

SUSTAINABLE
DEVELOPMENT
REPORT
2017

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We welcome your feedback on our sustainable development performance and reporting. You can contact us by email at sustainabledevelopment@swireproperties.com or fill in the

[Feedback Form](#)



CHIEF EXECUTIVE'S MESSAGE



2017 was the first full calendar year of implementing our Sustainable Development (“SD”) strategy – what we call our SD 2030 Strategy – and the focus has been on ‘getting things done’. This strategy is aimed at ensuring that SD is integrated into every facet of our business, so it is vital that everyone at Swire Properties not only understands what our strategy is about, but also feels empowered to contribute to what we are trying to achieve.

Our employees are critical to the implementation of the strategy and it has been heartening to see them getting involved at every level. I am particularly proud of the progress we are making to integrate SD throughout our business by breaking down geographic and functional silos. We have incorporated SD focus areas directly into our annual budget-planning processes and, most importantly, we are putting SD key performance indicators into action.

Our SD 2030 Working Groups are already delivering tangible outcomes with respect to the interim goals we have set for 2020, including the issuance of our first green bond in January 2018. This not only reaffirms our commitment to designing and developing green projects, but also supports the emergence of Hong Kong’s green capital market.

Another area in which we aspire to provide leadership is diversity and inclusion, which means fostering a working environment that provides equality of opportunity and employment without bias. To affirm our commitment to these principles, we have created a Diversity and Inclusion Committee with responsibility for developing and implementing our agenda for diversity and inclusion throughout the Company.

At the heart of our SD 2030 Strategy is the realisation that the greatest impacts we have on society are in the places we create and maintain over time.

We opened our first development in Shanghai – HKRI Taikoo Hui – in 2017. Underpinned by our successful mixed-use model, this project is already realising its potential to become a hotspot for lifestyle offerings and family-friendly events, helping to create a vibrant new community in this iconic city.

In Hong Kong, the redevelopment of Taikoo Place continues to make steady progress, reinforcing its status as a major commercial district and hub for innovation in the city. In September, we received approval to incorporate vibrant new elements into the redevelopment project, such as more recreational amenities and public spaces.

In Miami, U.S.A., Brickell City Centre is adding value to its growing community too, having been named Project of the Year at the Urban Land Institute’s 2017 Vision Awards. This is a fantastic accolade considering that the award recognises both exceptional architectural design and social impact on the local community – two areas in which we strive to excel.

CHIEF EXECUTIVE'S MESSAGE

To ensure the continued optimisation of existing building system operations, we have commenced energy audits and a monitoring-based commissioning programme for the heating, ventilating, and air conditioning systems in Pacific Place, Hong Kong. This will help us to identify opportunities for further energy and carbon reductions.

More broadly, Swire Properties' long-term commitment to SD continues to receive recognition. In 2017, our first-time listing in the Global Real Estate Sustainability Benchmarks ("GRESB") resulted in a 5-star rating and the highest score among all participants in the Other – Mixed Use Development category. We were also proud to be the only company in Hong Kong and Mainland China to be included in the Dow Jones Sustainability World Index 2017.

Even though this recognition indicates that we are moving in the right direction to achieve our SD vision, we acknowledge that we have much more work to do.

I would like to thank all those, both within Swire Properties and among our extended network of stakeholders, who continue to support our SD 2030 Strategy. Moving into 2018, we are continuing to focus on 'getting things done'. It's an exciting challenge and I look forward to seeing what we can accomplish next.




Guy Bradley
Chief Executive

ABOUT THIS REPORT

GRI
102-6, 102-49,
102-50, 102-52

This report is the 10th sustainable development (“SD”) report of Swire Properties Limited (“Swire Properties”, “SPL” or “Company”) covering the period from 1st January 2017 to 31st December 2017. It focuses on Swire Properties’ businesses, joint ventures and subsidiaries in property investment, property trading and hotel investment, where the Company has management control. The report includes details of our SD vision and progress on implementation of our SD strategy (“SD 2030 Strategy”) in the past year.

Within the [scope of this report](#), our portfolio in Hong Kong comprises primarily Grade-A office, retail, hotel and residential properties located at Pacific Place, Cityplaza, Taikoo Place, and Citygate Outlets in Hong Kong, and our portfolio in Mainland China comprises four major commercial mixed-use developments in prime locations in Beijing, Guangzhou and Chengdu. Hotel operations refer to hotels that we own and manage through Swire Hotels, a wholly-owned subsidiary, including The House Collective in Hong Kong, Beijing and Chengdu, and EAST in Hong Kong and Beijing.

We also discuss SD impacts and initiatives in our new developments at Brickell City Centre in Miami, U.S.A. (opened in 2016) and HKRI Taikoo Hui, Shanghai (opened in 2017), as well as our other residential properties in Hong Kong.



PROFILE OF SWIRE PROPERTIES LIMITED

GRI
102-2, 102-3,
102-4, 102-5,
102-6, 102-7

Year of establishment

1972

Ownership and legal form

Public company listed on the Main Board of the Stock Exchange of Hong Kong (Stock Code: 1972) - Swire Pacific Limited is the immediate holding company and major shareholder

Core businesses

Property Investment

Property Trading

Hotel Investment



Aggregate GFA attributable to the group*

~29.2 million square feet

Number of employees*

5,000+

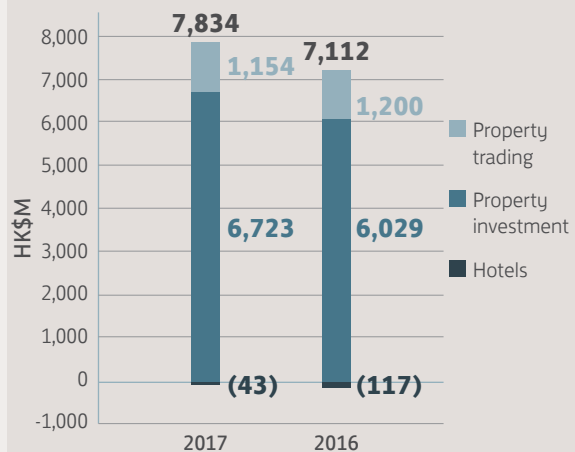


Underlying profit attributable to shareholders in 2017

HK\$7,834 million



Underlying profit/(loss) by segment



* Data is valid as at 31st December 2017 and has been reproduced from the [Swire Properties Annual Report 2017](#).

About Us

Headquartered in Hong Kong, we are a leading developer, owner and operator of mixed-use, principally commercial, properties in Hong Kong and Mainland China, with a significant presence in Miami, U.S.A. We also have an established office in Singapore.

Creative Transformation captures what we do and how we do it. It underlines the creative mindset and long-term approach that enables us to seek out new perspectives and original thinking that goes beyond the conventional. It also helps us unlock the potential of places and create vibrant destinations that can engender further growth and create sustainable value for our shareholders, our business partners and the people with whom we work.

For further details of our key business strategies, operations and financial performance, please refer to the [Swire Properties Annual Report 2017](#).

PROFILE OF SWIRE PROPERTIES LIMITED

Inclusion in Sustainability Benchmarks and Indices

Swire Properties' long-term commitment to SD continues to receive recognition in various sustainability benchmarks and indices.

| | | |
|--|--|--|
|  <p>MEMBER OF Dow Jones Sustainability Indices In Collaboration with RobecoSAM</p> | <p>2015 2016 2017*</p> | <p>* Member of Dow Jones Sustainability World Index Sole constituent from Hong Kong and Mainland China</p> |
|  <p>The Sustainability Yearbook 2018</p> | <p>2017 2018</p> | <p>Top 15% of real estate companies globally 1 of 3 Hong Kong developers listed</p> |
|  <p>FTSE4Good</p> | <p>2016 2017</p> | <p>1 of 3 Hong Kong developers listed</p> |
|  <p>Hang Seng Corporate Sustainability Index Series Member 2017-2018</p> | <p>2015 2016 2017*</p> | <p>* Top 3 sustainability performers Highest ranked constituent in the properties and construction industry</p> |
|  <p>G R E S B REAL ESTATE Sector Leader 2017</p> | <p>2017</p> | <p>5-star rating Global Sector Leader: Other – Mixed Use Development category</p> |
|  <p>MSCI</p> | <p>2017 Constituent¹ MSCI ESG Leaders Indexes</p> | <p>2014 2015 2016 2017</p> |

Active Participation in Investor-led Sustainability Platforms

Swire Properties is committed to active participation in investor-led sustainability platforms. In 2017, we prepared and submitted our first application for inclusion in Global Real Estate Sustainability Benchmarks (“GRESB”), which is an investor driven organisation that assesses the sustainability performance of real asset sector portfolios worldwide.

| | | | | |
|-------------------------------------|---------------------------------|--------------------------------|--------------------------------|--------------------------------|
| <p>GRESB Assessment 2017</p> | <p>77,000 assets</p> | <p>850 entities</p> | <p>62 countries</p> | <p>6 continents</p> |
|-------------------------------------|---------------------------------|--------------------------------|--------------------------------|--------------------------------|

Swire Properties' GRESB 5-star rating represents the highest level of GRESB's sustainability performance, indicating that the Company is ranked among the top 20% of real estate industry participants worldwide. GRESB also named Swire Properties the Global Sector Leader in the Other – Mixed Use Development category.

¹ Disclaimer: www.swireproperties.com/sd/awards/mscidisclaimer.html

SD 2030 STRATEGY



SD 2030 STRATEGY

For over forty years, we have consistently advocated and adopted a philosophy of responsible development. Our commitment to operate in an environmentally, socially and economically responsible manner across all aspects of our business is reflected in our SD vision:

To be the leading sustainable development performer in our industry globally by 2030

To help us achieve our SD vision, we introduced our SD 2030 Strategy in 2016. The strategy involves working closely with all relevant parties to build SD capability in all of our business activities.

SD 2030 Strategy Framework

Our SD 2030 Strategy is built on five strategic pillars:

Places

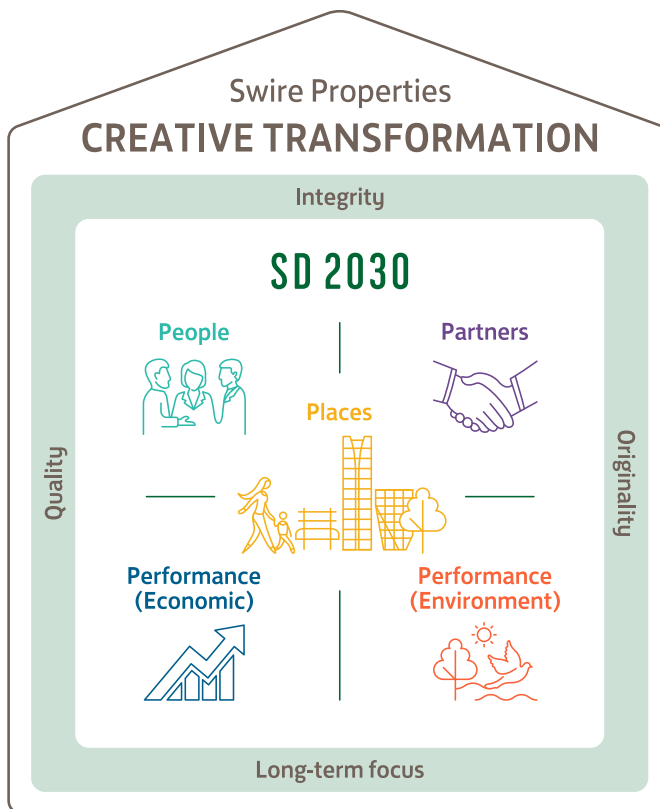
People

Partners

Performance (Environment)

Performance (Economic)

It is underpinned by the concepts of innovation and experimentation, and communication and engagement.



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Places

Places are at the heart of, and central to, the achievement of our SD 2030 Strategy.

Objective:

Through effective placemaking and long-term placekeeping, we aim to continue to transform the places in which we invest so as to create value, whilst retaining their character, supporting communities and enhancing people's lives.

To achieve this, we will focus on five core areas:

- Master planning
- Supporting communities and local revitalisation
- Supporting the local economy
- Liveability
- Connectivity

We will work with all relevant parties to improve the quality of the communities in which we operate so that they may contribute positively to the cities where they are located.

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People

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People

The contributions of our employees are critical to our success.

Objective:

We aim to create an environment where our employees will be healthier, happier and more productive, to invest in our employees and to provide rewarding career paths so as to develop a diverse and industry-leading team.

To achieve this, we will focus on five core areas:

- Talent attraction
- Talent retention
- Safety, health and wellbeing
- Diversity and inclusion
- Volunteering

We will promote a culture of inclusivity and encourage our employees to innovate, experiment and collaborate across functions, levels and geographies. We will also continue our long-term commitment to provide support and volunteer our services to the community.

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Places

People

Partners

Performance (Environment)

Performance (Economic)

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Partners

Our business partners play a critical part in the success of our SD 2030 Strategy.

Objective:

We aim to continue to develop long-term, mutually beneficial relationships with our business partners and other key parties so as to improve our environmental, social and economic performance.

We have identified a number of important partners who can support and benefit from our SD vision:

- Suppliers
- Tenants
- Customers
- Residential owners and occupiers
- Government
- Non-governmental, non-profit organisations (“NGOs”)
- Joint venture partners

Where possible, we intend to work closely with partners who share our values. We also look for opportunities to help our partners achieve their own SD goals.

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Places

People

Partners

Performance (Environment)

Performance (Economic)

It is underpinned by the concepts of innovation and experimentation, and communication and engagement.

Performance (Environment)

As a leading property developer, we are committed to building and managing our developments sustainably.

Objective:

We aim to continue to design, construct and manage high quality developments that contribute positively to the communities in which we operate and the environment.

We will achieve this by managing the following key impact areas of our operations:

- Climate change
- Energy
- Waste
- Water
- Biodiversity
- Occupant wellbeing
- Building/Asset investments

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Places

People

Partners

Performance (Environment)

Performance (Economic)

It is underpinned by the concepts of innovation and experimentation, and communication and engagement.



Performance (Economic)

We believe that long-term value creation depends on the sustainable development of our business.

Objective:

We aim to deliver sustainable economic performance coupled with good corporate governance and high ethical standards.

We intend to achieve this by seeking to enhance or implement the following:

- Financial performance
- Green financing
- Corporate governance
- Risk management
- Disclosure and reporting
- Investor relations

SD 2030 STRATEGY

Supporting the United Nations Sustainable Development Goals

Swire Properties supports the United Nations Sustainable Development Goals (“SDGs”), which aim to end poverty, protect the planet and ensure that all people enjoy peace and prosperity by 2030.

In 2016, as part of the implementation of our SD 2030 Strategy, we took preliminary steps to match our focus areas, performance categories and KPIs to the SDGs and identified 15 SDGs that are relevant to our business. After further analysis, in 2017, we identified seven specific SDGs that we believe are most closely connected with our SD vision and SD 2030 Strategy.

SUSTAINABLE DEVELOPMENT GOALS

Through Creative Transformation, we aim to continue to create long-term value by transforming places into vibrant and sustainable communities. Initiatives under **Places** align with:

- SDG 8 Promote sustainable economic growth, employment and decent work for all;
- SDG 9 Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation; and
- SDG 11 Make cities and human settlements inclusive, safe, resilient and sustainable.

Safety, Health and Wellbeing is an integral part of our business and SD 2030 Strategy. Our initiatives under this focus area align with:

- SDG 3 Ensure healthy lives and promote wellbeing.

Diversity and Inclusion is an area in which we aspire to provide leadership. Our initiatives under this focus area align with:

- SDG 5 Achieve gender equality and empower women and girls.

SD 2030 STRATEGY



SD 2030 STRATEGY

Implementing Our Strategy

We encourage our employees to be proactive on SD issues both at work and in the community. This is reflected in our SD management structure, which includes employees with different backgrounds and expertise, in addition to different levels of seniority and work experience. Our inclusive management approach helps to ensure that our SD 2030 Strategy is properly integrated across our operations.

SD Working Groups

Each strategic pillar of our SD 2030 Strategy is supported by a working group (collectively, “SD Working Groups”). Having identified specific key performance indicators (“KPIs”) for 2020, the SD Working Groups are also responsible for developing KPIs for 2030, which will be disclosed in future reports.

The size and composition of the SD Working Groups vary depending on the nature of the issues for which they are responsible. Members of the SD Working Groups have been carefully determined to ensure that SD initiatives can be implemented through day-to-day operations in all areas of our business.

Communication and Engagement

Our SD communication and engagement committee is responsible for identifying, prioritising and overseeing the implementation of communication and engagement plans for SD initiatives that support our SD 2030 Strategy. Chaired by our Director, Marketing & Communication, its members include representatives from different functions within Swire Properties.

Communicating our Strategy

The successful implementation of our SD 2030 Strategy requires the support of our employees. In May 2016, we began a video-based internal campaign on Yammer, our internal social media platform, to introduce the strategy to employees and emphasise that SD is relevant to every part of our business.

Building on the Yammer campaign, in 2017 we opened a WeChat account for our employees in Mainland China to learn more about our SD vision and keep up with the latest news on our SD initiatives, including activities and events.

We have also created a dedicated website: www.SD2030.com. In addition to reading about our strategy and related initiatives, visitors to the website can enjoy an animated video about our approaches to SD.

SD 2030 STRATEGY

Making Swire Places



In April 2017, we held a staff engagement event in Hong Kong called “Making Swire Places”, which offered our colleagues an interactive and fun way to deepen their understanding of our SD2030 Strategy. We held similar staff engagement events at Taikoo Li Sanlitun in Beijing and TaiKoo Hui in Guangzhou later in the year. These events illustrate our approach to engaging with our employees about our SD vision.

More than 400 colleagues from across the Company participated in these events and worked together to design their ideal sustainable community. Master plans created by participating teams were shortlisted by fellow contestants before being voted on by all staff and then judged by a panel of experts, including renowned architect, Hugh Dutton, and our Chief Executive, Guy Bradley.

The top Hong Kong prize was awarded to Swire Properties Environmental-engineered Downtown, developed by a team from Taikoo Shing (Management) Limited, incorporating environmental engineering concepts to create an integrated and connected urban space.



Swire Properties Environmental-engineered Downtown



Shangri-La for Elders



Best Life, Smart Community

Shangri-La for Elders took the top prize at Taikoo Li Sanlitun in Beijing, impressing judges with its focus on the elderly, use of futuristic technology to create a seamless smart community, and blend of traditional Chinese landscape concepts with contemporary design to create a harmonious environment.



The winning entry at TaiKoo Hui in Guangzhou, Best Life, Smart Community, incorporated several innovative approaches to enhancing community connection, such as developing an underground traffic system to create more space for playgrounds and recreational facilities and building a ‘sky-walk corridor’ for patrons to enjoy the urban view.

Making Swire Places won the “Most Innovative Project Award” in the Sustainable Development Project Competition at the 7th Annual Swire Sustainable Development Forum. The competition recognises outstanding SD initiatives within the Swire group.

SD 2030 STRATEGY

In 2017, we began engaging directly with all our major business units in Hong Kong and Mainland China to integrate our SD 2030 Strategy into our operations and investment decisions at the asset and functional levels. General Managers and other senior leaders participated in half-day workshops to transform our KPIs into appropriate targets for their respective business units, and to consider operational budget requirements for 2018, 2019 and 2020 to implement our SD initiatives.

During the year, we integrated our SD 2030 Strategy into our annual budgeting process. Our business units have incorporated SD considerations in the preparation of their 2018 budgets and SD Working Groups have reviewed the proposed budget allocations that are relevant to their respective SD 2030 pillars.

In 2017, we also hosted a series of town hall meetings attended by 150 employees representing all major business units in Hong Kong to communicate progress on the implementation of our SD 2030 Strategy.

Annual Off-site Meeting for Senior Management

As part of our culture of transparency and open communications, members of our senior management attended their annual offsite meeting in September 2017. During the event, we conducted two SD sessions, including a session with external business partners who shared their views on sustainability trends and their expectations of Swire Properties in addressing material SD issues as a leading property developer.



SD GOVERNANCE

Our SD governance framework is built upon strong foundations of [corporate governance](#) and [ethical standards](#). As part of our SD 2030 Strategy, we seek to integrate economic, social and environmental considerations more deeply into our business decision-making processes at all levels.

Sustainable Development Steering Committee

GRI
102-18, 102-19,
102-20, 102-32

Our Sustainable Development Steering Committee (“SD Steering Committee”) is chaired by the Chief Executive, and comprises the Chief Executive, the Finance Director and six other members of senior management representing development and valuations, human resources and administration, portfolio management, and technical services and sustainable development departments. Through its Chairman, the committee reports relevant SD matters to the Board of Directors of the Company (“Board”) as appropriate.

In accordance with its [terms of reference](#), the SD Steering Committee is responsible for reviewing the Company’s SD strategy and ensuring that the Company’s operations and practices are carried out in line with the SD strategy. It is also the highest governance body responsible for approving the annual SD Report.

The SD Steering Committee reviews the Company’s performance with respect to KPIs and SD initiatives that have been recommended by the SD Working Groups. The SD Working Groups report to the SD Steering Committee on a regular basis.

Sustainable Development Policy

GRI
102-11

Our [Sustainable Development Policy](#), first published in 2008, reflects our belief that long-term value creation depends on the sustainable development of our business, our supply chain and the communities in which we operate. We take these factors into account during the inception, design, construction, occupation and demolition phases of our development projects.

With respect to the environment, the policy states that the Company will be a good steward of the natural resources and biodiversity under our influence, and will ensure that all potential adverse impacts of our operations are identified and managed appropriately. Our approach is consistent with the precautionary principle², which implies that where there are threats of serious or irreversible damage, lack of full scientific certainty will not be used as a reason for postponing cost-effective measures to prevent environmental degradation.

We strive to operate in a manner that safeguards the health and safety of all of the people with whom we work. We also strive to be an employer of choice by providing a working environment in which all employees are treated fairly and with respect, and are able to realise their full potential.

² The precautionary approach is referred to in Principle 15 of ‘The Rio Declaration on Environment and Development’.

SD GOVERNANCE

Swire Properties' Policies

Our SD Policy is supported by the following related policies that focus on specific environmental and social impacts of our operations:



Environmental Policy



Health and Safety Policy



Energy Policy



Waste Management Policy



Supplier Code of Conduct

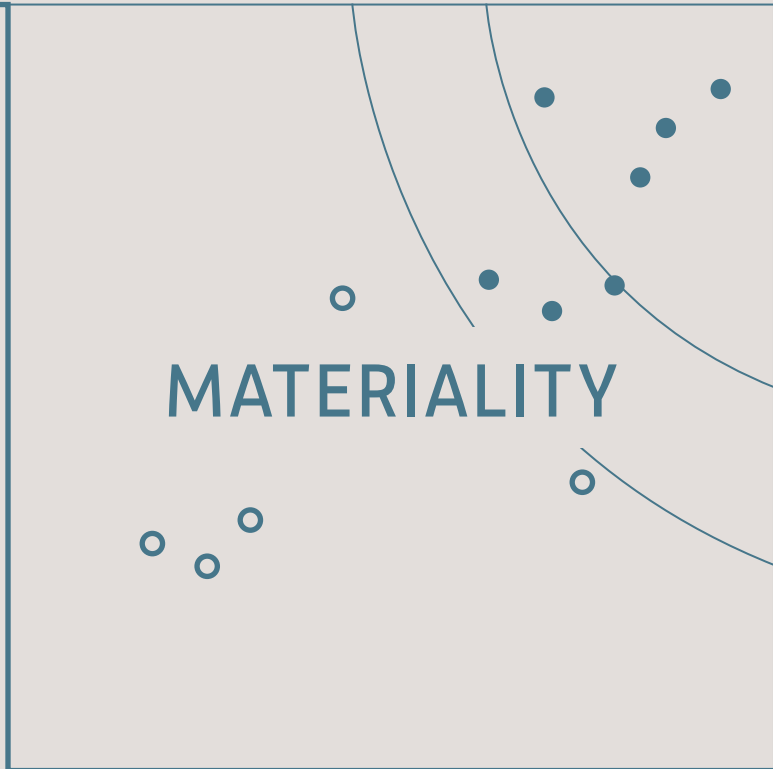
All policies are available on our [corporate website](#).

Swire Properties' Award-winning 2016 Sustainable Development Report

In 2017, Swire Properties received recognition at the 18th annual Best Corporate Governance Awards, organised by the Hong Kong Institute of Certified Public Accountants. Our 2016 Sustainable Development Report received a Special Mention for the Sustainability and Social Responsibility Reporting Award in the Non-Hang Seng Index (Large Market Capitalisation) category. The judges praised the report for its introduction of our SD 2030 Strategy, and noted that the new SD management structure reflects high-level commitment to sustainability governance.

Our 2016 Sustainable Development Report also received the Bronze Occupational Safety and Health Annual Report Award presented at the 16th Hong Kong Occupational Safety & Health Award Forum. This award scheme, organised by the Hong Kong Occupational Safety and Health Council, recognises organisations that accurately present occupational safety and health performance in their annual sustainability reports.





MATERIALITY

For the purpose of Swire Properties' SD 2030 Strategy and SD reporting, materiality is any factor that has a present or future impact on our ability to achieve our SD vision. We believe that balancing internal and external viewpoints is critical in defining and managing SD issues that are of significant relevance to our business and our stakeholders.

Our Approach to Stakeholder Engagement

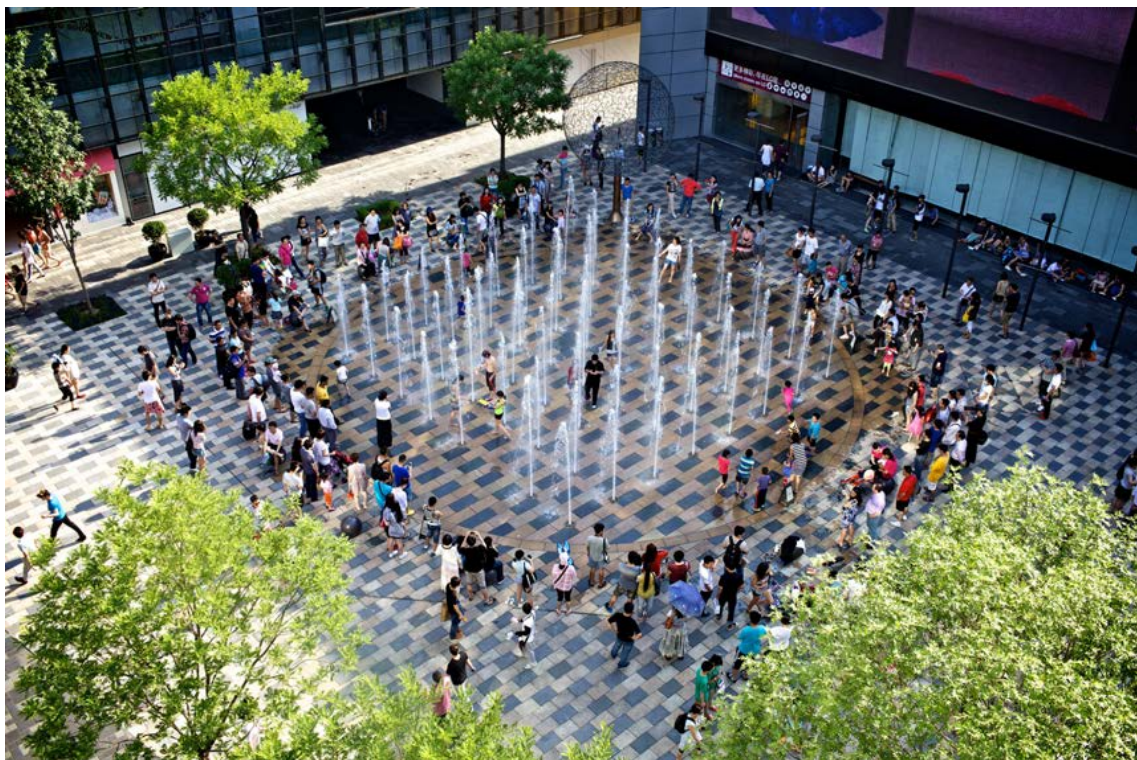
HKEX
Aspect B8

As reflected in our SD 2030 Strategy, [communication and engagement](#) – with employees, investors, tenants, customers, suppliers, regulators, NGOs, community representatives and many others – is an integral part of our daily operations.

To help us understand stakeholders' priorities, expectations and perceptions, specifically with regard to SD issues, we have been conducting regular stakeholder engagement exercises since 2004. In 2011, we adopted a five-year plan involving systematic engagement with a range of interest groups at least once each year.

To prepare for the introduction of our SD 2030 Strategy in 2016, we engaged extensively with members of our senior management, and reached out to employees across our business through town hall meetings and a Yammer campaign. We also consulted with external sustainability experts.

Building on our earlier initiatives, our SD communication and engagement committee aims to continue to generate support from our employees and other stakeholders in order to integrate our SD 2030 Strategy across all areas of our business.



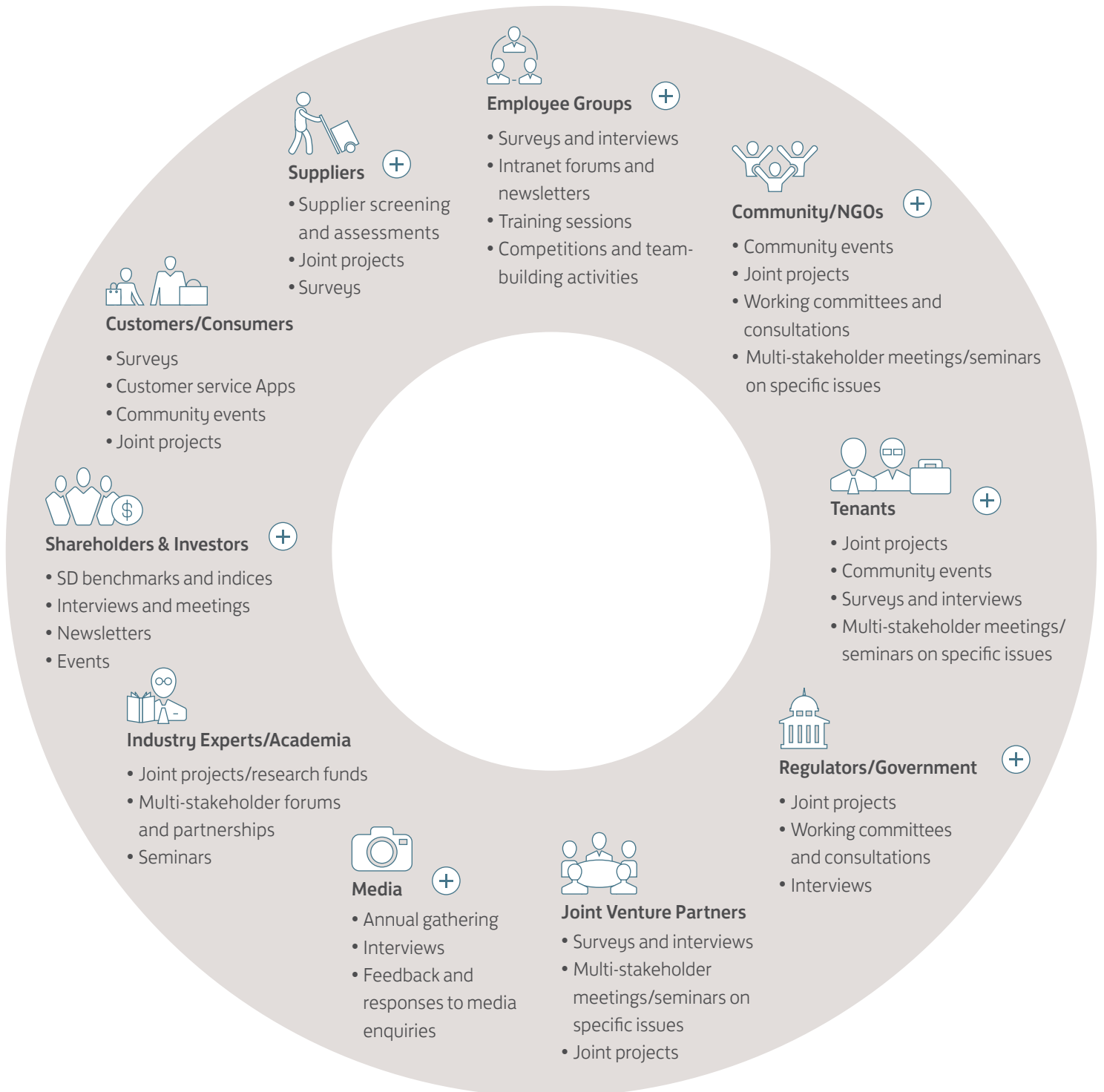
MATERIALITY

Our Stakeholders

GRI 102-40, 102-42, 102-43

Our stakeholders are internal and external interest groups who have a significant impact on our business or who experience significant impacts from our operations.

Swire Properties Stakeholder Groups and Methods of Regular Engagement



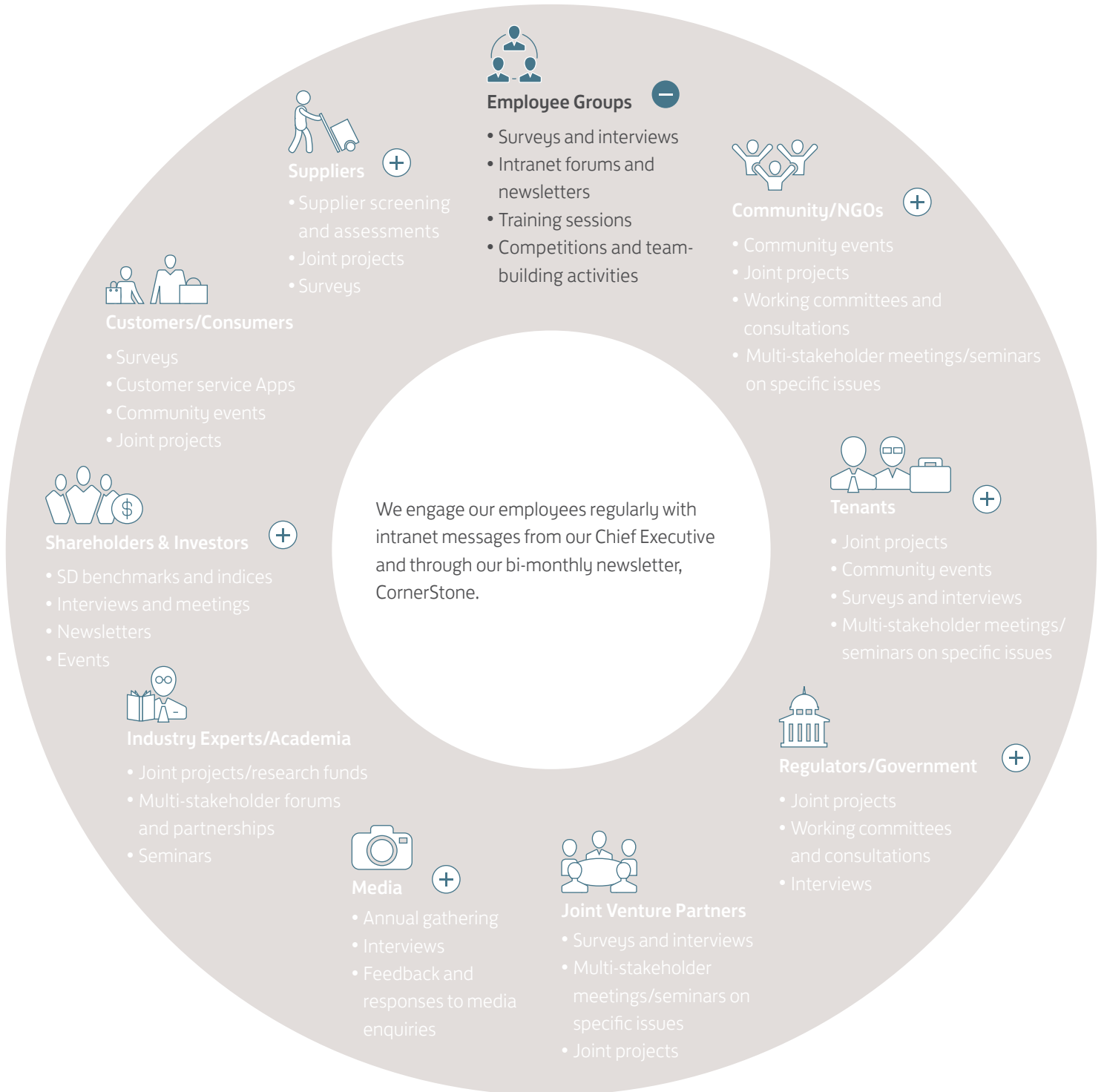
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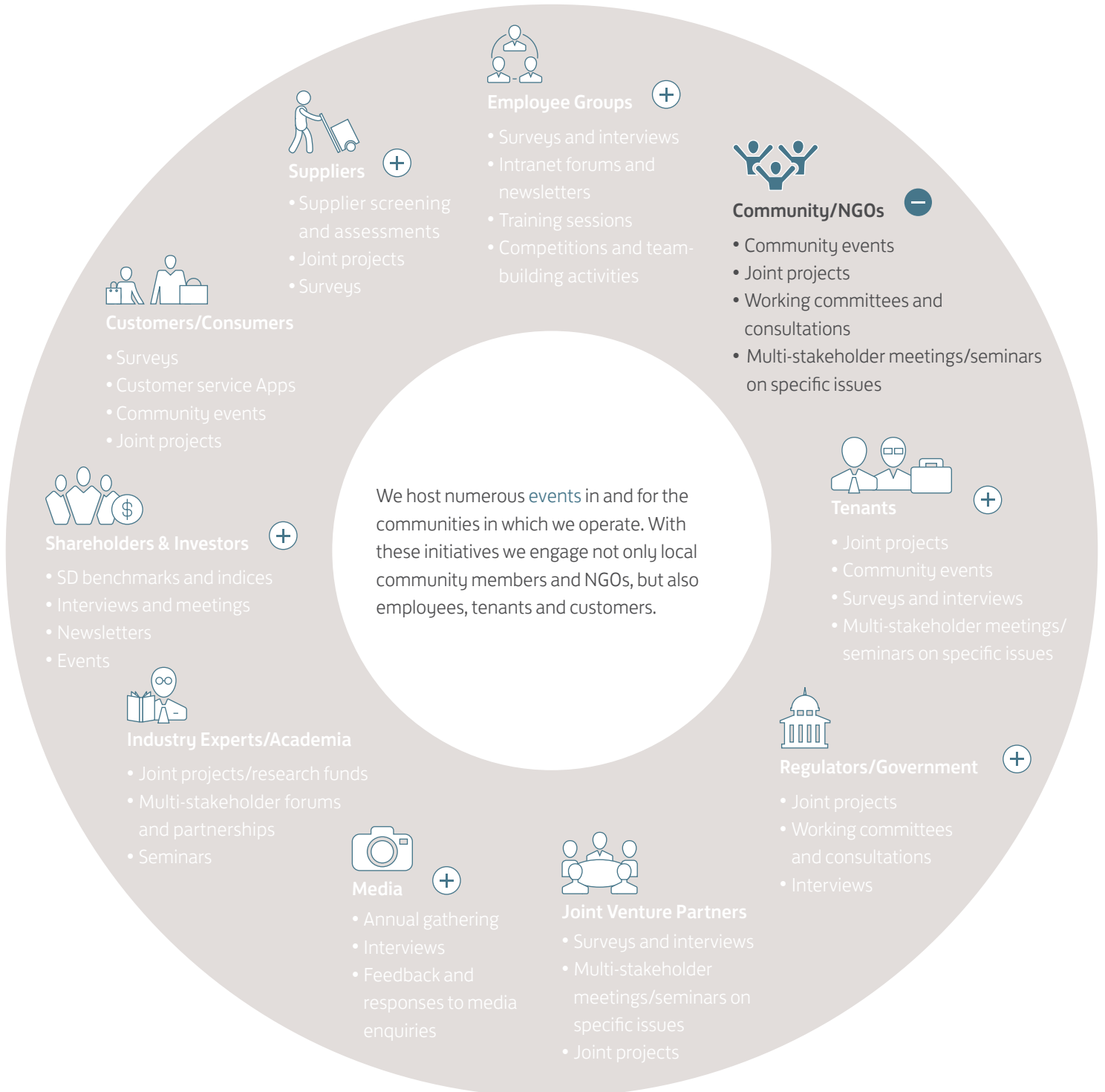
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Swire Properties Stakeholder Groups and Methods of Regular Engagement



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Swire Properties Stakeholder Groups and Methods of Regular Engagement



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Swire Properties Stakeholder Groups and Methods of Regular Engagement



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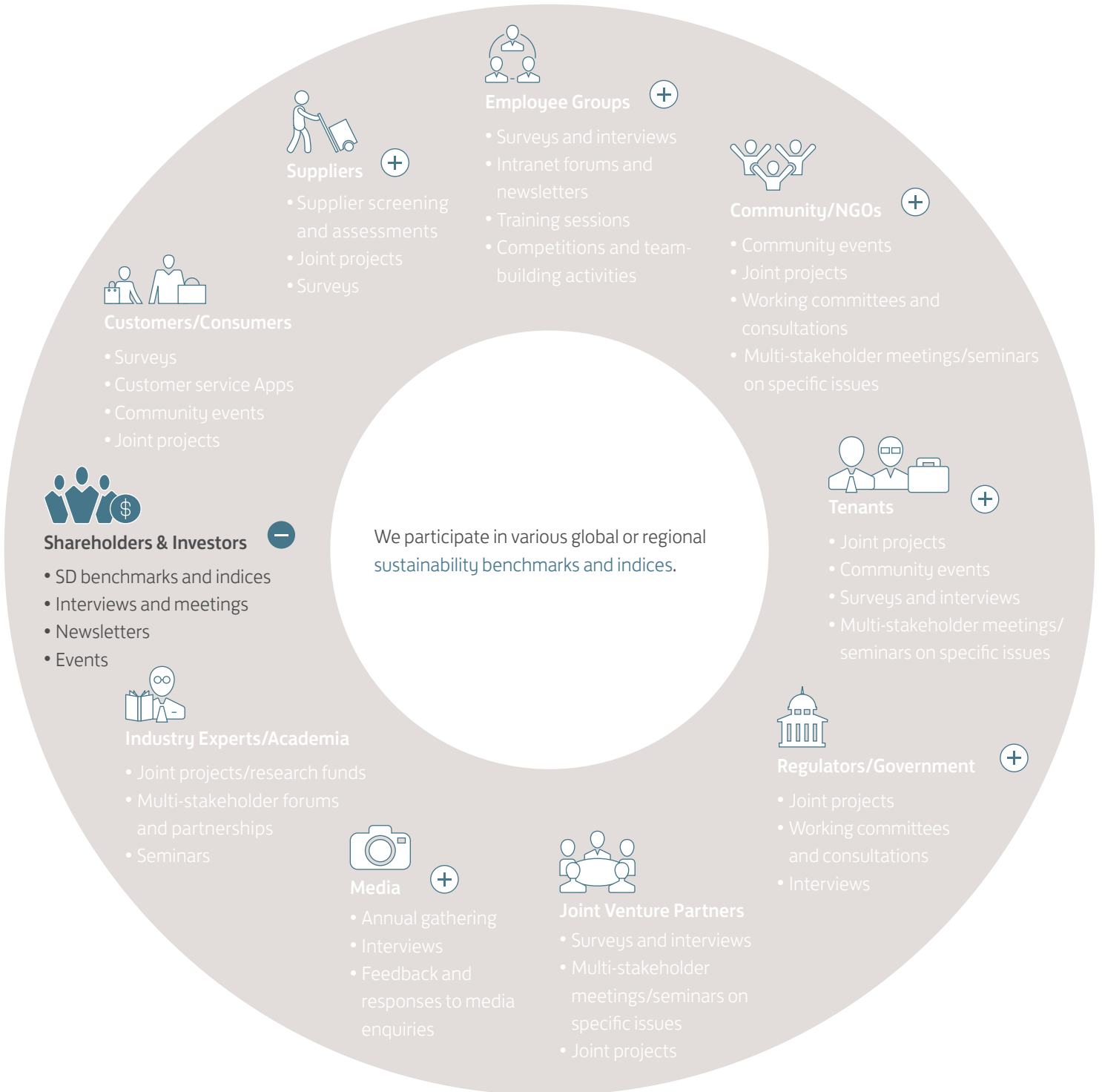
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Swire Properties Stakeholder Groups and Methods of Regular Engagement



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Swire Properties Stakeholder Groups and Methods of Regular Engagement



MATERIALITY

Stakeholder-driven Materiality

GRI
102-42, 102-44

In 2017, we initiated a materiality review to gather feedback from our stakeholders that will guide us in continuing to shape and implement our SD 2030 Strategy. In undertaking the review, our independent consultant adopted a three-step approach to assess materiality.

Quantitative Materiality Approach

Step 1

Issue Identification

22 Qualitative Interviews

- Identify new and emerging issues against existing materiality issues
- Consolidate analysis of issues and definitions

Outcome:

27 issues were identified and defined.

Step 2

Quantitative Survey

Survey with more than **300** stakeholders

- External stakeholders rank the issues in order of perceived importance
- Employees rank the issues in order of perceived impact on our business

Outcome:

Balanced sample composition of survey respondents provided good representation of the views of our tenants, investors and other external stakeholders, as well as employees.

Step 3

Materiality Matrix

Survey data plotted to represent internal and external stakeholder views.

MATERIALITY

Responding to Feedback from Our Stakeholders

As part of our recent materiality review, 22 interviews were conducted with internal and external stakeholders in Hong Kong, Mainland China, the U.S.A and other countries.

Stakeholder Feedback

Our Response



Tenant

It would be great if you can engage with us more. I'd love to work together on sustainability because our company looks at sustainability too.

We welcome and look forward to working with our tenants, as they are key partners in our SD 2030 Strategy. We encourage them to join our various [tenant engagement](#) programmes, such as the Green Office Pledge, Green Shop Alliance and free energy audit scheme.



Tenant

I would like to see [Swire Properties] not only build, but also help [to] create a better community and the environment.

We share the same aspirations and this is why Places is at the heart of our SD 2030 Strategy. Through placemaking and long-term placekeeping, we want to continually add value to the communities surrounding the places in which we invest and to protect the natural environment. For example, at [TaiKoo Hui, Guangzhou](#), we host an array of programmes that contribute to the local community and have introduced many sustainability measures to reduce environmental impacts.



Investor

Swire Properties is very close to becoming an SD leader. You should be more transparent in disclosing more data points to help your stakeholders track your performance.

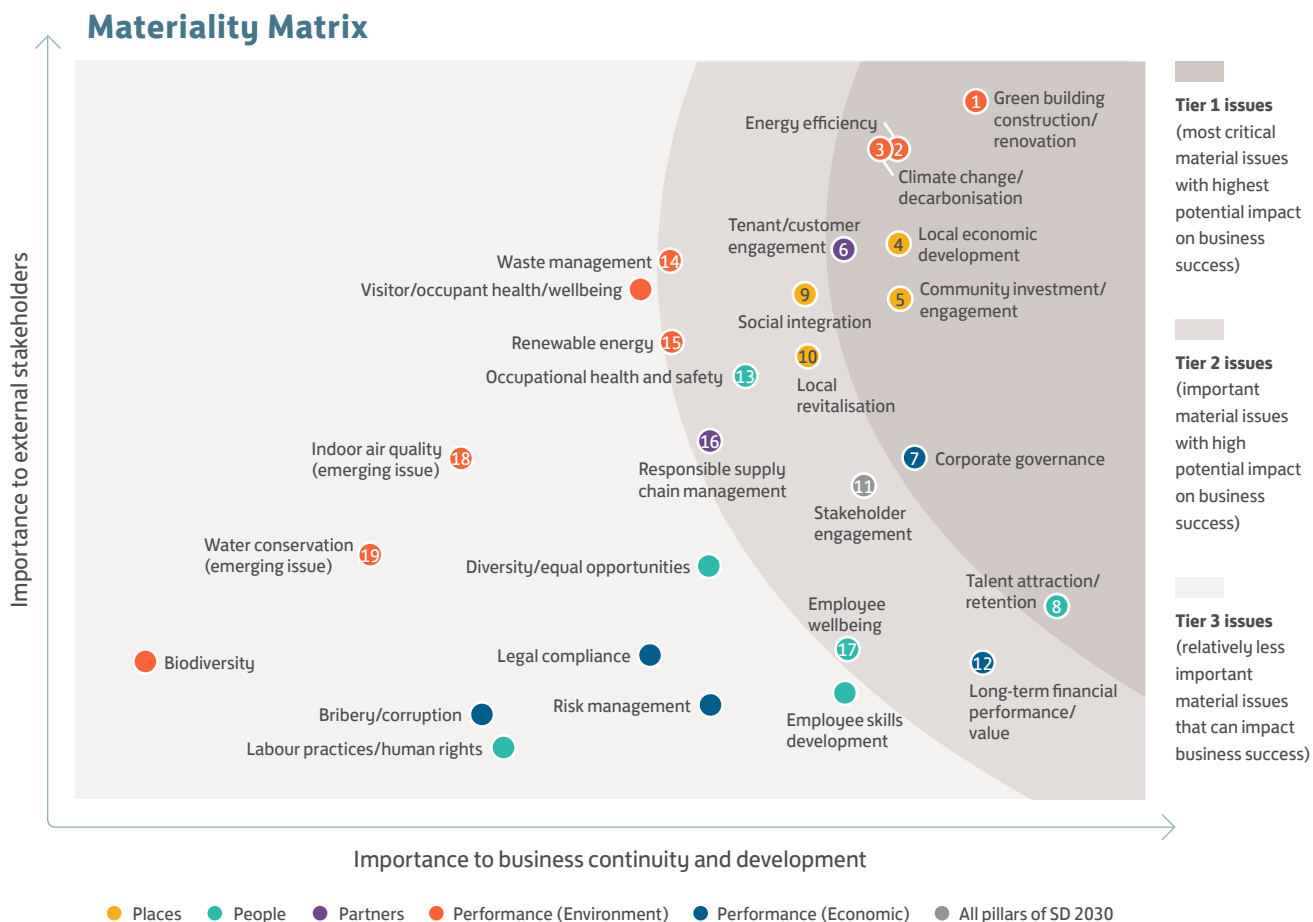
This is very helpful feedback. To help stakeholders track our performance, we have added new data points (e.g. [material used by weight and occupational disease rate](#)) and enhanced disclosure on our progress made against KPIs in this year's report. We will continue to enhance transparency of our SD performance to align with global best practices. That said, it will be very helpful for us to hear more from our investors and other stakeholders on the types of data they are interested in acquiring, so let's [continue this discussion](#).

MATERIALITY

Defining and Prioritising Material Issues

GRI
102-44, 102-46,
102-47, 103-1

We have mapped the 27 SD issues from our recent materiality review onto a matrix reflecting their importance to external stakeholders (y-axis), and their importance to our business continuity and development (x-axis). Overall materiality has been determined by the aggregated score assigned to each issue by our internal and external stakeholders.



Remarks:
Tier 1, Tier 2 and emerging issues are numbered in this matrix

The top material issues in the materiality matrix (namely, Tier 1 and Tier 2 issues) align with the focus areas of our SD 2030 Strategy, and have been addressed in this report in accordance with relevant GRI Standards.

In determining the content of this report, we have also taken account of additional emerging issues that are the subject of increasing public and regulatory attention, such as indoor air quality and water conservation.

Looking to the future, we are assessing the findings from the materiality review to identify implications for our SD 2030 Strategy.

