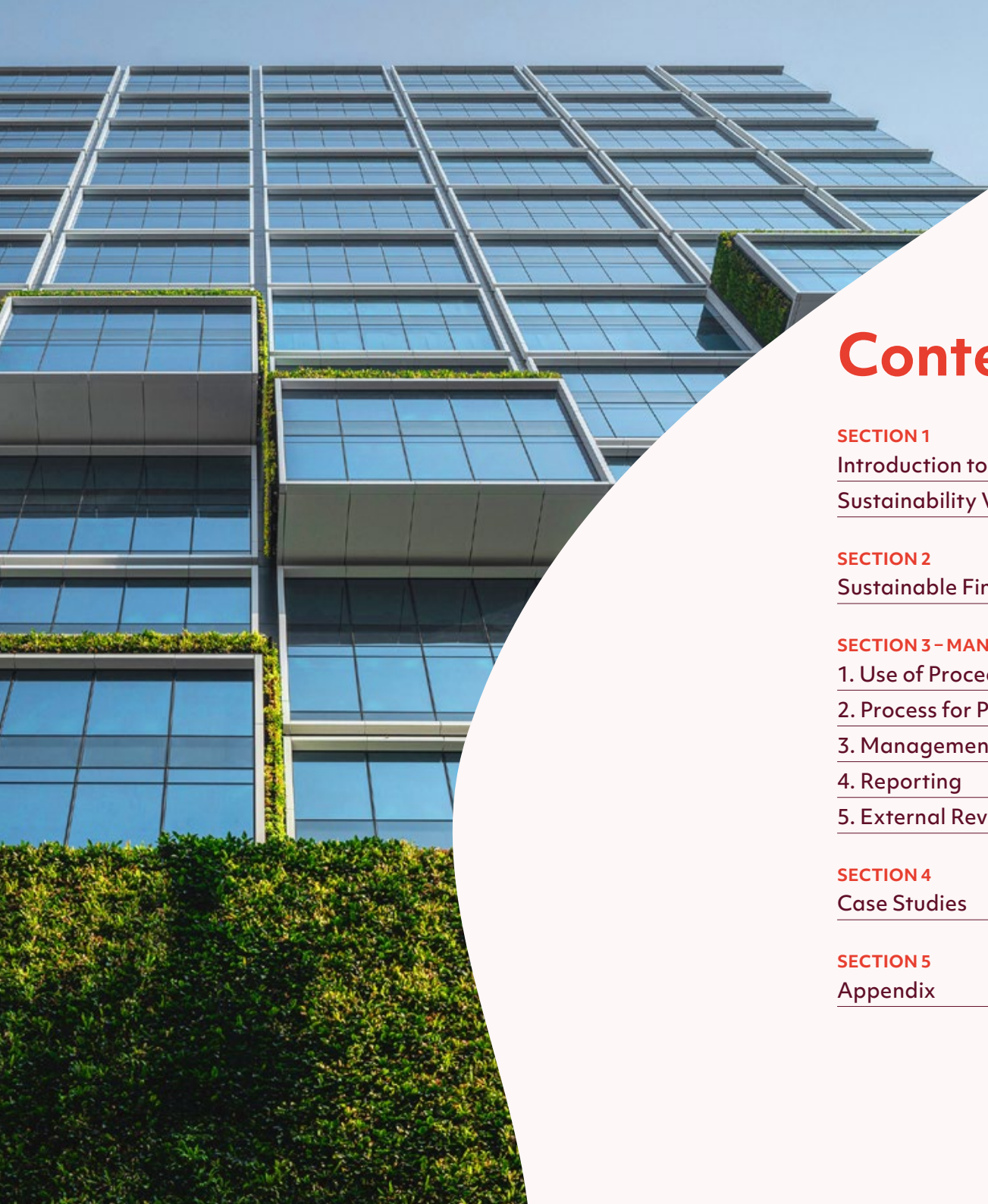


NEW WORLD DEVELOPMENT

Sustainable Finance Framework

December 2024





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1 Introduction & Our Sustainability Strategy

New World Development Company Limited (“NWD”/“the Group”, Hong Kong stock code: 00017), a premium brand infused with a unique personality defined by The Artisanal Movement, was founded in 1970 and was publicly listed in Hong Kong in 1972.

The Group’s core business areas include investment in property and property development, and investment in and/or operation of hotels and other strategic businesses, boasting operations in Greater China, especially the Greater Bay Area.

The Group’s mission is to create value for its shareholders and orchestrate its creativity for the next generation. Creating Shared Value (“CSV”) is central to its vision, tying business success to social progress.

The Group’s four key business activities – development, investment management, asset management and services – align with CSV and its sustainable business approach. Together, they create long-term value for our stakeholders. The Group’s sustainability strategy, Sustainability Vision 2030+ (“SV2030+”) further drives the integration of sustainability considerations into core business to create economic, environmental and social value.

OUR BUSINESS

Our Vision

Creating shared value and tying our business success to social progress.

Our Strategy

Adopting a sustainable business strategy and driving growth through high-quality projects, assets, and services.

Our Values

Fostering intrapreneurship among next-gen artisans to inspire innovative, forward-thinking solutions with a global perspective.

OUR KEY BUSINESS ACTIVITIES

Development

Develop high-quality, bespoke real estate assets and infrastructure.

Investment Management

Deliver sustained value through diverse real estate investment properties.

Asset Management

Operate and maintain high performing assets for ourselves and our partners.

Services

Provide customer-focused services complementary to our core real estate business.

OUR SUSTAINABLE BUSINESS APPROACH

Future-Fit Places

Design, build and operate high-quality, future-fit and resilient places that deliver enduring value for our stakeholders.

- Climate Resilience
- Transition to a Low Carbon Economy
- Conserving Natural Resources

Organisational Resilience

Cultivating a forward-looking and agile mindset to build a resilient, adaptable and sustainable business.

- Responsible Investment
- Trusted Partner
- Technology and Data Governance

Enriched Lives

Enhancing the health and economic wellbeing of our stakeholders.

- Investing in Our People
- Thriving Communities
- Vibrant Local Economy

THE VALUE WE CREATE WITH OUR STAKEHOLDERS

Our Customers

A developer and operator of best-in-class, sustainable and human-centric properties that meet customers' current and future needs.

Our Tenants

A landlord committed to fostering lasting partnerships through innovative and sustainable solutions and quality services.

Our Investors and Partners

A high-performing organisation delivering long-term value with investors, business partners, NGOs, and the Government.

Our People

A devoted employer growing together with a capable, engaged, and inclusive workforce.

Our Community

A reliable community partner that contributes to societal and economic progress, fosters creative thinking and promotes cultural development.

