

Sustainable Development Report 2018



TABLE OF CONTENTS

03	05	06	09
Chief Executive's Message	About this Report	Profile of Swire Properties Limited	SD 2030 Strategy

22	24	29
SD Governance	Materiality	Sustainable Development in Action: Taikoo Li Sanlitun

41 PLACES	64 PEOPLE	90 PARTNERS	105 PERFORMANCE (ENVIRONMENT)	146 PERFORMANCE (ECONOMIC)
--------------	--------------	----------------	-------------------------------------	----------------------------------

139	160	163	165
Climate-related Financial Disclosures	GRI and HKEX ESG Reporting	External Charters and Memberships	Awards and Certifications

173	177	179	188
Performance Data Summary	Assurance Report	Global Reporting Initiative Content Index	HKEX ESG Reporting Guide Index

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

In 2018, we continued to work hard to meet the goals set by our Sustainable Development (SD) 2030 Strategy and it was a very busy, and fruitful year for the entire Company.

Officially our second full year of implementation, the team focused on integrating our Strategy into every facet of our business and empowering our “People” so they can bring change to our organisation. With this challenge in hand, we sought innovative ways to achieve this, and we once again turned to our core value of “Originality” for guidance.

Originality at Swire Properties is our continual pursuit of Innovation and Experimentation; to try new ideas that bring maximum benefits to our business and communities. We asked ourselves, “How can Originality inspire great SD ideas?” Among our numerous initiatives in 2018, I'd like to highlight four which exemplify this thinking.

In January 2018, we issued our first green bond, raising US\$500 million to fund or refinance new or existing green projects that relate to green building development, energy efficiency, renewable energy, sustainable water and wastewater management, and climate change adaptation. This 10-year bond is the first in Hong Kong to receive HKQAA Green Finance Certification, and reaffirms our ongoing commitment to SD.

Last year, we also completed construction of our highly-anticipated office tower, One Taikoo Place. A major milestone of our HK\$15 billion transformation of Taikoo Place, One Taikoo Place is one of our ‘greenest’ buildings. Its many Platinum-level certifications – BEAM Plus, LEED and WELL, as well as its numerous features such as the waste-to-energy trigeneration system, reflect our goal of creating one of the world's most outstanding triple Grade-A office buildings, and setting a new bar for sustainable office towers.

We also applied Originality to our annual community outreach programme, the White Christmas Street Fair via HOMETOWN HEROES. This highly-tailored initiative broke the mould of what is considered a home-grown event by the community for the community. We engaged and encouraged collaboration and co-creation between our key stakeholders, and showcased local talent, who all came together during the Street Fair to exhibit their works. This ultimately created a powerful sense of belonging and community, and proved that people are key to building great “Places”.

Last but not least, I'd like to cite our original open-air retail concept – Taikoo Li Sanlitun, our development in Beijing, which has become a hub for lifestyle and cultural experiences. Celebrating its 10th anniversary last year, Taikoo Li Sanlitun is a great example of how to build a sustainable and vibrant community, and it has brought significant and positive change to local neighbourhoods over the past decade. Our work to bring a never-before-seen and risky concept to life has been very successful; so much so that the Beijing Municipal Government announced it will make the area a focal point for cultural events under the “Build a Cultural Sanlitun” programme. This is yet another example of our original SD thinking in action.

And for our efforts, we were delighted to be recognised by our peers and the industry. Accolades include: Business Leadership in Sustainability Award and Special Recognition: Better Places for People Award – World Green Building Council (WGBC); the Regional Technology Award – The American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE); top of the Hang Seng Corporate Sustainability Index; the only constituent from Hong Kong and Mainland China in the Dow Jones Sustainability World Index (2nd year); and Global Sector Leader – Global Real Estate Sustainability Benchmark (GRESB).

All our achievements in 2018 were only possible because of our employees, partners, supporters and communities; and I'd like to thank everyone for their commitment and contribution.

There's still so much more to do, and I look forward to seeing what 2019 will bring.



Guy Bradley
Chief Executive



About this Report

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

This report is the 11th sustainable development (“SD”) report of Swire Properties Limited (“Swire Properties”, “SPL” or “Company”) covering the period from 1st January 2018 to 31st December 2018. 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 the implementation of our 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, and our portfolio in Mainland China comprises major commercial mixed-use developments in prime locations in Beijing, Guangzhou, and Chengdu. Also within the scope of this report is Brickell City Centre in Miami, U.S.A.

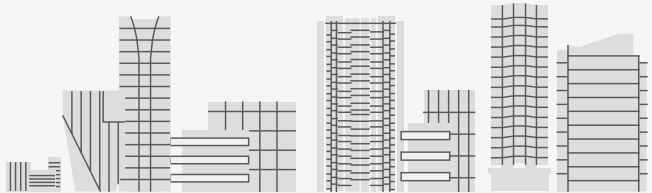

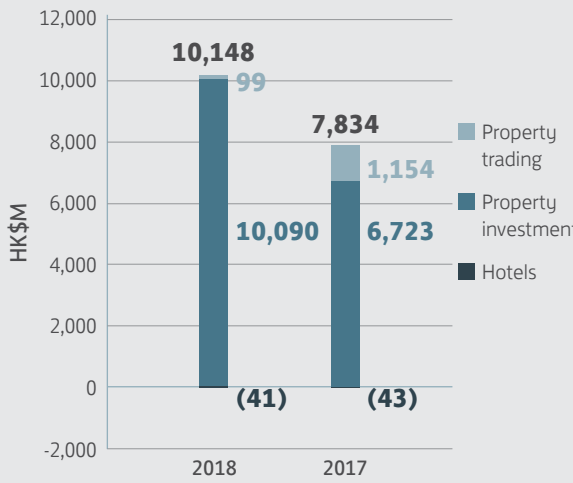

In the report, we also refer to SD impacts and initiatives in our new developments, such as HKRI Taikoo Hui, Shanghai (opened in 2017) and The Middle House (opened in 2018), as well as in our other residential properties in Hong Kong and Singapore.

Throughout the report, hotel operations refer to hotels that we own and are managed by Swire Properties Hotel Management Limited (“Swire Hotels”), including The House Collective in Hong Kong, Beijing, and Chengdu, and EAST in Hong Kong, Beijing, and Miami.



Profile of Swire Properties Limited

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

<p>Year of establishment: 1972</p>	<p>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</p>												
<p>Core businesses: Property Investment Property Trading Hotel Investment</p>													
<p>Aggregate GFA attributable to the Group*: ~29.1 million sq. ft.</p> <p>Number of employees*: 5,000+</p> 	<p>Underlying profit/(loss) by segment:</p>  <table border="1"> <caption>Underlying profit/(loss) by segment (HK\$M)</caption> <thead> <tr> <th>Year</th> <th>Property investment</th> <th>Property trading</th> <th>Hotels</th> </tr> </thead> <tbody> <tr> <td>2018</td> <td>10,090</td> <td>99</td> <td>(41)</td> </tr> <tr> <td>2017</td> <td>6,723</td> <td>1,154</td> <td>(43)</td> </tr> </tbody> </table>	Year	Property investment	Property trading	Hotels	2018	10,090	99	(41)	2017	6,723	1,154	(43)
Year	Property investment	Property trading	Hotels										
2018	10,090	99	(41)										
2017	6,723	1,154	(43)										
<p>Underlying profit attributable to shareholders in 2018: HK\$10,148 million</p> <p>2017: HK\$7,834 million</p> 													

*Data is valid as at 31st December 2018 and has been reproduced from the Swire Properties Annual Report 2018.

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, original thinking, and long-term approach that enables our employees to reach beyond the conventional and seek out new perspectives. We strive to unlock the potential of places by creating vibrant destinations and stimulating further growth to produce sustainable value for our shareholders, our business partners, and people with whom we work.

For further information on our key business strategies, operations, and financial performance, please refer to the Swire Properties Annual Report 2018.

Top Performance in Sustainability Benchmarks and Indices

Swire Properties' ongoing commitment to SD continues to receive recognition on the global stage, earning it leadership positions in several major SD-related benchmarks and indices.

In 2018, we were named the top Hong Kong-listed company in the Hang Seng Corporate Sustainability Index ("HSSUS"). Our sustainability rating from both HSSUS and Morgan Stanley Capital International ("MSCI") ESG Leaders Indexes increased to "AAA", the highest available rating.

For the second consecutive year, Swire Properties was the only constituent company from Hong Kong and Mainland China to be listed in the Dow Jones Sustainability World Index. In addition to receiving a 5-star rating from the Global Real Estate Sustainability Benchmark ("GRESB"), we were also named Global Sector Leader in the Mixed-use Development category.



2015
2016 *Member of Dow Jones Sustainability World Index
2017* Sole constituent from Hong Kong and Mainland China
2018*



2017 **5-star** rating and **Global Sector Leader** in the
2018 Mixed-use Development category



Hang Seng Corporate Sustainability Index Series Member 2018-2019

2015
2016 *Highest total score among **30** constituent
2017 companies; "**AAA**" rating
2018*



2018 Constituent¹
 MSCI ESG Leaders Indexes

2014
2015 *ESG Rating upgraded to "**AAA**" — the highest
2016 possible rating
2017
2018*



2017 Top **15%** of real estate companies globally
2018 *The only Hong Kong and Mainland China developer
2019* listed



2016
2017
2018

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

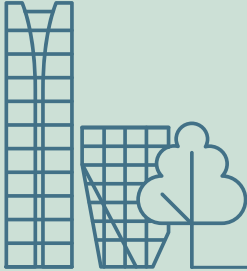
Leadership in Green Building and Energy Management

In 2018, we won the Business Leadership in Sustainability Award and Special Recognition: Better Places for People Award at the World Green Building Council’s Asia Pacific Leadership in Green Building Awards, as well as the 2018 Greenbuild China Leadership Award.

In the same year, we also received the Regional Technology Award in the Commercial Buildings category from The American Society of Heating, Refrigerating and Air-Conditioning Engineers (“ASHRAE”) in recognition of our energy management initiatives at Two Pacific Place, Hong Kong, which have helped to reduce our energy consumption in this property by over two million kWh per year.



SD 2030 STRATEGY

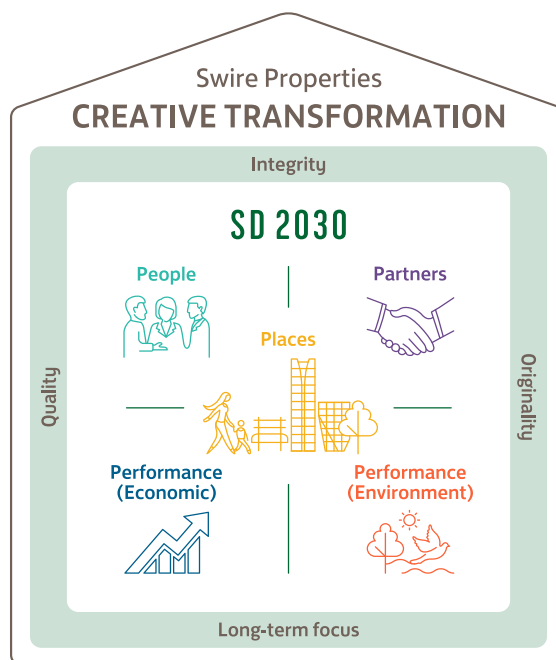


SD 2030 Strategy

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 demonstrated in the projects we have developed. To help us articulate our development philosophy, we introduced our SD vision in 2016:

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

In order to achieve our SD vision, we formulated our SD 2030 Strategy in the same year. The strategy guides our efforts to build SD capability and helps to ensure that SD considerations are integrated into all of our business decisions and functions.



SD 2030 Framework

Our SD 2030 Strategy is built on five strategic pillars: **Places, People, Partners, Performance (Environment) and Performance (Economic)**. It is underpinned by the creative mindset of innovation and experimentation, and promoted through communication and engagement.



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 are focused on the core areas of:

- Community Investment
- Local Economy
- Liveability
- Connectivity



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 are focused on the core areas of:

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

SD 2030 Strategy



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



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 are managing the following key impact areas of our operations:

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



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 are enhancing and implementing the following:

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

SD 2030 STRATEGY: 2018 HIGHLIGHTS

Performance (Economic)

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

Financial Performance

2020 KPI Long-term sustainable growth in shareholder value	2018 Progress HK\$10,148 million underlying profit attributable to shareholders
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Green Financing

2020 KPI Review, develop and issue green bond	2018 Progress Issued first green bond of US\$500 million with 80% of proceeds allocated to green projects
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First [Green Bond Report](#) published

Disclosure & Reporting

2020 KPI
Disclose SD information in accordance with requirements of relevant major global sustainability benchmarks

2018 Progress



Member of World Index



Global Sector Leader



Highest total score among constituents; "AAA" rating



"AAA" rating



The only HK and Mainland China developer listed



People

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

Talent Retention

>128,000 training hours delivered
22 training hours/employee/year

Safety, Health and Wellbeing

2020 KPI Maintain Lost Time Injury Rate ("LTIR") below 2.0	2018 Progress LTIR: 1.47
--	---

Diversity & Inclusion ("D&I")

2020 KPI Establish a D&I Committee and adopt a D&I Policy	2018 Progress Achieved and adopted a D&I Policy
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Develop flexible working policy and guidelines	Developing flexible working policy and guidelines, which we expect to publish in 2019
--	---

Public disclosure of data on gender, age, job level, pay, and ethnicity	Women hold 49% of management positions
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Gender pay ratio (female to male):
1 to 1

Volunteering

2020 KPI >9,300 volunteer service hours in our Community Ambassador Programme ²	2018 Progress >8,400 volunteer service hours
--	--

Our SD Vision:

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

To achieve this vision, we have formulated our SD 2030 Strategy, which is built on five strategic pillars and embraces the spirit of Creative Transformation. It is underpinned by the creative mindset of innovation and experimentation, and promoted through communication and engagement.



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

Impact Reporting

In 2018, we began to develop a methodology for assessing, measuring, and reporting on the impacts of our places. In 2019, we plan to disclose our findings in a Places Impact Report and seek feedback from our stakeholders.

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.

Suppliers

2020 KPI Full implementation of Supplier Code of Conduct in Hong Kong and Mainland China	2018 Progress Achieved
--	----------------------------------

Develop programme for supply chain improvements	Planning a supplier engagement event in 2019
---	--

HK\$217 million of Green Procurement spending³

Tenants

2020 KPI Introduce sustainability guidelines for commercial tenants undertaking new fit-outs and renovations	2018 Progress Updated sustainability guidelines for office and retail tenants, which will be implemented in 2019
--	--

Launched Green Kitchen Award programme

8.6 million kWh potential annual energy savings from free energy audits for Hong Kong & Mainland China tenants (since 2008)

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.

Climate Change

2020 KPI Establish climate change policy	2018 Progress Achieved and adopted Climate Change Policy
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Started to publish [climate-related financial disclosures](#) as per TCFD⁴ recommendations

Carbon intensity ⁵	
HK Portfolio⁶ ↓27%	HK Portfolio⁶ ↓25%
Mainland China Portfolio⁶ ↓21%	Mainland China Portfolio⁶ ↓20%

Energy

2020 KPI Energy consumption ⁷	2018 Progress
HK Portfolio⁸ ↓64 million kWh/year ↓26%	HK Portfolio⁸ ↓56.9 million kWh/year ↓25%
Mainland China Portfolio⁶ ↓23 million kWh/year ↓20%	Mainland China Portfolio⁶ ↓17.5 million kWh/year ↓19.8%

Waste

2020 KPI Commercial waste diversion rate ⁹	2018 Progress
25%	HK Portfolio¹⁰ 21%
	Mainland China Portfolio¹⁰ 23%

Building/Asset Investment

2020 KPI Target the highest environmental building assessment scheme ¹¹ rating for all projects under development ¹²	2018 Progress
	100% of projects under development achieved the highest ratings
	92% of all existing buildings ¹³ are certified green buildings, of which 75% achieved the highest ratings

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

2 Equivalent to 20% increase compared to baseline year of 2016.

3 Products that meet specific environmental criteria such as green certification or accreditation by reputable, independent third parties.

4 Task Force on Climate-related Financial Disclosures.

5 Carbon intensity reduction target references the business-as-usual ("BAU") baseline level in 2008 for our HK 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.

6 HK portfolio and Mainland China portfolio refer to office and retail portfolio in Hong Kong and Mainland China respectively, excluding hotels.

7 Energy consumption refers to purchased electricity for the provision of shared services for and in the common parts of our buildings with reference to the BAU baseline level in 2008 for HK portfolio, and the BAU baseline level in the first year for which a complete calendar year of data was available for projects in Mainland China portfolio.

8 HK portfolio refers to office and retail portfolio and hotels in Hong Kong.

9 For Mainland China portfolio, it refers to commercial waste recycling rate.

10 HK portfolio and Mainland China portfolio refers to office and retail portfolio and hotels in Hong Kong and Mainland China respectively.

11 BEAM Plus/LEED/China Green Building Design Label/WELL certification.


12 Projects under development refer to projects that are under construction or in pre-certification stage. It includes non joint venture projects only.

13 Measured as the percentage of total gross floor area.

Supporting the United Nations Sustainable Development Goals

SD is central to our business philosophy and corporate culture because we understand that the creation of long-term value depends on the sustainable development of our business, together with the communities in which we operate. We support 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. We have identified seven specific SDGs that we believe are most closely connected with our SD vision and SD 2030 Strategy. The 2020 KPIs that we believe most directly support the SDGs, and the progress we made in 2018 towards achieving them, are set out below.



SD 2030 Focus Area 
Safety, Health and Wellbeing

Performance Categories	2020 KPIs	Progress Updates in 2018
Safety	Increase total occupational health and safety (“OHS”) training hours by 5% ²	<ul style="list-style-type: none"> ▶ We delivered approximately 20,600 training hours. ▶ We also completed a review of data from our Hong Kong portfolio to evaluate our OHS training needs.
	Conduct compulsory OHS training via e-learning platform for all of our employees	<ul style="list-style-type: none"> ▶ We developed an e-learning platform that will be launched in 2019 for senior management to receive compulsory OHS training. We plan to expand this digital platform to frontline and office employees later in 2019.
	Maintain Loss Time Injury Rate (“LTIR”) below 2.0 ³	<ul style="list-style-type: none"> ▶ We had an LTIR of 1.47 and maintained zero work-related fatalities.
	Maintain record of zero work-related fatalities	
	Migrate OHSAS 18001 to ISO 45001 standard in Hong Kong and Mainland China portfolios ⁴	<ul style="list-style-type: none"> ▶ We migrated our safety management systems (“SMS”) in Hong Kong to ISO 45001 and plan to do the same in Mainland China once the government publishes the national standard.
Health & Wellbeing	Develop health & wellbeing policy framework	<ul style="list-style-type: none"> ▶ We delivered a wellness programme for employees in our Hong Kong and Mainland China portfolios, and introduced a sponsorship fund in Hong Kong to provide financial support for our employees to organise internal sports clubs and other interest clubs.

² Compared to baseline year of 2015.

³ 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.

⁴ Non-joint venture centres (i.e. Taikoo Hui, Guangzhou and Taikoo Li Sanlitun, Beijing) only.



Performance (Environment)

SD 2030 Focus Area

Occupant Well-being



Performance Categories	2020 KPIs	Progress Updates in 2018
Indoor Air Quality (“IAQ”)	<p>For common areas, 80% of buildings in Hong Kong portfolio achieve IAQ Excellent Class</p> <p>80% of buildings in Mainland China portfolio fulfill local IAQ standard</p> <p>Conduct research to reduce indoor fine particulate matter (“PM2.5”) concentration</p> <p>Conduct occupant wellbeing surveys for office, retail, and hotels</p>	<ul style="list-style-type: none"> ▶ For common areas, approximately 74% of buildings in our Hong Kong portfolio achieved IAQ Excellent Class. ▶ Approximately 80% of buildings in our Mainland China portfolio fulfilled the local IAQ standard. ▶ We completed measurements of indoor PM2.5 in selected “hot spots” in all buildings in our Hong Kong and Mainland China portfolios. ▶ We conducted tenant satisfaction surveys for our office tenants in Pacific Place, which included questions on occupant wellbeing.



People

SD 2030 Focus Area

Diversity & Inclusion



Performance Categories	2020 KPIs	Progress Updates in 2018
Policy, Strategy & Governance	<p>Establish a Diversity and Inclusion (“D&I”) Committee</p> <p>Adopt a D&I Policy</p> <p>Introduce a formal employee grievance policy</p>	<ul style="list-style-type: none"> ▶ Our D&I Committee continues to work on implementing the new policy and related initiatives. ▶ We adopted a D&I Policy.
Culture	<p>Conduct D&I awareness training for senior management</p>	<ul style="list-style-type: none"> ▶ We are in the planning stages of developing D&I training sessions for senior management.
Disclosure	<p>Public disclosure of data on gender, age, job level, pay, and ethnicity</p>	<ul style="list-style-type: none"> ▶ We have disclosed data on gender, age, job level, and pay for 2018 in the Performance Data Summary.
Working Environment	<p>Develop “flexible working policy” and guidelines</p>	<ul style="list-style-type: none"> ▶ We are developing a flexible working policy and guidelines, which we expect to publish in 2019.



Places

SD 2030 Focus Area

Local Economy



Performance Categories	2020 KPIs	Progress Updates in 2018
When designing and developing our projects, we work to ensure that our developments contribute to and stimulate the local economy		

Through Creative Transformation, we aim to continue to create long-term value by transforming places into vibrant and sustainable communities. Details of our progress are presented under [Places](#).



Performance (Economic)

SD 2030 Focus Area

Financial Performance



Performance Categories	2020 KPIs	Progress Updates in 2018
Underlying Profit	Our commitment to deliver sustainable economic performance aligns with SDG 8: promote sustainable economic growth, employment and decent work for all	► Details of our financial performance for the year ended 31st December 2018 are presented in the Swire Properties Annual Report 2018 .
Dividends		
Gearing Ratio and Credit Rating		



Places

SD 2030 Focus Area

Community Investment




Performance Categories	2020 KPIs	Progress Updates in 2018
We aim to support communities and provide stimulus for local economies in which our properties are located		

Through Creative Transformation, we aim to continue to create long-term value by transforming places into vibrant and sustainable communities. Details of our progress are presented under [Places](#).

We also launched [ideas@work](#) as a key platform for our employees to share their ideas and discover innovative ways to improve productivity.



SD 2030 Focus Area 
Community Investment

Performance Categories	2020 KPIs	Progress Updates in 2018
We invest in the development of the communities in which we operate with three focus areas of contribution, namely, community events, local revitalisation, and social inclusion		Through Creative Transformation, we aim to continue to create long-term value by transforming places into vibrant and sustainable communities. Details of our progress are presented under Places .

SD 2030 Focus Area 
Liveability

Performance Categories	2020 KPIs	Progress Updates in 2018
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		Through Creative Transformation, we aim to continue to create long-term value by transforming places into vibrant and sustainable communities. Details of our progress are presented under Places .

SD 2030 Focus Area 
Connectivity

Performance Categories	2020 KPIs	Progress Updates in 2018
We strive to connect our properties with the communities around them, both physically and digitally		Through Creative Transformation, we aim to continue to create long-term value by transforming places into vibrant and sustainable communities. Details of our progress are presented under Places .



Performance (Environment)

SD 2030 Focus Area

Building/Asset Investments



Performance Categories	2020 KPIs	Progress Updates in 2018
Environmental Building Assessment Schemes⁵	Target the highest environmental building assessment scheme rating for all projects under development ⁶	<ul style="list-style-type: none"> ▶ 100% of projects under development achieved the highest ratings of green building certification. ▶ In 2018, our buildings earned the following green building certifications: <ul style="list-style-type: none"> • Final Platinum BEAM Plus – 15 buildings • Final LEED Platinum – 2 buildings • Final LEED Gold – 3 buildings • Platinum Pre-certification WELL – 1 building • China Three Star – 4 buildings (2 stars awarded) • Platinum Green Mark – 1 building



Partners

SD 2030 Focus Area

Suppliers



Performance Categories	2020 KPIs	Progress Updates in 2018
Supply Chain Policy	Full implementation of Supplier Code of Conduct (“SCoC”) in Hong Kong and Mainland China	<ul style="list-style-type: none"> ▶ It became our standard practice to promote the SCoC to all suppliers in Hong Kong and Mainland China.
Monitoring (Compliance)	Implement green procurement system across all business operations in Hong Kong and Mainland China Ensure key high-risk suppliers demonstrate compliance with SCoC	<ul style="list-style-type: none"> ▶ We have developed a plan for implementation of green procurement across all business operations in Hong Kong and Mainland China. ▶ We conducted a risk assessment of our 25 largest suppliers, by procurement spending in 2018, in order to confirm their compliance with our SCoC. The risk assessment covered suppliers in Hong Kong, Mainland China, and the U.S.A.
Supply Chain Improvement	Develop programme for supply chain improvements	<ul style="list-style-type: none"> ▶ We plan to host a supplier engagement event in 2019.

⁵ BEAM Plus/LEED/China Green Building Design Label/WELL Certification.

⁶ “Projects under development” refers to projects that are under construction or in the pre-certification stage. It does not include joint-venture projects.



