

Verification Statement – Greenhouse Gases Audit

Scope and Objectives

Hong Kong Quality Assurance Agency (“HKQAA”) conducted an independent verification of the Greenhouse Gases (“GHG”) emissions inventory (“Emissions Inventory”) of New World Development Company Limited (“NWD”). The GHG Emission Inventory comprised of 21 Assets and covered the period from 1st July 2020 to 30th June 2021. The aim of this verification was to provide a limited assurance on the completeness and accuracy of the data consolidated in the GHG Emissions Inventory by NWD. The quantification approach is reference to ISO 14064-1:2006 “*Specification with guidance at the organisation level for quantification and reporting of greenhouse gas emissions and removals*”.

The 21 commercial and retail assets included in the GHG Emission Inventory are 1) Guangzhou K11 Art Mall, 2) Guangzhou K11 ATELIER, 3) Shanghai K11 ATELIER and Art Mall, 4) Wuhan K11 Select, 5) D•PARK, 6) Hong Kong K11 Art Mall, 7) K11 ATELIER Victoria Dockside, 8) Beijing Baoding Building Shopping Arcade, 9) Langfang New World Centre, 10) Tangshan New World Centre, 11) Guangzhou Park Paradise, 12) Wuhan New World Centre, 13) Wuhan New World International Trade Tower 1 & 2, 14) Artisan Hub, 15) Hong Kong Golf and Tennis Academy (HKGTA), 16) KOHO, 17) Manning House, 18) New World Tower 1 & 2, 19) The Forest, 20) Youth Square and 21) K11 Shenyang.

Methodology

Within the verification scope, HKQAA reviewed the activity data and supporting evidence of the selected samples out of the 21 Assets. The verification was conducted in accordance with ISO 14064-3:2006 “*Specification with guidance for the validation and verification of greenhouse gas assertions*”. The process included an assessment of:

- The reporting boundaries;
- The quantification methodology and emission factors;
- The integrity of the activity data and supporting evidence; and
- The accuracy and completeness of the GHG calculations.

Integrity and accuracy of the aggregated data was tested by tracing the selected sample data back to its source. The underlying processes for data collection, aggregation, estimation, calculation and internal checking were reviewed and undergone reliability test. Materiality threshold of 10% was adopted for this verification. HKQAA verification team did not partake in the GHG data preparation process.

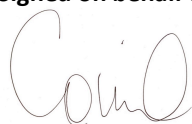
Conclusion

Based on the verification results, the verification team concluded that no material error or omission was identified in the GHG Emission Inventory. There is no evidence that the GHG Emission Inventory is not materially correct and is not a fair representation GHG data and information.

Total GHG emissions of the 21 Assets of NWD from 1 July 2020 to 30 June 2021:

FY2021 GHG Emissions	Tonnes of CO ₂ equivalent
Scope 1	1,693
Scope 2	79,496
Total (Scope 1 + Scope 2)	81,189
Scope 3	Not Reported
Total (Scope 1 + Scope 2 + Scope 3)	81,189

Signed on behalf of Hong Kong Quality Assurance Agency:



Ms. Connie Sham

Verifier

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Hong Kong Quality Assurance Agency

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Remarks:

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Verification Statement (Continued)

Introduction:

HKQAA conducted verification of NWD's GHG Emission Inventory in accordance with the principle and requirements of ISO14064-3: 2006. The GHG Emission Inventory of NWD comprised of 21 Assets and covered the direct and indirect GHG emissions for the period from 1st July 2020 to 30th June 2021.

Roles and responsibilities:

NWD is responsible for the GHG information management system, the development and maintenance of relevant procedures and associated records including the determination and calculation of GHG emissions and reporting.

HKQAA conducted a third party independent verification of the provided GHG Emission Inventory by making reference to the requirements of ISO 14064-1:2006. The verification process was based on the verification scope, objectives and criteria as agreed between NWD and HKQAA.

HKQAA verification team is responsible for providing an independent verification opinion on the GHG Emission Inventory for the reporting period.

Detail of the Scope:

- The organisational boundary was limited to 21 Assets, namely 1) Guangzhou K11 Art Mall, 2) Guangzhou K11 ATELIER, 3) Shanghai K11 ATELIER and Art Mall, 4) Wuhan K11 Select, 5) D•PARK, 6) Hong Kong K11 Art Mall, 7) K11 ATELIER Victoria Dockside, 8) Beijing Baoding Building Shopping Arcade, 9) Langfang New World Centre, 10) Tangshan New World Centre, 11) Guangzhou Park Paradise, 12) Wuhan New World Centre, 13) Wuhan New World International Trade Tower 1 & 2, 14) Artisan Hub, 15) Hong Kong Golf and Tennis Academy (HKGTA), 16) KOHO, 17) Manning House, 18) New World Tower 1 & 2, 19) The Forest, 20) Youth Square and 21) K11 Shenyang.
- Physical infrastructure, activities, technologies and processes of the organisation:
 - Nature of organisation scope: Property development and investment
 - GHG emissions from building services facilities including but not limited to:
 - Fuel consumption for emergency power supply
 - Fuel consumption for vehicle fleets
 - Air conditioning systems using refrigerants
 - Fire protection systems using HFC and CO₂
 - Electricity consumption and Towngas consumption

Remarks:

- This verification statement includes page <1> to page <3>.

- GHG sources, sinks and/or reservoirs included: GHG sources as presented in the GHG Emission Inventory of NWD.
- Types of GHGs included: CO₂, CH₄, N₂O, HFCs, PFCs and SF₆.
- The data and information supporting the GHG Emission Inventory were hypothetical, projected and historical in nature.
- GWP adopted: Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong, relevant sections of 2006 IPCC guidelines for National Greenhouse Gas Inventories, and IPCC Fifth Assessment Report (AR5).
- GHG information for the following period was verified: 1st July 2020 to 30th June 2021
- Intended user of the verification statement: Stakeholders identified by the Responsible Party

Conclusion:

NWD provided the GHG Emission inventory comprised of 21 Assets for the period from 1st July 2020 to 30th June 2021 was reference to the requirements of ISO14064-1:2006. As stated in the GHG Emission Inventory, the emissions of 81,189 metric tonnes of CO₂ equivalent for the reporting period are verified by HKQAA to a limited level of assurance (within 10%), consistent with the agreed verification scope, objectives and criteria.

HKQAA adopted a risk-based approach for the verification. Our examination includes assessment of evidence relevant to the amounts and disclosures of GHG emissions in the GHG Emission Inventory.

Based on the verification results, the verification team concluded that no material error or omission was identified in the GHG Emission Inventory. There is no evidence that the GHG Emission Inventory is not materially correct and is not a fair representation GHG data and information.

The verification team assessed the GHG Emission Inventory included the GHG information system and reporting plan/protocol. This assessment included the collection of supporting evidence of the reported data and verified the consistency and appropriateness of the provided protocol reference.

Remarks:

This verification statement includes page <1> to page <3>.