Sustainability Vision 2030+

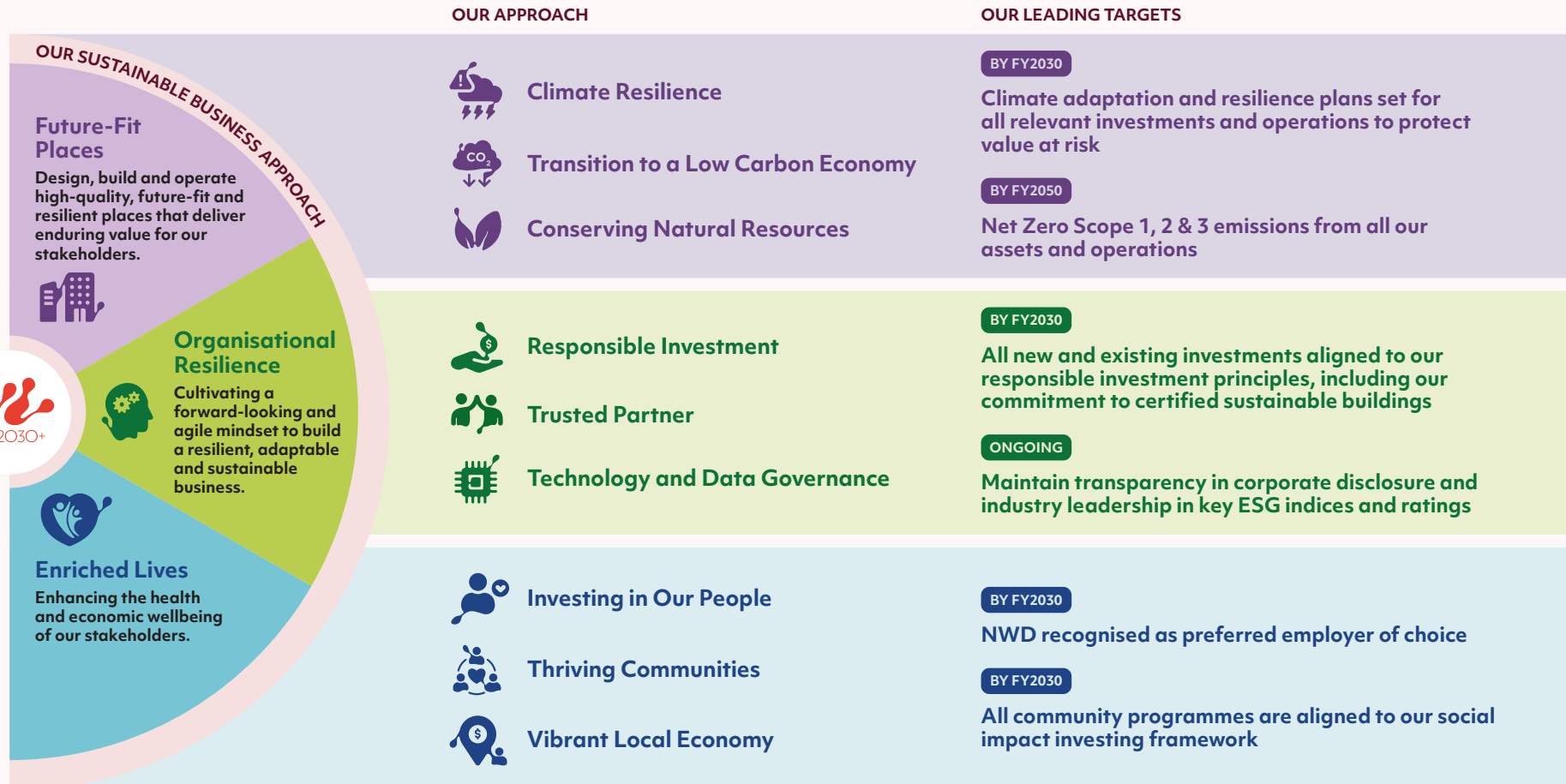
In reference to the Group's long-term business strategy and the United Nations Sustainable Development Goals ("UN SDGs"), Sustainability Vision 2030+ was developed to drive the Group's evolution from a leader in sustainability to become a sustainable business leader, by focusing on the sustainability topics most relevant to the business.

Three pillars define the Group's sustainable business:

1. **Future-Fit Places;**
2. **Organisational Resilience;** and
3. **Enriched Lives.**

SV2030+ builds on the Group's previous sustainability strategy, New World Sustainability Vision 2030, which reached its halfway point in 2024.

The Group has redefined its priorities and commitments after assessing its material sustainability topics and adjusting to changes in the Group structure and reporting scope.



Future-Fit Places



Future-Fit Places sets out the Group's approach to designing, building and operating high-quality, future-fit and resilient places that deliver enduring value for our stakeholders. This is achieved through planning for climate resilience, contributing to the transition to a low carbon economy, and seeking to conserve natural resources.

The Group's focus on Future-Fit Places creates value for its stakeholders:

- Appealing to tenants, customers and community members, as thoughtfully designed and sustainable buildings;
- Delivering long-term returns for investors and partners as in-demand assets that are efficient, healthy and resilient; and
- Contributing to communities and society as spaces for people to work, live and connect.

SV2030+ sets two leading targets for Future-Fit Places to measure the Group's performance and progress:

- Climate adaptation and resilience plans set for all relevant investments and operations to protect value at risk by FY2030.
- Net Zero Scope 1, 2 and 3 emissions from all assets and operations by FY2050.

These leading targets are complemented by goals and performance measures across the three key Future-Fit Places focus areas.

OUR SUSTAINABLE BUSINESS APPROACH

Future-Fit Places
Design, build and operate high-quality, future-fit and resilient places that deliver enduring value for our stakeholders.

OUR APPROACH AND KEY ACTIVITIES

Climate Resilience

Integrate climate change considerations and measures throughout the asset lifecycle to ensure assets are resilient and positioned to thrive in a climate-affected future.

- Conduct climate risk assessments to understand asset-level climate-related risks and opportunities.
- Develop asset adaptation plans in response to identified climate risks & opportunities.

Transition to a Low Carbon Economy

Support our investments, operations and value chain through targeted efforts as we transition to a low carbon economy.

- Prioritise smart and efficient sustainable building design, development and operations.
- Renewable energy and procurement.
- Collaborate with our value chain, including tenants, suppliers, customers and industry, to further reduce our carbon intensity.

Conserving Natural Resources

Responsible and efficient consumption of natural resources and proactively managing nature-related risks and impacts.

- Deliver water saving buildings that avoid water use and conserve natural resources.
- Diversion of waste back into the economy through reuse or recycling, and reduce dependence on natural resources.

HOW WE MEASURE PERFORMANCE

BY FY2030

Climate adaptation and resilience plans set for all relevant investments and operations to protect value at risk

BY FY2026

All new and existing investments and operations assessed for potential climate-related physical and transition risks

BY FY2050

Net Zero Scope 1, 2 & 3 emissions from all our assets and operations

BY FY2030

Reduce absolute Scope 1 & 2 emissions by 42.0% (FY2023 baseline)

Reduce absolute Scope 3 emissions from Capital Goods by 25.0% (FY2023 baseline)

Reduce Scope 3 emissions from Downstream Leased Assets by 51.6% per square metre (FY2023 baseline)

BY FY2026

100% renewable energy use in our Greater Bay Area investment properties

BY FY2030

All new and existing investments have energy, water, and waste efficiency plans integrated into asset operations

BY FY2030

30% total recycling rate (landfill diversion) achieved across our relevant investments and operations



Climate Change Adaptation Strategy

The Group has long recognised the importance of appropriately responding to and valuing climate change impacts on its operations. Ongoing record-breaking events such as heatwaves, typhoons and rainfall across the geographies it operates in warrant a commercially sound response to mitigate the impact of these events.

