



新世界發展有限公司

New World Development Company Limited

Green Building Approach, Challenges & Opportunities

Ellie Tang

Head of Sustainability

New World Development Company Limited

# A Connected Business Ecosystem

New World Development Company Limited (NWD) is a **cultural enterprise** with a connected ecosystem of businesses that cater to all aspects of a life well-lived.

Major business segments:

- Property Development, Investment & Management
- Infrastructure & Services
- Department Stores
- Hotels
- Wellness
- Construction
- Public Transportation
- Retail...



# NEW WORLD SUSTAINABILITY VISION 2030

## GREEN

### Moving us towards a greener future



Sustainable buildings; green financing; and support stakeholders to reduce environmental impacts

## WELLNESS

### Promoting health in body and mind



Safe and healthy built environment; and healthcare/wellness ventures and programmes

## SMART

### Using innovation to unlock potential



Digitalisation of internal processes and customer services; and support entrepreneurship and innovation

## CARING

### Nurturing our communities and culture



Family-friendly and inclusive environments; provide quality education offerings; improve social mobility; nurture young entrepreneurs and cultural creatives; preserve local culture; and promote staff volunteering



**NEW WORLD  
SUSTAINABILITY  
VISION 2030**

# **Our Approach to Sustainable Buildings**

# Sustainability Embedded in the Building Lifecycle



# Our Approach to Sustainable Buildings



The Group's internal **Sustainable Building Policy** provides practical guidance for achieving a full sustainable building lifecycle.

Commitment	Achievements in 2019 (no. of buildings)
BEAM Plus Gold/above for buildings in HK	22
LEED Gold/above for K11 retail/commercial projects in HK & Mainland China	22
Consider China Green Building Evaluation Standard (2-star/above)	9
Consider/reference WELL (any level)	2
Consider SITES (any level)	1



# Our Approach to Sustainable Buildings



- **NWD Green Finance Framework** was developed with reference to Green Bond Principles 2018 and Green Loan Principles 2018.
- A '**Second-Party Opinion**' obtained from Sustainalytics

## HK's 1<sup>st</sup> green loan

- HKD 3.6 billion, 5-year
- Funded the triple-certified **K11 ATELIER, King's Road** (office building)
  - ✓ World's first WELL Platinum (Pre-certification)
  - ✓ LEED Platinum (Final Certification)
  - ✓ BEAM Plus Provisional Platinum
- Received "Green Finance Certificate" (Pre-issuance) from HKQAA





# Our Approach to Sustainable Buildings



## Issued Hong Kong's 1<sup>st</sup> green bond for Greater Bay Area projects

- USD 310 million (coupon rate: 4.75%; 5-year maturity due 2023)
- **Qianhai CTF Finance Tower** (retail, hotel and serviced apartments)
  - ✓ WELL Gold (Pre-certification) for North Tower and retail podium
  - ✓ LEED Gold (Pre-certification) for South Tower, North Tower and retail podium
  - ✓ China Green Building Evaluation Standard “3-star”
- **New World Guangzhou Zengcheng Comprehensive Development Project** (commercial and retail)
  - ✓ LEED Gold (Pre-certification) for commercial portion
  - ✓ China Green Building Evaluation Standard “2-star”
- Received “Green Finance Certificate” (Pre-issuance) from HKQAA





# Our Approach to Sustainable Buildings



## Tenant Engagement

- **Sustainable Tenancy Pledge:**
  - Sustainable Fitting-out and Operations Guides
  - Free smart metering/design & operation audit
  - Waste and recycling management services



## Sustainable Operations

- Real-time energy monitoring via the patented **Eco-World** system (expected to save 9.9 GWh of electricity & HKD 10.5 million by end 2019)
- Invest in energy-efficient hardware
- Retro-commissioning
- Participate in environmental charters
- Engage retail customers



# Project Showcase: Nature Discovery Park, 8/F, K11 MUSEA, Victoria Dockside

**Nature Discovery Park** is one of our efforts to deliver sustainable impact within our business and local community.

- Hong Kong's **first urban biodiversity museum** & multipurpose event space
- **First sustainability themed park to promote UN SDGs** through guided tours, urban farming, workshops and environmental courses (in partnership with The Jane Goodall Institute Hong Kong)
- Launched **Impact Kommons**: Hong Kong's **first startup accelerator driving UN SDGs**



# Our Approach to Sustainable Buildings



## Monitor & Assess Climate Risks

- Climate change could cost between 10%-14% of GDP per annum in the GBA\*
- Conducted climate risk assessments on 14 existing GBA properties to prepare for extreme weather events through 2030, 2050 and beyond
- Insights gained will educate future design strategies

## Task Force for Climate-related Financial Disclosures (TCFD)

- Actively communicate with investors our resilience to climate change
- Referenced in Annual Report disclosure

### Climate Variables:

- Heat Stress 
- Water Stress 
- Extreme Wind 
- Flooding 

# Group-wide Target Setting under SV2030

Our approach:

