

Renewable Energy Roadmap

Rationale & Scope of Application

To further align our sustainability performance with the 1.5°C trajectory under the Paris Agreement, New World Development (“NWD”) charted a path towards adopting 100% renewable energy within our core property business by FY-end 2030/2031.¹ The Renewable Energy Roadmap covers rental properties under NWD’s direct operational control, meaning properties where NWD has full authority to introduce and implement its operating policies at the operation such as major renovation or retrofit. Such properties in the Greater Bay Area (“GBA”) will be prioritised to align with the New World Group’s (the “Group”) business development strategy.

Our Three-Step Strategy

Through implementing a three-step strategy devised with a utility company in Hong Kong, the Renewable Energy Roadmap will help reduce NWD’s Scope 2 emissions in its property business and facilitate building decarbonisation at science-based target (“SBT”) levels.

1. Onsite Renewable Energy Installations

Through conducting feasibility studies and incorporating onsite renewable adoption standards and guidelines into the property development lifecycle, we will maximise the capacity of renewable power generation (e.g. photovoltaic, solar thermal, wind, etc.) to new commercial and retail properties, and retrofit renewable technologies into existing buildings, whenever possible.

2. Procure Offsite Renewable Energy

Given the spatial limitation of installing renewable energy systems in the urban built environment, we will consider the procurement of offsite renewable energy. We are developing a renewable energy portfolio across Greater China to secure long-term Power Purchase Agreements (“PPAs”) with 3rd party energy providers and local partners in Hong Kong and Mainland China.²

3. Purchase Renewable Energy Certificates

In addition to long-term PPAs, we will also look into opportunities to procure

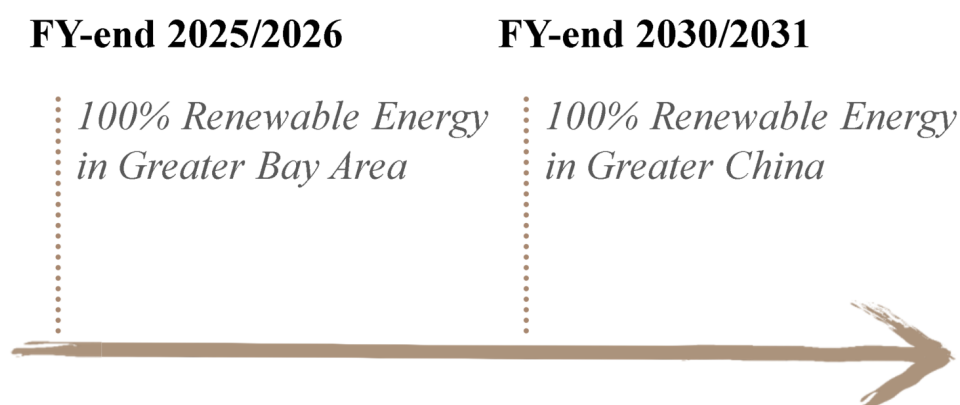
¹ NWD’s financial year starts on 1 July and ends on 30 June.

² Renewable energy procurement includes direct purchases from specific generators and suppliers.

Renewable Energy Certificates (“RECs”)³ from 3rd party energy providers and local partners in Hong Kong and Mainland China to support renewable energy development.

Given the limited capacity for onsite renewable energy in Hong Kong and across the GBA, the majority of this renewable energy will be sourced through PPAs and RECs, with emphasis on securing long term PPAs. In sourcing PPAs or RECs, NWD will prioritise certificates within its electricity market, as well as require 3rd party energy providers to track and disclose to us the respective renewable electricity attributes based on regional frameworks and to avoid double counting. Unbundled RECs will be retired once they have been used by NWD.

Timeline & Key Milestones



Our roadmap includes two key milestones. Firstly, by FY-end 2025/2026, we will achieve 100% renewable energy in GBA rental properties, which will reduce Scope 2 emissions. By FY-end 2030/2031, we will strive to expand the renewable energy portfolio to the rest of Greater China. This renewable energy adoption, along with other Scopes 1 & 3 carbon reduction measures, will support our ongoing decarbonisation strategy.

Monitoring & Reporting

This roadmap is overseen by the Board-level Sustainability Committee, to which key progress and impact will be reported. Progress will also be regularly disclosed in our Annual Report. Related risk factors are assessed and evaluated under Risk Management & Internal Control systems with key risks reported to the Board. Imminent risks can be reported via the internal issue alert system and relevant department heads for prompt responses. This roadmap may be subject to revisions with the emergence of best practices and relevant regulatory developments.

³ This includes bundled and unbundled RECs such as Green Electricity Certificates (“GECs”), Hong Kong RECs and other equivalents accepted by Science Based Targets initiative (“SBTi”) and/or I-REC Standard.