

Issuer: New World China Land Limited

New World China First Green Bond

Environmental Method Statement

Reference no.: 14622386-CA

Certification date: 31 October 2018

New World Development Green Finance Framework serves as the documented Environmental Method Statement for this Green Finance Certification Scheme (GFCS) application. It states New World China Land Limited's method to achieve the intended positive environmental effect of the specified Green Bond.

Brief introduction of Issuer

New World China Land Limited (“NWCL”) is the flagship Mainland China property arm of Hong Kong-listed New World Development Company Limited (“NWD”; Hong Kong Stock Code: 00017) and one of the largest property developers in Mainland China. As an early Hong Kong pioneer entering the China property market, NWCL has set its multi-faceted vision toward building sustainable urban communities, developing a well-diversified portfolio of high quality residential neighbourhoods, large-scale mixed-use commercial landmarks, shopping centres, offices and hotel projects. With a confident eye on China's future, NWCL continues to make strategic investments in key cities and has set its sights in developing major landmark projects that offer enormous potential with an aim to facilitate the development of local economy.

New World Development Green Finance Framework

September 2018

Introduction

New World Development Company Limited (“NWD”/“the Group”, Hong Kong stock code: 00017), a premium brand infused with a unique personality defined by The Artisanal Movement, was founded in 1970 and was publicly listed in Hong Kong in 1972 and is a constituent stock of the Hong Kong Hang Seng Index.

The Artisanal Movement is a cultural vision, a philosophy for living. In the age of machines, we want to celebrate something for human. We believe in the power of creativity, and that making is an expansive act for a meaningful, lasting and sustainable way of life to kindle the artisan spirit in us. Through “Collect, Connect, Collide”, The Artisanal Movement becomes an incubator for ideas and a channel for audiences to experience them.

New World Sustainability Vision 2030

In reference to the Group’s long-term business strategy and the United Nations Sustainable Development Goals, the “New World Sustainability Vision 2030” was developed to enrich the artisanal living experience with products and initiatives that demonstrate one or more of the four following focus areas to individual customers and thereby creating shared value for all stakeholders:

1. Green (environmental protection)
2. Wellness (promotion of healthy living)
3. Smart (technology adoption)
4. Caring (for all community stakeholders)

Core of concept

This bespoke Green Finance Framework (the “Framework”) has been developed to demonstrate how the Group and its other entities, including New World China Land Limited (“NWCL”) and K11 Group Limited (“K11”), will create investment opportunities for our financial partners that deliver funds (“Funding Transactions”) for application to solutions emerging from the “New World Sustainability Vision 2030”, particularly those related to improving the environmental performance of their buildings/landscapes and the communities in which they are located, as well as the health of their building/landscape users. Fundraising will include bonds and loans with structures tailored to contribute to sustainable development by application of the proceeds to Eligible Projects as defined in this Framework. Bonds issued under the Framework will be aligned with the *Green Bond Principles 2018*, while loans borrowed under the Framework will be aligned with the *Green Loan Principles 2018*.

Financing transactions that are already in place may be designated as Funding Transactions under this Framework where they meet the criteria set out herein and a material portion of the funding remains to be drawn or allocated at the time of such designation.

Management commitment

Each Funding Transaction will adopt the following principles:

1. Use of Proceeds

The proceeds of each Funding Transaction will be used exclusively for the financing or the refinancing of “Eligible Projects”, including without limitation, the refinancing of existing debt in relation to such projects.

"**Eligible Projects**" means projects that support profitable sustainable development servicing the needs of people and communities at a fair price that meet the eligibility criteria below. Environmental performance will be measured versus benchmark standards as described in this Framework.

Eligibility criteria:

Green Buildings*

- ✓ Development/redevelopment of residential, commercial and retail buildings to be certified by a third party in accordance with any one or more of the following green building standards:
 - Hong Kong BEAM Plus (Gold or above);
 - China Green Building Evaluation Standard (Two-star or above); and
 - LEED (Gold or above)These green buildings may additionally achieve a certification (any level) of any version of the WELL Building Standard™ with the aim of improving the environmental health of the buildings and the overall well-being of their occupants.
- ✓ Refurbishment and/or tenant engagement initiatives that will reduce building environmental impact and improve the health and well-being of occupants in accordance with BEAM Plus, the China Green Building Evaluation Standard or LEED Existing Building standard;
- ✓ Research & Development/procurement of building materials and technologies that fulfil the requirements of the listed green/healthy building standards;

Green Landscapes*

- ✓ Development/redevelopment of landscapes to be certified by a third party in accordance with the Sustainable SITES Initiative™ (SITES) (any level); in addition to any or more of the following standards:
 - Hong Kong BEAM Plus (Gold or above);
 - China Green Building Evaluation Standard (Two-star or above); and
 - LEED (Gold or above)

*Please refer to Appendix I for details of the building standards mentioned.

