

Water Policy

New World Development Company Limited

1. Introduction

Guided by the New World Sustainability Vision 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 to sustainable use and management of water resources.

The Group recognises that water is a constrained but an essential resource to the sustainability of our business and society. Managing water resources at the Group is therefore paramount to the Group’s sustainability objective(s). Water management initiatives include activities relating to efficiency in water consumption, water sources, as well as our methods for harvesting, reusing and discharging of water.

The Group believes that by managing water, this will benefit our tenants and investors through cost savings. Further, this will empower us to anticipate and respond proactively to emerging regulations, the rising cost of water as a resource and increasing societal expectations, and positively to the continuity and quality of our water resources.

The Group is aware that our ability to contribute to sustainable water use and management is a series of collective initiatives with our tenants, local communities and government to address challenges relating to shared services and supporting infrastructure for emerging water management technologies, where applicable.

2. Scope of Application

All Business Units (BUs) under the Group should 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 reducing water consumption intensity and will strive to:

- Comply with all relevant local legal requirements and integrate industry best practices into our operations and services as much as possible;
- Design and implement efficient water management measures during the planning, design, construction, operation and maintenance of our buildings;
- Identify the significant water consumption from the Group’s business activities to improve the Group’s management of water performance continuously;
- Ensure relevant information and resources are made available for regular planning, monitoring and review of the Group’s water management objectives and targets;
- Strive to implement technology, processes and systems which can enhance and



maintain the quality of water supply to meet its intended purposes, ensuring clean and safe water is provided; and

- Advocate the awareness of water resources to our internal and external stakeholders.
- Track and report the Group's water consumption and progress towards target achievement¹;
- Standardise water management practices for developing targets across our operations where possible.

4. Monitoring and Reporting

Environmental risk factors 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. Risk findings are reported to the Company's Audit Committee and Sustainability Committee² in a timely manner.

Key metrics, water-related initiatives and programmes will be disclosed in the Company's annual reports or sustainability website and reported to the Sustainability Committee.

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 Committee³ for review, 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

¹ New World Sustainability Vision 2030 water target covers NWCON only.

² Sustainability Committee: Chaired by Executive Vice-chairman and Chief Executive Officer of the Company, the Sustainability Committee comprises two independent non-executive directors and one executive director and directly oversees and advises on the Company's sustainability strategy, work plans and performance targets to advance ESG leadership.

³ 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 manages their performance to support the Sustainability Committee.