Performance (Environment)

SD 2030 Focus Area

Building/Asset Investments



Performance Categories	2020 KPIs	Progress Updates in 2018
Environmental Building Assessment Schemes⁷	Target the highest environmental building assessment scheme rating for all projects under development ⁸	<ul style="list-style-type: none"> ▶ 100% of projects under development achieved the highest ratings of green building certification. ▶ In 2018, our buildings earned the following green building certifications: <ul style="list-style-type: none"> • Final Platinum BEAM Plus – 15 buildings • Final LEED Platinum – 2 buildings • Final LEED Gold – 3 buildings • Platinum Pre-certification WELL – 1 building • China Three Star – 4 buildings (2 stars awarded) • Platinum Green Mark – 1 building

SD 2030 Focus Area

Water



Performance Categories	2020 KPIs	Progress Updates in 2018
Water Reduction	Reduction of water intensity ⁹ : <ul style="list-style-type: none"> Hong Kong portfolio ↓ 20% (m³/m²) Mainland China portfolio ↓ 20% (m³/m²) Hotels ↓ 20% (m³/guest night) 	<ul style="list-style-type: none"> ▶ Reduction of water intensity: <ul style="list-style-type: none"> Hong Kong portfolio ↓ 6% (m³/m²) Mainland China portfolio ↓ 14% (m³/m²) Hotels ↓ 34% (m³/guest night)

⁷ BEAM Plus/LEED/China Green Building Design Label/WELL Certification.

⁸ “Projects under development” refers to projects that are under construction or in the pre-certification stage. It does not include joint-venture projects.

⁹ The water intensity reduction targets reference the baseline level of water consumption in 2016.



Performance (Environment)

SD 2030 Focus Area

Waste



Performance Categories	2020 KPIs	Progress Updates in 2018
Waste Diversion	<p>Waste diversion rates from landfills:</p> <p>Hong Kong portfolio (including hotels) 25% of commercial waste</p> <p>Hong Kong (projects under development) 80% of demolition waste 60% of construction waste</p> <p>Mainland China (projects under development) 50% of total waste¹⁰</p> <p>Waste recycling rate:</p> <p>Mainland China portfolio (including hotels) 25% of commercial waste</p>	<p>► Waste diversion rates from landfills:</p> <p>Hong Kong portfolio (including hotels) 21.1% of commercial waste</p> <p>Hong Kong (projects under development) 83% of demolition waste at Two Taikoo Place 81% of demolition waste at 21-31 Wing Fung Street, Wan Chai 78% of construction waste at One Taikoo Place 60% of construction waste at South Island Place</p> <p>Mainland China (projects under development) To be reported in 2020 after the expected completion of Taikoo Li Qiantan, a joint venture project</p> <p>► Waste recycling rate:</p> <p>Mainland China portfolio (including hotels) 23% of commercial waste</p>

¹⁰ 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.



Performance (Environment)

SD 2030 Focus Area

Climate Change



Performance Categories	2020 KPIs	Progress Updates in 2018
Policy	<p>Establish a climate change policy</p> <p>Conduct climate risk assessments for all portfolios</p>	<ul style="list-style-type: none"> ▶ We adopted a new Climate Change Policy, which focuses on mitigation, adaptation, and resilience. ▶ We have committed to the Science-Based Target initiative (“SBTi”) and began work on establishing new science-based targets. ▶ We have completed stage 1 of our climate risk assessment for our operations in Hong Kong, Mainland China, and Miami, U.S.A. ▶ We started to publish climate-related financial disclosures with reference to the recommendations of the Task Force on Climate-related Financial Disclosures (“TCFD”).
Decarbonisation	<p>Reduction of carbon intensity (tonnes of CO₂e/m²)¹¹:</p> <p>Hong Kong portfolio ↓27%</p> <p>Mainland China portfolio ↓21%</p>	<p>▶ Reduction of carbon intensity (tonnes of CO₂e/m²):</p> <p>Hong Kong portfolio ↓25%</p> <p>Mainland China portfolio ↓20%</p>

¹¹ 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.

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 is inclusive of employees with different backgrounds and expertise, as well as different levels of seniority and work experience. We believe 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”). In addition to delivering on key performance indicators (“KPIs”) for 2020, the SD Working Groups are responsible for developing KPIs for 2030, which will be disclosed in future reports.

Membership of each SD Working Group has been carefully determined to ensure that SD initiatives are 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 & Communications, its members include representatives from different functions within Swire Properties.

The successful implementation of our SD 2030 Strategy requires the support of our employees. In 2018, we modified our employee Performance Development Review (“PDR”) system to incorporate elements of our SD 2030 Strategy. Beginning in 2019, we will ask our office employees to align their annual performance goals with our SD 2030 pillars in order to further engage them in our SD 2030 Strategy.

Engaging Employees in our SD 2030 Strategy

Recognising the key role our frontline employees play in implementing our SD 2030 Strategy and achieving our SD 2020 KPIs, we launched an SD 2030 video in June 2018. The video featured a well-known Hong Kong comedian discussing the five SD pillars and interacting with frontline employees to find out how SD is integral to their work. In addition, a short online quiz was launched to test employees’ SD knowledge, and they received cardholders that featured the five pillars of our SD 2030 Strategy.



In 2018, we continued to engage 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.

Our business units have incorporated SD considerations into their annual budgets and shared proposed budget allocations for 2019 with relevant SD Working Groups.

SD Governance

Our SD governance framework is built on strong foundations of [corporate governance](#) and high [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 process 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 also comprises the Finance Director, and five 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 natural resources and biodiversity within our influence, and we will ensure that all potentially adverse impacts of our operations are identified and managed appropriately. Our approach is consistent with the precautionary principle¹², which states that where there are threats of serious or irreversible damage, lack of full scientific certainty is not a valid 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 so that they can realise their full potential.

¹² The precautionary approach is referred to in Principle 15 of ‘The Rio Declaration on Environment and Development’.

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	 Climate Change Policy (new)
 Energy Policy	 Waste Management Policy	 Diversity and Inclusion Policy (new)
 Supplier Code of Conduct	 Whistleblowing Policy (new)	

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

Awards for Swire Properties' 2017 Sustainable Development Report

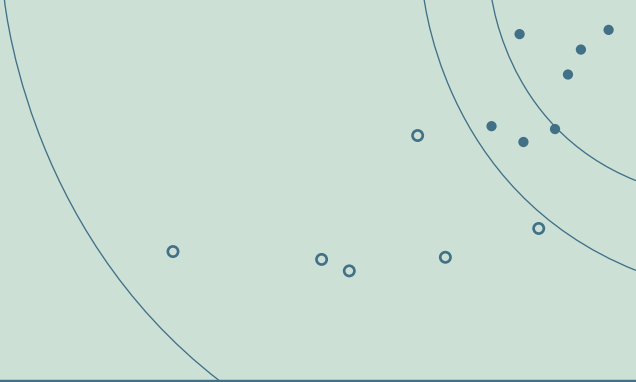
In 2018, Swire Properties was recognised at the MerComm Annual Report Competition (“ARC”) International Awards. Our 2017 Sustainable Development Report received Gold (first prize) in the Specialized Annual Report: Sustainability Report – Asia, Mid-East & Pacific and the PDF Version of Annual Report: Sustainability Report – Asia, Mid-East & Pacific categories.

ARC is the world’s largest annual report competition, with over 2,300 entries from 34 countries. The judges praised Swire Properties’ report for its clear, coherent, and relevant content, as well as its original design.

Our 2017 report received Silver (third place) in the Corporate Social Responsibility Report and Sustainability Report – Asia Pacific category at the 2017 Vision Awards, organised by the League of American Communications Professionals, and won the Bronze Occupational Safety and Health Annual Report Award, presented at the 17th Hong Kong Occupational Safety & Health Award Forum.



MATERIALITY



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 to 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.

We have engaged our stakeholders regularly since 2004 to help us understand their priorities, expectations, and perceptions, specifically with regard to SD issues. In 2011, we adopted a five-year plan for regular and systematic engagement with a range of interest groups. When introducing our SD 2030 Strategy in 2016, we engaged extensively with senior managers and employees from across our business through town hall meetings and a Yammer campaign, and also consulted with external sustainability experts.

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



Our Stakeholders

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

Our stakeholders comprise both internal and external interest groups which have a significant impact on our business or which experience significant impacts from our operations as summarised in the graphic below.

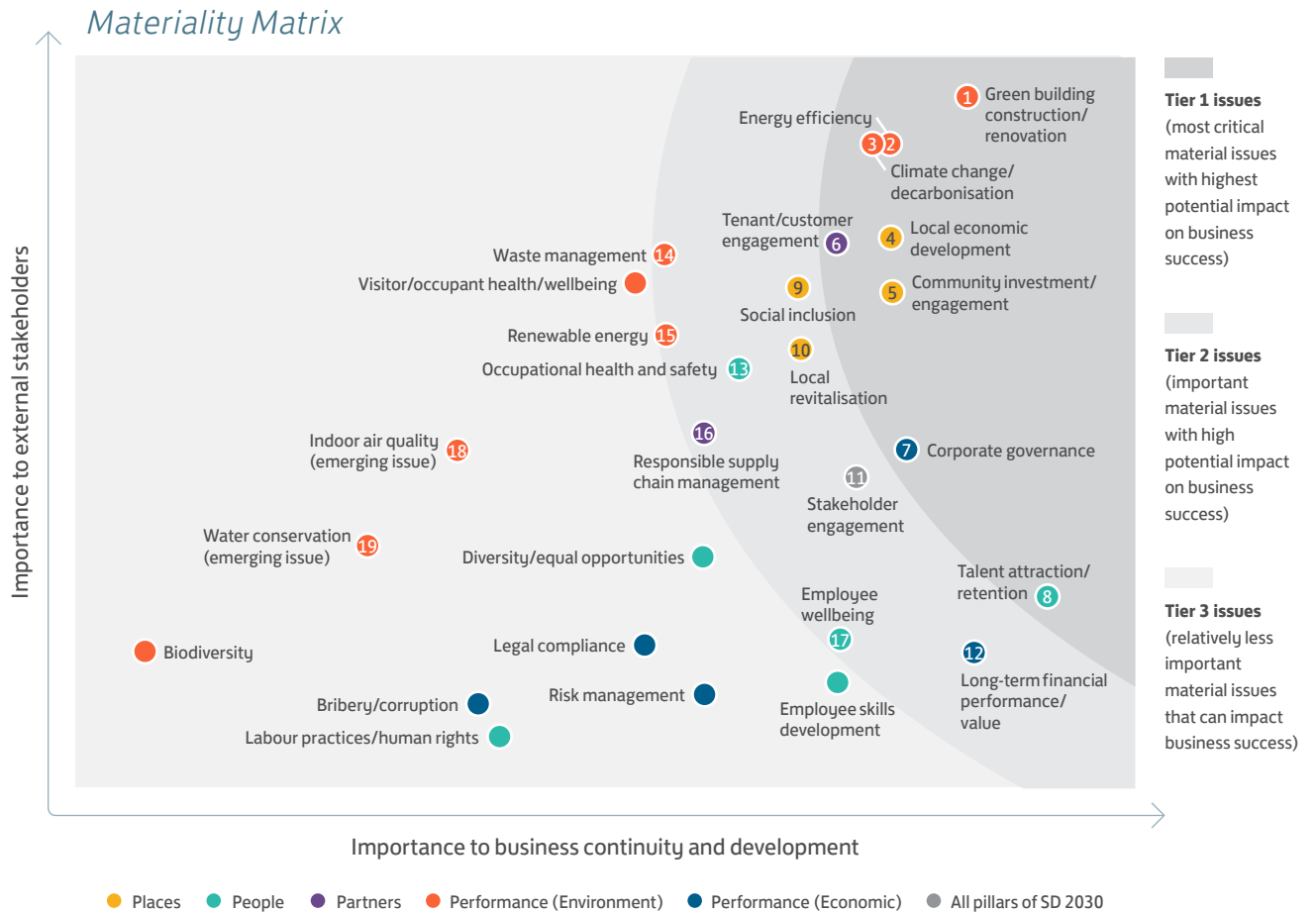
Swire Properties Stakeholder Groups and Methods of Regular Engagement

 <p>Employee Groups</p> <ul style="list-style-type: none"> • Surveys and interviews • Intranet forums and <i>CornerStone</i> newsletters • Training sessions • Competitions and team-building activities • Forums • “WeChat Work” mobile application 	 <p>Suppliers</p> <ul style="list-style-type: none"> • Supplier screening and assessments • Joint projects • Surveys
 <p>Community/NGOs</p> <ul style="list-style-type: none"> • Community events • Joint projects • Working committees and consultations • Multi-stakeholder meetings/seminars on specific issues 	 <p>Regulators/Government</p> <ul style="list-style-type: none"> • Joint projects • Working committees and consultations • Interviews
 <p>Tenants</p> <ul style="list-style-type: none"> • SD-themed tenant engagement programmes • Joint projects • Community events • Surveys and interviews • Multi-stakeholder meetings/seminars on specific issues 	 <p>Industry Experts/Academia</p> <ul style="list-style-type: none"> • Joint projects/research funds • Multi-stakeholder forums and partnerships • Seminars
 <p>Customers/Consumers</p> <ul style="list-style-type: none"> • Surveys • Customer service mobile applications • Community events • Joint projects 	 <p>Joint Venture Partners</p> <ul style="list-style-type: none"> • Surveys and interviews • Multi-stakeholder meetings/seminars on specific issues • Joint projects
	 <p>Shareholders & Investors</p> <ul style="list-style-type: none"> • SD benchmarks and indices • Interviews and meetings • Newsletters • Events
	 <p>Media</p> <ul style="list-style-type: none"> • Annual gathering • Interviews • Feedback and responses to media enquiries

Stakeholder-driven Materiality

GRI
102-42, 102-44,
102-46, 102-47,
103-1

We conducted a materiality review in 2017, and building on the findings from the review (including a survey of more than 300 stakeholders and 22 in-depth stakeholder interviews), we have updated our materiality matrix. The matrix maps 27 SD issues, 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. As summarised in the following table, the content of this report also reflects additional emerging issues that are the subject of increasing public and regulatory attention, such as indoor air quality and water conservation.

Top Material Issues

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 (2016)
2 Energy efficiency		Energy	✓		✓	✓	✓	✓		✓	✓	✓	GRI 302 Energy (2016)
3 Climate change/ decarbonisation		Climate Change	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	GRI 305 Emissions (2016)
4 Local economic development		Local Economy	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	GRI 203 Indirect Economic Impacts (2016)
5 Community investment/ engagement		Community Investment	✓	✓		✓	✓	✓	✓		✓	✓	GRI 413 Local Communities (2016)
6 Tenant/customer engagement		Tenant & Customer Engagement	✓			✓	✓	✓	✓		✓		N/A
7 Corporate governance		Corporate Governance	✓	✓				✓			✓		GRI 205 Anti-corruption (2016)
8 Talent attraction/ retention		Talent Attraction and Talent Retention	✓								✓		GRI 401 Employment (2016) GRI 404 Training and Education (2016) GRI 405 Diversity and Equal Opportunity (2016)
9 Social inclusion		Community Investment	✓	✓		✓	✓	✓	✓		✓		GRI 413 Local Communities (2016)
10 Local revitalisation		Community Investment	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	GRI 203 Indirect Economic Impacts (2016)
11 Stakeholder engagement	Integral to all pillars of our SD 2030 Strategy	Integral to multiple focus areas	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Not applicable
12 Long-term financial performance/ value		Financial Performance	✓	✓				✓	✓		✓	✓	GRI 201 Economic Performance (2016)
13 Occupational health and safety		Safety, Health & Wellbeing	✓	✓	✓	✓	✓	✓		✓	✓		GRI 403 Occupational Health & Safety (2018)
14 Waste management		Waste	✓	✓	✓	✓	✓	✓			✓		GRI 306 Effluents and Waste (2016)
15 Renewable energy		Energy			✓	✓	✓	✓		✓	✓		GRI 302 Energy (2016)
16 Responsible supply chain management		Suppliers	✓	✓					✓		✓		GRI 301 Materials (2016) GRI 308 Supplier Environmental Assessment (2016) GRI 414 Supplier Social Assessment (2016)
17 Employee wellbeing		Safety, Health & Wellbeing	✓	✓	✓	✓	✓	✓		✓	✓		GRI 403 Occupational Health & Safety (2018)
18 Indoor air quality (emerging issue)		Occupant Wellbeing	✓	✓		✓	✓	✓		✓	✓		GRI 416 Customer Health and Safety (2016)
19 Water conservation (emerging issue)		Water	✓	✓		✓	✓	✓		✓	✓		GRI 303 Water and Effluents (2018)

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

Sustainable Development in Action Taikoo Li Sanlitun, Beijing

Located in the heart of Beijing's Chaoyang District, Taikoo Li Sanlitun exemplifies our development philosophy of Creative Transformation and underscores our commitment to making and keeping great places.



Taikoo Li Sanlitun 2008 – 2018: 10 Years of Innovation, 10 Years of Growth

Over the past decade, Taikoo Li Sanlitun has undergone significant redevelopment and emerged as one of Beijing’s most vibrant and distinctive destinations. Ten years later, Swire Properties’ first completed project in Mainland China is at the heart of this neighbourhood’s transformation into a centre of culture, retail, and hospitality.

Since we acquired this development in 2007, our vision for Taikoo Li Sanlitun has remained the same: 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 character, supporting communities, and enhancing people’s lives.

Inspired by Beijing’s traditional architecture, Taikoo Li Sanlitun is a large-scale shopping complex consisting of two zones—the South and the North—with a total gross floor area of over 1.4 million square feet. The juxtaposition of contemporary and heritage architectural styles provides visual appeal and reflects the culture of Beijing.

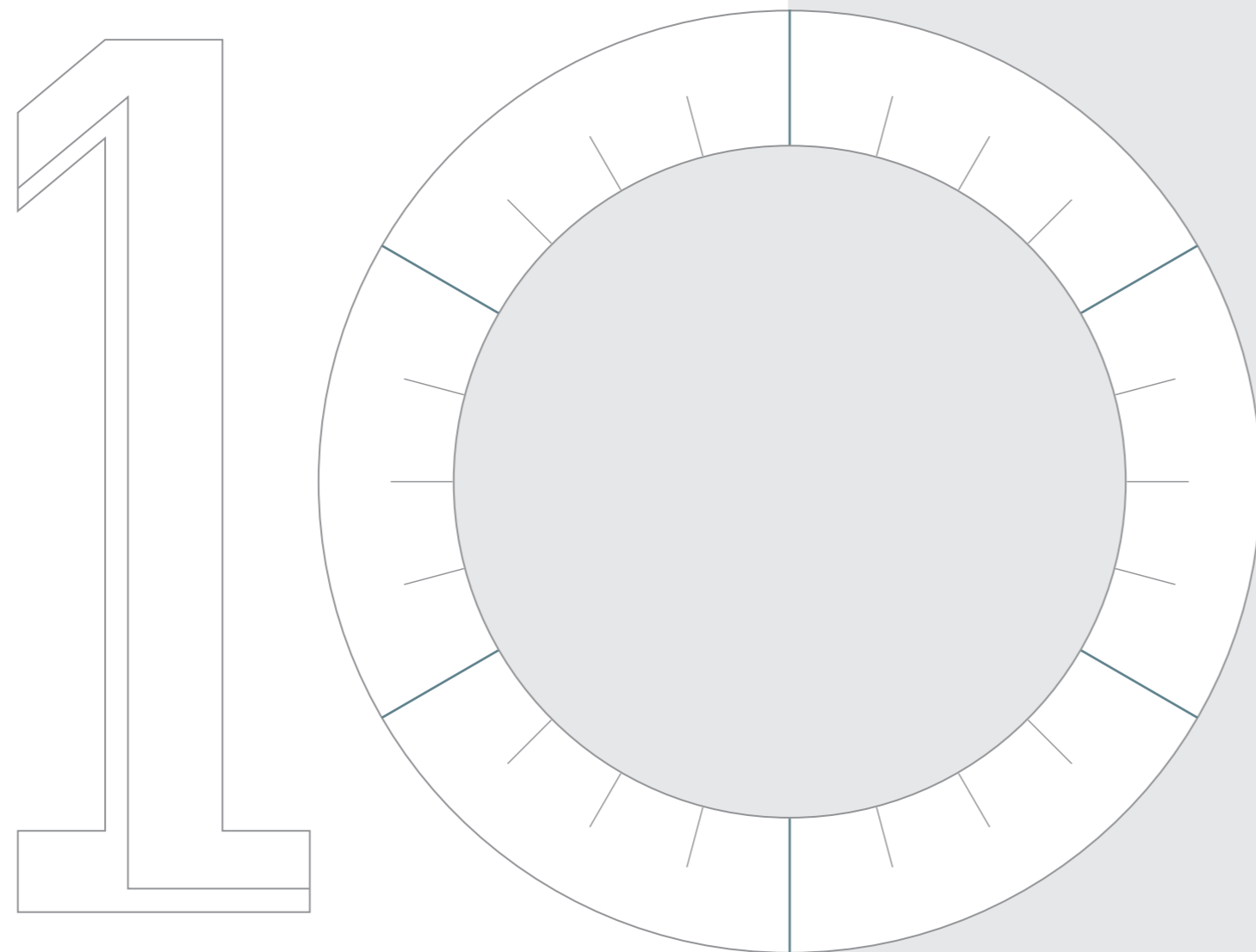
Designed to improve connectivity and increase walkability, Taikoo Li Sanlitun incorporates open laneways, piazzas, courtyards, gardens, and cultural amenities to create a village-like atmosphere. Its 19 buildings house approximately 260 shops and restaurants and a 99-room boutique hotel, The Opposite House, in a low-density and open-plan style of development that is one of the first of its kind in Beijing.



Celebrating Taikoo Li Sanlitun, 10 Years On

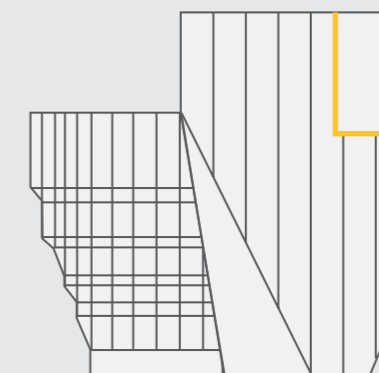
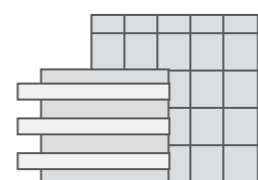
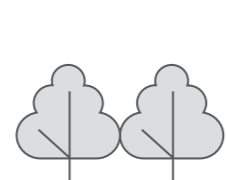
In celebration of the 10th anniversary of Taikoo Li Sanlitun in 2018, we held a photography exhibition named “10 Years of Innovation Propels 10 Years of Growth”, which showcased the transformation of the neighbourhood, the concepts behind its planning and development, and our commitment to sustainable development and community engagement. We also commissioned a documentary featuring interviews with the project’s designers, planners, architects, and other employees.

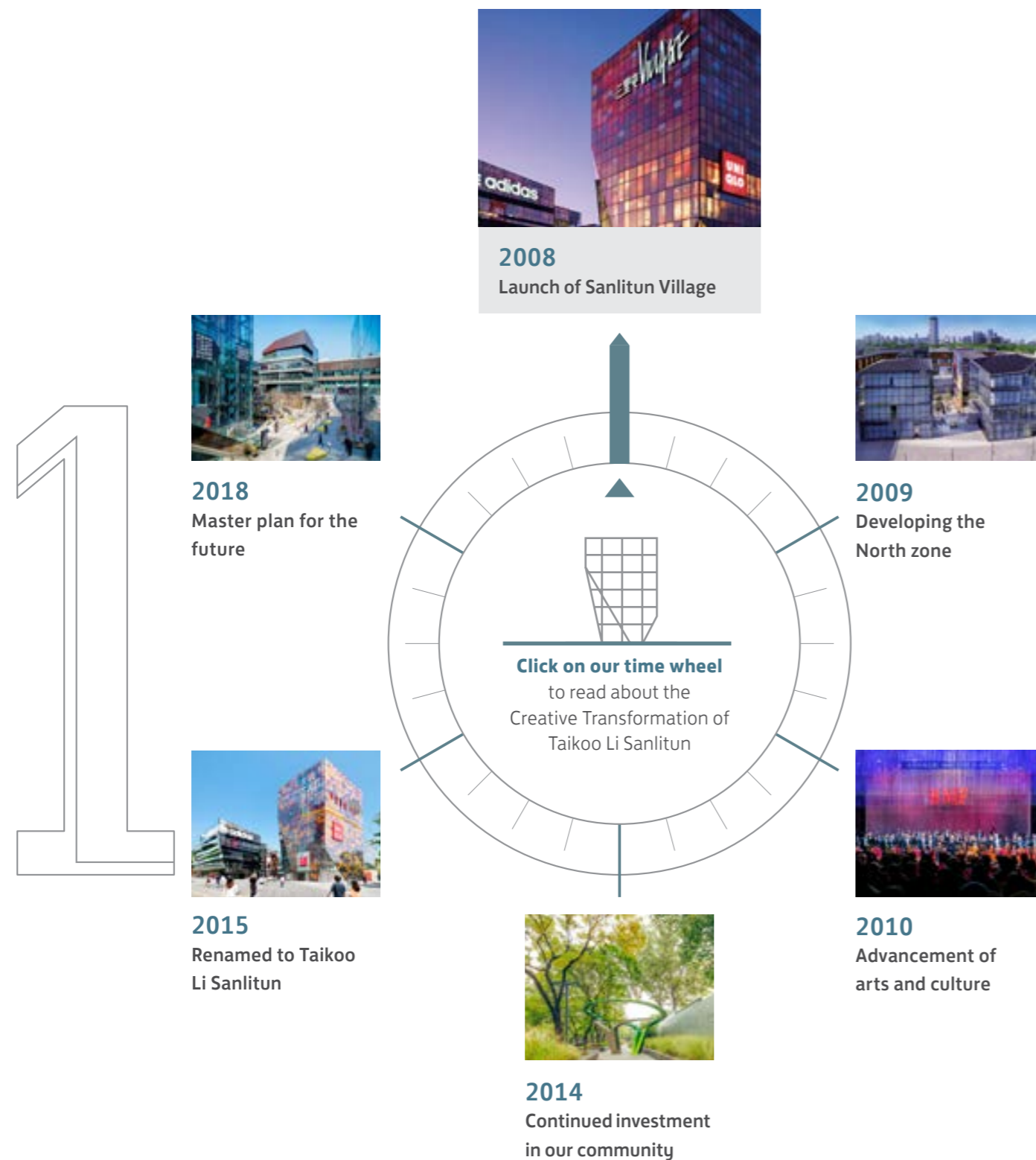




At Swire Properties, we refer to our development philosophy as one of Creative Transformation. I think Taikoo Li Sanlitun is a fantastic example of that, where we stick to our basic principles of good design and quality management to achieve placemaking over the long term.