Energy Efficiency and Renewable Energy

- ✓ Projects that will achieve at least a 10% improvement in energy efficiency through technology adoption or equipment upgrades in new/existing buildings;
- ✓ Renewable energy system adoption to reduce the consumption of fossil fuel based sources;

Water Management

- ✓ Projects that will improve water efficiency through sustainable design (e.g. “Sponge City” concept) and wastewater recycling and treatment system installation;

Waste Management

- ✓ Projects that will reduce waste volume or divert waste from landfills and/or encourage recycling, upcycling, and composting, such as installation of food decomposers and other waste management technologies; and

Climate Change Adaptation

- ✓ Projects that will strengthen building/landscape resilience to climate change impacts such as extreme weather events and natural disasters, e.g. installation and upgrades of enhanced flood protection systems, additional insulation, etc.

2. Delivering our Commitment

(i) Project Evaluation and Selection

NWD will form a “Green Finance Review Panel” with senior representatives from NWD Finance & Accounts, Project Management, Property Management, and Sustainability, as well as NWCL and K11 to select Eligible Projects based on the above criteria and manage their environmental and social risks. Eligible Projects will be recommended to the Chairperson of the Group Sustainability Steering Committee for final approval.

To substantiate project eligibility, the following evidence will be gathered for review:

- Green building/landscape and/or WELL building certification documentation
- Description and scheme design of project
- Energy performance data (verified by a third party if possible)
- Projected environmental performance against benchmarks
- Expected and additional environmental health/wellness benefits

If such project is considered as an Eligible Project in accordance with this Framework, it will be earmarked for the use of proceeds of a Funding Transaction under this Framework.

(ii) Management of Proceeds

NWD will establish a register of Funding Transactions under this Framework. The register will contain for each Funding Transaction the following information including:

1. **Funding Transaction:** key information including, issuer/borrower entity transaction date, principal amount of proceeds, repayment or amortisation profile, maturity date, and interest or coupon (and in the case of bonds, the ISIN number).
2. **Allocation of Use of Proceeds:**
Information including:
 - Name and basic details of Eligible Projects to which Funding Transaction proceeds have been allocated in accordance with this Framework
 - Amount of Funding Transaction proceeds allocated to each project
 - Confirmation of the Green Finance Review Panel's endorsement that a project is considered to be an Eligible Project
 - Remaining amount of proceeds of a Funding Transaction that have not been allocated to Eligible Projects

Any balance of proceeds of any Funding Transaction not earmarked to fund Eligible Projects will be held in accordance with NWD's normal treasury or liquidity management policy.

(iii) Reporting

NWD will annually disclose the allocation of the borrowed funds or the net proceeds of its green bond(s) on its corporate website (<http://www.nwd.com.hk>), annual report or sustainability report. Disclosures will also be made on a timely basis on the corporate website in case of material developments.

The annual disclosure, to be verified by a third party, will include the following:

- Details of each of the Funding Transactions with any amount outstanding at any point during the reporting period. Key information to be provided will include issuer/borrower entity transaction date, principal amount of proceeds, repayment or amortisation profile, maturity date, and interest or coupon (and in the case of bonds, the ISIN number).
- Aggregate amount of proceeds of each Funding Transaction earmarked to Eligible Projects
- The remaining balance of each Funding Transaction yet to be earmarked
- A list of Eligible Projects earmarked to be funded by the proceeds of the green bonds, and key project details including information such as building/landscape certifications and energy performance data
- A selection of more detailed project examples (where competition and confidentiality considerations allow)
- Qualitative and (if reasonably practicable) quantitative environmental performance indicators of the Eligible Projects funded including:
 - i. Building/landscape certification achieved (system & level);
 - ii. Energy consumption reduction (kWh);
 - iii. Carbon emission reduction (tonnes of CO₂e);
 - iv. Water consumption reduction (m³); and
 - v. Amount of waste reduced and/or diverted from landfills (tonnes).