Stakeholders see climate action as a material topic to address, reflected in the Group's latest materiality assessment. This aligns with the Group's focus on the topic, including its integration of climate change considerations and measures throughout the asset lifecycle to ensure assets are resilient and positioned to thrive in a climate-affected future.

The Group has taken action to mitigate and adapt to the risks brought on by climate change. This includes progressively conducting climate risk assessments to understand asset-level climate-related risks and opportunities as well as developing asset adaptation plans in response to those identified risks and opportunities.

With SV2030+, the Group has set new climate resilience targets:

- All new and existing investments and operations assessed for potential climate-related physical and transition risks by FY2026; and
- Climate adaptation and resilience plans set for all relevant investments and operations to protect value at risk by FY2030.

The targets will help build an appropriate understanding of the potential impacts of climate change across the Group and integrate measures throughout the property lifecycle to enhance the resilience of the portfolio.



K11 ECOAST



Ningbo New World Plaza

Transition to a Low Carbon Economy

The built environment generates nearly 40% of annual global carbon emissions. As a property developer, investor and operator, it is the Group's responsibility to ensure best effort to transition to a low carbon economy through measures such as investing responsibly, increasing building efficiency and the adoption of renewable energy to stay resilient and deliver long-term value.

In 2021, the Group expanded its decarbonisation effort by committing to the Business Ambition for 1.5°C and the United Nations Framework Convention on Climate Change (UNFCCC) Race to Zero campaign, and formulating its Renewable Energy Roadmap.






In June 2022, the Group received Science Based Targets initiative's (SBTi) approval of its near-term 1.5°C aligned science-based targets (SBTs) and committed to the SBTi Net-Zero Standard.

Due to material changes in its corporate structure, the Group was required to review the validity of its near-term targets with SBTi. In November 2024, the Group received SBTi's approval of both its revised near-term 1.5°C aligned SBTs as well as long-term SBTs in line with the SBTi Net-Zero Standard to reach science-based net-zero by 2050.

With SV2030+, the Group has further solidified its ambitions in this area through the following targets:

- Net Zero Scope 1, 2 and 3 emissions from all assets and operations by FY2050;
- Achieve near-term SBTs by FY2030; and
- 100% renewable energy use in Greater Bay Area investment properties by FY2026.




The Group has developed a Decarbonisation Roadmap, setting an ambitious plan to reduce emissions and meet near-term SBTs by FY2030. It prioritises practical steps to avoid and reduce emissions in the context of a growing business and changing environment. More details, including the Group's forecast emissions, decarbonisation strategies and planned decarbonisation pathway, can be found in the Group's annual report.

DECARBONISATION ROADMAP	INITIATIVES	OUTCOMES
 Invest Responsibly	Design, construct and invest in high performance green rated buildings	Decrease energy demand and associated emissions with a high-performing asset portfolio
	Sustainable procurement	Reduce emissions in our supply chain partners via the use of low carbon goods and services
 High Efficiency	Energy efficiency plans on all our investment properties	Reduce emissions via integration of energy efficiency upgrades into asset investment plans
	Accelerate CSV Green Lease implementation across our assets	Support our tenants to reduce their energy use and emissions during fit-out and operation
 Alternative Fuels & Electrification	Upgrade existing investment portfolio and design new assets to be all-electric	Eliminate fossil fuel use and associated emissions from our business activities
	Provide electric vehicle charging infrastructure	Support transition towards low-carbon transport options for our residents, tenants and customers
 Renewable Energy	Maximise on-site renewable energy generation and storage	Reduce operational emissions and improve resilience by lowering reliance on the grid
	Purchase renewable energy	Reduce asset emissions and support development of renewable energy infrastructure
 Low Carbon Construction	Implement embodied carbon benchmarks on our new developments	Continually reduce our upstream emissions from our developments via sustainable design and use of low carbon material solutions
	Implement low carbon construction schedule	Reduce construction-related emissions through increased electrification, use of alternative fuels and low carbon materials

Our value chain

-  Our Development Properties
-  Our Investment Properties
-  Our Supply Chain/Products
-  Our Tenants and Customers

Scope of carbon emissions

-  Scope 1
-  Scope 2
-  Scope 3



Organisational Resilience

 Organisational Resilience describes the Group's commitment to cultivating a forward-looking and agile mindset to build a resilient, adaptable and sustainable business. This is achieved through executing our responsible investment approach, being a trusted partner to stakeholders, and embracing innovation through strong technology and data governance.

The Group's focus on Organisational Resilience creates value for its stakeholders:

- Providing the foundation for its people to innovate, and for relationships with customers and tenants to flourish; and
- Driving transparent relationships with investors and partners, with clear governance and a sustainable, economically focused responsible investment approach.

SV2030+ sets two leading targets for Organisational Resilience to measure the Group's performance and progress:

- All new and existing investments are aligned to our responsible investment principles, including our commitment to certified sustainable buildings, by FY2030.
- Maintain transparency in corporate disclosure and industry leadership in key ESG indices and ratings.

These leading targets are complemented by goals and performance measures across the three Organisational Resilience focus areas.

OUR APPROACH AND KEY ACTIVITIES



Responsible Investment

Ensuring investment decisions are socially and ethically responsible, environmentally sustainable and economically focused.

- Invest in assets that are ethically responsible, and deliver positive economic, environmental and social impact.



Trusted Partner

Robust and transparent corporate governance throughout the organisation and value chain.

- Integration of sustainability issues into business model and best practices in governance and disclosures.
- Responsible and sustainable supply chain.



Technology and Data Governance

Embrace innovation and strengthen technology to futureproof processes and ensure business continuity.

- Embrace innovation to enhance efficiencies, futureproof processes and accelerate the realisation of our ambitions.
- Adopt industry-leading technology and systems to ensure business continuity, data security and privacy.

HOW WE MEASURE PERFORMANCE

BY FY2030

All new and existing investments aligned to our responsible investment principles, including our commitment to certified sustainable buildings

BY FY2026

Minimum sustainability standards established for all relevant investments and operations

ONGOING

Maintain transparency in corporate disclosure and industry leadership in key ESG indices and ratings

ONGOING

Maintain commitments and alignment with international sustainable business practices and reporting, including UNGC and ISSB

BY FY2025

All staff trained in data protection and security

ONGOING

Maintain annual review and audit of IT systems to continually align with international standards on data security and privacy

ONGOING

Implementation of the Privacy Management Programme with oversight from the Data Protection and Compliance Committee

OUR SUSTAINABLE BUSINESS APPROACH



Organisational Resilience

Cultivating a forward-looking and agile mindset to build a resilient, adaptable and sustainable business.