Tim Blackburn
Chief Executive Officer, Mainland China



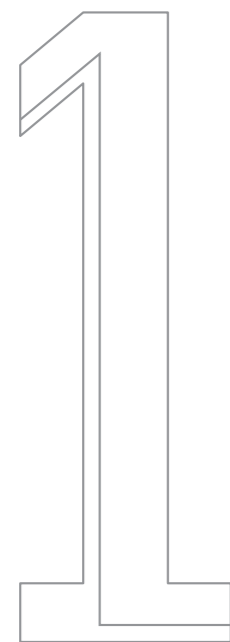


2008
Launch of Sanlitun Village

In 2007, we acquired the Taikoo Li Sanlitun site from another developer during construction.

“Sanlitun VILLAGE”, as Taikoo Li Sanlitun was originally known, formally opened in July 2008. In August 2008, we hosted a public broadcast of the Opening Ceremony of the Beijing Olympics on a large screen in the South Piazza to celebrate the historic event taking place at the National Stadium nearby.

From the beginning, we aimed to improve connectivity and accessibility within the site. Between 2009 and 2018, we invested over RMB 1 billion on infrastructure improvements to improve connectivity within Taikoo Li Sanlitun in order to meet the evolving needs of our tenants, improve the shopping experience of our customers, and enhance the surrounding community.



2018
Master plan for the future



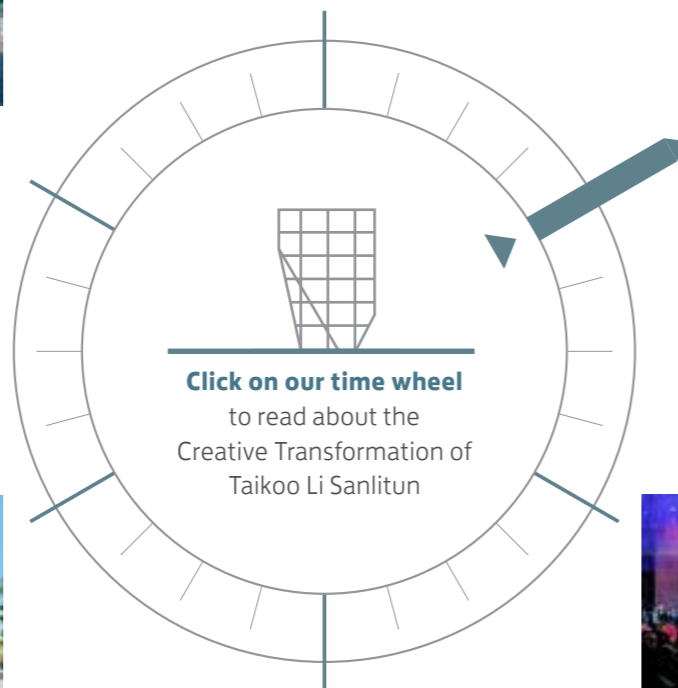
2015
Renamed to Taikoo Li Sanlitun



2008
Launch of Sanlitun Village



2009
Developing the North zone



2010
Advancement of arts and culture



2014
Continued investment in our community

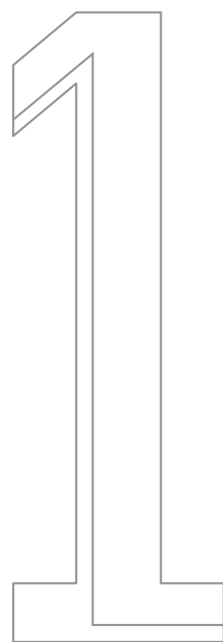


2009
Developing the North zone

The North zone of Sanlitun VILLAGE opened in 2009.

In contrast to the buildings of the South zone, which are brightly coloured in a layout inspired by Beijing’s traditional hutong lanes, the architecture of the North zone reflects the simplicity and elegance of Beijing’s classic siheyuan dwellings. While Taikoo Li Sanlitun South has become home to a variety of young and contemporary brands, Taikoo Li Sanlitun North offers visitors a shopping environment with luxury and designer stores.

Over the years, Taikoo Li Sanlitun has helped introduce many new brands to the Mainland China market. Between 2016 and 2018, over 60 international retail companies have debuted their brands here.



2018
Master plan for the future



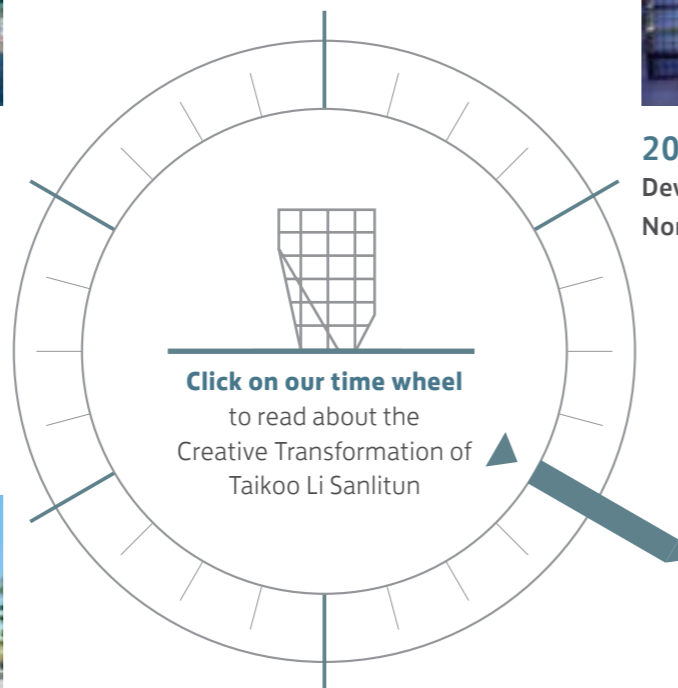
2015
Renamed to Taikoo Li Sanlitun



2008
Launch of Sanlitun Village



2009
Developing the North zone



2014
Continued investment in our community



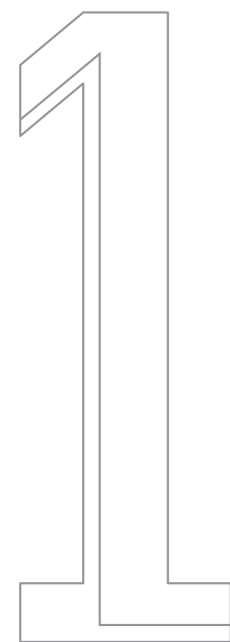
2010
Advancement of arts and culture



2010
Advancement of arts and culture

Taikoo Li Sanlitun encourages people to gather at and enjoy its public spaces. In addition to displaying numerous art installations from local and international artists, we host a wide variety of community events throughout the year, including art and design exhibitions, fashion shows, street performances, film festivals, and other interactive activities.

The Beijing Music Festival, for example, is a non-profit organisation founded in 1998 by Maestro Long Yu, a renowned conductor. Since 2010, Swire Properties has been the “Golden Swing Sponsor” of this annual October event, which features a programme of world-class musical performances in Taikoo Li Sanlitun.



2018
Master plan for the future



2015
Renamed to Taikoo Li Sanlitun



2008
Launch of Sanlitun Village



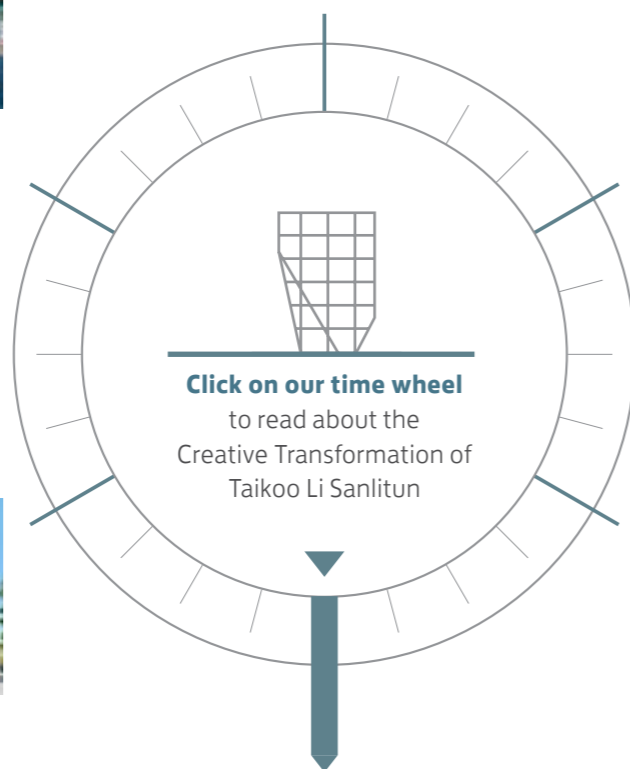
2009
Developing the North zone



2010
Advancement of arts and culture



2014
Continued investment in our community



2014
Continued investment in our community

From the outset of this project, we have been committed to working closely with the local community to improve and maintain public spaces and to organise community events and workshops to help revitalise the neighbourhood and strengthen our relationship with community members.

Since 2014, we have supported a small community garden in Beisanli, an area of approximately 5,300 square feet directly adjacent to Taikoo Li Sanlitun. Building on this initiative, we worked with the local government to create The Opposite House Community Garden, which opened in 2017, providing visitors and local residents with additional green space, an art pavilion, a children’s playground, and resting areas.



2015
Renamed to Taikoo Li Sanlitun

We renamed Sanlitun VILLAGE “**Taikoo Li Sanlitun**” to help build stronger brand recognition for Swire Properties in Mainland China.

The upper part is the character ‘Tian’ (田) [reflecting] how this location is divided into different regularly laid out sections. The lower part is the character ‘Tu’ (土), which stands for ‘Earth’, meaning a spacious place. When you put these two elements together it is the ‘Li’ (里) of Taikoo Li. As you can see, we wanted to make this a large community.

Lu Yang
Marketing Manager, Taikoo Li Sanlitun

In 2015, Taikoo Li Sanlitun became the first commercial project in Mainland China to achieve certification under the internationally applied British Standard OHSAS 18001: 2007 for occupational health and safety management systems.

The environmental and energy management systems in Taikoo Li Sanlitun were certified in accordance with ISO 14001:2015 (Environmental Management System) and ISO 50001: 2011 (Energy Management System) in 2016. Together, these management systems create a robust framework for managing our safety, environmental, and energy performance.

Taikoo Li Sanlitun was awarded Leadership in Energy and Environmental Design (“LEED”) Gold certification from the United States Green Building Council (“USGBC”) in the Building Operations and Maintenance: Existing Buildings (“EBOM”) category in 2017.



2018
Master plan for the future



2008
Launch of Sanlitun Village



2009
Developing the North zone



2015
Renamed to Taikoo Li Sanlitun



2014
Continued investment in our community



2010
Advancement of arts and culture



Artist Impression



2018
Master plan for the future

The concepts of connectivity and walkability are an integral part of our master plan to continue to transform the Sanlitun area, and have become core components of the local government's initiative to create a dynamic urban commercial hub.

Our efforts to engage the local community on our master plan led to the government's establishment of the "Taikoo Li Commercial District" in October 2018, which provides a platform for community organisations, local government, and private developers to work together and share resources and ideas on the future development of the neighbourhood.

In line with our master plan, we are renovating three buildings in our existing complex to introduce new features, such as link bridges and escalators, to improve connectivity and accessibility. New urban landscaping concepts and building façades are also being designed to strengthen indoor-outdoor connections.

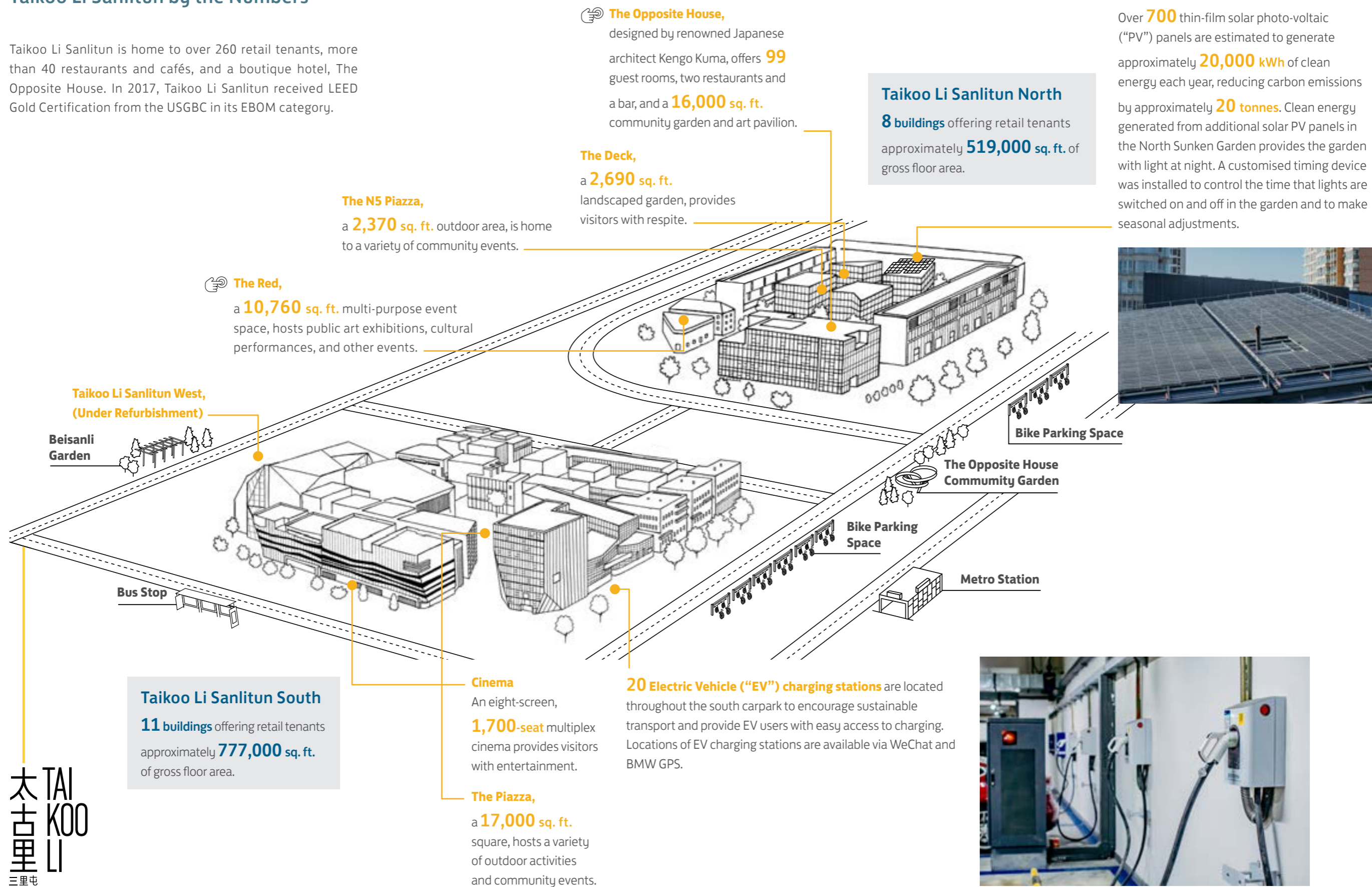
Renovation of the adjacent Sanlitun Yashow Building is expected to be completed in 2019. With its focus on art, culture, and design and its utilisation of smart technology, the renovation of the Yashow Building will support our vision for Taikoo Li Sanlitun and its continuing transformation.

People coming to Beijing would want to visit the Great Wall, eat Peking duck, and visit Taikoo Li Sanlitun. This is what we hope to achieve in the next ten years.

Max Yu
General Manager, Taikoo Li Sanlitun

Taikoo Li Sanlitun by the Numbers

Taikoo Li Sanlitun is home to over 260 retail tenants, more than 40 restaurants and cafés, and a boutique hotel, The Opposite House. In 2017, Taikoo Li Sanlitun received LEED Gold Certification from the USGBC in its EBOM category.



The Opposite House, designed by renowned Japanese architect Kengo Kuma, offers **99** guest rooms, two restaurants and a bar, and a **16,000 sq. ft.** community garden and art pavilion.

The Deck, a **2,690 sq. ft.** landscaped garden, provides visitors with respite.

The N5 Piazza, a **2,370 sq. ft.** outdoor area, is home to a variety of community events.

The Red, a **10,760 sq. ft.** multi-purpose event space, hosts public art exhibitions, cultural performances, and other events.

Taikoo Li Sanlitun West, (Under Refurbishment)

Beisanli Garden

Bus Stop

Taikoo Li Sanlitun South
11 buildings offering retail tenants approximately **777,000 sq. ft.** of gross floor area.

Cinema
An eight-screen, **1,700-seat** multiplex cinema provides visitors with entertainment.

The Piazza, a **17,000 sq. ft.** square, hosts a variety of outdoor activities and community events.

20 Electric Vehicle ("EV") charging stations are located throughout the south carpark to encourage sustainable transport and provide EV users with easy access to charging. Locations of EV charging stations are available via WeChat and BMW GPS.

Taikoo Li Sanlitun North
8 buildings offering retail tenants approximately **519,000 sq. ft.** of gross floor area.

Over **700** thin-film solar photo-voltaic ("PV") panels are estimated to generate approximately **20,000 kWh** of clean energy each year, reducing carbon emissions by approximately **20 tonnes**. Clean energy generated from additional solar PV panels in the North Sunken Garden provides the garden with light at night. A customised timing device was installed to control the time that lights are switched on and off in the garden and to make seasonal adjustments.



Bike Parking Space

The Opposite House Community Garden

Bike Parking Space

Metro Station



太古里
TAI KOO LI
三里屯

Insights to Our Approach

From our initial acquisition of the site during its construction, our vision for Taikoo Li Sanlitun has been to construct and manage a development that contributes positively to the surrounding community and the environment.



Arts and Culture

We believe that art and culture enrich our developments and are an important part of making great places. We regularly host a wide variety of community events, art and culture exhibitions and performances in Taikoo Li Sanlitun to engage our visitors, support talent, and create a more vibrant community.

Engaging with Local Partners

We continue to engage with local government partners as part of our ongoing support for the “Cultural Sanlitun” initiative. In 2018, in addition to sharing our best practices in urban planning and design, placemaking, and day-to-day operations at a training session for director-level officials, we were invited to a high-level meeting to discuss future cooperation in the development of Beijing’s Chaoyang District. Swire Properties was named the Outstanding Company with Contribution to Cultural Co-development in Sanlitun Area at the 17th (Beijing) Sanlitun Culture and Art Festival Closing Ceremony.



Beijing Design Week

During 2018’s Beijing Design Week, The Opposite House hosted Virtual Landscape Teahouse, an exhibition designed by Jamy Yang, which transformed the lobby, providing guests and visitors with an experience of illusion through time and space.

The event also featured Ten Altar, an interactive public art installation inspired by Beijing’s Temple of Heaven that was designed to allow visitors to move and interact with this iconic monument.



The Red

Taikoo Li Sanlitun North houses The Red, a multi-purpose space that hosts a wide variety of art and culture events throughout the year, including TEDx conferences, live performances, and art exhibitions, such as the exhibition Shoes: Pleasure and Pain, presented by Taikoo Li Sanlitun and the Victoria and Albert Museum, London.

As part of the local government’s Sanlitun Cultural Week in January 2018, we hosted the *Sanlitun Fashion & Culture Photo Contest Exhibition*, which featured photography with architectural, cultural, and historical themes to highlight the evolution of the Sanlitun neighbourhood over the years.



The Opposite House, Artist in Residence

Since its opening in 2009, The Opposite House has had an expansive contemporary art collection and has worked with local and international art galleries to host exhibitions of the works of Chinese artists. In 2018, the hotel hosted a well-received sculpture collection inspired by the textile-clad façade of the hotel, which included Chinese artists from Beijing, Hong Kong, Australia, and London.

Building on this artistic tradition, in 2016, the hotel worked with the Beijing-based Red Gate Gallery to offer its first “Artist in Residence” programme, inviting Australian artist Lisa Roet to spend time at the hotel reinterpreting traditional symbols of Chinese art and culture. She created a 14-metre inflatable sculpture of a golden snub-nosed monkey that appeared to be climbing the hotel building and looking down on passers-by to highlight the threat posed by rapid deforestation to a rare native monkey species living in the mountainous forests of southwest China.



Insights to Our Approach



Protecting the Environment

We are committed to improving the environmental performance of our buildings on an ongoing basis. We regularly assess our buildings to ensure that they are operating efficiently, and we continuously look for opportunities to minimise environmental impacts, and improve building efficiency and occupant experience.

To reduce environmental impacts, realise efficiencies, and improve building performance, we have implemented a wide range of initiatives in Taikoo Li Sanlitun described in further detail below.

Energy and Facility Management Systems

In order to achieve an in-depth understanding of electricity consumption patterns, we set up an energy database in 2010. Utilising this data, we continually identify energy saving opportunities and implement energy savings initiatives.

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 improve our performance.

Indoor Air Quality

Electrostatic filters have been installed in the HVAC systems throughout Taikoo Li Sanlitun to remove PM2.5 and PM10, improving indoor air quality for tenants and visitors.

In 2018, we introduced air-purification systems in The Red and at the information desks of the north and south buildings to remove particulate contaminants and improve air quality for visitors and frontline employees. Indoor air quality dashboards in The Red and information desk of the north building allow visitors to monitor PM2.5 information in real time.



Partnering with Tenants to Improve Sustainability Performance

Energy Audits

Free energy audits for our office and retail tenants help them identify energy-saving opportunities and have contributed to significant energy savings over the years. In 2018, the total landlord energy consumption of Taikoo Li Sanlitun decreased by 45% compared to 2010, which is equivalent to annual electricity savings of 8.5 million kWh.

Heating, Ventilation and Air-Conditioning (“HVAC”) System Upgrades

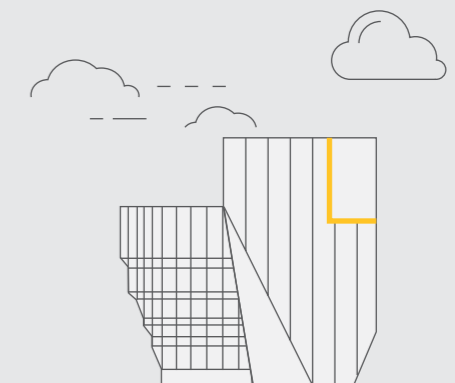
We are continuously assessing and adopting new technologies to improve building performance and achieve energy reductions and cost savings, and we encourage our tenants to do the same.

In 2018, we worked closely with one of our tenants to upgrade its HVAC system from the original decentralised electrical heat pump system to a new, centralised, high-efficiency chiller system to better manage energy use and improve thermal comfort. In order to maximise the efficiency of the new system, we helped the tenant map expected customer journeys within its space and optimise the locations of cooling vents.

During July and August 2018, the new system reduced air conditioning energy use by 66% and 67% respectively, compared to 2017. We estimate that the new system will result in annual energy savings of over 582,000 kWh, resulting in cost savings for the tenant of approximately RMB 800,000.



With its pedestrian-friendly, open-air design, green features, and community enhancements and events, Taikoo Li Sanlitun reflects the creative, long-term approach we take for our business, as well as 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 • Liveability • Local Economy • Connectivity

We recognise that the places we create and maintain have significant impacts on society. 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. Long-term placekeeping involves continuously evolving, 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 economy development
- Community investment/engagement
- Social inclusion
- Local revitalisation

In 2018, we began to explore how to measure “great places” by commissioning a pilot study of the impacts of Taikoo Place to identify key metrics and performance indicators. Using insights gained from the pilot study, we began work to develop a methodology for assessing, measuring, and reporting on the impacts of our places. In 2019, we plan to disclose our findings in a Places Impact Report and seek feedback from our stakeholders.



