



**新世界發展有限公司**

New World Development Company Limited

(Stock Code: 17.HK)

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# **Sustainable Building Policy**

**New World Development Company Limited**

## 1. Introduction

Under the “New World Sustainability Vision 2030”, New World Development Company Limited (the “Company” or “NWD”) and its subsidiaries (collectively the “Group”) aim to deliver “green”, “wellness”, “smart” and “caring” benefits through its artisanal building designs and operation practices by protecting the environment, promoting healthy living, adopting technologies and caring for all community stakeholders.

The Sustainable Building Policy (this “Policy”) sets out the Group’s commitment to embed sustainability considerations into the full building lifecycle from identification/acquisition of project sites, project design to property management, stakeholder engagement and risk management.

## 2. Scope of Application

The Policy is applicable to new and existing buildings of NWD, New World China Limited (“NWCL”) and K11 Group Limited (“K11”), and their subsidiaries (collectively the “Specific Companies”). All business units (“BUs”) are encouraged to make reference to the principles of this Policy, and, where applicable, BU(s) would establish its/their own sustainable building policy/policies.

## 3. Commitments

### 3.1 New & Re-developed Projects

#### *Acquisition & Redevelopment*

For each project site, the Group considers the following factors during the planning process:

- Regulatory compliance

#### Environmental

- Natural hazards, including but not limited to flooding, water stress, extreme temperatures and extreme wind
- Climate change adaptation<sup>1</sup>

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<sup>1</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](#))

- Resilience<sup>2</sup>
- Biodiversity<sup>3</sup>
- Land contamination
- Pollution prevention
- Building safety and materials
- Water and energy supply
- Indoor Air Quality

#### Social

- Cultural heritage onsite/in the vicinity
- Community social and economic impact
- Inclusive design
- Connectivity, e.g. transportation
- Public and stakeholder feedback

#### ***Design & Construction***

The Specific Companies are committed to developing safe and quality buildings that are of lower environmental impact, climate resilient and adaptative and conducive for the health and well-being for building users and the community. We fulfill this commitment by taking the following actions.

#### Sustainable building design and certification

- The Specific Companies strive to achieve the following green building certification targets:
  - BEAM Plus Gold-level or above certifications for new projects in Hong Kong
  - LEED Gold-level or above certifications for new K11 commercial/retail projects in Hong Kong and the Mainland
- The Specific Companies also consider the following certifications where possible:
  - China Green Building Evaluation Standard (Two-star or above) for projects in Mainland China
  - WELL Building Standard (any level) – If certification is infeasible, recommended measures of the WELL Building Standard™ should be

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<sup>2</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](#))

<sup>3</sup> **Biodiversity:** the variety of life on earth. It includes all organisms, species, and populations; the genetic variation among these; and their complex assemblages of communities and ecosystems.” (United Nations Environment Programme)

referenced to achieve “Fundamental Air Quality” and all preconditions under Water, as listed in the Standard.

- Sustainable SITES Initiative (SITES) (any level) – to achieve climate resilient landscape design that also engages the community.

Please refer to Annex I for details of the certification schemes above.

- Besides certifications, NWD and NWCL have set sustainability benchmarks for future projects by developing internal sustainable building design guidelines, covering specifications pertinent to healthy and smart living, social integration and climate change adaptation, innovation relevant to our net zero carbon building ambition, etc.

#### Climate-related Physical Risk Assessment

- The Specific Companies should adopt Climate Resilience Guideline<sup>4</sup> to identify potential climate-related physical risks applicable to project sites under scenarios planning<sup>5</sup>.
- The Specific Companies should conduct climate-related physical risk assessment based on scenario planning and latest available project information.
- The Specific Companies should conduct feasibility study of climate risk mitigation measures.
- The Specific Companies should adopt applicable recommendations from the climate-related physical risk study.

#### Sustainable construction

- The Specific Companies have adopted technologies to streamline construction processes and enable better management of environmental impact.
- Construction teams should ensure proper management of air, water, noise and waste (especially construction and demolition waste), etc. in order to achieve

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<sup>4</sup> **Climate Resilience Guideline:** NWD’s internal climate resilience guideline covers methodology of climate-related physical risk assessment and recommendations on climate resilience improvement measures covering the full building lifecycle.

<sup>5</sup> **Scenarios planning:** should consider intermediate scenarios of Representative Concentration Pathway (RCP) 4.5 and 6.0 or equivalent scenario with reference to the latest Intergovernmental Panel on Climate Change (IPCC).

regulatory compliance and meet relevant standards. Mitigation measures will be duly implemented in case of non-compliance.