11 SUSTAINABLE OPRES AND GOVERNANCE



17 PARTNERSHIPS FOR THE GOALS



Enriched Lives



Enriched Lives captures the Group's commitment to enhancing the health and economic wellbeing of its stakeholders. This is achieved through investing in its people, creating thriving communities and contributing to vibrant local economies.

The Group's focus on Enriched Lives creates value for its stakeholders:

- Building the capabilities of its people and fostering a vibrant, inclusive culture supported by safe and healthy environments;
- Advancing the development of local communities to deliver health and economic outcomes through key partnerships; and
- Investing in local business communities to improve economic prosperity for all.

SV2030+ sets two leading targets for Enriched Lives to measure the Group's performance and progress:

- Be recognised as a preferred employer of choice by FY2030.
- Align all community programmes to our social impact investing framework by FY2030.

These leading targets are complemented by goals and performance measures across the three key Enriched Lives focus areas.

OUR APPROACH AND KEY ACTIVITIES



Investing in Our People

Fostering a people-centric, vibrant and inclusive culture supported by safe and healthy workplaces.

- Prioritise employee wellbeing, engagement and development programmes.
- Deliver healthy, diverse and inclusive workplaces.



Thriving Communities

Advancing local development with community partners and delivering on health and economic outcomes.

- Partnering with key stakeholders, community groups and local institutions to address local community needs.
- Creating healthy and inclusive spaces that connect people, celebrate culture and provide access to diverse amenities.



Vibrant Local Economy

Invest in local business community to improve economic prosperity for all.

- Support learning, skilling and employment programmes in collaboration with local partners and businesses.
- Foster local business partnerships with our operations, tenants and customers.

HOW WE MEASURE PERFORMANCE

BY FY2030

NWD recognised as preferred employer of choice

BY FY2030

< 1.5 Lost-time injury rate (LTIR)

ONGOING

We strive to create a vibrant and resilient community. We invest in impactful social programmes and initiatives delivering health and economic wellbeing outcomes, including:

- Inclusive skilling, education & employment programmes
- Charitable donations and foundations
- Community health & wellbeing initiatives
- Industry association, university and research partnerships
- Arts, heritage and cultural projects
- Corporate volunteering activities
- Community emergency response
- Community funding and grants

BY FY2030

All community programmes are aligned to our social impact investing framework

BY FY2026

Develop a social value framework to measure and report on impact investment outcomes

OUR SUSTAINABLE BUSINESS APPROACH

Enriched Lives
Enhancing the health and economic wellbeing of our stakeholders.

3 GOOD HEALTH AND WELLBEING
8 DECENT WORK AND ECONOMIC GROWTH

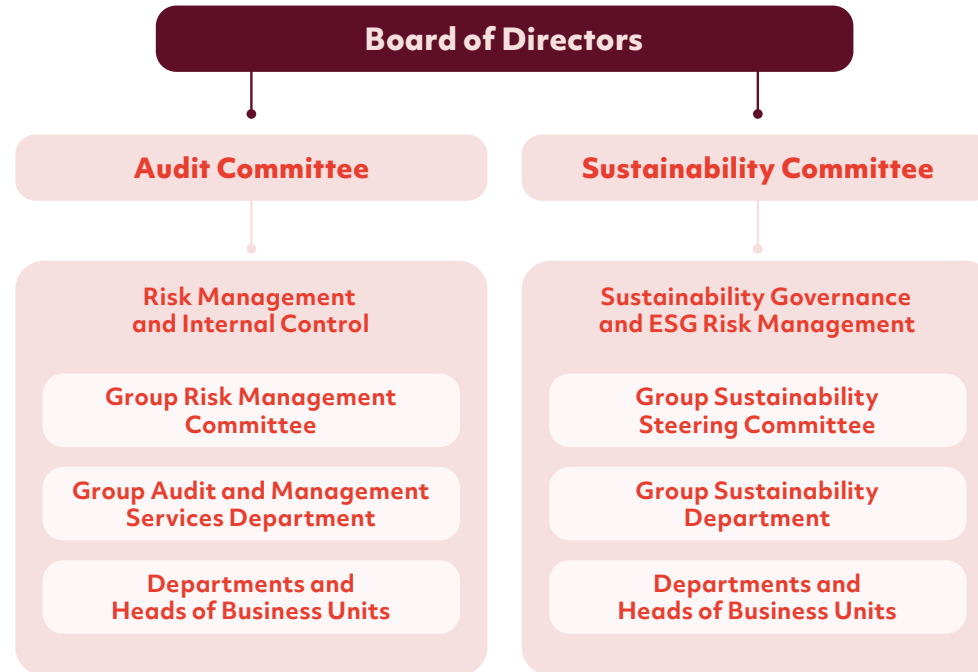


Sustainability Governance

Group-wide policies and management reporting have been established to standardise the Group's sustainable business approach, activities and performance measurement.

The management of sustainability matters is integrated into the Group's corporate governance structure. The Board-level **Sustainability Committee** oversees the Group's sustainability issues and risks, and the delivery of targets. It assists the Board in overseeing the Group's sustainability management approach and policies, sustainability reporting strategy and management, any non-compliance with policies, procedures and regulations, and identifying sustainability improvement areas. This includes consideration of climate-related risks and opportunities. SV2030+ was approved by the Sustainability Committee in July 2024.

The **Group Sustainability Steering Committee** reports to the Sustainability Committee and comprises senior executives from Group functions and major business units. The Steering Committee drives the practical implementation of sustainability initiatives and manages their performance to support the Sustainability Committee.



2 Sustainable Finance Framework Overview

This bespoke Sustainable Finance Framework (the “Framework”) has been developed to demonstrate how the Group and its entities, including New World China Land Limited (“NWCL”), will create investment opportunities for our financial partners by delivering funds (“Funding Transactions”) to implement projects which contribute and/or complement Sustainability Vision 2030+, particularly those related to improving the environmental and social performance of their property projects and the communities in which they are located, as well as the health of their building users.

The Framework will guide future fundraising through sustainable debt instruments, including green/social/ sustainability bonds and green/social loans with structures tailored to finance Eligible Projects as defined in this Framework to address global environmental and/or social challenges by achieving the Group’s sustainability targets, whilst working towards UN SDGs and SBTs.

The Group follows closely on-going work conducted by international organisations including the International Capital Market Association (“ICMA”) and Loan Market Association (“LMA”). The Framework aligns with the *Green Bond Principles 2021* (including the June 2022 Appendix 1), *Social Bond Principles 2023*, *Sustainability Bond Guidelines 2021*, *Green Loan Principles 2023* and *Social Loan Principles 2023*.

Best practices including environmental thresholds and screening criteria set by the European Union Sustainable Finance Taxonomy, Hong Kong Taxonomy for Sustainable Finance, Common Ground Taxonomy, Singapore-Asia Taxonomy for Sustainable Finance, Climate Bonds Standard Sector Criteria and Climate Bonds Resilience Taxonomy are incorporated whenever possible. It is the Group’s intention to continue to develop this Framework as sustainable finance best practice evolves.