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



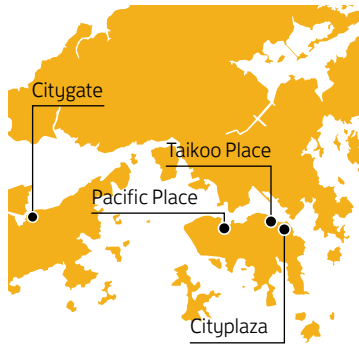
PLACES

Highlights of Our Developments

Community Investment • Liveability • Local Economy • Connectivity

Highlights of Our Developments

GRI
102-2, 102-4,
102-6



Hong Kong



China



U.S.A.

Taikoo Place

The ongoing redevelopment of Taikoo Place exemplifies our commitment to Creative Transformation. Home to Swire for over 100 years, the area has developed from the old Taikoo dockyard and sugar refinery into a vibrant commercial centre that hosts more than 300 international companies and a wide range of restaurants, cafés, and amenities, such as ArtisTree and Blueprint.

In September 2018, the construction of One Taikoo Place, a 48-storey high-performance office tower, was completed, marking the conclusion of Phase I of the redevelopment. With lease commitments from over 20 new tenants, including multinational corporations and a premium co-working space operator, we have secured 100% occupancy for One Taikoo Place prior to the issuance of the Occupation Permit.

One Taikoo Place, and Two Taikoo Place which is expected to be completed in 2022, will be connected with seven other office towers in Taikoo Place through elevated air-conditioned walkways and link bridges that provide office workers with safe and comfortable access to other buildings. The link bridges are designed by Hugh Dutton Associés, a design studio based in Paris.

Pacific Place, Cityplaza and Citygate

Our Hong Kong shopping malls are located above transportation hubs to promote sustainable urban growth. We invite tenants in these malls to join our Green Shop Alliance programme and we work closely with participants in this programme to implement sustainability initiatives that reduce energy consumption and realise cost savings.

We are expanding Citygate Outlets to include a 474,000-square-foot complex that will offer shoppers new retail and dining options, as well as a four-house cinema. We anticipate the new expansion to open in 2019. Meanwhile, our new **Maker House** programme at Cityplaza is one of several initiatives to support and stimulate the local economy.

The Upper House

Our hotel, The Upper House, was the only hotel in Hong Kong to be listed by the 2018 Travellers' Choice® Awards in both the Top 25 Luxury Hotels in the World and Top 25 Hotels in Asia. It was named number one in the Top 25 Hotels in China category, number three in the Top 25 Luxury Hotels in the World category, and number 15 in the Top 25 Hotels in Asia category.



PLACES

Highlights of Our Developments

Community Investment • Liveability • Local Economy • Connectivity

Highlights of Our Developments

GRI 102-2, 102-4, 102-6



Hong Kong



China



U.S.A.

Taikoo Li Sanlitun Beijing

2018 marked the 10th anniversary of Taikoo Li Sanlitun, our first project completed in Mainland China. The story of this development exemplifies how our places evolve over time to strengthen and enhance communities. Located in the heart of Beijing’s Chaoyang District, Taikoo Li Sanlitun is at the heart of Sanlitun’s transformation into a centre of culture, retail, dining, and hospitality.

In recognition of our contribution to the government-sponsored initiative “Cultural Sanlitun”, Swire Properties was named the Outstanding Company with Contribution to Cultural Co-development in Sanlitun Area at the 17th (Beijing) Sanlitun Culture and Art Festival Closing Ceremony.

Please refer to [SD in Action](#) for more information.

INDIGO Beijing

INDIGO is a retail-led, mixed-use development, which comprises a shopping mall, a Grade-A office tower, and a hotel. The mall and office tower obtained LEED Gold and Platinum certifications, respectively.

To combat poor air quality in Beijing, we have worked to incorporate measures to improve air quality throughout INDIGO’s life cycle, from the selection of building materials to day-to-day operations. In 2016, INDIGO was rated as one of the two best performing shopping malls in Beijing with respect to indoor air quality. We continuously monitor the indoor air quality and take measures to maintain and improve the standard in collaboration with the Joint Research Centre for Building Energy Efficiency and Sustainability, established in cooperation with Tsinghua University.

Taikoo Hui Guangzhou

Taikoo Hui, Guangzhou is a lifestyle destination in the Tianhe District of Guangzhou. The shopping mall is the first enclosed shopping mall in the world to earn LEED Platinum Certification from the USGBC in its EBOM category.



PLACES

Highlights of Our Developments

Community Investment • Liveability • Local Economy • Connectivity

Highlights of Our Developments

GRI
102-2, 102-4,
102-6



Hong Kong



China



U.S.A.

Sino-Ocean Taikoo Li Chengdu Chengdu

Sino-Ocean Taikoo Li Chengdu is a 2.2 million-square-foot¹³ retail-led development in Chengdu’s Jinjiang district. Wrapped around the 14-century-old Buddhist Daci Temple, which is a heritage site and a focal point of the city, the development blends historical structures and modern buildings and serves as a vibrant leisure destination.

The Temple House at Sino-Ocean Taikoo Li Chengdu was named the top city hotel for the second consecutive year in Travel + Leisure’s 2018 World’s Best Awards.

HKRI Taikoo Hui and The Middle House Shanghai

Located on Nanjing West Road, one of Shanghai’s major shopping venues, with access to three lines of the Shanghai Metro, HKRI Taikoo Hui incorporates two Grade-A office towers, a shopping mall, and two hotels, The Middle House and The Sukhothai Shanghai. It has been designed to transform the area into a new business, shopping, and entertainment hub in Shanghai.

In May 2018, we opened The Middle House, a new boutique hotel in the heart of the HKRI Taikoo Hui development in the Jingan district of Shanghai. Operated by Swire Hotels, The Middle House offers 111 rooms and 102 serviced apartments designed to reflect the city’s heritage of craftsmanship and culture. Landscaped terraces, gardens, and artwork throughout the property provide guests with places to gather and relax in the heart of one of Mainland China’s most vibrant cities.



¹³ This figure is rounded-up and based on gross floor area (“GFA”) (100% basis).



PLACES

Highlights of Our Developments

Community Investment • Liveability • Local Economy • Connectivity

Highlights of Our Developments

GRI
102-2, 102-4,
102-6



Hong Kong



China



U.S.A.

Brickell City Centre Miami, U.S.A.

Brickell City Centre is our landmark mixed-use development in Miami, U.S.A. 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.

2 Draycott Park Singapore

In May 2018, 2 Draycott Park, our first residential project in Singapore, was awarded Platinum status at the Building and Construction Authority (“BCA”) Green Mark Awards in the category of New Residential Building – Version 4.1.

The BCA recognised a variety of the building’s features that aim to reduce environmental impacts, including the building energy management system, which monitors and controls energy consumption within the common areas, the use of regenerative power for lifts, the automatic irrigation system with rain sensors and the ventilation systems with carbon monoxide sensors within the carpark.





PLACES

Highlights of Our Developments

Community Investment • Liveability • Local Economy • Connectivity

Taikoo Place, Hong Kong: A Transformation that Continues

As exemplified by our Taikoo Place project, we aim to continually transform places so that they support local economies and bring people together, helping to build communities that are happier, healthier, and more productive.

As part of our ongoing redevelopment, two landscaped plazas, Taikoo Square and Taikoo Garden, designed by an award-winning London-based landscape architecture firm, Gustafson Porter + Bowman, are under development. The two plazas, which contain water features, plantings, and walking paths, will provide nearly 70,000 square feet of green space for the community to enjoy.



Green Building Certifications: One Taikoo Place



BEAM Plus New Buildings Version 1.2
(Provisional Platinum)

LEED Platinum Building Design and Construction
(pre-certification)

WELL Core and Shell Platinum
(pre-certification)

ArtisTree, Cambridge House

In 2018, we introduced the Open Rehearsal Series to ArtisTree, our 7,000-square-foot multi-purpose event space. Opened in 2017 and fitted with a theatre, lighting, and audio-visual technology, ArtisTree hosts a diverse range of productions, performances, talks, and exhibitions, offering tenants and the wider community access to a variety of cultural events and performing arts.



The Open Rehearsal Series lets audiences get a closer look at what takes place behind the scenes of dance and theatre productions. Highlights in 2018 included July's production of Emoto by CITA Theatre and The Nonsensemakers, and a new dance production exploring the theme of transformation, developed by the contemporary dance company ilDance, as part of its biennial International Contemporary Dance Collective.



PLACES

Highlights of Our Developments

Community Investment • Liveability • Local Economy • Connectivity

Community Investment

GRI 203, 413

HKEX Aspect B8 KPI B8.1, B8.2

As part of our SD 2030 Strategy, we seek to engage with those with whom we work during the planning, design, construction, operation, and management phases of our buildings so that we can better understand and manage the impacts of our developments.

We also invest in the development of the communities in which we operate, with three focus areas of contribution, namely community events, local revitalisation, and social inclusion, which includes supporting the elderly, underprivileged, and people with disabilities.

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. We also seek to tailor our community development initiatives to local needs and interests in each location.





PLACES

Highlights of Our Developments

Community Investment • Liveability • Local Economy • Connectivity

Swire Properties Arts Month 2018

Swire Properties believes that art plays an important role in sustaining vibrant communities. Building on our rich history of creating and hosting an array of art and culture events, we are continuing our efforts to enrich, engage and foster creativity in people's everyday lives through the exciting line-up in our Arts Month programme.

Fiona Ma
Director,
Marketing and
Communications



In 2018, our special Arts Month programme included international and local artists and featured exhibitions, art installations, live street art, and performances at Pacific Place and Taikoo Place. We also continued our collaboration with Art Basel in Hong Kong for the 6th consecutive year, hosting the VIP Lounge & Dialogue Series in March 2018.



Designed by award-winning Hong Kong architect Stanley Siu, our 2018 VIP Lounge, Cumulus, served as the venue for the Swire Properties Dialogue Series. The series of talks and panel discussions aimed to encourage the exchange of ideas on art, design, and architecture that can lead to more sustainable communities.

At Pacific Place, we hosted Spiral Scratch by Scottish contemporary artist and 2005 Turner Prize nominee, Jim Lambie. The new work, installed in the atrium of Pacific Place, combined two of Lambie's signature pieces, The Strokes and Shaved Ice, for the first time. The installation used an intricate floor pattern and a collection of 15 ladders painted in vivid hues.



Next Page



PLACES

Highlights of Our Developments

Community Investment • Liveability • Local Economy • Connectivity

ArtisTree, our visual and performance arts space in Taikoo Place, hosted Notating Beauty that Moves – Music at an Exhibition. Presented by the Hong Kong Sinfonietta, and curated by leading Hong Kong artists Samson Young and Yang Yeung, the exhibition and performance series explored the relationship between the motion of musicians and notations on their musical scores. The exhibition featured 36 works of art by composers around the world and was accompanied by a series of concerts performed by members of the Hong Kong Sinfonietta and Ensemble Offspring, an Australian musical ensemble.



In Urban Art, we celebrated street art by inviting three British artists, Phil Ashcroft, Graeme Brusby (a.k.a Xenz) and Duncan Jago (a.k.a Mr Jago), to paint murals in Taikoo Park. The public was able to view the artists at work, showcasing the art form while bringing the vibrant energy of street art to the park. The murals, composed on a series of smaller canvasses, were later sold to raise funds for the Hong Kong Youth Arts Foundation’s programme for disadvantaged and underprivileged youth.

In collaboration with Aedas and MTR, we commissioned British artist Remi Rough to create a new geometric mural at the Taikoo Place exit of the Quarry Bay MTR station. Rough’s mural reimagines this public space, aiming to stimulate and engage commuters and travellers.





PLACES

Highlights of Our Developments

Community Investment • Liveability • Local Economy • Connectivity

White Christmas Street Fair, Hong Kong



In its sixth year, our annual White Christmas Street Fair has become a popular festive tradition for our communities in Wan Chai and Quarry Bay. It is also an important part of our community engagement programme that brings together residents, retail and office tenants, NGO partners, and local artists, and provides us with the opportunity to engage, celebrate, and give back to our local community.

As in previous years, this year's fair took place at the Starstreet Precinct and Taikoo Place from late November to early December and included food and drinks, DIY workshops, live entertainment, and opportunities for Christmas shopping.



6 days of events and activities at **2** locations



50 live performances by NGOs, social enterprises and local community members



70+ Christmas shopping booths, food and beverage stations and DIY workshops



300+ Community Ambassador volunteers



Participation of **25** Swire Properties' tenants



80,000+ visitors



more than **HK\$5 million** raised since 2013 for Operation Santa Claus, an annual fundraising campaign that supports local and regional non-profit organisations



Next Page



PLACES

Highlights of Our Developments

Community Investment • Liveability • Local Economy • Connectivity

Youth Empowerment

Engaging and empowering local youth was also a key focus of this year’s White Christmas Street Fair. Special programmes included providing mentorship and retail space for start-up companies with the Po Leung Kuk Young Entrepreneurship Foundation, co-organising upcycling workshops for young artists with St. James’ Settlement, and working with young designers and artists from the Hong Kong Federation of Youth Groups to produce promotional materials for the fair.

White Christmas Street Fair Youth Empowerment Partnerships

Po Leung Kuk Young Entrepreneurship Foundation

- Swire Properties’ senior management mentored four aspiring young entrepreneurs.
- Each entrepreneur was provided with a booth at the fair to test his/her business idea.

St. James’ Settlement Jockey Club Upcycling Centre

- Young artists from the Centre hosted upcycling workshops to create products using recycled materials collected from Wan Chai and Quarry Bay communities, which were available for sale at the fair.

The Hong Kong Federation of Youth Groups’ M21 Multimedia Services

- Young designers and artists from M21 provided multi-media and production services ranging from photography to promotional materials.



Supporting Green Event

To minimise the use of single-use plastics, the fair included dedicated green stations and we worked with vendors to reduce the use of plastic bottles, straws, utensils, and bags. Visitors were encouraged to bring their own tableware (or take advantage of a tableware borrowing service) and refill their water bottles at drinking water refill stations.





PLACES

Highlights of Our Developments

Community Investment • Liveability • Local Economy • Connectivity

Community Engagement: HOMETOWN HEROES

This year’s White Christmas Street Fair served as a platform for “HOMETOWN HEROES”, a new community-building initiative that aims to connect and engage people in the communities in which they work, live and stay, and provide them with an opportunity to contribute to their community.

The Hometown Heroes initiative comprised four programmes that took place throughout the year at our Hong Kong developments and concluded at the White Christmas Street Fair. Members of the local community were invited to participate in various workshops that celebrated their neighbourhoods through the arts, culture, food and entertainment.

Building strong, cohesive communities is at the heart of every Swire Properties development and inspires many, if not all, of our community outreach initiatives.

Don Taylor

Director, Office



I AM A COOKING ACE 烹飪高手

I AM A PLACEMAKER 社區規劃師

I AM A DRINKS MASTER 酒類專家

I AM A SINGER SONGWRITER 唱作人

Next Page



PLACES

Highlights of Our Developments

Community Investment • Liveability • Local Economy • Connectivity

Hometown Heroes Events

I AM A PLACEMAKER

Community interactive art workshop curated by Hong Kong Youth Arts Foundation

400+ attendees

400+ artworks exhibited at Cityplaza mall



I AM A DRINKS MASTER

Drinks Master workshop in the Starstreet Precinct with “12 Drinks of Christmas” new drink recipes featured at the White Christmas Street Fair

8 Starstreet Precinct restaurant and bar partners

12 new drink recipes

16 community mixologists



I AM A SINGER-SONGWRITER

Community song-writing workshop hosted by Every Life Is A Song, a social enterprise created by Hong Kong singer-songwriter Vicky Fung and lyricist Chow Yiu Fai

6 songs written and performed

16 community singer-songwriters



I AM A COOKING ACE

Christmas-themed cook-off at Taikoo Place with winning recipes featured on the Christmas menu at EAST, Hong Kong and at the White Christmas Street Fair

5 community chefs

5 recipes





PLACES

Highlights of Our Developments

Community Investment • Liveability • Local Economy • Connectivity

Investments in the Community

GRI
203, 413

Community Caring Fund

HKEX
Aspect B8
KPI B8.1, B8.2

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 2018 include:

- ImpactHK’s support for the homeless, including housing, counselling, life skills training, and employment opportunities;
- Chicken Soup Foundation’s training for parents from low-income families to learn professional hair-dressing skills; and,
- Junior Achievement Hong Kong’s initiative to help under-resourced schools teach students how to start and manage a business.

Community Caring Fund sponsorships since 2013



HK\$11.4 million donated



97 community-based initiatives and outreach projects supported

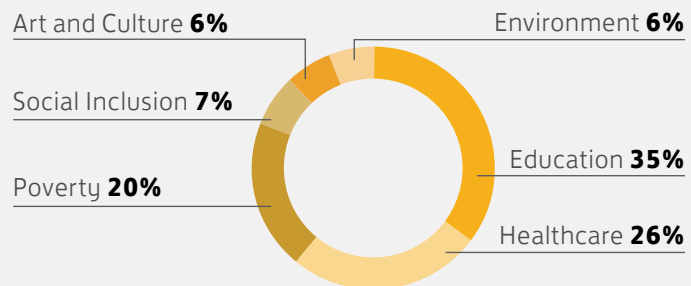
CCF-sponsored Programmes in 2017/2018, by focus area

Total value of donations:

HK\$1.5 million

Number of community-based initiatives and outreach projects supported:

16





PLACES

Highlights of Our Developments

Community Investment • Liveability • Local Economy • Connectivity

Local Revitalisation

We aspire to enhance the productive potential of local economies through effective placemaking and long-term placekeeping. In addition to stimulating local jobs and commerce, our developments are designed to attract new visitors and residents such that the impacts of our investments on local communities will 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 September 2018, we invited visitors at Cityplaza to explore our Macha Village project in the “Back to Earth” Wu Zhi Qiao Earthen Architecture Bi-City Exhibition. The interactive exhibition allowed visitors to learn about traditional rammed-earth structures and our work on a revitalisation project in Macha Village, located in a rural region of Gansu Province in northwestern China.

Since 2011, we have been supporting the Wu Zhi Qiao (Bridge to China) Charitable Foundation on a project initiated by the Ministry of Housing and Urban-Rural Development to modernise the traditional rammed-earth building methods that are prevalent in the region.



Working with local villagers, the project team developed building techniques to make new rammed-earth dwellings more earthquake-resistant, durable, and sustainable, while preserving traditional building methods and architecture. Twenty-eight prototype dwellings and a community centre have been constructed in Macha Village, for which we received the Award for New Design in Heritage Contexts at the UNESCO Asia-Pacific Awards for Cultural Heritage Conservation. More than 100 rammed-earth dwellings have been built elsewhere in Mainland China utilising the new building techniques.

The Cityplaza exhibit incorporated on-site models and photographs to illustrate the new building methods, and provided visitors with a hands-on experience in which they could examine the building materials and tools used to build rammed earth structures.



PLACES

Highlights of Our Developments

Community Investment • Liveability • Local Economy • Connectivity

Partnering with Habitat for Humanity

In 2018, our Community Ambassadors in Hong Kong, Guangzhou and Miami, U.S.A., continued to work with Habitat for Humanity, an international NGO that works to provide quality affordable housing for families in need.

Twenty-three Community Ambassadors from Hong Kong and Guangzhou volunteered to help build safe, durable homes for two families in the remote village of San Cun, which is located in rural Conghua, Guangdong Province. Working together

with their host families, they spent two days moving construction materials, mixing cement and building walls as part of Habitat for Humanity’s “Global Village Building Project”, which was also a recipient of funds from Swire Properties’ [Community Caring Fund](#) in 2017.



In 2018, Community Ambassadors from Brickell City Centre, Miami, U.S.A., volunteered to help a local family complete the construction of their home and install landscaping. Brickell City Centre also provided Habitat for Humanity with a charitable donation to help them continue their important work in the greater Miami community.





PLACES

Highlights of Our Developments

Community Investment • Liveability • Local Economy • Connectivity

Social Inclusion

As part of our efforts to build sustainable and cohesive communities, we aim to support the elderly, underprivileged, and people with disabilities by providing them with opportunities to participate in the communities in which we operate.

Swire Restaurants and EAST, Hong Kong continued to work with Jockey Club Sarah Roe School and King George V School to provide work experience for students with learning disabilities.

In 2018, we partnered with The Hong Kong Down Syndrome Association to introduce a new programme called UPSTAIRS, offering people with Down Syndrome specialised work experience to help them participate more fully in society.

In a pilot programme hosted by our hotel, The Upper House, ten trainees received specialised training and two-month internships in the food and beverage, guest services, housekeeping, and kitchen departments. A dedicated committee of 14 hotel employees mentored the trainees and shared their knowledge and expertise with them. Upon completion of the programme, two of the participants were offered employment at the hotel.



I've enjoyed the UPSTAIRS programme very much, and I like talking to and helping our guests. My peers are wonderful and very supportive. I've gained a lot of knowledge and became more confident. Also, I've improved my English, as I get to practise every day.

Sam Chan

Trainee with Guest Experience Team and recent graduate of the Shine Skills Centre in Tuen Mun

We hosted a series of community events in Beijing's Beisanli neighbourhood, located adjacent to Taikoo Li Sanlitun, to celebrate festivals with local residents and enrich the lives of the elderly. In support of the Chaoyang District's "National Health District" initiative, we also invited residents to participate in a series of workshops on mental health, nutrition and sustainability.

In February 2018, we partnered with tenants in Taikoo Li Sanlitun to invite local children to learn Chinese calligraphy and paper-cutting from a local Jiangtai artist, and hosted a children's storytime session.

Celebrating the Double Ninth Festival at INDIGO

In celebration of the Double Ninth Festival, INDIGO held a community outreach event, supported by its tenants, to engage elderly residents from the Shui'an Jiayuan Community. Elderly couples were invited to share stories and experiences of their marriages at a "golden wedding ceremony".





PLACES

Highlights of Our Developments

Community Investment • **Liveability** • Local Economy • Connectivity

Liveability

Enhancing the lives of people by creating safe, high-quality, sustainable places for them to live, work, and enjoy is a common objective across all of our portfolios. We believe that quality public space is critical for the health and wellbeing of all people living and working in or near our properties, so we strive to incorporate gardens, public plazas, and green spaces into the design of our developments that provide our communities with places for recreation and cultural events.

Tong Chong Street Market

The Tong Chong Street Market, created in 2015 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 farmers. In addition to supporting local Hong Kong farmers, the market aims to engage our employees, tenants, and neighbours at Taikoo Place on the importance of food cycles and sustainable production.

In November 2018, the market held its first Coffee Festival, featuring coffee samples from more than 20 vendors and various forms of live entertainment, such as arcade games and musical performances from buskers and local musicians participating in **PROJECT AFTER 6**.

At the market's sustainability corner, marketgoers were invited to take advantage of various services, including washbasins for reusable food containers, and a lending service for cups, bowls, and eating utensils.

To promote the concept of zero waste, in 2018, we installed additional recycling bins, worked with the World Wide Fund for Nature to increase the rate of recycling, and offered discounts for marketgoers who brought their own reusable utensils, containers, cups, and bags. We also worked with St. James' Settlement Jockey Club Upcycling Centre and the SEE Network to implement a series of workshops on reusing discarded materials by turning them into useful objects, such as wallets, cardholders, and vegetable crayons.



12 markets held from 2018 to 2019



74 open-call vendors



42,000+ market-goers during first 6 markets



172 participants (including businesses, NGOs, vendors and farmers)



PLACES

Highlights of Our Developments

Community Investment • **Liveability** • Local Economy • Connectivity

ESKYIU PLAYKITS, ArtisTree

In 2018, ArtisTree hosted ESKYIU PLAYKITS, an exhibition and series of events curated by ESKYIU, a multi-disciplinary architecture studio, to engage the wider community in our SD 2030 Strategy through architecture, art, and technology. ESKYIU developed interactive events that challenged traditional notions of play, sustainability, and transformation by inviting participants to explore what brings people together and how communities are formed.

With programmes such as ESKYIU PLAYKITS and exhibitions by emerging and international artists, ArtisTree aims to help introduce new artworks to Hong Kong and make art and culture more accessible to the wider community.



Programme highlights:

Sports Challenge, C-Suite Dialogues and Chinese Music Rediscovery

7,000+ attendees

GET MOVING | LIVE HAPPY

Working with our sports and travel tenants at Cityplaza, we launched GET MOVING | LIVE HAPPY in May 2018, a campaign featuring the mall's sports and travel-related offerings to emphasise the importance of work-life balance. A range of activities and workshops were offered, including a night run, a trail workshop at Mount Parker, and a running workshop at Quarry Bay Park, as well as gift redemptions for shoppers and office tenants.