Where the Eligible Project to which proceeds of a Funding Transaction will be allocated is known at the time of launching the Funding Transaction, this will be disclosed at the time of launch.

Assurance

NWD has obtained an external review of this Framework which can be viewed in the relevant section at <http://www.nwd.com.hk/sustainability>.

Appendix I - Overview of Green and WELL Building/Landscape Certification Schemes

(i) Building Environmental Assessment Method (BEAM) Plus (“BEAM Plus”)

Developed by BEAM Society Limited, BEAM Plus is a green building assessment tool tailor-made for 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 its planning, design, construction, commissioning, management, operation and maintenance. Four ratings are available for a project after completing the assessment: Bronze, Silver, Gold and Platinum. For more information, please visit www.hkgbc.org.hk.

(ii) China Green Building Evaluation Standard (GB/T 50378) (“Three Star System”)

Introduced by the Ministry of Housing and Urban-Rural Development of the 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. For more information, please visit www.cngb.org.cn/.

(iii) Leadership in Energy and Environmental Design™ (“LEED”)

LEED is a worldwide green building rating and certification system developed by the U.S. Green Building Council. To motivate developers and building operators to be environmentally responsible and use 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. For more information, please visit www.usgbc.org/LEED.

(iv) WELL Building Standard™ (“WELL”)

The WELL Building Standard™ is a performance-based building certification system that promotes health and well-being of building occupants. Building on the v1 of the Standard, WELL v2™ measures, certifies and monitors features of the built environment addressing 10 wellness concepts: air, water, nourishment, light, movement, thermal comfort, sound, materials, mind and community. The certification is awarded at one of the three levels: Silver, Gold and Platinum. WELL is managed and administered by the International WELL Building Institute and is third-party certified by the Green Business Certification Incorporation. For more information, please visit www.wellcertified.com.

(v) 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 benefits they continuously provide for the 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. SITES certification is for development projects located on sites with or without buildings – ranging from national parks to corporate campuses, streetscapes to homes, and more. There are four levels of certification: Certified, Silver, Gold and Platinum. For more information, please visit <http://www.sustainablesites.org/certification-guide>.

Breakdown of Environmental Method Statement:

HKQAA obtained below information in assessment stage. This serves as a breakdown of above Environmental Method Statement against relevant requirement.

Use of Proceeds	
Green Projects category 1: Green & Healthy Buildings	
Category in Green Project Classification¹	<input checked="" type="checkbox"/> Green Track 1. Energy Conservation and Efficiency <input type="checkbox"/> Red Track <i>Please specify the project technology and justification</i>
Major related environmental dimensions²	1.2 Sustainable Building
SDG's Target(s) and Indicator(s)³	SDG 11: Sustainable cities and communities Target 11.b: By 2020, substantially increase the number of cities and human settlements adopting and implementing integrated policies and plans towards inclusion, resource efficiency, mitigation and adaptation to climate change, resilience to disasters, and develop and implement, in line with the Sendai Framework for Disaster Risk Reduction 2015-2030, holistic disaster risk management at all levels
Eligibility Criteria	Development/redevelopment of residential, commercial and retail buildings to be certified by a third party in accordance with any one or more of the following green building standards: <ul style="list-style-type: none"> o Hong Kong BEAM Plus (Gold or above); o China Green Building Evaluation Standard (GB/T 50378) (Two-star or above); and o LEED (Gold or above) These green buildings may additionally achieve a certification (any level) of any version of the WELL Building Standard™ with the aim of improving the environmental health of the buildings and the overall well-being of their occupants. Refurbishment and/or tenant engagement initiatives that will reduce building environmental impact and improve the health and well-being of occupants in accordance with BEAM Plus, the China Green Building Evaluation Standard or LEED Existing Building standard; Research & Development/procurement of building materials and technologies that fulfil the requirements of the listed green/healthy building standards
Significant / major	Environmental Impact Assessment and Stakeholder Engagement

environmental and social impact constituted by this type of project activities	mechanism ⁹ revealed that the environmental risk and social risk of the potential eligible projects will be evaluated. Once any possible adverse impacts are identified caused by the project is found, the relevant project team will develop control and monitoring measures.
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Use of Proceeds