Financing transactions that are already in place may be designated as Funding Transactions under this Framework where they meet the criteria set out herein and a material portion of the funding remains to be drawn or allocated at the time of such designation.

This Framework addresses the core components as set out by ICMA and LMA Principles, to be adopted by each Funding Transaction:

1. Use of Proceeds
2. Process for Project Evaluation and Selection
3. Management of Proceeds
4. Reporting
5. External Review





3 Management Commitment

Each Funding Transaction will adopt the following principles:






1. Use of Proceeds



The proceeds of each Funding Transaction will be used exclusively for the financing or the refinancing of “Eligible Projects”, including without limitation, the refinancing of existing debt concerning such projects.




“Eligible Projects” refer to projects that support profitable sustainable development servicing the needs of people and communities at a fair price that meet the eligibility criteria below. The environmental performance and social impact will be measured against benchmark standards whenever possible as described in this Framework.

PROJECT CATEGORY	ELIGIBILITY CRITERIA	OBJECTIVE	IMPACT REPORTING METRICS
Green Project Categories			
Green Buildings¹ 	<ul style="list-style-type: none"> Development/redevelopment, and refurbishment/retrofitting of new/existing residential, commercial and retail buildings to be certified by a third party in accordance with any one or more of the following green building standards¹: <ul style="list-style-type: none"> LEED (Gold or above); Hong Kong BEAM Plus New Buildings (Gold or above); Hong Kong BEAM Plus Existing Buildings Comprehensive Scheme (Gold or above); Zero-Carbon-Ready Building Certification Scheme (Extra Low / Level 2 Improvement or above); China Green Building Evaluation Label (Two-star or above); EDGE (Certified or above); Living Building Challenge (any level); BREEAM (Excellent or above); BCA Green Mark International (any level); and Any other green building certification that is equivalent to the above standards. <p>These green buildings may additionally achieve a certification (any level) of the WELL Building Standard or WELL Ratings to improve the environmental health of the buildings and the overall wellbeing of their occupants, or certification (any level) of WiredScore or WiredScore SmartScore to improve the digital infrastructure and future-readiness of the buildings.</p> <ul style="list-style-type: none"> Consultancy and its related fees in obtaining the above certifications. Tenant engagement initiatives that will support tenants achieve certifications for sustainable interior design and/or operations in tenanted areas, such as BEAM Plus Interiors, LEED for Interior Design and Construction, LEED for Operations and Maintenance, and BREEAM Refurbishment and Fit-Out. Research, development or procurement of smart and green building technologies that help fulfil the requirements of the listed green/healthy building standards. 	<ul style="list-style-type: none"> Climate change mitigation Natural resource conservation 	<ul style="list-style-type: none"> Green building certificate obtained and the levels Energy efficiency improvements (kWh or % vs. baseline) Estimated reduced/avoided GHG emissions (tCO₂e)
Green Landscapes 	<ul style="list-style-type: none"> Development/redevelopment of landscapes to be certified by a third party in accordance with the Sustainable SITES Initiative (Gold or above). 	<ul style="list-style-type: none"> Climate change mitigation Natural resource conservation 	<ul style="list-style-type: none"> SITES certificate levels Coverage landscape areas (sq ft)

¹ Please refer to Appendix I for details of the building standards mentioned.

PROJECT CATEGORY	ELIGIBILITY CRITERIA	OBJECTIVE	IMPACT REPORTING METRICS
Green Project Categories			
Energy Efficiency 	<ul style="list-style-type: none"> Projects that will achieve at least a 20% improvement in energy efficiency, through measures including: <ul style="list-style-type: none"> technology adoption (e.g. installation of digital/AI/Internet-of-Things (IoT) and machine learning building management systems and energy management systems); professional services (e.g. relevant technical consultations, retro-commissioning services, energy audits, feasibility studies); and equipment upgrades in new/existing buildings. 	<ul style="list-style-type: none"> Climate change mitigation 	<ul style="list-style-type: none"> Estimated energy saved per annum (kWh or %)
Renewable Energy 	<ul style="list-style-type: none"> Renewable energy system adoption (e.g. on-site installations, Power Purchase Agreements for the procurement of renewable energy) as an alternative to fossil fuel-based sources. Renewable energy investments, including but not limited to purchasing Renewable Energy Certificates recognised by international standards/organisations, such as the Science Based Targets Initiative and I-REC Standard. 	<ul style="list-style-type: none"> Climate change mitigation 	<ul style="list-style-type: none"> Renewable energy generated and/or purchased (kWh) Equivalent reduced/avoided GHG emissions (tCO₂e)
Clean Transportation 	<ul style="list-style-type: none"> Projects that invest in the installation, operation and maintenance of clean transportation infrastructure, such as electric vehicle (EV) charging stations and bicycle parking facilities. 	<ul style="list-style-type: none"> Climate change mitigation 	<ul style="list-style-type: none"> Number of EV charging stations installed Number of bicycle parking facilities installed
Sustainable Water and Wastewater Management 	<ul style="list-style-type: none"> Projects that will reduce consumption of clean potable water from natural resources and improve water efficiency by at least 10% through sustainable design (e.g. low-flow sanitary fitment, rainwater harvesting, greywater recycling and treatment, drip irrigation, drainage management) and system installations. Investments including initiatives that improve water efficiency management (e.g. water audits and installation of sub-meters for detection of water leakage) and subsequent equipment or technology upgrades. 	<ul style="list-style-type: none"> Natural resource conservation 	<ul style="list-style-type: none"> Estimated water saved per annum (litres or %)
Circular Economy and Waste Management 	<ul style="list-style-type: none"> Projects in commercial and residential properties that will reduce the waste volume or divert waste from landfills and/or encourage recycling, upcycling, and composting onsite, such as but not limited to the installation of food decomposers, waste compactors, smart recycling systems. Projects that will reduce, recycle and/or upcycle waste generated during the asset lifecycle, including construction and operations. Responsible sourcing of sustainable materials and products including those certified by certification bodies such as the Forest Stewardship Council (FSC) and the Programme for the Endorsement of Forest Certification (PEFC). 	<ul style="list-style-type: none"> Pollution prevention and control 	<ul style="list-style-type: none"> Waste that is prevented, minimised, reused, recycled, upcycled or diverted from landfill (% or tonnes) Sustainable materials and products that are responsibly sourced (% or tonnes)