1-month campaign



7 supporting tenants helped provide resources, facilitate activities, and sponsor prizes



17 workshops held on ice-skating, bubble football on ice, yoga, running, travel photography, and others



427 participants, including **165** office workers



PLACES

Highlights of Our Developments

Community Investment • Liveability • [Local Economy](#) • Connectivity

Local Economy

GRI
203

We strive to ensure that our developments contribute to and stimulate the local economy.

Maker House

Our new Maker House programme aims to support entrepreneurs by showcasing their businesses while introducing new brands in our shopping malls. In 2018, we worked with The Hong Kong Federation of Youth Groups to help three young entrepreneurs engaged in sustainability-related businesses establish short-term retail outlets in our Cityplaza mall. In addition to supplying the venue and all basic equipment free of charge, the entrepreneurs received marketing support and advice on business modelling.



Blueprint, Dorset House

Our Blueprint premises at Dorset House, Taikoo Place exemplifies our approach to stimulating local economies and supporting entrepreneurship. With the aim of nurturing innovation and creativity within Taikoo Place, the 30,000-square-foot space offers flexible workspaces and a range of multi-purpose event areas including a bar, café, and outdoor terrace, designed to cater to the evolving needs of start-up companies, small businesses and established companies looking for temporary workspace.



In 2018, we introduced a new programme of events to engage tenants of Blueprint and provide additional educational and networking opportunities. Each month, we present talks and events revolving around a specific theme, such as wellness and multiculturalism.

During September, we hosted activities on the theme of sustainability, including tours of our sustainable development exhibition centre “The Loop” for participants to learn more about sustainability within Swire Properties and around Taikoo Place. We also published recycling bin maps and green tips in our weekly electronic newsletter and helped to promote local cafés and take-away eateries that provide discounts to customers who bring their own containers and cups.

For more information, see [Blueprint](#).



PLACES

Highlights of Our Developments

Community Investment • Liveability • Local Economy • **Connectivity**

Connectivity

Connectivity is an important element of our development philosophy. We believe that improving connections between people and places, both physically and digitally, is integral to the sustainable development of our places, local communities, and the cities in which we operate. We design and construct our buildings to be easily accessible on foot and by public transport, and many of our developments are situated in close proximity to major public transportation hubs. We also integrate digital infrastructure into our developments, including mobile applications, smart technology, and cloud-based data management systems.

Alibaba's Tmall

In 2018, we partnered with Alibaba's Tmall to introduce new digital retail technologies in our major shopping malls in Mainland China, namely, Taikoo Li Sanlitun and INDIGO in Beijing, HKRI Taikoo Hui in Shanghai, Taikoo Hui in Guangzhou, and Sino-Ocean Taikoo Li Chengdu. This collaboration exemplifies how digitalisation can redefine the shopping experience in our malls. With Tmall Smart Stores, for example, shoppers can enjoy a seamless online and offline experience from order to delivery, while our new Smart Parking Service allows customers to pay for parking with even greater convenience by linking their car license plate numbers directly to Alipay.



Taikoo Social Mobile Application

Taikoo Social is a mobile application that we introduced in 2016 to provide information to tenants and customers about local events, activities, and dining options in a convenient and accessible way. This application, which won the Marketing Interactive MOB-EX Award for Best Application for a Targeted Demographic in 2018, helps users gain access to exclusive events, offers, and discounts from over 80 merchants in Taikoo Place, Cityplaza, Taikoo Shing and surrounding neighbourhoods.




As at 31st December 2018:

 **28,000+** total downloads

 **17,000+** registered users

 **5,000+** active users per month

 Collaboration with **80+** merchants



PLACES

Highlights of Our Developments

Community Investment • Liveability • Local Economy • [Connectivity](#)

Urban Land Institute Asia Pacific Summit

Swire Properties was a silver sponsor of the 2018 Urban Land Institute's ("ULI") annual Asia Pacific Summit in June. Several representatives of Swire Properties participated in the summit, including Don Taylor, Director, Office, who spoke on the importance of building strong, well-connected office communities, Herman Chui, Director, Business Development in Mainland China, who shared our experiences on heritage building preservation and community building efforts, and Anthony Liu, New Ventures Lead, who participated in a panel discussion on corporate innovation.

In connection with the summit, ULI hosted a Young Leaders Forum, bringing together real estate professionals under the age of 35 from around the world. A highlight of the forum was a presentation by winning teams of the ULI Hong Kong Urban Innovation Ideas Competition for young professionals showcasing innovative designs and business proposals for Wan Chai's Starstreet Precinct.

A Swire Properties team won second prize in the competition with their submission named, The Constellation, which focused on connectivity and enhancing pedestrian access throughout the Starstreet Precinct.



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 invest in attracting the right people and aim to support our employees to achieve their full potential.

Top Material Issues

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

Progress

Our People Working Group comprises 15 representatives from different functions within Swire Properties with the primary responsibility to achieve progress in five focus areas under the People pillar of our SD 2030 Strategy.

In 2018, we continued to make significant progress towards achieving our 2020 KPIs. In addition to incorporating elements of our SD 2030 Strategy into annual performance goals for all office employees in Hong Kong and Mainland China, we migrated our safety management systems in Hong Kong to the new ISO 45001, and extended our employee assistance programmes for office and frontline employees to our Mainland China offices. We also published a new policy on diversity and inclusion in our workplaces.

Progress Summary Table

Performance Categories	2020 KPI	Progress Updates in 2018
Talent Attraction		
Employer Branding	Refine communication strategy for employer branding	▶ We completed an employer branding review. A working group has been established to develop the communication strategy.
Compensation & Benefits	Conduct compensation and benefits review	▶ We completed a survey of annual compensation in our Mainland China properties.
Recruitment Process	Introduce new digitalised recruitment platform	▶ We launched a career website and a WeChat account to enhance our recruitment efforts in Mainland China.



PEOPLE

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

Performance Categories

2020 KPI

Progress Updates in 2018

Talent Retention



Learning & Development

25% increase in training hours per employee per year¹⁴

▶ We delivered more than **128,000** training hours. The average training hours per employee was **21.9** hours, an increase of **80%** compared to 2016.

Performance Development Review (“PDR”)

Incorporate elements of SD 2030 Strategy into annual performance goals and PDR for all employees

▶ We modified our PDR to further engage our employees on our SD 2030 Strategy. Beginning in 2019, we will ask our office employees to align their annual performance goals with the pillars in our SD 2030 Strategy.

Incentive Structure

Conduct incentive structure review

▶ We have completed the review for Swire Hotels.

¹⁴ 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 2018

Safety, Health & Wellbeing



Safety

Increase total occupational health and safety (“OHS”) training hours by 5%¹⁵

▶ We delivered approximately **20,600** training hours. We also completed a review of data from our Hong Kong portfolio to evaluate our OHS training needs.

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

▶ We developed an e-learning platform that will be launched in 2019 for senior management to receive compulsory OHS training. We plan to expand this digital platform to frontline and office employees later in 2019.

Maintain Loss Time Injury Rate (“LTIR”)¹⁶ below 2.0

▶ We had an LTIR of **1.47** and maintained zero work-related fatalities.

Maintain record of zero work-related fatalities

Migrate OHSAS 18001 to ISO 45001 standard in Hong Kong and Mainland China¹⁷ portfolios

▶ We migrated our safety management systems (“SMS”) in Hong Kong to ISO 45001 and plan to do the same in Mainland China once the government publishes the national standard.

Satisfaction

Conduct employee engagement survey for all employees

▶ We plan to commence work on an employee engagement survey in 2019.

Implement employee assistance programme in all Mainland China¹⁸ offices

▶ We implemented employee assistance programmes for office and frontline employees in all Mainland China offices.

Health & Wellbeing

Develop health & wellbeing policy framework

▶ We delivered a wellness programme for employees in our Hong Kong and Mainland China portfolios, and introduced a sponsorship fund in Hong Kong to provide financial support for our employees to organise internal sports clubs and other interest clubs.

¹⁵ Compared to baseline year of 2015.

¹⁶ LTIR represents the number of injuries per 100 employees per year. It is calculated as 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.

¹⁷ Non-joint venture centres (i.e. Taikoo Hui, Guangzhou and Taikoo Li Sanlitun, Beijing) only.

¹⁸ 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 2018

Diversity and Inclusion



Policy, Strategy & Governance

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

▶ Our D&I Committee continues to work on implementing the new policy and related initiatives.

Adopt a D&I Policy

▶ We adopted a [D&I Policy](#).

Introduce formal employee grievance policy

Culture

Conduct D&I awareness training for senior management

▶ We are in the planning stage 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, job level, and pay for 2018 in the [Performance Data Summary](#).

Working Environment

Develop “flexible working policy” and guidelines

▶ We are developing a flexible working policy and guidelines, which we expect to publish in 2019.



PEOPLE

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Safety, Health and Wellbeing • Diversity and Inclusion • Volunteering

Performance Categories

2020 KPI

Progress Updates in 2018

Volunteering



Community Ambassador Programme

20% increase in volunteer service hours (>9,300 hours)¹⁹

- ▶ We expanded our Community Ambassador programme to Brickell City Centre, Miami, U.S.A. Community Ambassadors in Hong Kong, Mainland China, and Miami, U.S.A. contributed more than **8,400** volunteer hours to benefit the community, an increase of **4.7%**.
- ▶ We introduced cross-city Community Ambassador programmes to strengthen our volunteering efforts.
- ▶ Since 2017, our basic induction programme for new hires in Beijing and Hong Kong has included an introduction to the Community Ambassador programme.

Introduce Community Ambassador programme in employee induction

Community Caring Fund

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

- ▶ We received **25** nominations from employees and funded **16** projects.

¹⁹ Compared to baseline year of 2016.



PEOPLE

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

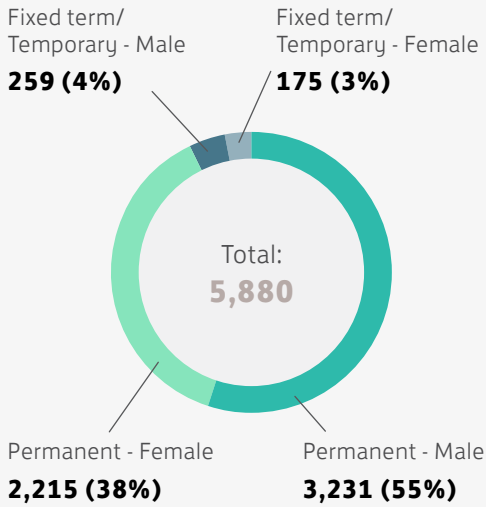
Employment Profile

GRI
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 401

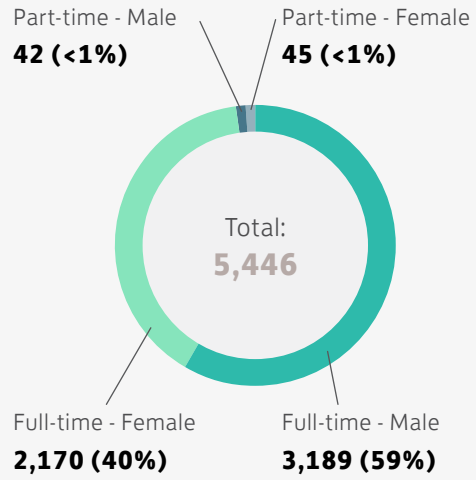
HKEX
 KPI B1.1

Swire Properties employs 5,880 people²⁰, of which approximately 3,200 are located in Hong Kong, 2,100 in Mainland China, and 500 in Miami, U.S.A.

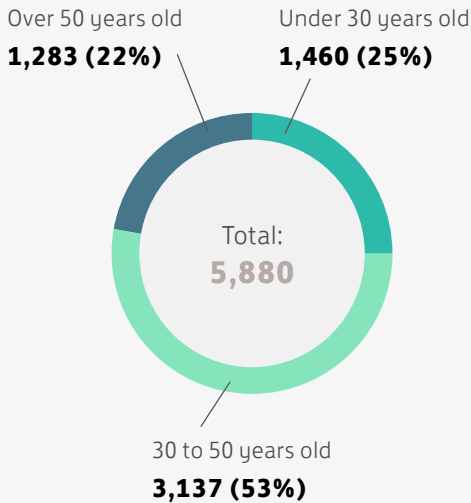
Employment Contract Type, by gender



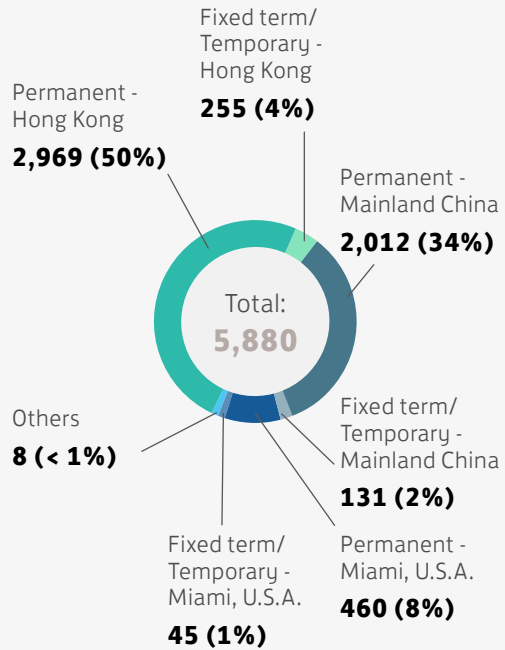
Employment Type²¹, by gender



Employees, by age group



Employment Type, by region



²⁰ This figure reflects permanent employees with permanent and fixed term/temporary contracts in our Hong Kong portfolio, Mainland China portfolio, U.S.A. portfolio, and Swire Hotels.

²¹ Includes permanent employees only.



PEOPLE

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 Safety, Health and Wellbeing • Diversity and Inclusion • Volunteering

Talent Attraction

HKEX
 Aspect B1

Our employees receive competitive remuneration packages with a variety of benefits, including medical care, retirement schemes, and performance-based bonuses.

In 2018, we expanded our medical care to include certain preventative vaccinations and subsidies for specific dental procedures for our office employees. We also upgraded medical inpatient coverage for frontline employees and their dependents, and extended our maternity leave from 12 to 14 weeks.

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. We have a Performance Development Review (“PDR”) system in place to streamline the assessment processes and ensure consistency across the Company.

In 2018, we modified our PDR to further engage our employees on our SD 2030 Strategy. Beginning in 2019, we will ask our office employees to align their annual performance goals with the pillars in our SD 2030 Strategy.

We are working on a communication strategy for employer branding to help us continue to attract and employ talent for the long-term success of our business. As part of this effort, we completed our initial review of our employer branding approach in 2018 and introduced a new target: to be identified as a “preferred employer” by 2030.

In addition, we are reviewing a new system to digitalise our recruitment process, including candidate selection. In August 2018, we created a Facebook page for our Technical Trainee Programme to connect with and attract talent and alert them to recruitment fairs and events. In Mainland China, we also launched a career website and WeChat account to enhance our outreach and recruitment efforts.

Top 3 Most Attractive Employer in Hong Kong

For the third consecutive year, Swire Properties was named one of the top three companies to work for in Hong Kong by the 2018 Randstad Employer Brand Awards. This year, the field comprises 75 local and international companies across multiple industries.

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.

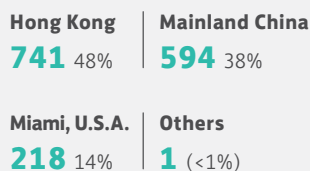


Total New Hires: **1,554**

Total New Hires, by gender



Total New Hires, by region



Total New Hires, by age group





PEOPLE

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

Talent Retention

GRI 401

In 2018, total employee turnover was 24%, a slight increase over the rate of 22% in 2017.

Learning and Development Programmes

GRI 404

HKEX Aspect B3

Our multi-year trainee programmes develop talent in 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 managers develop their careers and gain a deeper understanding of our commitment to SD through integration of our SD 2030 Strategy into our business. Throughout the programme, we hold interactive workshops focused on developing leadership and presentation skills, strategic thinking, fostering teamwork, and performance management. Participants meet regularly with senior executives, providing them with opportunities to learn and ask questions in a one-to-one environment.

In 2018, we improved our mentoring programme by asking mentees to identify their mentoring goals and priorities. Based on their feedback, we introduced two new workshops on project management essentials and problem solving and decision-making. The targeted workshops, which were attended by more than 35 employees, addressed mentee priorities and helped them to develop management skills.

Total Training Hours and Spending



Total training hours:
>128,000 hours



Average training hours per employee:
21.9 hours



Total training spend:
HK\$9 million

Average Hours of Training, by gender



Male

19.7 hours
↑45.7%
 Change year-on-year



Female

25.2 hours
↑67.7%
 Change year-on-year

Average Hours of Training, by employment category



Management

29.5 hours
↑27.1%
 Change year-on-year



Non-management

19.4 hours
↑72.8%
 Change year-on-year

HKEX KPI B3.2



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 Safety, Health and Wellbeing • Diversity and Inclusion • Volunteering

WeChat Work

In 2018, we expanded our presence on WeChat with the launch of “WeChat Work”, a new mobile application for our employees in Mainland China. The application serves as a knowledge-sharing platform and offers employees a new and convenient way of communication. It also provides employees with easy access to Company news and updates and allows them to transfer files, submit work-related requests, and create work-related chat groups on their mobile phones.

Through social media tools, such as WeChat Work, we aim to enhance communications between employees, expand learning opportunities, build a stronger employee network, and improve work product and workflow.



Up-to-Date on the Latest Trends: Digital Series

In 2018, we hosted a series of workshops to help our marketing team address current marketing challenges, identify the latest digital marketing trends, and strengthen our digital marketing capabilities. We also collaborated with external experts in digital marketing and social media to develop five interactive workshops on relevant topics, which were attended by 175 participants.



Enhancing Learning and Development

We introduced an e-learning training platform for our Mainland China employees in 2018 to make training programmes more accessible. The platform provides more than a thousand mini-training modules that employees can access at their own convenience via personal computers and smartphones. In addition to enhancing our ability to track employee training and analyse their performance, the platform allows our employees to customise their training curricula and earn reward points by registering for training workshops online.

First Technical Forum

In June 2018, our technical services and sustainable development department hosted their first Technical Forum for employees in our Hong Kong and Mainland China portfolios. The three-day event, held at Blueprint in Taikoo Place, brought employees from different portfolios together to share their experiences, participate in town hall discussions, and learn about industry news from external experts in the field.





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 Safety, Health and Wellbeing • Diversity and Inclusion • Volunteering

During the year, we also launched a new customer service training campaign for our frontline employees. The Extraordinary Experience Beyond Checklist campaign aims to create a common customer service vision across our business, to ensure that we offer consistent, high quality customer service, and to foster a ‘culture of appreciation’ among our employees.

One of the highlights of this campaign was a series of in-depth interviews and videos featuring our Chief Executive, Directors and four General Managers recognising the contributions of our frontline employees and inspiring them to continually improve our customer service.



Extraordinary Experience Beyond Checklist: Programme Highlights

- Covered more than **700** frontline employees and more than **250** supervisors from **7** properties
- **39** workshops – “The Principles of Extraordinary Experience”
- **10** workshops – “Leadership for Extraordinary Experience”
- Service appreciation events and awards

We’re very proud of our frontline colleagues’ work – they’re the reason that Swire Properties is renowned for its exceptional customer service. This new campaign is going to help them further enhance their skills to become the very best in the industry.

Guy Bradley
 Chief Executive

TOUCH Principles

To encourage our frontline employees to provide customers with a personalised service experience, we developed service principles based on the “**TOUCH**” acronym.



T think in different perspectives



O offer total solutions



U understand, manage and exceed expectations



C care for every detail of customers’ experience



H be hassle-free and seamless



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 Safety, Health and Wellbeing • Diversity and Inclusion • Volunteering

Safety, Health and Wellbeing

GRI 403

HKEX Aspect B2 KPI B2.3

Health and Safety Policy

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-committees meet periodically to monitor and evaluate the Company’s safety performance. In Mainland China, the Safety Working Group, chaired by the Director of Technical Services and Sustainable Development, holds regular meetings to monitor and evaluate our safety performance. Our SMS sub-committees in Hong Kong and Mainland China include employee representatives from our technical teams and building management teams in each portfolio.

In accordance with our SMS, all employees are encouraged to report any workplace hazards to their supervisors immediately. We regularly conduct H&S inspections to identify potential hazards and assess risks, and then take follow-up actions to prevent accidents and maintain safe workplace conditions in our buildings, equipment and facilities. The results of our inspections are reported to the SMS Steering Committee, and we track our follow-up actions to eliminate any hazards that have been identified.

We have implemented programmes for accident investigation to help identify the causes of accidents, allowing us to adopt measures that can prevent them from reoccurring. Our business units issue accident reports following the completion of formal investigations by a manager of supervisory-level or above.

We continue to focus on integrating H&S considerations into various aspects of our operations, identifying and controlling our own H&S risks, and expanding our efforts to account for how suppliers and contractors are managing H&S risks.

To further promote H&S, we have launched a safety award scheme in our Hong Kong and Mainland China portfolios that recognises management offices with outstanding H&S performance. The Zero Lost Time Injury Award recognises a management office’s H&S performance within a specified time period, while the Outstanding Health & Safety Performance Award will be presented to the Hong Kong and Mainland China portfolios that demonstrates the best workplace H&S management each year. Portfolios will be judged on various measurable criteria, including their use of new designs and ideas to promote workplace H&S.



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

Enhancing our Safety Management Systems

In 2018, we upgraded our SMS systems in Hong Kong to comply with the new and more stringent ISO 45001:2018 standard. As at 31st December 2018, the SMS systems in six of our properties in Hong Kong comply with the ISO 45001 standard and three properties in Mainland China comply with the internationally applied British Standard OHSAS 18001:2007.

We intend to upgrade our OHSAS 18001:2007 to ISO 45001:2018 once the new national standard in Mainland China is published by the government.

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.

2018 Awards/Certifications

- Taikoo Hui, Guangzhou was recognised as a Company with Advanced Fire Safety Management by the Public Security and Fire Bureau of Guangzhou
- Sino-Ocean Taikoo Li Chengdu was recognised as a Company with Advanced Fire Safety Management by the Chengdu Municipal Government

Safety at Work

In 2018, 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.

GRI
403

HKEX
KPI B2.1





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Prevention of Workplace Injuries

HKEX
KPI B2.2

Our target for 2020 is to maintain a Lost Time Injury Rate (“LTIR”) of below 2.0 for employees. As part of our management approach to preventing workplace accidents, we conduct education and awareness talks for our employees on topics of specific relevance to different areas of our business, such as back pain prevention for frontline employees in our Hong Kong portfolio, slip, trip, and fall (“STF”) prevention in our Mainland China portfolio, and construction safety, working at height, and prevention of heat stroke for workers on our construction sites.

In 2018, our LTIR increased by 2.8% and our lost day rate (“LDR”)²² increased by 12.6% compared to 2017. The increase was primarily due to injuries resulting from STFs, and lifting and carrying. We have carried out corrective measures and reviewed the compulsory induction safety training for frontline staff to identify ways to address these sources of injury.

Employee LTIR and LDR Trend		2016	2017	2018
LTIR	1.80	↓4.3% Change year-on-year	1.43 ↓20.6% Change year-on-year	1.47 ↑2.8% Change year-on-year
LDR	36.18	↓40.8% Change year-on-year	48.36 ↑33.7% Change year-on-year	54.47 ↑12.6% Change year-on-year

Employee LTIR and LDR 2018, by portfolio			
LTIR	1.73	LTIR	0.24
	Hong Kong		Mainland China
LDR	95.77	LDR	6.22
LTIR	0	LTIR	1.90
	Miami, U.S.A.		Hotels
LDR	0	LDR	32.44

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 2018, we evaluated our OHS training needs and conducted a training needs analysis to identify areas where additional training is required. We have developed an e-learning platform, to be launched in 2019, for senior management to receive compulsory OHS training. We plan to expand this e-learning platform to frontline and office employees later in 2019.

²² Number of lost scheduled working days per 100 employees per year.



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 Safety, Health and Wellbeing • Diversity and Inclusion • Volunteering

In 2018, we delivered approximately 20,600 hours of training to our employees, covering a range of OHS topics, including STF prevention, back pain prevention, fall arrest system, and safe use of cutting devices. With the approval of the Hong Kong Labour Department, we conducted three in-house Safety Training Courses for Certified Workers of Confined Space Operations.



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 20 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.

To help improve workplace safety on our Mainland China construction sites, we developed a training video on safety requirements for outside contractors. All contractors are required to view the video before they commence work on our construction sites.

Innovating for a Safer Work Environment

We encourage our employees to be proactive in preventing accidents and improving safety. In 2018, our employee, K.N. Hui, won a Merit award at the 10th Outstanding Occupational Safety and Health Employee Award Scheme organised by the Hong Kong Occupational Safety and Health Council.



Mr Hui, a senior building engineer at Cityplaza, Hong Kong, designed the Davit Arm-lifting Cart, which is a safety device that eliminates manual lifting when carrying davit arms during the installation of temporary working platforms.

The device consists of specially constructed wire ropes, gears and chains to reduce load and minimise the physical effort required to lift or carry heavy davit arms. As a result, the lifting cart enables davit arms to be transported more quickly and efficiently by only two workers instead of four.