- Construction teams should ensure proper quality management and risk assessment of building safety in order to satisfy regulatory compliance and meet relevant standards.

#### Sustainable materials

- The Specific Companies prioritise the use of sustainable construction materials, e.g. Forest Stewardship Council (FSC) certified timber, local/regional building materials sourced from within 500 miles of the project sites, healthy building materials (e.g. low-emission and nontoxic), materials with lower embodied carbon, etc. The same standards should apply to interior design and fitting-out.

#### Indoor Air Quality

- The Specific Companies strive to improve indoor air quality through the Hong Kong SAR Government - Environmental Protection Department's ("EPD") "good class" of Indoor Air Quality Certification and "RESET" certification in Mainland China.
- The Specific Companies will encourage all buildings to apply for the EPD's Indoor Air Quality Certification.

#### ***Handover***

- To promote sustainable tenancy, the Specific Companies introduce the voluntary "Sustainable Tenancy Pledge" to our commercial and retail tenants covering a "Sustainable Fitting-out Guide", a "Sustainable Operation Guide" and energy efficiency optimisation and waste management services where possible.

#### ***Sales and Marketing***

- The Specific Companies comply with the prescribed requirements of the relevant legislation relating to marketing, advertising and sales (if applicable).

### 3.2 Existing Buildings

#### ***Facilities Management***

The Specific Companies identify opportunities to enhance resource consumption efficiency, reduce greenhouse gas emissions and improve the health and well-being of building users.

#### Sustainable building certifications and energy certifications

- Existing commercial/retail buildings without BEAM/BEAM Plus/LEED certifications at the design and construction stage are encouraged to apply for “Existing Building” certifications of the standards or reference relevant best practices to improve resource consumption efficiency. WELL-certified buildings should maintain their status through the re-certification process.
- Existing commercial/retail buildings are encouraged to apply for energy rating, such as Energywise Certificate in Hong Kong, where applicable.

#### Climate-related Physical Risk Assessment

- The Specific Companies should conduct regular inspection on the climate resilience of the existing commercial /retail buildings, including but not limited to insurance coverage review, hardware upgrades to minimise the climate-related physical risk impact.
- The Specific Companies should establish, regularly review and update a site-specific Climate Hazard Plan, Climate Checklist, Emergency Management Plan, Emergency Response Plan, Recovery Plan and Inspection Checklist<sup>6</sup>.

#### Existing building management

- The Specific Companies have established environmental targets for major commercial/retail buildings. The targets and progress will be aggregated and disclosed in the NWD annual reports and on the Sustainability section of the Company’s website.
- The Specific Companies commit to conducting regular building audits, inspection and retro-commissioning to enhance resource efficiency, improve climate resilience and protect the health and safety of building users.

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<sup>6</sup> Please refer to NWD’s internal Climate Resilience Guideline – Appendix C.

- Additional safety and hygiene measures will be adopted as required, e.g. during pandemics, to safeguard the wellbeing of building users.

#### Building user engagement

- The Specific Companies are committed to engaging tenants on environmental impact reduction via the above-mentioned “Sustainable Tenancy Pledge”. We also reference relevant programmes e.g. Hong Kong Green Building Council’s “Hong Kong Green Shop Alliance” to promote green tenancy and share best practices.
- The Specific Companies engage building users on various green, wellness and community initiatives on an ongoing basis to instil sustainability awareness, promote health and well-being and achieve synergy.
- The Specific Companies deepen engagement with building users through smart building features and online engagement platforms such as dedicated mobile apps, where feasible.
- The Specific Companies would solicit feedback from building users regularly to understand their views and concerns, e.g. via an annual satisfaction survey.

#### **4. Sustainable Finance**

The Group’s “Sustainable Finance Framework”<sup>7</sup> enables and guides fundraising through sustainable debt instruments, including green/social/sustainability bonds and green/social loans to support sustainable development in Hong Kong and the Mainland and tackle global environmental and/or social challenges. Green Buildings, Energy Efficiency and Renewable Energy, and Climate Change Adaptation are among the eligible Green project categories. The Group has additionally leveraged sustainability-linked loan and bond opportunities. Updates are posted on the Sustainability section of the Company’s website.