## GREEN

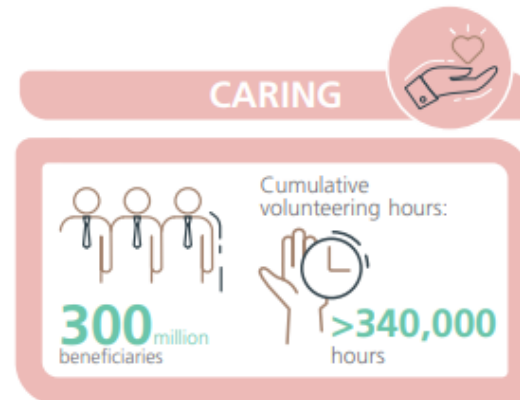
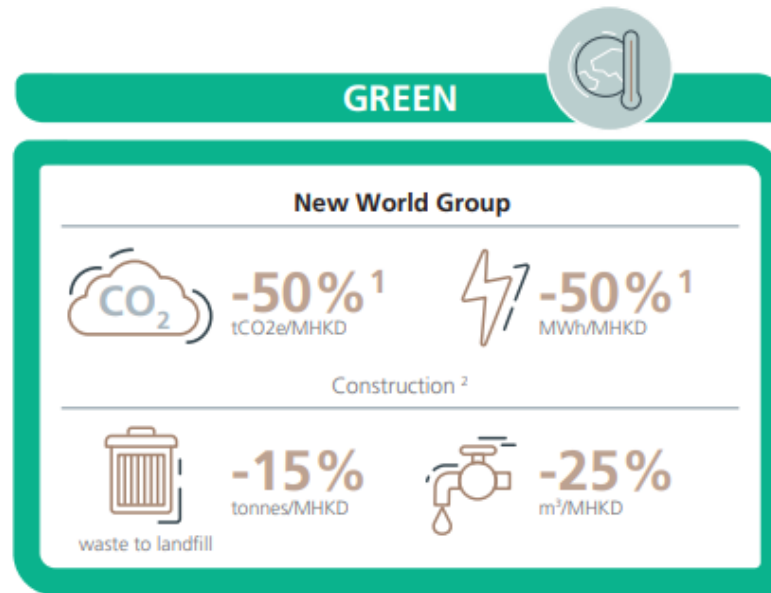
- Resource-efficient hardware
- Operation optimisation
- Retro-commissioning
- Stakeholder engagement on resource efficiency
- Building Information Modelling
- Increased use of biodiesel in construction

## WELLNESS

- Businesses/ventures/initiatives that improve and raise awareness of well-being

## CARING

- Staff and community engagement programmes
- Provision of family-friendly facilities
- Educational businesses



1: Our Group-wide energy and carbon emission intensity targets cover our property businesses, including NWD, NWCL and K11, as well as construction businesses, NWSH and NWDS. NWSH also discloses its environmental targets in its Annual Report 2019.

2: The water and waste targets cover NWCON only. The Group is standardising water and waste management practices across business units and operations for developing more comprehensive targets in the future.

# Major Recognitions:



**Ranked 1<sup>st</sup> among 12 diversified listed businesses in Eastern Asia in 2019**



**Rated as an ESG “Outperformer” in 2018 & 2019**



**Listed for the 1<sup>st</sup> time on DJSI Asia Pacific in 2019**



**Hang Seng Corporate Sustainability Index Series Member 2019-2020**

**Listed on the Index since 2014**

## **Green Building Award 2019:**

Won 10 awards including:

- **Victoria Dockside:** Grand Award – New Buildings Category: Completed Projects – Commercial Building & Special Citation on UN SDGs
- **Mount Pavilia & Skypark:** Merit Award – New Buildings Category: Completed Projects – Residential Building



**NEW WORLD  
SUSTAINABILITY  
VISION 2030**

# **Challenges and Opportunities**



# Challenges:

## Challenge 1: Climate risks

- Coastal properties face high exposure to climate risks
- Green building certification standards may not cover total risks

## Our response:

- Assess **physical risks and resilience enhancement measures** of 14 key GBA properties
- Assess **transition risks** e.g. change of market trends/legislation via the Group's risk management mechanism
- Gauge stakeholders' feedback and disclose progress





# Challenges:

## Challenge 2: Supply chain data collection and impact accounting

- Collection of environmental/ESG data from suppliers
- Different sustainability accounting and reporting standard

### **Our response:**

- More engagement with suppliers
- Supported Hong Kong Construction Industry Council's development of an "embodied carbon assessment" tool
- Keep abreast of the development of ESG accounting/impact reporting standards

# Opportunities:

## Opportunity 1: Advancement of ESG awareness of investors

- Growing awareness and compliance needs on investors' side
- Convergence of financial and ESG ratings

## Our response:

- Deepen engagement with investors via roadshows, participation of ESG surveys and regular liaison
- Explore different sustainable financing tools



# Opportunities:

## Opportunity 2: The real estate industry is heading the “Net Zero” direction

- World Green Building Council promotes and supports the acceleration of net zero carbon buildings\* to 100% by 2050.

### **Our response:**

- Share and learn best with industry partners, e.g. joined the Hong Kong Green Building Council’s Advancing Net Zero Programme
- Explore and engage in R&D of energy efficiency, new materials and renewable energy technologies

\*The World GBC definition of a net zero carbon building is a building that is highly energy efficient and fully powered from on-site and/or off-site renewable energy sources.

## Opportunity 3: Consumers become more sustainability-savvy

- Customers expect companies to walk the talk in sustainability

### **Our response:**

- Standardise building design and operation
- Integrate sustainability into customer experience