PROJECT CATEGORY	ELIGIBILITY CRITERIA	OBJECTIVE	IMPACT REPORTING METRICS
<p>Green Project Categories</p> <p>Climate Change Adaptation</p> 	<ul style="list-style-type: none"> • Projects that support climate change adaptation through building/landscape design and asset-level enhancements (e.g. “Sponge City” water management design concept, hardware installation and upgrades of enhanced flood protection systems, and additional insulation) to strengthen resilience to climate change and extreme weather events. • Projects that will strengthen organisational preparedness of climate change such as the adoption of climate risk scenario planning tools, and third-party vulnerability assessments and subsequent engineering activities dedicated to adaptation to climate change. • Research, development or procurement of hardware and technologies to tackle climate-related risks (e.g. floodgate and sensor installation in identified buildings based on assessments conducted). • Research & development relating to coastal protection (e.g. coastal defence systems, seawall systems, dikes and levees, tidal barriers, integrated coastal zone management, waterfront protection measures, erosion control measures, etc.). • Information support systems, including climate observation, early warning systems and modelling systems, for simulating, evaluating, and forecasting risks of extreme weather events such as floods and typhoons. • Research and development, construction, retrofit, operation, and/or implementation of specific measures to mitigate Urban Heat Island (UHI) and improve Outdoor Thermal Comfort (OTC), including but not limited to: <ul style="list-style-type: none"> • Urban greenery (e.g. green roofs, walls, facades, macro/local/microscale urban greening, etc.) • Urban water bodies and features (e.g. cool sinks, water catchment areas, evaporative cooling, etc.) • Urban elements to increase wind corridors, ventilation and air flows • Shaded connectivity for communities and pedestrians (e.g. public sidewalks, shelters, etc.) • Materials and surfaces (e.g. cool pavements, roofs, facades, building envelopes with special coatings or layers that are photocatalytic, retro-reflective, thermochromic, phase-change materials, desiccant systems, water cooling, evapotranspiration, other materials with high albedo/solar reflectance, etc.) • Research and development, construction, retrofit, operation, and/or implementation of specific measures to mitigate drought, including but not limited to rainwater harvesting systems, drought-resilient xeriscaping, native plant landscaping, soil moisture retention, water conservation community programmes, etc. 	<ul style="list-style-type: none"> • Climate change mitigation 	<ul style="list-style-type: none"> • Coverage of climate-related risk assessment or asset-level enhancement (no. of assets or % of asset portfolio or sq ft)
<p>Biodiversity Conservation and Sustainable Management of Natural Resources and Land Use</p> 	<ul style="list-style-type: none"> • Projects that will improve the sustainability and liveability of the urban environment including: <ul style="list-style-type: none"> • Reforestation, conservation, habitat restoration, and species recovery • Terrestrial and aquatic biodiversity conservation (e.g. habitat enhancement, nature corridors and nature ways for ecological connectivity in the urban environment such as ecolinks for wildlife across roads or areas adjacent to ecologically sensitive areas) • Projects that will strengthen biodiversity conservation and sustainable management of natural resources and land use, such as asset-level assessments and technical consultations on nature-inclusive design. • Project development for carbon offset schemes. 	<ul style="list-style-type: none"> • Biodiversity conservation • Natural resource conservation 	<ul style="list-style-type: none"> • Area coverage with enhanced biodiversity / habitat restoration / reforestation (no. of assets or % of asset portfolio or sq ft) • Estimated number of species / wildlife saved / protected / restored / loss avoided from the project

PROJECT CATEGORY	ELIGIBILITY CRITERIA ¹	OBJECTIVE	IMPACT REPORTING METRICS
Social Project Categories			
Access to Basic Infrastructure and Essential Services 	<ul style="list-style-type: none"> Projects relating to urban renewal and revitalization including construction, development, refurbishment and enhancement of facilities such as sports parks, sports centres, community recreational facilities and barrier free facilities. Target population: public facilities will be open and accessible to all regardless of their ability to pay. 	<ul style="list-style-type: none"> Access to Basic Infrastructure Access to Basic Services 	<ul style="list-style-type: none"> Number of beneficiaries Coverage area of facilities (no. of assets or sq ft)
Cultural and Heritage Preservation 	<ul style="list-style-type: none"> Projects relating to community cultural conservation and restoration of cultural heritage as defined by local authorities. Target population: free and accessible to all regardless of their ability to pay. 	<ul style="list-style-type: none"> Socio-economic Advancement and Empowerment Other 	<ul style="list-style-type: none"> Number of beneficiaries Coverage area of facilities (no. of assets or sq ft)
Socio-economic Advancement and Employment Generation 	<ul style="list-style-type: none"> Investments in enterprises (e.g. start-ups, social enterprises) or projects to support socio-economic advancement including: <ul style="list-style-type: none"> Start-up accelerators/incubators to support entrepreneurship. Target population: start-ups and social enterprises where revenue is derived from businesses providing environmental and social impact, are classified as MSMEs, and employ people from historically marginalised and disadvantaged groups as defined by local authorities. Social mobility, employment and job upskilling programmes. Target population: populations living below the poverty line or identified as from historically marginalised and disadvantaged groups as defined by local authorities. Capacity building and internship programmes in partnership with universities and other educational institutions. Target population: disadvantaged youth and students from under-resourced families. 	<ul style="list-style-type: none"> Socio-economic Advancement Other 	<ul style="list-style-type: none"> Number of beneficiaries Number of MSMEs and/or NGOs supported Number of jobs maintained / generated

Exclusionary Criteria

The Group commits to exclude and not knowingly invest any proceeds from Funding Transactions to projects that involve companies engaged in the construction and operation of fossil fuel, nuclear and coal-fired power plants, and coal mines.

¹ The list of target population provided above is non-exhaustive and can be subject to alterations on a case-by-case basis.

2. Process for Project Evaluation and Selection

The Group will form a “Sustainable Finance Review Panel” (the “Panel”) with senior representatives from Finance & Accounts, Group Audit and Management Services, Sustainability, and relevant departments selected on a project-by-project basis to select Eligible Projects for financing based on the above criteria and manage their environmental and social risks. The Panel will consider the do no significant harm criteria to mitigate potential adverse impacts on other environmental and social objectives and ensure that the project complies with applicable rules and regulations, as well as perform all necessary due diligence to adhere to the minimum safeguards.

For financing done at the business unit level, the Panel will additionally consist of relevant representatives from the business unit. Eligible Projects will be recommended to the relevant Operation Committee and Group CEO for final approval. Once approved by Group CEO or the relevant Operation Committee, the Eligible Projects may be earmarked to be funded by the proceeds of Funding Transactions. Decisions will be communicated to the Board-level Sustainability Committee and remain accountable to Board oversight.

The Group commits to applying a look-back period of 36 months for operating expenses of the Eligible Projects.

To substantiate project eligibility, the relevant evidence will be gathered for review where appropriate, which may include the following:

Green Projects

- Evidence of applying for sustainable building/ landscape certifications (e.g. pre-certification and certification documentation);
- Description and schematic design of the project;
- Energy/water/waste performance data (verified by a third party if possible);
- Projected environmental performance¹ against benchmarks; and
- Expected and additional environmental health/wellness benefits.

Social Projects

- Certification documentation (if applicable);
- Description and roadmap of the project (including information on social objectives and target population);
- Social impact indicators¹ and their methodologies;
- Projected social impact (verified by a third-party whenever possible); and
- Expected and additional social benefits.