Green Projects category 2&3: Energy Efficiency and Renewable Energy

Category in Green Project Classification¹	<input checked="" type="checkbox"/> Green Track 1. Energy Conservation and Efficiency 6. Renewable Energy <input type="checkbox"/> Red Track <i>Please specify the project technology and justification</i>
Major related environmental dimensions²	Boost Renewable Energy Increase Resource Efficiency
SDG's Target(s) and Indicator(s)³	SDG12: Sustainable consumption and production: Target 12.2: By 2030, achieve the sustainable management and efficient use of natural resources SDG7: Affordable and clean energy Target 7.1: By 2030, ensure universal access to affordable, reliable and modern energy services Target 7.2 By 2030, increase substantially the share of renewable energy in the global energy mix
Eligibility Criteria	Projects relating to development of : Projects that will achieve at least a 10% improvement in energy efficiency through technology adoption or equipment upgrades in new/existing buildings; Renewable energy system adoption to reduce the consumption of fossil fuel based sources; Impact Indicators of EMS (indicated in the NWD's Green Finance Framework): i. Building/landscape certification achieved (system & level); ii. Energy consumption reduction (kWh); iii. Carbon emission reduction (tonnes of CO ₂ e); iv. Water consumption reduction (m ³); and v. Amount of waste reduced and/or diverted from landfills (tonnes).

<p>Significant / major environmental and social impact constituted by this type of project activities</p>	<p>Environmental Impact Assessment and Stakeholder Engagement mechanism revealed that the environmental risk and social risk of the potential eligible projects will be evaluated. Once any possible adverse impacts are identified caused by the project is found, the relevant project team will develop control and monitoring measures.</p>
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<p>Use of Proceeds</p>	
<p>Green Projects category 4: Water Management</p>	
<p>Category in Green Project Classification¹</p>	<p><input checked="" type="checkbox"/> Green Track</p> <p>4. Sustainable Water</p> <p><input type="checkbox"/> Red Track</p> <p><i>Please specify the project technology and justification</i></p>
<p>Major related environmental dimensions²</p>	<p>Increase Resource Efficiency</p>
<p>SDG's Target(s) and Indicator(s)³</p>	<p>SDG6: Clean water and sanitation</p> <p>Target 6.3: By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally</p> <p>Target 6.4: By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity</p>
<p>Eligibility Criteria</p>	<p>Projects relating to development of :</p> <p>Projects that will improve water efficiency through sustainable design (e.g. "Sponge City" concept) and wastewater recycling and treatment system installation;</p> <p>Impact Indicators of EMS (indicated in the NWD's Green Finance Framework):</p> <ul style="list-style-type: none"> i. Building/landscape certification achieved (system & level); ii. Energy consumption reduction (kWh); iii. Carbon emission reduction (tonnes of CO₂e); iv. Water consumption reduction (m³); and v. Amount of waste reduced and/or diverted from landfills (tonnes).
<p>Significant / major</p>	<p>Environmental Impact Assessment and Stakeholder Engagement mechanism</p>

environmental and social impact constituted by this type of project activities	revealed that the environmental risk and social risk of the potential eligible projects will be evaluated. Once any possible adverse impacts are identified caused by the project is found, the relevant project team will develop control and monitoring measures.
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Use of Proceeds	
Green Projects category 5: Waste Management	
Category in Green Project Classification ¹	<input checked="" type="checkbox"/> Green Track 2. Pollution Prevention and Control <input type="checkbox"/> Red Track <i>Please specify the project technology and justification</i>
Major related environmental dimensions ²	Increase Resource Efficiency
SDG's Target(s) and Indicator(s) ³	SDG12: Sustainable consumption and production: Target 12.5: By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse
Eligibility Criteria	Projects relating to development of : Projects that will reduce waste volume or divert waste from landfills and/or encourage recycling, upcycling, and composting, such as installation of food decomposers and other waste management technologies. Impact Indicators of EMS (indicated in the NWD's Green Finance Framework): i. Building/landscape certification achieved (system & level); ii. Energy consumption reduction (kWh); iii. Carbon emission reduction (tonnes of CO ₂ e); iv. Water consumption reduction (m ³); and v. Amount of waste reduced and/or diverted from landfills (tonnes).
Significant / major environmental and social impact constituted by this type of project activities	Environmental Impact Assessment and Stakeholder Engagement mechanism revealed that the environmental risk and social risk of the potential eligible projects will be evaluated. Once any possible adverse impacts are identified caused by the project is found, the relevant project team will develop control and monitoring measures.