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 Safety, Health and Wellbeing • Diversity and Inclusion • Volunteering

Employee Health and Wellbeing

We value our employees and work to strengthen their health and wellbeing through a wide variety of events and activities in and out of the office. These events contribute to employee health and wellbeing, improve communication between employees, and strengthen employee engagement.

We strive to promote a healthy working environment as well as occupant health and wellbeing. In addition to providing information to employees on the Company intranet about a range of topics relating to healthy work practices and office safety, we also have a display screen equipment assessment programme in place to assess our employees' workstation ergonomics, screen illumination, and visual comfort.

We care about the mental health of our employees by providing counselling services and learning opportunities through our Employee Assistance Programme ("EAP"). Our EAP offers in-person counselling and 24-hour telephone support from relevant professionals. We also host regular events for our employees, such as luncheon talks and training sessions, to promote mental and emotional wellness and work-life balance.



In 2018, our Employee Wellness Programme in Hong Kong and Mainland China included sharing sessions for frontline employees on a range of topics, such as office ergonomics, visual comfort, maintaining work-life balance, getting sufficient sleep, and good nutrition.

Highlights of this year's programme included a talk by National Geographic adventurer, Rob Lilwal, and a dedicated Work-Life Balance Week in September 2018, during which we offered employees a variety of health and wellbeing-related activities, including yoga, meditation, and garden therapy. We also introduced a sponsorship fund to provide financial support for our employees to organise internal sports and recreational clubs.

In our hotel operations, we held a variety of health and wellness activities and workshops. EAST, Hong Kong, for example, hosted a series of health, nutrition, and wellbeing workshops throughout the year, ranging from yoga and Muay Thai to cooking and physiotherapy consultations.





PEOPLE

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

In June 2018, in celebration of Global Wellness Day, The Temple House introduced a health-focused summer menu at its restaurant, Mi Xun Teahouse, and hosted various events focused on health and wellbeing, including a boot camp, morning yoga, and an adopt-a-pet scheme.

During the year, Swire Hotels also launched the “Let’s Chill” initiative, with senior management joining their employees every month to explain key initiatives and answer questions. The objective of this initiative is to encourage employees to learn about each other in an informal environment.



Employee Wellness Programme 2018

- **1,113** participants across offices, hotels, and restaurants
- **5** employee recreational clubs supported by sponsorship fund
- “Have a Good Night Sleep” luncheon talks and sharing sessions attended by **118** employees
- “Office Ergonomics 101” lunch attended by **60** employees
- “Relax, Recharge, Revive” Themed Photo Campaign joined by **151** employees
- Work-Life Balance Week: **7** activities attended by **130** employees

Health and Wellness Zones at INDIGO

We aim to provide our employees with workplaces that contribute to their health and wellbeing. In 2018, we opened a new 1,400-square-foot pantry and a gym for our employees at INDIGO. The dedicated spaces provide employees with a place to relax and rejuvenate.





PEOPLE

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

Keeping Fit in Support of Good Causes

In April 2018, 60 employees from Brickell City Centre teamed up to participate in their first Community Ambassador event, representing Swire Properties in the 2018 Mercedes-Benz Corporate Run for charity. The Community Ambassador team formed a running group to train together for 10 weeks prior to completing the 5 km race.



On World Refugee Day in June 2018, a team of four management and engineering trainees from Swire Properties in Hong Kong won first place in The Great Refugee Challenge, raising HK\$ 6,000 for R.U.N (Rebuild · Unite · Nurture), a non-profit organisation that provides support for Hong Kong’s refugee communities.



This was an amazing learning experience. We had a rare chance to get a deeper understanding of the daily hardships the city’s refugees face, and get perspective on one of the 21st century’s most significant humanitarian crises.



Charlotte Chong
Trainee

In September 2018, 155 runners, including our employees and their family members, participated in the annual Swire Properties 10K Challenge, competing in 2 km, 5 km and 10 km team and individual races, and our first 1 km Family Fun Run.





PEOPLE

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

Sustainable Urban Farming

In May 2018, approximately 60 employees and their families in Hong Kong visited the Au Law Organic Farm in Kam Tin, Yuen Long on an excursion organised by social enterprise Rooftop Republic to learn about organic farming. After a session of planting and harvesting, participants had lunch made from fresh produce grown on the farm.



Community Ambassadors at Taikoo Hui, Guangzhou, together with their families and friends, have taken their interest in sustainable urban farming a step further, establishing a vegetable garden on the rooftop of our shopping mall. Working with experts from the South China Agriculture University, they planted vegetables and herbs, including spinach, lettuces, and radishes and kept a journal of their progress. This initiative, which was the first runner up in the Swire Innovation Star WeChat Video Contest organised in advance of the Swire China Conference 2018, is an example of innovation across the pillars of our SD 2030 Strategy.



Employees at INDIGO, Beijing also established an edible roof garden to raise awareness of urban farming and serve as a venue for special activities, such as employee dinners and family day activities.



In addition to creating a green environment that brings our employees together in a team-building activity, we are also exploring ways to work with food and beverage tenants in the mall to utilise their kitchen waste as fertiliser for our crops.



In 2019, we plan to strengthen our sustainable urban farming initiative by inviting tenants of Taikoo Hui, Guangzhou and local residents from the surrounding community to grow their own fruits and vegetables in the rooftop garden.





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 is documented in our [Corporate Code of Conduct](#), as well as our Equal Opportunities Policy, which is communicated to our employees through our employee handbook.

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. It continues to monitor and measure equal opportunities and diversity achievements at Swire Properties.



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

GRI
405

HKEX
Aspect B1

Percentage of Management Positions Held by Women (as at 31st December 2018)

49% of management positions held by women



45% of Executive Committee members are women

2018 Gender pay ratio (female to male)



1 to 1



Diversity and Inclusion Policy

In 2018, we introduced a [Diversity and Inclusion \(“D&I”\) Policy](#) to reaffirm our commitment to creating an inclusive and supportive working environment for all employees, regardless of age, gender or gender reassignment, sex or sexual orientation, marital or family status, disability, race (including ethnic origin or nationality), and religious or political beliefs. We are also developing a flexible working policy and related guidelines, which we expect to publish in 2019.

Our Diversity and Inclusion Committee (“D&I Committee”), which is responsible for implementing our D&I Policy and developing D&I initiatives, is chaired by our Director, Human Resources, and reports to the Executive Committee on a quarterly basis. The D&I Committee’s responsibilities include 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 also serves as a governing body to review grievances relating to discrimination.

On-the-Job Training for People with Disabilities

In 2018, we launched a pilot programme in support of a government-led scheme in Hong Kong to provide on-the-job training opportunities for people with disabilities. We also hired our first employee under the scheme in the same year.

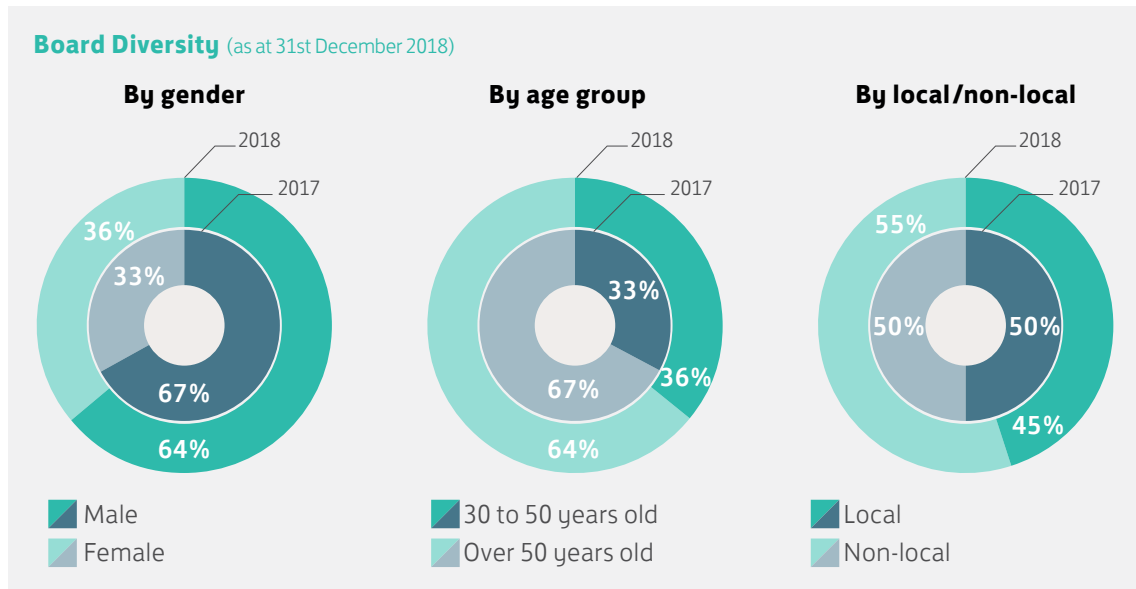


PEOPLE

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

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 cultivate a balance of skills and experience as well as a diversity of perspectives that is appropriate for our business.



Additional information about the diversity of our Board members is available in the [Swire Properties Annual Report 2018](#).



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 various social and environmental causes. To encourage active participation in the programme, our employees can nominate beneficiary organisations for us to support and are eligible to receive one extra day of leave for every ten hours of voluntary service completed (capped at two days per year).

Since its establishment in 2001, the Community Ambassador team has grown from 40 employees to more than 4,000 and continues to attract support from our employees' families and friends, as well as our business partners, tenants, customers and other Swire group companies.

GRI
413

HKEX
Aspect B8
KPI B8.1, B8.2

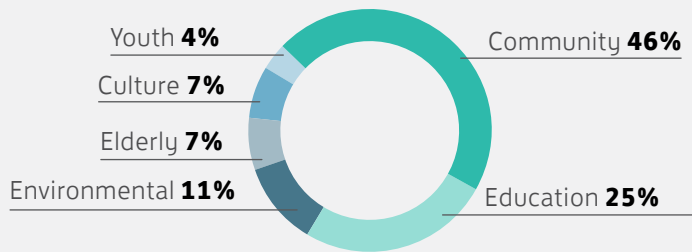
Participation in the Community Ambassador Programme

In 2018, we expanded our Community Ambassador programme to Miami, U.S.A. Our Community Ambassador activities in Hong Kong focused on youth development, social inclusion, community-building, and supporting the elderly. As our portfolio in Mainland China continues to grow, we are working to organise more cross-city volunteer initiatives to connect our Mainland China and Hong Kong employees and strengthen our volunteering efforts.

Community Ambassador Programme Volunteer Hours, by focus area

Activities supported:
88

Total volunteer hours:
>8,400





PEOPLE

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

Celebrating Community in Chengdu

In May 2018, Community Ambassadors from our Hong Kong, Beijing, Guangzhou, and Chengdu offices gathered together at our first cross-city Community Ambassador event to celebrate the official opening of our Chengdu Community Centre in Shuanghong Village.

The Community Centre is the result of Swire Properties' ongoing efforts to provide disaster relief to the area affected by a severe earthquake that struck Sichuan province in 2013. To maximise the impact of our efforts, we worked closely with China Children and Teenagers' Fund to create the community centre, which includes a workshop, library, and classroom for community and volunteer activities.

To celebrate the Community Centre's opening, we worked with local government and the local women's federation to organise a Corporate Social Responsibility Day for local residents. In addition to organising a range of activities from English lessons to craft workshops, our Community Ambassadors also visited the homes of elderly residents to install nightlights as part of our Mr. Fix It initiative.



This was my first time volunteering outside Hong Kong in 13 years at Swire Properties, and I was very impressed by the way our Hong Kong and Mainland China Ambassadors shared knowledge and worked together seamlessly to create a truly unforgettable experience for the participants.

Yung Man-sang

Technician at Pacific Place Management Office and core member of our Mr. Fix It team



PEOPLE

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

Banner Year for Books for Love



In April 2018, we held our 8th annual charity book sale, Books for Love @ \$10. This year’s four-day event involved over 2,700 Community Ambassadors and volunteers from The Boys’ & Girls’ Clubs Association of Hong Kong (“BGCA”) and the Agency for Volunteer Service (“AVS”).

The event, which took place in ArtisTree and our office buildings at Taikoo Place, included a social media campaign featuring works from well-known illustrators such as Siu Hak and Mandycat, and a creative activity called Knitting Conversations in which volunteers crocheted shredded books to create a public art installation.

All the Books for Love event spaces this year were created using recycled cardboard tubing and recycled bamboo poles from the Lunar New Year flower markets. All proceeds went to BGCA and AVS.



4-day charity event



2,700+ Community Ambassadors and other volunteers



150,000+ books collected



61,000+ visitors



HK\$705,000 raised





PEOPLE

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

Swire Properties Wins Construction Industry Council Volunteer Award

Swire Properties won the Silver Award at the first Construction Industry Volunteer Awards for our “Welcome Home: Elderly Safe Living Scheme”, which has helped over 140 elderly families in Quarry Bay and Sai Wan Ho, Hong Kong. The award, sponsored by the Construction Industry Council, recognises our continued commitment to improving the lives of elderly residents in the communities around our developments.

Under the scheme, our volunteer Community Ambassadors provide home visits to elderly residents and carry out preliminary home safety assessments. Based on the assessments, we provide functional, elderly-friendly furniture to residents, which is delivered and installed by our Mr. Fix It team.





PEOPLE

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

Reconnecting with “Old Swire Friends”

In February 2018, our Community Ambassadors held their annual Chinese New Year gathering for 26 Taikoo Dockyard and Taikoo Sugar Refinery retirees, many of whom are in their 80s and 90s. We originally reunited this group of retirees through an elderly service programme in 2014 – “Stories from Island East” – and we have been holding annual gatherings ever since. Many of the retirees have joined our Community Ambassador programme and continue to contribute their time to help and inspire others.

Among those present at this year’s gathering was Yeung Yam-pui, who worked at the Taikoo Dockyard as a young man. At a sharing session over lunch, he showed some well-preserved memorabilia, including original issues of the Taikoo Dockyard newsletter and a selection of old photographs, which he generously donated to the Swire Hong Kong Archive Service.



“We pride ourselves on our long-term commitment to building communities, and the fact that we can reconnect with this group of “old Swire friends” through the Community Ambassador programme is the most wonderful thing – and perhaps one of the strongest manifestations of community building we have seen to date.”

Guy Bradley
 Chief Executive

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 together with our suppliers, tenants, customers, and residential owners and occupiers, as well as government, NGOs and joint venture partners (collectively, our “Partners”) to achieve SD objectives.

Top Material Issues

- Tenant/customer engagement
- Responsible supply chain management

Progress

With 34 representatives from different functions within Swire Properties, the composition of our Partners Working Group reflects our commitment to engaging with a wide range of Partners, including local Partners in all places where we have a significant presence.

In 2018, we achieved our 2020 KPI for full implementation of our Supplier Code of Conduct (“SCoC”) in Hong Kong and Mainland China and we have updated our standardised guidelines to help our office and retail tenants incorporate sustainability considerations into their fit-out and renovation projects.

Progress Summary Table

Performance Categories	2020 KPI	Progress Updates for 2018
Suppliers		
Supply Chain Policy	<p>Full implementation of SCoC in Hong Kong and Mainland China</p> <p>Implement green procurement system across all business operations in Hong Kong and Mainland China</p>	<ul style="list-style-type: none"> ▶ It became our standard practice to promote the SCoC to all suppliers in Hong Kong and Mainland China. ▶ We have developed a plan for implementation of green procurement across all business operations in Hong Kong and Mainland China.
Monitoring (compliance)	<p>Ensure key high-risk suppliers demonstrate compliance with SCoC</p>	<ul style="list-style-type: none"> ▶ We conducted a risk assessment of our 25 largest suppliers, by procurement spending in 2018, in order to confirm their compliance with our SCoC. The risk assessment covered suppliers in Hong Kong, Mainland China, and the U.S.A.
Supply Chain Improvement	<p>Develop programme for supply chain improvements</p>	<ul style="list-style-type: none"> ▶ We plan to host a supplier engagement event in 2019.



PARTNERS

Progress • Suppliers • Tenants • Customers

Residential Owners, Occupiers and Serviced Apartment Residents

Performance Categories 2020 KPI

Progress Updates for 2018

Tenants



Tenant Engagement

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

▶ We updated our standardised fit-out and renovation guidelines for office and retail tenants to incorporate sustainability considerations, which will be implemented in 2019.

▶ We are preparing an engagement package to encourage our tenants to participate in various SD initiatives, such as green building certification schemes, our free energy audits, the Green Kitchen Initiative, the Green Shop Alliance, and waste management programmes.

▶ To recognise the efforts of tenants who integrate sustainable practices into the design and operation of their kitchens, we launched a Green Kitchen Award programme under our Green Kitchen Initiative.

Review and expand the Green Pledge Programme to include the majority of office tenants²³

▶ At Taikoo Hui, Guangzhou, **53%** of our tenants continue to participate in our Green Pledge Programme.

Tenant Satisfaction

Conduct tenant satisfaction surveys in Hong Kong and develop an appropriate KPI for improvement

▶ In 2018, we completed a survey and convened focus groups to gather feedback from our office tenants in Pacific Place.

▶ We plan to conduct a survey of office tenants at Taikoo Place in 2019.

²³ Measured as the percentage of total gross floor area of office tenants.



PARTNERS

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

Performance Categories

2020 KPI

Progress Updates for 2018

Customers



Retail

Conduct surveys to collect customer feedback

▶ We continued to conduct surveys in our major retail properties in Hong Kong and Mainland China. We also undertook customer research at HKRI Taikoo Hui mall for the first time.

Office Workers²⁴

Conduct surveys to collect office worker feedback

▶ We conducted an office worker satisfaction survey to gather feedback from our office tenants in Pacific Place.
▶ We plan to conduct a survey of office workers at Taikoo Place in 2019.

Hotel Guests

Conduct hotel guest surveys

▶ In 2018, EAST, Hong Kong piloted new guest survey platforms to collect instant feedback through our specially developed mobile application for guest engagement.

Residential



Engagement (Owners, Occupiers & Serviced Apartment Residents)

Complete a pilot survey in Hong Kong to establish baseline level of satisfaction and establish an appropriate KPI for improvement

▶ We worked with an independent consultant to conduct a pilot satisfaction survey of owners and occupiers of ALASSIO and AREZZO. We expect the results to be available in 2019.

Develop Green Pledge Programme for serviced apartment residents

▶ We plan to introduce a Green Pledge Programme for residents of STAR STUDIOS in 2019.

²⁴ In 2018, we reviewed our KPIs under the Office Workers category and removed the following KPI: Conduct 500 tours at The Loop (Taikoo Place) for office workers, students, and representatives of other groups.



PARTNERS

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

Performance Categories

2020 KPI

Progress Updates for 2018

Government



Government Engagement

Identify key government bodies for engagement and design bespoke government engagement plans for all portfolios

- ▶ We engaged with local officials as part of our ongoing support for the “Cultural Sanlitun” initiative in Beijing’s Chaoyang district.
- ▶ For more information about our work with the government in Sanlitun, please refer to [SD in Action](#).

NGOs



NGO Engagement

Identify and prioritise NGOs for engagement for all operations and expand NGO engagement in Mainland China and the U.S.A.

- ▶ We have a centralised NGO database for Hong Kong, Mainland China and the U.S.A.
- ▶ We developed new partnerships with NGOs in Mainland China and the U.S.A.
- ▶ For more information about our relationships with NGOs, please refer to [Community Investment, Volunteering and Waste](#).

Joint Venture (“JV”) Partners



JV Partners Engagement

Engage 100% of JV partners on our SD 2030 Strategy

- ▶ We continue to engage our JV partners on SD initiatives.

Promote and support the efforts of JV companies to provide their employees with SD training

Partner Selection & Company Formation

Integrate SD considerations 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. These engagements impact the implementation of our SD 2030 Strategy in a number of areas, such as Occupational Health and Safety, Waste, and Building Assets/Investments.

GRI
102-9, 102-10

HKEX
KPI B5.1

Number of Suppliers, by geographical region (as at 31st December 2018)



Supplier Code of Conduct

Swire Properties Supplier Code of Conduct sets out minimum standards and practices for our suppliers relating to legal and regulatory compliance, environmental protection, health and safety, labour practices and other areas.

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.

In addition to encouraging our suppliers to have 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. Suppliers who fail to comply fully with our SCoC risk termination of their contracts and removal from our approved contractors list.

In 2018, we achieved full implementation of our SCoC in Hong Kong and Mainland China after it became our standard practice to promote our SCoC to all suppliers in these locations.



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

GRI
308, 414

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



PARTNERS

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

Supplier Compliance Monitoring

GRI
308, 403, 414

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

We work closely with our suppliers to collect accurate and up-to-date information about their social, environmental, and governance practices and performance. In order for new suppliers to be included on our approved contractor list, they must first complete self-assessment questionnaires to confirm they have appropriate policies and systems in place to comply with our SCoC, and our technical services and sustainable development department carries out due diligence to verify the information.

In 2018, we implemented our new e-Contractor List Management System (“eCLM”) in Hong Kong and Mainland China, replacing manual monitoring of SCoC compliance with an automated monitoring system for supplier selection, management, and performance analysis. Integration of this system with our vendor requisition process enables our finance department to receive timely updates of supplier information.

We monitor the compliance status of suppliers on our approved contractor list on an ongoing basis. In addition to requesting regular self-assessments, we may also undertake supplier site visits, request that they obtain independent certification in accordance with internationally recognised standards and submit environmental, health and safety management plans for our internal review.

We conducted a risk assessment of our 25 largest suppliers, by procurement spending in 2018, in order to confirm their compliance with our SCoC. The risk assessment covered suppliers in Hong Kong, Mainland China, and the U.S.A. According to our findings, none of these suppliers are “high risk” under our Enterprise Risk Management (“ERM”) framework.

Green Procurement

GRI
301

HKEX
Aspect A2

As part of our green procurement strategy, we implement guidelines on environmental procurement in accordance with the ISO 14001 Environmental Management System.

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 this data to evaluate our green procurement performance and identify opportunities for sourcing more sustainable products.

In addition to green procurement monitoring, we also track our consumption of specific **construction materials**, such as timber, concrete, and reinforcement bar. This information is helpful for establishing a baseline that will allow us to benchmark our consumption of these materials during construction of new developments.

Green Procurement for Hong Kong in 2018



12 categories of products
Total value **HK\$217 million**



PARTNERS

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

In 2018, we conducted training on green procurement for our business units in Mainland China. We plan to provide another round of training for our business units in Hong Kong during 2019, and also to introduce a green procurement system for our hotel operations in the future.

Swire Properties has been a member of the Hong Kong Green Purchasing Charter of the Green Council since 2013, and we also became a member of their Sustainable Procurement Charter in 2018.

Top Hong Kong Sustainable Consumption Enterprise

In 2018, Swire Properties was named Hong Kong’s top Sustainable Consumption Enterprise under the first Sustainable Consumption Award Scheme organised by the Business Environment Council (“BEC”), Agriculture, Fisheries and Conservation Department, Consumer Council, Council for Sustainable Development, and Environmental Protection Department (“EPD”).

The new scheme recognises Hong Kong companies for purchasing products and services that are good for the environment, people and society.



Sustainable Sourcing

We are committed to expanding our sourcing of sustainable materials across all areas of our business. Some examples of sustainably sourced materials are set out below:

Portfolio management offices and facilities

- Office and toilet paper certified by the Forest Stewardship Council (“FSC”)
- Biodegradable tea bags containing certified organic tea

Projects under developments

- One Taikoo Place – FSC-certified timber, reinforcement bar and structural steel with recycled content
- South Island Place – FSC-certified timber, suspended false ceiling made from 25% recycled content

Hotel operations



Paper towels certified by the FSC



Certified-organic wines and poultry



Fair-trade chocolate



Sustainable seafood that meets the criteria of the World Wide Fund for Nature Hong Kong Seafood Guide or the Aquaculture Stewardship Council



PARTNERS

Progress • Suppliers • **Tenants** • Customers

Residential Owners, Occupiers and Serviced Apartment Residents

Tenants

HKEX
Aspect A3
KPI A3.1

Tenant Engagement

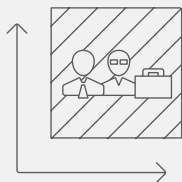
We work closely with our commercial tenants to help them integrate sustainability practices into their operations. For example, we conduct engagement programmes to encourage our tenants to participate in various SD initiatives, such as green building certification schemes and the Green Pledge Programme, as well as our free energy audits, Green Kitchen Initiative, and waste management programmes.

In 2018, we conducted a tenant satisfaction survey and convened focus groups to gather feedback from our office workers on various aspects of their experiences at Pacific Place, including building facilities, management services, and sustainability. We are reviewing the results to identify ways in which we can continue to enhance our services.

During the year, we continued to conduct free energy audits for our tenants at Taikoo Li Sanlitun and INDIGO, Beijing, Taikoo Hui, Guangzhou, and Sino-Ocean Taikoo Li Chengdu to help them identify energy-saving opportunities, and also expanded our free energy audit programme to food and beverage tenants.