3. Management of Proceeds

The Group will establish a register of Funding Transactions under this Framework with Finance teams being responsible for the management and recording of use of proceeds.

The register will contain for each Funding Transaction the following information including:

(i) Funding Transaction: Key information including, issuer/borrower entity transaction date, the principal amount of proceeds, repayment or amortisation profile, maturity date, and interest or coupon rate (and in the case of bonds, the ISIN number).

(ii) Allocation of Use of Proceeds: Information including:

- Name and basic details of Eligible Projects to which Funding Transaction proceeds have been allocated in accordance with this Framework;
- Amount of Funding Transaction proceeds allocated to each project along with date of allocation;
- Confirmation of the Sustainable Finance Review Panel’s endorsement that a project is considered to be an Eligible Project and endorsement date; and
- The remaining amount of proceeds of a Funding Transaction that have not been allocated to Eligible Projects.

The Group commits to allocating proceeds raised within 24 months of issuance.

Any balance of proceeds of any Funding Transaction not earmarked to fund Eligible Projects will be held in accordance with the Group’s normal treasury or liquidity management policy.

¹ Appropriate environmental and social impact indicators will be determined in reference to frameworks and resources published by ICMA. Visit <https://www.icmagroup.org/green-social-and-sustainability-bonds/impact-reporting/> for more.

4. Reporting

The Group will annually disclose the allocation of the Funding Transactions until the proceeds are fully allocated and impact reporting metrics until maturity on its corporate website (<https://sustainability.nwd.com.hk/>) or annual report. Disclosures will also be made on a timely basis on the corporate website in case of material developments.

The annual disclosure will include the following, with third-party verification to be conducted for data points where practicable:

- Details of each of the Funding Transactions with any amount outstanding at any point during the reporting period. Key information to be provided will include issuer/borrower entity transaction date, the principal amount of proceeds, repayment or amortisation profile, maturity date, and in the case of bonds, the coupon and the ISIN number.
- The aggregate amount of proceeds of each Funding Transaction earmarked to Eligible Projects.
- The remaining balance of each Funding Transaction yet to be earmarked.
- A list of Eligible Projects earmarked to be funded by the proceeds of the green and social loans and bonds, and key project details.
- Subject to the nature of Eligible Projects, the Group will report on the qualitative and (if reasonably practicable) quantitative performance indicators¹ of the Eligible Projects funded, including the impact reporting metrics as listed in the "Use of Proceeds" section.

In the case where Eligible Project(s) to which proceeds of a Funding Transaction will be allocated are known at the time of launching the Funding Transaction, further information will be disclosed at launch.

5. External Review

Second-Party Opinion

The Group has obtained a Second-Party Opinion of this Framework which can be viewed in the relevant section of its corporate website.

Pre-Issuance Verification

External verifiers may be engaged to conduct pre-issuance external review on the alignment with this Framework prior to issuance of bonds and loans.

Post-Issuance Verification

External verifiers will be engaged to assure the Group's use of proceeds, and may be engaged to assure the Group's impact reporting metrics where practicable.

¹ Appropriate environmental and social impact indicators will be determined in reference to frameworks and resources published by ICMA. Visit <https://www.icmagroup.org/green-social-and-sustainability-bonds/impact-reporting/> for more.

Green Finance Case Study: K11 ATELIER King's Road



Project Category:	Green Buildings
Total GFA:	487,504 sq ft
Office GFA:	480,344 sq ft
Retail GFA:	7,160 sq ft
No. of Floors:	22
No. of Carparks:	162
Completion Date:	Q3 2019
Energy Usage Intensity¹:	10.7 kWh/sq ft
Water Usage Intensity²:	50L/sq ft
Green Building Certifications:	LEED 2009 Core and Shell Development Platinum BEAM Plus New Buildings V1.2 Platinum Zero-Carbon-Ready Building Certification Scheme – Energy Performance Certificate, Extra Low
Healthy Building Certification:	WELL v1 Core and Shell Platinum (Upgraded to WELL v2 Core Platinum in 2024)

K11 ATELIER King's Road has maintained its sustainability credentials since opening in 2019.

As one of the world's first triple platinum certified buildings (LEED 2009 Core and Shell Development, BEAM Plus New Buildings V1.2 and WELL v1 Core and Shell), it sets a precedence for sustainable buildings in Hong Kong. Recently, K11 ATELIER King's Road was awarded an Extra Low, Zero-Carbon-Ready Building Certification Scheme – Energy Performance Certificate, expanding on its suite of green certifications.

Funded by Hong Kong's first construction green loan under New World Group's first Green Finance Framework, K11 ATELIER King's Road showcases the connection between finance and sustainable outcomes. Balancing green initiatives with tenant outcomes, K11 ATELIER King's Road provides occupants access to a green roof, outdoor exercise area and offers tenants the opportunity to participate in the Group's Creating Shared Value Green Lease.

Green Initiative	Impact
Resource and Energy Efficiency <ul style="list-style-type: none"> Regenerative lifts: take the excess regenerative energy from the motor and turn it to the AC power source Energy efficient lighting: uses less energy than conventional fluorescent lighting Daylight sensors: sensors shut off lighting for office perimeter when interior receives sufficient daylight Rainwater harvesting system and water efficient sanitary fixtures 	<ul style="list-style-type: none"> Energy efficient building services system supports low operation (utility) cost and decarbonisation Designed to achieve over 30% energy savings and 65% freshwater reduction compared to industry norm
Renewable Energy <ul style="list-style-type: none"> Photovoltaic system: generate electricity from sunlight Solar thermal system: utilise solar heat to support hot water for building use 	<ul style="list-style-type: none"> On-site generation supports low carbon operations Up to 77 MWh renewable energy generation per annum
Sustainable Materials and Waste Management <ul style="list-style-type: none"> Upcycling of granite stones excavated into a stone feature wall Regionally sourced and/or recycled materials, sustainable timber Enhanced waste recycling facility: 3-colour, glass & food waste 	<ul style="list-style-type: none"> Maximize material usage efficiency and avoid use of virgin materials Waste reduction during construction and operation stages
Tenant Initiatives <ul style="list-style-type: none"> EV charging stations for tenants Creating Shared Value Green Lease Sustainability dashboard to display weather and thermal comfort 	<ul style="list-style-type: none"> Over 20 tenants signed up to green leasing, supporting their wider decarbonisation efforts
Climate Resilience <ul style="list-style-type: none"> Specific flood mitigation enacted through raised levels for the lobby and multiple floodgates for car park entrances 	<ul style="list-style-type: none"> Lower risk of flood impacts

1 Three year average energy consumption
2 Three year average water consumption

Social Finance Case Study: State Theatre

Located in North Point, the iconic State Theatre became an instant landmark when it opened in 1952. Its bridge-like arched external concrete roof trusses are unique in Hong Kong and enhance the interior acoustics.