MATERIALITY

Top Material Issues for this Report

| Material Issues | SD 2030 Pillars | SD 2030 Focus Areas | Impacts and Boundaries | | | | | | | | | | GRI Standards | |
|--|---|--|------------------------|----------------|-----------|---------|---------------------|-----------------------|------------------------|-----------------------|------------------------|-------|---------------|--|
| | | | Employee Groups | Community/NGOs | Suppliers | Tenants | Consumers/Customers | Regulators/Government | Joint Venture Partners | Ind. Experts/Academia | Shareholders/Investors | Media | | |
| 1 Green building construction/renovation | | Building Assets and Investments | ✓ | ✓ | ✓ | ✓ | ✓ | | | | ✓ | ✓ | | GRI 417 Marketing and Labelling |
| 2 Energy efficiency | | Energy | ✓ | | ✓ | ✓ | ✓ | ✓ | | | ✓ | ✓ | | GRI 302 Energy |
| 3 Climate change/decarbonisation | | Climate Change | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | GRI 305 Emissions |
| 4 Local economic development | | Supporting Local Economy | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | GRI 203 Indirect Economic Impacts |
| 5 Community investment/engagement | | Community Investment & Engagement | ✓ | ✓ | | ✓ | ✓ | ✓ | ✓ | | ✓ | | | GRI 413 Local Communities |
| 6 Tenant/customer engagement | | Tenant & Customer Engagement | ✓ | | | ✓ | ✓ | ✓ | ✓ | | ✓ | | | N/A |
| 7 Corporate governance | | Corporate Governance | ✓ | | ✓ | | | ✓ | | | ✓ | | | GRI 205 Anti-corruption |
| 8 Talent attraction/retention | | Talent Attraction and Talent Retention | ✓ | | | | | | | | | ✓ | | GRI 401 Employment GRI 404 Training and Education |
| 9 Social integration | | Community Investment & Engagement | ✓ | ✓ | | ✓ | ✓ | ✓ | ✓ | | ✓ | | | GRI 413 Local Communities |
| 10 Local revitalisation | | Local Revitalisation | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | GRI 203 Indirect Economic Impacts |
| 11 Stakeholder engagement | Integral to all pillars of our Strategy | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | Not applicable |
| 12 Long-term financial performance/value | | Financial Performance | ✓ | | ✓ | | | ✓ | ✓ | | ✓ | ✓ | | GRI 201 Economic Performance |
| 13 Occupational health and safety | | Safety, Health & Wellbeing | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | | ✓ | ✓ | | GRI 403 Occupational Health & Safety |
| 14 Waste management | | Waste | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | | | ✓ | | GRI 306 Effluents and Waste |
| 15 Renewable energy | | Energy | | | ✓ | ✓ | ✓ | ✓ | | | ✓ | ✓ | | GRI 302 Energy |
| 16 Responsible supply chain management | | Suppliers | ✓ | | ✓ | | | | | ✓ | | ✓ | | GRI 301 Materials GRI 308 Supplier Environmental Assessment GRI 414 Supplier Social Assessment |
| 17 Employee wellbeing | | Safety, Health & Wellbeing | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | | ✓ | ✓ | | GRI 403 Occupational Health & Safety |
| 18 Indoor air quality (emerging issue) | | Occupant Wellbeing | ✓ | ✓ | | ✓ | ✓ | ✓ | | | ✓ | ✓ | | GRI 416 Customer Health and Safety |
| 19 Water conservation (emerging issue) | | Water | ✓ | ✓ | | ✓ | ✓ | ✓ | | | ✓ | ✓ | | GRI 303 Water |

● Places ● People ● Partners ● Performance (Environment) ● Performance (Economic) ● All pillars of SD 2030

Sustainable Development in Action

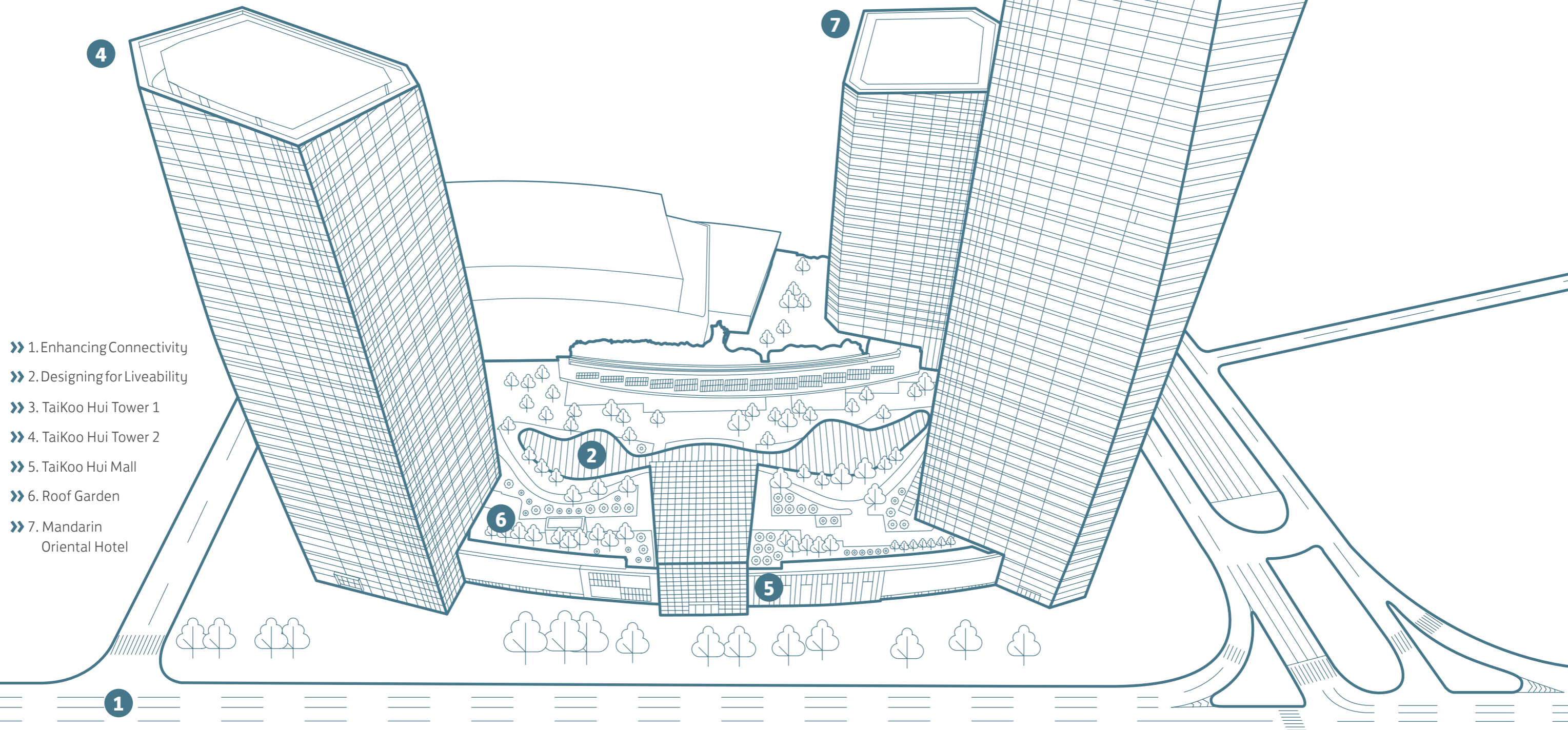
TaiKoo Hui, Guangzhou, Mainland China



Our TaiKoo Hui development exemplifies a number of important elements of our SD 2030 Strategy and underscores our commitment to making and keeping great places.

Highlights of TaiKoo Hui, Guangzhou

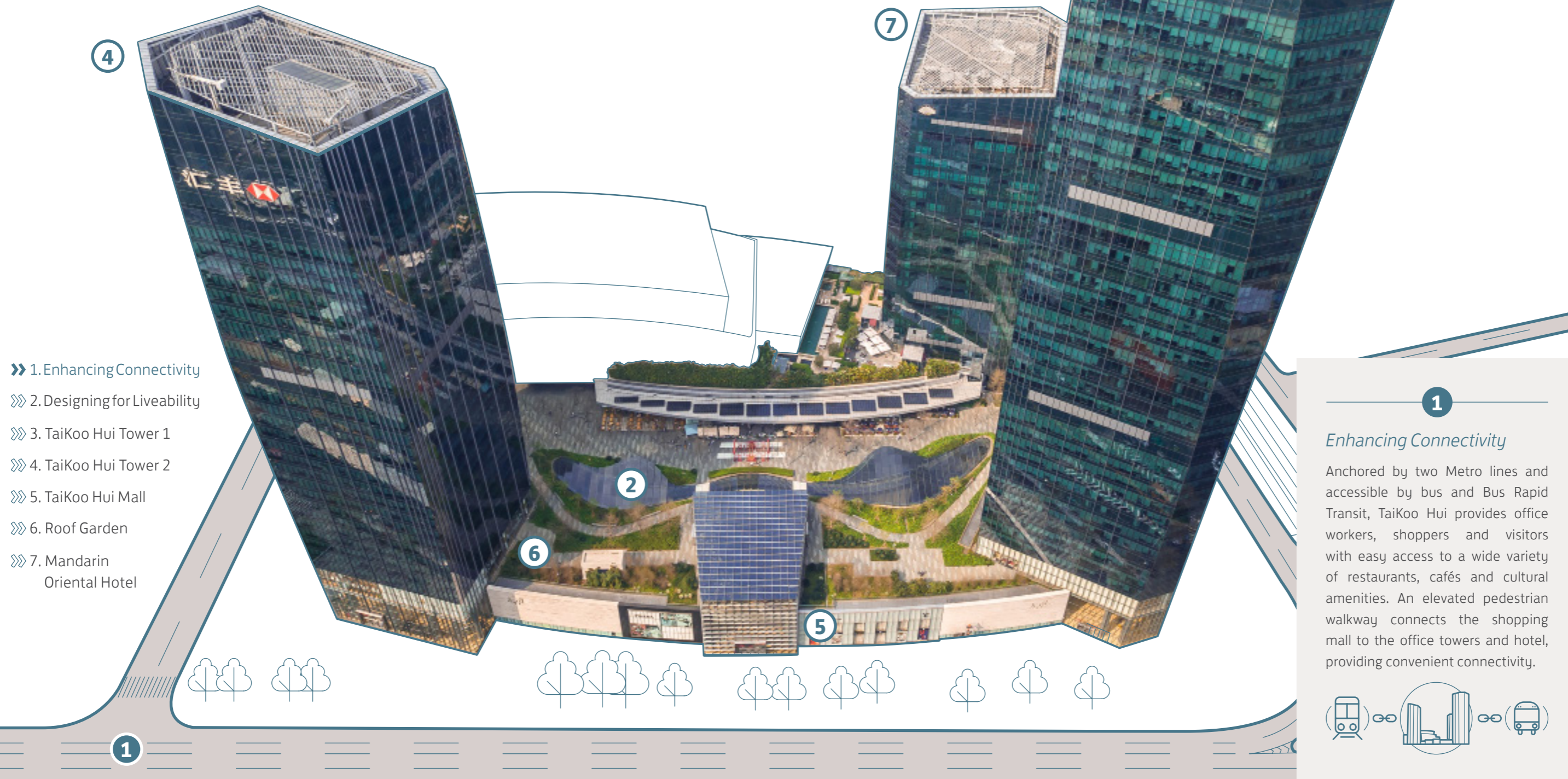
Located in Tianhe, the thriving central business district and geographical heart of Guangzhou, TaiKoo Hui combines business and cultural elements in a large-scale, mixed-use development. As its name, derived from the Chinese words for confluence and gathering, suggests, TaiKoo Hui serves as a gathering place where visitors, office workers and shoppers can work, shop, interact and enjoy vibrant public spaces.



- » 1. Enhancing Connectivity
- » 2. Designing for Liveability
- » 3. TaiKoo Hui Tower 1
- » 4. TaiKoo Hui Tower 2
- » 5. TaiKoo Hui Mall
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- » 7. Mandarin Oriental Hotel

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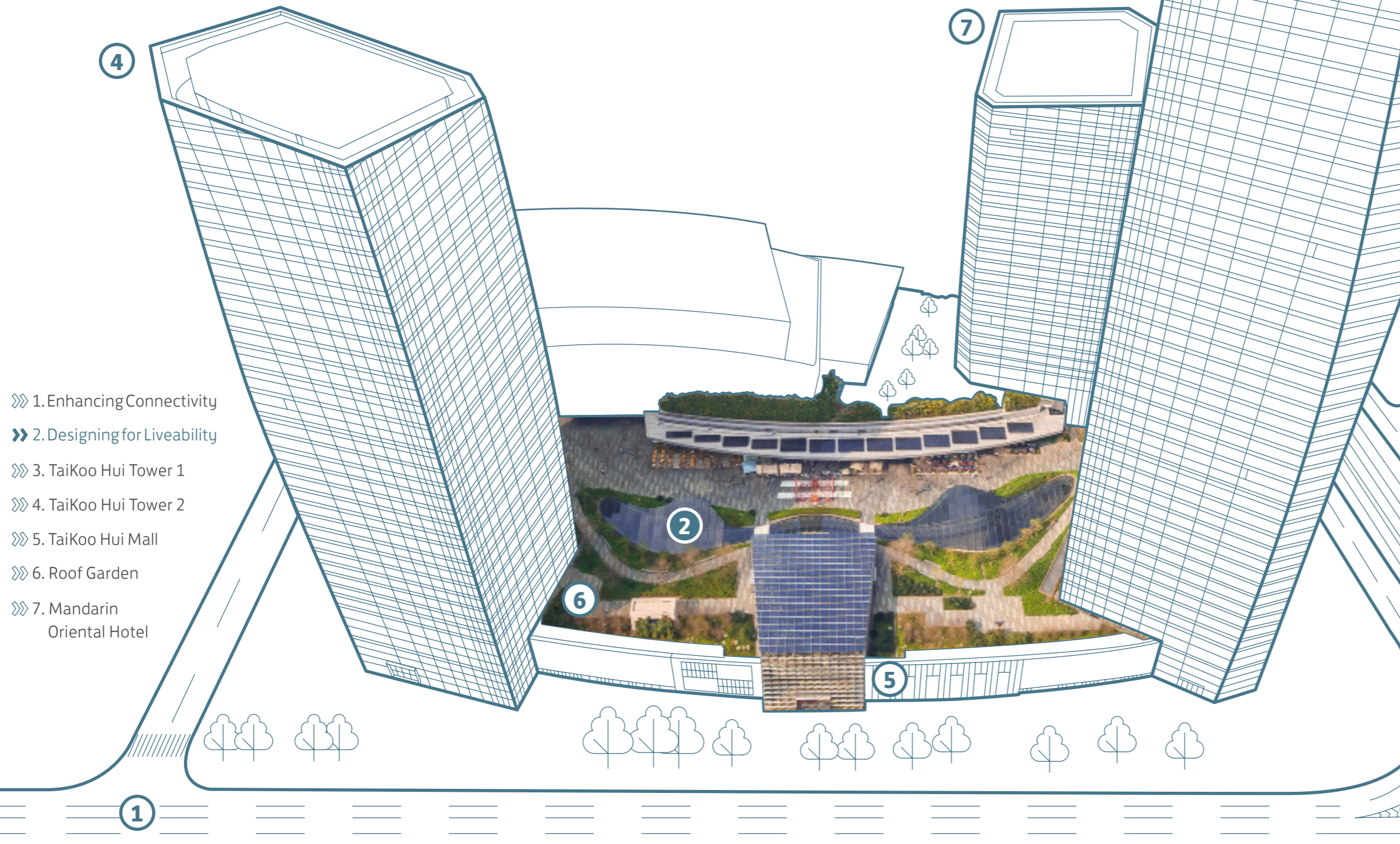
1 Enhancing Connectivity

Anchored by two Metro lines and accessible by bus and Bus Rapid Transit, TaiKoo Hui provides office workers, shoppers and visitors with easy access to a wide variety of restaurants, cafés and cultural amenities. An elevated pedestrian walkway connects the shopping mall to the office towers and hotel, providing convenient connectivity.



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2 Designing for Liveability

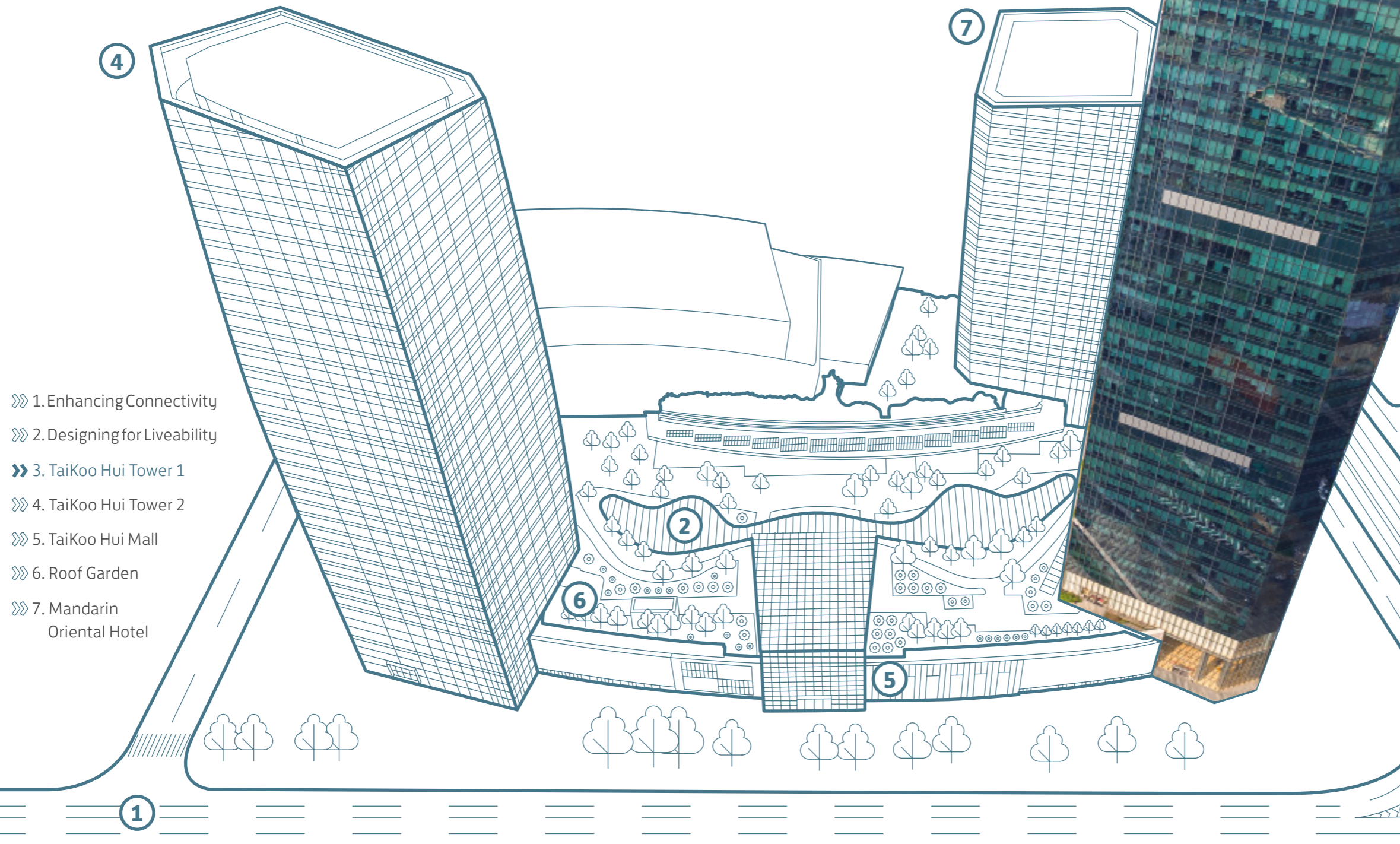
Designed by renowned architectural firm Arquitectonica, the shopping mall features a soaring, oval-shaped central atrium that serves as the focal point of the development. The mall's glass and steel architecture allow natural light to permeate the lower levels of the mall, illuminating and transforming the space, and also saving energy.

The shopping mall connects to an expansive roof garden that offers inviting green spaces and outdoor seating areas helps to reduce storm-water runoff and mitigate urban heat island effects.



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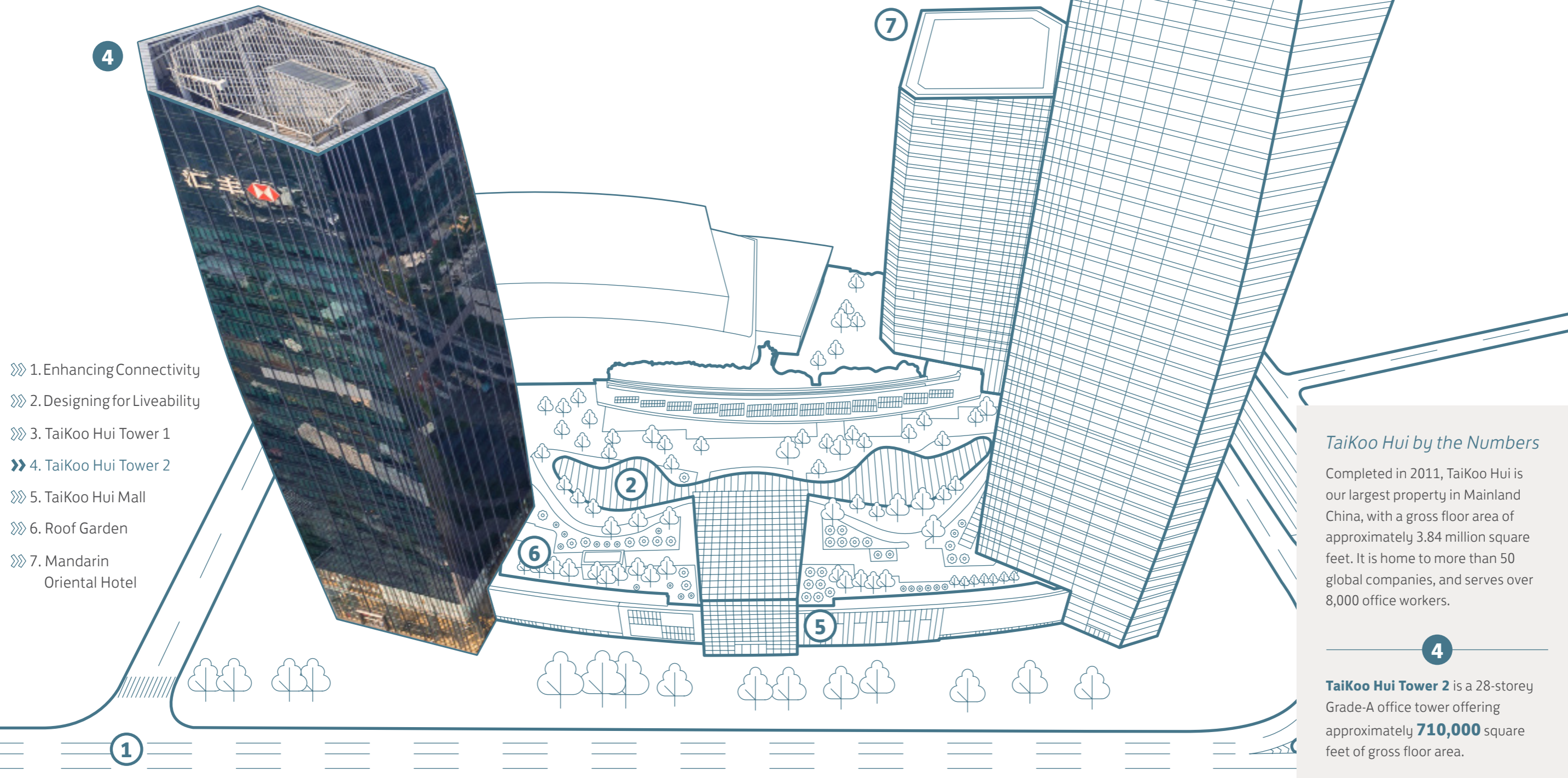
TaiKoo Hui by the Numbers

Completed in 2011, TaiKoo Hui is our largest property in Mainland China, with a gross floor area of approximately 3.84 million square feet. It is home to more than 50 global companies, and serves over 8,000 office workers.

TaiKoo Hui Tower 1 is a 39-storey Grade-A office tower offering approximately **1.05 million** square feet of gross floor area.

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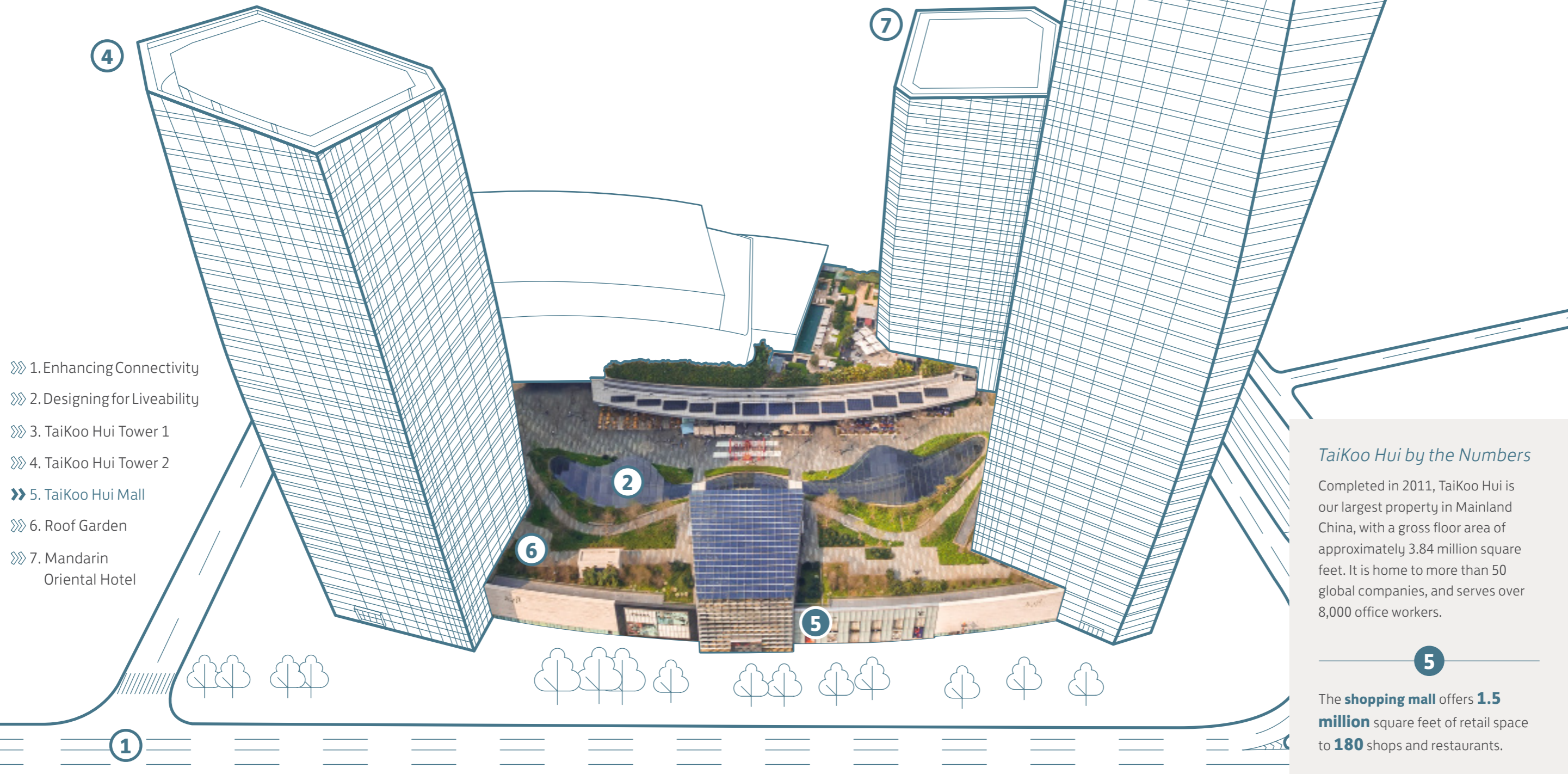
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4

TaiKoo Hui Tower 2 is a 28-storey Grade-A office tower offering approximately **710,000** square feet of gross floor area.

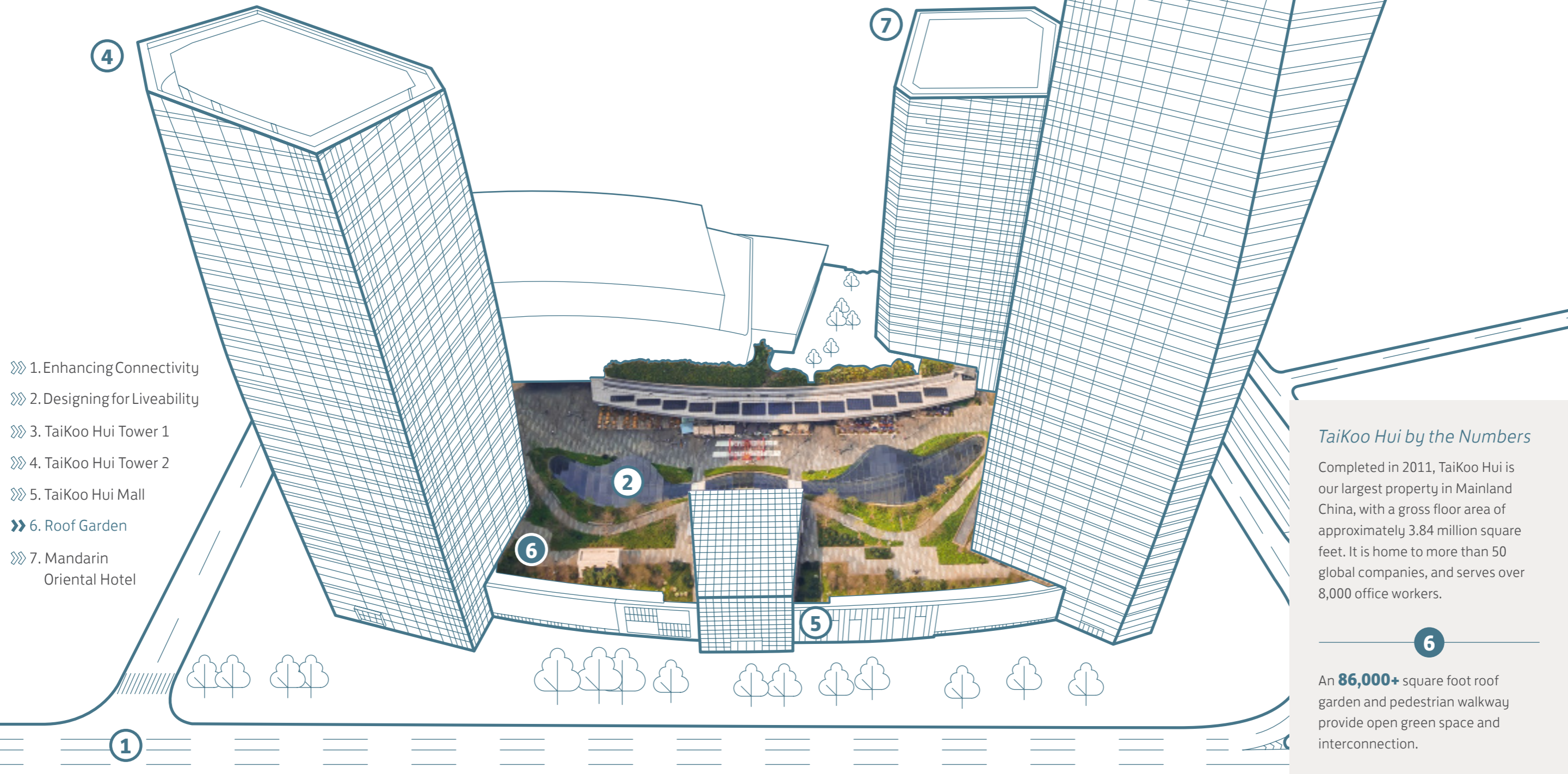
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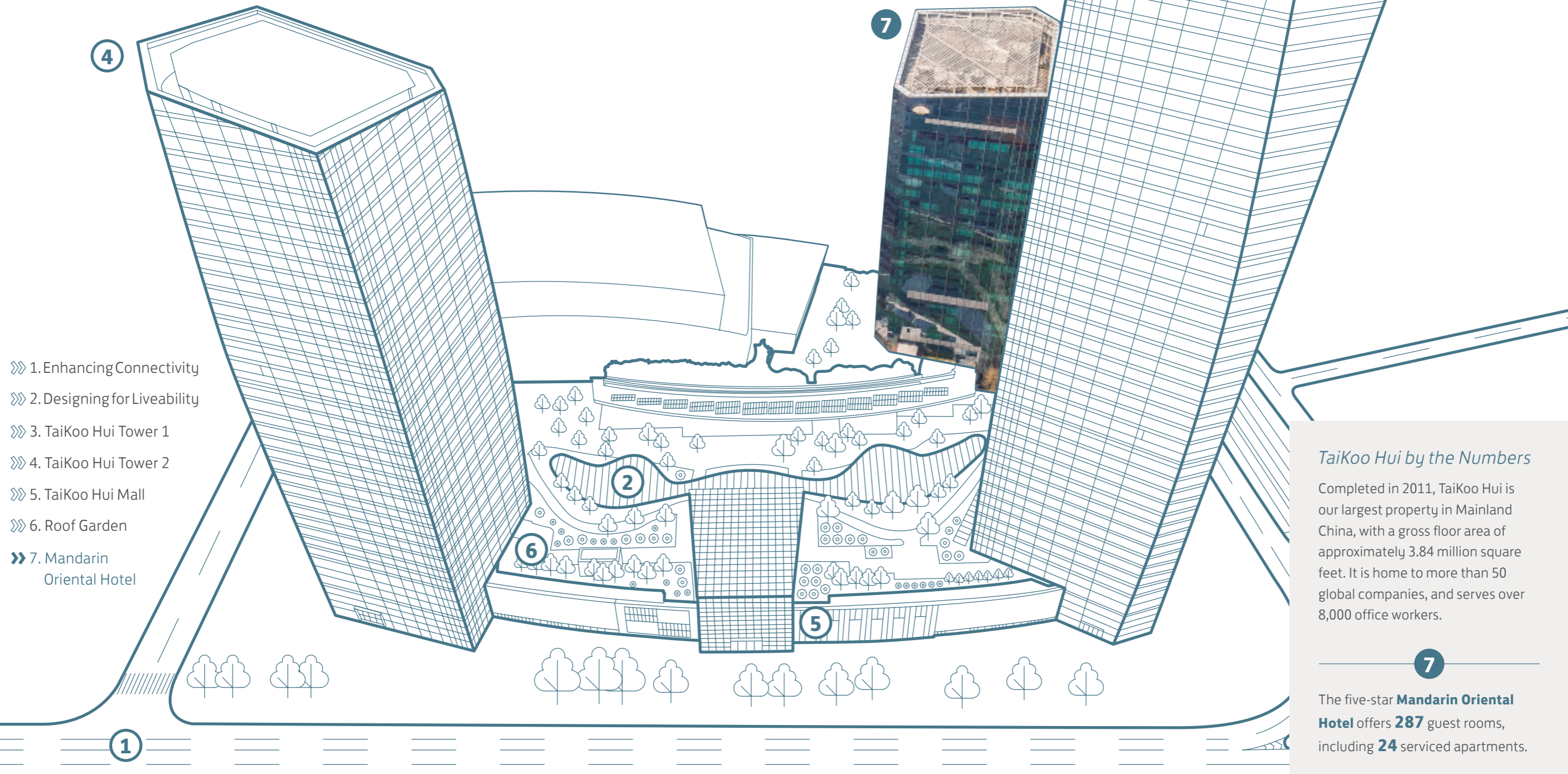
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»» 6. An **86,000+** square foot roof garden and pedestrian walkway provide open green space and interconnection.

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The five-star **Mandarin Oriental Hotel** offers **287** guest rooms, including **24** serviced apartments.

Insights to Our Approach

From the beginning, our vision for TaiKoo Hui has been to design, construct and manage a development that contributes positively to the surrounding community and the environment.

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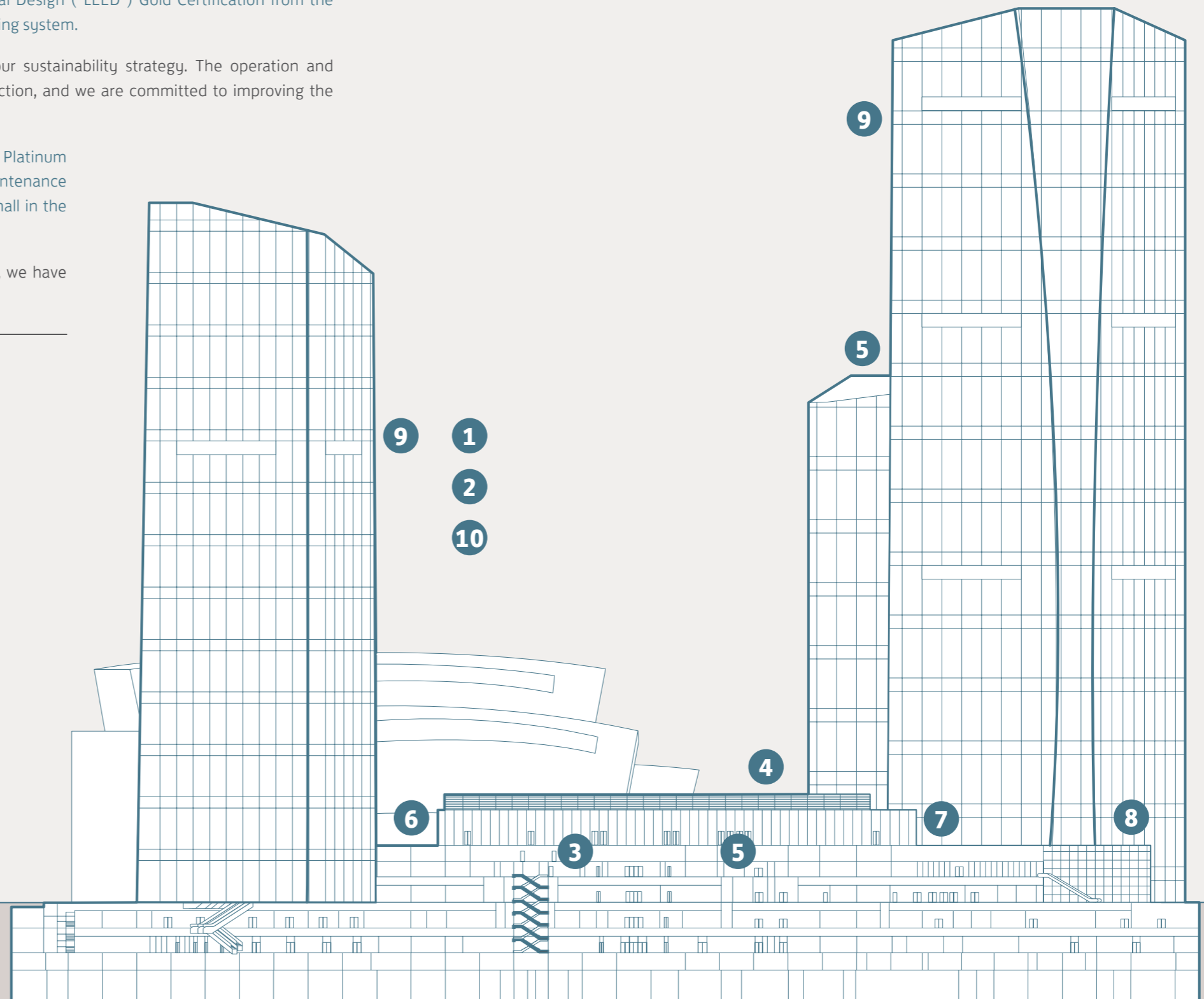
The concept of continual improvement is an essential component of our sustainability strategy. The operation and maintenance of our buildings is as important as their design and construction, and we are committed to improving the environmental performance of our buildings on an on-going basis.

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To reduce impacts, realise efficiencies and improve building performance, we have introduced a wide range of strategies described in further detail below.

- 1 **Intelligent Energy and Facility Management Systems** >>
 - 2 **Standard Energy Efficiency Platform (“SEED”)** >>
 - 3 **Intelligent Fan Coil Units** >>
 - 4 **Solar Photovoltaic (“PV”) Panels** >>
 - 5 **Light Emitting Diode (“LED”) Lighting** >>
 - 6 **Food Waste Composting** >>
 - 7 **Water Conservation** >>
 - 8 **Indoor Air Quality** >>
- Partnering with Tenants to Improve Sustainability Performance**

 - 9 **Green Pledge Programme** >>
 - 10 **Energy Audits** >>



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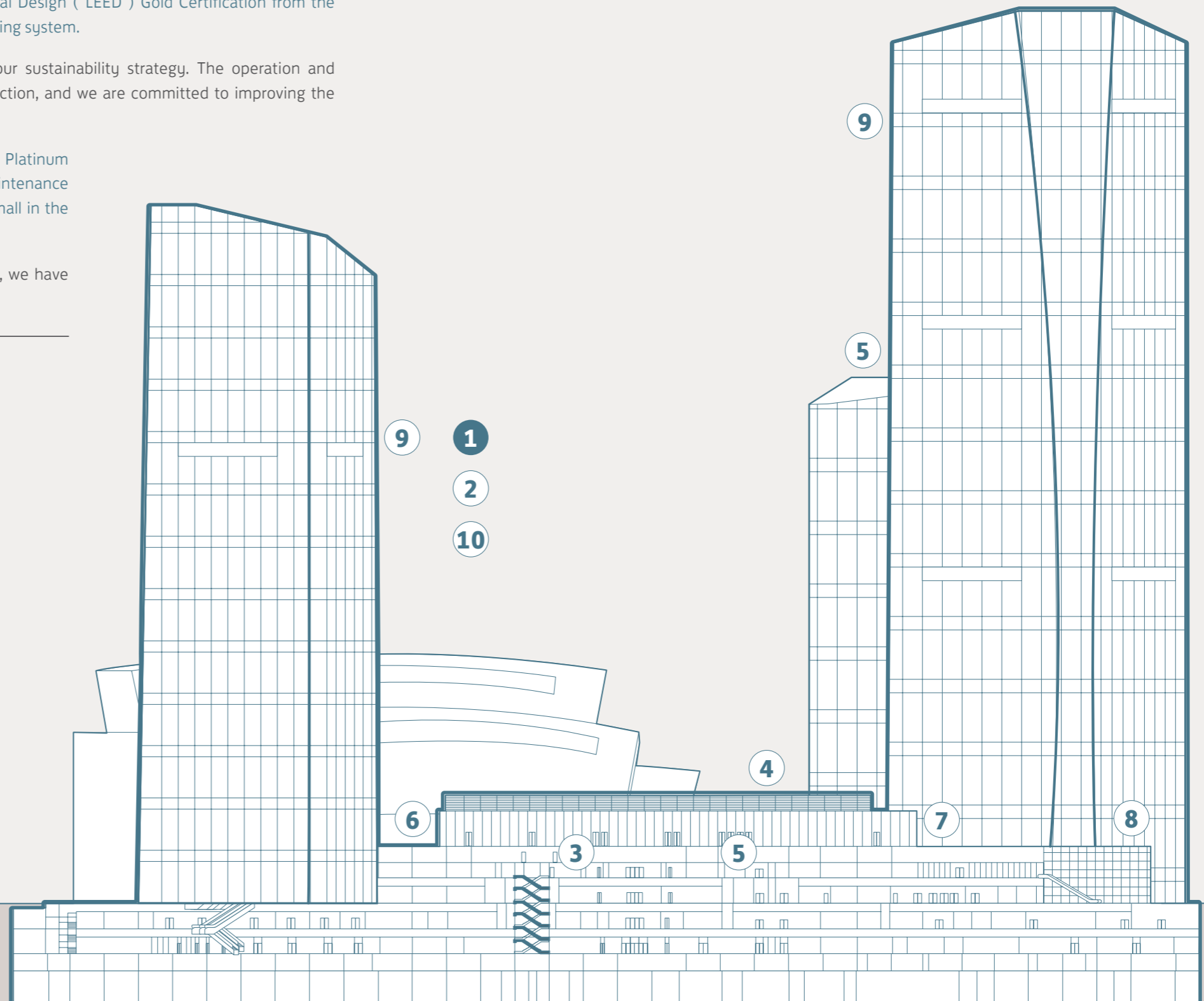
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1 Intelligent Energy and Facility Management Systems X

Our ISO 14001 environmental management system and ISO 50001 energy management system provide a robust framework for managing our environmental and energy impacts, reflecting the systematic approach we take to continuously improving our performance.



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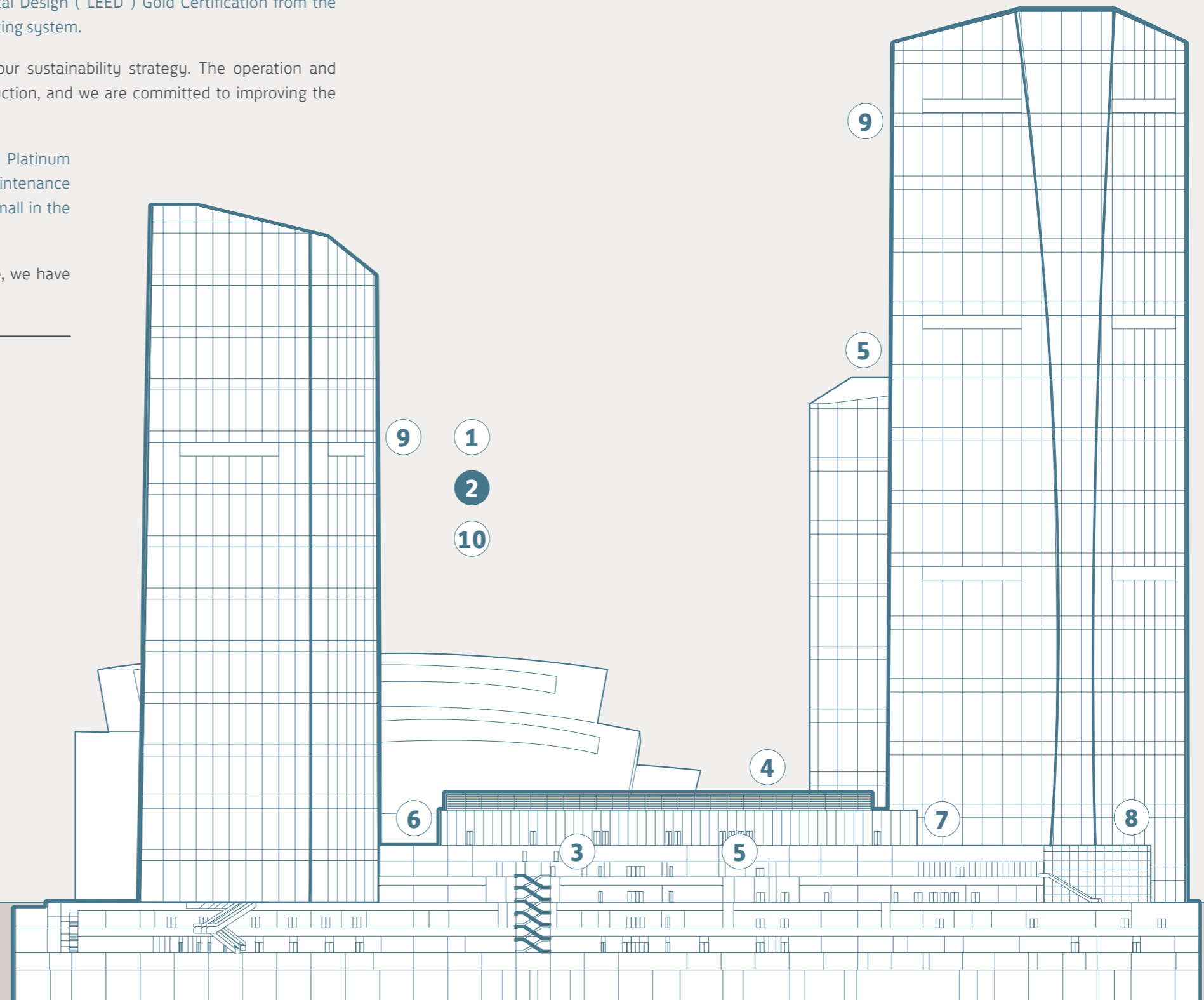
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2 Standard Energy Efficiency Platform (“SEED”) X

Since 2015, we have implemented SEED in the shopping mall and office towers to analyse data collected by building management systems (including total energy consumption, total CO₂ emissions, electricity consumption and cooling capacity), to identify energy consumption trends, and to formulate targeted energy-saving strategies.



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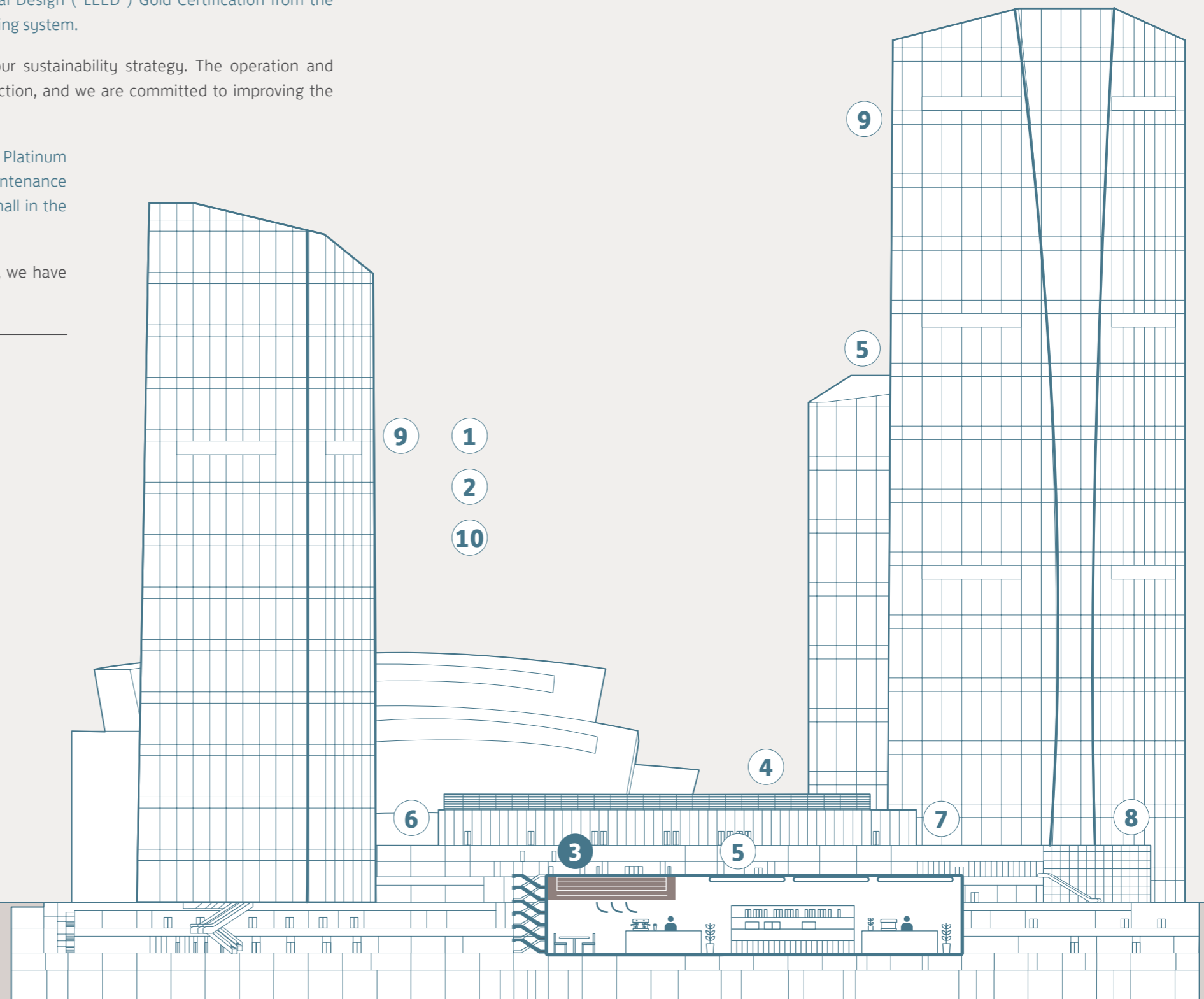
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3 Intelligent Fan Coil Units

We have replaced conventional fan coil units with Intelligent Fan Coil Units (“iFCU”) in 390 HVAC air-handling units to improve the efficiency of building cooling systems. iFCUs use permanent magnet motor core technology and intelligent thermostat programmes to automatically adjust fan speed, improving operational efficiency and reducing energy consumption. iFCUs are estimated to provide energy savings of approximately 50% over conventional fan coil units.

When all 1,200 fan coil units have been replaced, we estimate annual electricity savings of approximately 610,000 kWh.