Free energy audits for commercial tenants (since 2008)

Tenanted area:

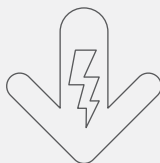


Hong Kong
3.2 million
square feet

Mainland China
2.1 million
square feet



Potential annual energy savings:



Hong Kong
2.9 million
kWh

Mainland China
5.7 million
kWh

Sustainability Guidelines for Fit-outs and Renovations

In 2018, we updated our standardised fit-out and renovation guidelines for office and retail tenants to help them incorporate sustainability considerations into their projects. We will implement the new guidelines in 2019.



PARTNERS

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

Three-Leaf Rating for Outstanding Food and Beverage Tenants

Swire Properties’ Green Kitchen Initiative, launched in 2017, aims to enhance the sustainability performance of food and beverage outlets in our malls. In addition to providing technical guidelines to help our tenants integrate sustainable practices into the design and operation of their kitchens, we also launched an award programme in 2018 to recognise their efforts.

In 2018, we awarded two tenants at INDIGO, Beijing and HKRI Taikoo Hui with a “three-leaf” rating—the highest rating available under our Green Kitchen Initiative scheme—for implementing specific, targeted measures to reduce their consumption of energy and water, manage waste, and improve indoor air quality.

What’s New at The Loop

The Loop is Swire Properties’ first sustainable development exhibition centre. The 4,000-square foot-space in Taikoo Place was designed to encourage tenants and the wider community to “close the loop” by incorporating sustainable practices into their business operations and daily lives. It contains a recycling centre, food waste composter, “Eco-art installation”, and edible garden, among other features.

The Loop hosts a variety of sustainability-oriented activities throughout the year, ranging from gardening workshops and lunchtime talks to tours for new tenants, schools and NGOs. After participating in a workshop at The Loop in November 2018, office and retail workers from one of our tenants in Pacific Place assumed responsibility for maintaining The Loop’s edible garden until March 2019.

Highlights for the Loop in 2018

 **31** guided tours, including **10** exclusively for Taikoo Place tenants

 **792** tonnes of recyclables collected

 **500+** participants engaged





PARTNERS

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

New ideas@work

Introduced in 2014, ideas@work has served as a key platform for our employees to share their ideas and discover innovative ways to improve productivity. Two of the latest ideas arising out of this initiative were implemented by our leasing and building management departments in 2018 to help digitalise communications and improve interactions with our office tenants.

“The Hub” is an internal system that provides our employees with a consolidated view of our tenants’ information so that we can follow up on their needs and requests in a timely and efficient way. The “Tenant Portal” provides online access for our tenants to building circulars and billing information, as well as various self-service features. It was rolled out at One Taikoo Place and South Island Place in December 2018, and we plan to expand its access for all of our office tenants in Hong Kong during 2019.




Highlights from PROJECT AFTER 6

PROJECT AFTER 6 has been engaging and connecting members of the Taikoo Place community through a variety of arts and cultural programmes since its launch in 2014. Two of the highlights during 2018 were the production of a musical comedy and the return of PROJECT AFTER 6: Busking.

In May 2018, we presented PROJECT AFTER 6: Cube Culture, an original musical comedy written and directed by Lindsey McAlister from the Hong Kong Youth Arts Foundation and featuring music by BAFTA and Emmy Award-winning composer Nick Harvey. The 10-show production held at ArtisTree in Taikoo Place was attended by more than 1,000 audience members and featured a cast of 30 actors living and working in the Quarry Bay neighbourhood.



PROJECT AFTER 6: Busking was held in September 2018 and attracted more artists than the previous year. This year, we worked with a corporate partner to encourage office workers throughout Hong Kong to reveal their hidden talents.

	Busking applications:		Number of performers:		Audience members:
200		85	(including 12 tenants)	3,000+	





PARTNERS

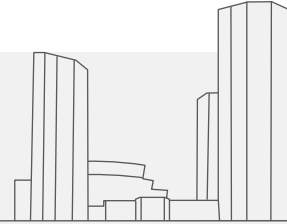
Progress • Suppliers • **Tenants** • Customers
Residential Owners, Occupiers and Serviced Apartment Residents

Green Pledge Programme

Since 2015, we have been working with office tenants in Taikoo Hui, Guangzhou to implement a variety of initiatives under our Green Pledge Programme, ranging from installation of energy-efficient equipment and water conservation measures to waste recycling and providing education for office workers on environmental best practices.

Green Pledge Programme of Taikoo Hui, Guangzhou in 2018

Participating tenants occupy **53%** of office space



Hong Kong Green Shop Alliance

Swire Properties was the first property developer to support the Hong Kong Green Shop Alliance (“HKGSA”), which was established by the Construction Industry Council and the Hong Kong Green Building Council in 2016 to promote sustainability initiatives in the retail industry.

In 2018, 67 retail tenants in our Hong Kong portfolio joined the Green Shop Alliance, pledging to reduce energy and water consumption and to reduce waste through reuse and recycling.

Swire Properties received several awards at the HKGSA Awards Presentation Ceremony 2018, which recognised our commitment to supporting our tenants in integrating SD practices into their operations, including both the Leading Partner Award and Power Partner Award in the Developer/Strategic Partner category.

At the same event, four of our shopping malls—Citygate Outlets, Cityplaza, Island Place and Pacific Place—received the Power Partner Award in the shopping mall category and three of our tenants received the Excellent Shop Award.





PARTNERS

Progress • Suppliers • Tenants • Customers

Residential Owners, Occupiers and Serviced Apartment Residents

Customers

Data Management and Protection Policy (Customer Data)

HKEX
KPI B6.5

We are committed to protecting the privacy of our customers. In July 2018, we implemented a Data Management and Protection Policy (Customer Data), covering our operations in Hong Kong and Mainland China. The policy provides guidance on the handling of customer data throughout the data lifecycle, and the compliance with the Personal Data (Privacy) Ordinance in Hong Kong, the Cyber Security Law in Mainland China, and the European Union General Data Protection Regulation.

Under this policy, our employees are required to comply with internal guidelines covering the collection, processing, transfer, retention, and disposal of customers' personal data.

Retail Customers

Feedback from our customers is important for helping us understand their needs so that we can develop plans to enhance our services. In 2018, we conducted customer research at HKRI Taikoo Hui in Shanghai, which included convening a focus group to gather views from our tenants and customers to help us fine-tune our market positioning and enhance our customers' shopping experience.

In addition to conducting annual surveys and collecting feedback from customers who visit our major retail properties in Hong Kong and Mainland China for shopping, eating and other recreational activities, we also have a Mystery Shopper Programme ("MSP") to help us evaluate customer service in our malls.

In 2018, we worked with the Hong Kong Retail Management Association ("HKRMA") to analyse service data and information collected through MSP visits to our malls in Hong Kong, and we also implemented a separate MSP for our malls in Mainland China.

Customer surveys conducted in 2018



7,000+ shoppers

100%

coverage of our major retail properties in Hong Kong and Mainland China

95%

of response ratings were "excellent/good"



Hotel Guests

In our hotel operations, we collect guest feedback continuously through our specifically designed mobile application to ensure high levels of customer satisfaction with our hotel facilities and services.

In 2018, EAST, Hong Kong piloted two new guest survey platforms, including one with chatroom functionality, which collects feedback via a questionnaire, and another that asks guests to answer short questions when they sign in to our hotel wireless internet service.



PARTNERS

Progress • Suppliers • Tenants • Customers

Residential Owners, Occupiers and Serviced Apartment Residents

Accolades for Cityplaza and Citygate Outlets

Based on information collected through the MSP, HKRMA named Cityplaza “2018 Service Retailer of the Year” in the Shopping Malls category and Mavis Lau, Senior Customer Service Officer at Cityplaza, completed two rounds of MSP assessment and an interview to win the Gold Award (Supervisory Level) in the Property Management Category of HKRMA’s 2018 Service & Courtesy Awards.



Citygate Outlets was also named one of the “Top 10 Outstanding Retail Brands” in the 2018 HKRMA Service & Courtesy Awards.

Supporting Earth Hour

For the ninth consecutive year, Swire Properties supported the World Wide Fund for Nature’s Earth Hour, one of the world’s largest collective environmental actions with people from all around the world switching off their lights for an hour to show that they care about the earth.



On 24th March 2018, we turned off the non-essential lights in our commercial and residential buildings, hotels, and restaurants in all of our portfolios for one hour. During this time, Taikoo Hui, Guangzhou hosted a tenant-sponsored candlelight yoga and art-jamming event, EAST, Beijing offered guests Earth Hour cocktails and live music, and Swire Restaurants welcomed guests with candlelight dinners.



INDIGO, Beijing celebrated Earth Hour with a community event for employees, local residents, and students where they learned about our efforts to reduce waste, made shopping bags from old clothing donated by one of our tenants, and learned from another tenant about the role of electric vehicles in the transition to a low carbon economy.



PARTNERS

Progress • Suppliers • Tenants • Customers

Residential Owners, Occupiers and Serviced Apartment Residents

Residential Owners, Occupiers and Serviced Apartment Residents

Swire Properties continues to develop residential projects in Hong Kong and other locations. While some of these projects, such as WHITESANDS and ALASSIO, have been developed for sale, others, such as Pacific Place Apartments and Taikoo Place Apartments, continue to be managed by the Company.

In 2018, we engaged an independent consultant to conduct a pilot satisfaction survey of owners and occupiers of ALASSIO and AREZZO in order to help us identify areas for improvement in the way we design and build residential properties. The survey included in-depth, face-to-face interviews and an online questionnaire.

The survey, which we expect to be completed in 2019, will gather feedback on various topics, including overall value for money, post-handover satisfaction, and various SD and occupant wellbeing considerations, such as indoor air quality, thermal comfort, and the design and use of shared indoor and outdoor spaces and clubhouse amenities.

In 2019, we also plan to introduce a customised Green Pledge programme for residents of STAR STUDIOS' leased apartments.

Engaging with our Residents

In early 2018, we hosted a New Year Gala at Pacific Place Apartments, Taikoo Place Apartments, and STAR STUDIOS as part of our ongoing commitment to engage residents and listen to their feedback in order to improve our services. More than 200 residents participated in a series of events, including exclusive film screenings at Pacific Place and Cityplaza and a Spring Festival Cocktail party at Pacific Place Apartments.

In October 2018, STAR STUDIOS hosted a Halloween party, which provided our leasing team members with an opportunity to meet with residents and obtain feedback.



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)

Policies • 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 continuing to strengthen our management approaches to environmental protection by 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, energy management, waste management, and water conservation.



Top Material Issues

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

Policies

Environmental Policy

Our **Environmental Policy** sets out the principles underpinning our approach to managing and reducing the environmental impacts arising from our operations. In accordance with this policy, we implement 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.

GRI
301-3, 305-7

HKEX
Aspect A1,
A2, A3
KPI A3.1

Climate Change Policy

We recognise that climate change poses significant risks to our business. In 2018, we adopted a new **Climate Change Policy**, which outlines our commitment to managing climate change risks across our operations, and to developing mitigation, adaptation, and resilience strategies to address those risks in line with global best practices.

Energy Policy

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.



PERFORMANCE (ENVIRONMENT)

Policies • Environmental & Energy Management Systems

Progress • Profile of Environmental Impacts • Climate Change • Energy
Waste • Water • Occupant Wellbeing • Building/Asset Investments

Waste Management Policy

Our **Waste Management Policy** was adopted in 2017 to guide our approaches to reducing waste from the design and construction phases of our projects to the daily operation and management of our buildings.

In accordance with this 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.

In September 2018, we prepared a statement on single-use plastics to support our commitment to reducing consumption of single-use plastics and to guide our efforts in this area. Recognising that events taking place in our properties can have significant impacts on the environment, we also introduced Green Guidelines for Event Management and Production of Collaterals in November 2018.

Environmental and Energy Management Systems

GRI
301-3, 305-7

HKEX
Aspect A1,
A2, 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 2018, the China Quality Certification Centre certified the environmental management system in our Mainland China portfolio against the latest standard ISO 14001:2015. This allows our environmental management system to respond to the latest developments.

Certification of Environmental and Energy Management Systems in 2018

Properties with environmental management system achieving ISO 14001:2015 certification:

- Hong Kong portfolio
- Taikoo Hui, Guangzhou, INDIGO 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)

- Policies • 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, which comprises 28 members from different functions within Swire Properties, has developed key performance indicators for seven environmental and resource management focus areas.

Highlights of this working group’s activities to date include adoption of our new Climate Change Policy and ongoing work on our climate risk assessment; completion of a water risk assessment for our portfolios in Hong Kong, Mainland China, and Miami, U.S.A.; reducing energy consumption; and increasing waste diversion in our major developments. We have also made progress on achieving our Indoor Air Quality (“IAQ”) objectives.

Progress Summary Table

Performance Categories

2020 KPI

Progress Updates in 2018

Climate Change



Policy

Establish a climate change policy

- ▶ We adopted a new **Climate Change Policy**, which focuses on mitigation, adaptation, and resilience.
- ▶ We have committed to the Science-Based Target initiative (“SBTi”) and began work on establishing new science-based targets.

Conduct climate risk assessments for all portfolios

- ▶ We have completed stage 1 of our climate risk assessment for our operations in Hong Kong, Mainland China, and Miami, U.S.A.
- ▶ We started to publish **climate-related financial disclosures** with reference to the recommendations of the Task Force on Climate-related Financial Disclosures (“TCFD”).



PERFORMANCE (ENVIRONMENT)

Policies • 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 2018

Climate Change



Carbon Management & Accounting

Establish a comprehensive carbon accounting framework for reporting and management purposes

▶ We conducted a preliminary assessment of our Scope 3 emissions and we are working on new measures to manage the most significant sources of our Scope 3 emissions.

Complete a pilot study on carbon emissions from construction activities and embodied carbon²⁵ for One Taikoo Place

▶ During the construction of One Taikoo Place, which was completed in 2018, we collected data on carbon emissions from construction activities and embodied carbon in key construction materials. We are using the data to develop a carbon accounting methodology and to identify carbon reduction opportunities in future construction activities.

Decarbonisation

Reduction of carbon intensity²⁶ (tonnes of CO₂e/m²):

▶ Reduction of carbon intensity (tonnes of CO₂e/m²):

Hong Kong portfolio

↓27%

Hong Kong portfolio

↓25%

Mainland China portfolio

↓21%

Mainland China portfolio

↓20%

²⁵ 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.

²⁶ Carbon intensity reduction 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.



PERFORMANCE (ENVIRONMENT)

Policies • 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 2018

Energy



Energy Reduction

Reduction of energy consumption²⁷ (kWh/year):

Hong Kong portfolio²⁸

↓ 64 million kWh/year (↓ 26%)

Mainland China portfolio

↓ 23 million kWh/year (↓ 20%)

Reduction of natural gas consumption²⁹ (m³/year):

Mainland China portfolio

↓ 1.5 million m³/year (↓ 32%)

▶ Reduction of energy consumption (kWh/year):

Hong Kong portfolio

↓ 56.9 million kWh/year (↓ 25%)

Mainland China portfolio

↓ 17.5 million kWh/year (↓ 19.8%)

▶ Reduction of natural gas consumption (m³/year):

Mainland China portfolio

↓ 0.8 million m³/year (↓ 25%)

▶ We are continuing to implement **energy-saving measures** throughout our Hong Kong and Mainland China portfolios and hotels.

Renewable Energy

Generate **2 to 4%** of landlord's building energy from renewable energy sources in selected new office developments

▶ At our newest office tower, One Taikoo Place, we estimate that approximately **4%** of landlord's building energy will be supplied from renewable sources.

Smart Energy & Facility Management System

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

▶ We initiated a pilot cloud-based smart energy management platform at INDIGO, Beijing.

Adopt facility management electronic databases in all investment portfolios

▶ Our facility management electronic database feasibility review is ongoing; we are currently evaluating the feasibility of cloud-based solutions.

²⁷ Energy consumption refers to purchased electricity for the provision of shared services for and in the common parts of our buildings with reference to 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.

²⁸ Hong Kong portfolio refers to our office and retail portfolios and hotels in Hong Kong. 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.

²⁹ 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.



PERFORMANCE (ENVIRONMENT)

Policies • 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 2018

Waste



Policy

Establish a waste management policy

▶ To complement our **Waste Management Policy** adopted in 2017, we launched Green Guidelines on Event Management and Production of Collaterals and prepared a statement on single-use plastics.

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)

21.1% of commercial waste

Hong Kong (projects under development)

80% of demolition waste and 60% of construction waste

Hong Kong (projects under development)

83% of demolition waste at Two Taikoo Place
 81% of demolition waste at 21-31 Wing Fung Street, Wan Chai
 78% of construction waste at One Taikoo Place
 60% of construction waste at South Island Place

Mainland China (projects under development)

50% of total waste³⁰

Mainland China (projects under development)

To be reported in 2020 after the expected completion of Taikoo Li Qiantan, a joint venture project.

Waste recycling rate:

▶ Waste recycling rate:

Mainland China portfolio (including hotels)

25% of commercial waste

Mainland China portfolio (including hotels)

23% of commercial waste

³⁰ 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.



PERFORMANCE (ENVIRONMENT)

Policies • 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 2018

Water



Policy

Establish a water management policy

► Our new water management policy is currently under development.

Risk Assessment

Complete water risk assessment

► We completed our water risk assessment for all operations in Hong Kong, Mainland China and Miami, U.S.A. Results of this assessment will be used to help develop our water management policy and will also be incorporated into our ongoing climate risk study.

Water Reduction

Reduction of water intensity³¹:

► Reduction of water intensity:

Hong Kong portfolio

↓ 20% (m³/m²)

Hong Kong portfolio

↓ 6% (m³/m²)

Mainland China portfolio

↓ 20% (m³/m²)

Mainland China portfolio

↓ 14% (m³/m²)

Hotels

↓ 20% (m³/guest night)

Hotels

↓ 34% (m³/guest night)

Biodiversity



Policy

Establish a 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

³¹ The water intensity reduction targets reference the baseline level of water consumption in 2016.



PERFORMANCE (ENVIRONMENT)

Policies • 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 2018

Occupant Wellbeing



Indoor Air Quality (“IAQ”)

For common areas, **80%** of buildings in Hong Kong portfolio achieve IAQ Excellent Class

80% of buildings in Mainland China portfolio fulfil local IAQ standard

Conduct research to reduce indoor PM2.5 concentration

Conduct occupant wellbeing surveys for office, retail and hotels

▶ For common areas, approximately **74%** of buildings in our Hong Kong portfolio achieved IAQ Excellent Class.

▶ Approximately **80%** of buildings in our Mainland China portfolio fulfilled the local IAQ standard.

▶ We completed measurements of indoor PM2.5 in selected “hot spots” in all buildings in our Hong Kong and Mainland China portfolios.

▶ We conducted tenant satisfaction surveys for our office tenants in Pacific Place, which included questions on occupant wellbeing.

Building/Asset Investments



Environmental Building Assessment Schemes³²

Target the highest environmental building assessment scheme rating for all projects under development³³

▶ **100%** of projects under development achieved the highest ratings.

▶ In 2018, our buildings earned the following green building certifications:

- Final Platinum BEAM Plus – **15** buildings
- Final LEED Platinum – **2** buildings
- Final LEED Gold – **3** buildings
- Platinum Pre-certification WELL – **1** building
- China Three Star – **4** buildings (2 stars awarded)
- Platinum Green Mark – **1** building

³² BEAM Plus/LEED/China Green Building Design Label/WELL Certification.

³³ “Projects under development” refers to projects that are under construction or in the pre-certification stage. It includes non joint-venture projects only.



PERFORMANCE (ENVIRONMENT)

Policies • 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 2017, the scope of environmental data in this section has been expanded to include selected data from Brickell City Centre, Miami, U.S.A. and EAST, Miami, U.S.A. We intend to use the data collected from these properties in 2018 as a baseline reference against which we will develop appropriate KPIs for the reduction of carbon emissions, energy consumption, and water use in the future.



Carbon Emissions

GRI
305

HKEX
KPI A1.2

The Company's largest source of carbon emissions is Scope 2 emissions arising from purchased electricity in our Hong Kong portfolio. In 2018, this category of emissions declined by 4.5% compared to 2017.

In 2018, total carbon emissions and carbon intensity in our Hong Kong portfolio and Mainland China portfolio decreased compared to 2017. Total carbon emissions in our hotel operations increased in 2018 due to the inclusion of EAST, Miami, while carbon intensity declined.

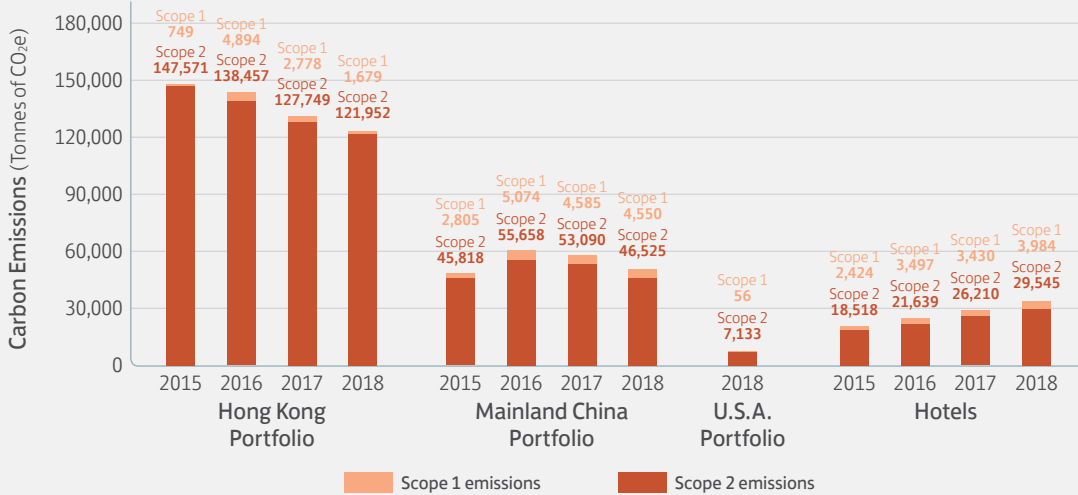


PERFORMANCE (ENVIRONMENT)

Policies • Environmental & Energy Management Systems

Progress • **Profile of Environmental Impacts** • Climate Change • Energy
Waste • Water • Occupant Wellbeing • Building/Asset Investments

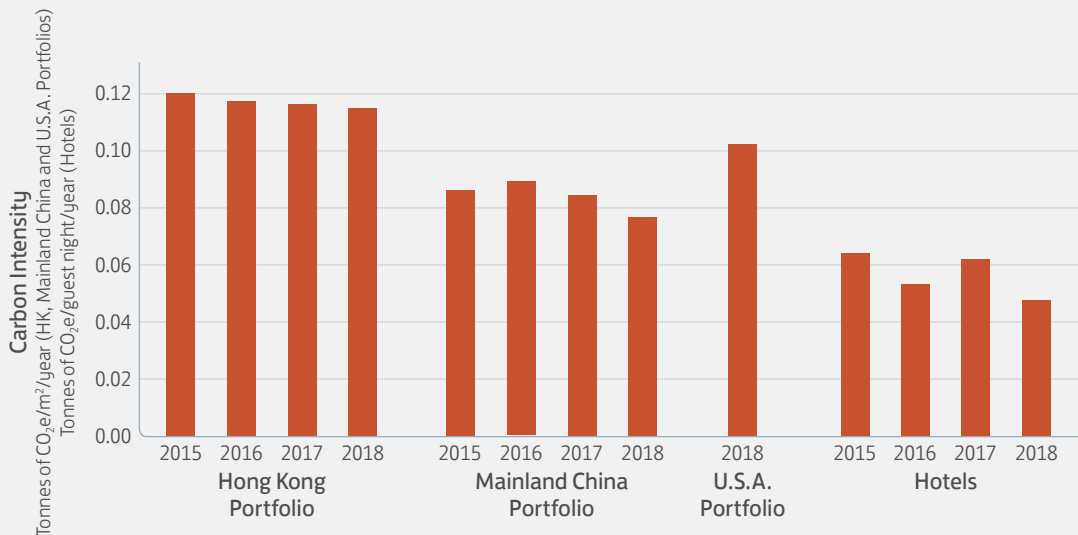
Carbon Emissions of Portfolio 2015-2018



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 portfolios in Hong Kong, excluding hotels; Mainland China portfolio refers to office and retail portfolios in Mainland China, excluding hotels; U.S.A. portfolio refers to office and retail portfolios in the U.S.A., excluding hotels.

Carbon Intensity of Portfolio 2015-2018



Carbon Intensity	2020 Target	2018 Progress
Hong Kong Portfolio	↓ 27%	↓ 25%
Mainland China Portfolio	↓ 21%	↓ 20%

Remarks:

- Carbon intensity reduction 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)

Policies • 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 consumption³⁴ in our Hong Kong portfolio between 2008 and 2018, energy use intensity has decreased by 25% from 199 kWh per square metre (“kWh/m²”) per year to 149 kWh/m² per year over the same period. By 31st December 2018, we had reduced annual energy consumption in our Hong Kong portfolio by 56.9 million kWh compared with 2008, which is consistent with meeting our 2020 reduction target.

