

Climate Change Policy

New World Development Company Limited

1. Introduction

Guided by the New World Sustainability Vision 2030 (SV 2030), New World Development Company Limited (the “Company”) and its subsidiaries (collectively the “Group”), strives to be a positive contributor to environmental sustainability, aspiring to employ leading approaches through the identification of and responses to climate-related risks and opportunities across our assets. The SV2030 targets¹ include reducing carbon emissions intensity and energy intensity by 50%, respectively.

Many businesses and governments have adopted decarbonisation targets by 2050 after the Paris Agreement came into force in 2016. We believe that we can play a vital part to address climate change impacts that give both risks and opportunities to the Group’s long-term sustainable development.

2. Scope of Application

All Business Units (BUs) under the Group are encouraged to make reference to the principles of this Policy, where applicable, BU(s) would establish its/their own policy/policies.

3. Commitment

The Group is committed to:

- Complying with all legal requirements and integrating industry best practices relating to climate mitigation², adaptation³, and resilience⁴ into our operations and services as much as possible;
- Promoting climate resilience and preparedness towards existing and future impact of natural disasters;
- Reducing our greenhouse gas emissions and energy consumption throughout the property lifecycle by setting environmental targets, and implementing practices that will help us achieve Science Based Targets by 2030 and carbon neutrality by 2050;
- Encouraging the use of low-carbon and energy-efficient products and materials in

¹ Baseline year of the target is 2015.

² Climate mitigation: A human intervention to reduce the sources or enhance the sinks of greenhouse gases ([IPCC](#)).

³ 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](#)).

⁴ 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](#)).



- our procurement process;
- Supporting the adoption of renewable energy to reduce the carbon footprint of our utilities consumption and our core property business;
- Supporting responsible practices along our supply chain and educating our internal and external stakeholders;
- Refraining from making any new debt or equity investments in companies engaged in the construction and operation of coal-fired power plants or coal mining; and confirming our intention to sell any of these remaining assets;
- Tracking, reporting, and managing all traits of our sustainability performance in our core business;
- Assessing climate change risks and opportunities in accordance with internationally or locally recognised standards (e.g. Task Force on Climate-Related Financial Disclosures (TCFD));
- Identifying, assessing, and mitigating social risks that are caused or exacerbated by transition or physical climate-related risks;
- Establishing partnerships with industry leaders and policymakers to develop policies and innovations for sustainable buildings and transition to a low-carbon economy;
- Educating and disseminating climate change knowledge to our internal and external stakeholders to enhance climate literacy.

4. Monitoring and Reporting

Environment risk factors including climate change are incorporated in our Group Risk Management Policy and the “Risk Management & Internal Control Assessment Checklist” for evaluation by the Company's departments and BUs every six months. Key risk findings are reported to the Company's Audit Committee and the Sustainability Committee⁵ in a timely manner. More urgent climate risks such as those related to extreme weather events and natural disasters should be reported to business unit heads immediately.

Key climate-related initiatives and risks will be disclosed in the Company's annual reports or sustainability website.

5. Review of Policy

Necessary changes to the Policy due to legislative changes and the emergence of best practices will be proposed to the Group Sustainability Steering Committee⁶ for review,

⁵ Sustainability Committee: Chaired by Executive Vice-chairman and Chief Executive Officer of the Company, the Sustainability Committee directly oversees and advises on the Company's sustainability strategy, work plans and performance targets to advance ESG leadership.

⁶ 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



in any event, at least once every three years, and Sustainability Committee for endorsement.

6. Enquiries

Please email sustainability@nwd.com.hk for enquiries on this Policy.

THE END