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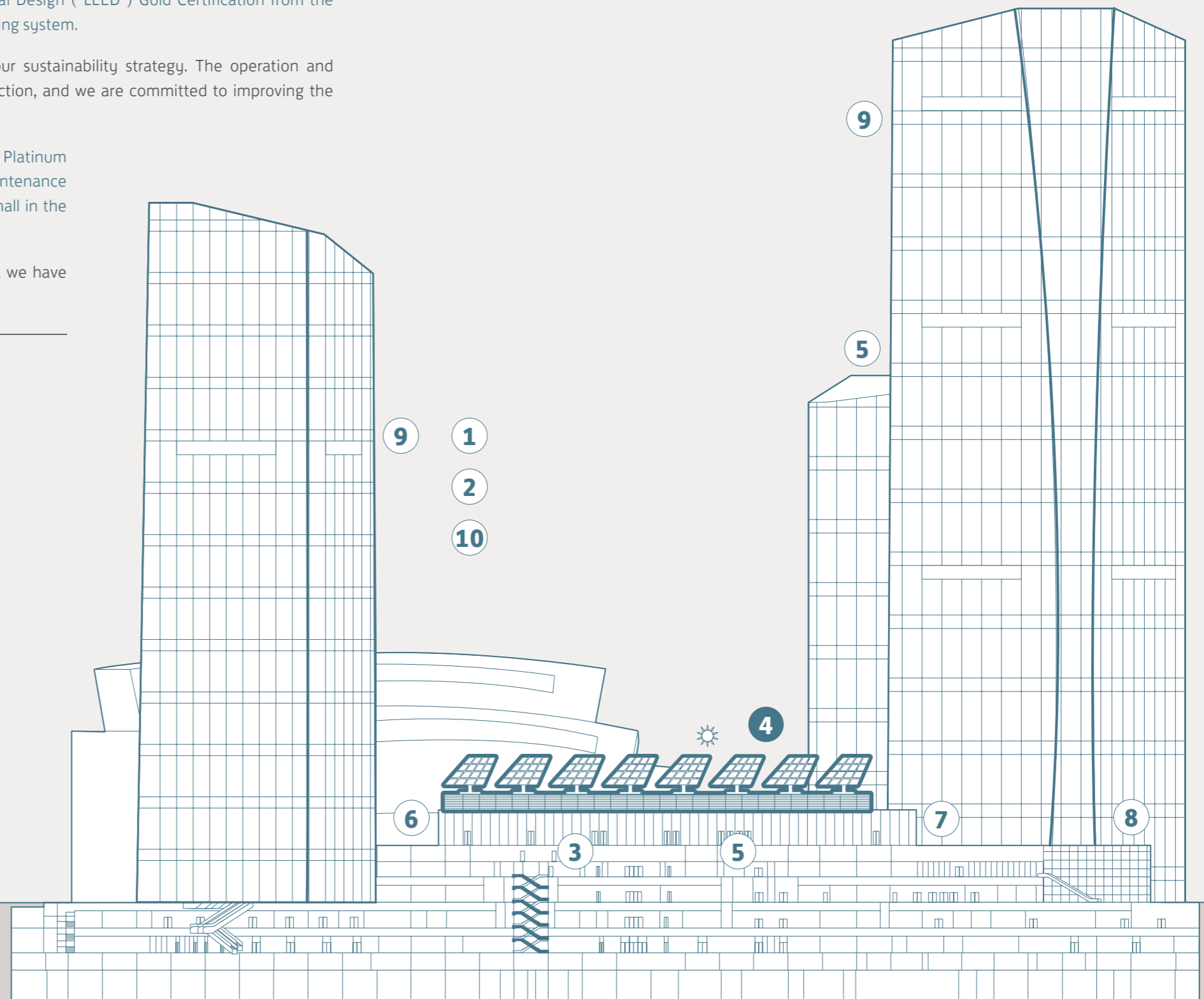
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4 Solar Photovoltaic (“PV”) Panels X

405 thin-film solar PV panels installed on the roof of the shopping mall generate approximately 76,000 kWh of clean electricity each year and reduce carbon emissions by approximately 60 tonnes. TaiKoo Hui is the only commercial development in Guangzhou that uses solar panels to generate renewable energy.



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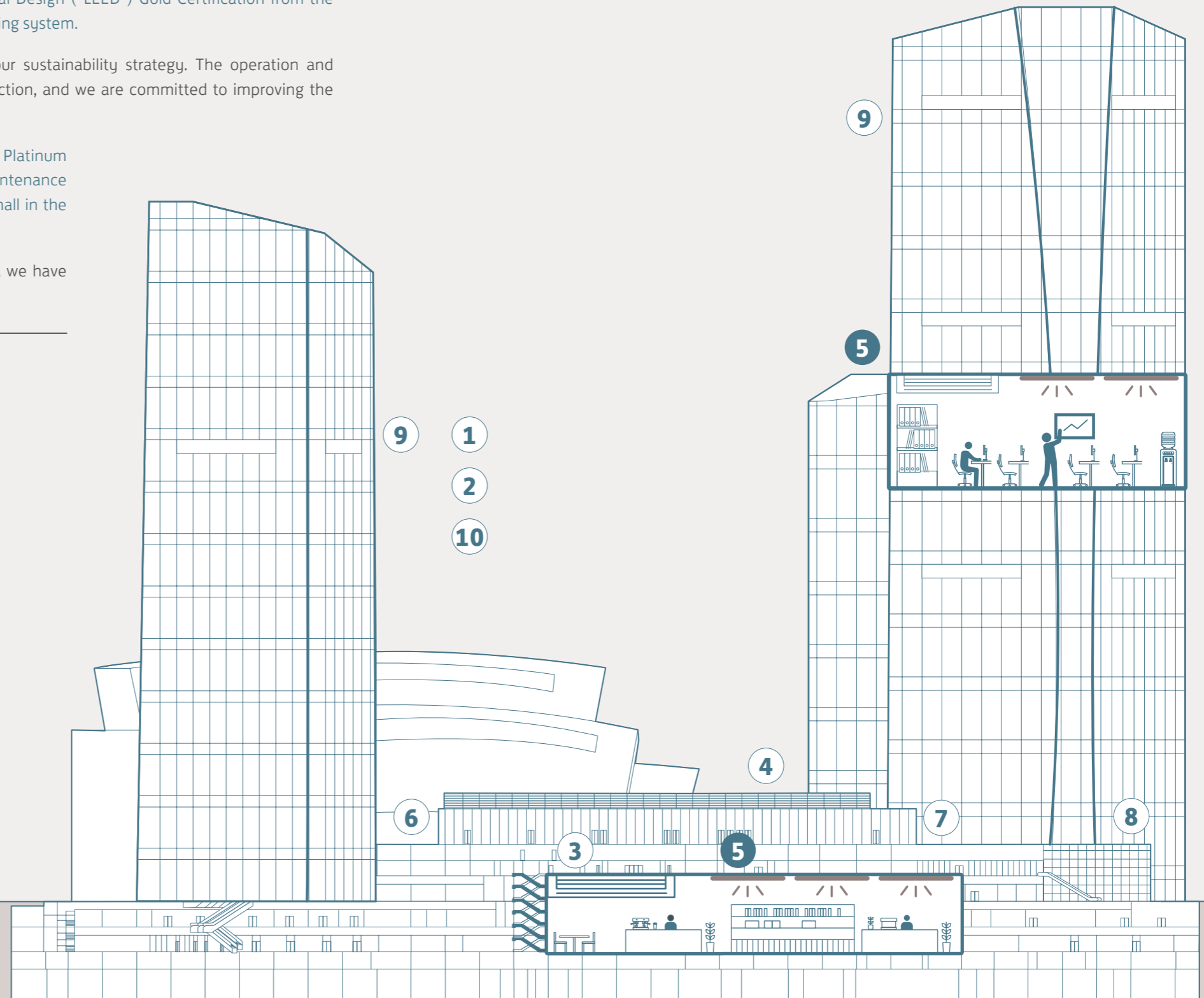
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5 Light Emitting Diode (“LED”) Lighting X

Energy-efficient LED lights improve efficiency and reduce cooling loads.



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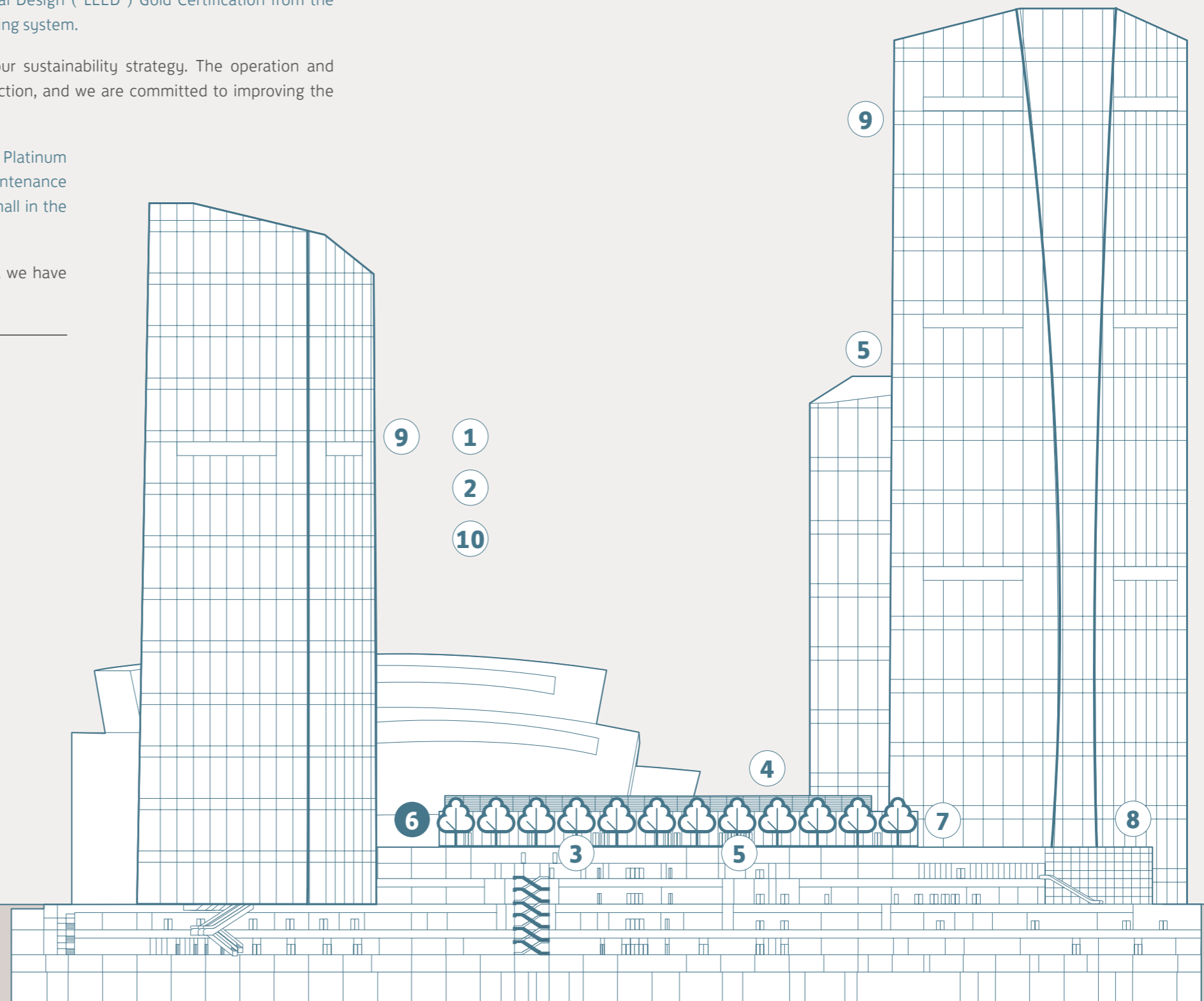
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6 Food Waste Composting

An automated food waste processor converts food waste generated by food and beverage tenants in our shopping mall into organic compost, which is used to fertilise plants in the roof garden.

Working together with tenants, in 2017, we collected 840,741 kg of food waste and produced 740 kg of compost.



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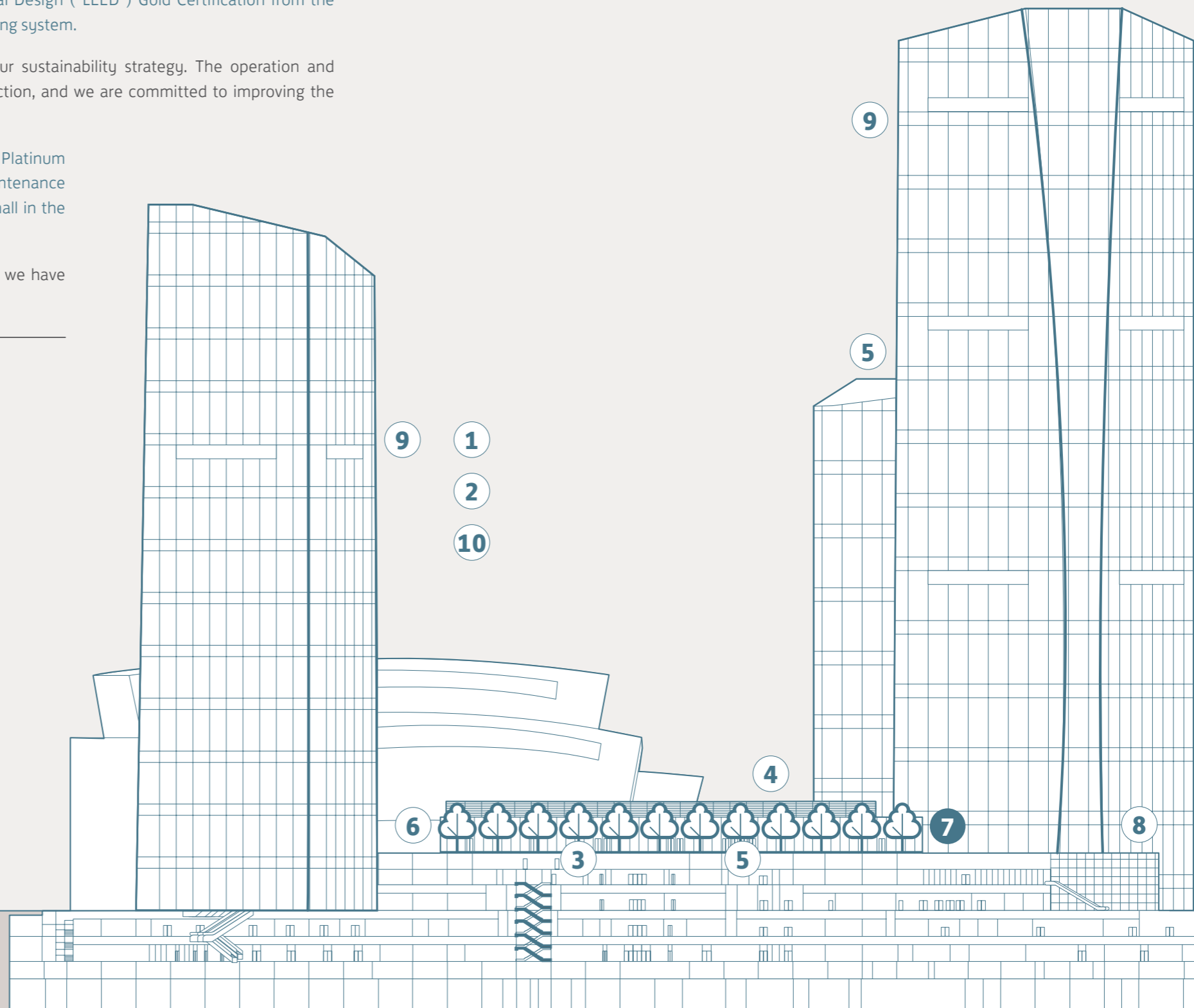
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7 Water Conservation

A grey water treatment and recycling system collects wastewater from sinks for reuse as flush water in the toilets.

The roof garden is planted with native plant species that require less water, helping to conserve water.



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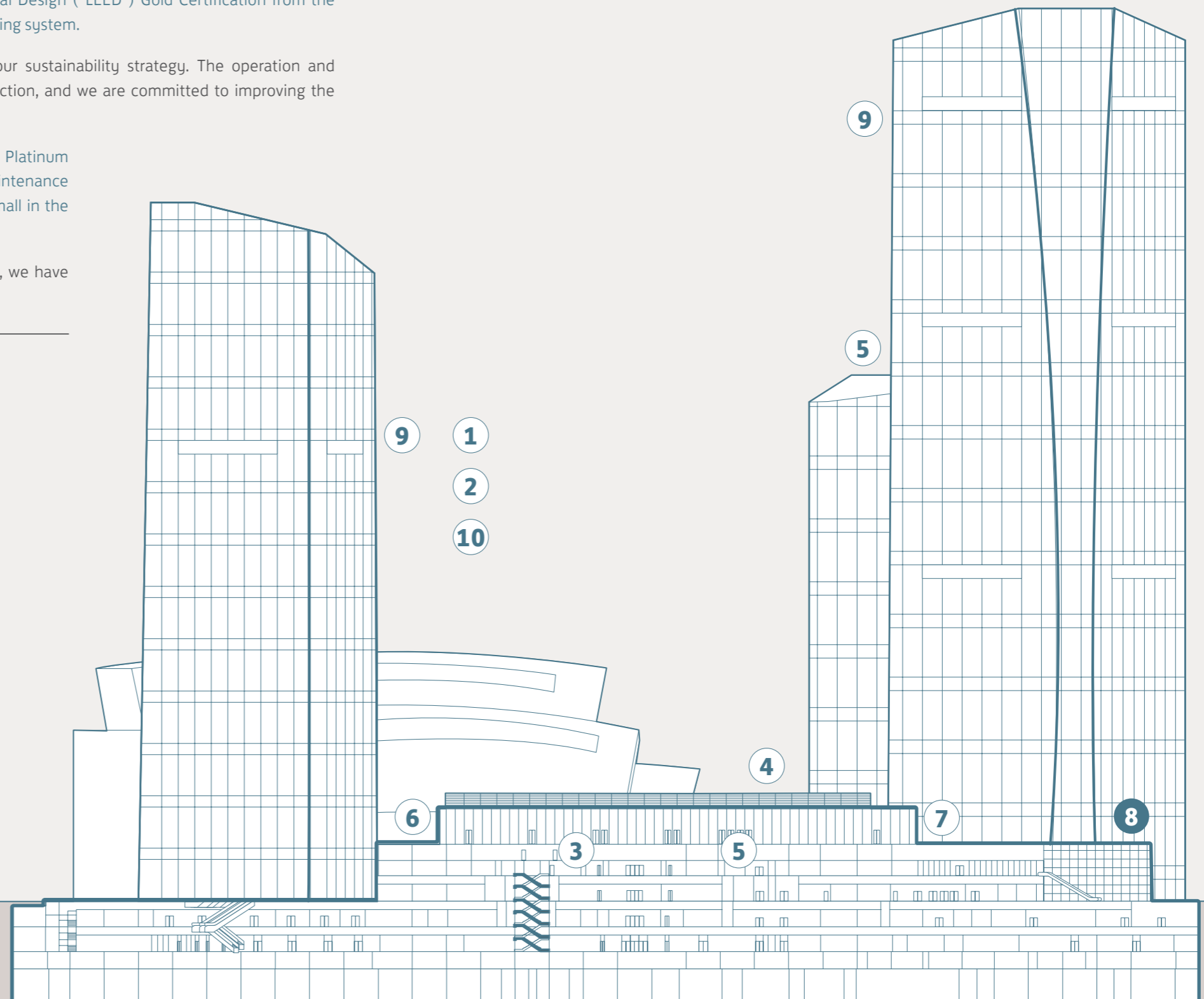
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8 Indoor Air Quality X

All interior paints and coatings used for internal renovations and tenant fit-out work are required to meet the volatile organic compound limits set by the USGBC under its LEED Platinum rating system. The shopping mall’s fresh-air ventilation provision exceeds LEED baseline¹ performance by 30%.



¹ Based on ASHRAE 62.1-2007 as baseline (LEED 2009 for Existing Buildings: Operations & Maintenance).

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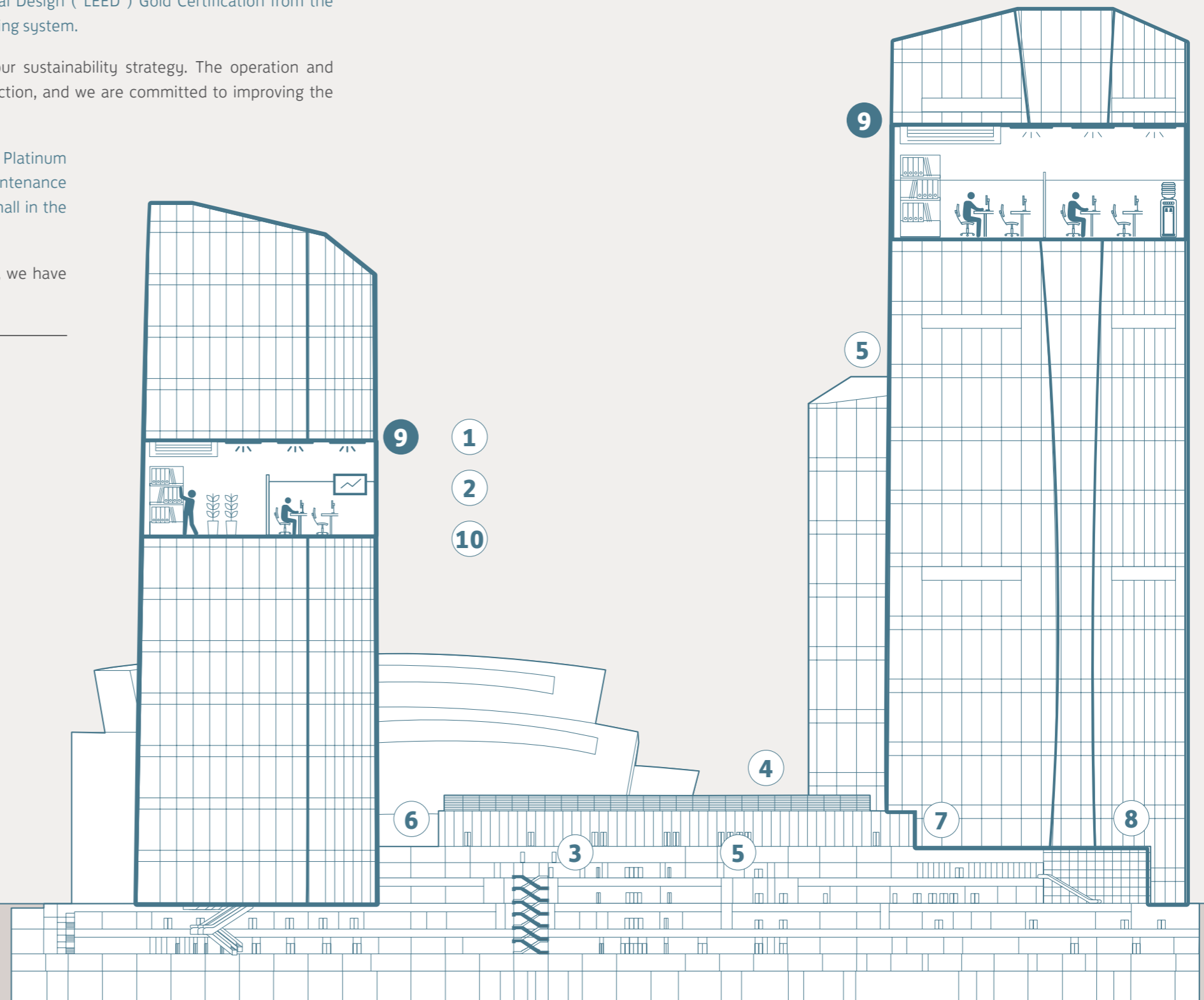
To reduce impacts, realise efficiencies and improve building performance, we have introduced a wide range of strategies described in further detail below.

Partnering with Tenants to Improve Sustainability Performance

9 Green Pledge Programme X

We work with tenants to improve the sustainability performance of our buildings through our Green Pledge Programme. Tenants in the programme have undertaken a range of targeted sustainability initiatives, ranging from the installation of energy efficient equipment, water conservation and recycling of waste, to educating employees about sustainability best practices.

We have signed sustainability memoranda with tenants occupying approximately 53% of our office space.



Insights to Our Approach

From the beginning, our vision for TaiKoo Hui has been to design, construct and manage a development that contributes positively to the surrounding community and the environment.

In 2012, the office towers earned Leadership in Energy and Environmental Design (“LEED”) Gold Certification from the United States Green Building Council (“USGBC”) under its Core and Shell rating system.

The concept of continual improvement is an essential component of our sustainability strategy. The operation and maintenance of our buildings is as important as their design and construction, and we are committed to improving the environmental performance of our buildings on an on-going basis.

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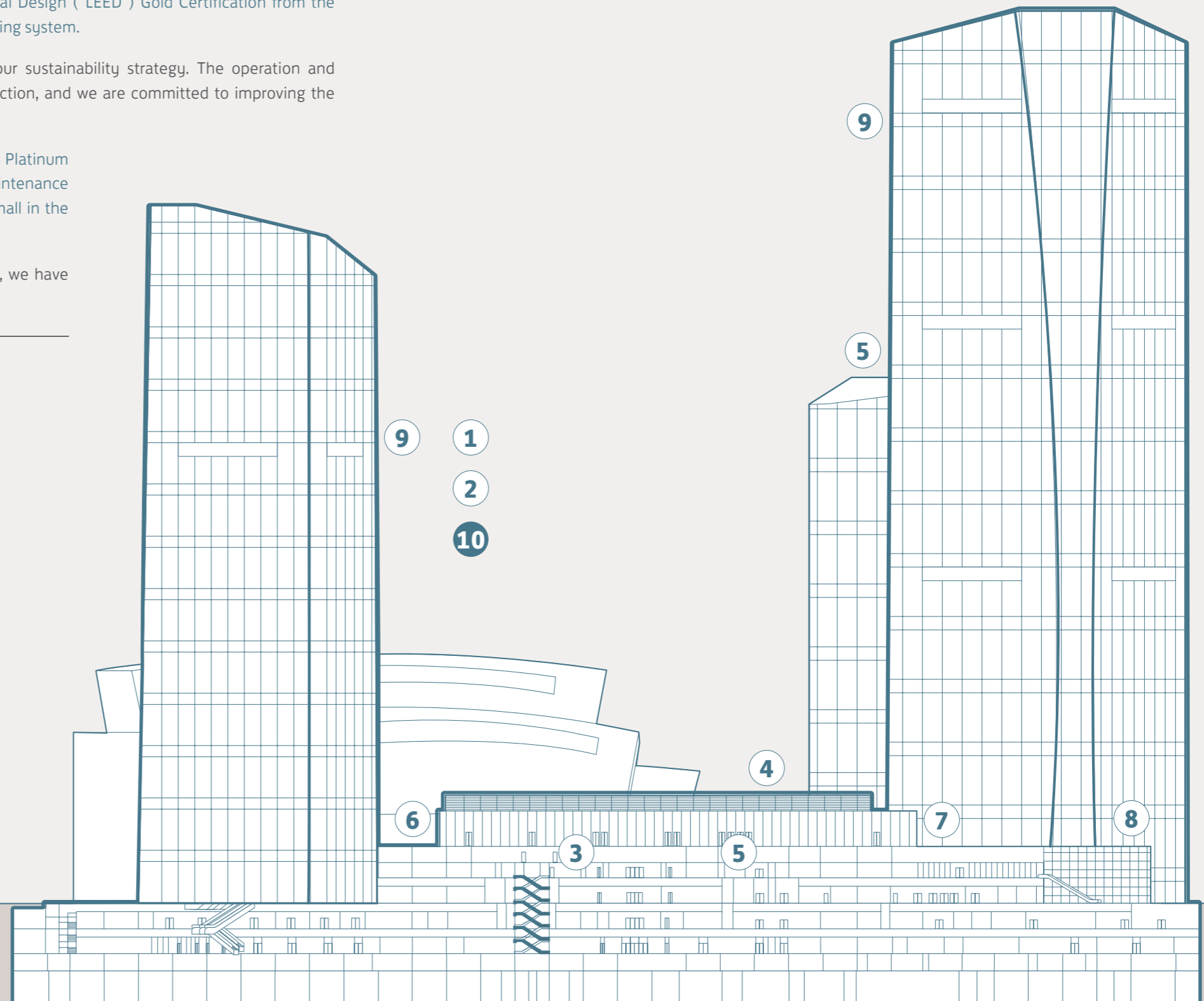
To reduce impacts, realise efficiencies and improve building performance, we have introduced a wide range of strategies described in further detail below.

Partnering with Tenants to Improve Sustainability Performance

10 Energy Audits X

Free energy audits for our office and retail tenants help them identify energy-saving opportunities.

As at 31st December 2017, energy audits covered more than 1.8 million square feet of tenanted area and identified potential annual energy savings of approximately 4.2 million kWh.



Sustainable Bathrooms at TaiKoo Hui

As part of our SD 2030 Strategy, we monitor water consumption in our buildings and adopt initiatives to reduce water use. In 2017, we retrofitted two of the public bathrooms in the shopping mall to include a variety of features aimed at reducing water consumption and minimising environmental impacts.

Conserving water

45 new low-flush toilets reduce the volume of flush water by 5.8 litres per flush compared to conventional toilets. Each of the 23 waterless urinals is equipped with special filtration systems to eliminate odour, and is expected to save approximately 150 cubic metres of water annually. The urinals also eliminate the need for water and electricity typically required by conventional urinals to transport and treat wastewater.

A grey water treatment and recycling system collects wastewater from sinks for reuse as flush water in the toilets, and for plant irrigation. Estimated annual water savings from both systems is approximately 1,080 cubic metres.



Improving air quality

Green plants provide visual appeal and environmental benefits, helping purify the air and reduce air temperature through soil moisture evaporation, while fans increase ventilation. Together, these improvements allow us to raise bathroom thermostats by 2° Celsius, which will reduce annual electricity consumption by an estimated 12-16%.

Incorporating recycled materials

During retrofitting, we reused floor tiles from the original bathrooms to create a watermill floor made from the crushed tiles. Bathroom walls and ceilings are made from glass-fibre reinforced gypsum, which is odourless, washable and recyclable and helps to control indoor humidity to improve microclimate comfort.

Reducing paper and energy use

Bathroom faucets are equipped with integrated, energy efficient hand dryers, eliminating paper use.

Energy-efficient LED lighting and white walls improve indoor brightness and provide lighting for indoor plants.



Sharing our sustainable practices

A short educational video in each bathroom introduces visitors to the bathroom's sustainability features and their environmental benefits.

Building on the success of our sustainable bathrooms, we are planning to undertake retrofits of the remaining public bathrooms in the shopping mall.



Awards and Accolades



Best Design Award for Sustainable Interior Design (2016 Good Design Awards)



Red Dot Award (2016 Communication Design Awards)



Interior Design Sustainable Living/ Green Child Silver Award (International Design Awards 2015)



Silver Award for sustainable products, projects and green design categories (2016 A' Design Award & Competition)



Merit Award in the professional designer awards and environmental category (Global Design Awards 2016)



ICONIC Award (2016 Indoor Retail Awards)

Engaging and Supporting Communities

Throughout the year, TaiKoo Hui hosts a variety of community events and cultural activities, which help create a vibrant mixed-use district that enhances the community and surrounding neighbourhoods.

Canton Cultural Workshops

In collaboration with the Children's Palace Guangzhou, we hosted a series of workshops aimed at preserving and promoting traditional Cantonese culture. Guided by local craftsman, children learned how to make traditional bamboo containers and lanterns.



Supporting the Environment

Our environmental initiatives included partnering with Sony, a tenant, to host a light painting contest in support of Earth Hour, one of the world's largest collective environmental actions. Our volunteers also visited Nine Dragon Lake in Zhaoqing with middle school students and teachers, and planted more than 80 trees to support Arbor Day.



Volunteering in the Community

Through our Community Ambassador programme, our employees volunteer their time and skills to help the elderly, disabled, children of migrant workers, and disadvantaged families in remote and impoverished areas.



During the 2017 Spring Festival, Community Ambassadors provided migrant workers who were unable to travel home for the holiday with a tour to see the shopping mall's decorations in celebration of Chinese New Year.

Our Community Ambassadors also worked with the Hualin Street Community Centre to host a Reading and Sharing event, where Ambassadors shared books and stories with low-income children in a reading corner set up by the community centre.



Employee Health and Wellbeing

In 2017, our Wellness Programme for employees included frontline sharing sessions on topics ranging from mindfulness, to career planning and conflict management.



With its green features, community enhancements and focus on continual improvement, TaiKoo Hui illustrates the creative, long-term approach we take to our business and our belief that value creation depends upon the sustainable development of our business and the communities in which we operate.





PLACES

Through effective placemaking and long-term placekeeping, we aim to continue to transform the places in which we invest so as to create value, whilst retaining their character, supporting communities and enhancing people's lives.



PLACES



Highlights of Our Developments
Community Investment and Engagement | Local Revitalisation

The places we create and maintain have significant impacts on society. As a result, effective placemaking and long-term placekeeping are at the core of our SD 2030 Strategy.

Through effective placemaking, we aim to transform the urban areas in which our properties are located into vibrant and sustainable communities by balancing the aesthetic, functional, ecological and cultural impacts of our developments. We also strive for long-term placekeeping, which involves maintaining and managing our assets to enhance the lives of people who live and work within our developments and the surrounding communities.



Top Material Issues

- Local economic development
- Community investment/engagement
- Social integration
- Local revitalisation



Through Creative Transformation, we aim to continue to create long-term value by transforming places into vibrant and sustainable communities. Initiatives under this pillar of our SD 2030 Strategy align with:



SDG 8

promote sustainable economic growth, employment and decent work for all



SDG 9

build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation



SDG 11

make cities and human settlements inclusive, safe, resilient and sustainable

PLACES



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Highlights of Our Developments

INDIGO

Taikoo Li Sanlitun

A New Design, Culture and International Exchange District

Taikoo Li Sanlitun was our first project to be completed in Mainland China. Our master plan to transform the Sanlitun area was developed in close collaboration with the local government and has become a core component of the local government's initiative to create a dynamic urban commercial centre.

Brickell City Centre

Leaders in Innovation, Design and Social Impact

Brickell City Centre is our landmark mixed-use development in Miami, U.S.A. that opened in 2016. It is our first development to obtain LEED Gold certification for Neighbourhood Development. A highlight of the centre is its state-of-the-art Climate Ribbon™, which is an elevated trellis that provides shade from the sun, creates air flow and collects rainwater, while also allowing natural light to penetrate and illuminate the shopping mall underneath it.

Sino-Ocean Taikoo Li Chengdu

The Coming Together of Heritage Structures and Modern Designs

Sino-Ocean Taikoo Li Chengdu is a 2.2 million square foot⁴ retail-led development in Chengdu's Jinjiang district, consisting of a retail complex, boutique hotel and serviced apartments, and Pinnacle One, a Grade-A office tower.

Taikoo Place

A Transformation that Continues

The redevelopment of Taikoo Place is a milestone project that illustrates our commitment to the continuing transformation of places and communities. The on-going redevelopment project involves the phased construction of two triple Grade-A office towers, an elevated air-conditioned walkway linking the

HKRI Taikoo Hui

A New Hub for Business, Shopping and Entertainment

In November 2017, we opened HKRI Taikoo Hui in the Jingan district of Shanghai. Located on Nanjing West Road, one of Shanghai's major shopping venues, with access to three lines of the Shanghai Metro, this development is designed to transform the area by creating a new business, shopping and entertainment hub in Shanghai.

TaiKoo Hui

Pacific Place, Cityplaza and Citygate

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Wrapped around the 14-century-old Buddhist Daci Temple, which is a heritage site and focal point of the city, the development blends historical structures and modern buildings and serves as a vibrant leisure destination. Swire Hotels' The Temple House at Sino-Ocean Taikoo Li Chengdu was named the top city hotel in Travel + Leisure's 2017 World's Best Awards.

Beijing

Shanghai

Guangzhou

Hong Kong

Miami

TaiKoo Hui



Pacific Place, Cityplaza and Citygate



Taikoo Place

A Transformation that Continues

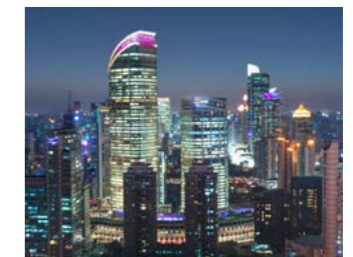


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A New Design, Culture and International Exchange District



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We aspire to build a cohesive neighbourhood by bringing together important public features, such as The Opposite House Community Garden and the Besanli Community Garden, with landscaping and street improvements to enhance walkability and provide visual appeal.



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TaiKoo Hui



Pacific Place, Cityplaza and Citygate



Taikoo Place

A Transformation that Continues



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In October, the Southeast Florida/Caribbean Chapter of the Urban Land Institute (ULI) named Brickell City Centre Project of the Year at their 2017 Vision Awards, for its innovation, leadership, design, social impact, and contribution to the surrounding community. It was also selected as a finalist for the ULI Global Awards for Excellence featured on the Architectural Digest website in "9 of the World's Most Beautifully Designed Malls".



Sino-Ocean Taikoo Li Chengdu

The Coming Together of Heritage Structures and Modern Designs



Sino-Ocean Taikoo Li Chengdu is a 2.2 million square foot⁴ retail-led development in Chengdu's Jinjiang district, consisting of a retail complex, boutique hotel and serviced apartments, and Pinnacle One, a Grade-A office tower.



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Pacific Place, Cityplaza and Citygate



Taikoo Place

A Transformation that Continues



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A New Hub for Business, Shopping and Entertainment



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HKRI Taikoo Hui

A New Hub for Business, Shopping and Entertainment

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The mixed-use project includes two Grade-A office towers, a shopping mall and two new hotels (scheduled to open in 2018). The Middle House, operated by Swire Hotels, will offer 111 rooms and 102 serviced apartments, while landscaped terraces and gardens will provide guests with a place to gather and relax in the heart of one of Mainland China's most vibrant cities.

TaiKoo Hui

Pacific Place, Cityplaza and Citygate

Taikoo Place

A Transformation that Continues

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Chengdu

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Guangzhou

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Miami

Taikoo Place, Hong Kong

A Transformation that Continues



The redevelopment of Taikoo Place is a milestone project that illustrates our commitment to the continuing transformation of places and communities.

The on-going redevelopment project involves the phased construction of two triple Grade-A office towers, an elevated air-conditioned walkway linking the surrounding buildings, and the creation of two new green spaces. Phase I of the project is due for completion in 2018, with the anticipated opening of One Taikoo Place, a 48-storey office tower.

Home to Swire for over 100 years, the area has developed from the old Taikoo dockyard and sugar refinery into a commercial centre hosting more than 300 international companies and 26,000 office workers. In addition to a wide range of restaurants and cafés, the development features a number of amenities, such as ArtisTree and Blueprint, which contribute to the vibrancy of this mixed-use community.

Please refer to [Taikoo Place, Hong Kong: A Transformation that Continues](#) for more information.

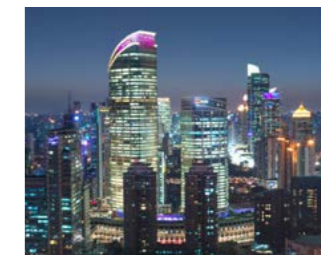


TaiKoo Hui



HKRI Taikoo Hui

A New Hub for Business, Shopping and Entertainment



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TaiKoo Hui, Guangzhou



TaiKoo Hui, Guangzhou is a lifestyle destination in the Tianhe District of Guangzhou. In 2017, the two office towers and the shopping mall earned LEED Platinum Certification from the USGBC under its Existing Buildings Operations and Maintenance (EBOM) rating system.

The shopping mall is the first enclosed shopping mall in the world to earn LEED Platinum Certification (EBOM). We invite our office tenants to implement targeted sustainability initiatives through our Green Pledge programme.



Taikoo Place

A Transformation that Continues



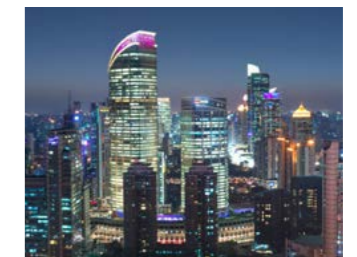
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Taikoo Place

A Transformation that Continues

Our Hong Kong shopping malls are located above transportation hubs. We invite our tenants in these malls to join the Green Shop Alliance programme and we work with participants to implement green measures.

HKRI Taikoo Hui

A New Hub for Business, Shopping and Entertainment

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TaiKoo Hui

Pacific Place, Cityplaza and Citygate

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Highlights of Our Developments

INDIGO



INDIGO is a retail-led, mixed-use development consisting of a shopping mall, a Grade-A office tower and a business hotel, featuring contemporary architecture, innovative green features and quality public spaces. The mall and office tower obtained LEED Gold and Platinum certifications respectively.

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Taikoo Place

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PLACES



Highlights of Our Developments

Community Investment and Engagement | Local Revitalisation

Taikoo Place, Hong Kong: A Transformation that Continues

We aim to create places that support local economies and bring people together, helping to build communities that are happier, healthier and more productive.

In 2017, we hosted an exhibition entitled Taikoo Place: A Transformation that Continues, which rotated through the lobbies of five different buildings in Taikoo Place. We invited visitors to take a first-hand look at the master planning underlying the continuing transformation of Taikoo Place.



Taikoo Place Enhancements Approved

In 2017, the Hong Kong Town Planning Board approved our application to amend portions of our Taikoo Place redevelopment. The application, developed in consultation with the Eastern District Council and with extensive community input, will allow us to incorporate new elements into the project, including more food and beverage outlets, retail and recreational amenities, and communal spaces. These elements are integral to our processes of placemaking for Taikoo Place, and will help enhance Taikoo Place's position as a commercial hub in Hong Kong.

ArtisTree, Cambridge House

In June 2017, we celebrated one of the milestones of our HK\$15 billion Taikoo Place redevelopment project with the opening of the new ArtisTree – a 7,000 square foot multi-purpose event space. Fitted with a theatre stage, lighting and audio-visual technology, the new ArtisTree is designed to host a diverse range of productions, performances, talks and exhibitions, and to offer tenants and the wider community access to a variety of cultural events and performing arts.



Aimed at fostering emerging art forms, ArtisTree is expected to host a diverse range of works by international and local artists to help introduce new artworks to Hong Kong and make arts and culture more accessible to everyone.

PLACES



Highlights of Our Developments

Community Investment and Engagement | Local Revitalisation

Taikoo Place, Hong Kong: A Transformation that Continues

Blueprint, Dorset House

In 2017, we opened new and improved Blueprint premises in Dorset House at Taikoo Place. Blueprint exemplifies our approach to providing stimulus for local economies and supporting entrepreneurship. The 30,000 square foot space offers flexible workspaces and a range of multi-purpose event areas including a bar, café and outdoor terrace.

With the aim of nurturing innovation and creativity within Taikoo Place, the new Blueprint venue is designed to cater more effectively to the evolving needs of startups, small businesses and established companies looking for temporary workspace. Occasionally, we host talks and networking events that are open to all tenants and members of the wider business community.



20,000 square feet of co-working area, including 13 private offices

10,000 square feet of dedicated event, training and conference facilities for up to **180** guests, all equipped with audio-visual equipment

Tong Bar & Café, run by Swire Restaurants



For more information see [Blueprint](#)

PLACES



Highlights of Our Developments
Community Investment and Engagement | Local Revitalisation

Community Investment and Engagement

GRI
203, 413

HKEX
Aspect B8
KPI B8.1, B8.2

We believe that long-term value creation depends upon the sustainable development of our business and the communities in which we operate. Therefore, as part of our SD 2030 Strategy, we seek to engage our stakeholders during the design and planning, construction, operation and management phases of our buildings to better understand and manage the impacts of our developments.

We invest in the development of the communities in which we operate, with four focus areas of contribution, namely community care, arts and culture, education, and environment. In addition to charitable giving, we also contribute by other means, including **employee volunteering**, venue sponsorship and in-kind donations.

Events for the Community

We hold regular community events in and around our developments to help create and foster vibrant local communities. Enhancing the lives of people by creating high quality, sustainable places for them to live, work and enjoy is a common objective across all of our portfolios. We also seek to tailor our community development initiatives to local needs and interests in each location.



PLACES



Highlights of Our Developments
Community Investment and Engagement | Local Revitalisation

White Christmas Street Fair, Hong Kong



In order to raise funds for Operation Santa Claus, in November and December 2017, we held our White Christmas Street Fair, themed Rediscover the Wonders of Christmas, at the Star Street Precinct near Pacific Place and Tong Chong Street in Taikoo Place. The street fair is an important community engagement programme, which helps to create a sense of community by bringing together residents, office workers and retail and office tenants.

This year, the street fair was held over six days, with food and drinks, DIY workshops, live entertainment and more than 40 stalls between the two venues. For the first time, we held open bidding for the allocation of tenant booths, which provided a platform for startup companies and small local businesses to sell their products. The live performances were carried out by talented groups of tenants and employees in PROJECT AFTER 6, as well as several NGO partners who receive support from Swire Properties.



PLACES



Highlights of Our Developments
Community Investment and Engagement | Local Revitalisation

White Christmas Street Fair, Hong Kong

In the Star Street Precinct, we also hosted a drawing contest to promote the history and heritage of the area.

The successful recurrence of this annual charity event is the result of constructive collaboration between Community Ambassadors, residents, tenants, business and NGO partners, and local artists.



40 shopping booths (**50%** run by the Swire Properties' community)

38 retail and food and beverage tenants



350 Community Ambassador volunteers

50 live performances (**50%** staged by the Swire Properties' NGO partners)

80,000 visitors



More than **HK\$790,000** raised for Operation Santa Claus, an annual fundraising campaign, supporting local and regional non-profit organisations



The White Christmas Street Fair 2016 won the Silver



Award in the Event Management category of the

3rd Hong Kong Public Relations Awards

(2016) organised by the Hong Kong Public Relations Professionals' Association.

PLACES



Highlights of Our Developments
Community Investment and Engagement | Local Revitalisation

Swire Properties Art Month 2017

During Swire Properties Art Month in March 2017, we held a series of programmes to promote art and culture, architecture and design, and collaborated with Art Basel in Hong Kong for the 5th consecutive year.

In addition to hosting talks about art, architecture, design and the built environment in our VIP Lounge designed by Hugh Dutton at Hong Kong Convention and Exhibition Centre, we also hosted two independent exhibitions in our developments to engage the public in the art.

At Pacific Place, we presented BIT.FALL, a multimedia installation by German artist Julius Popp. The art installation displayed popular buzzwords as a curtain of water to convey the idea of the rapid flow of digital information in the modern age.



ArtisTree, our visual and performance arts space in Taikoo Place, hosted the exhibition ZAHA HADID: There Should Be No End to Experimentation, a collaboration with London's Serpentine Galleries and Zaha Hadid Design. The exhibition, shown for the first time in Hong Kong, gave visitors a glimpse into the work of the late visionary architect and designer. Hadid's early paintings, drawings and private sketchbooks provided insights into her thoughts on architectural forms and relationships. The exhibition also featured four specially designed virtual-reality experiences, which gave viewers a more dynamic perspective on Hadid's work.



PLACES



Highlights of Our Developments
Community Investment and Engagement | Local Revitalisation

Building Relationships in the Miami-Dade Community, Miami, U.S.A.

As part of our efforts to strengthen connections with the local communities in which we operate, we sponsor charitable events that benefit local residents.

In 2017, Brickell City Centre, Miami, U.S.A. hosted a Shopping Olympics to raise funds for Special Olympics Florida, a local NGO that supports athletes with intellectual and developmental disabilities, and also sponsored a Christmas Tree Lot to support the Boys & Girls Club of Miami-Dade, the local branch of a national NGO that provides educational opportunities for children.



Charity Art Week, Sanlitun, Beijing, Mainland China

Taikoo Li Sanlitun sponsored its first Charity Art Week in July 2017, offering young artists an opportunity to demonstrate their talent by interpreting the theme: Meaning of Life. Hosted in our multi-purpose event space, The Red, visitors enjoyed a wide variety of performances and exhibitions, including piano and guzheng recitals, Japanese flower arrangements, tea ceremonies, sculpture and painting exhibitions, and flamenco and modern dance performances.

The event, which received widespread media interest, was broadcast live on a popular Chinese online platform (一直播) and generated millions of views in a single week. It also received positive feedback from the Ministry of Culture, local government and the China Arts Festival Foundation.

The Taikoo Li Sanlitun Charity Art Week reflects our commitment to supporting arts and culture and to developing successful community engagement initiatives. We hope to make this an annual event.



More than **50** participating local youth artists

More than **1,000** visitors

More than **8 million** views on online platform

PLACES



Highlights of Our Developments
Community Investment and Engagement | Local Revitalisation

Investments in the Community

Community Caring Fund

Through our Community Caring Fund (“CCF”), we provide sponsorship to lesser-known Hong Kong-based community organisations that have been nominated by our employees with the objective of helping them plan and implement community-based initiatives and outreach projects.

Notable initiatives that received funding from the CCF in 2017 include, a dementia awareness campaign organised by the Hong Kong Alzheimer’s Disease Association, a music training programme for underprivileged children organised by House of Learning, a series of inspirational talks for our own employees organised by Direction Association for the Handicapped, and a village home rebuilding project in a remote area of Guangdong Province organised by Habitat for Humanity Hong Kong.

GRI
203, 413

HKEX
Aspect B8
KPI B8.1, B8.2



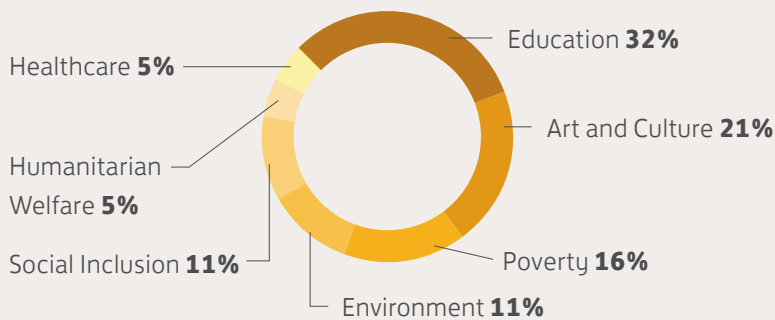
Community Caring Fund sponsorships since 2013

HK\$9.6 million donated
81 community-based initiatives and outreach projects supported

CCF-sponsored Programmes in 2016/2017, by focus area

Total value of donations:
HK\$2 million

Number of community-based initiatives and outreach projects supported:
19



PLACES



Highlights of Our Developments
Community Investment and Engagement | Local Revitalisation

Chengdu Community Centre, Sichuan Province, Mainland China

Following the severe earthquake that struck Sichuan province in 2013, Swire Properties committed RMB 2 million to helping residents of the disaster-affected area. To maximise the impact of our donation, we worked with China Children and Teenagers' Fund to create a community centre in Shuanghong Village, a rural area in Pengzhou that had been devastated by the earthquake. After nearly four years of work, the community centre's principal buildings were completed in March 2017.



This project reflects our commitment to long-term and sustainable community investments. The community centre is constructed from locally sourced materials, such as bamboo, and consists of three buildings housing a workshop, library and classroom for community and volunteer activities. This project won the "Integration" category of The China CSR Awards 2017 organised by the British Chamber of Commerce in China and AmCham China in recognition of the value that it brings to the community.

Dare to Take A 1,000 ft. Plunge for Charity?

In December 2017, Taikoo Place and EAST, Hong Kong worked with Outward Bound Hong Kong to host a charitable event, HK vertical 1000. In order to raise funds to provide disadvantaged youth in Hong Kong with greater access to adventure training programmes, participants stretched their own physical limits by abseiling down Swire Properties' headquarters building, One Island East.



Limited to 40 people, the 1,000-foot challenge attracted participation from our tenants and local mountaineering enthusiast Ada Tsang, the first Hong Kong woman to conquer Mount Everest.

PLACES



Highlights of Our Developments
Community Investment and Engagement | Local Revitalisation

Local Revitalisation

GRI
203, 413

HKEX
Aspect B8
KPI B8.1, B8.2

Through effective placemaking and long-term placekeeping we intend to enhance the productive potential of local economies. In addition to stimulating local jobs and commerce, our developments are designed to attract new visitors and residents. The impacts of our investments on local communities therefore extend beyond the scope of our own operations, and potentially over a long period of time.

As part of our SD 2030 Strategy, we seek to revitalise communities by enhancing infrastructure that supports a better quality of life for inhabitants, while preserving cultural heritage in the design and development of our properties.

Macha Village Project, Gansu Province

In 2017, our work on the Macha Village project received the Award for New Design in Heritage Contexts at the UNESCO Asia-Pacific Awards for Cultural Heritage Conservation.

Since 2011, we have been supporting the Wu Zhi Qiao (Bridge to China) Charitable Foundation on a local revitalisation project in Macha Village, located in the rural region of Gansu Province in northwestern China. Initiated by the Ministry of Housing and Urban-Rural Development, the project aims to modernise the traditional rammed-earth building methods that are prevalent in the region.

Working with local villagers, the project team has developed building methods to make new rammed-earth dwellings more earthquake-resistant, sustainable and environmentally friendly even though they are still built in the traditional style.

Twenty-eight prototype dwellings and a community centre have been constructed in Macha Village. More than 100 rammed-earth dwellings have been built throughout Mainland China utilising the new methods.

An exhibition on the Macha Village project, demonstrating the modernisation of the traditional rammed-earth buildings, will be held in Hong Kong in 2018.



By adapting traditional techniques of construction to meet modern standards of building performance and seismic safety, the quality of life of the villagers has been enhanced. The [Macha Village] project is a model for rural dwelling construction, which is affordable, sustainable and ecologically friendly.

UNESCO Asia-Pacific Awards for Cultural Heritage Conservation

PLACES



Highlights of Our Developments
Community Investment and Engagement | [Local Revitalisation](#)

Tong Chong Street Market, Quarry Bay Hong Kong

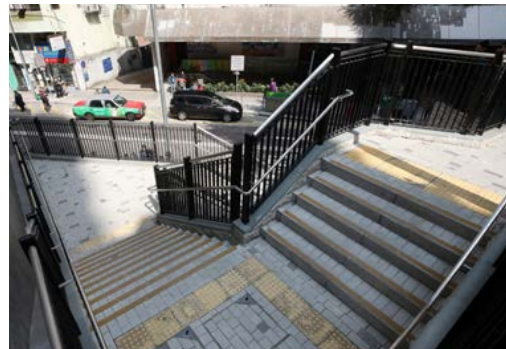
The Tong Chong Street Market, created three years ago with social enterprise Honestly Green, is a Sunday market in Taikoo Place selling fresh locally produced foods, including organic fruits and vegetables grown by local organic farmers.



In 2017, the market introduced the concept of zero waste by encouraging marketgoers to bring their own utensils, containers and bags. In addition to supporting local Hong Kong farmers, the market aims to engage the community, including our employees, tenants and neighbours at Taikoo Place on the importance of food cycles and sustainable production.