Use of Proceeds	
Green Projects category 6: Climate Change Adaptation	
Category in Green Project	<input checked="" type="checkbox"/> Green Track

Classification¹	8. Climate change adaption <input type="checkbox"/> Red Track <i>Please specify the project technology and justification</i>
Major related environmental dimensions²	Combat Climate Change
SDG's Target(s) and Indicator(s)³	SDG13: Climate Action Target 13.1: Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries
Eligibility Criteria	Projects relating to development of : Projects that will strengthen building/landscape resilience to climate change impacts such as extreme weather events and natural disasters, e.g. installation and upgrades of enhanced flood protection systems, additional insulation, etc. Impact Indicators of EMS (indicated in the NWD's Green Finance Framework): i. Building/landscape certification achieved (system & level); ii. Energy consumption reduction (kWh); iii. Carbon emission reduction (tonnes of CO ₂ e); iv. Water consumption reduction (m ³); and v. Amount of waste reduced and/or diverted from landfills (tonnes).
Significant / major environmental and social impact constituted by this type of project activities	Environmental Impact Assessment and Stakeholder Engagement mechanism revealed that the environmental risk and social risk of the potential eligible projects will be evaluated. Once any possible adverse impacts are identified caused by the project is found, the relevant project team will develop control and monitoring measures.

Refinancing (if applicable)	
An estimate of the share of proceeds for re-financing	around 90%-95% green loan proceed
Which investments or project portfolios may be refinanced	The lands of Guangzhou Zhencheng and Shenzhen Qianhai complex projects
Expected look-back period for refinanced Green Projects.	Within 3 years

Green Project Evaluation and Selection

<p>Mechanism</p>	<p>To substantiate project eligibility, the following evidence will be gathered for review:</p> <ul style="list-style-type: none"> • Green building/landscape and/or WELL building certification documentation • Description and scheme design of project • Energy performance data (verified by a third party if possible) • Projected environmental performance against benchmarks • Expected and additional environmental health/wellness benefits <p>If such project is considered as an Eligible Project in accordance with this Framework, it will be earmarked for the use of proceeds of a Funding Transaction under this Framework.</p>
<p>Process to determine Green Projects</p>	<p>The “Green Finance Review Panel” with senior representatives from NWD Finance & Accounts, Project Management, Property Management, and Sustainability, as well as NWCL and K11 will be formed to select Eligible Projects based on the above criteria and manage their environmental and social risks. Eligible Projects will be recommended to the Chairperson of the Group Sustainability Steering Committee for final approval.</p>

Management of Proceeds

<p>Mechanism</p>	<p>NWCL will establish a register of Funding Transactions under this Framework. The register will contain for each Funding Transaction the following information including:</p> <ol style="list-style-type: none"> 1. Funding Transaction: 2. Allocation of Use of Proceeds:
<p>Process for tracking proceeds</p>	<ol style="list-style-type: none"> 1. Funding Transaction: key information including, issuer/borrower entity transaction date, principal amount of proceeds, repayment or amortisation profile, maturity date, and interest or coupon (and in the case of bonds, the ISIN number). 2. Allocation of Use of Proceeds: <p>Information including:</p> <ul style="list-style-type: none"> • Name and basic details of Eligible Projects to which Funding Transaction proceeds have been allocated in accordance with this Framework • Amount of Funding Transaction proceeds allocated to each project • Confirmation of the Green Finance Review Panel’s endorsement that a

	<p>project is considered to be an Eligible Project</p> <ul style="list-style-type: none"> Remaining amount of proceeds of a Funding Transaction that have not been allocated to Eligible Projects <p>Any balance of proceeds of any Funding Transaction not earmarked to fund Eligible Projects will be held in accordance with NWCL's normal treasury or liquidity management policy.</p>
Intended type of temporary investment instruments	Bank deposit