We acquired the site in 2020 as the first private developer to conserve a Grade I historic theatre in Hong Kong, with the aim to conserve and restore this world-class heritage to its original glamour, and turn it into a revitalised landmark for the community and future generations. In FY2024, qualifying as an eligible project under the cultural and heritage preservation category of our Sustainable Finance Framework, the Theatre was allocated proceeds from our social bond.

Uncovering the Theatre's history has been central to both ensuring its conservation and inspiring its future use as a multi-functional event venue with glamorous retail and F&B offerings, which will contribute to a vibrant neighbourhood and thriving local economy. Over 120 hours of oral history interviews have been conducted with State Theatre former employees, shop owners and residents, academic experts, professional groups and other stakeholders from local area. In addition, hundreds of artefacts were salvaged for further study.

Notable among these artefacts is a manual lift leading directly to the Dress Circle, installed during the 1950s renovation but was subsequently decommissioned and sealed off in later renovations. It stands as one of the few remaining manual lifts in Hong Kong. The conservation team has collected and analysed over 200 paint samples to better understand the Theatre's original look, aiming to reshape the Theatre into a "modern monument" blending the past with the present. The Theatre's history will be told through tours and other programmes when completed, sitting alongside the work of local craftspeople that will feature in the interiors. Since 2021, comprehensive engagement with 28,000 members of public, conservation professionals, media and other community groups to explore how the space can be enhanced, conservation and future development. Additionally, the restored Theatre is targeting certifications from BEAM Plus, LEED and WELL.

In recognition of our conservation and development efforts, the project received two awards at the UNSDG Achievement Awards 2024 Hong Kong in Stakeholder Engagement and Individual SDG Award for Goal 11: Sustainable Cities and Communities. The recognition will help us influence heritage practice in Hong Kong, and set a benchmark in conservation for other private developers.



Project Category:	Cultural and Heritage Preservation
Total GFA:	34,870 sq ft
Completion Date:	2026
Antiquities Advisory Board Grading:	Grade I Historic Building

5 Appendix

Overview of Building and Landscape Certifications

(i) 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. To motivate developers and building operators to be environmentally responsible and use 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 applies 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. For more information, please visit www.usgbc.org/LEED.

(ii) Building Environmental Assessment Method (BEAM) Plus (“BEAM Plus”)

Developed by BEAM Society Limited, BEAM Plus is a green building assessment tool tailor-made for 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 its planning, design, construction, commissioning, management, operation and maintenance. For both BEAM Plus New Buildings and Existing Buildings (Comprehensive Scheme), four ratings are available for a project after completing the assessment: Bronze, Silver, Gold and Platinum. For more information, please visit www.hkgbc.org.hk.

(iii) Zero-Carbon-Ready (“ZCR”) Building Certification Scheme

Owned and operated by the Hong Kong Green Building Council (HKGBC), Zero-Carbon-Ready Building Certification scheme was launched in September 2023 and it aims to recognize buildings that have achieved high energy standards or reduction targets. The targets make reference to the requirements for achieving near zero emissions by 2050 and the best performances in the building industry and the ZCR scheme enables evaluation on the building operational efficiency against the market peers. Through the issuance of Certificates, applicants are recognized on the achievement of outstanding energy performance, target setting and strategic planning towards Zero-Carbon-Ready by 2050 or earlier. The ZCR ratings range from Low/Level 1 Improvement, Extra Low/Level 2 Improvement, Super Low/Level 3 Improvement and Zero-Carbon-Ready/Level 4 Improvement by the Energy Utilisation Index (EUI)/Percentage Reduction (% Reduction) approaches respectively. For more information, please visit <https://zcrbc.hkgbc.org.hk/>.

(iv) China Green Building Evaluation Label (GB/T 50378) (“Three Star System”)

Introduced by the Ministry of Housing and Urban-Rural Development of the 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. For more information, please visit www.cngb.org.cn/.

(v) Excellence in Design for Greater Efficiencies (“EDGE”)

EDGE, developed by the International Finance Corporation (IFC), is a green building certification system that allows design teams and project owners to access the most cost-effective ways to incorporate energy and water saving options into homes, hotels, hospitals, offices and retail spaces. EDGE certification provides independent, third-party verification and validates design strategies targeting reductions in energy use, water use and embodied energy in materials. EDGE certification ranges from Level 1: EDGE Certified, Level 2: EDGE Advanced (Zero Carbon Ready) and Level 3: Zero Carbon. For more information, please visit <https://edgebuildings.com/>.

(vi) Living Building Challenge (“LBC”)

The Living Building Challenge is the world’s most rigorous proven performance standard for buildings. People from around the world use our regenerative design framework to create spaces that, like a flower, give more than they take. There are 2 levels of certification: Petal and Living. For more information, please visit <https://living-future.org/lbc/>.

(vii) Building Research Establishment Environmental Assessment Method (“BREEAM”)

BREEAM is an international scheme that provides independent third party certification of the assessment of the sustainability performance of individual buildings, communities and infrastructure projects. The rating enables comparability between projects and provides reassurance to customers and users, in turn underpinning the quality and value of the asset. The BREEAM ratings range from Acceptable (In-Use scheme only) to Pass, Good, Very Good, Excellent to Outstanding and it is reflected in a series of stars on the BREEAM certificate. For more information, please visit <https://www.breeam.com/>.

(viii) Building and Construction Authority (“BCA”) Green Mark International

The Green Mark certification scheme was launched in January 2005. It is a green building rating system designed to evaluate a building’s environmental impact and performance. It provides a comprehensive framework for assessing the overall environmental performance of new and existing buildings to promote sustainable design, and best practices in construction and operations in buildings. The Green Mark International standard/criteria has been established for both New and Existing residential and Non-Residential building projects located outside of Singapore. For more information, please visit <https://www1.bca.gov.sg/buildsg/sustainability/green-mark-certification-scheme>.

(ix) 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 benefits they continuously provide for the 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. SITES certification is for development projects located on sites with or without buildings – ranging from national parks to corporate campuses, streetscapes to homes, and more. There are four levels of certification: Certified, Silver, Gold and Platinum. For more information, please visit <http://www.sustainablesites.org/certification-guide>.

(x) WELL Building Standard (“WELL”)

The WELL Building Standard is a performance-based building certification system that promotes the health and wellbeing of building occupants. Building on the v1 of the Standard, WELL v2 measures, certifies and monitors features of the built environment addressing 10 wellness concepts: air, water, nourishment, light, movement, thermal comfort, sound, materials, mind and community. The certification is awarded at one of the four levels: Bronze, Silver, Gold and Platinum. WELL is managed and administered by the International WELL Building Institute and is third-party certified by the Green Business Certification Incorporation. For more information, please visit www.wellcertified.com.

(xi) WiredScore Certification (“WiredScore”)

WiredScore Certification is one of the leading certificates assessing and improving digital connectivity and smart technology of buildings and offices around the world.

At its core, WiredScore provides clarity about the buildings in which we live and work. WiredScore assesses a building’s digital infrastructure and certifies its future-readiness through a refined digital lens. For more information, please visit <https://wiredscore.com/>



Sustainable Finance Framework

December 2024

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