Caine Road Public Staircase, Mid-Levels Hong Kong

We want the places we build to be accessible and well-integrated into the surrounding neighbourhood so that they benefit and add value to the community.



Following the completion of our residential development ALASSIO in Hong Kong's Mid-Levels West in 2017, we dedicated the building setback at street level along Caine Road to public use, providing wider pedestrian-friendly sidewalks. We also built a new public staircase connecting Caine road and Castle Road to enhance access and walkability in the local area. This work formed part of the larger streetscape and pedestrian improvement work for our residential developments in Mid-Levels West, namely AZURA, ARGENTA, AREZZO and ALASSIO.

Sharing Experiences in Heritage Conservation

Chief Executive Guy Bradley served as a panelist at the International Heritage Conservation Conference 2017 organised by the Royal Institution of Chartered Surveyors (RICS). Speaking to more than 200 industry professionals, business leaders, operators and government representatives on the social and economic benefits of heritage conservation, he discussed the challenges that developers face in preserving heritage buildings.







PEOPLE



We aim to create an environment where our employees will be healthier, happier and more productive, to invest in our employees and to provide rewarding career paths so as to develop a diverse and industry-leading team.

PEOPLE



Progress | Employment Profile | Talent Attraction | Talent Retention | Safety, Health and Wellbeing | Diversity and Inclusion | Volunteering

We believe that the contributions of our employees are critical to our success and implementation of our SD 2030 Strategy. We aim to invest in attracting the right people and support our employees to achieve their full potential.

Progress

Our People Working Group comprises 15 representatives from different functions within Swire Properties. This working group has primary responsibility for achieving progress in five focus areas that are identified under the People pillar of our SD 2030 Strategy.

Top Material Issues

- Talent attraction/retention
- Occupational health and safety
- Employee wellbeing

Progress Summary Table

| Performance Categories | 2020 KPI | Progress Updates in 2017 |
|---|--|--|
| Talent Attraction | | |
| Employer Branding | Refine communication strategy for employer branding | - A working group has been established to develop this strategy. |
| Compensation & Benefits | Conduct compensation and benefits review | - We have initiated a review of existing incentive systems, and Swire Hotels has conducted a survey of compensation within the hospitality sector in Hong Kong and Mainland China. |
| Recruitment Process | Introduce new digitalised recruitment platform | - We are researching recruitment systems to support the digitalisation of our recruitment platform. |
| Talent Retention | | |
| Learning & Development | 25% increase in training hours per employee per year ⁵ | - We delivered approximately 75,000 training hours, an increase of 15.2% compared to 2016. We are developing new training programmes for implementation in 2018/2019. |
| Performance Development Review (PDR) | Incorporate elements of SD 2030 Strategy into annual performance goals and PDR for all employees | - We plan to commence work on this initiative in 2018/2019. |
| Incentive Structure | Conduct incentive structure review | - We have initiated the review process and our findings will be available in due course. |

⁵ Compared to baseline year of 2016.

PEOPLE



Progress | Employment Profile | Talent Attraction | Talent Retention
Safety, Health and Wellbeing | Diversity and Inclusion | Volunteering

Performance Categories

2020 KPI

Progress Updates in 2017

Safety, Health & Wellbeing



Safety

Increase total occupational health and safety (“OHS”) training hours by 5%⁶

- We implemented programmes for accident investigation and OHS inspections and held talks for frontline employees on workplace injury prevention.

We are reviewing data from our Hong Kong portfolio to evaluate our OHS training needs.

Conduct compulsory OHS training via e-learning platform for 100% of our employees

- We have approved implementation of compulsory OHS training that is intended to reach 100% of our employees via a new e-learning platform.

Maintain Loss Time Injury Rate (“LTIR”)⁷ below 2.0

- LTIR of **1.43**, a decrease of **20.6%** compared to 2016.

Maintain record of zero work-related fatalities

- We have maintained zero work-related fatalities.

Migrate OHSAS 18001 to ISO 45001 standard in Hong Kong and Mainland China⁸ portfolios

Satisfaction

Conduct employee engagement survey for all employees

- We plan to commence work on this initiative in 2018/2019.

Implement employee assistance programme in all Mainland China⁹ offices

Health & Wellbeing

Develop health & wellbeing policy framework

- We delivered a wellness programme for employees in Hong Kong and Mainland China portfolios. Swire Hotels introduced a new wellness programme, which involved a fitness challenge.

⁶ Compared to baseline year of 2015.

⁷ LTIR represents the number of injuries per 100 employees per year. It is calculated by multiplying the total number of injuries by 200,000 and then dividing the product by the total number of hours worked. The factor 200,000 is the annual number of hours worked by 100 employees, based on 40 hours per week for 50 weeks a year.

⁸ Non-joint venture centres (i.e. TaiKoo Hui, Guangzhou and Taikoo Li Sanlitun, Beijing) only.

⁹ Non-joint venture centres (i.e. TaiKoo Hui, Guangzhou and Taikoo Li Sanlitun, Beijing) only.

PEOPLE



Progress | Employment Profile | Talent Attraction | Talent Retention
Safety, Health and Wellbeing | Diversity and Inclusion | Volunteering

Performance Categories

2020 KPI

Progress Updates in 2017

Diversity and Inclusion



Policy, Strategy & Governance

Establish a Diversity and Inclusion (“D&I”) Committee

- We established the D&I Committee, which is responsible for developing the D&I Statement of Commitment and corresponding initiatives.

Adopt a D&I Statement of Commitment

Introduce formal employee grievance policy

Culture

Conduct D&I awareness training for senior management

- We are currently in the planning stages of developing D&I training sessions for senior management.

Disclosure

Public disclosure of data on gender, age, job level, pay and ethnicity

- We have disclosed data on gender, age and job level in the [Performance Data Summary](#).

Working Environment

Develop “flexible working policy” and guidelines¹⁰

- We are researching and evaluating flexible working policy best practices.

Volunteering



Community Ambassador Programme

Participation in Community Ambassador Programme¹¹

- Community Ambassadors in Hong Kong and Mainland China contributed more than **6,700** volunteer hours to **74** activities that benefited the community.

Hong Kong
All employees and their families and friends **↑20%**

Hong Kong tenants & other Swire group companies **↑20%**

Mainland China
All employees and their families and friends **↑20%**

Introduce Community Ambassador programme in employee induction

- An introduction to the Community Ambassador programme became part of our basic induction programme for new hires in Beijing and Hong Kong.

Community Caring Fund

Increase the number of nominated programmes from employees by **20%**

- We received **40** nominations from employees and funded **19** projects.

¹⁰ This KPI was listed under the focus area of “Talent Retention” in the Swire Properties SD Report 2016.

¹¹ Compared to baseline year of 2016.

PEOPLE



Progress | Employment Profile | Talent Attraction | Talent Retention | Safety, Health and Wellbeing | Diversity and Inclusion | Volunteering

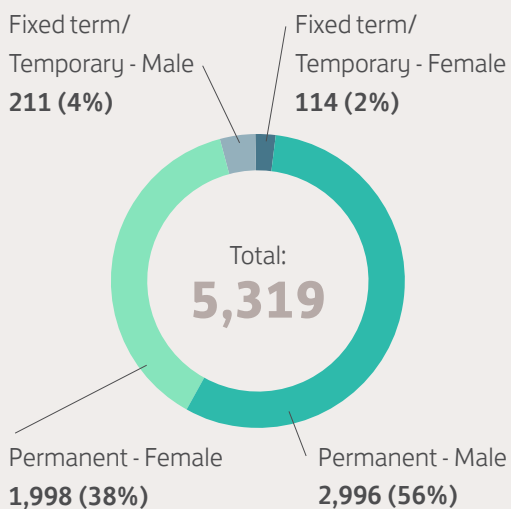
Employment Profile

GRI 102-8, 401

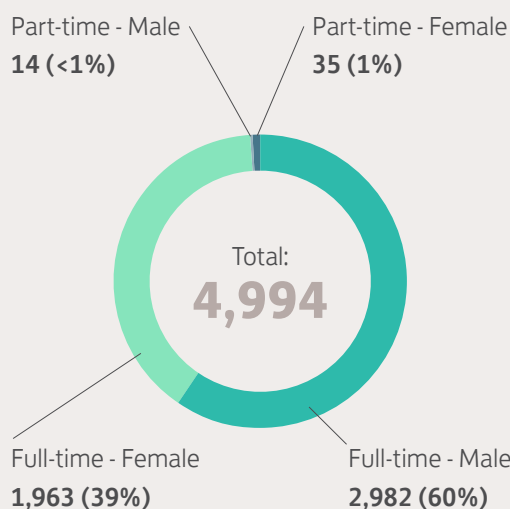
HKEX KPI B1.1

Swire Properties employs more than 5,300 people¹², of which approximately 3,200 employees are located in Hong Kong and approximately 2,100 in Mainland China.

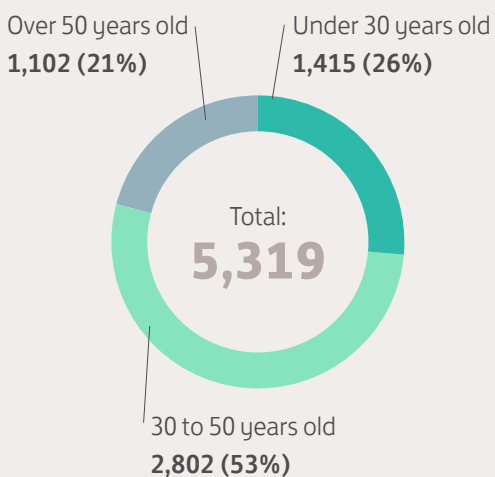
Employment Contract Type, by gender



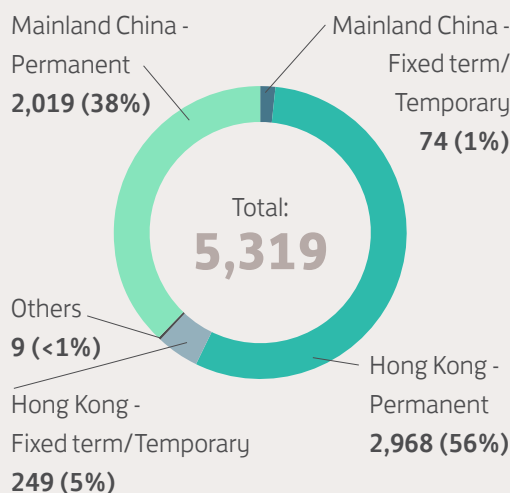
Employment Type¹³, by gender



Employees, by age group



Employment Type, by region



¹² This figure reflects permanent employees with permanent and fixed term/temporary contracts in our Hong Kong portfolio, Mainland China portfolio and Swire Hotels.

¹³ Includes permanent employees only.

PEOPLE



Progress | Employment Profile | **Talent Attraction** | Talent Retention | Safety, Health and Wellbeing | Diversity and Inclusion | Volunteering

Talent Attraction

GRI 102-41, 401
HKEX Aspect B1

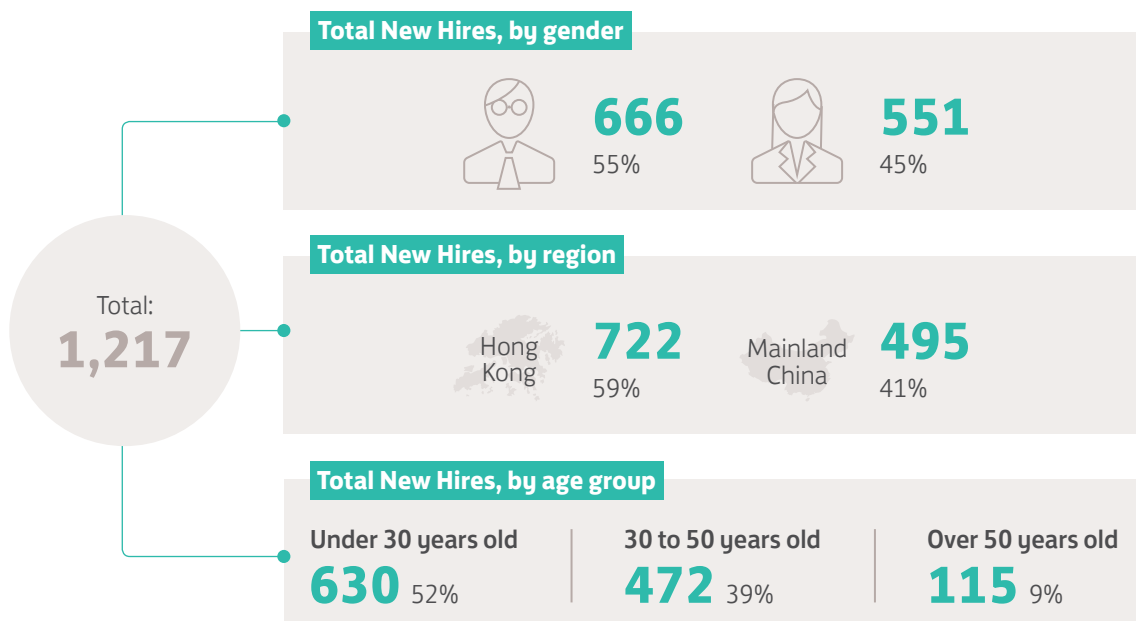
Our employees receive competitive remuneration packages with a variety of benefits, including medical care, retirement schemes and performance-based bonuses. We strive to ensure that every employee receives regular, objective, fair and open assessments of his/her performance, and is rewarded accordingly with merit-based incentives. To streamline the assessment processes and ensure consistency across the Company, we have a Performance Development Review system in place. There are no formal collective bargaining agreements in place within our Company.

To help ensure that we continue to attract and employ the right people for the long-term success of our business, we are working on a communication strategy for employer branding and reviewing a new system to facilitate the digitalisation of our recruitment process, including candidate selection.

In Hong Kong, our human resources and administration department has established a new working group to capitalise on the experiences and perspectives of management and technical trainee representatives to help ensure that Swire Properties continues to be an employer of choice.

Swire Properties Named 2nd Most Attractive Employer in Hong Kong

We earned second place in the 2017 Randstad Employer Brand Awards, competing against a field of 75 local and international companies across multiple industries in Hong Kong. Commonly known as the people's choice awards, the annual Randstad Employer Brand Awards scheme recognises the most attractive employers based on the votes and opinions of locally based workers.



PEOPLE



Progress | Employment Profile | Talent Attraction | **Talent Retention**
Safety, Health and Wellbeing | Diversity and Inclusion | Volunteering

Talent Retention

GRI 401

In 2017, total employee turnover was 22%, a slight increase over the rate of 21% in 2016.

ACCA Names Swire “Approved Employer”

In 2017, the Association of Chartered Certified Accountants (“ACCA”) named Swire Properties an “Approved Employer” under its Approved Employer Programme, in recognition of the standard of training and development we offer to our employees. As a result, our employees who are ACCA members will have access to additional support and programmes designed to help them further their professional development.

Learning and Development

GRI 404

HKEX Aspect B3

Our multi-year trainee programmes develop talent in the areas of building surveying, engineering and general management. Swire Hotels’ 18-month international operations management trainee programme provides wide-ranging exposure to hotel operations in Hong Kong and Mainland China.

Our other learning and development programmes include:

- On-the-job training
- Internal job rotations
- Mentoring opportunities
- Secondments in other markets where we operate
- Management and leadership training programmes

Our Achieving Excellence Programme (“AEP”), introduced in 2015, is a two-year programme that aims to help new managers develop their careers.

In 2017, we held five AEP modules, focused on developing leadership skills, fostering teamwork and managing employees. The interactive workshops covered a range of management skills, such as strategies for working effectively with different types of people and approaches to managing business change with flexibility and creativity.



Our AEP team also hosted a workshop on sustainability to help participants gain a deeper understanding of our commitment to SD and how we integrate our SD 2030 Strategy into our business.

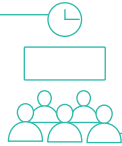
At the final workshop in December 2017, participants were involved in a business simulation exercise designed to provide them with an opportunity to use the skills they acquired throughout the two-year programme.

PEOPLE



Progress | Employment Profile | Talent Attraction | Talent Retention
Safety, Health and Wellbeing | Diversity and Inclusion | Volunteering

Total training hours:



~75,000
hours

Total training spend(HK\$):



9.4
million

HKEX
KPI B3.2

Average Hours of Training, by gender

2017



Male

13.5 hours
↑ **11.6%**
Change year-on-year



Female

15.0 hours
↑ **23.0%**
Change year-on-year

Average Hours of Training, by employment category

2017

Management

23.2 hours
↑ **37.3%**
Change year-on-year

Non-management

11.2 hours
↑ **3.7%**
Change year-on-year

Job Training for New Employees: Lights, Camera, Action!

The building management department and human resources and administration department have produced a training video to help new employees familiarise themselves with building management roles and responsibilities. The video features building management and technical department employees simulating real-life scenarios they may face day-to-day. The video is part of a series of weekly job familiarisation sessions that began in April 2017.



Security Services Best Training Awards



In March 2017, the Security Services Training Board of the Vocational Training Council and the Hong Kong Police Force awarded Taikoo Shing (Management) Limited team the Gold Award at the 2016 Security Services Best Training Awards in recognition of their excellent employee training and support programme.

Our security trainees attend training sessions to learn skills and techniques that they can apply in performance of their employment duties. This is the second time that the Taikoo Shing (Management) Limited team has won the gold award at the Security Services Best Training Awards.

PEOPLE



Progress | Employment Profile | Talent Attraction | Talent Retention
Safety, Health and Wellbeing | Diversity and Inclusion | Volunteering

Service Excellence Awards

In 2017, we presented Service Excellence Awards to 35 frontline employees from 14 departments. The awards recognise the efforts these employees made to improve the lives of our tenants and customers.

“Doing everything we can to make every one of our customers feel acknowledged and appreciated is the key to success,” said award winner Chan Chi-tak, Building Supervisor, Cityplaza Management Office. “I feel a sense of accomplishment when I can help someone in need, whether it’s something as mundane as giving directions, or as unforgettable as saving a life.”

Another award winner, Chan Cho-yiu, Senior Building Attendant in the Pacific Place Management Office, who saved the life of a worker employed by our contractor, while on duty at Pacific Place, said, “I feel excited to be part of the team at Pacific Place. The size and diversity of the portfolio enables me to interact with many types of customers with different needs, and I believe that having a positive and respectful attitude can drive us to exceed customer expectations.”

Safety, Health and Wellbeing

GRI 403

Health and Safety Policy

HKEX Aspect B2 KPI B2.3

We regard health and safety (“H&S”) as an integral part of our business. Our [Health and Safety Policy](#) encompasses our employees, contractors, tenants and visitors, including any person whose work or workplace is controlled by the Company.

Safety Management Systems

We have Safety Management Systems (“SMS”) in place for maintaining a safe and healthy work environment, and for minimising any adverse H&S impacts arising from our operations.

The SMS Steering Committee in Hong Kong, which is chaired by our fire and safety manager, and our SMS sub-committee, meet periodically to monitor and evaluate the Company’s safety performance. In Mainland China, the Safety Working Group, which is chaired by the Director of Technical Services and Sustainable Development (Mainland China), holds regular meetings to monitor and evaluate our safety performance.

We have implemented programmes for accident investigation and H&S inspection to help identify the causes of accidents, allowing us to adopt measures that can prevent them from reoccurring. Our relevant business units issue accident reports following the completion of formal investigations by a manager



SDG 3
Good Health and Wellbeing

Safety, Health and Wellbeing is an integral part of our business and SD 2030 Strategy. Our initiatives under this focus area align with **SDG 3**: ensure healthy lives and promote wellbeing

PEOPLE



Progress | Employment Profile | Talent Attraction | Talent Retention
 Safety, Health and Wellbeing | Diversity and Inclusion | Volunteering

of supervisor-level or above. We inspect our workplaces for irregularities and hazardous conditions, and take follow-up actions for the maintenance of our buildings, equipment and facilities.

In 2017, independent third-party audits of our SMS were conducted at four properties in our Hong Kong and Mainland China portfolios. The findings confirm that our SMS complies with the internationally applied OHSAS 18001: 2007 for occupational health and safety management systems. As at 31st December 2017, we have obtained OHSAS 18001 certifications for a total of eight properties.

By 2020, we expect our Hong Kong and Mainland China portfolios to comply fully with the new and more stringent ISO 45001 standard. We are focused on integrating health and safety into various aspects of our operations, identifying and controlling our own health and safety risks, and expanding our efforts to account for how suppliers and contractors are managing health and safety risks too.

Awards for Safety Management and Performance

To promote awareness of occupational health and safety among our employees, we seek to participate actively in relevant competitions and external award schemes.

2017 Awards/Certifications

- **INDIGO, Beijing** was recognised as a Company Advanced in Safety Operation and Management by the Chaoyang District Association of Work Safety
- **TaiKoo Hui, Guangzhou** and **Sino-Ocean Taikoo Li Chengdu** were each recognised as a Company Advanced in Fire Safety Management by the Public Security and Fire Bureau of Guangzhou and the Chengdu Municipal Government, respectively
- **Taikoo Li Sanlitun** was recognised as a Company Advanced in Emergency Management by the Chaoyang District Association of Work Safety
- **Swire Properties' security team** earned gold at the 2016 Security Services Best Training Awards organised by the Security Services Training Board of the Vocational Training Council and the Hong Kong Police Force
- **Two Swire Properties employees** earned gold in the Outstanding Registered Electrical Worker Awards Scheme organised by the Hong Kong Special Administrative Region ("SAR") Government's Electrical and Mechanical Services Department

PEOPLE



Progress | Employment Profile | Talent Attraction | Talent Retention
Safety, Health and Wellbeing | Diversity and Inclusion | Volunteering

Safety at Work

GRI 403

HKEX KPI B2.1

In 2017, we maintained our record of zero workplace fatalities for our employees and there were no confirmed incidents of non-compliance with relevant laws or regulations relating to the provision of a safe working environment and protection of employees from occupational hazards, which have a significant impact on Swire Properties.

Swire Properties Wins Bronze at 2017 Considerate Contractors Site Award Scheme

Swire Properties won Bronze in the 2017 Considerate Contractors Site Award Scheme for its efforts to provide a safe working environment for its contractor, Otis Elevator Company (H.K.) Limited, at One Island East in Taikoo Place. The award scheme, jointly organised by the Hong Kong Development Bureau and the Construction Industry Council, seeks to recognise construction contractors, supervising teams, site supervisors and workers for outstanding safety performance.

Prevention of Workplace Injuries

HKEX KPI B2.2

Our target for 2020 is to maintain a Lost Time Injury Rate (“LTIR”) for employees of below 2.0.

In 2017, our LTIR decreased by 20.6% and our lost day rate (“LDR”)¹⁴ increased by 33.7% compared to 2016. The majority of injuries resulted from slips, trips and falls (“STF”) and lifting and carrying. We attribute the increase in LDR to long recovery times associated with these types of injuries. We are carrying out corrective measures, including safety talks on STF prevention and additional work site inspections to improve safety.

Employee Lost Time Injury Rate (LTIR) and Lost Day Rate (LDR) Trend

| | 2015 | 2016 | 2017 |
|------|-------|---|---|
| LTIR | 1.88 | 1.80 ↓ 4.3% Change year-on-year | 1.43 ↓ 20.6% Change year-on-year |
| LDR | 61.08 | 36.18 ↓ 40.8% Change year-on-year | 48.36 ↑ 33.7% Change year-on-year |

Employee Lost Time Injury Rate (LTIR) and Lost Day Rate (LDR) 2017, by portfolio

| | | | | | | | | |
|--------------|-----------|--------------|--------------|----------------|--------------|--------------|--------|--------------|
| LTIR 1.40 | Hong Kong | LDR 64.34 | LTIR 0.48 | Mainland China | LDR 26.96 | LTIR 2.12 | Hotels | LDR 39.13 |
|--------------|-----------|--------------|--------------|----------------|--------------|--------------|--------|--------------|

¹⁴ Number of lost scheduled working days per 100 employees per year.

PEOPLE



Progress | Employment Profile | Talent Attraction | Talent Retention
 Safety, Health and Wellbeing | Diversity and Inclusion | Volunteering

As part of our management approach to preventing workplace accidents, in 2017 we conducted education and awareness talks for frontline employees. The topics of the talks were selected to address concerns of specific relevance to employees in different areas of our business, such as back pain prevention for frontline employees in our Hong Kong portfolio, STF prevention in our Mainland China portfolio and manual handling operation tips in our hotel operations.

Safety Training

We are in the process of expanding our training programme to achieve our 2020 KPI of increasing total occupational health and safety (“OHS”) training hours by 5% compared with the baseline level in 2015. In 2017, we gathered data from across our Hong Kong portfolio to evaluate our OHS training needs. In 2017, we also approved the implementation of compulsory OHS training that is intended to reach 100% of our employees via a new e-learning platform.

In 2017, we delivered more than 20,000 hours of training to our employees, covering a range of OHS topics, including STF prevention, back pain prevention and safety ladder demonstration. In Mainland China, we provided training for senior management and line managers on communicating safety priorities and demonstrating leadership on OHS issues. We also conducted approximately 50 emergency response drills covering security management, crowd management and facilities management to improve our emergency response capabilities at different properties in our Mainland China portfolio.

Innovating for a Safer Work Environment

We encourage our employees to be proactive in preventing accidents and improving safety. In 2017, two of our employees won Merit awards at the 9th Outstanding Occupational Safety and Health Employee Award Scheme organised by the Hong Kong Occupational Safety and Health Council.

Cheung Chi-tak, a technician at Island Place, Hong Kong, developed a practical and effective strap for small tools, which wraps around the user’s wrist to keep them from slipping or falling.

Frederick Leung, a technical officer at technical services and sustainable development, also won an award for his work on promoting the use of new, safer stepladders to prevent incidents from occurring when our employees are working at height.

On technology adoption for safety, we have promoted the use of Handylift Hydraulic, a new hydraulic manhole cover lifter, which facilitates the lifting of heavy manhole covers and prevents related injuries.



PEOPLE



Progress | Employment Profile | Talent Attraction | Talent Retention
Safety, Health and Wellbeing | Diversity and Inclusion | Volunteering

Employee Health and Wellbeing

We encourage our employees to participate in a wide variety of activities in and out of the office. In 2017, our Wellness Programme for employees in Hong Kong and Mainland China included sharing sessions for frontline employees on a range of topics, including mindfulness, maintaining work/life balance, good nutrition and healthy eating.

In 2017, Swire Hotels introduced a new Wellness Programme, which involved a fitness challenge. Members of our Central Support Office were offered personal fitness trackers and invited to participate in a wide range of physical activities from yoga and funky dance to jogging and hiking. We intend to incorporate feedback from participants to make improvements to the pilot programme before expanding it to other departments.

We care about the mental health of our employees, and provide relevant counseling services and learning opportunities through our Employee Assistance Programme.

In 2017, we hosted a variety of sharing sessions, lunchtime talks and workshops for our employees, which aimed to address work/life balance and mental health issues in the workplace.

Wellness Programme 2017

280 participants across **6** offices

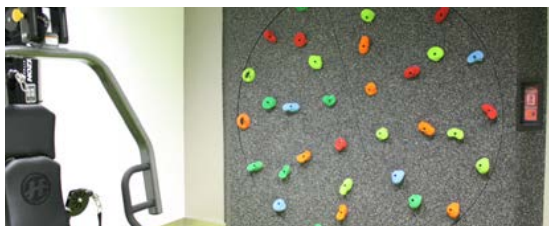
Lunch talks on low-carbon eating and coping with allergies attended by **160** employees

3-hour workshop on Becoming Resilient – The Key to Thriving at Work



Creating Rejuvenating Space for Frontline Employees

We have created a dedicated space for members of our Taikoo Place building management and technical services departments to relax and rejuvenate. Opened in May 2017, the 4,500 square foot space consists of a changing room, common room and gym and includes other amenities, such as mobile-charging stations, a massage corner and a magnetic blackboard. The design of the new space incorporated employees' suggestions to ensure that it meets the needs of our building management and technical services department members.



PEOPLE



Progress | Employment Profile | Talent Attraction | Talent Retention
 Safety, Health and Wellbeing | Diversity and Inclusion | Volunteering

Encouraging Our Employees to Keep Fit



In 2017, we sponsored two sporting events to promote healthy living, exercise and teamwork among our employees. In February, our Community Ambassadors and their families participated in Run for Survival, organised by the Ocean Park Conservation Foundation Hong Kong to raise funds for its marine conservation efforts. In September, 116 employees participated in our annual sporting event by competing in 2km, 5km and 10km team and individual races.



Urban Farming in Our Own Homes

In 2017, we worked with social enterprise Rooftop Republic to develop three workshops aimed at teaching employees how to live more sustainably:

- Create Your Own Mini Edible Garden focused on how to grow greens at home using recycled plastic drink bottles. As the instructors demonstrated planting techniques and offered tips, participants learned about the feasibility and benefits of urban farming.
- Coffee Grounds Recycling instructed participants on how to make a body scrub suitable for their skin type and explored the benefits of using coffee grounds to create homemade soaps and scrubs.
- Grow Your Own Oyster Mushrooms demonstrated to participants how to use food compost and coffee grounds to grow non-toxic mushrooms in their own homes.



PEOPLE



Progress | Employment Profile | Talent Attraction | Talent Retention
Safety, Health and Wellbeing | Diversity and Inclusion | Volunteering

Diversity and Inclusion

Our commitment to promoting diversity in the workplace has been documented in our [Corporate Code of Conduct](#).

The [Equal Opportunities and Diversity Council](#) of John Swire & Sons (H.K.) Limited, our parent company, is responsible for encouraging and advocating equal opportunities and diversity across the Swire group, including Swire Properties. It continues to monitor and measure our equal opportunities and diversity achievements. We also have an internal Equal Opportunities Policy in place, which is available in our employee handbook and communicated to our employees.

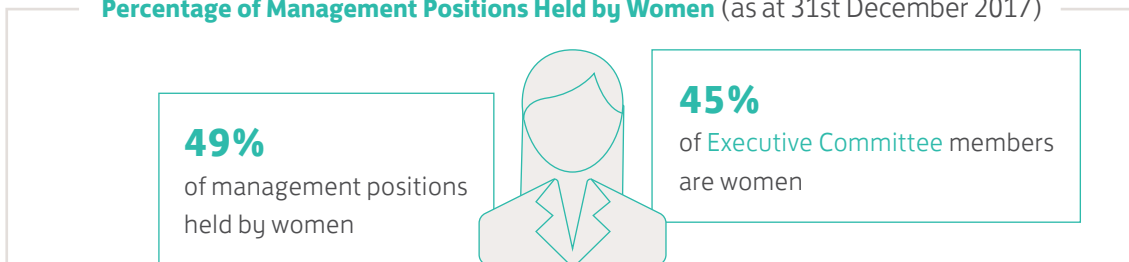
GRI 405

HKEX Aspect B1

SDG 5
Gender Equality

Diversity and Inclusion is an area in which we aspire to provide leadership. Our initiatives under this focus area align with **SDG 5**: achieve gender equality and empower women and girls

Percentage of Management Positions Held by Women (as at 31st December 2017)



We plan to introduce a new Diversity and Inclusion (“D&I”) Statement of Commitment in 2018 to reaffirm our continuing commitment to create an inclusive and supportive working environment for all our employees, regardless of age, gender or gender reassignment, sex or sexual orientation, marital or family status, disability, race (including ethnic origin or nationality), religious or political beliefs.

To develop and implement our D&I policies and initiatives, we established a Diversity and Inclusion Committee (“D&I Committee”), which is chaired by our Human Resources Director and reports to the Executive Committee on a quarterly basis. The D&I Committee is responsible for ensuring equal opportunities, advocating fair and bias-free processes for recruiting, developing and promoting our employees, and monitoring our success at achieving D&I in our workplaces. The D&I Committee will also serve as a governing body to review grievances relating to discrimination.

PEOPLE



Progress | Employment Profile | Talent Attraction | Talent Retention
 Safety, Health and Wellbeing | [Diversity and Inclusion](#) | Volunteering

Urban Orienteering Challenge

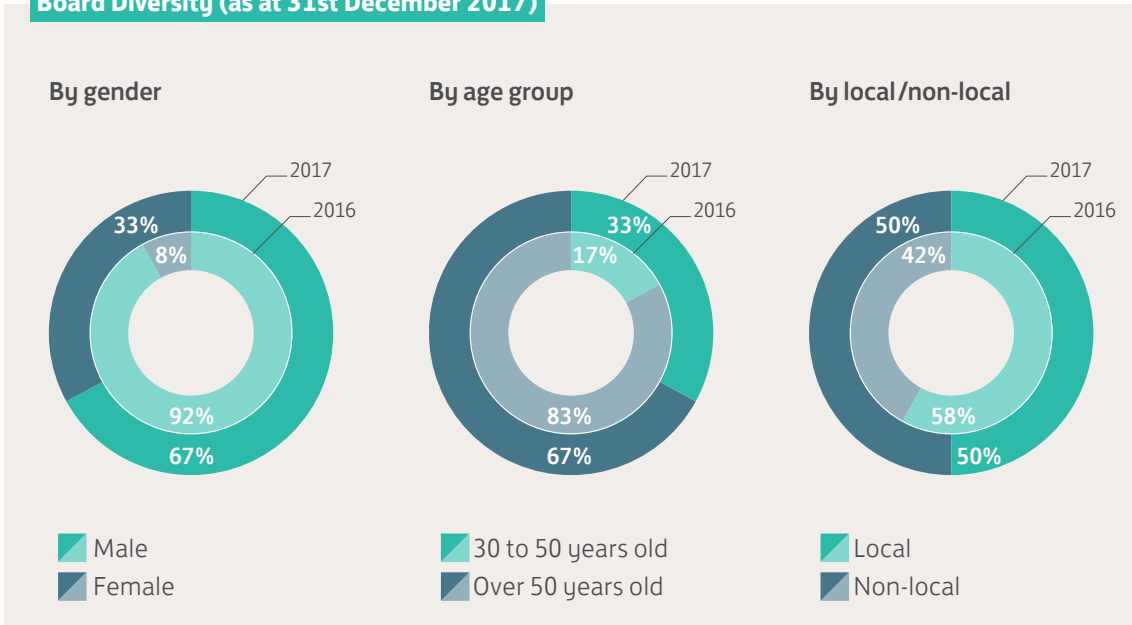
In March 2017, Swire Properties Community Ambassadors joined the Barrier-Free Orienteering Competition sponsored by Hong Kong PHAB (Physically Handicapped and Able-Bodied) Association, one of our NGO partners. Our Community Ambassadors joined with wheelchair-bound teammates to take on an orienteering course in Hong Kong's urban environment. The competition enabled participants to personally experience the daily mobility challenges faced by people who use wheelchairs in Hong Kong.



Board Diversity Policy

Our [Board Diversity Policy](#) recognises the value of diversity in the composition of our Board and endorses the principle that our Board should have a balance of skills, experience and diversity of perspectives appropriate to our business.

Board Diversity (as at 31st December 2017)



Additional information about the diversity of our Board members is available in our [Swire Properties Annual Report 2017](#).

PEOPLE



Progress | Employment Profile | Talent Attraction | Talent Retention
Safety, Health and Wellbeing | Diversity and Inclusion | Volunteering

Volunteering



Our Community Ambassador programme enables our employees to contribute their time and skills towards social and environmental causes. To encourage active participation in the programme, our employees nominate the beneficiaries we will support, and we offer one extra day of leave for every ten hours of voluntary service (capped at two days per year) under our Community Ambassador Service Leave Policy.

GRI 413

HKEX Aspect B8 KPI B8.1, B8.2

Our Community Ambassador programme attracts support from our employees and their families and friends, as well as representatives of our business partners, tenants, customers and other Swire group companies.

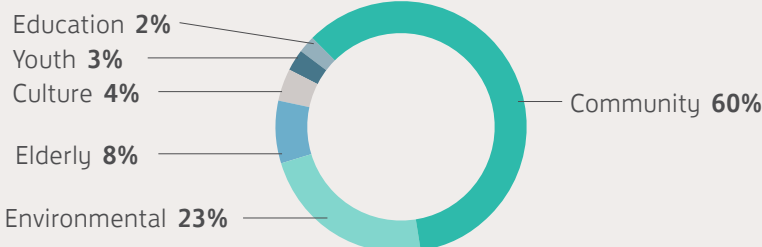
Community Ambassador Programme Volunteer Hours, by focus area

Activities supported:

74

Total volunteer hours:

6,700



In 2017, our Community Ambassadors in Beijing and Guangzhou organised events focused on local arts and culture, environmental protection and community building. Events ranged from introducing young earthquake victims to traditional Beijing Opera, to planting fruit trees at local farms and learning about traditional farming methods. In Hong Kong, our Community Ambassador activities in 2017 focused on youth development, social inclusion and community building.

Since 2011, the Community Ambassador team has grown from 40 employees to more than 4,000. In 2017, to help expand the team, our induction programme for new hires in Beijing and Hong Kong included an introduction to our Community Ambassador programme.

Community Ambassadors Earn Outstanding Partnership Project Award for LOVE's TEAM



To mark its 15th anniversary, our Community Ambassadors in Hong Kong joined with 15 NGOs to host the LOVE'S TEAM charity bazaar in 2016. Over 1,350 volunteers participated in the event, which, with the help of matching funds from the Swire Group Charitable Trust, raised more than HK\$870,000 for the participating NGOs.

In 2017, the Hong Kong Council of Social Services awarded our Community Ambassador team the Outstanding Partnership Project Award 2017/18 for its work on the LOVE'S TEAM charity bazaar.

PEOPLE



Progress | Employment Profile | Talent Attraction | Talent Retention
 Safety, Health and Wellbeing | Diversity and Inclusion | [Volunteering](#)

Working with Youth to Develop Job Skills

As part of our community engagement efforts, we have developed programmes to help the younger generation in Hong Kong develop job skills and gain work experience.

In 2017, Swire Restaurants and EAST, Hong Kong worked with Jockey Club Sarah Roe School and King George V School to provide work experience for students with learning disabilities. During the 2016/17 school year, eight students participated in the internship programme. The rotation through a variety of roles in our kitchens, dining rooms and housekeeping allowed them to gain experience that will help to prepare them for work after graduation.



Together with NGO KELY Support Group, 20 of our Community Ambassadors held a pilot pre-employment workshop for ethnic minority students to equip them with job skills and teach them interview strategies. We also introduced the students to our SD vision and provided them with the opportunity to team up with their Community Ambassador mentors to brainstorm their ideal sustainable community.

In August 2017, our Community Ambassador team worked with Hong Kong University of Science and Technology to organise a computer training and robotics workshop for 15 youths from the Unusual Academy, a unit of the Hong Kong Playground Association. 20 Community Ambassadors worked with the young people to learn basic computer engineering and assembly skills. Students then applied their new skills to benefit underprivileged families through a related initiative involving the delivery and installation of second-hand computers and printers.

PEOPLE



Progress | Employment Profile | Talent Attraction | Talent Retention
 Safety, Health and Wellbeing | Diversity and Inclusion | Volunteering

Cleaning up Mudflats at Shui Hau Wan



In September 2017, our Community Ambassadors partnered with Ocean Park Conservation Foundation to clean up the mudflats at Shui Hau Wan on Lantau Island, which provide an important habitat for many marine species, including the [horseshoe crab](#). Our Community Ambassador team, together with their friends, family members and other volunteers, helped to collect and dispose of debris and trash that had accumulated in the mudflats during typhoons.



Spreading the Joy of Books

The TaiKoo Hui Community Ambassador team visited the Hualin Street Community Service Centres in Guangzhou in July 2017 to share their joy of reading with underprivileged children. Together with the children, the Community Ambassadors built bookshelves, filled them with books donated by our Guangzhou employees and designed a reading corner in which they read and shared their favourite books.



PEOPLE



Progress | Employment Profile | Talent Attraction | Talent Retention
Safety, Health and Wellbeing | Diversity and Inclusion | [Volunteering](#)

Inspiring Budding Engineers

In 2017, we continued to work with Otis Elevator Company, one of our tenants at Cityplaza, by hosting the Be a Little Engineer programme. Together with 20 Community Ambassadors and 10 Otis volunteers, 37 “Little Engineers” from The Boys’ and Girls’ Clubs Association of Hong Kong and Haven of Hope Christian Service were invited to get a behind-the-scenes look at how the Otis Super Double-Deck Elevator in One Island East works. As part of the programme, participants also designed their own elevators and earned awards for the most creative and sustainable designs.



PARTNERS



We aim to continue to develop long-term, mutually beneficial relationships with our business partners and other key parties so as to improve our environmental, social and economic performance.

PARTNERS



Progress | Suppliers | Tenants | Customers
Residential Owners, Occupiers and Serviced Apartment Residents

The Partners pillar of our SD 2030 Strategy is about working with others to achieve SD objectives. We aim to continue to develop long-term and mutually beneficial relationships with our suppliers, tenants, customers and residential owners/occupiers, as well as government, NGOs and joint venture partners (collectively, our “Partners”) to help us improve our environmental, social and economic performance.

Progress

Our Partners Working Group comprises 34 representatives from different functions within Swire Properties. The relatively large and diverse composition of this working group reflects our determination to influence a wide range of Partners, including local Partners in places where we have significant presence.

In 2017, this working group implemented new measures to strengthen compliance monitoring for key suppliers, and continued to expand our Green Pledge Programme with tenants in our Hong Kong and Mainland China portfolios.

Top Material Issues

- Tenant/customer engagement
- Responsible supply chain management

Progress Summary Table

Performance Categories

2020 KPI

Progress Updates in 2017

Suppliers



Supply Chain Policy

Full implementation of Supplier Code of Conduct (“SCoC”) in Hong Kong and Mainland China

- We are coordinating with our business units to prepare for full implementation of SCoC and green procurement system.

Implement green procurement system across all business operations in Hong and Mainland China

Monitoring (compliance)

Ensure key high-risk suppliers demonstrate compliance with SCoC

- Key suppliers were assessed in 2017, and will be subject to on-going annual assessment.

Supply Chain Improvement

Develop programme for supply chain improvements

- We plan to commence work on this initiative in 2018/2019.

PARTNERS



Progress | Suppliers | Tenants | Customers
Residential Owners, Occupiers and Serviced Apartment Residents

Performance Categories

2020 KPI

Progress Updates in 2017

Tenants



Tenant Engagement

Introduce sustainability guidelines for commercial tenants undertaking new fit-outs and renovations

- We have introduced a sustainable kitchen initiative with technical guidelines for food and beverage tenants.

Review and expand the Green Pledge Programme to include the majority of office tenants¹⁵

- We are continuing to expand our Green Pledge Programme.

Tenant Satisfaction

Conduct tenant satisfaction surveys in Hong Kong

- We plan to conduct surveys for office tenants in Pacific Place, Hong Kong in 2018.

Set an appropriate KPI for improvement

Customers



Retail

Conduct surveys to collect customer feedback

- We have conducted surveys in our major retail properties in Hong Kong and Mainland China to collect customer feedback.

Office Workers

Conduct surveys to collect office workers feedback

- We are in the planning stages of this initiative.

Conduct 500 tours at The Loop (Taikoo Place) for office workers, students, and representatives of other groups

- We have conducted 62 tours at The Loop for office workers and others.

Hotel Guests

Conduct hotel guest surveys

- A pilot mobile application is under development.

Residential



Engagement (Owners, Occupiers & Serviced Apartment Residents)

Complete pilot survey in Hong Kong to establish baseline level of satisfaction

- Groundwork has been completed for a pilot survey in 2018.

Set an appropriate KPI for improvement

Develop Green Pledge for serviced apartment residents

- A Green Pledge for serviced apartments is under development.

¹⁵ Percentage based on number of tenants.

PARTNERS



Progress | Suppliers | Tenants | Customers
Residential Owners, Occupiers and Serviced Apartment Residents

Performance Categories

2020 KPI

Progress Updates in 2017

Government



Government Engagement

Identify key government bodies for engagement

- In Hong Kong and Mainland China, we have mapped government stakeholders at the local level to identify specific partners for engagement.

Design bespoke government engagement plans for all portfolios

NGOs



NGO Engagement

Identify and prioritise NGOs for engagement for all operations

- A centralised NGO database has been created and is being populated for Hong Kong, Mainland China and the U.S.A.

Expand NGO engagement in Mainland China and the U.S.A.

Joint Venture ("JV") Partners



JV Partners Engagement

Inform 100% of JV partners about progress on our SD 2030 Strategy

- We have started engaging our JV partners.

All of our JV companies to provide SD training to their employees

Partner Selection & Company Formation

Integrate SD checklist into JV partner selection and JV company formation processes

PARTNERS



Progress | Suppliers | Tenants | Customers
Residential Owners, Occupiers and Serviced Apartment Residents

Suppliers

Supply Chain Profile

We work closely with a wide range of suppliers, including architects, designers, consultants, service providers, contractors and vendors, to provide safe and respectful working conditions and promote sustainable environmental practices.

GRI
102-9, 102-10

HKEX
KPI B5.1

Number of Suppliers, by geographical region (as at 31st December 2017)



Hong Kong
~2,500

Mainland China
~1,700

During the design and construction phases of our new properties and projects under development, social and environmental impacts in our supply chain, such as OHS and waste, are particularly significant.

Some of our suppliers have a significant influence over the Company's consumption of materials. We seek to work with them to source environmentally friendly products and to make use of their expertise in sustainable design and construction as part of our management approach to Environmental Building Assessment Schemes.

Supplier Code of Conduct

Our Supply Chain Sustainability Programme integrates SD policies, procedures and goals into our supply chain management practices.

At the core of this programme is our Supplier Code of Conduct ("SCoC"), which sets out minimum standards and practices relating to legal and regulatory compliance, environmental protection, health and safety, labour practices and other areas.

In addition to having their own supplier codes of conduct in place, we require that our suppliers adopt and implement policies and procedures to prevent bribery, corruption and fraud in their own operations.

To ensure proper respect for human rights throughout our business, including our supply chain, we require that our suppliers do not use any form of forced, coerced or bonded labour, and that legal minimum age requirements for employment are strictly observed. Our policy is that no person who does work for Swire Properties can be below 16 years of age unless he or she is part of a recognised professional apprenticeship programme. This includes suppliers working on projects for Swire Properties.

Suppliers who fail to comply fully with our SCoC risk termination of their contracts and removal from our contractors list.

GRI
308, 414

HKEX
Aspect B4, B5
KPI B4.1, B4.2, B5.2

12
RESPONSIBLE
CONSUMPTION
AND PRODUCTION

SDG 12
Responsible
Consumption and
Production

Under our Suppliers focus area, our Supply Chain Sustainability Programme aligns with **SDG 12**: ensure sustainable consumption and production patterns

PARTNERS



Progress | Suppliers | Tenants | Customers
Residential Owners, Occupiers and Serviced Apartment Residents

One of the subgroups within our Partners Working Group is responsible for addressing supply chain sustainability issues and managing supply chain risks. This subgroup is working to ensure that the SCoC is implemented consistently across all business operations, and we believe that we are on track to complete implementation throughout our supply chain in Hong Kong and Mainland China by 2020.

Compliance Monitoring

We are working to enhance and streamline our contractor selection processes, and have implemented an e-contractor list management system that will allow potential contractors to submit applications online.

In order to be included on our contractor list, relevant new suppliers must complete self-assessment questionnaires to confirm that appropriate policies and systems are in place to manage environmental impacts and OHS. Our technical services and sustainable development department carries out due diligence to verify the information provided.

All suppliers who have been accepted onto our contractor list are subject to compliance monitoring. Each year, we select key suppliers, based on highest total procurement spending to complete self-assessment questionnaires. In 2017, we also completed a risk assessment of our 20 largest suppliers accounting for the majority of our procurement budget. Using our Enterprise Risk Management framework to evaluate the likelihood and severity of risks, we determined that none of these suppliers are “high risk”.

We have enhanced our monitoring of key suppliers to strengthen risk management in our supply chain. As part of the new process, we may undertake site visits and/or request that key suppliers obtain independent certification in accordance with internationally recognised standards, such as ISO 14001 Environmental Management System and OHSAS 18001 Occupational Health & Safety Management System. In some cases, key suppliers may also be asked to submit environmental and health and safety management plans for our internal review.

GRI
308, 403, 414

HKEX
Aspect B4, B5
KPI B4.1, B4.2, B5.2

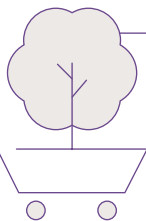
Green Procurement

Our green procurement monitoring system has been in place since 2015 to track our consumption of office supplies, building services equipment and building materials that meet specific environmental criteria, such as whether the products have been certified or accredited by reputable, independent third parties. We use the data collected to evaluate our procurement performance and to identify opportunities to source more sustainable products.

GRI
301

HKEX
Aspect A2

Green Procurement for Hong Kong in 2017



12 categories of products

Total value **HK\$378 million**

PARTNERS



Progress | Suppliers | Tenants | Customers
Residential Owners, Occupiers and Serviced Apartment Residents

Apart from green procurement, we track our consumption of some construction materials. We are in the process of developing a more robust tracking system for construction materials and have selected two key materials, timber and concrete, to focus on in the short-term.

Sustainable Sourcing for Swire Hotels

We are expanding our sustainable sourcing programme across all Hong Kong hotels. In addition to procuring biodegradable tableware and paper towels certified by the Forest Stewardship Council, we have replaced disposable bento boxes with reusable ones for in-room dining.



Our hotel restaurants serve sustainable seafood that meets the criteria of the World Wide Fund for Nature Hong Kong (“WWF”) Seafood Guide, or is certified as sustainable by the Aqua Stewardship Council. We also serve organic wines with certification from Agriculture Biologique, certified-organic poultry and fair-trade chocolates.

In 2017, The Temple Café at The Temple House in Chengdu planted a garden on site, which supplies approximately 10% of its vegetables and herbs. Head Chef Jerome Merlo has developed a “farm to table” menu with vegetables and herbs, such as micro-greens and nasturtium flowers, harvested from the garden. The Café is also working directly with small farmers in the region to source fresh, locally grown organic produce.



PARTNERS



Progress | Suppliers | **Tenants** | Customers
Residential Owners, Occupiers and Serviced Apartment Residents

Tenants

HKEX
Aspect A3
KPI A3.1

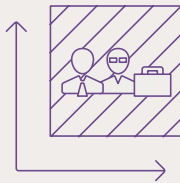
Tenant Engagement

We seek to work closely with our commercial tenants to help them integrate sustainability practices into their operations.

In 2017, we conducted free energy audits to identify energy-saving opportunities for our tenants at Taikoo Li Sanlitun, INDIGO, TaiKoo Hui and Sino-Ocean Taikoo Li Chengdu. We also completed a trial of new **waste management approaches** in preparation for the Hong Kong SAR Government’s municipal solid waste charging scheme, which will be introduced in 2019.

Free energy audits for commercial tenants (since 2008)

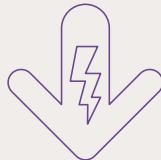
Tenanted area:



Hong Kong
3.2 million
square feet

Mainland China
1.8 million
square feet

Potential annual energy savings:



Hong Kong
2.8 million
kWh

Mainland China
5.1 million
kWh

Sustainability Guidelines for Fit-outs and Renovations

We have introduced a sustainable kitchen initiative with detailed technical guidelines to help our food and beverage tenants design, construct and operate more sustainable kitchens. The guidelines provide advice on sustainable design features, construction methods and sustainable operations, including lighting, energy use, waste management, and water conservation.

We plan to update our standardised fit-out and renovation guides for office and retail tenants to incorporate this additional information.

PARTNERS



Progress | Suppliers | Tenants | Customers
Residential Owners, Occupiers and Serviced Apartment Residents

THE Loop

In May 2017, we opened The Loop, Swire Properties' first sustainable development exhibition centre. Located in the heart of Taikoo Place, this interactive space has been designed to increase environmental awareness and encourage tenants and the wider community to incorporate sustainable practices into their business operations and daily lives. The name was inspired by the phrase "close the loop", which refers to the idea that most waste can be recycled and reused.



The Loop covers 4,000 square feet and features a retrospective exhibition of the Company's sustainability work in Quarry Bay, a recycling centre for seven types of waste, a food waste composter, an "Eco-art installation" and an edible garden, planted and cared for by our employees, to raise awareness of urban farming. Consistent with its theme, sustainable and recycled materials, including recycled timber veneers and terrazzo flooring, were utilised in The Loop's construction.

The Loop has hosted a variety of sustainability-oriented activities for employees, tenants and the public, ranging from gardening workshops and lunchtime talks to tours for new tenants, schools and NGOs. The facility serves as a platform to engage our tenants, employees and the wider community around our sustainability initiatives, and also provides us with an opportunity to share our SD vision.

In 2017, employees at Taikoo Place planted the edible garden as part of our Green Gardeners initiative. The two-month programme, led by a local farmer, provided our employees with a chance to learn basic gardening skills, enhance the community with additional green space and experience the benefits of urban farming. Participants were invited to plant seedlings, prune, water and maintain the plants, and to take home fresh organic produce and herbs from the garden to share with family and friends.