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<sup>7</sup> Please refer to the Sustainable Finance page of the Sustainability section of the Company’s website (<https://sustainability.nwd.com.hk/sustainable-finance/>) for the Group’s “Sustainable Finance Framework” and other sustainable finance updates.

## 5. Monitoring & Reporting

The commitments stated in this Policy are overseen by the Sustainability Committee<sup>8</sup> and Group Sustainability Steering Committee<sup>9</sup>, to which key impact and target achievement progress will be reported.

Key and relevant functions such as Property Development, Project Management, Construction, Property Management and Sustainability will monitor the implementation of this Policy.

Environmental and social risk factors related to the property lifecycle are incorporated into our Risk Management Policy and the “Risk Management and Internal Control Assessment Checklist” for evaluation by the Company's departments and BUs every six months. Risk findings are reported to the Company's Audit Committee and the Sustainability Committee in a timely manner.

The Group's sustainable building efforts will be disclosed in the Company's annual reports or the Sustainability section of the Company's website.

## 6. Review of this Policy

Requisite changes to this Policy due to legislative changes and the emergence of best practices and latest development of the sustainable building certification schemes will be proposed to the Group Sustainability Steering Committee for review, in any event, at least once every three years, and Sustainability Committee for endorsement.

## 7. Enquiries

Please contact Group Sustainability Department via email ([sustainability@nwd.com.hk](mailto:sustainability@nwd.com.hk)) for enquiries about this Policy.

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<sup>8</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>9</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.

### **Annex I: Overview of Sustainable Building Certification Schemes**

- *Building Environmental Assessment Method (BEAM) Plus (“BEAM Plus”)*  
Developed by BEAM Society Limited, BEAM Plus is a green building assessment tool tailor-made to measuring building sustainability performance in Hong Kong. With the Hong Kong Green Building Council being its certification body, BEAM Plus provides a fair and objective assessment of the overall building quality covering project planning, design, construction, commissioning, management, operation and maintenance. Four ratings are available: Bronze, Silver, Gold and Platinum (highest rating). For more information, please visit [www.hkgbc.org.hk](http://www.hkgbc.org.hk).
- *China Green Building Evaluation Standard (the “Three Star System”)*  
Introduced by the Ministry of Housing and Urban-Rural Development of People’s Republic of China, the Three Star System is a voluntary green building rating standard used in Mainland China for residential and public buildings (including commercial, hotel and government-owned). The areas of assessment cover land savings and outdoor environmental management, the saving and utilisation of energy, water and materials, indoor environmental quality, construction and operational management. The Three Star System grants three levels of ratings: one-star, two-star and three-star (highest rating). For more information, please visit [www.cngb.org.cn/](http://www.cngb.org.cn/).
- *Leadership in Energy and Environmental Design™ (“LEED”)*  
LEED is a worldwide green building rating and certification system developed by the U.S. Green Building Council (USGBC). To motivate developers and building operators being environmentally responsible and using resources efficiently, LEED includes comprehensive rating mechanisms to verify a building or neighbourhood’s green features. The rating covers the entire building lifecycle including design, construction, maintenance and operation. LEED is applicable to all buildings at all phases of development and all building sectors, while a project can earn one of the four LEED rating levels: Certified, Silver, Gold and Platinum (highest rating). For more information, please visit [www.usgbc.org/LEED](http://www.usgbc.org/LEED).
- *WELL Building Standard™ (“WELL”)*  
Issued by the International WELL Building Institute (IWBI), WELL is a global performance-based building certification system that promotes healthy and active lifestyles in commercial and institutional office buildings. With an aim to

advancing health and well-being for building occupants, WELL measures, certifies and monitors features addressing holistic wellness concepts. The certification is awarded at one of three levels: Silver, Gold and Platinum (highest rating). The entire assessment is administered by the International WELL Building Institute and third party certified by Green Business Certification Inc. For more information, please visit [www.wellcertified.com](http://www.wellcertified.com).

- *The Sustainable SITES Initiative (“SITES”)*

SITES is a sustainability-focused framework that ushers landscape architects, engineers and others toward practices that protect ecosystems and enhance the mosaic of benefits they continuously provide for our communities, such as climate regulation, carbon storage and flood mitigation. SITES-certified landscapes help reduce water demand, filter and reduce stormwater runoff, provide wildlife habitat, reduce energy consumption, improve air quality, improve human health and increase outdoor recreation opportunities. There are four levels of certification: Certified, Silver, Gold and Platinum. For more information, please visit <http://www.sustainablesites.org/certification-guide>.

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