Information Disclosure and Reporting

Mechanism	<p>NWCL/NWD will annually disclose the allocation of the borrowed funds or the net proceeds of its green bond(s) on its corporate website (http://www.nwd.com.hk or http://www.nwcl.com.hk/en), annual report or sustainability report. Disclosures will also be made on a timely basis on the corporate website in case of material developments.</p> <p>NWD has obtained an external review of this Framework which can be viewed in the relevant section at http://www.nwd.com.hk/sustainability.</p>
Types of information will be reported	<p>The annual disclosure, to be verified by a third party, will include the following:</p> <ul style="list-style-type: none"> Details of each of the Funding Transactions with any amount outstanding at any point during the reporting period. Key information to be provided will include issuer/borrower entity transaction date, principal amount of proceeds, repayment or amortisation profile, maturity date, and interest or coupon (and in the case of bonds, the ISIN number). Aggregate amount of proceeds of each Funding Transaction earmarked to Eligible Projects The remaining balance of each Funding Transaction yet to be earmarked A list of Eligible Projects earmarked to be funded by the proceeds of the green bonds, and key project details including information such as building/landscape certifications and energy performance data A selection of more detailed project examples (where competition and confidentiality considerations allow) Qualitative and (if reasonably practicable) quantitative environmental performance indicators of the Eligible Projects funded including: <ol style="list-style-type: none"> Building/landscape certification achieved (system & level); Energy consumption reduction (kWh); Carbon emission reduction (tonnes of CO₂e);

	<p>iv. Water consumption reduction (m³); and</p> <p>v. Amount of waste reduced and/or diverted from landfills (tonnes).</p> <p>Where the Eligible Project to which proceeds of a Funding Transaction will be allocated is known at the time of launching the Funding Transaction, this will be disclosed at the time of launch.</p>
Method to disclose information	NWCL/NWD will annually disclose the allocation of the borrowed funds or the net proceeds of its green bond(s) on its corporate website (http://www.nwd.com.hk or http://www.nwcl.com.hk/en), annual report or sustainability report. Disclosures will also be made on a timely basis on the corporate website in case of material developments.
Reporting frequency	Annually

Green Project Monitoring

Mechanism	<p>Related representatives from NWD Finance & Accounts, Project Management, Property Management, and Sustainability, as well as NWCL and K11 will form a panel to select eligible projects based on the criteria and monitor the progress of the project according to its green projects category.</p> <p>The project team will update the panel via email or meeting regarding the status of the green building certification every month until the certification is awarded.</p> <p>In case of any failure in certification, the project team will report to the panel with the suggested corrective action plan.</p>
Performance indicator (KPI)	<ul style="list-style-type: none"> • Qualitative and (if reasonably practicable) quantitative environmental performance indicators of the Eligible Projects funded including: <ul style="list-style-type: none"> i. Building/landscape certification achieved (system & level); ii. Energy consumption reduction (kWh); iii. Carbon emission reduction (tonnes of CO₂e); iv. Water consumption reduction (m³); and v. Amount of waste reduced and/or diverted from landfills (tonnes).
Underlying methodology for KPI	<p>Monitoring Methodology will include and specify the:</p> <ul style="list-style-type: none"> - Frequency: - Source of data: - Value(s) applied: - Measurement methods and procedures:
KPI measurement – Reference standard	<p><input type="checkbox"/> International Standard</p> <p><input checked="" type="checkbox"/> National Standard</p>

	<input checked="" type="checkbox"/> Industry Standard <input checked="" type="checkbox"/> Self-development Standard <input type="checkbox"/> Others, Please specify: _____
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Impact Assessment	
Mechanism	Project Management department is responsible for conducting the environmental impact assessment.
Method	<p>Project Management may engage consultants to identify potential risks related to different environmental aspects and recommend relevant mitigation measures. The types of assessments conducted are subject to project nature, location and technical suggestions from consultants.</p> <p>The following list includes common environmental and social aspects that are covered by the environmental impact assessment. At a minimum, the assessment will comply with thresholds recommended by local regulation. If a project is seeking green building certifications* (i.e. BEAM Plus/LEED/China Green Building Evaluation Standard/WELL/SITES), its impact assessment should adopt environmental impact thresholds recommended by the relevant certification standards.</p> <p>Examples of environmental aspects covered by the assessment are listed below:</p> <ul style="list-style-type: none"> • Landscaped areas to be included onsite; • Waste (e.g. arisen from demolition/construction) management; • Indoor environmental quality e.g. shading, glare control, background/indoor noise isolation, use of natural lighting, etc. • Any cultural heritage located within the project site/in the near vicinity; • Air pollution; • Noise; • Water pollution; • Energy efficiency; • Greenhouse gas emissions; or • Health, safety and well-being. <p>* <ul style="list-style-type: none"> • Building Environmental Assessment Method (BEAM) Plus (“BEAM Plus”) www.hkgbc.org.hk • Leadership in Energy and Environmental Design™ (“LEED”) www.usgbc.org/LEED • China Green Building Evaluation Standard (GB/T 50378) (“Three Star System”) www.cngb.org.cn • WELL Building Standard™ (“WELL”) www.wellcertified.com • The Sustainable SITES Initiative (“SITES”) </p>