For more information, see [The Loop](#)

PARTNERS



Progress | Suppliers | **Tenants** | Customers
Residential Owners, Occupiers and Serviced Apartment Residents

THE Loop



62 guided tours and community programmes for tenants, schools and NGOs



Over **759 tonnes** of recyclables collected



Over **250** participants in the Green Gardeners programme



39 kg edible herbs produced by our urban farm



The Loop won the **Most Replicable Project Award** in the Sustainable Development Project Competition at the 7th Annual Swire Sustainable Development Forum, which recognises outstanding SD initiatives within the Swire group.

ideas@work 4.0

Introduced in 2014, ideas@work has served as a key platform for employees to share their ideas and help us discover new ways to improve the way we work. This year's competition was tailored to our SD 2030 Strategy. We collected over 100 submissions, each of which targeted one of our five SD pillars – Places, People, Partners, Performance (Environment) and Performance (Economic).



The winning team from Taikoo Place developed an online calendar to simplify the process for scheduling maintenance work and inspections and provide tenants with more control. The calendar, which can be integrated into our tenant portal, increases transparency and reduces delays by allowing our tenants to schedule maintenance and inspections of their shops and offices on a first-come, first-served basis.

PARTNERS



Progress | Suppliers | **Tenants** | Customers
Residential Owners, Occupiers and Serviced Apartment Residents

PROJECT AFTER 6

To be at the forefront of Hong Kong’s highly competitive, price-driven market for commercial office space, we believe meaningful engagement with our office tenants is critical. We understand that leading businesses today expect more than just office space; they are looking for places that will contribute to making their employees happy, healthy and productive. As a result, we are working to develop valuable and relevant programmes for our office tenants at Taikoo Place.

In June 2017, Taikoo Place celebrated the re-launch of ArtisTree, our multi-purpose arts venue, with a full range of opening productions. Highlights included several key events of the Hong Kong Drummer Festival and the tenant engagement initiative, PROJECT AFTER 6: The Buskers, which offered our tenants and employees the opportunity to perform together with professional artists from Universal Music.



PROJECT AFTER 6 aims to strengthen connections within the office community at Taikoo Place by bringing art, music and entertainment into the workplace.

These programmes are designed to change perceptions about what a commercial hub can offer and to make our developments more attractive to prospective tenants.

Green Pledge Programme

We have been working closely with some of our office tenants in TaiKoo Hui, Guangzhou since 2015 to improve the environmental performance of our buildings. Under our Green Pledge Programme, these tenants have implemented a variety of initiatives, ranging from installation of energy-efficient equipment, water conservation and recycling of waste to educating employees about best practices.

Building on these initiatives, we are working to expand the Green Pledge Programme to office tenants in Hong Kong and to office and retail tenants throughout our Mainland China portfolio.

Green Pledge Programme at
TaiKoo Hui, Guangzhou



Participating tenants occupy
53% of office space

In 2016, we were the first property developer to announce our support for Hong Kong’s first Green Shop Alliance established by the Construction Industry Council and the Hong Kong Green Building Council (“HKGBC”) to promote sustainability initiatives in the retail industry in Hong Kong. In 2017, 73 retail tenants in our Hong Kong portfolio had joined the Green Shop Alliance, pledging to reduce energy and water consumption and to reduce waste through reuse and recycling.

PARTNERS



Progress | Suppliers | Tenants | Customers
Residential Owners, Occupiers and Serviced Apartment Residents

Celebrating Double Ninth Festival

In October 2017, we worked with tenants at our INDIGO property in Beijing to celebrate the Double Ninth Festival with the community's elderly residents. Volunteers from INDIGO joined elderly guests for traditional desserts and chrysanthemum tea offered by one of our tenants, Xiheyayuan Beijing Duck Restaurant, and created their own perfume scents with courtesy of another tenant, Scent Library.



Support for WWF Earth Hour

World Wide Fund for Nature's ("WWF") Earth Hour is one of the world's largest collective environmental actions. People around the world switch off their lights for an hour to show their commitment to combating climate change.

Swire Properties has been an associate sponsor and supporter of WWF's Hong Kong Earth Hour campaign since 2010. On 25th March 2017, we turned off non-essential lights in our buildings, external facades, advertisements and sky signs during Earth Hour. We also encouraged our tenants, hotel guests and residents to do the same. At TaiKoo Hui, Guangzhou, we collaborated with one of our office tenants, Sony, to host a special light-painting contest to raise awareness about the event.



PARTNERS



Progress | Suppliers | Tenants | Customers
Residential Owners, Occupiers and Serviced Apartment Residents

Customers

Customer Feedback

We aim to conduct surveys on an annual basis across our retail portfolios in Hong Kong and Mainland China to collect feedback from customers who visit our properties for shopping, eating and other recreational activities, and to develop improvement plans to enhance our service. We have also established a Secret Shopper Programme to help us evaluate customers' perceptions about the standards of customer service in our malls.

Customer surveys 2016 and 2017



> 400 shoppers

Covering **100%** of our major retail properties in Hong Kong and Mainland China

95% of response ratings were "excellent/good"



In our hotel operations, our customer relationship management department is developing a mobile application to engage hotel guests and facilitate communication. EAST, Hong Kong will manage the application and collect customer feedback on our hotel facilities and services.

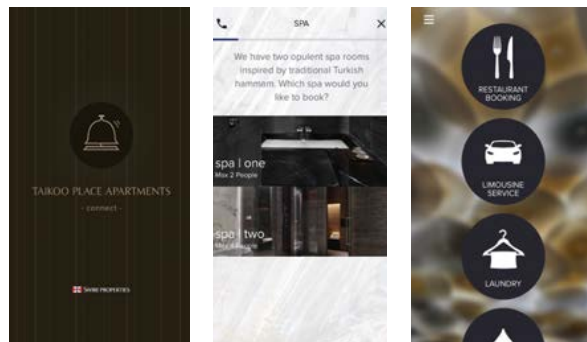
To engage the employees of new office tenants in Taikoo Place and introduce them to our SD 2030 Strategy, we have developed a variety of programmes and activities, including tours of The Loop and visits to the Tong Chong Street Market and selected ArtisTree events.

Residential Owners, Occupiers and Serviced Apartment Residents

Swire Properties has developed a total of 24 residential projects in Hong Kong. While some of these projects, such as Pacific Place Apartments and Taikoo Place Apartments, are managed by the Company as part of our Hong Kong portfolio, others, such as WHITESANDS and ALASSIO, have been developed for sale.

In 2017, we created a new mobile application (TPA connect) to facilitate and improve communication with residents in Taikoo Place Apartments. We are also working on a green pledge programme designed specifically for serviced apartment residents.

During the year, we laid the groundwork for a pilot survey of residential owners and occupiers in Hong Kong. The survey, which we plan to conduct in 2018, will help us to identify general areas for improvement in the way that we design, build and deliver residential properties for sale. We plan to seek feedback on aspects of overall value for money, as well as levels of post-handover satisfaction, including the perceived quality of our units and the speed at which we undertake to rectify any defect.



TPA connect



PERFORMANCE (ENVIRONMENT)

We aim to continue to design, construct and manage high quality developments that contribute positively to the communities in which we operate and the environment.

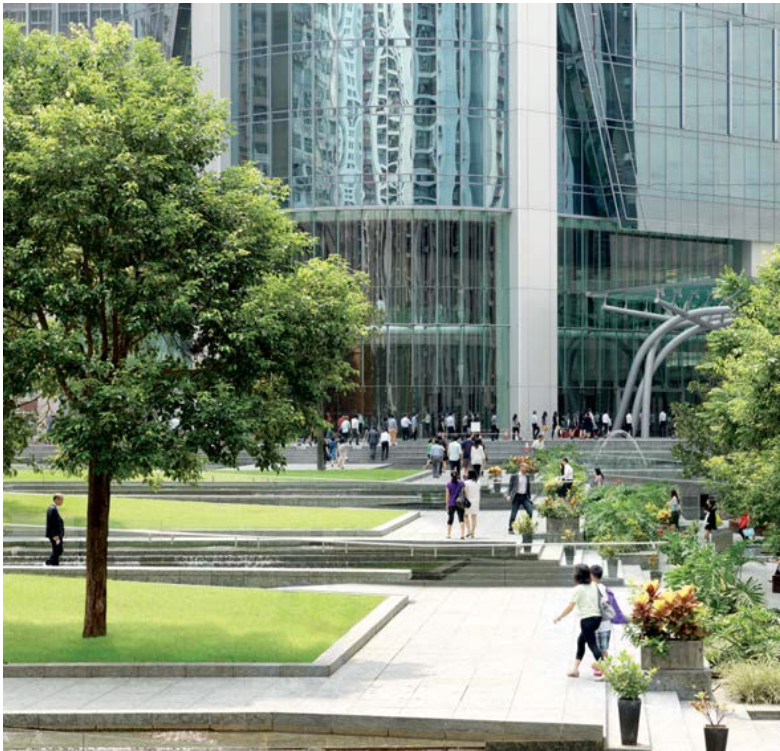


PERFORMANCE (ENVIRONMENT)



Environmental Policy | Energy Policy | Environmental & Energy Management Systems Progress | Profile of Environmental Impacts | Climate Change | Energy | Waste Water | Occupant Wellbeing | Building/Asset Investments

We take great care to develop high quality buildings and seek to continually improve the environmental performance of our buildings and operations. As part of our SD 2030 Strategy, we are strengthening our management approaches to environmental protection, and expanding the focus of our initiatives beyond the direct impacts of our business to address important environmental concerns for the communities in which we operate, such as climate change, waste management and water conservation.



Top Material Issues

- Green building construction/renovation
- Energy efficiency
- Climate change/ decarbonisation
- Waste management
- Renewable energy
- Indoor air quality (emerging issue)
- Water conservation (emerging issue)

Environmental Policy

Our **Environmental Policy** sets out the principles underpinning our approach to the use of resources, emissions and waste, and other impacts on the environment and natural resources arising from our operations.

As stated in the policy, we maintain environmental policies and standards that meet or exceed applicable legal requirements and integrate industry best practices into our operations and services. We also encourage our contractors, suppliers and customers to do the same.

Celebrating World Environment Day

On 5th June 2017, in honour of World Environment Day, we held lunch talks for our employees in Hong Kong and Mainland China. Led by experts from the WWF, the talks focused on World Environment Day 2017's theme, Connecting People to Nature. We also organised a photography competition, Eye on Nature, and invited employees to share their photographs of nature and wildlife.

GRI
301-3, 305-7
HKEX
Aspect A1-A3,
KPI A3.1

PERFORMANCE (ENVIRONMENT)



Environmental Policy | **Energy Policy** | Environmental & Energy Management Systems Progress | Profile of Environmental Impacts | Climate Change | Energy | Waste Water | Occupant Wellbeing | Building/Asset Investments

Energy Policy

GRI
302, 305
HKEX
Aspect A2, A3

Our **Energy Policy** outlines our approach to improving energy efficiency by integrating energy efficiency considerations into all relevant aspects of our operations. We recognise the economic and environmental value of improving energy efficiency over the lifecycle of our buildings by adopting appropriate technologies and influencing the behaviour of our tenants, employees and other people with whom we work.

Winner of Energy Management Initiative Award

In February 2017, the United Kingdom Chartered Institute of Building Services Engineers (“UK CIBSE”) awarded Swire Properties the Energy Management Initiative Award in its Building Performance Awards 2017 for our work in our Hong Kong portfolio, including our robust knowledge-based energy management system and other achievements in energy management.



This award recognises the energy reduction achievements of building owners and occupiers globally and is given to the organisation that demonstrates the most effective initiatives for managing energy use to achieve outstanding building performance in their building portfolio, including substantial reductions in energy consumption and carbon emissions, without compromising overall user satisfaction.

A lot of work has gone into the energy management initiative... there was a great openness, a wide dissemination of research and a serious collaborative approach.

UK CIBSE Award Panel

We use a systematic approach to monitor and measure energy use throughout our Hong Kong portfolio. Having invested more than HK\$6 million to install 800-plus additional electricity meters in our buildings, in excess of 20 million data points are collected each day through our data acquisition systems. Analysis of this data helps us to understand energy use throughout of our buildings, identify energy-saving opportunities and set appropriate energy reduction targets.

PERFORMANCE (ENVIRONMENT)



Environmental Policy | Energy Policy | **Environmental & Energy Management Systems**
 Progress | Profile of Environmental Impacts | Climate Change | Energy | Waste
 Water | Occupant Wellbeing | Building/Asset Investments

Environmental and Energy Management Systems

GRI
301-3, 305-7

HKEX
Aspect A1-A3, KPI A3.1

Environmental considerations are integrated into different areas of our business through environmental and energy management systems that conform to international standards such as ISO 14001 and ISO 50001. We believe these management systems create a robust framework for managing our environmental and energy performance.

In 2017, the environmental management system in our Hong Kong portfolio was certified by the Hong Kong Quality Assurance Agency (“HKQAA”) against the latest standard, ISO 14001:2015. This helps us ensure that our environmental management system can respond to the latest developments.

Certification of Environmental and Energy Management Systems in 2017

Properties with environmental management system achieving **ISO 14001:2015 certification**:
Hong Kong portfolio

Properties with environmental management system achieving **ISO 14001:2004 certification**:
TaiKoo Hui, Guangzhou and Taikoo Li Sanlitun, Beijing

Properties with energy management system achieving **ISO 50001:2011 certification**:
Hong Kong portfolio
TaiKoo Hui, Guangzhou and Taikoo Li Sanlitun, Beijing



PERFORMANCE (ENVIRONMENT)



Environmental Policy | Energy Policy | Environmental & Energy Management Systems
Progress | Profile of Environmental Impacts | Climate Change | Energy | Waste
 Water | Occupant Wellbeing | Building/Asset Investments

Progress

Our Performance (Environment) Working Group comprises 28 members from different functions within Swire Properties.

Following our energy-saving efforts, we are on track to achieve our targets for the reduction of carbon intensity and energy consumption by 2020. We have also made progress on our waste diversion and indoor air quality (“IAQ”) objectives.

Some highlights of this working group’s activities to date include the development and adoption of our new waste management policy, and the work of our waste management taskforces in Hong Kong and Mainland China.

Progress summary table

| Performance Categories | 2020 KPI | Progress Updates in 2017 |
|---|--|--|
| Climate Change |  | |
| Policy | <p>Establish a climate change policy</p> <p>Conduct climate risk assessments for all portfolios</p> | <ul style="list-style-type: none"> - We are developing a new Climate Change Policy, which we expect to adopt in 2018. - We have appointed a consultant to conduct climate risk assessments for our operations in Hong Kong, Mainland China and Miami, U.S.A. |
| Carbon Management & Accounting | <p>Establish a comprehensive carbon accounting framework for reporting and management purposes</p> <p>Complete pilot study to measure carbon emissions from construction activities and embodied carbon¹⁶ from major building and construction materials used in One Taikoo Place</p> | <ul style="list-style-type: none"> - In 2017, we reviewed our carbon accounting framework for Scope 1 and 2 emissions. No significant gaps were identified with reference to major internationally recognised methodologies. - We have also begun a pilot study to investigate Scope 3 emissions from our construction activities. |
| Decarbonisation | <p>Reduction of carbon intensity¹⁷ (tonnes of CO₂e/m²)</p> <p>Hong Kong portfolio: ↓ 27%</p> <p>Mainland China portfolio: ↓ 21%¹⁸</p> | <p>Reduction of carbon intensity (tonnes of CO₂e/m²)</p> <p>Hong Kong portfolio: ↓ 23%</p> <p>Mainland China portfolio: ↓ 21%</p> |

¹⁶ Embodied carbon is the carbon footprint of a material, which is the total carbon emissions generated from the activities related to the generation of a material, such as extraction, processing and transport.
¹⁷ Carbon intensity target references the business-as-usual (“BAU”) baseline level in 2008 for our Hong Kong portfolio, and the BAU baseline level in the first year for which a complete calendar year of data was available for projects in our Mainland China portfolio.
¹⁸ New 2020 KPI.

PERFORMANCE (ENVIRONMENT)



Environmental Policy | Energy Policy | Environmental & Energy Management Systems
Progress | Profile of Environmental Impacts | Climate Change | Energy | Waste Water | Occupant Wellbeing | Building/Asset Investments

Performance Categories

2020 KPI

Progress Updates in 2017

Energy



Energy Reduction

Reduction of energy consumption¹⁹

- Reduction of energy consumption

Hong Kong portfolio²⁰:
 ↓ 64 million kWh/year (↓ 26%)²¹

Hong Kong portfolio:
 ↓ 51 million kWh/year (↓ 22%)

Mainland China portfolio:
 ↓ 23 million kWh/year (↓ 20%)²²

Mainland China portfolio:
 ↓ 17 million kWh/year (↓ 20%)

Reduction of natural gas consumption²³

Reduction of natural gas consumption

Mainland China portfolio:
 ↓ 1.5 million m³/year (↓ 32%)

Mainland China portfolio:
 ↓ 1 million m³/year (↓ 34%)

- Extensive energy-saving measures are being implemented throughout our Hong Kong and Mainland China portfolios and hotels.

Renewable Energy

2 to 4% landlord's building energy consumption to be from renewable energy sources for sizeable new office developments²⁴

- At One Taikoo Place, we are implementing solar photovoltaic panels and a waste-to-energy tri-generation system that we estimate will supply renewable energy equivalent to approximately 5% of the total landlord's building energy consumption.

Intelligent Energy & Facility Management System

Implement pilot energy management automation projects in four properties (two in Hong Kong, two in Mainland China)

- We are in the process of installing a pilot energy management automation dashboard at Pacific Place to monitor energy use and other parameters in real time.

Adopt facility management electronic databases in all investment portfolios

- An energy management documentation system has been developed for trial. We are also implementing feasibility studies on facility management electronic databases.

¹⁹ Energy reduction refers to electricity reduction for the provision of shared services for and in the common parts of our buildings.

²⁰ The electricity consumption reduction target for our Hong Kong portfolio has been increased (i.e. made more stringent) on several occasions: from 40 million kWh in 2012 to 54 million kWh in 2013 and to 64 million kWh in 2015. Hong Kong portfolio refers to office and retail portfolio and hotels in Hong Kong.

²¹ Compared with 2008 BAU baseline.

²² Compared with the BAU amount in the first year for which a complete calendar year of data was available for each project.

²³ New 2020 KPI; the natural gas consumption reduction target references the BAU baseline level in the first year for which a complete calendar year of data was available for each project.

²⁴ New 2020 KPI.

PERFORMANCE (ENVIRONMENT)



Environmental Policy | Energy Policy | Environmental & Energy Management Systems
Progress | Profile of Environmental Impacts | Climate Change | Energy | Waste Water | Occupant Wellbeing | Building/Asset Investments

Performance Categories

2020 KPI

Progress Updates in 2017

Waste



Policy

Establish waste management policy

- Our new **Waste Management Policy** was adopted in 2017.

Waste Diversion

Waste diversion rates from landfills

- Waste diversion rates from landfills

Hong Kong portfolio (including hotels):
25% of commercial waste

Hong Kong portfolio (including hotels):
20% of commercial waste

Hong Kong (projects under development):
80% of demolition waste
60% of construction waste

Hong Kong (projects under development):
61% of construction waste

Mainland China (projects under development):
50% of total waste²⁵

Mainland China (projects under development):
Not available as the projects are not wholly owned by the Company, and have already started well before the 2020 KPI was established

Waste recycling rate

Waste recycling rate

Mainland China portfolio (including hotels):
25% of commercial waste²⁶

Mainland China portfolio (including hotels):
22% of commercial waste

The waste management taskforce has reviewed our performance and developed an action plan to help us achieve our 2020 targets.

Water



Policy

Establish water management policy

- We have engaged a consultant to conduct a water risk assessment for our operations in Hong Kong, Mainland China and Miami, U.S.A. With deeper understanding of our water risks, we intend to develop a corporate water management policy.

Risk Assessment

Complete water risk assessment

²⁵ New 2020 KPI; the waste diversion rate from landfill for Mainland China projects under development is calculated in accordance with LEED requirements. Flexibility will be allowed for projects not wholly owned by the Company, and for projects with major contractor(s) already on board.

²⁶ New 2020 KPI.

PERFORMANCE (ENVIRONMENT)



Environmental Policy | Energy Policy | Environmental & Energy Management Systems
Progress | Profile of Environmental Impacts | Climate Change | Energy | Waste Water | Occupant Wellbeing | Building/Asset Investments

Performance Categories

2020 KPI

Progress Updates in 2017

Water



Water Reduction

Reduction of water intensity²⁷

- Reduction of water intensity

Hong Kong portfolio:

↓ 20% (m³/m²)

Hong Kong portfolio:

↑ 4% (m³/m²)

Mainland China portfolio:

↓ 20% (m³/m²)

Mainland China portfolio:

↓ 7% (m³/m²)

Hotels:

↓ 20% (m³/guest night)

Hotels:

↓ 18% (m³/guest night)

- We have reviewed our water consumption patterns and are in the process of implementing additional water-saving and recycling initiatives in our Hong Kong and Mainland China portfolios and hotels. We anticipate that these initiatives will help to reduce the water intensity of our operations.

Biodiversity



Policy

Establish biodiversity policy

- We are developing a biodiversity policy to align with the Swire Pacific Biodiversity Policy.

Integration

Establish guidelines to integrate biodiversity considerations into new developments

Occupant Wellbeing



Indoor Air Quality ("IAQ")

Achieve IAQ excellent class and Mainland China IAQ standard for common areas in 80% of Hong Kong and Mainland China portfolios respectively

- Contractors have been engaged to conduct IAQ and PM2.5 monitoring for our portfolios in Hong Kong and in Mainland China.

Conduct research into reducing indoor PM2.5 (fine particulate matter) concentration

Conduct occupant wellbeing surveys for office, retail and hotel properties

Building/Asset Investments



Environmental Building Assessment Schemes²⁸

Target the highest environmental building assessment scheme rating for all projects currently under development

- In 2017, three buildings earned the BEAM Plus Platinum Ratings and two buildings earned LEED Platinum and Gold ratings, respectively.

²⁷ New 2020 KPI; the water intensity reduction targets reference the baseline level of water consumption in 2016.

²⁸ BEAM Plus/LEED/China Green Building Design Label/WELL Certification.

PERFORMANCE (ENVIRONMENT)

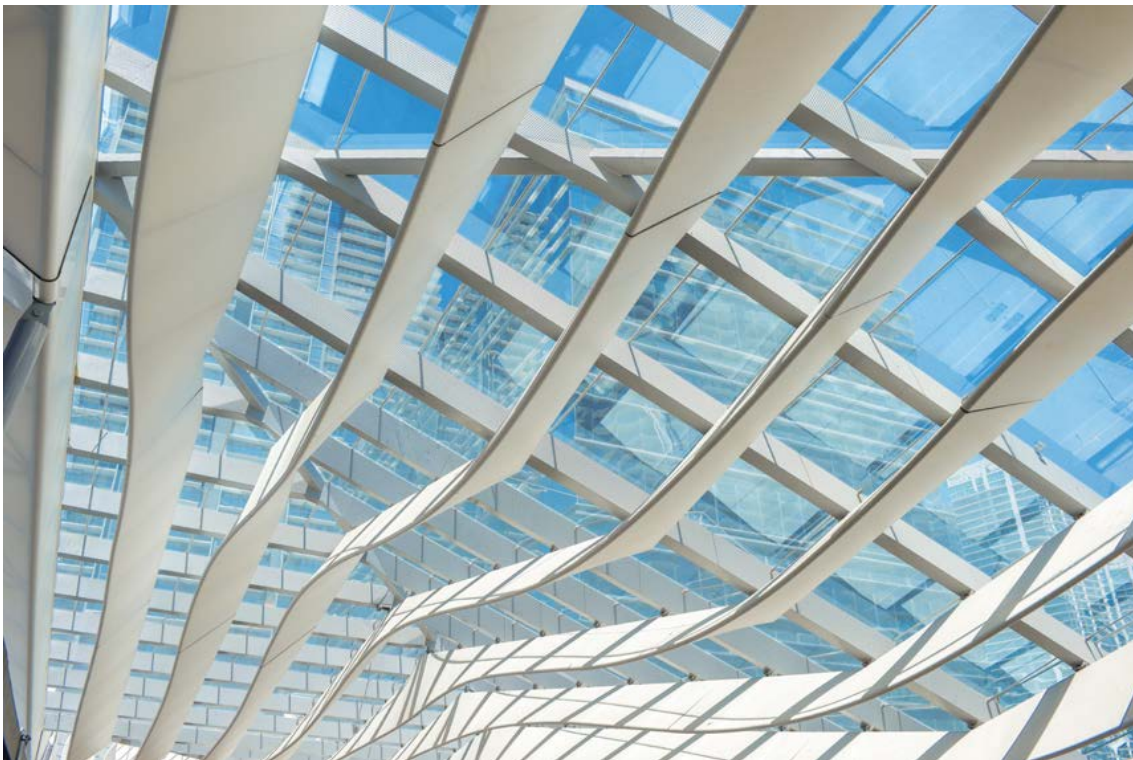


Environmental Policy | Energy Policy | Environmental & Energy Management Systems Progress | **Profile of Environmental Impacts** | Climate Change | Energy | Waste Water | Occupant Wellbeing | Building/Asset Investments

Profile of Environmental Impacts

HKEX
KPI A3.1

Compared with the Swire Properties SD Report 2016, the scope of environmental data in this report has been expanded to include Taikoo Place Apartments in our Hong Kong portfolio and Swire Restaurants, which are part of our hotel operations. Since Cornwall House, Taikoo Place was demolished in 2017, data from this property is no longer within the scope.



Carbon Emissions

GRI
305

We strive to mitigate the environmental impacts of our buildings and services. The Company's largest source of carbon emissions is Scope 2 emissions arising from purchased electricity in our Hong Kong portfolio. In 2017, this category of emission declined by 7.7% compared to 2016.

HKEX
KPI A1.2



Total Carbon Emissions in 2017

HONG KONG PORTFOLIO
2017: **130,527** tonnes

MAINLAND CHINA PORTFOLIO
2017: **57,675** tonnes

HOTELS
2017: **29,640** tonnes

PERFORMANCE (ENVIRONMENT)



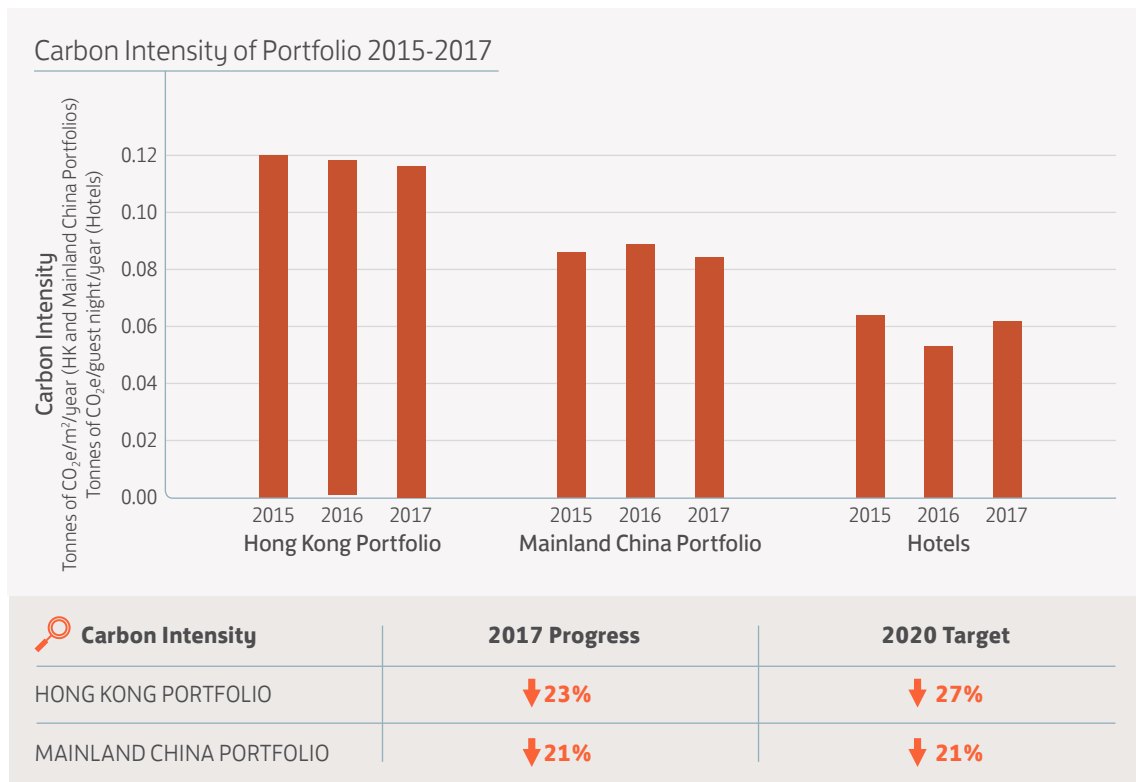
Environmental Policy | Energy Policy | Environmental & Energy Management Systems Progress | [Profile of Environmental Impacts](#) | Climate Change | Energy | Waste Water | Occupant Wellbeing | Building/Asset Investments

Carbon Emissions



Remarks:

- Scope 1 emissions are direct greenhouse gas (“GHG”) emissions from sources that are owned or controlled by Swire Properties, such as emissions from natural gas, diesel and town gas burned onsite.
- Scope 2 emissions are indirect GHG emissions from the generation of purchased or acquired electricity, steam, heating, or cooling consumed by Swire Properties.
- Hong Kong Portfolio refers to office and retail portfolio in Hong Kong, excluding hotels; Mainland China Portfolio refers to office and retail portfolio in Mainland China, excluding hotels.



Remarks:

- Carbon intensity target references the BAU baseline level in 2008 for our Hong Kong portfolio, and the BAU baseline level in the first year for which a complete calendar year of data was available for projects in our Mainland China portfolio.

PERFORMANCE (ENVIRONMENT)



Environmental Policy | Energy Policy | Environmental & Energy Management Systems Progress | [Profile of Environmental Impacts](#) | Climate Change | Energy | Waste Water | Occupant Wellbeing | Building/Asset Investments

Energy Consumption

GRI 302

HKEX KPI A2.1

In line with the reduction of energy consumption²⁹ in our Hong Kong portfolio between 2001 and 2017, energy use intensity decreased over the same period by 29.5% from 218 kWh per square metre (“kWh/m²”) per year to 153 kWh/m² per year. By 31st December 2017, we had reduced annual energy consumption in our Hong Kong portfolio by 51 million kWh compared with the amount in 2008, which puts us on track to meet our target by 2020.

| Energy Consumption | 2017 Progress | 2020 Target |
|---------------------|----------------------------------|----------------------------------|
| HONG KONG PORTFOLIO | ↓ 51 million kWh/year (↓ 22%) | ↓ 64 million kWh/year (↓ 26%) |

We are also on track to meet our 2020 energy reduction target in Mainland China. Between 2010 and 2017, energy intensity in our Mainland China portfolio decreased by nearly 35% from 156 kWh/m² per year to 102 kWh/m² per year. By 31st December 2017, we had reduced our annual energy consumption in our Mainland China portfolio by 17 million kWh compared with the business-as-usual (“BAU”) amount³⁰.

| Energy Consumption | 2017 Progress | 2020 Target |
|--------------------------|----------------------------------|----------------------------------|
| MAINLAND CHINA PORTFOLIO | ↓ 17 million kWh/year (↓ 20%) | ↓ 23 million kWh/year (↓ 20%) |



²⁹ Energy consumption refers to electricity consumption for the provision of shared services for and in the common parts of our buildings.

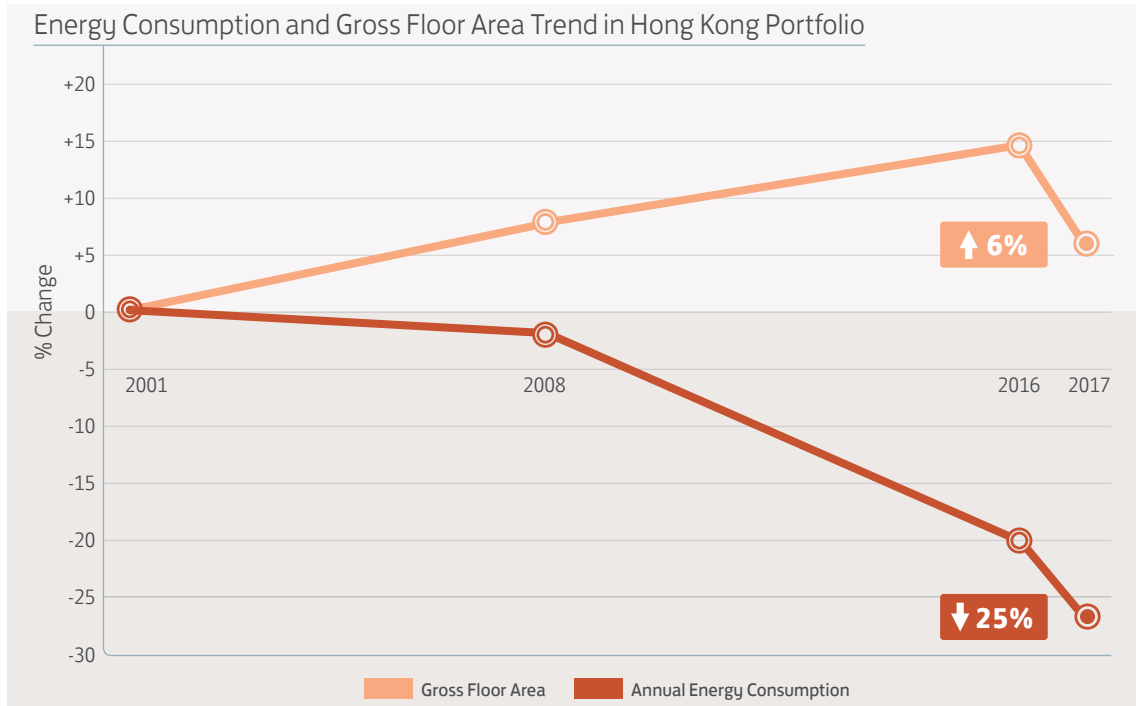
³⁰ Refers to the amount in the first complete calendar year in which energy consumption data are collected from each project.

PERFORMANCE (ENVIRONMENT)



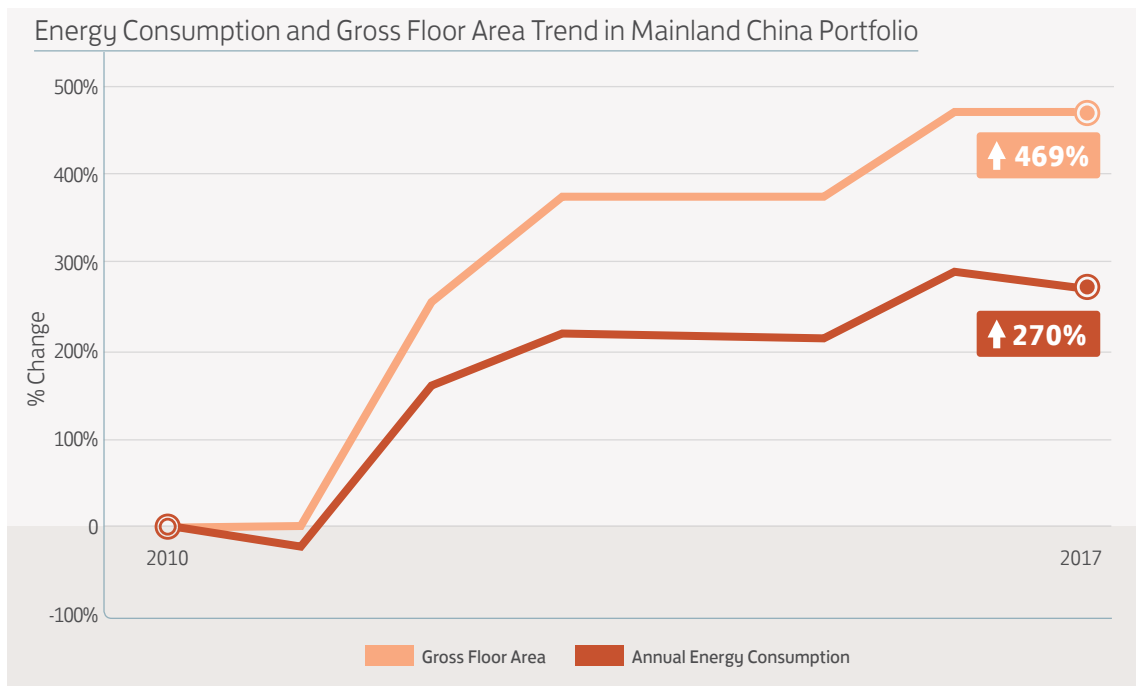
Environmental Policy | Energy Policy | Environmental & Energy Management Systems Progress | [Profile of Environmental Impacts](#) | Climate Change | Energy | Waste Water | Occupant Wellbeing | Building/Asset Investments

Energy Consumption



Remarks:

- Hong Kong Portfolio refers to office and retail portfolio and hotels in Hong Kong. Gross floor area decreased in 2017 due to removal of Cornwall House, Taikoo Place from the scope.



Remarks:

- Mainland China Portfolio refers to office and retail portfolio in Mainland China, excluding hotels.

PERFORMANCE (ENVIRONMENT)



Environmental Policy | Energy Policy | Environmental & Energy Management Systems Progress | [Profile of Environmental Impacts](#) | Climate Change | Energy | Waste Water | Occupant Wellbeing | Building/Asset Investments

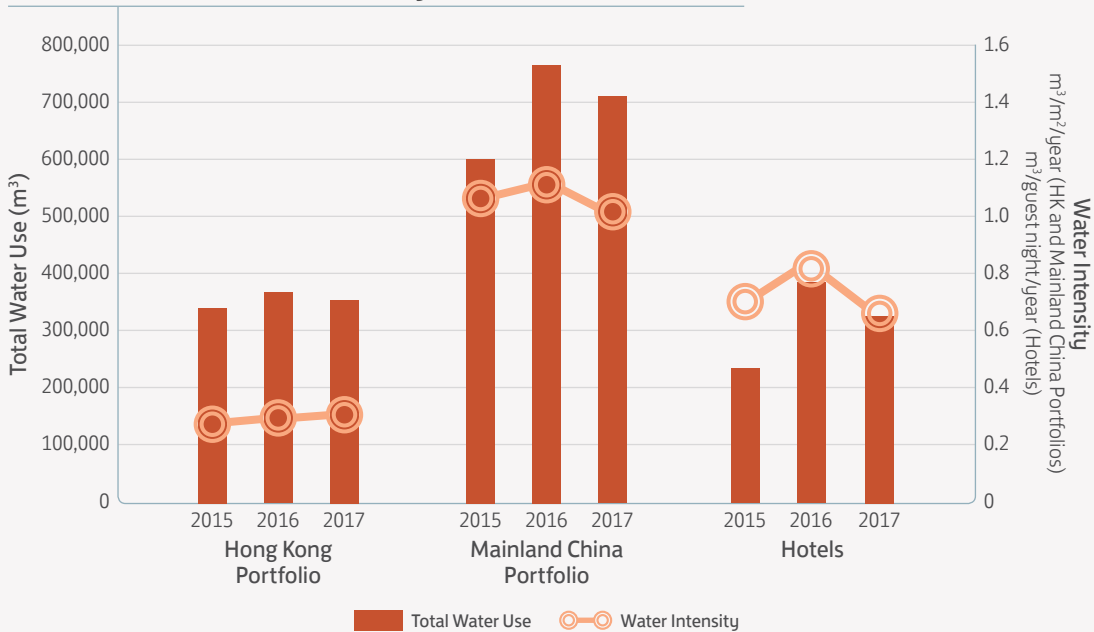
Water Use

GRI 303

HKEX KPI A2.2

Total water use and water intensity in our Mainland China portfolio and hotel operations declined in 2017 compared to 2016. The water intensity in our Hong Kong portfolio increased in 2017 and we attribute this in part as a result of the use of fresh water to replenish flush water due to leakage of an underground flush water pipe. We are implementing **water-saving measures** across our business with a view to meeting our water use reduction targets by 2020.

Total Water Use and Water Intensity of Portfolio 2015-2017



| Water Intensity | 2017 Progress | 2020 Target |
|--------------------------|---------------|-------------|
| HONG KONG PORTFOLIO | ↑ 4% | ↓ 20% |
| MAINLAND CHINA PORTFOLIO | ↓ 7% | ↓ 20% |
| HOTELS | ↓ 18% | ↓ 20% |

Remarks:

- Hong Kong Portfolio refers to office and retail portfolio in Hong Kong, excluding hotels; Mainland China Portfolio refers to office and retail portfolio in Mainland China, excluding hotels.
- Water intensity reduction targets reference the baseline level of water consumption in 2016.

PERFORMANCE (ENVIRONMENT)



Environmental Policy | Energy Policy | Environmental & Energy Management Systems Progress | Profile of Environmental Impacts | **Climate Change** | Energy | Waste Water | Occupant Wellbeing | Building/Asset Investments

Climate Change

GRI
305

HKEX
Aspect A1-A3
KPI A1.5, A3.1

We recognise that climate change poses risks to our business. To address these risks and document our approaches to climate change mitigation, adaptation and resilience, we are developing a new climate change policy, which we intend to adopt in 2018.

As the majority of our carbon emissions arise from Scope 2, purchased electricity, our approach to climate change mitigation is closely aligned with our approach to energy. In addition to improving the energy efficiency of our buildings, we strive to source renewable energy, where feasible.

SDG 13
Climate Action

We are responding to Climate Change with initiatives on mitigation, adaption and resilience that align with **SDG13**: take urgent action to combat climate change and its impacts.

Carbon Management and Accounting

We recognise that carbon emissions arising from construction activities and the consumption of construction materials contribute to climate change. As a property developer, we believe it is important and potentially cost-effective to manage these sources of carbon emissions, in addition to continuing to target emissions-reduction opportunities in our building operations.

We are working with a research team in the Department of Civil and Environmental Engineering, Hong Kong University of Science and Technology on a pilot study to measure carbon emissions from construction of One Taikoo Place, including embodied carbon in key construction materials. Embodied carbon is the carbon footprint of a material, including carbon emissions arising from its extraction, processing and transport. The study aims to develop a carbon accounting methodology that will help us to manage carbon emissions associated with the construction of all future projects.

Climate Risk Assessment

We have commissioned a study to help us identify the key risks posed by climate change to our business operations, as well as business opportunities arising from new climatic conditions.

We expect that the assessment will include an analysis of climate risk scenarios associated with various climate projections, and make reference to local and international scientific data to evaluate the exposure of our operations. We plan to use the findings of the assessment to develop a targeted action plan for mitigating risks and building climate resilience across our portfolios.

PERFORMANCE (ENVIRONMENT)



Environmental Policy | Energy Policy | Environmental & Energy Management Systems Progress | Profile of Environmental Impacts | **Climate Change** | Energy | Waste Water | Occupant Wellbeing | Building/Asset Investments

Brickell City Centre Withstands Hurricane Irma

On 10th September 2017, Hurricane Irma hit the Miami area of the Florida coast where our new Brickell City Centre development is located. The storm tested the strength of our emergency response systems and our Hurricane Plan, which outlines specific processes and procedures for storm events, including protective measures and an employee deployment plan.



September

Saturday, 2nd:

Operations Management Team begins tracking storm.

Tuesday, 5th:

Hurricane Plan Phase I implemented.

Wednesday, 6th:

Phase II - Storm supplies procured, and employee rotation initiated to allow time for personal storm preparations.

Saturday, 9th:

Tropical storm force winds arrive. EAST, Miami initiates lock-down of premises. Mechanical plants serving offices and condominiums shut down.

Friday, 8th:

Phase IV - A small team of volunteer employees deploys an additional 500 sand bags, 400 of which are filled by hand, throughout the site to reinforce the flood barrier.

Thursday, 7th:

Phase III - Installation of flood barrier system, operations team conducts walk-through of site to assess preparedness, and all remaining employees are released.

Sunday, 10th:

Winds subside. Site assessment begins.

Monday, 11th:

All operations managers and 50% of employees conduct site assessment. Mechanical plants come on-line. Work begins to remove the flood barrier.

Tuesday, 12th:

100% employees return on-site. Offices re-open at 8am. Retail food and beverage tenants re-open at 6pm.

Wednesday, 13th:

Back to business-as-usual.

As a testament to the effectiveness of our protective measures, Brickell City Centre sustained minimal damage from the storm. We plan to use this experience to further refine and strengthen our emergency response systems and Hurricane Plan, and to supplement our climate risk assessment.

PERFORMANCE (ENVIRONMENT)



Environmental Policy | Energy Policy | Environmental & Energy Management Systems
Progress | Profile of Environmental Impacts | Climate Change | Energy | Waste
Water | Occupant Wellbeing | Building/Asset Investments

Energy

GRI 302

Selected Energy-saving Strategies

HKEX KPI A1.5, A2.3, A3.1

We strive to continually reduce the consumption of energy in our Hong Kong and Mainland China portfolios and hotel operations. In 2017, we continued to explore a variety of technologies and strategies to achieve this objective.

Energy audits and monitoring-based commissioning to optimise building system operation

Examples >

Upgrading of heating, ventilating, and air conditioning (“HVAC”) air handling units; replacing conventional fans with electrically-commutated (“EC”) motor plug fans to increase efficiency and reliability

Examples >

Installation of high-efficiency oil-free magnetic bearing chillers that use less energy and eliminate handling and disposal of lubricating oil and oil filters

Examples >

Installation of high-efficiency chillers, containing non-ozone-depleting refrigerants

Examples >

Installation of variable speed drive condensing water pump

Examples >

Installation of biodiesel tri-generation and adsorption chiller to supply combined heating, cooling and power generation

Examples >

Installation of solar photovoltaic panels

Examples >

Installation of pilot energy management automation dashboard to monitor indoor air quality, energy and water use in real time

Examples >

Replacement of lighting with energy-efficient light-emitting diodes (“LED”) to improve efficiency and reduce cooling loads

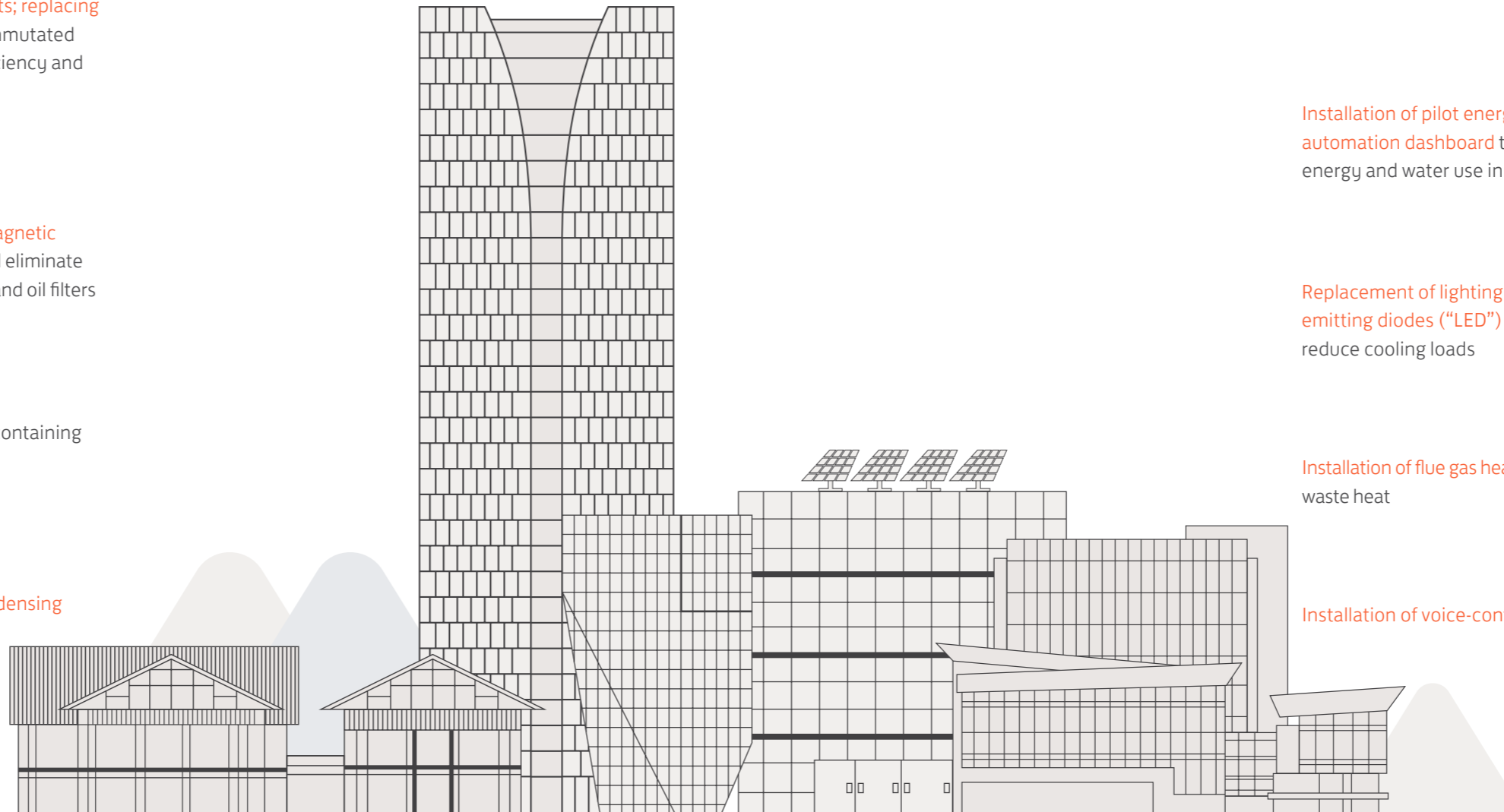
Examples >

Installation of flue gas heat recovery system to recover waste heat

Examples >

Installation of voice-controlled lighting in stairways

Examples >



PERFORMANCE (ENVIRONMENT)



Environmental Policy | Energy Policy | Environmental & Energy Management Systems
Progress | Profile of Environmental Impacts | Climate Change | Energy | Waste
Water | Occupant Wellbeing | Building/Asset Investments

Energy

GRI 302 Selected Energy-saving Strategies

HKEX KPI A1.5, A2.3, A3.1
We strive to continually reduce the consumption of energy in our Hong Kong and Mainland China portfolios and hotel operations. In 2017, we continued to explore a variety of technologies and strategies to achieve this objective.

Energy audits and monitoring-based commissioning to optimise building system operation

Examples >

Upgrading of heating, ventilating, and air conditioning ("HVAC") air handling units; replacing conventional fans with electrically-commutated ("EC") motor plug fans to increase efficiency and reliability

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Examples >

Installation of high-efficiency chillers, containing non-ozone-depleting refrigerants

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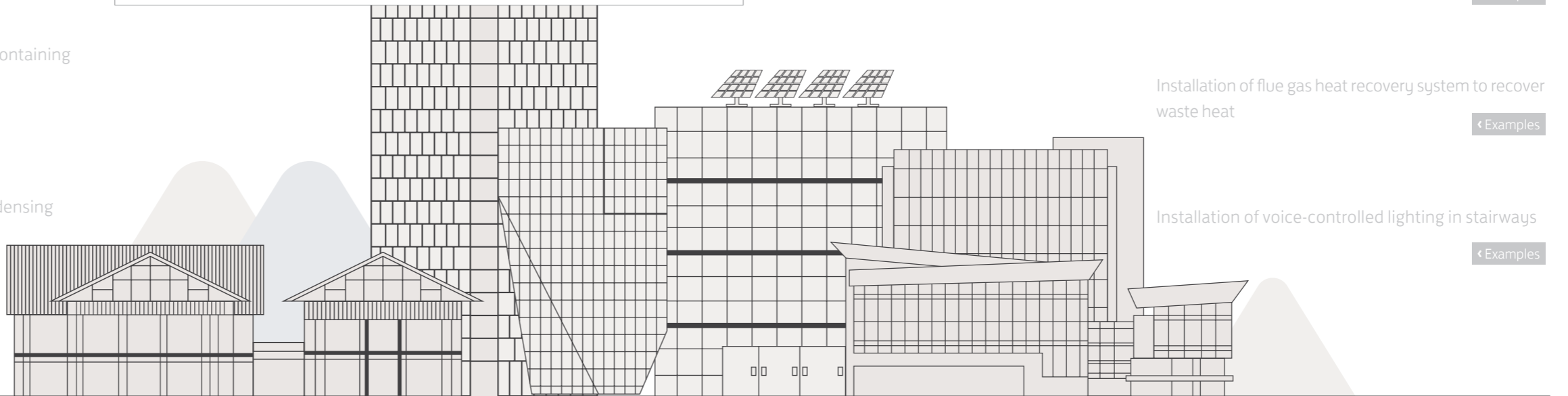
Examples >

Taikoo Place, Hong Kong



Interim results show estimated annual energy savings of **8%** compared with 2016.

Pacific Place, Hong Kong



Installation of biodiesel tri-generation and adsorption chiller to supply combined heating, cooling and power generation

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PERFORMANCE (ENVIRONMENT)



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Examples >

Installation of variable speed drive condensing water pump

Examples >

Taikoo Place, Hong Kong



22 fans replaced (estimated annual energy savings of **30%** over conventional fan)

Pacific Place, Hong Kong



We plan to retrofit the majority of air handling units with EC motor plug fans in Taikoo Place and Pacific Place in phases.

