of New World Group.

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

We encourage New World Group to maintain the comparability of the Report especially when there are significant changes on the material aspects to facilitate stakeholders understanding on its performance over time.

A handwritten signature in black ink, appearing to read 'Jessica Chan', is positioned above the printed name.

Jessica Chan
Senior Consultant
Hong Kong Productivity Council
 5 January 2018

(1) This assurance statement has been prepared for New World Group for the purpose of assuring the statements and data presented in its Sustainability Report 2017 only. The statement was prepared based on HKPC's review of information provided by New World Group during the assurance process. HKPC will not accept or assume any responsibility or liability (legal or otherwise) in relation to this assurance statement.

(2) Our assurance work did not cover data and information which had already been published in the press releases, on New World Group's or its subsidiaries' websites, in the subsidiaries' sustainability reports, or in the annual reports of New World Group.

