

New World Development Company Limited

Advancing Climate Action Towards Net Zero

As one of the pioneers in ESG integration and sustainable development, New World Development (NWD) was one of the first Hong Kong real estate companies to establish Group-wide quantitative sustainability targets through New World Sustainability Vision 2030 (SV2030) since 2018. Referencing the United Nations Sustainable Development Goals, SV2030 aims to lead the industry’s evolution to genuine sustainability – environmentally, socially and economically – by creating shared value and enhancing customer experience based on four pillars: Green, Wellness, Smart and Caring. Moving us towards a greener future, our Green targets include halving our environmental impact in energy and carbon emissions intensity by FY2030 against a FY2015 baseline.

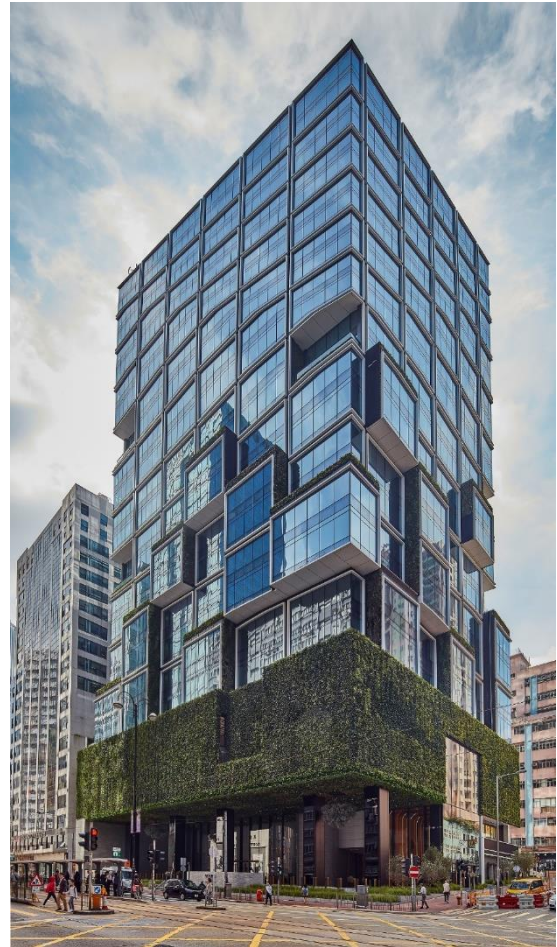
NWD has since become more ambitious, and in June 2022, we became the third real estate developer in Asia to receive the Science Based Targets initiative’s (SBTi) approval of its near-term 1.5°C aligned science-based targets (SBTs) and commit to the SBTi Net-Zero Standard, which will include setting long-term company-wide emission reductions in line with reaching science-based net-zero by 2050. The near-term SBTs cover NWD’s major properties and construction activities in Hong Kong and the Chinese mainland. We have committed to the following FY2030 reduction targets from a FY2019 base year:

Scope 1 & 2 Absolute GHG Emissions	Scope 3 GHG Emissions Intensity	
	Downstream Leased Assets	Capital Goods
46.2% by FY2030 From a FY2019 baseline year	29.8% per sqm, by FY2030 From a FY2019 baseline year	22% per sqm, by FY2030 From a FY2019 baseline year

To ensure NWD’s commitment to a net zero future, we integrate climate actions and decarbonisation actions throughout the full property lifecycle. Our Sustainable Building Policy demonstrates our commitment to green buildings, reducing the carbon footprints from design and construction stage through advanced green building designs and sustainable construction. K11 ATELIER King’s Road, one of first office buildings in the world to achieve triple platinum certifications in BEAM Plus, LEED and WELL, demonstrates our efforts in decarbonisation through innovative sustainable building design. In addition to the extensive exterior greenery, the property also adopted Hong Kong’s first inverted ceiling installation – our patented CEILINGREEN®. Moreover, we also equipped the building with one of Asia’s largest commercial hybrid solar photovoltaic and thermal (PVT) installation on the rooftop to maximize renewable energy generation and reduce the building’s Scope 2 emissions. This echoes our Renewable Energy (RE) Roadmap, charting an ambitious path towards 100% RE for all NWD’s Greater Bay Area rental properties by FY2026 and all NWD’s Greater China rental properties by FY2031. Carbon emissions from construction activities are a major source of Scope 1 emissions. Our construction subsidiary, New World Construction, is piloting construction energy transition, replacing traditional diesel generators with battery energy storage systems to reduce the use of site-level biodiesel generators and Scope 1 emissions. We understand carbon emissions from existing buildings also play

a key role in our decarbonisation pathway, therefore we have implemented different energy efficiency measures in our core existing commercial properties such as retro-commissioning and chiller plants upgrades, to further our decarbonisation efforts.

Heading towards net zero, reducing Scope 3 emissions is critical. Embodied carbon in construction materials and tenant operational emissions cover more than two-thirds of our total Scope 3 GHG emissions. In September 2021, NWD signed a Memorandum of Understanding with the City University of Hong Kong to co-develop and pilot net zero carbon related technologies. We hope this partnership can accelerate our ambition of decarbonisation, and explore new technologies to reduce the embodied carbon in construction materials. In addition, through Impact Kommons, our Asia’s first UNSDGs-focused startup accelerator, we are working with high-impact startups and identifying solutions to minimise embodied carbon in construction materials.



Through our Creating Shared Value Lease (CSV Lease) launched in November 2021, we are driving decarbonisation in tenant operations to address Scope 3 emissions. CSV Lease is an industry-first

tenant engagement initiative with a direct-to-employee programme to scale up the benefits of sustainable operations via innovation, knowledge exchange, and instil a sense of achievement. On signing CSV Lease, tenants are provided with tailored waste management and energy efficiency initiatives, such as plastic waste upcycling programmes. Tenants are also equipped with resources such as fit-out and sustainable operation guides, and engaged with regular communication for sustainability news and trends sharing. Upon reaching agreed sustainability milestones, tenants will earn K Dollars to be spent as cash across our Group ecosystem. By taking part in the immersive programme series, tenants are given usable take-home messages and motivated to adopt sustainable practices in their operations. As of today, over 60 tenants are participating in the plastic upcycling programme, diverting 1,000kg of plastic waste from landfill.



We will continue to prioritise decarbonisation and echo HKSAR's Climate Action Plan 2050 to create shared value and a more sustainable future for our next generation.