Installation of biodiesel tri-generation and adsorption chiller to supply combined heating, cooling and power generation

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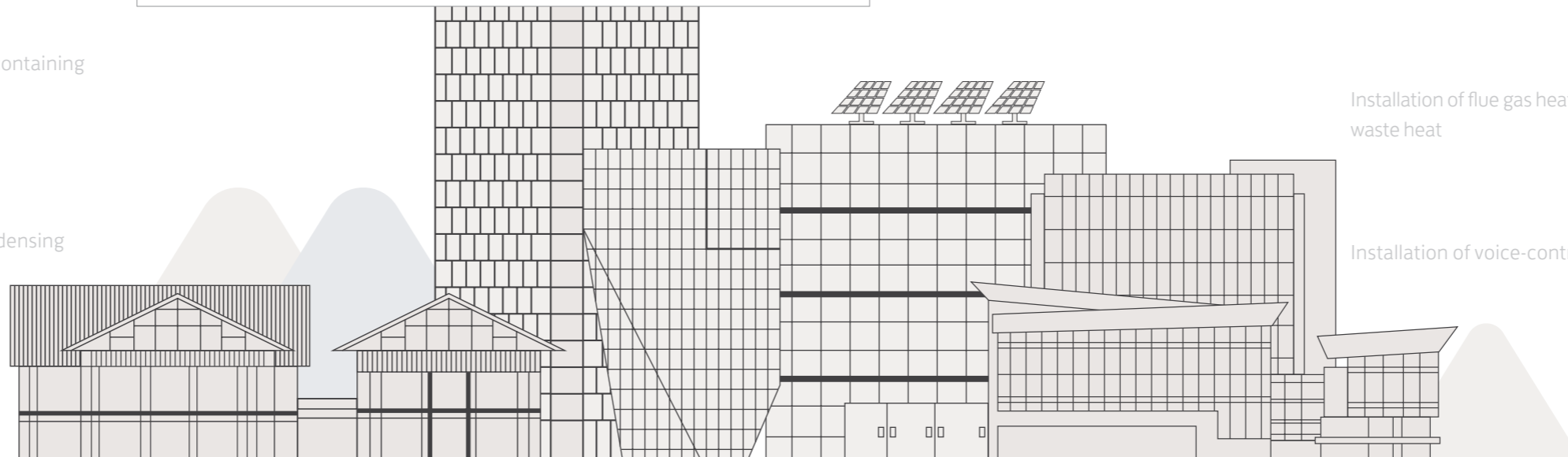
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Installation of voice-controlled lighting in stairways

Examples >



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Energy

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Installation of voice-controlled lighting in stairways

Examples >

TaiKoo Hui, Guangzhou



In progress with completion expected in 2018 (estimated annual energy savings of **600,000 kWh**)

PERFORMANCE (ENVIRONMENT)



Environmental Policy | Energy Policy | Environmental & Energy Management Systems
Progress | Profile of Environmental Impacts | Climate Change | Energy | Waste
Water | Occupant Wellbeing | Building/Asset Investments

Energy

GRI 302

Selected Energy-saving Strategies

HKEX KPI A1.5, A2.3, A3.1

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Examples >

Installation of variable speed drive condensing water pump

Examples >

Citygate, Hong Kong



Replacement of three chillers expected in 2018 (estimated annual energy savings of **18%**)

Installation of biodiesel tri-generation and adsorption chiller to supply combined heating, cooling and power generation

Examples >

Installation of solar photovoltaic panels

Examples >

Installation of pilot energy management automation dashboard to monitor indoor air quality, energy and water use in real time

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PERFORMANCE (ENVIRONMENT)



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Energy

GRI 302

Selected Energy-saving Strategies

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Examples >

Installation of variable speed drive condensing water pump

Examples >

Sino-Ocean Taikoo Li Chengdu



Estimated annual energy savings of **274,000 kWh**

Installation of biodiesel tri-generation and adsorption chiller to supply combined heating, cooling and power generation

Examples >

Installation of solar photovoltaic panels

Examples >

Installation of pilot energy management automation dashboard to monitor indoor air quality, energy and water use in real time

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PERFORMANCE (ENVIRONMENT)



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Installation of variable speed drive condensing water pump

Examples >

Taikoo Place, Hong Kong



In progress with completion expected in 2018 for One Taikoo Place (estimated to contribute renewable energy equivalent to **4%** of the total landlord's building energy consumption)

Installation of biodiesel tri-generation and adsorption chiller to supply combined heating, cooling and power generation

Examples >

Installation of solar photovoltaic panels

Examples >

Installation of pilot energy management automation dashboard to monitor indoor air quality, energy and water use in real time

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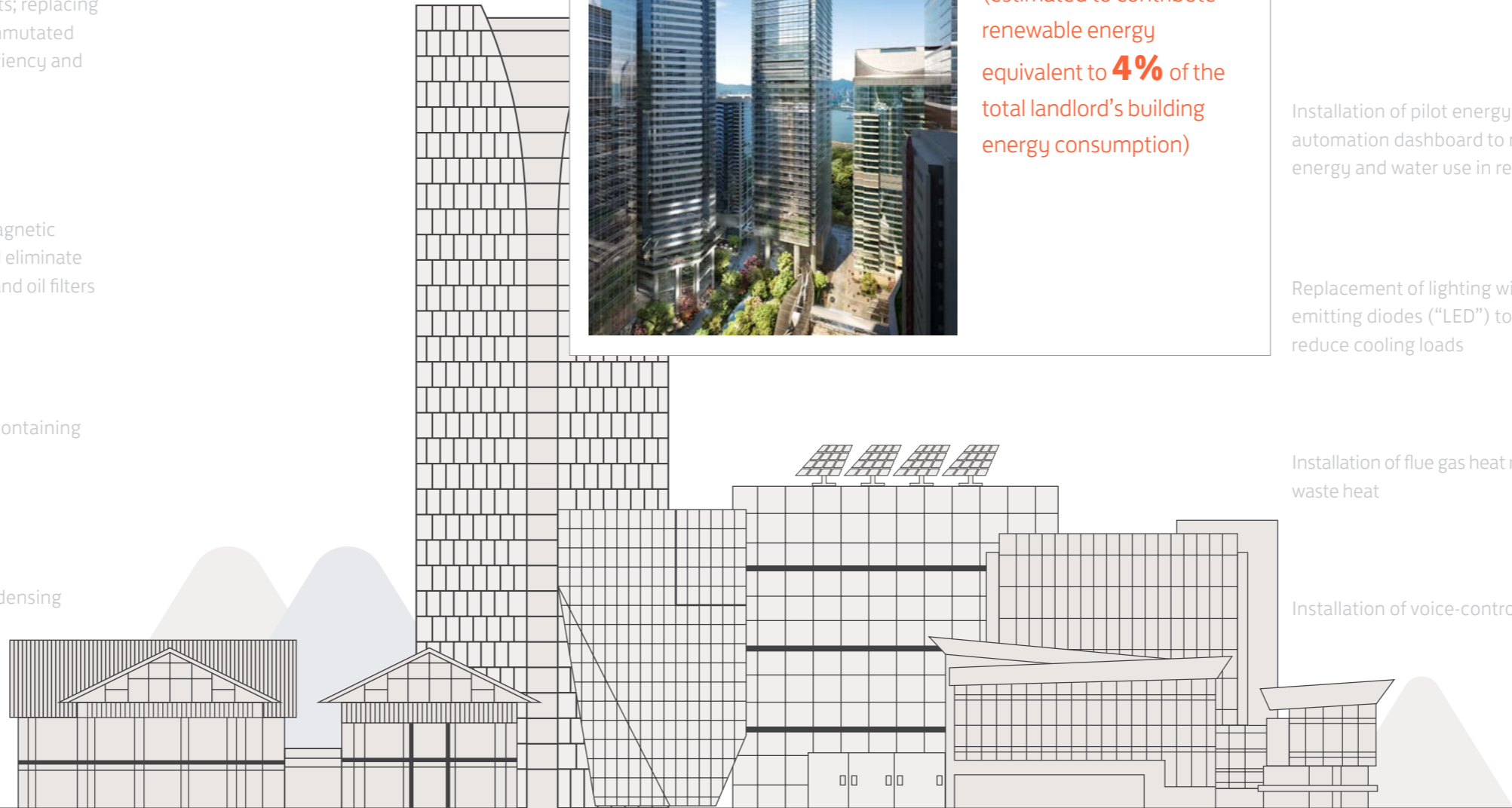
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PERFORMANCE (ENVIRONMENT)



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Energy

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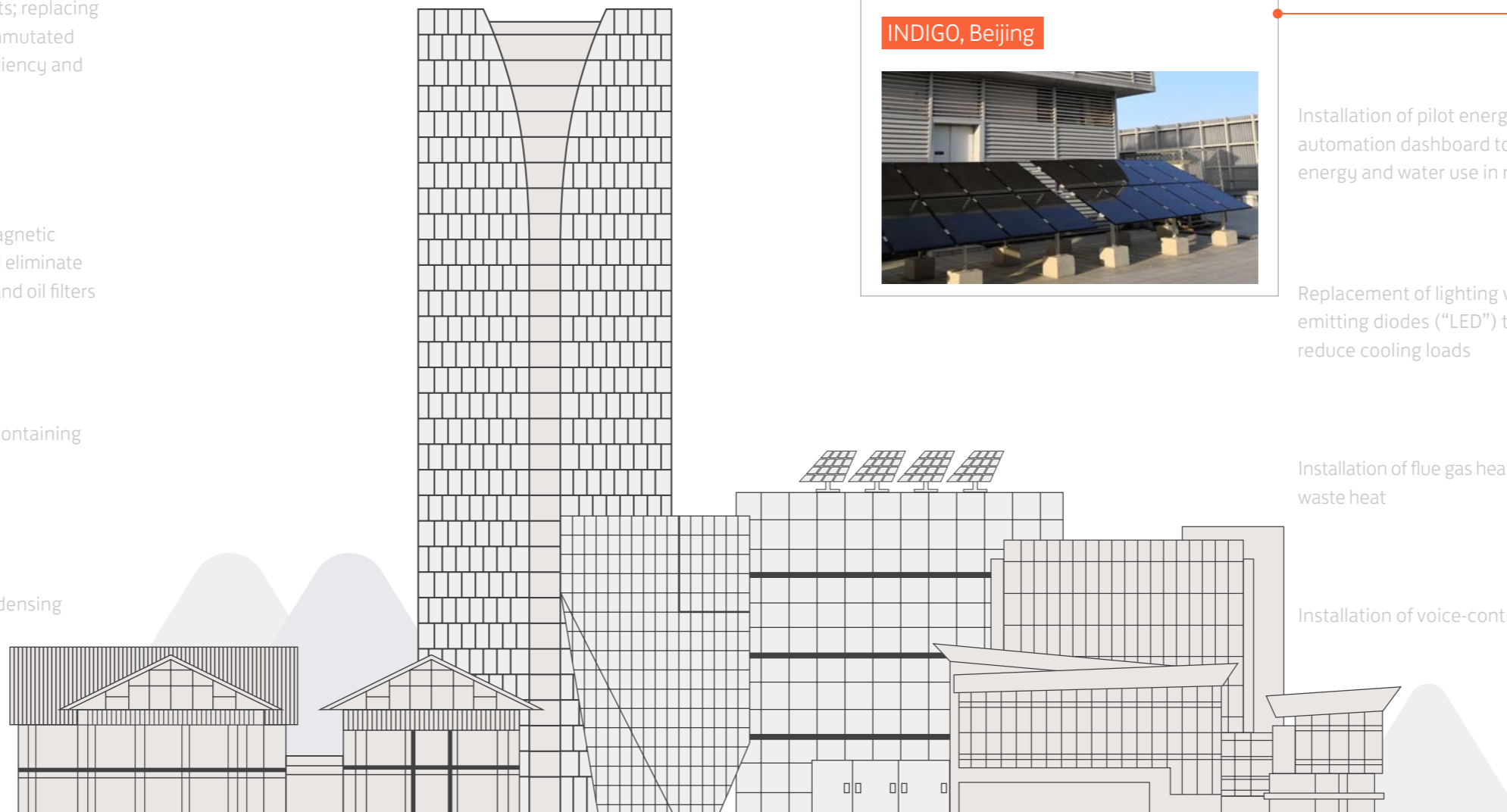
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Installation of high-efficiency chillers, containing non-ozone-depleting refrigerants

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TaiKoo Hui, Guangzhou



Installation of biodiesel tri-generation and adsorption chiller to supply combined heating, cooling and power generation

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INDIGO, Beijing



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PERFORMANCE (ENVIRONMENT)



Environmental Policy | Energy Policy | Environmental & Energy Management Systems
Progress | Profile of Environmental Impacts | Climate Change | **Energy** | Waste
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Energy

GRI 302

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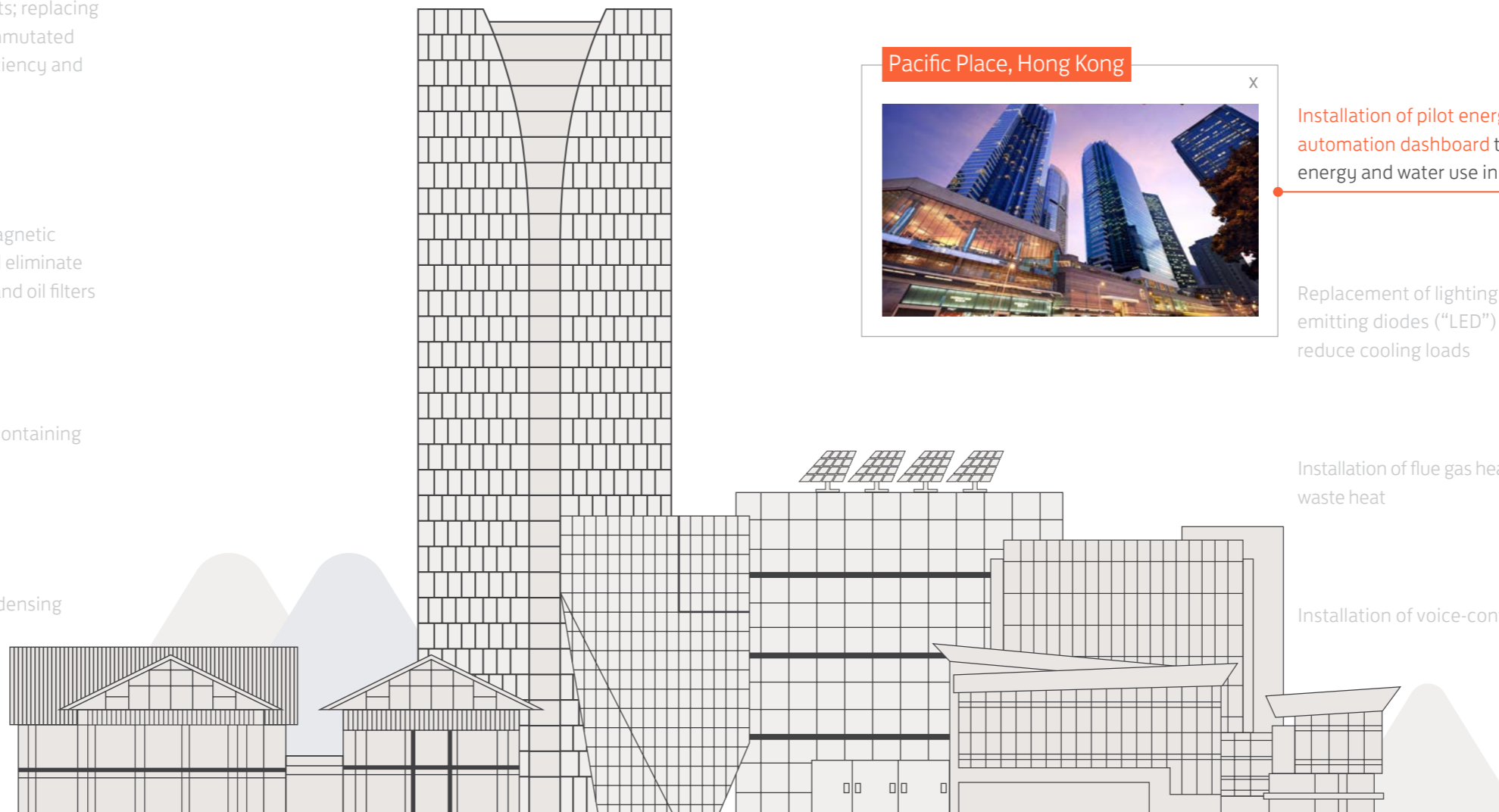
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PERFORMANCE (ENVIRONMENT)



Environmental Policy | Energy Policy | Environmental & Energy Management Systems Progress | Profile of Environmental Impacts | Climate Change | **Energy** | Waste Water | Occupant Wellbeing | Building/Asset Investments

Energy

GRI 302 — *Selected Energy-saving Strategies*

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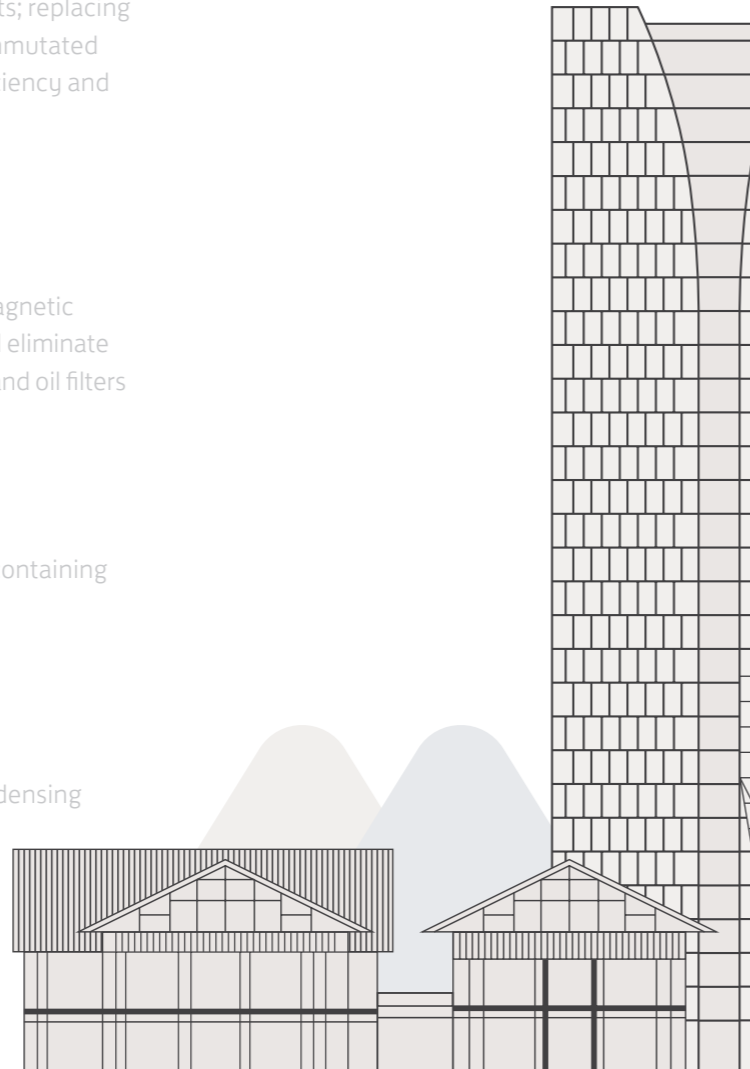
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Examples >



Pacific Place Mall, Hong Kong



Estimated annual energy savings of **97,000 kWh**

The Upper House, Hong Kong



Estimated annual energy savings of about **10,000 kWh**

EAST, Miami, U.S.A.



Estimated annual energy savings of **30,000 kWh**

Installation of biodiesel tri-generation and adsorption chiller to supply combined heating, cooling and power generation

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PERFORMANCE (ENVIRONMENT)



Environmental Policy | Energy Policy | Environmental & Energy Management Systems
Progress | Profile of Environmental Impacts | Climate Change | Energy | Waste
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Energy

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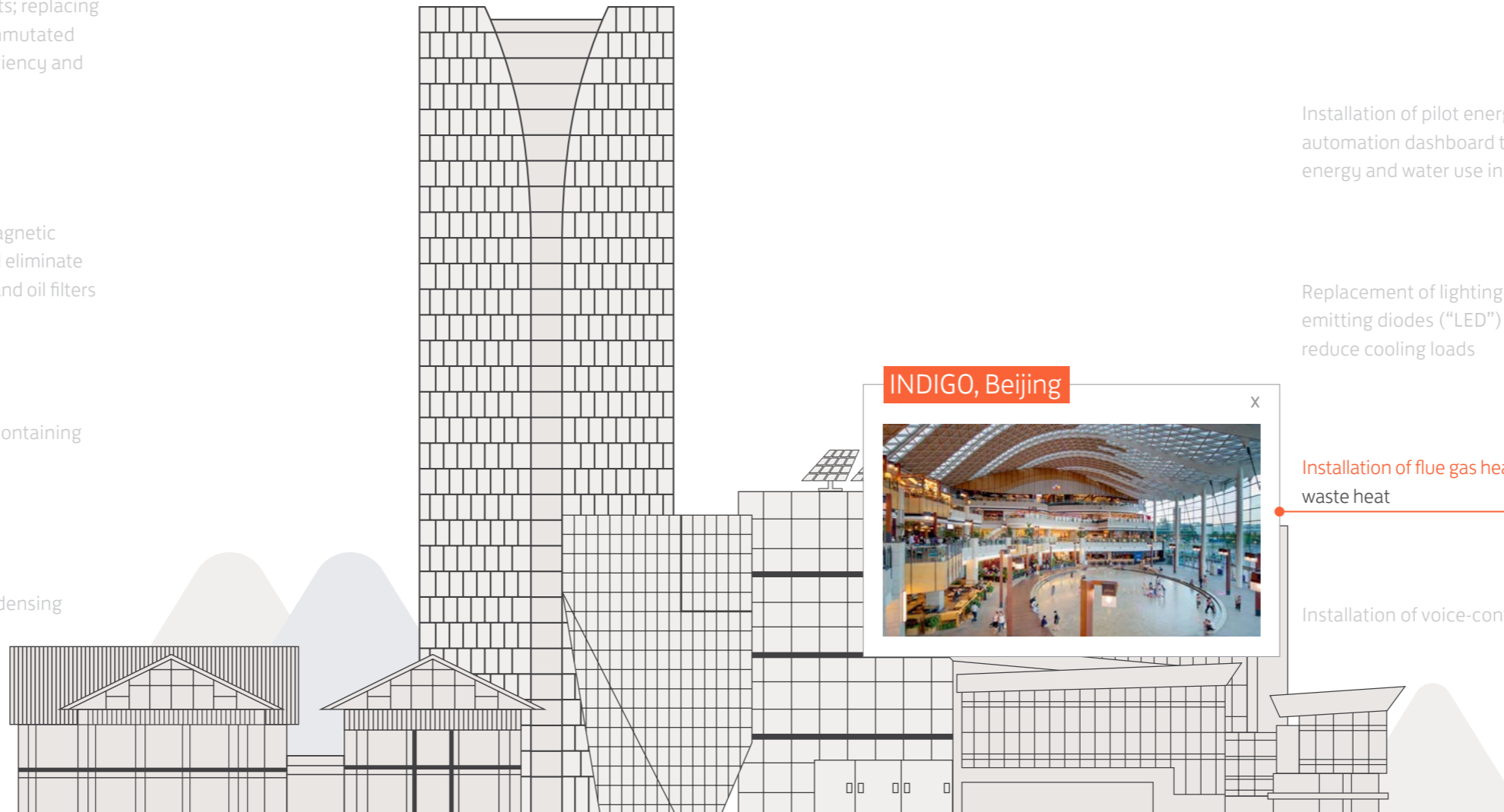
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INDIGO, Beijing

PERFORMANCE (ENVIRONMENT)



Environmental Policy | Energy Policy | Environmental & Energy Management Systems
Progress | Profile of Environmental Impacts | Climate Change | **Energy** | Waste
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Energy

GRI 302

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PERFORMANCE (ENVIRONMENT)



Environmental Policy | Energy Policy | Environmental & Energy Management Systems Progress | Profile of Environmental Impacts | Climate Change | **Energy** | Waste Water | Occupant Wellbeing | Building/Asset Investments

Partnership with Tsinghua University

Since 2011, we have worked with Tsinghua University on the Joint Research Centre for Building Energy Efficiency and Sustainability to develop and test new methods to increase energy efficiency and improve environmental performance in our projects. This collaboration continues to generate substantial energy savings and allows us to communicate and share new ideas and practices with our employees, business partners, industry peers and researchers.



Sino-Ocean Taikoo Li Chengdu

14 HVAC enhancement initiatives, currently being implemented in stages

Estimated annual energy savings of **900,000kWh**

In Sino-Ocean Taikoo Li Chengdu, we worked with Tsinghua University to address high energy-consumption patterns caused by retail businesses operating with open doors. Based on energy analysis and tenant surveys, we were able to identify areas for improvement and suggest design measures that could help landlords and tenants to reduce energy consumption.

Monitoring-based Commissioning of HVAC Systems

In order to better understand our energy consumption patterns and enhance the system efficiency of our buildings, we have commenced a three-year monitoring-based commissioning programme for the HVAC systems in Pacific Place and Taikoo Place in Hong Kong. We believe this will allow us to apply analytical methodologies for fault detection and diagnosis, measurement and verification, system performance evaluation and optimisation through an on-line automated tool. The system is expected to automatically ensure that a high-efficiency operation is maintained. Interim results show estimated annual energy savings of 8% compared with 2016.

PERFORMANCE (ENVIRONMENT)



Environmental Policy | Energy Policy | Environmental & Energy Management Systems Progress | Profile of Environmental Impacts | Climate Change | **Energy** | Waste Water | Occupant Wellbeing | Building/Asset Investments

Supporting Government Energy-saving Initiatives

We continue to support the Hong Kong SAR Government’s Energy Saving Charter and, in 2017, we also endorsed its new “4Ts” – Target, Timeline, Transparency and Together – Charter. To further expand the adoption of energy-saving measures in the commercial building sector, the 4Ts scheme encourages participating companies to set time-bound energy reduction targets, and to increase transparency by sharing information about existing and planned energy savings measures.



In 2017, Devon House and Cambridge House in Taikoo Place won the Hanson Excellent Award in the Office Building category of the Energy Saving Championship Scheme organised by the Hong Kong SAR Government’s Environment Bureau and Electrical and Mechanical Services Department. The scheme recognises organisations that are taking the lead in the adoption of energy efficient technologies and equipment, retro-commissioning, development of best practices in energy management and the promotion of energy saving among tenants and occupants.

17 properties in our Hong Kong portfolio have joined the Government’s Energy Saving Charter schemes.

Charter on External Lighting

Swire Properties has been a signatory to the Hong Kong SAR Government Environment Bureau’s “Charter on External Lighting” since 2016, which aims to promote energy savings and minimise light pollution. In 2017, we received the Platinum Award for switching off external lighting from 11pm to 7am.

Renewable Energy

As part of our SD 2030 Strategy, we aim to achieve 2-4% of landlord’s building energy consumption from renewable sources for sizeable new office developments. At One Taikoo Place (expected to be completed in 2018), we are implementing solar photovoltaic panels and a waste-to-energy tri-generation system that we estimate will supply renewable energy equivalent to approximately 5% of the total landlord’s building energy consumption.

We are also looking at ways to increase renewable energy generation for use in our existing portfolios. We have installed solar photovoltaic panels on the roofs of INDIGO, Beijing and TaiKoo Hui, Guangzhou and are studying the comparative efficiency of solar technology in the different climates of these two cities.



PERFORMANCE (ENVIRONMENT)



Environmental Policy | Energy Policy | Environmental & Energy Management Systems Progress | Profile of Environmental Impacts | Climate Change | Energy | **Waste** | Water | Occupant Wellbeing | Building/Asset Investments

Waste

GRI
301, 306, 307

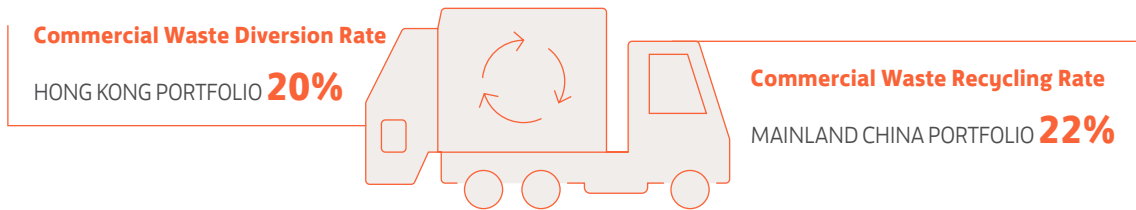
HKEX
Aspect A1-A3
KPI A1.6, A3.1

In 2017, we adopted a new **Waste Management Policy** to guide our approach to reducing waste from the design and planning stages of new projects to the construction and daily operations of our buildings.

In accordance with the policy, we aim to identify the impacts of waste disposal from our business activities, set targets to continually improve our waste management performance, and incorporate waste-prevention considerations into our procurement processes. We also encourage our employees, tenants, suppliers and other people with whom we do business to minimise waste.

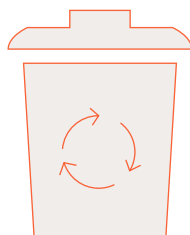
Waste management taskforces, comprising representatives from our technical services and sustainable development and portfolio management departments, have been established in our Hong Kong, Mainland China portfolios and hotels to develop coordinated approaches for waste reduction and waste diversion.

These taskforces are responsible for helping us to achieve our targets for the diversion of commercial, demolition and construction waste by 2020. They are also tasked with working with our tenants on waste recycling initiatives.



In Hong Kong, we are preparing for the implementation of the Hong Kong SAR Government’s new municipal solid waste charging scheme, which is expected to come into force in 2019.

We track and collect data on more than 20 types of waste produced by our office and retail tenants, hotel guests and occupants of our residences. In 2017, we completed a six-month trial of volume-based and weight-based charging approaches for waste disposal involving 131 tenants at Cityplaza and Swire Hotels’ EAST, Hong Kong.



The trial achieved an **18%** reduction in total waste and a **15%** increase in the rate of recycling by participants, including a **30%** increase in food waste recycling.

PERFORMANCE (ENVIRONMENT)



Environmental Policy | Energy Policy | Environmental & Energy Management Systems Progress | Profile of Environmental Impacts | Climate Change | Energy | **Waste** | Water | Occupant Wellbeing | Building/Asset Investments

In 2017, waste audits were completed at EAST, Hong Kong, expanding on audits completed in 2015 and 2016. We are analysing this data to develop targeted waste reduction and recycling strategies for our hotel operations.

The Temple House has implemented several recycling initiatives to reduce waste. Damaged bed linens are trimmed for use as pillowcases or used by housekeeping as cleaning cloths. Guestroom soaps are re-packaged and donated to disaster-relief organisations.

To reduce plastic waste, Swire Restaurants has eliminated individually wrapped sugar cubes at The Continental and Mr & Mrs Fox, and no longer serves plastic straws with drinks for dine in customers, unless requested.

Total Amount of Packaging Materials used by Swire Properties, mainly by Swire Restaurants for food packaging



2017:
31 tonnes

HKEX
KPI A2.5

Using Recycled Materials for the Christmas Season

To celebrate the Christmas season in a more environmentally friendly manner, for the fifth consecutive year, EAST, Hong Kong used approximately 300 recycled wooden wine boxes and other recycled materials to create decorations for the hotel.

The Temple House, Chengdu worked with the Daci Temple to reuse approximately 7,000 tea light candle shells, collected over five months, to create a sustainable Christmas tree for display in the hotel courtyard. The recycling initiative, led by hotel employees and communicated to tenants through multiple channels, reduced waste and provided materials that can be reused.



PERFORMANCE (ENVIRONMENT)



Environmental Policy | Energy Policy | Environmental & Energy Management Systems Progress | Profile of Environmental Impacts | Climate Change | Energy | Waste Water | Occupant Wellbeing | Building/Asset Investments

Our Food Waste Recycling Journey

Our food waste recycling efforts began in 2005, when we installed our first food decomposer at one of our Hong Kong shopping malls.

In 2015, we began to work with food waste recyclers to convert food waste collected from Citygate Outlet tenants into fish feed. In 2016, we extended this programme to include tenants of Cityplaza, Taikoo Place and Pacific Place.

In 2016, we worked with the Hong Kong Environmental Protection Department to introduce its Food Waste Recycling Partnership Scheme to our retail tenants in Cityplaza and Taikoo Place. This scheme promotes responsible food waste management for the commercial and industrial sectors and provides guidance on waste separation and recycling. In 2017, we introduced the scheme to our retail tenants in Pacific Place.

In Mainland China, food waste recycling is practised in all of our shopping malls and we have installed electronic scales and refrigerated storerooms to handle food waste collected from food and beverage tenants. We conduct regular training sessions for our tenants on how to handle and separate food waste. In 2017, we recycled more than 3,800 tonnes of food waste from Hong Kong and Mainland China tenants and hotels.



In addition to food waste recycling, we also work with Food Angel and Foodlink Foundation to donate excess food to people in need.

Promoting Recycling of Electronic Waste

For the 10th consecutive year, we held an Electronic Waste Recycling Campaign to collect and recycle unwanted or obsolete electrical appliances and devices from our employees and office tenants. A total of 11.4 tonnes of electronic waste was collected and recycled.

PERFORMANCE (ENVIRONMENT)



Environmental Policy | Energy Policy | Environmental & Energy Management Systems Progress | Profile of Environmental Impacts | Climate Change | Energy | Waste | **Water** | Occupant Wellbeing | Building/Asset Investments

Waste Check Charter

Since 2016, we have participated in the Waste Check Charter programme organised by the Hong Kong SAR Government's Environmental Protection Department. Designed to promote waste reduction, the programme requires participants to measure landfill waste and recycled waste and formulate specific plans to achieve waste reduction goals.

In 2017, Cityplaza and EAST, Hong Kong were recognised as "Excellent Class" from a field of 180 hotels and malls.

Water

We recognise that an adequate supply of clean water is a topic of increasing concern in many of the cities in which we operate. In 2017, we began a study to assess water risks for our operations in Hong Kong, Mainland China and Miami, U.S.A. We plan to use the findings of the study to guide our approach to water management and conservation.

We have reviewed our water consumption patterns and are implementing water saving measures to reduce water consumption in our Hong Kong and Mainland China portfolios and hotel operations. We consistently monitor water consumption in our buildings and manage its use with water meters, water flow restrictors, automatic taps and automatic flush water basins and urinals.

We also encourage our employees and tenants to save water. In 2017, our World Water Day Campaign introduced employees to a water footprint calculator to help them measure their water consumption at home.

GRI 303

HKEX Aspect A2 KPI A2.4, A3.1

SDG 12
Responsible Consumption and Production

Our initiatives under the focus area of Water, specifically, managing water risk and reducing overall consumption, align with **SDG12**: ensure sustainable consumption and production patterns

Water-saving Strategies in our Hong Kong Portfolio

In 2017, we tested various water flow restrictors at One Island East, Hong Kong to evaluate the most effective models for reducing water consumption while maintaining sufficiency. We have selected two models, which we intend to install in selected buildings.

We also installed a low-flow water closet in the employee common room of our Citygate mall for the purposes of pilot testing. The water closet uses displaced air and water to produce a flush with only 1.5 litres of water. According to estimates, the new water closet uses 84% less water and 80% less energy than a conventional toilet.

PERFORMANCE (ENVIRONMENT)



Environmental Policy | Energy Policy | Environmental & Energy Management Systems Progress | Profile of Environmental Impacts | Climate Change | Energy | Waste Water | **Occupant Wellbeing** | Building/Asset Investments

Water-saving Strategies in our Hotels

To reduce fresh-water consumption in The Temple House in Chengdu, Mainland China, we have designed a grey water treatment and recycling system to collect and reuse shower water, cooling tower water and rainwater. We estimate that this system saves approximately 7,300 m³ of water annually, reducing our typical monthly consumption of irrigation and cleaning water by 10%.



We have also installed high-quality water flow restrictors on the faucets in guest rooms in The Temple House and EAST, Hong Kong to reduce water consumption without impacting the guest experience. Pilot tests show annual savings of 20,000 m³, with an estimated reduction of tap-water consumption by 40%.

Occupant Wellbeing

Indoor Air Quality (IAQ)

IAQ refers to the air quality within and around buildings and structures, and relates to the health and comfort of building occupants. We recognise that indoor air quality is a topic of increasing concern as awareness about the health effects from indoor air pollution increases.

Our initiatives to improve **safety, health and wellbeing** apply not only to our employees, but also to our tenants and visitors. We are taking steps to ensure that high standards of air quality are maintained in all common areas of our buildings.

In Hong Kong, we participate in the Indoor Air Quality Certification Scheme, a voluntary certification scheme organised by the Hong Kong Government Environmental Protection Department to improve IAQ and promote public awareness of IAQ issues. In 2017, **18 properties** in our Hong Kong portfolio achieved Excellent Class ratings under the scheme for IAQ in common areas and three properties achieved Good Class ratings.

GRI 416

HKEX Aspect B6 KPI B6.4

3 GOOD HEALTH AND WELL-BEING

SDG 3
Good Health and Wellbeing

Our focus area on Occupant Wellbeing aligns with **SDG 3**: ensure healthy lives and promote well-being

PERFORMANCE (ENVIRONMENT)



Environmental Policy | Energy Policy | Environmental & Energy Management Systems Progress | Profile of Environmental Impacts | Climate Change | Energy | Waste Water | **Occupant Wellbeing** | Building/Asset Investments

Working with Tenants to Achieve WELL Certification

We strongly support the efforts of our tenants to improve occupant experience and building performance through programmes such as the International WELL Building Institute’s WELL certification scheme.

In 2017, two of our office tenants at HKRI Taikoo Hui, Shanghai, earned WELL certifications for commercial interiors and a third tenant is currently working towards WELL certification.



WELL is a building certification framework designed to advance the health and wellbeing of people that visit, work in or experience buildings. For example, with a view to providing employees with an optimal working environment and delivering shoppers a high quality experience, one of our tenants, city'super, is adopting a range of measures for its new 43,000 square foot market at HKRI Taikoo Hui. These include real-time indoor air quality monitoring, drinking water filtration and purification, and high quality lighting design to accurately portray colour and minimise glare.

INDIGO’s High Indoor Air Quality

INDIGO, Beijing was rated as one of the two best performing shopping malls in Mainland China with respect to indoor air quality, with a fine particulate matter (PM2.5) concentration under 100. To combat poor air quality, INDIGO has strived to provide shoppers with high quality indoor air throughout its life cycle, from the selection of building materials to day-to-day operations.

In 2016, our technical services and sustainable development department worked with Tsinghua University and implemented strategies to minimise outside air infiltration and rebalance indoor air composition. Automatic doors were installed in underground parking and delivery areas to prevent outdoor air from flowing into the mall, and a static electricity filter was installed to improve the performance of ventilation systems and air-conditioning units.



As a result, we were able to reduce pollutant penetration and lower PM2.5 concentrations within the mall to better protect the health and safety of shoppers.

Building on INDIGO’s experience, we engaged consultants to help us implement initiatives to reduce indoor PM2.5 concentrations across our Hong Kong and Mainland China portfolios.

PERFORMANCE (ENVIRONMENT)



Environmental Policy | Energy Policy | Environmental & Energy Management Systems Progress | Profile of Environmental Impacts | Climate Change | Energy | Waste Water | Occupant Wellbeing | **Building/Asset Investments**

Building/Asset Investments

As part of our management approach to identifying and managing significant impacts of our buildings on the environment and natural resources, we strive to invest in achieving certification for our buildings under relevant environmental building assessment schemes.

Examples of relevant schemes include BEAM Plus, which is a set of standards recognised and certified by the Hong Kong Green Building Council (“HKGBC”); LEED, which is a rating system devised by the United States Green Building Council (“USGBC”); and the China Green Building Design Label, which is issued by the Ministry of Construction in Mainland China.

These schemes provide benchmarks and objective standards against which we can measure our performance, and help our stakeholders to gain information about the sustainability impacts of our products and services.

In accordance with the requirements of these schemes, we employ an integrated design approach to our projects, which requires members of the project team to work together. At an early stage of project development, project team members work with one another to consider the entire building and its systems throughout its lifecycle.

We also encourage our tenants to participate in environmental building assessment schemes and work closely with them to implement sustainability strategies to help them achieve relevant building certifications. For example, one of our INDIGO, Beijing tenants has earned LEED Platinum certification from the USGBC.

SDG 11
Sustainable Cities and Communities

SDG 12
Responsible Consumption and Production

Under the focus area on Building/Asset Investments, our support for green building development aligns with:

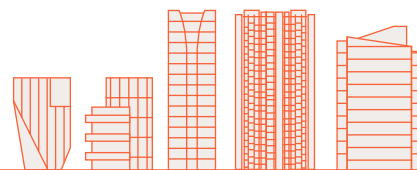
SDG 11 - make cities and human settlements inclusive, safe, resilient and sustainable

SDG 12 - ensure sustainable consumption and production patterns

GRI
417

HKEX
Aspect A3, B6
KPI A3.1, B6.4

Type and Number of Green Building Certification, Rating and Labelling Schemes, as at 31st January 2018



30 buildings³¹ have earned BEAM or BEAM Plus certification, with **20** of those achieving top ratings (Excellent / Platinum)

30 buildings have earned LEED certification, achieving either Platinum or Gold ratings

In addition, two of our mixed use developments have achieved Gold ratings under the LEED for Neighbourhood Development

³¹ Refers to buildings that were built after BEAM was established in 1996 and that are either managed or at least half-owned by Swire Properties. Small-scale, low-rise buildings in the same development are counted as one building and not as individual buildings.

PERFORMANCE (ENVIRONMENT)



Environmental Policy | Energy Policy | Environmental & Energy Management Systems Progress | Profile of Environmental Impacts | Climate Change | Energy | Waste Water | Occupant Wellbeing | **Building/Asset Investments**

Green Buildings Certified in 2017

BEAM Plus

One Taikoo Place

Provisional Platinum
(BEAM Plus New Buildings Version 1.2)

Lincoln House

Final Platinum
(BEAM Plus Existing Buildings Version 2.0 Comprehensive Scheme)

One Pacific Place, Two Pacific Place and Pacific Place Mall

Final Platinum
(BEAM Plus Existing Buildings Version 2.0 Comprehensive Scheme)

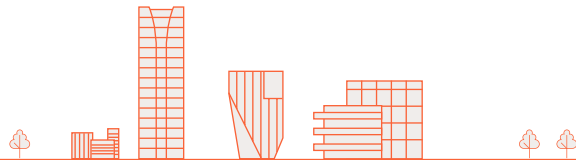
LEED

Office Tower 1, Office Tower 2 and TaiKoo Hui Mall

Final Platinum
(LEED for Existing Buildings: Operations and Maintenance Version 2009)

Taikoo Li Sanlitun, Beijing

Final Gold
(LEED for Existing Buildings: Operations and Maintenance Version 2009)



Sharing Insights at Greenbuild China 2017

The USGBC invited Dr. Raymond Yau, General Manager of technical services and sustainable development, to speak at the Leadership Luncheon at the Greenbuild China 2017 conference in Shanghai. The conference offers a forum for the green building community to share insights and expertise and address pressing issues such as air quality, human health, energy use and climate change. Dr. Yau shared his thoughts about the role of developers in promoting sustainable development and elaborated on Swire Properties' SD vision, our SD 2030 Strategy, and our perspectives on green building.



PERFORMANCE (ENVIRONMENT)



Environmental Policy | Energy Policy | Environmental & Energy Management Systems Progress | Profile of Environmental Impacts | Climate Change | Energy | Waste Water | Occupant Wellbeing | **Building/Asset Investments**

World Sustainable Built Environment Conference 2017



At the World Sustainable Built Environment Conference 2017, we received two awards, “Organisation with the most BEAM Plus FINAL PLATINUM Projects” and “Highest Score for Residential Projects of BEAM Plus New Buildings”, the latter for the AREZZO development.

The three-day conference, which took place in Hong Kong and focused on the theme Transforming Our Built Environment through Innovation and Integration: Putting Ideas into Action, allowed us to engage with and learn from our peers from around the globe.

We hosted two workshops to share our knowledge and experience in sustainable development and submitted seven technical papers on a variety of subjects, from Building Energy Efficiency to a case study on One Taikoo Place. We also managed an exhibition booth to provide visitors with the opportunity to learn more about our SD 2030 Strategy and our key development projects: One Taikoo Place, Hong Kong, Brickell City Centre, Miami, U.S.A. and Sino-Ocean Taikoo Li Chengdu.

Dr. Raymond Yau, General Manager of technical services and sustainable development, addressed a plenary session of the conference and spoke about our long-term commitment to sustainable development, our SD 2030 Strategy and our efforts to combat climate change.



PERFORMANCE (ECONOMIC)



We aim to deliver sustainable economic performance coupled with good corporate governance and high ethical standards.

PERFORMANCE (ECONOMIC)



Governance Culture | Ethics
Progress | Green Financing | Risk Management

Governance Culture

GRI
102-18, 102-23

We are committed to ensuring that our affairs are conducted in accordance with high ethical standards. This reflects our belief that, in the achievement of our long-term objectives, it is imperative to act with probity, transparency and accountability. By doing so, we believe that shareholder wealth will be maximised in the long term and that our employees, those with whom we do business, and the communities in which we operate will all benefit.

Top Material Issues

- Corporate governance
- Long-term financial performance/value

The Board is committed to maintaining and developing robust corporate governance practices that are intended to ensure:

- Satisfactory and sustainable returns to shareholders
- That the interests of those who deal with the Company are safeguarded
- That overall business risk is understood and managed appropriately
- The delivery of high-quality products and services to the satisfaction of customers; and
- That high standards of ethics are maintained.

Our Chairman is responsible for ensuring, through the Board, that good corporate governance practices and procedures are followed. Our Audit Committee, consisting of three Non-Executive Directors, is responsible for assisting the Board in discharging its responsibilities for corporate governance. Our Executive Committee, consisting of two Executive Directors and nine members of senior management, is responsible for overseeing the day-to-day operations of the Company. The Chief Executive chairs the Executive Committee.



PERFORMANCE (ECONOMIC)



Governance Culture | Ethics
Progress | Green Financing | Risk Management

Risk Management and Internal Controls

GRI 102-30

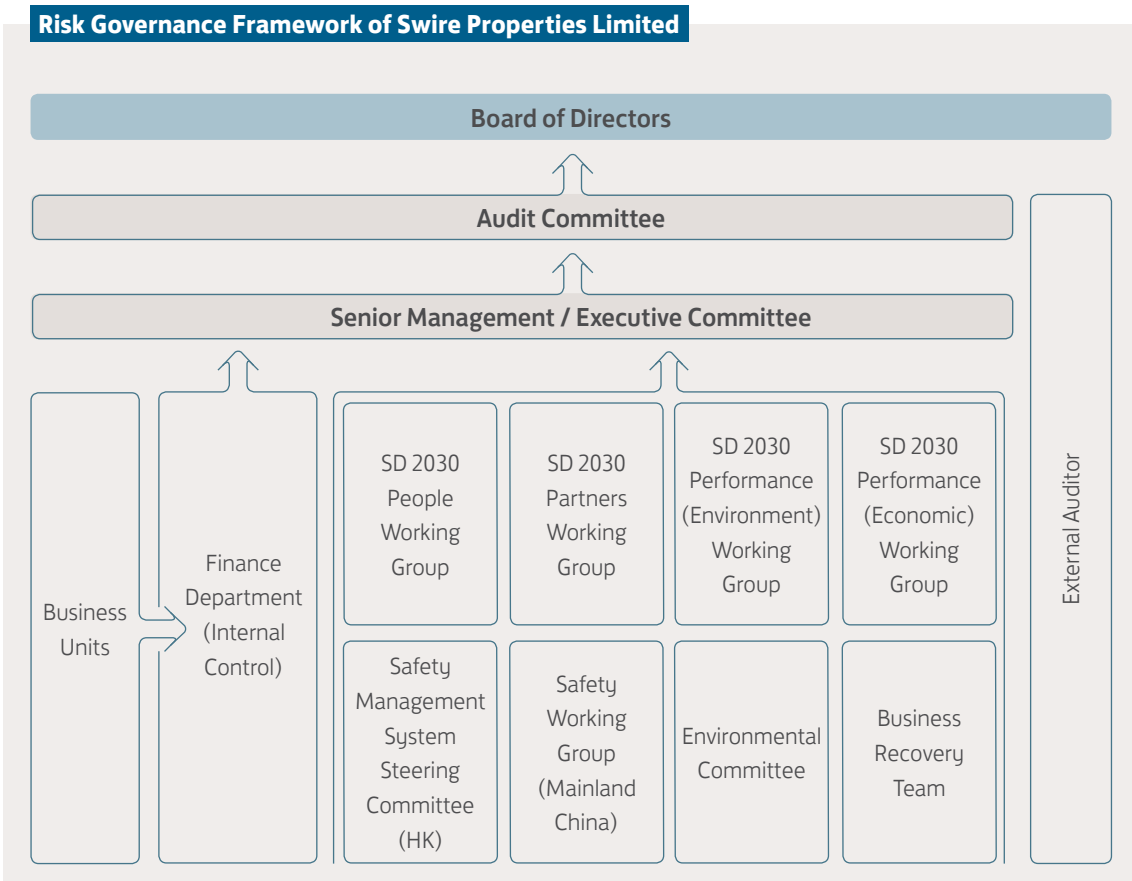
The Board is responsible for evaluating and determining the nature and extent of the risks it is willing to take in achieving Swire Properties' strategic objectives, and ensuring that the Company establishes and maintains appropriate and effective risk management and internal control systems.

The Board and management are responsible for identifying and analysing the risks underlying the achievement of business objectives, and for determining how such risks should be managed and mitigated. The Board oversees management in the design, implementation and monitoring of the risk management and internal control systems, and management provides confirmation to the Board on the effectiveness of these systems.

The management of risks is subject to audit by the Internal Audit department of the Swire group, with support from specialist external consultants, where necessary.

We have an Enterprise Risk Management ("ERM") system in place to help identify, analyse and manage business risks. Risk identification, analysis and management processes are completed on a regular basis throughout the year, and the results help to guide our business decisions.

Our risk governance framework is provided underneath. More information on Corporate Governance can be found in the [Swire Properties Annual Report 2017](#).



PERFORMANCE (ECONOMIC)



Governance Culture | Ethics
Progress | Green Financing | Risk Management

Ethics

GRI
102-16, 102-17

Corporate Code of Conduct

HKEX
KPI B7.2

The Swire Properties [Corporate Code of Conduct](#) (“Code”) sets out our operating principles underpinning our management approaches to a range of issues, including those relating to business ethics, conflicts of interest, competition and antitrust, bribery, political contributions, gambling, procurement, record keeping, use of Company information and property, whistleblowing, health and safety and the environment, equal opportunities and diversity, use of social media, and privacy.

The Code applies to every employee, officer and director of the Company and its subsidiaries, all of whom have a responsibility to raise concerns about potential violations of the Code. Employees who are found to be in breach of the Code are subject to disciplinary action.

Any third party who wishes to report potential improprieties concerning the operations of the Company and/or the conduct of our employees, may follow our [published procedures](#) to seek redress.

Our human resources and administration departments are responsible for investigating reported concerns raised with respect to the Code and ensuring that they are handled appropriately. As part of our SD 2030 Strategy, we are in the process of strengthening our policies and procedures on whistleblowing to ensure that they align with best practices.

Anti-Corruption

GRI
205

HKEX
Aspect B7
KPI B7.1, B7.2

We have a strict policy of compliance with anti-bribery laws in every applicable jurisdiction. Our employees are not permitted to offer or accept advantages for the purpose of influencing business decisions, to make any form of payment to officials, or to grant, guarantee or accept loans from any person or organisation with whom we have business dealings.

To avoid the perception of improper conduct, our employees are expected to exercise caution when making or soliciting contributions to charitable causes, and when providing entertainment and corporate hospitality or reimbursing bona fide expenses for legitimate business purposes. In 2017, there were no concluded legal cases regarding corrupt practices against the company or its employees.

All employees are required to confirm on an annual basis that they have read and agreed to be bound by the Code, which includes our anti-bribery practices. We have made it compulsory for our employees to receive online anti-bribery training once every two years.

In 2017, around 2,900 hours of anti-bribery related training were conducted.

PERFORMANCE (ECONOMIC)



Governance Culture | **Ethics**
 Progress | Green Financing | Risk Management

Product Responsibility

HKEX
 KPI B6.3, B6.5

With respect to product responsibility, we are committed to ensuring that our marketing and communications materials comply with relevant government regulations and industry guidelines, including the Residential Properties (First-hand Sales) Ordinance and the Consent Scheme of the Hong Kong Lands Department.

We respect property rights, including intellectual property rights, and require our employees to comply with applicable legal requirements relating to the collection, holding, processing, disclosure and use of personal data, and to respect the privacy of others and the confidentiality of information received in the course of business. Our [Data Privacy and Security Policy](#) is available on our corporate website.

Competition Law

We are committed to complying with all applicable competition and antitrust laws, including the Competition Ordinance in Hong Kong.

To help our employees understand the legal requirements of the Competition Ordinance in Hong Kong, we have an internal manual containing guidelines on dealings with competitors and third parties, avoiding abuse of market power and participation in trade associations and industry bodies. The manual also includes practical tips to help employees achieve compliance in the course of everyday business.