	http://www.sustainablesites.org/certification-guide
Time frame	The environmental impact assessment is conducted prior to new or re-developments or as needed by local regulation and ongoing project performance.
Identification of negative impacts and mitigation measures	Where required by a local government, environmental impact assessment records and corrective action plans will be submitted. Environmental impacts of a project will be monitored by Project Management, Construction and Property Management during the construction and operation phases for timely management. Significant environment risks and mitigation solutions will be flagged to the Group's Internal Audit and also addressed in New World Development's annual environmental, social and governance disclosure.

Stakeholder Engagement	
Mechanism	Group Sustainability department conducts a regular/annual stakeholder engagement process for identifying key issues to advise reporting and strategy development. Senior Management, Property Development (for Hong Kong), Project Management, Corporate Communication/Branding & Communications, Property Management, Leasing, Customer Relationship Management (for Hong Kong) departments would be responsible for engaging key stakeholders in property projects.
Method	<p>Common key stakeholders could include, but are not limited to, government, media, supply chain partners, investors, shareholders, residents, tenants, retail customers, community groups, NGOs, media, businesses and academic or professional institutions. Based on the needs of individual projects, the responsible parties may engage additional stakeholders to solicit advice and feedback.</p> <p>Face-to-face interviews, focus group discussions or online surveys could be considered as Group-level engagement channels. The process of assessment will make reference to the AA1000 Stakeholder Engagement Standard, an internationally-recognised framework, and is undertaken based on the principles of "inclusivity", "materiality" and "responsiveness". A third-party advisor may also be engaged to oversee the entire process and ensure credibility.</p> <p>On project level, the following aspects could be considered and assessed in the stakeholder engagement process</p> <ul style="list-style-type: none"> • Community social and economic impacts • Customer/tenant health, safety and well-being • Others where applicable <p>Group-level perspectives are taken into consideration by NWCL in its overall operation. Project-level feedback will be evaluated on a case-by-case basis. The interests of the local community are considered in the conceptual stage. Occupants of residential properties can also raise feedback with property management team onsite, whereas commercial tenants can raise feedback with property management or leasing teams.</p> <p>The general public can raise any sustainability-related concerns with the NWCL's</p>

	<p>Sustainability Department through email: sustainability@nwcl.com.hk</p> <p>Negative Feedback collected from stakeholders through different channels will be reviewed, analysed and assessed carefully by the responsible parties. Timely responses will be shared with the stakeholders via appropriate channels. New World Club/New World China Land Club for property owners also offer regular updates on NWD/NWCL, respectively. NWD discloses key findings from its stakeholder engagement in its annual reports.</p>
Time frame	<p>Stakeholder engagement should be conducted at least once a year on the Group level. Project-level stakeholder engagement should be conducted at the early development stage and regularly at least once a year during the operation stage.</p>

Remarks:

Reference Number	Title
1	HKQAA, Green Finance Certification Scheme Handbook: Green Project Classification
2	<p>United Nations Environmental Programme (UNEP), Sustainable Development Goals: United Nations Environment Programme: Annual Report 2015</p> <p>https://wedocs.unep.org/bitstream/handle/20.500.11822/7506/-Sustainable_Development_Goals_-_UNEP_annual_report_2015-2016UNEP-AR-2015-SustainableDevelopmentGoals.pdf.pdf?sequence=3&isAllowed=y</p>
3	<p>UNEP, About the Sustainable Development Goals on UNEP</p> <p>https://www.unenvironment.org/explore-topics/sustainable-development-goals/aboutsustainable-development-goals</p>