



新世界發展有限公司

New World Development Company Limited

(Stock Code: 17.HK)

Sustainable Building Policy

New World Development Company Limited

1. Introduction

Under the “New World Sustainability Vision 2030”, New World Group (the “Group”) aims 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 (the “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 New World Development Company Limited (NWD), New World Development (China) Limited (NW China) and K11 Group Limited.

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, e.g. flooding
- Climate change adaptation¹
- Resilience²
- Biodiversity³
- Land contamination
- Building safety and materials

¹ **Climate change adaptation:** anticipating the adverse effects of climate change and taking appropriate actions to prevent and minimise the damage (Environmental Protection Department (EPD), HKSAR)

² **Resilience:** the community’s capacity and capability to reduce carbon emissions and cope with climate change related stresses while maintaining the functional operation of public services, and economic and social activities (EPD, HKSAR)

³ **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)

- Water and energy supply

Social

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

Design & Construction

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

Sustainable building design and certification

- The Group strives to achieve the following green building certification targets as far as practicable:
 - BEAM Plus Gold-level or above certifications for new buildings in Hong Kong
 - LEED Gold-level or above certifications for new K11 commercial/retail projects in Hong Kong and Mainland China
- The Group also considers 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 referenced to achieve an above-compliance level of indoor air quality, water and lighting.
 - 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 NW China 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, etc. For example,

project managers in Mainland China are guided to assess climate risks and adopt “sponge city” features, e.g. rainwater harvesting, ecological detention ponds, permeable paving, etc. to enhance resilience of the properties and the community.

Sustainable construction

- The Group has adopted technologies to streamline construction processes and enable better management of environmental impact. For example, the adoption of Building Information Modelling from project planning to operational stages enables project teams to visualise design and identify hidden defects, allowing for reduction of abortive works, construction waste and safety risks as well as higher efficiency and quality of maintenance during the operation stage.
- Construction teams should ensure proper management of air, water, noise and waste (especially construction and demolition waste), etc. in order to achieve regulatory compliance and meet relevant standards. Mitigation measures will be duly implemented in case of non-compliance.

Sustainable materials

- The Group prioritises 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, and healthy building materials (e.g. low-emission and nontoxic), etc. The same standards should apply to interior design and fitting-out.

Handover

- To promote sustainable tenancy, the Group provides commercial and retail tenants with a “Sustainable Fitting-out Guide” and a “Sustainable Operation Guide”.

3.2 Existing Buildings

Facilities Management

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

Sustainable building 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.

Environmental performance management

- The Group would establish environmental targets for major commercial/retail buildings. The targets and progress will be disclosed in the Group Sustainability Reports.

Building user engagement

- We are committed to engaging tenants on environmental impact reduction via a voluntary pledge for office tenants. 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.
- We engage building users on various green, wellness and community initiatives on an ongoing basis to instill sustainability awareness, promote health and well-being and achieve synergy.
- The Group deepens engagement with building users through smart building features and online engagement platforms such as dedicated mobile apps, where feasible.
- The Group would solicit feedback from building users regularly to understand their views and concerns, e.g. via an annual satisfaction survey.

4. Green Finance Framework

The Group’s “Green Finance Framework” provides funding options in the form of green loans and green bonds to support green building development and operational enhancements in Hong Kong and Mainland China. Please refer to the detailed project eligibility criteria in the “Green Finance Framework” at <http://www.nwd.com.hk/sustainability/en/group.html#green>.

5. Monitoring & Reporting

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

Relevant functions of the property lifecycle – Property Development, Project Management, Construction, Interior Design, Leasing, Sales & Marketing, Property Management, Corporate Communication and Sustainability will monitor the implementation of this Policy.

Environmental and social risk factors related to the property lifecycle are incorporated into the “Group Risk Management Policy” and the “Risk Management & Internal Control Assessment Checklist” for evaluation by the aforementioned departments every six months. Findings are reported to the Board. Imminent risks can be reported via the internal digital flagging system for prompt responses.

The Group’s sustainable building efforts will be reported in the Group Annual Reports and Sustainability Reports, which will seek third-party verification.

6. Review of Policy

The Policy will be reviewed regularly to stay abreast with best practices and latest development of the sustainable building certification schemes.

7. Enquiries

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

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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.
- *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/.
- *Leadership in Energy and Environmental DesignTM (“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.
- *WELL Building StandardTM (“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.

- *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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