In 2017, there were no legal actions in relation to anti-competitive behaviour, anti-trust and monopoly practices brought against Swire Properties. We conducted an e-training exercise on the Competition Ordinance for relevant employees in Hong Kong.

PERFORMANCE (ECONOMIC)



Governance Culture | Ethics
Progress | Green Financing | Risk Management

Progress

Our Performance (Economic) Working Group comprises 16 representatives from different functions within Swire Properties. We have created five sub-groups to focus on specific areas and we are making progress towards most KPIs.

Two major highlights of this working group’s activities to date are the issuance of Swire Properties’ first green bond, and our successful application for inclusion in GRESB, resulting in a 5-star rating.

Progress Summary Table

Performance Categories

2020 KPI

Progress Updates in 2017

Financial Performance



Underlying Profit

Details of our financial performance in the year ended 31st December 2017 are available in the [Swire Properties Annual Report 2017](#)

Dividends

Gearing Ratio and Credit Rating

Green Financing



Green Bonds

Review, develop and issue Swire Properties’ first green bond

- We issued our first green bond in January 2018, raising US\$500 million for green projects.

Internal Fund

Participate in the Swire Pacific SD Fund

- Two SD project applications have been submitted to the Swire Pacific SD Fund.

New Ventures Innovation Pipeline³²

Test pilot experimental technologies leading to successful collaboration with start-up companies³²

- Our internal New Ventures team is in place and five new technologies are undergoing pilot testing.

Develop an appropriate KPI for value added to the Company³²

³² New performance category and 2020 KPI.

PERFORMANCE (ECONOMIC)



Governance Culture | Ethics
Progress | Green Financing | Risk Management

Performance Categories

2020 KPI

Progress Updates

Corporate Governance



Whistleblowing Policy

Follow best practice whistleblowing policy

- We have completed a gap analysis and we are planning to update our policies and procedures to follow best practices.

Anti-bribery and Anti-corruption

Annual bribery and corruption risk review by the Executive Committee

- A completed anti-bribery questionnaire has been submitted to the Executive Committee for its review.

Responsible Investment

Incorporate SD criteria into our investment assessment process

- Preliminary analysis has been undertaken.

Executive Compensation

Continually review executive compensation through the Remuneration Committee

- The Remuneration Committee continually reviews executive compensation.

Risk Management



ERM System

Review ERM system, including corporate risk identification, review and mitigation processes

Integrate SD factors into corporate risk analysis

- Having reviewed our ERM system, we consider that the key area for enhancement is integration of SD factors into our corporate risk analysis. We have started to critically review our corporate risks to identify additional SD-related risks.

Business Recovery Plan ("BRP")

Conduct a BRP drill exercise once every two years or on an as-needed basis

Ensure all portfolios have local crisis response plans in place

- A BRP drill was conducted in Hong Kong in 2017.
- We have completed a new cyber risk response plan intended for implementation in 2018.

Disclosure & Reporting



Integrated Reporting

Review International Integrated Reporting Council ("IIRC") framework and assess applicability for future adoption by the Company

- We plan to commence work on this initiative in 2018.

Disclosure Benchmarks and SD Indices

Disclose SD information in accordance with requirements of relevant major global sustainability benchmarks

- We participate annually in various [sustainability benchmarks and indices](#).

PERFORMANCE (ECONOMIC)



Governance Culture | Ethics
Progress | Green Financing | Risk Management

Performance Categories

2020 KPI

Progress Updates

Investor Relations



Direct

Meet regularly with investors specialising in ESG investments

- We have created a register of investors'/analysts' interest in SD criteria and prepared new SD presentation materials for investors/analysts at our Annual Investor Day.

Indirect

Actively participate in investor-led ESG platforms

- In 2017, we participated in GRESB and have obtained a 5-star rating.

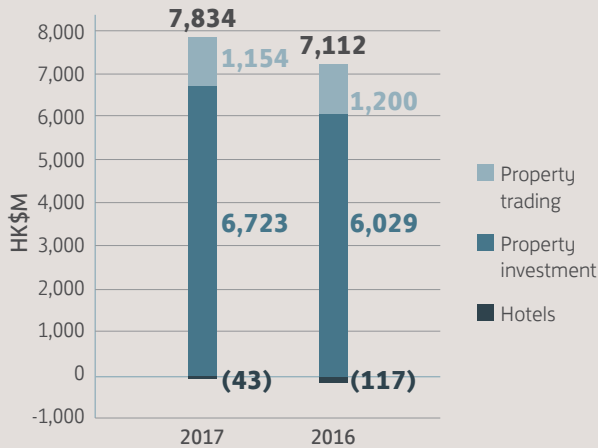
Financial Highlights for 2017

GRI 201

Underlying profit attributable to shareholders

HK\$ **\$7,834** million | 2016: HK\$ **\$7,112** million

Underlying profit/(loss) by segment



SDG 8

Decent Work & Economic Growth

Our focus area on Financial Performance aligns with **SDG 8**: promote sustainable economic growth, employment and decent work for all

Aggregate GFA attributable to the group*

~29.2 million sq. ft.

Credit rating*

Fitch: **A**
 Moody's: **A2**

Gearing ratio*

13.6%

* At 31st December 2017

PERFORMANCE (ECONOMIC)



Governance Culture | Ethics Progress | **Green Financing** | Risk Management

Green Financing

Green Bond

The issuance of Swire Properties' **first green bond** in January 2018 reaffirms our on-going commitment to sustainable development, and designing and developing sustainable projects that improve the wellbeing of building occupants and local communities. We are among the first to support the government's initiative to promote the development of green financing in Hong Kong's capital market.

The 10-year green bond, which is due in 2028 and listed on the Hong Kong Stock Exchange, has raised US\$500 million at a coupon rate of 3.5%. It is the first green bond in Hong Kong to obtain pre-issuance stage certification from the HKQAA under its Green Finance Certification Scheme. It has also received an A2 rating by Moody's and an A rating by Fitch. A substantial portion of the bond was placed with institutional investors that have a strong commitment to sustainable financing initiatives.



This important achievement will help to further enhance our environmental performance. Proceeds from the green bond will be used to finance our newest Grade-A office development, One Taikoo Place, as well as other new and existing projects relating to energy efficiency, renewable energy, sustainable water and wastewater management, green building and climate change adaptation.



Artist impression only



Our **Green Bond Framework** is available online. Net proceeds will be used to fund green projects meeting the following categories of eligibility recognised in the **Green Bond Principles 2017**.

-  Renewable Energy
-  Energy Efficiency
-  Sustainable Water and Wastewater Management
-  Climate Change Adaptation
-  Green Buildings

PERFORMANCE (ECONOMIC)



Governance Culture | Ethics
Progress | **Green Financing** | Risk Management

Swire Properties Hosts Investor Day in Shanghai

In September 2017, we hosted Swire Properties' Investor Day to allow investors and analysts to meet with members of our senior management. Chief Executive Guy Bradley and other members of the team presented updates on the latest developments of the Company and future growth opportunities, as well as our SD 2030 Strategy.



Internal Funding

The Swire Pacific Sustainable Development Fund is an annual HK\$100 million fund, available to all Swire Pacific operating companies, to help accelerate and expand projects that will have an impact on the Swire group's sustainability performance, but that would not otherwise receive funding through regular channels. Swire Properties has identified two potential projects and worked with Swire Pacific's Sustainable Development Office to develop the concepts into funding applications for review by the Swire Pacific SD Fund Committee.

The first project involves the pilot testing of advanced electrically commutated plug fans, commonly known as EC plug fans, to retrofit the air handling units used in the ventilation systems of our existing office buildings. In the second project, we intend to develop an artificial intelligence platform to optimise the operating efficiency of our heating, ventilating, and air conditioning systems by using data analysis of energy consumption and self-diagnostics for continuous improvement. When implemented, we expect both projects to result in substantial energy savings.



Pilot testing of EC plug fans

Estimated reduction of fan energy use: up to **30%**

Estimated annual electricity savings: **650,000 kWh**

PERFORMANCE (ECONOMIC)



Governance Culture | Ethics
Progress | **Green Financing** | Risk Management

New Ventures Innovation Pipeline

Following the positive response of the first experimental Blueprint accelerator, we have introduced New Ventures, a technology pipeline and innovation fund, to target and attract cutting-edge technology from around the world.

The New Ventures team works with investors, accelerators and experts from around the globe to source products and solutions that add strategic value to Swire Properties' operations, including areas such as data analytics, smart buildings, sustainability, customer engagement and human resources. In addition to facilitating and funding paid pilot tests, New Ventures can provide travel funding, workspace and subsidised professional services to start-ups on a case-by-case basis.

NEW VENTURES introduces RADAR

In 2017, we introduced RADAR, a company-wide engagement study to identify real-world needs and opportunities for innovation. The New Ventures team holds workshops and focus groups with Swire Properties' various departments to discuss business challenges and help to identify creative technological solutions.



STUDY



SOURCE



TRIAL



ADOPT

Partnerships for NEW VENTURES

NEW VENTURES has worked with over 35 venture capital firms, accelerators, and other organisations. As of January 2018, the team has conducted 11 technology pilot tests, including:

- Collaborative construction drawing software
- Automated legal document preparation software
- Air-purifying paint that extracts harmful pollutants
- Online-to-offline retail platform that allows shoppers to search a physical mall
- Cloud-based adaptable music playlist software for food and beverage or retail
- Digital wardrobe inventory, storage, and delivery service for residences

PERFORMANCE (ECONOMIC)



Governance Culture | Ethics
Progress | Green Financing | Risk Management

Blueprint Co-founder Earns RICS Young Surveyor of the Year Award

In March 2017, Henry Bott, Head of our digital marketing department, was named Young Surveyor of the Year at the sixth annual Royal Institution of Chartered Surveyors (RICS) Awards, in recognition of his contributions to the Company and the wider industry. Prior to assuming his current role, he was a co-founder of Blueprint, our coworking space. Throughout his tenure at Swire Properties, Henry Bott has taken on leadership roles and developed new ideas to help us strive to be at the forefront of our industry.



Risk Management

GRI 102-30

Review of our ERM System

In 2017, we reviewed our ERM system and identified that the key area for its enhancement is integration of SD factors into our corporate risk analysis. Consequently, we started to critically review our corporate risks in order to identify additional SD-related risks.

Business Recovery Plan

The Company has had a Business Recovery Plan since 1997 to help ensure that we maintain critical crisis planning and execution capabilities in the event of major incidents. We aim to put in place local crisis response plans for all portfolios. In 2017, we completed local crisis response plans for TaiKoo Hui Guangzhou, Sino-Ocean Taikoo Li Chengdu, INDIGO and Taikoo Li Sanlitun, Beijing. Individualised plans for other properties in our Mainland China portfolio are being finalised.

In 2017, we finalised a new information technology response plan to help address cyber risks. Our senior management also took part in a separate BRP simulation exercise for our Hong Kong and Mainland China portfolios. During the exercise, our Business Recovery team performed well. They demonstrated their ability to manage the simulated crisis in a controlled manner by continuing to deliver acceptable levels of key services and recovered from the disruptive event in an orderly way. Following this exercise, we are planning to implement additional measures to enhance our BRP, such as incorporating a new social media management policy.

GRI AND HKEX ESG REPORTING



GRI and HKEX ESG Reporting

Reporting Standards

GRI
102-51, 102-52,
102-54

This report has been prepared in accordance with the Global Reporting Initiative (“GRI”) Standards: Core option, and with reference to the GRI G4 Construction and Real Estate Sector Disclosures. We have used GRI Guidelines to report our SD performance on an annual basis since 2007. Prior to this report, our most recent report, for 2016, was prepared in accordance with the Core option of the GRI G4 Guidelines.

We have also prepared this report in compliance with all applicable provisions set out in the Environmental, Social and Governance Reporting Guide (“HKEX ESG Guide”) contained in Appendix 27 to The Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited for the year ended 31st December 2017.

Scope of Report

GRI
102-46, 102-49,
102-50, 103-1

Our approach to SD reporting reflects the scale of our operations, the complexity of our business and the significance of our various economic, environmental and social impacts.

In the Performance (Economic) section of this report, the scope of disclosures aligns with the Company’s financial reporting. We extract selected corporate governance and financial performance information from our Swire Properties Annual Report 2017 to help us illustrate progress on relevant focus areas of our SD 2030 Strategy. More information is available in the [Swire Properties Annual Report 2017](#).

The sections on Places, People, Partners and Performance (Environment) cover our management approaches to [material issues](#) arising from Swire Properties’ businesses, joint ventures and subsidiaries in property investment, property trading and hotel investment. The scope of disclosures in these sections reflects the boundaries of our management control, and therefore excludes certain business areas such as non-managed hotels and estate management services.

For the purpose of disclosing quantitative data on our SD performance, we collect and report KPIs on a 100% basis for our Hong Kong portfolio, Mainland China portfolio and Hotel operations. Notes accompanying our [Performance Data Summary](#) provide additional details about the basis of calculation for specific KPIs.

The scope of some KPIs, for example green procurement and waste diversion, also includes properties under construction.

Compared to the Swire Properties SD Report 2016, the scope of reporting on KPIs in this report has been expanded to include Taikoo Place Apartments and Swire Restaurants, namely PUBLIC, Ground PUBLIC, Mr & Mrs Fox, Plat du Jour, Tong Bar & Café, The Continental and SHARK. Since Cornwall House, Taikoo Place was demolished in 2017, its data has been excluded.

It is our practice not to report KPIs for new developments until operational performance data is available for at least one full calendar year after it has opened and reached a significant level of occupancy. Properties in this category include STAR STUDIOS, Hong Kong (opened in late 2016), Brickell City Centre, Miami U.S.A (opened in late 2016), and HKRI Taikoo Hui, Shanghai (opened in late 2017).

The scope of reporting for KPIs also excludes completed developments for sale.

Scope of SD KPI Data Collection and Reporting in 2017

| | |
|--------------------------|--|
| Hong Kong Portfolio | Pacific Place (3 office towers, mall and Pacific Place Apartments) Cityplaza (3 office towers ¹ and mall) Taikoo Place (8 office towers including One Island East, and Taikoo Place Apartments ²) Citygate ³ (office and outlets) Other offices and mall (625 King's Road, Generali Tower, 28 Hennessy Road and Island Place) |
| Mainland China Portfolio | TaiKoo Hui, Guangzhou Hui Fang, Guangzhou Taikoo Li Sanlitun, Beijing INDIGO, Beijing Sino-Ocean Taikoo Li Chengdu |
| Hotels | Swire Hotels: The Upper House, Hong Kong; EAST, Hong Kong; The Opposite House, Beijing; EAST, Beijing; The Temple House, Chengdu Swire Restaurants ² : PUBLIC, Ground PUBLIC, Mr & Mrs Fox, Plat du Jour, Tong Bar & Café, The Continental and SHARK |

¹ Excludes ten floors, which were assigned to the Government on 30th December 2016

² Newly added to scope of KPI data collection and reporting in 2017

³ Approximately 120,000 square feet has been removed from the scope for 2017 due to major renovation

External Assurance

GRI
102-56

It is our practice to obtain external independent assurance for the content of our sustainable development report. PricewaterhouseCoopers (“PwC”) was engaged to provide limited assurance on selected sustainability information contained in this report in accordance with International Standard on Assurance Engagements 3000 (Revised) and, in respect of greenhouse gas emissions, International Standard on Assurance Engagements 3410.

The scope of work carried out by PwC is set out in the [assurance report](#) from PwC.

External Charters and Membership

External Charters and Initiatives

| Name of Charter / Initiative | Sponsoring Organisation(s) |
|--|---|
| Building Energy Pledge | Business Environment Council - Climate Change Business Forum Advisory Group |
| Carbon Reduction Charter | Environmental Protection Department, Hong Kong Special Administrative Region ("SAR") Government |
| Charter on External Lighting | Environment Bureau, Hong Kong SAR Government |
| Clean Air Charter | Hong Kong General Chamber of Commerce and Hong Kong Business Coalition on the Environment |
| Dim It Charter | Friends of the Earth (HK) |
| Energy Saving Charter | Environment Bureau and Electrical and Mechanical Services Department, Hong Kong SAR Government |
| Energy Saving Charter on "No ILB" | Environment Bureau and Electrical and Mechanical Services Department, Hong Kong SAR Government |
| Food Wise Charter | Environment Bureau, Hong Kong SAR Government |
| Friends of EcoPark | Environmental Protection Department, Hong Kong SAR Government |
| Greening Partner Charter | Development Bureau, Hong Kong SAR Government |
| Hong Kong Green Purchasing Charter | Green Council |
| Manifesto for Energy Efficiency in Buildings | World Business Council for Sustainable Development |
| Waste Check Charter | Environmental Protection Department, Hong Kong SAR Government |

External Charters and Membership

Membership

| Name of Association | Nature of Membership |
|---|---|
| BEAM Society Limited | Founding Member |
| Business Environment Council | Board of Director and Council Member |
| Green Cross - Occupational Safety & Health Council | Group Member |
| Harbour Business Forum | Patron Member (through the Swire group) |
| Hong Kong General Chamber of Commerce | Member |
| Hong Kong Green Building Council | Corporate Member and Platinum Patron Member |
| The Hong Kong Management Association | Charter Member |
| The Lighthouse Club Hong Kong | Corporate Member |
| The Real Estate Developers Association of Hong Kong | Board of Director and Corporate Member |
| Urban Land Institute | Regional Corporate Sustaining Member |
| World Wide Fund For Nature Hong Kong | Pearl Member |

Awards and Certifications

Architectural Digest

9 Most Beautifully Designed Malls in the World – Pacific Place and Brickell City Centre, Miami

BCI Asia

BCI Asia Awards – Top Ten Developers 2017 – Swire Properties Limited

British Chamber of Commerce in China and AmCham China

The China CSR Awards 2017 – ‘Integration’ Category – Sichuan Community Centre

Chartered Institute of Building Services Engineers

CIBSE Building Performance Award 2017 – Energy Management Initiative Award – Swire Properties Limited

China Quality Certification Centre

ISO 14001:2004 Environmental Management System (EMS) Certification

- TaiKoo Hui, Guangzhou
- Taikoo Li Sanlitun, Beijing

ISO 50001:2011 Energy Management System (EnMS) Certification

- TaiKoo Hui, Guangzhou
- Taikoo Li Sanlitun, Beijing

OHSAS 18001:2007 Safety Management System (SMS) Certification

- TaiKoo Hui, Guangzhou
- Taikoo Li Sanlitun, Beijing

Condé Nast Traveler

Best New Hotels in the World: Hot List 2017 – EAST, Miami

The 10 Best Rooftop Bars in the US – Ranked Number 1 – Sugar

Development Bureau (Hong Kong SAR Government)

Considerate Contractors Site Award Scheme – Bronze – One Island East (Swire Properties Management Limited)

Electrical and Mechanical Services Department

Energy Saving Championship Scheme – Hanson Excellent Award – Devon House and Cambridge House

Outstanding Registered Electrical Worker Awards Scheme 2017

- Gold (Team Category) – Liu Chun Man, Building Engineer
- Gold (Team Category) – Yun Chun Hung, Senior Technician

Environment Bureau

Charter on External Lighting – Platinum Award – Swire Properties Limited

Environmental Campaign Committee

Hong Kong Green Organisation

- Citygate
- Cityplaza
- Pacific Place
- Taikoo Place

Environmental Protection Department (Hong Kong SAR Government) and Hong Kong Productivity Council

Waste Check Charter

- Excellence Class – Cityplaza
- Excellence Class – EAST, Hong Kong
- Good Class – Pacific Place
- Good Class – Citygate

Environmental Protection Department (Hong Kong SAR Government)

Commendation Scheme on Source Separation of Commercial and Industrial Waste Awards 2016/2017

- Gold Award (Mixed Office) – Taikoo Place
- Certification of Merit (Mixed Office) – Pacific Place
- Certification of Merit (Mixed Office) – Cityplaza
- Certification of Merit (Mixed Office) – Citygate
- Certification of Merit (Pure Office) – One Island East

Indoor Air Quality Certification Scheme (Hong Kong)

- Excellent Class (Public Areas from 1/F to 28/F) – 28 Hennessy Road
- Excellent Class (G/F Entrance Lift Lobby) – Generali Tower
- Excellent Class (Public Areas from 4/F to 40/F) – One Pacific Place
- Excellent Class (Public Areas from 4/F to 36/F) – Two Pacific Place
- Excellent Class (Public Areas from LG/F to 38/F) – Three Pacific Place
- Excellent Class (Whole Office Building) – One Citygate
- Excellent Class (Common Areas) – Citygate Outlets
- Excellent Class (Common Areas of Whole Office Tower) – Cityplaza One
- Excellent Class (Common Areas of Whole Office Tower, Excluding 3/F to 12/F) – Cityplaza Three
- Excellent Class (Common Areas of Whole Office Tower) – Cityplaza Four
- Excellent Class (Public Areas from 3/F to 28/F) – Berkshire House
- Excellent Class (Public Areas of Office Building) – Cambridge House
- Excellent Class (Public Areas of Whole Building) – Devon House
- Excellent Class (Public Areas of Whole Building) – Dorset House
- Excellent Class (Public Areas of Office Building) – Lincoln House
- Excellent Class (Public Areas of Office Building) – Oxford House
- Excellent Class (Public Areas of Whole Building) – One Island East
- Excellent Class (Public Areas of Office Building) – PCCW Tower

- Good Class (Public Areas of Shopping Mall) – Cityplaza
- Good Class (Public Areas of the Shopping Mall) – Pacific Place Mall
- Good Class (Lift Lobbies on LG1 and LG2) – Two Pacific Place

Fullness Social Enterprises Society

2016 SE Supporter + – Swire Properties Limited

Hong Kong Environmental Protection Association

Wood Recycling & Tree Conservation Scheme

- Certificate – 28 Hennessy Road
- Certificate – 625 King's Road
- Certificate – Citygate
- Certificate – Cityplaza
- Certificate – Generali Tower
- Certificate – Pacific Place
- Certificate – Taikoo Place
- Certificate – Oriental Landscapes Limited
- Certificate – Swire Properties Limited

Hong Kong Green Building Council

BEAM Plus New Building (Version 1.2) – Provisional Platinum – One Taikoo Place

BEAM Plus Existing Buildings (Version 2.0 - Comprehensive Scheme) – Final Platinum Rating

- One Pacific Place, Two Pacific Place, Pacific Place (Shopping Mall)
- Lincoln House

Hong Kong Green Organisation Certification

IAQwi\$e Certificate

- Excellence level – Public Areas from 1/F to 28/F – 28 Hennessy Road
- Excellence level – G/F Entrance Lift Lobby – Generali Tower
- Excellence level – Public Areas from 4/F to 40/F – One Pacific Place
- Excellence level – Public Areas from 4/F to 36/F – Two Pacific Place
- Excellence level – Public Areas from LG/F to 38/F – Three Pacific Place
- Excellence level – Whole Office Building – One Citygate
- Excellence level – Common Areas – Citygate Outlets
- Excellence level – Common Areas of Whole Office Tower – Cityplaza One
- Excellence level – Common Areas of Whole Office Tower – Cityplaza Three
- Excellence level – Common Areas of Whole Office Tower – Cityplaza Four
- Excellence level – Public Areas from 3/F to 28/F – Berkshire House
- Excellence level – Public Areas of Office Building – Cambridge House
- Excellence level – Public Areas of Whole Building – Devon House
- Excellence level – Public Areas of Whole Building – Dorset House
- Excellence level – Public Areas of Office Building – Lincoln House
- Excellence level – Public Areas of Whole Building – One Island East
- Excellence level – Public Areas of Office Building – Oxford House
- Excellence level – Public Areas of Office Building – PCCW Tower

WasteWi\$e Certificate

- Class of Excellence – Citygate
- Class of Excellence – Cityplaza
- Class of Excellence – Pacific Place Complex
- Class of Excellence – Taikoo Place
- Class of Excellence – EAST, Hong Kong

Hong Kong Institute of Certified Public Accountants

HKICPA's 2017 Best Corporate Governance Awards

- Special Mention – Non-Hang Seng Index (Large Market Capitalisation) Category – Swire Properties Limited
- Sustainability and Social Responsibility Award – [Special Mention - Non-Hang Seng Index (Large Market Capitalisation) Category] – Swire Properties Limited

Hong Kong Public Relations Professional's Association

The 3rd Hong Kong Public Relations Awards (2016) – [Silver Award – Event Management Category] – Swire Properties Limited White Christmas Street Fair 2016

Hong Kong Quality Assurance Agency (HKQAA)

ISO 14001:2015 Environmental Management System (EMS) Certification – Hong Kong portfolio

ISO 50001:2011 Energy Management System (EnMS) Certification – Hong Kong portfolio

OHSAS 18001:2007 Safety Management System (SMS) Certification – Hong Kong portfolio

Labour Department (Hong Kong SAR Government) and Occupational Safety and Health Council

The 9th Outstanding Occupational Safety and Health Employees Award Scheme

- [Meritorious Award – Frontline Employee Category] – Cheung Chi Tak (IPML)
- [Meritorious Award – Supervisor Category] – Leung Cheuk Hei (TSSD)

MIPIM Asia Awards 2017

Best Residential Development Category – Silver – WHITESANDS

Occupational Safety & Health Council

16th Hong Kong Occupational Safety & Health Award

- Occupational Safety and Health (OSH) Annual Report Award – Bronze – Swire Properties Limited

Randstad

Randstad Employer Brand Awards 2017 – Second Most Attractive Employer in Hong Kong – Swire Properties Limited

Royal Institution of Chartered Surveyors

Royal Institution of Chartered Surveyors (RICS) Awards – RICS Young Surveyor of the Year Award – Henry Bott (Head of Digital)

The Hong Kong Council of Social Service

15 Years Plus Caring Company – Swire Properties Limited

The HK Institution of Engineers and The Institution of Structural Engineers, UK

Structural Excellence Award 2017 – Merit in Residential Category – ALASSIO

The Hong Kong Institute of Surveyors

Building Surveyor Awards 2017

- Grand Award – DUNBAR PLACE
- New Building Winner (Client/Client's Representative) – DUNBAR PLACE

The Hong Kong Management Association

2017 Best Annual Reports Awards – [Honourable Mention – General Category] – Swire Properties Limited

Travel + Leisure (T+L)

T+L's 2017 World's Best Awards – "10 Best City Hotels in Asia" Category – The Temple House

UNESCO Asia-Pacific Awards for Cultural Heritage Conservation

Award for New Design in Heritage Contexts – Macha Village Project, Gansu Province, China

Urban Land Institute

2017 Vision Awards – Project of the Year – Brickell City Centre, Miami

U.S. Green Building Council

LEED 2009 for Existing Buildings

- Platinum – TaiKoo Hui Mall, Guangzhou
- Platinum – TaiKoo Hui Office Tower 1, Guangzhou
- Platinum – TaiKoo Hui Office Tower 2, Guangzhou
- Gold – Taikoo Li Sanlitun North, Beijing
- Gold – Taikoo Li Sanlitun South, Beijing

Water Supplies Department (Hong Kong SAR Government)

Quality Water Supply Scheme for Buildings – Flushing Water

- 625 King's Road
- 28 Hennessy Road
- Generali Tower
- Pacific Place
- Three Pacific Place
- Citygate Outlets & One Citygate
- Cityplaza One
- Cityplaza Three
- Cityplaza Four
- Berkshire House
- Cambridge House
- Devon House
- Dorset House
- Lincoln House
- One Island East
- Oxford House
- PCCW Tower

Quality Water Supply Scheme for Buildings – Fresh Water (Plus)

- 28 Hennessy Road
- Generali Tower
- Pacific Place
- Three Pacific Place
- Pacific Place Apartments
- Citygate Outlets & One Citygate
- Cityplaza One
- Cityplaza Three
- Cityplaza Four
- Cityplaza North
- Cityplaza South
- Berkshire House
- Cambridge House
- Devon House
- Dorset House
- Lincoln House
- One Island East
- Oxford House
- PCCW Tower
- Taikoo Place Apartments

World Sustainable Built Environment Conference 2017

- Organisation with the most BEAM Plus FINAL PLATINUM Projects Award – Swire Properties Limited
- Highest Score for Residential Projects of BEAM Plus New Buildings Award –AREZZO

PERFORMANCE DATA SUMMARY

| | Unit | Hong Kong Portfolio | | | | | Mainland China Portfolio | | | | | Hotels | | | | | Total |
|--|-----------------------------|---------------------|------------------------------|----------------|----------------|----------------|--------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|---------------|------------------------------|
| | | 2017* | 2016 | 2015 | 2014 | 2013 | 2017 | 2016 | 2015 | 2014 | 2013 | 2017# | 2016 | 2015 | 2014 | 2013 | 2017 |
| Energy consumption | | | | | | | | | | | | | | | | | |
| Purchased electricity | MWh | 165,100 | 181,180 ⁽⁵⁾ | 189,360 | 192,617 | 179,780 | 70,556 | 73,965 | 59,659 | 59,213 | 42,468 | 33,856 | 28,174 | 23,638 | 23,846 | 16,067 | 269,512 |
| | GJ | 594,360 | 652,249 ⁽⁵⁾ | 681,696 | 693,420 | 647,208 | 254,002 | 266,273 | 214,773 | 213,168 | 152,884 | 121,882 | 101,425 | 85,097 | 85,845 | 57,841 | 970,244 |
| Industrial diesel ⁽⁴⁾ | Litres | 0 | 17,320 | 19,292 | 18,776 | 15,941 | 5,272 | 5,272 | 4,460 | 7,908 | 7,668 | 60 | 401 | 425 | 917 | 713 | 5,332 |
| Petrol | Litres | 16,905 | 18,487 | 22,627 | 24,090 | 23,851 | 67,449 | 70,662 | 54,840 | 41,971 | 28,979 | 44,400 | 41,063 | 36,834 | 37,804 | 42,392 | 128,754 |
| Ultra-low sulphur diesel (ULSD) ⁽⁴⁾ | Litres | 60,677 | 44,883 | 48,276 | 49,118 | 49,759 | - | - | - | - | - | 347 | - | - | - | - | 61,024 |
| Town gas | Unit | - | - | - | - | - | - | - | - | - | - | 198,192 | 210,208 | 185,276 | 183,846 | 203,129 | 198,192 |
| Natural gas | GJ | - | - | - | - | - | 75,991 | 86,762 | 51,964 | 14,187 | - | 50,431 | 49,790 | 35,487 | 34,507 | 16,568 | 126,422 |
| Liquefied petroleum gas | Kilograms | - | - | - | - | - | - | - | - | - | - | 17,368 | 6,524 | - | - | - | 17,368 |
| Direct energy consumption (Industrial diesel + petrol + ULSD + town gas + natural gas + liquefied petroleum gas) | GJ | 2,737 | 2,844 | 3,168 | 3,228 | 3,141 | 78,386 | 89,263 | 53,929 | 15,852 | 1,229 | 62,210 | 61,537 | 45,604 | 44,620 | 11,213 | 143,333 |
| Total energy consumption | GJ | 597,097 | 655,093⁽⁵⁾ | 684,864 | 696,648 | 650,349 | 332,388 | 355,536 | 268,702 | 229,020 | 154,113 | 184,092 | 162,962 | 130,701 | 130,465 | 69,054 | 1,113,577^R |
| Carbon emissions | | | | | | | | | | | | | | | | | |
| Direct carbon emissions (Scope 1) ⁽²⁾ | Tonnes of CO ₂ e | 2,778 | 4,894 | 749 | 3,290 | 1,053 | 4,585 | 5,074 | 2,805 | 3,338 | 88 | 3,430 | 3,497 | 2,424 | 2,727 | 659 | 10,793 |
| Indirect carbon emissions (Scope 2) ⁽³⁾ | Tonnes of CO ₂ e | 127,749 | 138,457 ⁽⁵⁾ | 147,571 | 148,116 | 139,120 | 53,090 | 55,658 | 45,818 | 45,476 | 32,550 | 26,210 | 21,639 | 18,518 | 18,564 | 12,705 | 207,049 |
| Total carbon emissions (Scopes 1 & 2) | Tonnes of CO ₂ e | 130,527 | 143,351⁽⁵⁾ | 148,320 | 151,406 | 140,173 | 57,675 | 60,732 | 48,623 | 48,814 | 32,638 | 29,640 | 25,136 | 20,942 | 21,291 | 13,364 | 217,842^R |
| Materials used | | | | | | | | | | | | | | | | | |
| Refrigerants containing HCFCs refilled | Kilograms | 590 | 897 | 93 | 908 | 1,206 | 20 | 100 | 0 | 120 | - | - | - | - | - | - | 610 |
| Refrigerants containing HFCs refilled | Kilograms | 1,982 | 3,602 | 387 | 2,321 | 622 | 408 | 354 | 0 | 1,800 | - | 75 | 112 | 23 | 13 | 21 | 2,465 |
| Paper products | Kilograms | 30,905 | 32,876 | 31,242 | 34,994 | 31,670 | 7,602 | 7,365 | 5,571 | 4,058 | 3,687 | 18,677 | 20,863 | 16,470 | 24,385 | 21,487 | 57,184 |
| Water consumption | | | | | | | | | | | | | | | | | |
| Total water consumption - municipal | 000 m ³ | 354 | 368 ⁽⁵⁾ | 342 | 334 | 360 | 709 | 767 | 602 | 595 | 450 | 327 | 386 | 236 | 239 | 143 | 1,390 ^R |
| Wastewater reuse and discharge | | | | | | | | | | | | | | | | | |
| Wastewater discharged | 000 m ³ | 47,753 | 48,810 | 47,956 | 37,841 | 48,315 | 668 | 706 | 457 | 341 | 182 | 260 | 349 | 197 | 238 | 135 | 48,681 |
| Seawater reused for flushing | m ³ | 402,109 | 349,057 | 404,242 | 385,493 | 387,142 | - | - | - | - | - | - | - | - | - | - | 402,109 |
| Waste potable water reused for flushing | m ³ | 6,663 | 7,039 | 6,538 | 6,194 | 7,466 | 112,408 | 112,605 | 49,849 | 124,413 | - | 0 | 0 | - | - | - | 119,071 |
| Waste disposal (Hazardous) | | | | | | | | | | | | | | | | | |
| Oils and lubricants | Litres | 1,018 | 292 | 1,826 | - | 1,488 | - | - | - | - | - | - | - | - | - | - | 1,018 |
| Waste disposal (Non-hazardous) | | | | | | | | | | | | | | | | | |
| Construction and demolition waste | Tonnes | 2,489 ^R | 3,107 | 1,795 | 11,006 | 3,321 | 8,371 | 4,720 | 1,728 | 481 | 4,199 | 0 | 3 | - | - | - | 10,860 |
| Commercial waste ⁽⁴⁾ | Tonnes | 12,576 ^R | 13,194 | 12,834 | 12,992 | 13,113 | 12,717 | 16,905 | 15,384 | 13,659 | 7,056 | 1,539 | 1,554 | 1,287 | 1,273 | 1,101 | 26,832 |
| Residential / domestic waste | Tonnes | 388 | 360 | 345 | 359 | 140 | - | - | - | - | - | - | - | - | - | - | 388 |
| Grease trap waste | Tonnes | 5,004 | 4,743 | 5,397 | 5,420 | 5,190 | - | - | - | 2 | 8,052 | 18 | 235 | 202 | - | 541 | 5,022 |
| Garden waste | Tonnes | 38 | 365 | 426 | 589 | 250 | - | - | - | - | - | - | - | - | - | - | 38 |
| Waste recycling (Hazardous) | | | | | | | | | | | | | | | | | |
| Battery electrolyte | Litres | 0 | 0 | 0 | - | - | - | - | - | - | - | 0 | 0 | 200 | - | - | 0 |
| Oils and liquids | Litres | 0 | 750 | 0 | 846 | 1,488 | - | - | - | - | - | - | - | - | - | - | 0 |
| Waste recycling (Non-hazardous) | | | | | | | | | | | | | | | | | |
| Construction and demolition waste | Tonnes | 106,390 | 441 | 2,254 | - | 167 | - | - | - | - | - | - | - | - | - | - | 106,390 |
| Paper | Tonnes | 2,837 | 2,750 | 2,640 | 2,655 | 2,811 | 302 | 278 | 289 | 205 | 145 | 54 | 65 | 51 | 51 | 57 | 3,193 |
| Metal | Tonnes | 12,188 | 4,230 | 2,202 | 1,023 | 158 | 22 | 4 | 3 | 0 | 4,743 | 7 | 7 | 6 | 0 | 2 | 12,217 |
| Plastics | Tonnes | 10 | 10 | 10 | 13 | 19 | 30 | 11 | 12 | 11 | 12 | 12 | 11 | 7 | 7 | 7 | 52 |
| Glass | Tonnes | 22 | 23 | - | - | - | 53 | 32 | - | - | - | 62 | 74 | - | - | - | 137 |
| Food waste | Tonnes | 433 | 352 | - | - | - | 3,052 | 639 | - | - | - | 320 | 55 | - | - | - | 3,805 |
| Grease trap waste | Tonnes | - | - | - | - | - | 336,119 | 269,141 | 117,200 | - | - | 78 | - | - | - | - | 336,197 |

Scope:

- (a) Hong Kong Portfolio refers to office and retail portfolio in Hong Kong, excluding hotels.
- (b) Mainland China Portfolio refers to office and retail portfolio in Mainland China, excluding hotels.
- (c) Hotels refer to (i) The Upper House, Hong Kong, (ii) EAST, Hong Kong, (iii) Swire Restaurants, (iv) The Opposite House, Beijing, (v) EAST, Beijing, and (vi) The Temple House, Chengdu.

* Taikoo Place Apartments is newly included in 2017. As Cornwall House was demolished in 2017, no data was available.

Swire Restaurants is newly included in 2017.

Notes:

R - Denotes sustainability data that has been reported on by PricewaterhouseCoopers. Please refer to the Independent Limited Assurance Report for further details.

- (1) The fuel used in emergency generator testing switched from industrial diesel to ULSD in Hong Kong Portfolio and Hong Kong hotels.
- (2) Direct carbon emissions included industrial diesel, petrol, ULSD, town gas, natural gas, liquefied petroleum gas and refrigerant containing HFCs refilled.
- (3) Indirect carbon emissions included purchased electricity and town gas.
- (4) "Commercial and industrial waste" disposal has been renamed as "Commercial waste" disposal.
- (5) The data has been adjusted to reflect actual situation in 2016.

PERFORMANCE DATA SUMMARY

| | Unit | 2017 | | | 2016 | | | 2015 | | |
|--|---|-------------------------|--------------------------|---------|-------------------------|--------------------------|--------|-------------------------|--------------------------|----------------------|
| | | Hong Kong Portfolio* | Mainland China Portfolio | Hotels# | Hong Kong Portfolio | Mainland China Portfolio | Hotels | Hong Kong Portfolio | Mainland China Portfolio | Hotels |
| Carbon intensity | Tonnes of CO ₂ e/m ² /year (for Hong Kong and Mainland China Portfolios) Tonnes of CO ₂ e/guest night/year (for Hotels) | 0.116 | 0.084 | 0.061 | 0.118 ⁽³⁾ | 0.089 | 0.053 | 0.120 | 0.085 ⁽³⁾ | 0.064 ⁽³⁾ |
| Direct energy intensity | GJ/m ² /year (for Hong Kong and Mainland China Portfolios) GJ/guest night/year (for Hotels) | 0.002 | 0.115 | 0.127 | 0.002 | 0.130 ⁽³⁾ | 0.131 | 0.003 | 0.095 ⁽³⁾ | 0.140 ⁽³⁾ |
| Indirect energy intensity | kWh/m ² /year (for Hong Kong and Mainland China Portfolios) kWh/guest night/year (for Hotels) | 146 | 103 | 69 | 149 ⁽³⁾ | 108 | 60 | 153 | 105 ⁽³⁾ | 73 ⁽³⁾ |
| Water intensity | m ³ /m ² /year (for Hong Kong and Mainland China Portfolios) m ³ /guest night/year (for Hotels) | 0.313 | 1.036 | 0.668 | 0.302 ⁽³⁾ | 1.119 ⁽³⁾ | 0.819 | 0.276 | 1.058 ⁽³⁾ | 0.725 ⁽³⁾ |
| | | Swire Properties | | | Swire Properties | | | Swire Properties | | |
| Total hazardous waste disposal⁽¹⁾ | Litres | | 1,018 | | | 292 | | | 1,826 | |
| Total hazardous waste recycling⁽¹⁾ | Litres | | 0 | | | 750 | | | 200 | |
| Total non-hazardous waste disposal⁽²⁾ | Tonnes | | 43,140 | | | 45,186 | | | 39,398 | |
| Total non-hazardous waste recycling⁽²⁾ | Tonnes | | 461,991 | | | 278,123 | | | 124,674 | |

Scope:

- (a) Hong Kong Portfolio refers to office and retail portfolio in Hong Kong, excluding hotels.
 - (b) Mainland China Portfolio refers to office and retail portfolio in Mainland China, excluding hotels.
 - (c) Hotels refer to (i) The Upper House, Hong Kong, (ii) EAST, Hong Kong, (iii) Swire Restaurants, (iv) The Opposite House, Beijing, (v) EAST, Beijing, and (vi) The Temple House, Chengdu.
- * Taikoo Place Apartments is newly included in 2017.
Swire Restaurants is newly included in 2017.

Notes:

- (1) Total hazardous waste produced is the sum of total hazardous waste disposal and total hazardous waste recycling.
- (2) Total non-hazardous waste produced is the sum of total non-hazardous waste disposal and total non-hazardous waste recycling.
- (3) The data has been adjusted to reflect actual situation.

PERFORMANCE DATA SUMMARY

| | Hong Kong Portfolio | | | | | | | | Mainland China Portfolio | | | | | | | | Hotels | | | | Total | | | | | | | |
|--|---------------------|-------|---------------------|-------|---------------------|-------|---------------------|-------|--------------------------|--------|-------|-------|-------|-------|-------|-------|--------|-------|-------|-------|--------------------|-------|--------------------|-------|--------------------|-------|-------|-------|
| | 2017 ⁽⁵⁾ | | 2016 ⁽⁶⁾ | | 2015 ⁽⁶⁾ | | 2014 ⁽⁶⁾ | | 2017 | | 2016 | | 2015 | | 2014 | | 2017 | | 2016 | | 2015 | | 2014 | | 2017 | | | |
| Workforce Profile | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total workforce | 2,425 | | 2,382 | | 2,301 | | 2,264 | | 1,227 | | 1,274 | | 1,232 | | 1,202 | | 1,667 | | 1,758 | | 1,831 | | 1,522 | | 5,319 | | | |
| By gender | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Male | 1,564 | 64.5% | 1,568 | 65.8% | 1,531 | 66.5% | 1,540 | 68.0% | 776 | 63.2% | 812 | 63.7% | 812 | 65.9% | 798 | 66.4% | 867 | 52.0% | 929 | 52.8% | 992 | 54.2% | 829 | 54.5% | 829 | 54.5% | 3,207 | 60.3% |
| Female | 861 | 35.5% | 814 | 34.2% | 770 | 33.5% | 724 | 32.0% | 451 | 36.8% | 462 | 36.3% | 420 | 34.1% | 404 | 33.6% | 800 | 48.0% | 829 | 47.2% | 839 | 45.8% | 693 | 45.5% | 693 | 45.5% | 2,112 | 39.7% |
| By age group | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Under 30 years old | 365 | 15.1% | 367 | 15.4% | 361 | 15.7% | 369 | 16.3% | 340 | 27.7% | 379 | 29.7% | 414 | 33.6% | 404 | 33.6% | 710 | 42.6% | 795 | 45.2% | 808 ⁽⁷⁾ | 46.7% | 792 ⁽⁷⁾ | 53.8% | 792 ⁽⁷⁾ | 53.8% | 1,415 | 26.6% |
| 30 to 50 years old | 1,154 | 47.6% | 1,159 | 48.7% | 1,117 | 48.5% | 1,099 | 48.5% | 822 | 67.0% | 830 | 65.1% | 758 | 61.5% | 732 | 60.9% | 826 | 49.6% | 809 | 46.0% | 823 ⁽⁷⁾ | 47.6% | 602 ⁽⁷⁾ | 40.9% | 602 ⁽⁷⁾ | 40.9% | 2,802 | 52.7% |
| Over 50 years old | 906 | 37.4% | 856 | 35.9% | 823 | 35.8% | 796 | 35.2% | 65 | 5.3% | 65 | 5.1% | 60 | 4.9% | 66 | 5.5% | 131 | 7.9% | 154 | 8.8% | 98 ⁽⁷⁾ | 5.7% | 77 ⁽⁷⁾ | 5.2% | 77 ⁽⁷⁾ | 5.2% | 1,102 | 20.7% |
| By employment contract⁽¹⁾ | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Permanent | 2,191 | 90.4% | 2,162 | 90.8% | 2,086 | 90.7% | 2,055 | 90.8% | 1,226 | 99.9% | 1,273 | 99.9% | 1,231 | 99.9% | 1,201 | 99.9% | 1,577 | 94.6% | 1,667 | 94.8% | 1,712 | 93.5% | 1,467 | 96.4% | 1,467 | 96.4% | 4,994 | 93.9% |
| Fixed term/ temporary | 234 | 9.6% | 220 | 9.2% | 215 | 9.3% | 209 | 9.2% | 1 | 0.1% | 1 | 0.1% | 1 | 0.1% | 1 | 0.1% | 90 | 5.4% | 30 | 1.7% | 17 | 0.9% | 4 | 0.3% | 4 | 0.3% | 325 | 6.1% |
| Supervised worker | - | - | 0 | 0% | 0 | 0% | 0 | 0% | - | - | 0 | 0% | 0 | 0% | 0 | 0% | - | - | 61 | 3.5% | 102 | 5.6% | 51 | 3.4% | 51 | 3.4% | - | - |
| Permanent employees by employment type | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Full-time | 2,147 | 98.0% | 2,127 | 98.4% | 2,040 | 97.8% | 2,008 | 97.7% | 1,226 | 100% | 1,273 | 100% | 1,231 | 100% | 1,201 | 100% | 1,572 | 99.7% | 1,665 | 99.9% | 1,709 | 99.8% | 1,464 | 99.8% | 1,464 | 99.8% | 4,945 | 99.0% |
| Part-time | 44 | 2.0% | 35 | 1.6% | 46 | 2.2% | 47 | 2.3% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 5 | 0.3% | 2 | 0.1% | 3 | 0.2% | 3 | 0.2% | 3 | 0.2% | 49 | 1.0% |
| By geographical region | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Hong Kong | 2,416 | 99.6% | 2,376 | 99.7% | 2,296 | 99.8% | 2,262 | 99.9% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 801 | 48.1% | 899 | 51.1% | 902 | 49.3% | 741 | 48.7% | 741 | 48.7% | 3,217 | 60.5% |
| Mainland China | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 1,227 | 100% | 1,274 | 100% | 1,232 | 100% | 1,202 | 100% | 866 | 51.9% | 858 | 48.8% | 928 | 50.7% | 781 | 51.3% | 781 | 51.3% | 2,093 | 39.3% |
| Beijing | - | - | - | - | - | - | - | - | 523 | 42.6% | 535 | 42.0% | - | - | - | - | 542 | 32.5% | 525 | 29.9% | - | - | - | - | - | - | - | - |
| Shanghai | - | - | - | - | - | - | - | - | 21 | 1.7% | 22 | 1.7% | - | - | - | - | 0 | 0% | 1 | 0.1% | - | - | - | - | - | - | - | - |
| Guangdong province | - | - | - | - | - | - | - | - | 354 | 28.9% | 360 | 28.3% | - | - | - | - | 0 | 0% | 0 | 0% | - | - | - | - | - | - | - | - |
| Sichuan province | - | - | - | - | - | - | - | - | 329 | 26.8% | 338 | 26.5% | - | - | - | - | 324 | 19.4% | 332 | 18.9% | - | - | - | - | - | - | - | - |
| Other provinces | - | - | - | - | - | - | - | - | 0 | 0% | 19 | 1.5% | - | - | - | - | 0 | 0% | 0 | 0% | - | - | - | - | - | - | - | - |
| Others | 9 ⁽⁵⁾ | 0.4% | 6 ⁽⁶⁾ | 0.3% | 5 | 0.2% | 2 | 0.1% | 0 | 0% | 0 | 0% | - | - | - | - | 0 | 0% | 1 | 0.1% | 1 | 0.1% | - | - | - | - | - | - |
| New Hires | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total number and rate of new hires⁽²⁾ | 507 | | 503 | | 421 | | 488 | | 229 | | 291 | | 339 | | 370 | | 481 | | 496 | | 758 | | 711 | | 1,217 | | 24.4% | |
| By gender | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Male | 301 | 21.7% | 318 | 22.7% | 243 | 17.8% | 304 | 22.0% | 132 | 17.0% | 162 | 20.0% | 225 | 27.7% | 265 | 33.2% | 233 | 27.9% | 264 | 29.9% | 376 | 40.5% | 375 | 46.7% | 375 | 46.7% | 666 | 22.2% |
| Female | 206 | 25.6% | 185 | 24.3% | 178 | 24.7% | 184 | 27.4% | 97 | 21.5% | 129 | 27.9% | 114 | 27.2% | 105 | 26.1% | 248 | 33.4% | 232 | 29.6% | 382 | 48.8% | 336 | 50.3% | 336 | 50.3% | 551 | 27.6% |
| By age group | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Under 30 years old | 189 | 54.9% | 200 | 58.7% | 159 | 46.4% | 200 | 61.8% | 132 | 38.8% | 126 | 33.2% | 172 | 41.5% | 203 | 50.2% | 309 | 48.1% | 322 | 41.7% | 441 | 55.3% | 425 | 53.7% | 425 | 53.7% | 630 | 47.5% |
| 30 to 50 years old | 215 | 19.0% | 209 | 18.3% | 188 | 17.0% | 215 | 19.8% | 95 | 11.6% | 156 | 18.8% | 159 | 21.0% | 163 | 22.3% | 162 | 19.6% | 147 | 18.8% | 285 | 34.6% | 254 | 42.2% | 254 | 42.2% | 472 | 17.0% |
| Over 50 years old | 103 | 14.4% | 94 | 13.8% | 74 | 11.3% | 73 | 11.4% | 2 | 3.1% | 9 | 14.1% | 8 | 13.6% | 4 | 6.2% | 10 | 9.2% | 27 | 23.5% | 32 | 34.8% | 32 | 41.6% | 32 | 41.6% | 115 | 13.0% |
| By geographical region | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Hong Kong | 507 | 23.2% | 503 | 23.3% | 420 | 20.2% | 488 | 23.8% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 215 | 27.4% | 237 | 28.7% | 330 | 39.4% | 337 | 54.6% | 337 | 54.6% | 722 | 24.3% |
| Mainland China | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 229 | 18.7% | 291 | 22.9% | 339 | 27.5% | 370 | 30.8% | 266 | 33.5% | 258 | 30.6% | 428 | 49.0% | 374 | 47.9% | 374 | 47.9% | 495 | 24.5% |
| Others | 0 | 0% | 0 | 0% | 1 | 20.0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 1 | 100% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% |
| Turnover | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total number and rate of voluntary turnover⁽³⁾ | 411 | | 357 | | 319 | | 335 | | 195 | | 208 | | 194 | | 227 | | 508 | | 505 | | 492 | | 460 | | 1,114 | | 22.3% | |
| By gender | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Male | 252 | 18.3% | 225 | 16.1% | 201 | 14.7% | 200 | 14.5% | 128 | 37.6% | 130 | 16.0% | 127 | 15.6% | 145 | 18.2% | 244 | 29.2% | 281 | 31.8% | 248 | 26.7% | 252 | 31.4% | 252 | 31.4% | 624 | 20.5% |
| Female | 159 | 19.9% | 132 | 17.3% | 118 | 16.4% | 135 | 20.1% | 67 | 14.9% | 78 | 16.9% | 67 | 16.0% | 82 | 20.3% | 264 | 35.6% | 224 | 28.6% | 244 | 31.2% | 208 | 31.1% | 208 | 31.1% | 490 | 21.6% |
| By age group | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Under 30 years old | 127 | 36.9% | 127 | 37.2% | 88 | 27.2% | 113 | 34.8% | 92 | 27.1% | 109 | 28.8% | 97 | 23.4% | 119 | 29.5% | 308 | 47.9% | 299 | 38.7% | 316 | 39.6% | 321 | 40.6% | 321 | 40.6% | 527 | 35.9% |
| 30 to 50 years old | 202 | 17.8% | 159 | 13.9% | 150 | 13.6% | 175 | 16.1% | 99 | 12.0% | 97 | 11.7% | 93 | 12.3% | 105 | 14.3% | 188 | 22.8% | 188 | 24.1% | 159 | 19.3% | 128 | 21.3% | 128 | 21.3% | 489 | 16.1% |
| Over 50 years old | 82 | 11.5% | 71 | 10.4% | 81 | 12.3% | 47 | 7.3% | 4 | 6.3% | 2 | 3.1% | 4 | 6.8% | 3 | 4.6% | 12 | 11.0% | 18 | 15.7% | 17 | 18.5% | 11 | 15.1% | 11 | 15.1% | 98 | 10.6% |
| By geographical region | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Hong Kong | 411 | 18.8% | 357 | 16.6% | 319 | 15.3% | 335 | 16.3% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 245 | 31.3% | 231 | 28.0% | 176 | 21.0% | 186 | 27.0% | 186 | 27.0% | 656 | 19.7% |
| Mainland China | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 195 | 15.9% | 208 | 16.3% | 194 | 15.8% | 227 | 18.9% | 262 | 33.0% | 274 | 32.6% | 316 | 36.2% | 274 | 35.1% | 274 | 35.1% | 457 | 22.8% |
| Others | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 1 | 100% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% |
| Parental Leave | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total number of employees entitled to parental leave | 2,356 | | 2,314 | | 2,222 | | 661 | | 1,200 | | 1,260 | | 1,221 | | 1,197 | | 1,621 | | 1,697 | | - | | - | | 5,177 | | | |
| By gender | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Male | 1,548 | | 1,550 | | 1,509 | | 0 | | 764 | | 804 | | 806 | | 796 | | 853 | | 900 | | - | | - | | - | | 3,165 | |
| Female | 808 | | 764 | | 713 | | 661 | | 436 | | 456 | | 415 | | 401 | | 768 | | 797 | | - | | - | | - | | 2,012 | |
| Total number of employees took parental leave | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| By gender | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Male | 21 | | 27 | | 20 | | 0 | | 22 | | 20 | | 17 | | 10 | | 37 | | 36 | | - | | - | | - | | 80 | |
| Female | 23 | | 23 | | 28 | | 21 | | 30 | | 34 | | 25 | | 26 | | 46 | | 31 | | 20 | | 14 | | 14 | | 99 | |
| Return to work rate (%)⁽⁴⁾ | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| By gender | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Male | 100% | | 100% | | 100% | | - | | 100% | | 100% | | 100% | | 100% | | 100% | | 100% | | - | | - | | - | | 100% | |
| Female | 100% | | 100% | | 100% | | 100% | | 96.7% | | 94.1% | | 96.0% | | 96.2% | | 91.3% | | 87.1% | | 90.0% | | 92.9% | | 92.9% | | 94.9% | |
| Performance Review | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total number and percentage of employees receiving regular performance review | 2,356 | | 2,314 | | 2,222 | | 2,175 | | 1,227 | | 1,264 | | 1,229 | | 1,198 | | 1,596 | | 1,697 | | 1,729 | | 1,471 | | 5,179 | | 97.4% | |
| By gender | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Male | 1,548 | 99.0% | 1,550 | 98.9% | 1,509 | 98.6% | 1,514 | 98.3% | 776 | 100.0% | 804 | 99.0% | 810 | 99.8% | 797 | 99.9% | 847 | 97.7% | 900 | 100% | 937 | 100% | 803 | | | | | |

