

# **Climate Change Policy**

**New World Development Company Limited**

## **1. Introduction**

Guided by the New World Sustainability Vision 2030 (SV 2030), New World Development Company Limited (the “Company”) and its subsidiaries (collectively the “Group”), strives to be a positive contributor to environmental sustainability, aspiring to employ leading approaches through the identification of and responses to climate-related risks and opportunities across our assets. The SV2030 targets<sup>1</sup> include reducing carbon emissions intensity and energy intensity by 50%, respectively.

Many businesses and governments have adopted decarbonisation targets by 2050 after the Paris Agreement came into force in 2016. We believe that we can play a vital part to address climate change impacts that give both risks and opportunities to the Group’s long-term sustainable development.

## **2. Scope of Application**

All Business Units (BUs) under the Group are encouraged to make reference to the principles of this Policy, where applicable, BU(s) would establish its/their own policy/policies.

## **3. Commitment**

The Group is committed to:

- Complying with all legal requirements and integrating industry best practices relating to climate mitigation<sup>2</sup>, adaptation<sup>3</sup> and resilience<sup>4</sup> into our operations and services as much as possible;
- Promoting climate resilience and preparedness towards existing and future impact of natural disasters;
- Reducing our greenhouse gas emissions and energy consumption throughout the property lifecycle by setting environmental targets, implementing practices that will help us achieve carbon neutral by 2050 and Science Based Target (SBT);

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<sup>1</sup> Base year of the target is 2015.

<sup>2</sup> Climate mitigation: A human intervention to reduce the sources or enhance the sinks of greenhouse gases ([IPCC](#)).

<sup>3</sup> Climate change adaptation: anticipating the adverse effects of climate change and taking appropriate actions to prevent and minimise the damage they can cause, or taking advantage of opportunities that may arise ([IPCC](#)).

<sup>4</sup> Resilience: the ability of a system and its component parts to anticipate, absorb, accommodate, to recover from the effects of a hazardous event in a timely and efficient manner, including through ensuring the preservation, restoration, or improvement of its essential basic structures and functions ([IPCC](#)).

- Encouraging the use of low carbon and energy-efficient products and materials in our procurement process;
- Supporting the adoption of renewable energy to reduce the carbon footprint of our utilities consumption;
- Tracking, reporting and managing all traits of our sustainability performance in our core business;
- Supporting responsible practices along our supply chain and educating our internal and external stakeholders;
- Assessing climate change risks and opportunities in accordance with internationally or locally recognised standards (e.g. Task Force on Climate-Related Financial Disclosures (TCFD));
- Identifying, assessing and mitigating social risks that are caused or exacerbated by transition or physical climate-related risks;
- Establishing partnerships with industry leaders and policymakers to develop policies and innovations for sustainable buildings and transition to a low-carbon economy;
- Educating and disseminating climate change knowledge to our internal and external stakeholders to enhance climate literacy.

#### **4. Monitoring and Reporting**

Environment risk factors including climate change are incorporated in our Group Risk Management Policy and the “Risk Management & Internal Control Assessment Checklist” for evaluation by the Company's departments and BUs every six months. Key risk findings are reported to the Company's Audit Committee and the Sustainability Committee<sup>5</sup> in a timely manner. More urgent climate risks such as those related to extreme weather events and natural disasters should be reported to business unit heads immediately.

Key climate-related initiatives and risks will be disclosed in the Company's annual reports or sustainability website.

#### **5. Review of Policy**

Necessary changes to the Policy due to legislative changes and the emergence of best practices will be proposed to the Group Sustainability Steering Committee<sup>6</sup> for review,

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<sup>5</sup> Sustainability Committee: Chaired by Executive Vice-chairman and Chief Executive Officer of the Company, the Sustainability Committee comprises two independent non-executive directors and one executive director and directly oversees and advises on the Company's sustainability strategy, work plans and performance targets to advance ESG leadership.

<sup>6</sup> Group Sustainability 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 sustainability initiatives and manages their performance to support the Sustainability Committee.

in any event, at least once every three years, and Sustainability Committee for endorsement.

**6. Enquiries**

Please email [sustainability@nwd.com.hk](mailto:sustainability@nwd.com.hk) for enquiries on this Policy.

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