PERFORMANCE DATA SUMMARY

| | Hong Kong Portfolio | | | | | | | | Mainland China Portfolio | | | | | | | | Hotels | | | | Total | | | | | |
|--|---------------------|-------|---------------------|-------|------------------------|-------|------------------------|-------|--------------------------|-------|---------|-------|----------|-------|---------|-------|---------|------|--------|-------|------------------------|---|---------|---|--------------------|-------|
| | 2017 ⁽⁷⁾ | | 2016 ⁽⁸⁾ | | 2015 ⁽⁹⁾ | | 2014 ⁽⁹⁾ | | 2017 | | 2016 | | 2015 | | 2014 | | 2017 | | 2016 | | 2015 | | 2014 | | 2017 | |
| Training | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total number and percentage of employees received training | 1,663 | 68.6% | 2,224 | 93.4% | 1,498 | 65.1% | 1,870 | 82.6% | 1,212 | 98.8% | 1,251 | 98.2% | 1,218 | 98.9% | 861 | 71.6% | 1,667 | 100% | 1,697 | 100% | - | - | - | - | 4,542 | 85.4% |
| By gender | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Male | 1,006 | 64.3% | 1,509 | 96.2% | 918 | 60.0% | 1,330 | 86.4% | 771 | 99.4% | 798 | 98.3% | 806 | 99.3% | 563 | 70.6% | 867 | 100% | 900 | 100% | - | - | - | - | 2,644 | 82.4% |
| Female | 657 | 76.3% | 715 | 87.8% | 580 | 75.3% | 540 | 74.6% | 441 | 97.8% | 453 | 98.1% | 412 | 98.1% | 298 | 73.8% | 800 | 100% | 797 | 100% | - | - | - | - | 1,898 | 89.9% |
| By management role | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Management | 471 | 85.0% | 453 | 96.6% | 409 | 96.2% | 364 | 91.9% | 396 | 97.1% | 395 | 95.4% | 394 | 97.0% | 236 | 61.6% | 332 | 100% | 330 | 100% | - | - | - | - | 1,199 | 92.7% |
| Non-management | 1,192 | 63.7% | 1,771 | 92.6% | 1,089 | 58.0% | 1,506 | 80.6% | 816 | 99.6% | 856 | 99.5% | 824 | 99.8% | 625 | 76.3% | 1,335 | 100% | 1,367 | 100% | - | - | - | - | 3,343 | 83.1% |
| Total training hours | 26,339 | | 24,434 | | 19,508 | | 19,495 | | 27,403 | | 25,597 | | 28,409 | | 10,966 | | 21,197 | | 15,024 | | 33,852 ⁽¹⁰⁾ | | 17,682 | | 74,939 | |
| Average training hours | | | | | | | | | | | | | | | | | | | | | | | | | | |
| By employee | 10.9 | | 10.3 | | 8.5 | | 8.6 | | 22.3 | | 20.1 | | 23.1 | | 9.1 | | 12.7 | | 8.9 | | 19.1 ⁽¹⁰⁾ | | 12.0 | | 14.1 | |
| By gender | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Male | 9.6 | | 9.5 | | 8.2 | | 7.9 | | 22.8 | | 20.8 | | 26.3 | | 9.0 | | 12.1 | | 8.8 | | 15.3 ⁽¹⁰⁾ | | 10.5 | | 13.5 | |
| Female | 13.2 | | 11.8 | | 9.0 | | 10.2 | | 21.5 | | 18.8 | | 16.9 | | 9.3 | | 13.3 | | 8.9 | | 23.7 ⁽¹⁰⁾ | | 13.9 | | 15.0 | |
| By management role | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Management | 25.8 | | 19.7 | | 19.5 | | 20.0 | | 22.7 | | 18.7 | | 16.9 | | 9.4 | | 19.6 | | 10.5 | | 19.9 ⁽¹⁰⁾ | | 12.3 | | 23.2 | |
| Non-management | 6.4 | | 7.9 | | 6.0 | | 6.2 | | 22.1 | | 20.9 | | 26.1 | | 9.0 | | 11.0 | | 8.4 | | 18.9 ⁽¹⁰⁾ | | 11.9 | | 11.2 | |
| Total training spend (million HK\$) | 4.3 | | 3.1 | | 2.8 | | 3.4 | | 2.5 | | 2.0 | | 1.5 | | 0.8 | | 2.6 | | 1.5 | | - | | - | | 9.4 | |
| Training by related-topics | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Corporate social responsibility related training | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total training hours for employees | 1,364.0 | | 382.3 | | 433.3 | | 371.8 | | 1,998.5 | | 3,111.5 | | 696.0 | | 353.5 | | 1,768.2 | | 266.0 | | 479.0 | | 923.0 | | 5,120.7 | |
| Total training hours for new hires (SD training in induction programme) | 277.0 | | 333.5 | | 240.3 | | 291.8 | | 529.7 | | 247.0 | | 210.0 | | 169.5 | | 632.5 | | 138.0 | | 223.0 | | 589.0 | | 1,439.2 | |
| Health and safety related training | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total training hours on health and safety | 5,475.0 | | 5,445.3 | | 7,198.5 ⁽⁹⁾ | | 3,531.3 ⁽⁹⁾ | | 10,498.3 | | 9,918.1 | | 15,442.0 | | 5,504.0 | | 4,637.0 | | 798.8 | | 979.0 | | 895.0 | | 20,610.3 | |
| Average training hours on health and safety per employee | 2.3 | | 2.3 | | 3.1 ⁽⁹⁾ | | 1.6 ⁽⁹⁾ | | 8.6 | | 7.8 | | 12.5 | | 4.6 | | 2.8 | | 0.5 | | 0.6 | | 0.6 | | 3.9 | |
| Human rights related training | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total training hours on human rights related topics | 1,027.5 | | 1,845.0 | | 652.5 ⁽⁹⁾ | | 991.0 ⁽⁹⁾ | | 951.5 | | 356.9 | | 75.0 | | 381.0 | | 1,799.5 | | 430.2 | | 1,989.0 | | 3,358.3 | | 3,778.5 | |
| Percentage of employees received human rights related training | 1,053 | 43.4% | 2,269 | 95.3% | 2,242 ⁽⁹⁾ | 97.6% | 2,227 ⁽⁹⁾ | 98.5% | 574 | 46.8% | 570 | 44.7% | - | - | - | - | 1,667 | 100% | 1,205 | 71.0% | - | - | - | - | 3,294 | 61.9% |
| Anti-corruption related training | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total training hours on anti-corruption related topics | 709.3 | | - | | - | | - | | 754.0 | | - | | - | | - | | 1,466.5 | | - | | - | | - | | 2,929.8 | |
| Percentage of employees received anti-corruption related training | 1,169 | 48.2% | 2,228 | 93.5% | 2,263 ⁽⁹⁾ | 98.6% | 2,218 ⁽⁹⁾ | 98.1% | 540 | 44.0% | 908 | 71.3% | - | - | - | - | 1,667 | 100% | 1,337 | 78.8% | - | - | - | - | 3,376 | 63.5% |
| By management role | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Management | 471 | 85.0% | 451 | 96.2% | 399 ⁽⁹⁾ | 99.0% | 383 ⁽⁹⁾ | 97.7% | 120 | 29.4% | 293 | 70.8% | - | - | - | - | 332 | 100% | 207 | 62.7% | - | - | - | - | 923 | 71.3% |
| Non-management | 698 | 37.3% | 1,777 | 92.9% | 1,864 ⁽⁹⁾ | 98.5% | 1,835 ⁽⁹⁾ | 98.2% | 420 | 51.3% | 615 | 71.5% | - | - | - | - | 1,335 | 100% | 1,130 | 82.7% | - | - | - | - | 2,453 | 60.9% |
| Occupational Health and Safety | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Number of reportable injuries (sick leave > 3 days) | 25 | | 31 | | 37 | | 26 | | 5 | | 5 | | 3 | | 6 | | 23 | | 33 | | 21 | | 26 | | 63 | |
| Number of lost time injuries (sick leave > 0 days) | 38 | | 43 | | 48 | | 36 | | 6 | | 6 | | 5 | | 12 | | 39 | | 56 | | 38 | | 43 | | 83 | |
| Lost time injury rate (LTIR) ⁽¹⁾ | 1.40 | | 1.61 | | 1.85 | | 1.40 | | 0.48 | | 0.48 | | 0.56 | | 1.36 | | 2.12 | | 2.93 | | 2.81 | | 3.54 | | 1.43 | |
| Lost days due to injuries | 1,753 | | 1,144 | | 1,970 | | 1,382.5 | | 335 | | 222 | | 235 | | 115 | | 720 | | 746 | | 754 | | 1,012 | | 2,808 | |
| Lost day rate (LDR) ⁽²⁾ | 64.38 | | 42.78 | | 75.78 | | 53.83 | | 26.69 | | 17.74 | | 26.28 | | 12.99 | | 39.13 | | 39.02 | | 55.82 | | 83.38 | | 48.36 ⁸ | |
| Absentee rate ⁽³⁾ | 2.15% | | 2.40% | | 1.96% | | 1.78% | | 0.85% | | 1.15% | | 1.28% | | 1.16% | | 1.59% | | 0.61% | | 0.42% | | 0.87% | | 1.68% | |
| Occupational disease rate (ODR) ⁽⁴⁾ | 0% | | - | | - | | - | | 0% | | - | | - | | - | | 0% | | - | | - | | - | | 0% | |
| Number of fatalities | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | | 0 ⁸ | |
| Rate of fatalities ⁽⁵⁾ | 0% | | 0% | | 0% | | 0% | | 0% | | 0% | | 0% | | 0% | | 0% | | 0% | | 0% | | 0% | | 0% | |
| Percentage of the organisation operating in verified compliance with an internationally recognised occupational health and safety management system (OHSAS 18001) ⁽⁶⁾ | 100% | | 100% | | 100% | | 100% | | 48% | | 48% | | 66% | | 0% | | / | | / | | / | | / | | - | |

Scope:

- (a) Hong Kong Portfolio refers to office and retail portfolio in Hong Kong, excluding hotels.
- (b) Mainland China Portfolio refers to office and retail portfolio in Mainland China, excluding hotels.
- (c) Hotels refer to (i) The Upper House, Hong Kong, (ii) EAST, Hong Kong, (iii) Swire Restaurants, (iv) The Opposite House, Beijing, (v) EAST, Beijing, and (vi) The Temple House, Chengdu.

Notes:

R - Denotes sustainability data that has been reported on by PricewaterhouseCoopers. Please refer to the Independent Limited Assurance Report for further details.

- Lost time injury rate ("LTIR") represents the number of injuries per 100 employees per year. It is calculated as "total injuries multiplied by 200,000 and then divided by total hours worked". The factor 200,000 is the annual hours worked by 100 employees, based on 40 hours per week for 50 weeks a year.
- Lost day rate ("LDR") represents the number of lost scheduled working days per 100 employees per year. It is calculated as the total days lost multiplied by 200,000 and then divided by total hours worked. The factor 200,000 is the annual hours worked by 100 employees, based on 40 hours per week for 50 weeks a year.
- Absentee rate is calculated as number of actual days lost divided by number of scheduled work days in the reporting year.
- Occupational disease rate ("ODR") represents the frequency of occupational diseases per 100 employees per year. It is calculated as "total occupational diseases multiplied by 200,000 and then divided by total hours worked". The factor 200,000 is the annual hours worked by 100 employees, based on 40 hours per week for 50 weeks a year.
- Rate of fatalities is calculated as number of fatalities divided by number of workers employed.
- Calculated base on percentage of employees.
- Included Hong Kong secondees working in Singapore, Jakarta and U.S.A.
- Included Hong Kong secondees working in Singapore and Jakarta.
- Excluded Hong Kong secondees working in Singapore and Jakarta.
- Included EAST, Miami, U.S.A. employees.

INDEPENDENT PRACTITIONER'S LIMITED ASSURANCE REPORT



To the board of directors of Swire Properties Limited

We have undertaken a limited assurance engagement in respect of the selected sustainability information of Swire Properties Limited (the "Company") listed below and identified with the symbol [R] in the Sustainable Development Report for the year ended 31st December 2017 ("the Sustainable Development Report 2017") (the "Identified Sustainability Information").

Identified Sustainability Information

The Identified Sustainability Information for the year ended 31st December 2017 is summarised below:

- Total energy consumption
- Total carbon emissions (Scopes 1 & 2)
- Total water consumption – municipal
- Construction and demolition waste
- Commercial waste
- Total number of fatalities
- Total lost day rate
- Total convicted cases of corruption

Our assurance was with respect to the year ended 31st December 2017 information only and we have not performed any procedures for the purposes of this engagement with respect to earlier periods or any other elements included in the Sustainable Development Report 2017 and, therefore, do not express any conclusion thereon.

Criteria

The criteria used by the Company to prepare the Identified Sustainability Information is set out in the GRI and HKEX ESG Reporting chapter under the heading Reporting Standards and Scope of Report in the Sustainable Development Report 2017 (the "Criteria") for the year ended 31st December 2017.

The Company's Responsibility for the Identified Sustainability Information

The Company is responsible for the preparation of the Identified Sustainability Information in accordance with the Criteria. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of Identified Sustainability Information that is free from material misstatement, whether due to fraud or error.

Inherent limitations

The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measures and measurement techniques and can affect comparability between entities. In addition, greenhouse gas quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental

principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Identified Sustainability Information based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements other than Audits or Reviews of Historical Financial Information, and, in respect of greenhouse gas emissions, International Standard on Assurance Engagements 3410, Assurance Engagements on Greenhouse Gas Statements, issued by the International Auditing and Assurance Standards Board. These standards require that we plan and perform this engagement to obtain limited assurance about whether the Identified Sustainability Information is free from material misstatement.

A limited assurance engagement involves assessing the suitability in the circumstances of the Company's use of the Criteria as the basis for the preparation of the Identified Sustainability Information, assessing the risks of material misstatement of the Identified Sustainability Information whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the Identified Sustainability Information. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above we:

- made inquiries of the persons responsible for the Identified Sustainability Information;
- understood the process for collecting and reporting the Identified Sustainability Information;
- performed limited substantive testing on a selective basis of the Identified Sustainability Information; and
- considered the disclosure and presentation of the Identified Sustainability Information.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the Company's Identified Sustainability Information has been prepared, in all material respects, in accordance with the Criteria.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Company's Identified Sustainability Information for the year ended 31st December 2017 is not prepared, in all material respects, in accordance with the Criteria.

Our report has been prepared for and only for the board of directors of Swire Properties Limited and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the content of this report.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 15th March 2018

GLOBAL REPORTING INITIATIVE CONTENT INDEX

GRI 102: General Disclosures

| GRI Indicator | Description | References and Remarks |
|-------------------------------|---|--|
| Organisational Profile | | |
| 102 – 1 | Name of the organisation | Cover Page |
| 102 – 2 | Activities, brands, products, and services | Profile of Swire Properties Limited (P.6 – 7) Places (P.33 – 47) Annual Report 2017 – Company Profile Corporate website – About Us http://www.swireproperties.com/en/about-us.aspx |
| 102 – 3 | Location of headquarters | Profile of Swire Properties Limited (P.6 – 7) |
| 102 – 4 | Location of operations | Profile of Swire Properties Limited (P.6 – 7) Places (P.33 – 47) Annual Report 2017 – Company Profile |
| 102 – 5 | Ownership and legal form | Profile of Swire Properties Limited (P.6 – 7) Annual Report 2017 – Company Profile |
| 102 – 6 | Markets served | Profile of Swire Properties Limited (P.6 – 7) Places (P.33 – 47) Annual Report 2017 – Company Profile Corporate website – About Us http://www.swireproperties.com/en/about-us.aspx |
| 102 – 7 | Scale of the organisation | Profile of Swire Properties Limited (P.6 – 7) |
| G4 – CRE | Gross lettable area for assets under construction and management and vacancy rate | Annual Report 2017 – Management Discussion & Analysis – Review of Operations – Portfolio Overview |
| 102 – 8 | Information on employees and other workers | People (P.48 – 67) Performance Data Summary (P.132 – 139) |
| 102 – 9 | Supply chain | Partners (P.68 – 80) Corporate website – Partners http://www.swireproperties.com/en/sustainable-development/partners.aspx Corporate website – Supplier Code of Conduct http://www.swireproperties.com/en/sustainable-development/policies/supplier-code-of-conduct.aspx |
| 102 – 10 | Significant changes to the organisation and its supply chain | Partners (P.68 – 80) GRI & HKEX ESG Reporting (P.121 – 123) Annual Report 2017 – Management Discussion & Analysis – Review of Operations – Portfolio Overview There were no significant changes in the location of suppliers, the structure of the supply chain, or relationships with suppliers, including selection and termination. |
| 102 – 11 | Precautionary Principle or approach | SD Governance (P.15 – 16) Annual Report 2017 – Risk Management |
| 102 – 12 | External initiatives | External Charters and Membership (P.124 – 125) |
| 102 – 13 | Memberships of associations | External Charters and Membership (P.124 – 125) |
| Strategy | | |
| 102 – 14 | Statement from senior decision – maker | Chief Executive's Message (P.3 – 4) |

| GRI Indicator | Description | References and Remarks |
|-------------------------------|---|--|
| Ethics and Integrity | | |
| 102 – 16 | Values, principles, standards and norms of behaviour | Performance (Economic) (P.109 – 120) Corporate website – Our Vision and Values http://www.swireproperties.com/en/about-us/our-vision-and-values.aspx Corporate website – Corporate Code of Conduct http://ir.swireproperties.com/en/cg/pdf/conduct.pdf Corporate website – Sustainable Development http://www.swireproperties.com/en/sustainable-development.aspx |
| 102 – 17 | Mechanisms for advice and concerns about ethics | Performance (Economic) (P.109 – 120) |
| Governance | | |
| 102 – 18 | Governance structure | SD Governance (P.15 – 16) Performance (Economic) (P.109 – 120) Annual Report 2017 – Corporate Governance – The Board of Directors |
| 102 – 19 | Delegating authority | SD Governance (P.15 – 16) Annual Report 2017 – Corporate Governance – Delegation by the Board |
| 102 – 20 | Executive – level responsibility for economic, environmental, and social topics | SD Governance (P.15 – 16) |
| 102 – 22 | Composition of the highest governance body and its committees | Annual Report 2017 – Corporate Governance |
| 102 – 23 | Chair of the highest governance body | Performance (Economic) (P.109 – 120) Annual Report 2017 – Corporate Governance |
| 102 – 24 | Nominating and selecting and highest governance body | Annual Report 2017 – Corporate Governance – Appointment and Re-election |
| 102 – 25 | Conflicts of interest | Performance (Economic) (P.109 – 120) Annual Report 2017 – Corporate Governance – Conflicts of Interest |
| 102 – 26 | Role of highest governance body in setting purpose, values and strategy | Annual Report 2017 – Corporate Governance – The Board of Directors |
| 102 – 27 | Collective knowledge of highest governance body | Annual Report 2017 – Corporate Governance – Board Processes and Continuous Professional Development |
| 102 – 30 | Effectiveness of risk management processes | Performance (Economic) (P.109 – 120) Annual Report 2017 – Corporate Governance – Accountability and Audit Annual Report 2017 – Risk Management |
| 102 – 32 | Highest governance body's role in sustainability reporting | SD Governance (P.15 – 16) |
| 102 – 35 | Remuneration policies | Annual Report 2017 – Corporate Governance – Remuneration Committee |
| 102 – 36 | Process for determining remuneration | Annual Report 2017 – Notes to the Financial Statements – Note 9 Directors' and Executive Officers' Emoluments |
| 102 – 37 | Stakeholders' involvement in remuneration | Corporate Website – Corporate Governance – Terms of Reference http://ir.swireproperties.com/en/cg/terms-of-reference.php |
| Stakeholder Engagement | | |
| 102 – 40 | List of stakeholder groups | Materiality (P.17 – 23) |
| 102 – 41 | Collective bargaining agreements | People (P.48 – 67) |
| 102 – 42 | Identifying and selecting stakeholders | Materiality (P.17 – 23) |
| 102 – 43 | Approach to stakeholder engagement | Materiality (P.17 – 23) |
| 102 – 44 | Key topics and concerns raised | Materiality (P.17 – 23) |

| GRI Indicator | Description | References and Remarks |
|---------------------------|--|---|
| Reporting practice | | |
| 102 – 45 | Entities included in the consolidated financial statements | Annual Report 2017 – Schedule of Principal Group Properties |
| 102 – 46 | Defining report content and topic Boundaries | Materiality (P.17 – 23) GRI and HKEX ESG Reporting (P.121 – 123) |
| 102 – 47 | List of material topics | Materiality (P.17 – 23) |
| 102 – 48 | Restatements of information | Performance Data Summary (P.132 – 139) |
| 102 – 49 | Changes in reporting | About this Report (P.5) GRI and HKEX ESG Reporting (P.121 – 123) Performance Data Summary (P.132 – 139) |
| 102 – 50 | Reporting period | About this Report (P.5) GRI and HKEX ESG Reporting (P.121 – 123) |
| 102 – 51 | Date of most recent report | GRI and HKEX ESG Reporting (P.121 – 123) |
| 102 – 52 | Reporting cycle | About this Report (P.5) GRI and HKEX ESG Reporting (P.121 – 123) |
| 102 – 53 | Contact point for questions regarding the report | Table of Contents Back Cover |
| 102 – 54 | Claims of reporting in accordance with GRI Standards | GRI and HKEX ESG Reporting (P.121 – 123) Global Reporting Initiative Content Index (P.142 – 149) |
| 102 – 55 | GRI Content Index | Global Reporting Initiative Content Index (P.142 – 149) |
| 102 – 56 | External assurance | GRI and HKEX ESG Reporting (P.121 – 123) Assurance Report (P.140 – 141) |

GRI 103: Management Approach & Material Topics (Economic)

| GRI Indicator | Description | References and Remarks |
|--|--|--|
| GRI 201: Economic Performance 2016 | | |
| 103 – 1 | Explanation of the material topic and its Boundary | Materiality (P.17 – 23) GRI and HKEX ESG Reporting (P.121 – 123) |
| 103 – 2 | The management approach and its components | Performance (Economic) (P.109 – 120) Annual Report 2017 – Key Business Strategies |
| 103 – 3 | Evaluation of the management approach | Annual Report 2017 – Management Discussion & Analysis – Review of Operations – Review of Operations |
| 201 – 1 | Direct economic value generated and distributed | Performance (Economic) (P.109 – 120) Annual Report 2017 – Management Discussion & Analysis – Review of Operations – Portfolio Overview Annual Report 2017 – Financial Review |
| 201 – 4 | Financial assistance received from government | We did not receive significant financial assistance from any government. |
| GRI 203: Indirect Economic Impacts 2016 | | |
| 103 – 1 | Explanation of the material topic and its Boundary | Materiality (P.17 – 23) GRI and HKEX ESG Reporting (P.121 – 123) |
| 103 – 2 | The management approach and its components | Places (P.33 – 47) Annual Report 2017 – Management Discussion & Analysis – Review of Operations – Portfolio Overview |
| 103 – 3 | Evaluation of the management approach | Annual Report 2017 – Management Discussion & Analysis – Review of Operations – Portfolio Overview |
| 203 – 1 | Infrastructure investments and services supported | Places (P.33 – 47) |
| 203 – 2 | Significant indirect economic impacts | Places (P.33 – 47) Annual Report 2017 – Management Discussion & Analysis – Review of Operations – Portfolio Overview |

| GRI Indicator | Description | References and Remarks |
|--|---|--|
| GRI 205: Anti – corruption 2016 | | |
| 103 – 1 | Explanation of the material topic and its Boundary | Materiality (P.17 – 23) GRI and HKEX ESG Reporting (P.121 – 123) |
| 103 – 2 | The management approach and its components | Performance (Economic) (P.109 – 120) |
| 103 – 3 | Evaluation of the management approach | Corporate website – Corporate Code of Conduct http://ir.swireproperties.com/en/cg/pdf/conduct.pdf |
| 205 – 2 | Communication and training on anti – corruption policies and procedures | Performance (Economic) (P.109 – 120) Performance Data Summary (P.132 – 139) |
| 205 – 3 | Confirmed incidents of corruption and actions taken | Performance (Economic) (P.109 – 120) Performance Data Summary (P.132 – 139) |

GRI 103: Management Approach & Material Topics (Environmental)

| GRI Indicator | Description | References and Remarks |
|--------------------------------|--|---|
| GRI 301: Materials 2016 | | |
| 103 – 1 | Explanation of the material topic and its Boundary | Materiality (P.17 – 23) GRI and HKEX ESG Reporting (P.121 – 123) |
| 103 – 2 | The management approach and its components | Partners (P.68 – 80) |
| 103 – 3 | Evaluation of the management approach | Performance (Environment) (P.81 – 108) Corporate website – Environmental Policy http://www.swireproperties.com/en/sustainable-development/policies/environmental-policy.aspx Swire group website – Swire Pacific Sustainable Procurement Policy http://www.swirepacific.com/en/sd/policy/procurement.pdf |
| 301 – 1 | Materials used by weight or volume | Partners (P.68 – 80) Performance (Environment) (P.81 – 108) Performance Data Summary (P.132 – 139) Data is available on use of timber (renewable): 1,169 m ³ and concrete (non – renewable): 85,316 m ³ for construction of all Hong Kong projects under development only, and use of packaging materials (mix of renewable and non – renewable): 31 tonnes by Swire Restaurants. Information on data for other materials use is not available. As explained in the management approach disclosures for this topic, we are in the process of developing a more robust tracking system for construction materials. |
| GRI 302: Energy 2016 | | |
| 103 – 1 | Explanation of the material topic and its Boundary | Materiality (P.17 – 23) GRI and HKEX ESG Reporting (P.121 – 123) |
| 103 – 2 | The management approach and its components | Performance (Environment) (P.81 – 108) |
| 103 – 3 | Evaluation of the management approach | Corporate website – Energy Policy http://www.swireproperties.com/en/sustainable-development/policies/energy-policy.aspx |
| 302 – 1 | Energy consumption within the organisation | Performance (Environment) (P.81 – 108) Performance Data Summary (P.132 – 139) |
| 302 – 3 | Energy intensity | Performance (Environment) (P.81 – 108) Performance Data Summary (P.132 – 139) |
| G4 – CRE1 | Building energy intensity | Performance (Environment) (P.81 – 108) Performance Data Summary (P.132 – 139) |
| 302 – 4 | Reduction of energy consumption | Performance (Environment) (P.81 – 108) Performance Data Summary (P.132 – 139) |

| GRI Indicator | Description | References and Remarks |
|---|--|---|
| GRI 303: Water 2016 | | |
| 103 – 1 | Explanation of the material topic and its Boundary | Materiality (P.17 – 23) GRI and HKEX ESG Reporting (P.121 – 123) |
| 103 – 2 | The management approach and its components | SD in Action: Sustainable Bathrooms at TaiKoo Hui (P.29 – 30) |
| 103 – 3 | Evaluation of the management approach | Performance (Environment) (P.81 – 108) |
| 303 – 1 | Water withdrawal by source | Performance Data Summary (P.132 – 139) The majority of water consumed by our operations comes from municipal sources in the different cities where we operate. Disclosure on the breakdown of water withdrawn by source e.g. surface water, ground water, etc. is considered to be not applicable. |
| 303 – 3 | Water recycled and reused | Performance Data Summary (P.132 – 139) |
| G4 – CRE2 | Building water intensity | Performance (Environment) (P.81 – 108) Performance Data Summary (P.132 – 139) |
| GRI 305: Emissions 2016 | | |
| 103 – 1 | Explanation of the material topic and its Boundary | Materiality (P.17 – 23) GRI and HKEX ESG Reporting (P.121 – 123) |
| 103 – 2 | The management approach and its components | Performance (Environment) (P.81 – 108) |
| 103 – 3 | Evaluation of the management approach | Performance Data Summary (P.132 – 139) |
| 305 – 1 | Direct (Scope 1) GHG emissions | Performance (Environment) (P.81 – 108) Performance Data Summary (P.132 – 139) |
| 305 – 2 | Energy Indirect (Scope 2) GHG emissions | Performance (Environment) (P.81 – 108) Performance Data Summary (P.132 – 139) |
| 305 – 4 G4 – CRE3 | GHG emissions intensity Greenhouse gas (GHG) emissions intensity from buildings | Performance (Environment) (P.81 – 108) Performance Data Summary (P.132 – 139) |
| 305 – 5 | Reduction of GHG emissions | Performance (Environment) (P.81 – 108) Performance Data Summary (P.132 – 139) |
| GRI 306: Effluents and Waste 2016 | | |
| 103 – 1 | Explanation of the material topic and its Boundary | Materiality (P.17 – 23) GRI and HKEX ESG Reporting (P.121 – 123) |
| 103 – 2 | The management approach and its components | Performance (Environment) (P.81 – 108) |
| 103 – 3 | Evaluation of the management approach | Corporate website – Waste Management Policy http://www.swireproperties.com/en/sustainable-development/policies/waste-management-policy.aspx |
| 306 – 1 | Water discharge by quality and destination | Performance Data Summary (P.81 – 108) 100% of water discharged from our operations was transported to municipal wastewater systems in the cities where we operate. Apart from recycled water reported under GRI 303 – 3, water discharge from our operations has not received any treatment. |
| 306 – 2 | Waste by type and disposal method | Performance (Environment) (P.81 – 108) Performance Data Summary (P.132 – 139) |
| GRI 307: Environmental Compliance 2016 | | |
| 103 – 1 | Explanation of the material topic and its Boundary | Materiality (P.17 – 23) GRI and HKEX ESG Reporting (P.121 – 123) |
| 103 – 2 | The management approach and its components | Performance (Environment) (P.81 – 108) |
| 103 – 3 | Evaluation of the management approach | Performance (Economic) (P.109 – 120) |
| 307 – 1 | Non – compliance with environmental laws and regulations | In 2017, we were not subject to significant fines or non – monetary sanctions for non – compliance with such laws or regulations. |

| GRI Indicator | Description | References and Remarks |
|--|---|---|
| GRI 308: Supplier Environmental Assessment 2016 | | |
| 103 – 1 | Explanation of the material topic and its Boundary | Materiality (P.17 – 23) GRI and HKEX ESG Reporting (P.121 – 123) |
| 103 – 2 | The management approach and its components | Partners (P.68 – 80) |
| 103 – 3 | Evaluation of the management approach | Corporate website – Partners http://www.swireproperties.com/en/sustainability/partners.aspx Corporate website – Supplier Code of Conduct http://www.swireproperties.com/en/sustainable-development/policies/supplier-code-of-conduct.aspx Swire Group website – Swire Pacific Sustainable Procurement Policy http://www.swirepacific.com/en/sd/policy/procurement.pdf |
| 308 – 1 | New suppliers that were screened using environmental criteria | Partners (P.68 – 80) |

GRI 103: Management Approach & Material Topics (Social)

| GRI Indicator | Description | References and Remarks |
|---|---|--|
| GRI 401: Employment 2016 | | |
| 103 – 1 | Explanation of the material topic and its Boundary | Materiality (P.17 – 23) GRI and HKEX ESG Reporting (P.121 – 123) |
| 103 – 2 | The management approach and its components | People (P.48 – 67) |
| 103 – 3 | Evaluation of the management approach | Corporate website – People http://www.swireproperties.com/en/sustainable-development/people.aspx Corporate website – Working with us http://www.swireproperties.com/en/careers/working-with-us.aspx |
| 401 – 1 | New employee hires and employee turnover | People (P.48 – 67) Performance Data Summary (P.132 – 139) |
| 401 – 3 | Parental leave | Performance Data Summary (P.132 – 139) |
| GRI 403: Occupational Health and Safety 2016 | | |
| 103 – 1 | Explanation of the material topic and its Boundary | Materiality (P.17 – 23) GRI and HKEX ESG Reporting (P.121 – 123) |
| 103 – 2 | The management approach and its components | People (P.48 – 67) |
| 103 – 3 | Evaluation of the management approach | Partners (P.68 – 80) Corporate website – Health & Safety Policy http://www.swireproperties.com/en/sustainable-development/policies/health-and-safety-policy.aspx |
| 403 – 2 | Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work – related fatalities | People (P.48 – 67) Performance Data Summary (P.132 – 139) Data is available on types of injury, injury rate (IR), occupational disease rate (ODR), lost day rate (LDR), absentee rate (AR), and work – related fatalities, for all employees, with a breakdown by region. We currently do not have information on the breakdown by gender for employees and any data for all workers (excluding employees) whose work or workplace is controlled by the Company. We are in the process of developing a more robust tracking system for collection and reporting of this data. |
| G4 – CRE6 | Percentage of the organisation operating in verified compliance with an internationally recognised occupational health and safety management system (OHSAS 18001) | Performance Data Summary (P.132 – 139) |

| GRI Indicator | Description | References and Remarks |
|--|--|--|
| GRI 404: Training and Education 2016 | | |
| 103 – 1 | Explanation of the material topic and its Boundary | Materiality (P.17 – 23) GRI and HKEX ESG Reporting (P.121 – 123) |
| 103 – 2 | The management approach and its components | People (P.48 – 67) |
| 103 – 3 | Evaluation of the management approach | |
| 404 – 1 | Average hours of training per year per employee | People (P.48 – 67) Performance Data Summary (P.132 – 139) |
| 404 – 3 | Percentage of employees receiving regular performance and career development reviews | Performance Data Summary (P.132 – 139) |
| GRI 405: Diversity and Equal Opportunity 2016 | | |
| 103 – 1 | Explanation of the material topic and its Boundary | Materiality (P.17 – 23) GRI and HKEX ESG Reporting (P.121 – 123) |
| 103 – 2 | The management approach and its components | People (P.48 – 67) |
| 103 – 3 | Evaluation of the management approach | Corporate Website – Board Diversity Policy http://ir.swireproperties.com/en/cg/pdf/diversity.pdf |
| 405 – 1 | Diversity of governance bodies and employees | People (P.48 – 67) Performance Data Summary (P.132 – 139) Annual Report 2017 – Corporate Governance & Sustainability – Directors and Officers Corporate website – Directors http://ir.swireproperties.com/en/cg/directors.php |
| GRI 413: Local Communities 2016 | | |
| 103 – 1 | Explanation of the material topic and its Boundary | Materiality (P.17 – 23) GRI and HKEX ESG Reporting (P.121 – 123) |
| 103 – 2 | The management approach and its components | Places (P.33 – 47) |
| 103 – 3 | Evaluation of the management approach | People (P.48 – 67) |
| 413 – 1 | Operations with local community engagement, impact assessments, and development programmes | Places (P.33 – 47) |
| GRI 414: Supplier Social Assessment 2016 | | |
| 103 – 1 | Explanation of the material topic and its Boundary | Materiality (P.17 – 23) GRI and HKEX ESG Reporting (P.121 – 123) |
| 103 – 2 | The management approach and its components | Partners (P.68 – 80) |
| 103 – 3 | Evaluation of the management approach | Corporate website – Partners http://www.swireproperties.com/en/sustainability/partners.aspx Corporate website – Supplier Code of Conduct http://www.swireproperties.com/en/sustainable-development/policies/supplier-code-of-conduct.aspx |
| 414 – 1 | New suppliers that were screened using social criteria | Partners (P.68 – 80) |
| GRI 416: Customer Health and Safety 2016 | | |
| 103 – 1 | Explanation of the material topic and its Boundary | Materiality (P.17 – 23) GRI and HKEX ESG Reporting (P.121 – 123) |
| 103 – 2 | The management approach and its components | Performance (Environment) (P.81 – 108) |
| 103 – 3 | Evaluation of the management approach | |
| 416 – 1 | Assessment of the health and safety impacts of product and service categories | Performance (Environment) (P.81 – 108) This disclosure has been made with respect to Indoor Air Quality. |

| GRI Indicator | Description | References and Remarks |
|---|--|---|
| GRI 417: Marketing and Labelling 2016 | | |
| 103-1 | Explanation of the material topic and its Boundary | Materiality (P.17 – 23) GRI and HKEX ESG Reporting (P.121 – 123) |
| 103-2 | The management approach and its components | Performance (Environment) (P.81 – 108) |
| 103-3 | Evaluation of the management approach | |
| 417-1 | Requirements for product and service information and labelling | Performance (Environment) (P.81 – 108) This disclosure has been made with respect to certification for our buildings under relevant environmental building assessment schemes. |
| G4 – CRE8 | Type and number of sustainability certification, rating and labelling schemes for new construction, management, occupation and redevelopment | Performance (Environment) (P.81 – 108) |
| GRI 419: Socioeconomic Compliance 2016 | | |
| 103-1 | Explanation of the material topic and its Boundary | Materiality (P.17 – 23) GRI and HKEX ESG Reporting (P.121 – 123) |
| 103-2 | The management approach and its components | Performance (Economic) (P.109 – 120) |
| 103-3 | Evaluation of the management approach | Corporate website – Corporate Code of Conduct http://ir.swireproperties.com/en/cg/pdf/conduct.pdf |
| 419-1 | Non – compliance with laws and regulations in the social and economic area | In 2017, we were not subject to significant fines or non – monetary sanctions for non – compliance with such laws or regulations. |

HKEX ESG REPORTING GUIDE INDEX

A. Environment

| Aspects, General Disclosure, KPIs | Description | References and Remarks |
|-----------------------------------|---|---|
| Aspect A1 Emissions | | |
| General Disclosure | Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non – hazardous waste | Performance (Environment) (P.81 – 108) Corporate website – Environmental Policy http://www.swireproperties.com/en/sustainable-development/policies/environmental-policy.aspx In 2017, there were no confirmed incidents of non – compliance with such laws or regulations, which have a significant impact on Swire Properties. |
| KPI A1.1 | The types of emissions and respective emissions data | Emissions of NOx, SOx and other pollutants are considered not significant in our operations. |
| KPI A1.2 | Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility) | Performance (Environment) (P.81 – 108) Performance Data Summary (P.132 – 139) |
| KPI A1.3 | Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of product volume, per facility) | Performance Data Summary (P.132 – 139) We do not consider Swire Properties to be a major producer of hazardous waste. The total amount of hazardous waste disclosed in the Performance Data Summary represents the total amount of hazardous waste produced by both Swire Properties and our building occupants. |
| KPI A1.4 | Total non – hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility) | Performance Data Summary (P.132 – 139) The total amount of non – hazardous waste disclosed in the Performance Data Summary represents the total amount of non – hazardous waste produced by both Swire Properties and our building occupants. |
| KPI A1.5 | Description of measures to mitigate emissions and results achieved | Performance (Environment) (P.81 – 108) Performance Data Summary (P.132 – 139) |
| KPI A1.6 | Description of how hazardous and non – hazardous wastes are handled, reduction initiatives and results achieved | Performance (Environment) (P.81 – 108) Performance Data Summary (P.132 – 139) |
| Aspect A2 Use of Resources | | |
| General Disclosure | Policies on efficient use of resources, including energy, water and other raw materials | Partners (P.68 – 80) Performance (Environment) (P.81 – 108) Corporate website – Sustainable Development Policy http://www.swireproperties.com/en/sustainable-development/policies/sustainable-development-policy.aspx Corporate website – Environmental Policy http://www.swireproperties.com/en/sustainable-development/policies/environmental-policy.aspx Corporate website – Energy Policy http://www.swireproperties.com/en/sustainable-development/policies/energy-policy.aspx Swire group website – Swire Pacific Sustainable Procurement Policy http://www.swirepacific.com/en/sd/policy/procurement.pdf |
| KPI A2.1 | Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility) | Performance (Environment) (P.81 – 108) Performance Data Summary (P.132 – 139) |

| Aspects, General Disclosure, KPIs | Description | References and Remarks |
|--|--|---|
| Aspect A2 Use of Resources | | |
| KPI A2.2 | Water consumption in total and intensity (e.g. per unit of production volume, per facility) | Performance (Environment) (P.81 – 108) Performance Data Summary (P.132 – 139) |
| KPI A2.3 | Description of energy use efficiency initiatives and results achieved | Performance (Environment) (P.81 – 108) Performance Data Summary (P.132 – 139) Corporate website – Energy Policy http://www.swireproperties.com/en/sustainable-development/policies/energy-policy.aspx |
| KPI A2.4 | Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved | Performance (Environment) (P.81 – 108) Performance Data Summary (P.132 – 139) In 2017, we did not encounter any problems in sourcing water for daily operations. |
| KPI A2.5 | Total packaging material used for finished products (in tonnes), and if applicable, with reference to per unit produced | Performance (Environment) (P.81 – 108) |
| Aspect A3 The Environment and Natural Resources | | |
| General Disclosure | Policies on minimising the issuer's significant impact on the environment and natural resources | Partners (P.68 – 80) Performance (Environment) (P.81 – 108) Corporate website – Sustainable Development Policy http://www.swireproperties.com/en/sustainable-development/policies/sustainable-development-policy.aspx Corporate website – Environmental Policy http://www.swireproperties.com/en/sustainable-development/policies/environmental-policy.aspx Corporate website – Energy Policy http://www.swireproperties.com/en/sustainable-development/policies/energy-policy.aspx Corporate website – Supplier Code of Conduct http://www.swireproperties.com/en/sustainable-development/policies/supplier-code-of-conduct.aspx |
| KPI A3.1 | Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them | Partners (P.68 – 80) Performance (Environment) (P.81 – 108) |

B. Social

| Aspects, General Disclosure, KPIs | Description | References and Remarks |
|---|---|--|
| Employment and Labour Practices | | |
| Aspect B1 Employment | | |
| General Disclosure | <p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</p> <p>relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, antidiscrimination, and other benefits and welfare</p> | <p>People (P.48 – 67)</p> <p>Corporate website – People http://www.swireproperties.com/en/sustainable-development/people.aspx</p> <p>Corporate website – Working with us http://www.swireproperties.com/en/careers/working-with-us.aspx</p> <p>Corporate website – Corporate Code of Conduct http://ir.swireproperties.com/en/cg/pdf/conduct.pdf</p> <p>Corporate Website – Board Diversity Policy http://ir.swireproperties.com/en/cg/pdf/diversity.pdf</p> <p>Corporate Website – Equal opportunities and diversity http://ir.swireproperties.com/en/cg/pdf/equal.pdf</p> <p>In 2017, there were no confirmed incidents of non – compliance with such laws or regulations, which have a significant impact on Swire Properties.</p> |
| KPI B1.1 | Total workforce by gender, employment type, age group and geographical region | People (P.48 – 67) Performance Data Summary (P.132 – 139) |
| KPI B1.2 | Employee turnover rate by gender, age group and geographical region | Performance Data Summary (P.132 – 139) |
| Aspect B2 Health and Safety | | |
| General Disclosure | <p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</p> <p>relating to providing a safe working environment and protecting employees from occupational hazards</p> | <p>People (P.48 – 67)</p> <p>Corporate website – Health & Safety Policy http://www.swireproperties.com/en/sustainable-development/policies/health-and-safety-policy.aspx</p> <p>In 2017, there were no confirmed incidents of non – compliance with such laws or regulations, which have a significant impact on Swire Properties.</p> |
| KPI B2.1 | Number and rate of work – related fatalities | People (P.48 – 67) Performance Data Summary (P.132 – 139) |
| KPI B2.2 | Lost days due to work injury | People (P.48 – 67) Performance Data Summary (P.132 – 139) |
| KPI B2.3 | Description of occupational health and safety measures adopted, how they are implemented and monitored | People (P.48 – 67) |
| Aspect B3 Development and Training | | |
| General Disclosure | Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities | People (P.48 – 67) Corporate website – Working with us http://www.swireproperties.com/en/careers/working-with-us.aspx |
| KPI B3.1 | The percentage of employees trained by gender and employee category (e.g. senior management, middle management) | Performance Data Summary (P.132 – 139) |
| KPI B3.2 | The average training hours completed per employee by gender and employee category | People (P.48 – 67) Performance Data Summary (P.132 – 139) |

| Aspects, General Disclosure, KPIs | Description | References and Remarks |
|--|--|--|
| Aspect B4 Labour Standards | | |
| General Disclosure | Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour | Partners (P.68 – 80) Corporate website – Corporate Code of Conduct http://ir.swireproperties.com/en/cg/pdf/conduct.pdf Corporate website – Supplier Code of Conduct http://www.swireproperties.com/en/sustainable-development/policies/supplier-code-of-conduct.aspx In 2017, there were no confirmed incidents of non – compliance with such laws or regulations, which have a significant impact on Swire Properties. |
| KPI B4.1 | Description of measures to review employment practices to avoid child and forced labour | Partners (P.68 – 80) Corporate website – Corporate Code of Conduct http://ir.swireproperties.com/en/cg/pdf/conduct.pdf Corporate website – Supplier Code of Conduct http://www.swireproperties.com/en/sustainable-development/policies/supplier-code-of-conduct.aspx Corporate website – Procedures for reporting of improprieties http://ir.swireproperties.com/en/cg/pdf/improprieties.pdf |
| KPI B4.2 | Description of steps taken to eliminate such practices when discovered | Partners (P.68 – 80) Corporate website – Corporate Code of Conduct http://ir.swireproperties.com/en/cg/pdf/conduct.pdf Corporate website – Supplier Code of Conduct http://www.swireproperties.com/en/sustainable-development/policies/supplier-code-of-conduct.aspx Corporate website – Procedures for reporting of improprieties http://ir.swireproperties.com/en/cg/pdf/improprieties.pdf In 2017, we did not discover any such practices in our operations. |
| Operating Practices | | |
| Aspect B5 Supply Chain Management | | |
| General Disclosure | Policies on managing environmental and social risks of the supply chain | Partners (P.68 – 80) Corporate website – Partners http://www.swireproperties.com/en/sustainable-development/partners.aspx Corporate website – Supplier Code of Conduct http://www.swireproperties.com/en/sustainable-development/policies/supplier-code-of-conduct.aspx |
| KPI B5.1 | Number of suppliers by geographical region | Partners (P.68 – 80) |
| KPI B5.2 | Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored | Partners (P.68 – 80) Corporate website – Partners http://www.swireproperties.com/en/sustainable-development/partners.aspx Corporate website – Supplier Code of Conduct http://www.swireproperties.com/en/sustainable-development/policies/supplier-code-of-conduct.aspx Corporate website – Procedures for reporting of improprieties http://ir.swireproperties.com/en/cg/pdf/improprieties.pdf |

| Aspects, General Disclosure, KPIs | Description | References and Remarks |
|---|--|---|
| Aspect B6 Product Responsibility | | |
| General Disclosure | <p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</p> <p>relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress</p> | <p>Performance (Environment) (P.81 – 108)</p> <p>Corporate website – Corporate Code of Conduct http://ir.swireproperties.com/en/cg/pdf/conduct.pdf</p> <p>Corporate website – Swire Properties' Data Privacy and Security Policy http://www.swireproperties.com/en/privacy-statement.aspx</p> <p>Corporate website – Procedures for reporting of improprieties http://ir.swireproperties.com/en/cg/pdf/improprieties.pdf</p> <p>In 2017, there were no confirmed incidents of non – compliance with such laws or regulations, which have a significant impact on Swire Properties.</p> |
| KPI B6.1 | Percentage of total products sold or shipped subject to recalls for safety and health reasons | In 2017, we were not aware of any recall concerning the provision and use of products and services for safety and health reasons that have a significant impact on Swire Properties. |
| KPI B6.2 | Number of products and service related complaints received and how they are dealt with | In 2017, there were no substantiated complaints received relating to the provision and use of products and services that have a significant impact on Swire Properties. |
| KPI B6.3 | Description of practices relating to observing and protecting intellectual property rights | Performance (Economic) (P.109 – 120) Corporate website – Corporate Code of Conduct http://ir.swireproperties.com/en/cg/pdf/conduct.pdf |
| KPI B6.4 | Description of quality assurance process and recall procedures | Performance (Environment) (P.81 – 108) We did not consider that recall procedures are material to our operations. |
| KPI B6.5 | Description of consumer data protection and privacy policies, how they are implemented and monitored | Performance (Economic) (P.109 – 120) Corporate website – Corporate Code of Conduct http://ir.swireproperties.com/en/cg/pdf/conduct.pdf Corporate website – Swire Properties' Data Privacy and Security Policy http://www.swireproperties.com/en/privacy-statement.aspx Corporate website – Procedures for reporting of improprieties http://ir.swireproperties.com/en/cg/pdf/improprieties.pdf |
| Aspect B7 Anti – corruption | | |
| General Disclosure | <p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</p> <p>relating to bribery, extortion, fraud and money laundering</p> | <p>Performance (Economic) (P.109 – 120)</p> <p>Corporate website – Corporate Code of Conduct http://ir.swireproperties.com/en/cg/pdf/conduct.pdf</p> <p>In 2017, there were no confirmed incidents of non – compliance with such laws or regulations, which have a significant impact on Swire Properties.</p> |
| KPI B7.1 | Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases | Performance (Economic) (P.109 – 120) Performance Data Summary (P.132 – 139) In 2017, there were no concluded legal cases regarding corrupt practices brought against Swire Properties or its employees. |
| KPI B7.2 | Description of preventive measures and whistleblowing procedures, how they are implemented and monitored | Corporate website – Corporate Code of Conduct http://ir.swireproperties.com/en/cg/pdf/conduct.pdf Corporate website – Procedures for reporting of improprieties http://ir.swireproperties.com/en/cg/pdf/improprieties.pdf |

| Aspects, General Disclosure, KPIs | Description | References and Remarks |
|-----------------------------------|--|---|
| Community | | |
| Aspect B8 | Community Investment | |
| General Disclosure | Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities takes into consideration communities' interests | Materiality (P.17 – 23) Places (P.33 – 47) People (P.48 – 67) Corporate website – Community Ambassador Programme http://www.swireproperties.com/en/sustainable-development/people/community-ambassador-programmes.aspx Corporate website – Community Caring Fund http://www.swireproperties.com/en/sustainable-development/people/community-caring-fund.aspx Corporate website – Community Programmes http://www.swireproperties.com/en/sustainable-development/places/community-programmes.aspx |
| KPI B8.1 | Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport) | Places (P.33 – 47) People (P.48 – 67) |
| KPI B8.2 | Resources contributed (e.g. money or time) to the focus areas | Places (P.33 – 47) People (P.48 – 67) |

About Swire Properties

Swire Properties develops and manages commercial, retail, hotel and residential properties, with a particular focus on mixed-use developments in prime locations at major mass transportation intersections. Swire Properties is listed on the Main Board of the Stock Exchange of Hong Kong and its investment portfolio in Hong Kong comprises Taikoo Place, Cityplaza and Pacific Place as its core holdings. In addition to Hong Kong, the Company has investments in Mainland China, the United States and Singapore.

We welcome your feedback on our sustainable development performance and reporting. You can contact us by email at sustainabledevelopment@swireproperties.com or write to us:

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