Energy Consumption	2020 Target	2018 Progress
Hong Kong Portfolio	↓ 64 million kWh/year (↓ 26%)	↓ 56.9 million kWh/year (↓ 25%)

We are also on track to meet our 2020 energy reduction target in Mainland China. Between 2010 and 2018, energy intensity in our Mainland China portfolio decreased by nearly 35% from 156 kWh/m² per year to 101 kWh/m² per year. By 31st December 2018, we had reduced our annual energy consumption in our Mainland China portfolio by 17.5 million kWh compared with the business-as-usual (“BAU”) scenario³⁵.

Energy Consumption	2020 Target	2018 Progress
Mainland China Portfolio	↓ 23 million kWh/year (↓ 20%)	↓ 17.5 million kWh/year (↓ 19.8%)



³⁴ Energy consumption refers to electricity consumption for the provision of shared services for and in the common parts of our buildings.

³⁵ Refers to the amount in the first complete calendar year in which energy consumption data are collected from each project.



PERFORMANCE (ENVIRONMENT)

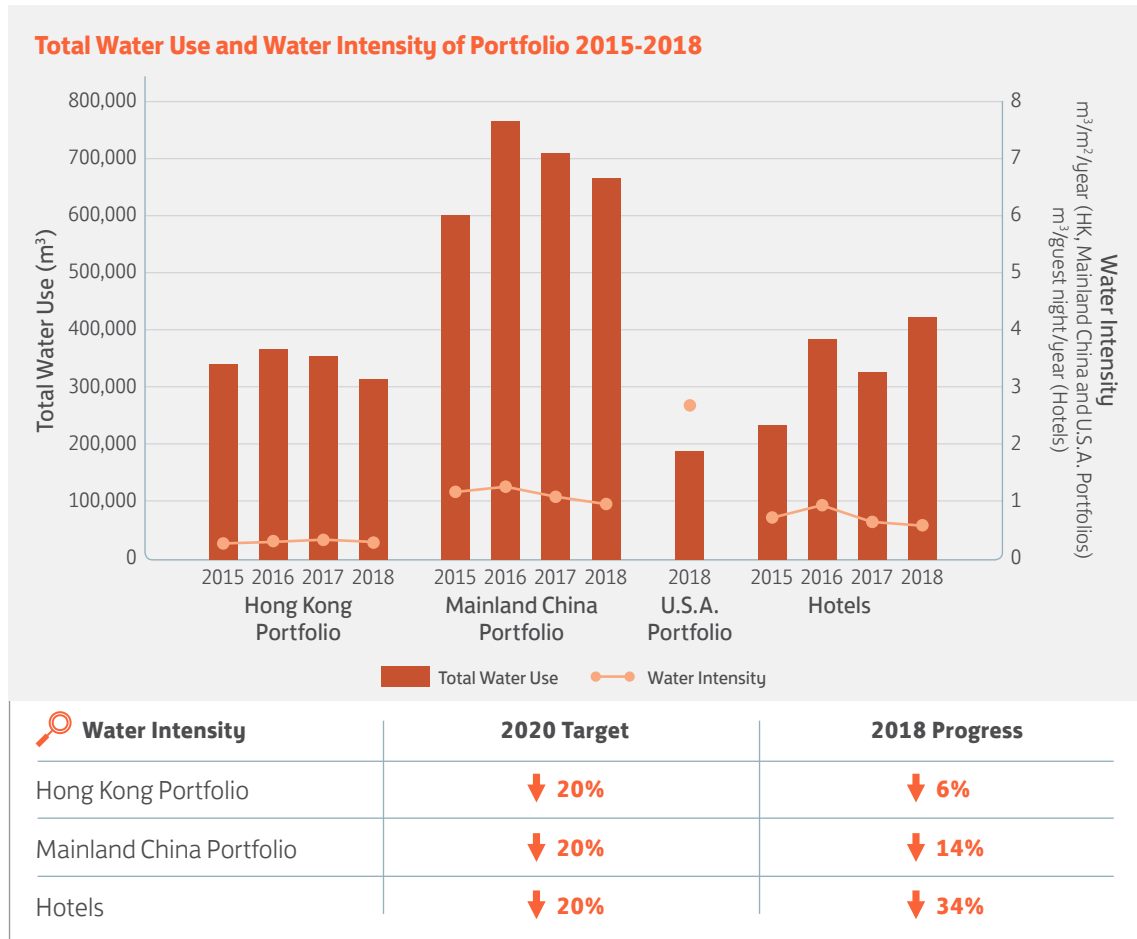
Policies • Environmental & Energy Management Systems
 Progress • **Profile of Environmental Impacts** • Climate Change • Energy
 Waste • Water • Occupant Wellbeing • Building/Asset Investments

Water Use

GRI 303

HKEX KPI A2.2

In 2018, total water use and water intensity in our Hong Kong portfolio and Mainland China portfolio declined compared with 2017. Total water use in our hotel operations increased in 2018 due to the inclusion of EAST, Miami, while water intensity declined. We are implementing **water-saving measures** across our business to achieve our water use reduction targets by 2020.



Remarks:

- Hong Kong portfolio refers to office and retail portfolios in Hong Kong, excluding hotels; Mainland China portfolio refers to office and retail portfolios in Mainland China, excluding hotels; U.S.A. portfolio refers to office and retail portfolios in the U.S.A., excluding hotels.
- Water intensity reduction targets reference the baseline level of water consumption in 2016.
- High water use and intensity in our U.S.A. portfolio resulted from the inclusion of tenant water consumption in total water use calculations and the adoption of fresh-water-cooled air conditioning systems. As the buildings in our U.S.A. portfolio complete the commissioning phase, we expect water efficiency to improve.

Projects Under Development

Materials used in 2018

GRI 301



Concrete
58,915 m³



Reinforcement bar
99,304 tonnes



Timber
6,122 m³



Electricity consumption
3.02 MWh



Diesel consumption
480,903 litres



Water consumption
337,174 m³

Remarks:

- "Projects under development" refers to projects that are under construction or in the pre-certification stage.
- Includes projects under development in all portfolios, including joint venture and non-joint venture projects.
- Includes biodiesel consumption in "Diesel consumption"



PERFORMANCE (ENVIRONMENT)

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

Climate Change

We recognise that climate change poses significant risks and opportunities to our business and we are committed to reducing climate impact and optimising resource efficiency throughout our operations.

Climate Change Policy

We adopted a new **Climate Change Policy** in 2018, which outlines our commitment to managing climate change risks across our operations, and to developing mitigation, adaptation and resilience strategies to address those risks in line with global best practices.



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

GRI
305

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

Task Force on Climate-related Financial Disclosures

We are committed to communicating our management approaches and strategies for climate mitigation, adaptation and resilience in accordance with our Climate Change Policy. In 2018, we started providing information to our investors, lenders, insurers, and other stakeholders about climate change impacts on our business based on the recommendations of the Task Force on Climate-related Financial Disclosures (“TCFD”).

These disclosures cover the Performance (Environment) and Performance (Economic) pillars of our SD 2030 Strategy.

For more information, please refer to our [Climate-related Financial Disclosures](#).



We plan to reduce our carbon emissions in line with long-term targets, and work towards achieving international decarbonisation objectives. As a result, we have committed to the Science-Based Target initiative (“SBTi”) in 2018 and began work on establishing new science-based targets for our business in accordance with SBTi criteria.

As the Company’s largest source of carbon emissions is Scope 2 emissions arising from purchased electricity, our management approaches to climate change mitigation and energy are closely aligned. In addition to improving the **energy efficiency of our buildings**, we strive to source **renewable energy**, both on-site and off-site, where feasible, particularly in our Mainland China portfolio.



PERFORMANCE (ENVIRONMENT)

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

Science-Based Targets initiative (“SBTi”)

Swire Properties is the first real estate company in Hong Kong to commit to the Science-Based Targets initiative, an initiative developed among the United Nations Global Compact, World Resources Institute, the CDP³⁶ and the World Wide Fund for Nature, which encourages corporations to play a substantive role in reducing global greenhouse gas emissions and aims to make science-based target setting a standard business practice by 2020.

GHG reduction targets are considered “science-based” if they are consistent with achieving the level of decarbonisation that has been identified in the Fifth Assessment Report of the Intergovernmental Panel on Climate Change (“IPCC”) of the United Nations (published in 2015) to keep global temperature increases below two degrees Celsius compared with pre-industrial levels.

Leading the Way to a Low Carbon Economy

We are committed to working with our partners and the wider community to help transition Hong Kong to a low carbon economy. In October 2018, we hosted the Business Environment Council’s (“BEC”) Low Carbon Hong Kong: Property & Construction Sector C-Suite Roundtable, where representatives from a number of Hong Kong companies discussed climate action strategies. At the event, Guy Bradley, Chief Executive, and Elizabeth Kok, Director and Senior Advisor, shared views and experiences on how to achieve a low carbon, climate-resilient future.

As a member of BEC’s Low Carbon Charter Steering Committee, Swire Properties has helped to formulate a Low Carbon Charter that we expect to be launched in 2019, creating a platform for businesses to demonstrate leadership on achieving Hong Kong’s long-term decarbonisation strategy.

Swire Properties has committed to setting a science-based target to guide our efforts on the long-term decarbonisation of our business. We fully support and look forward to signing the Business Environment Council’s Low Carbon Charter. We encourage our peers in the property and construction sectors to work together to build a resilient, low carbon and sustainable Hong Kong.

Guy Bradley
 Chief Executive



Photo courtesy of BEC

³⁶ Previously known as the Carbon Disclosure Project.



PERFORMANCE (ENVIRONMENT)

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

Carbon Management and Accounting

We believe it is important and potentially cost effective to manage carbon emissions arising from our construction activities, including the embodied carbon³⁷ in construction materials used in our new developments.

As part of an ongoing pilot study, we are working with our contractors and suppliers to collect data on carbon emissions arising from the construction of One Taikoo Place. We are working with a research team from the Hong Kong University of Science and Technology's Department of Civil and Environmental Engineering to utilise this data to develop a carbon accounting methodology that will allow us to identify carbon reduction opportunities for future development projects.

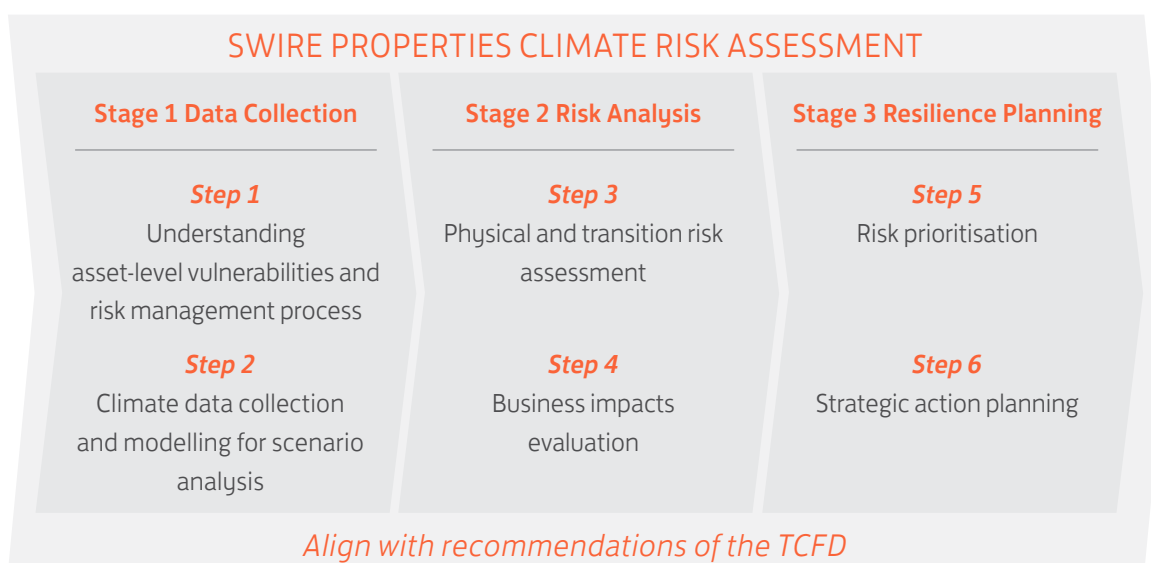
We are also exploring ways to reduce indirect, Scope 3 emissions³⁸ associated with our upstream and downstream activities and operations. After completing a preliminary assessment of Scope 3 emissions in 2018, we are working on new measures to manage the most significant sources of our Scope 3 emissions.

Climate Risk Assessment

In 2018, we commenced a climate risk assessment to identify key risks posed by climate change to our business operations, as well as business opportunities arising from new climatic conditions.

As summarised in the infographic below, our three-stage study will evaluate climate-related risks and opportunities across our global portfolio under various climate change scenarios. The findings of the assessment will be used to develop a targeted action plan for mitigating risks and building resilience strategies across our portfolios, as well as to supplement our ERM system for continuous management of material climate risks.

For more information, please refer to our [Climate-related Financial Disclosures](#).



³⁷ Embodied carbon is the carbon footprint of a material, including carbon emissions arising from its extraction, processing and transport.

³⁸ Scope 3 emissions are all indirect emissions that occur in the value chain of the reporting company, including both upstream and downstream emissions. Source: https://ghgprotocol.org/sites/default/files/standards_supporting/FAQ.pdf



PERFORMANCE (ENVIRONMENT)

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

Leader in Risk Asset Management

In 2018, Swire Properties was featured in a **Special Report on Resilience and Real Assets** published by GRESB, presenting the actions being taken by leading real estate and infrastructure companies and funds to make the built environment safer and more resilient in a rapidly changing world. The report, which identifies Swire Properties as a leader in risk assessment and management, contains a case study on our climate risk assessment.





PERFORMANCE (ENVIRONMENT)

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

Energy

GRI
302

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

Energy-saving Strategies

We strive to continually reduce the consumption of energy in our Hong Kong and Mainland China portfolios and hotel operations. In 2018, we continued to explore a variety of technologies and strategies to achieve this objective.

Monitoring-based commissioning of heating, ventilating and air conditioning (“HVAC”) systems to optimise building operation

- One Island East, Hong Kong
 - Via a cloud-based platform
- Pacific Place, Hong Kong
- Taikoo Place, Hong Kong
 - Cambridge House and Devon House
- HKRI Taikoo Hui, Shanghai



Retro-commissioning of HVAC systems and energy audits to improve heating and cooling efficiency

- The Opposite House, Beijing
- EAST, Hong Kong

Upgrading of HVAC air handling units; replacement of conventional fans with electronically-commutated (“EC”) motor plug fans to increase efficiency and reliability

- One and Two Pacific Place, Hong Kong
 - Planned retrofit of 98 conventional fans in One and Two Pacific Place offices. Approximately 40 replaced to date (estimated annual energy savings of **900,000 kWh**).
- Taikoo Place, Hong Kong
 - Lincoln House and Oxford House (estimated annual energy savings of **362,000 kWh**)
- Taikoo Hui, Guangzhou (estimated annual energy savings of **150,000 kWh**)

Installation of cloud-based smart energy management platform to track and optimise energy consumption

- INDIGO, Beijing

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

- Three Pacific Place, Hong Kong (estimated annual energy savings of **479,000 kWh**)
- Taikoo Hui, Guangzhou (estimated annual energy savings of **600,000kWh**)





PERFORMANCE (ENVIRONMENT)

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

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

- Citygate Outlets, Hong Kong
 - ▶ Three chillers installed (estimated annual energy savings of **1,295,000 kWh**)

Installation of variable speed drive condensing water pumps

- Taikoo Hui, Guangzhou (estimated annual energy savings of **200,000 kWh**)
- Sino-Ocean Taikoo Li Chengdu (estimated annual energy savings of **370,000 kWh**)

Installation of biodiesel tri-generation and adsorption chiller to supply combined heating, cooling and power generation and a combined green roof and solar PV system

- One Taikoo Place, Hong Kong
 - ▶ Estimated to contribute renewable energy equivalent to **4%** of the total landlord's building energy

Installation of solar PV panels

- One Taikoo Place, Hong Kong
- INDIGO, Beijing
- Taikoo Hui, Guangzhou
- Taikoo Li Sanlitun, Beijing
 - ▶ Estimated annual energy savings of **24,000 kWh**



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

- The Upper House, Hong Kong (estimated annual energy savings of **117,000 kWh**)
- Cityplaza One, Hong Kong (estimated annual energy savings of **15,000 kWh**)
- EAST, Beijing (estimated annual energy savings of **14,000 kWh**)
- EAST, Hong Kong (estimated annual energy savings of **313,000 kWh**)

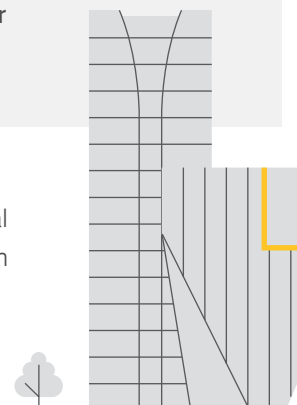
Replacement of split-type air-conditioning units with new models containing non-ozone-depleting refrigerants

- Cityplaza mall, Hong Kong – replacements ongoing

Installation of air curtain to building entrances to maintain indoor temperatures

- Cityplaza mall, Hong Kong

Electricity consumption by tenants accounts for approximately 50-60% of total building energy consumption. We work closely with our tenants to help them reduce their electricity use, for example, by conducting **free energy audits**.





PERFORMANCE (ENVIRONMENT)

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

Collaboration with Tsinghua University

Since 2011, we have worked with Tsinghua University (“Tsinghua”) through the Joint Research Centre for Building Energy Efficiency and Sustainability to develop and test new methods for increasing energy efficiency and improving environmental performance in our projects. This collaboration continues to generate substantial energy savings while helping us to share new ideas and practices with our employees, business partners, industry peers, and other researchers.

In 2018, our work with Tsinghua included:

- Energy consumption reductions resulting from modifications to retail outlets operating with open doors in Sino-Ocean Taikoo Li Chengdu
- Retro-commissioning of HVAC systems at:
 - 📍 Taikoo Place, Hong Kong – Cambridge House and Devon House
 - 📍 Pacific Place, Hong Kong
 - 📍 HKRI Taikoo Hui, Shanghai
- Energy audits and identification of energy management opportunities at The Opposite House, Beijing and EAST, Hong Kong



In 2018, our work with Tsinghua to improve the environmental performance of INDIGO, Beijing was featured in the 2018 Annual Report on China Building Energy Efficiency. INDIGO was the only commercial complex to be identified as one of the six “best practice” case studies in the report for its continuous adoption of energy efficiency improvements and low consumption of energy for heating.

As a result of working with Tsinghua, we were able to implement a range of energy efficiency improvements, including enhancing the building envelope to prevent thermal leakage, retrofitting the heating water systems, and balancing the HVAC systems to increase heating and cooling efficiency. Between 2013 and 2018, consumption of natural gas at this property decreased by nearly 50%, from 1.54M m³ during the winter of 2012/13 to 0.77M m³ during the winter of 2017/18.

In 2019, we plan to continue to work with Tsinghua on improving indoor air quality control measures at INDIGO.





PERFORMANCE (ENVIRONMENT)

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

Monitoring-based Commissioning of HVAC Systems

Since 2015, we have been conducting a three-year monitoring-based commissioning programme for the HVAC systems in Pacific Place and Taikoo Place in Hong Kong to better understand our energy consumption patterns and enhance the system efficiency of our buildings. We used the information gathered from the programme to develop a pilot monitoring-based commissioning platform at One Island East, which was launched in 2018.

We also developed customised analytical methodologies and an automated online tool for fault detection and diagnosis, measurement and verification, and system performance evaluation and optimisation. The platform captures over 420,000 data points for water and air systems each day, and analyses the data against more than 140 criteria to automatically ensure that high-efficiency HVAC operations are maintained.

ASHRAE Regional Technology Awards 2018

In 2018, we received the American Society of Heating, Refrigerating, and Air-Conditioning Engineers (ASHRAE) Regional Technology Award in the commercial building category for our energy management and retro-commissioning work at Two Pacific Place, Hong Kong.



This award recognises outstanding achievements in innovative building design

for energy conservation, occupant comfort and indoor air quality. Our work at Two Pacific Place included installation of high-efficiency chillers, retro-commissioning, and installation of HVAC monitoring systems. These initiatives have reduced annual energy consumption by approximately 2 million kWh, which is equivalent to approximately 1,600 metric tonnes of carbon dioxide.

Cloud-based Smart Energy Management Platform

In 2018, we launched a pilot cloud-based smart energy management platform at INDIGO, Beijing. The energy management platform tracks energy use, efficiency, and key performance indicators, and uses data analytics to identify operational gaps and opportunities and help predict future energy use.

The cloud-based system allows us to conduct big data analysis to help facilitate strategic decision-making aimed at optimising operations. It will also allow us to connect the energy management systems from our various portfolios, creating a centralised platform to monitor building performance and identify opportunities to achieve more concentrated energy savings.



PERFORMANCE (ENVIRONMENT)

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

Renewable Energy

As part of our SD 2030 Strategy, we aim to generate 2-4% of landlord’s building energy from renewable sources for selected new office developments. At One Taikoo Place, we have installed solar PV panels and a waste-to-energy tri-generation system, which is estimated to supply renewable energy equivalent to approximately 4% of landlord’s building energy. Following the introduction of a new feed-in tariff scheme by HK Electric in 2019, we anticipate that renewable electricity generated can be supplied back to the electric grid in accordance with the contracts provided in the feed-in tariff scheme.

We continue to explore other ways of increasing renewable energy generation across our portfolio. We have installed solar PV panels on the roofs of INDIGO, Beijing, Taikoo Hui, Guangzhou and Taikoo Li Sanlitun, Beijing.

After completing a comparative study in 2018 of the efficiency of these installations, we installed additional high efficiency solar PV panels at INDIGO, Beijing in early 2019.


Unlike conventional single-sided solar PV panels, the high efficiency solar PV panels are fitted with material on their undersides that absorbs energy from scattered and reflected sunlight, resulting in higher power generation efficiency. We estimate that the high efficiency panels will generate approximately 150,000 kWh of renewable energy annually.

Going forward, we are preparing to launch a study on renewable energy procurement to help us evaluate the feasibility, scale, costs and benefits of different renewable energy options within our Mainland China portfolio. The study will also evaluate governmental policies and programmes related to renewable energy.



Renewable Energy Generated (kWh) in 2018

 INDIGO, Beijing **18,537 kWh**

 Taikoo Hui, Guangzhou **27,462 kWh**



PERFORMANCE (ENVIRONMENT)

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

Waste

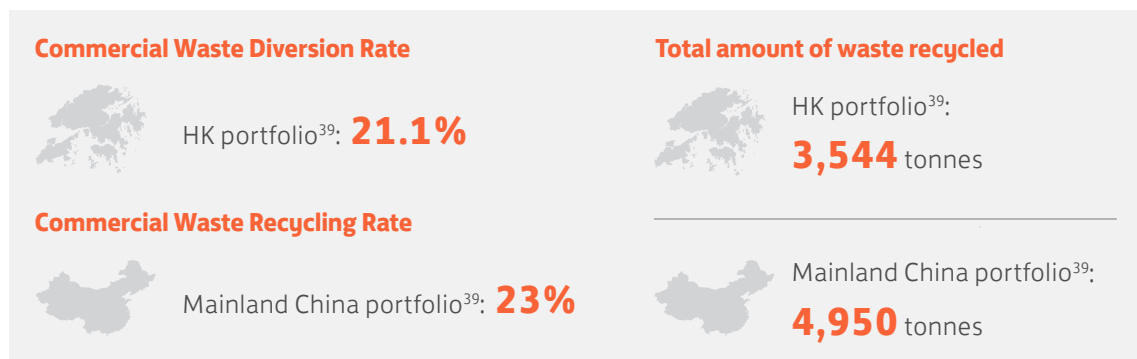
GRI 306

HKEX Aspect A1, A2, A3 KPI A1.6, A3.1

In 2017, we adopted a **Waste Management Policy** to guide our approaches to reducing waste from the design and construction phases of our projects to the daily operation and management of our buildings.

In accordance with this 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 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. We also encourage our employees, tenants, suppliers, and other people with whom we do business to minimise waste and work closely with our tenants on waste recycling initiatives.

Our waste management taskforces in Hong Kong and Mainland China portfolios and hotels are developing initiatives on waste reduction and waste recycling to help us achieve our targets for diversion of commercial, demolition, and construction waste by 2020.



In Hong Kong, we continue to prepare for the Hong Kong government's new municipal solid waste charging scheme, which is expected to be implemented in 2020. To help our tenants prepare for this scheme, we worked with 131 tenants at Cityplaza and EAST, Hong Kong for six months during 2017 to trial volume-based and weight-based charging approaches for waste disposal. We shared our insights and experiences from this trial in a video, released in 2018, to support the Environmental Protection Department's efforts to engage and educate the public on the waste charging scheme.



In November 2018, we expanded our voluntary waste charging trial scheme to include food and beverage tenants at Pacific Place, Citygate Outlets, and Island Place. The expanded scheme will be conducted on a trial basis for five months in 2019.

³⁹ Hong Kong portfolio and Mainland China portfolio refers to office and retail portfolios and hotels in Hong Kong and Mainland China respectively.



PERFORMANCE (ENVIRONMENT)

- Policies • Environmental & Energy Management Systems
- Progress • Profile of Environmental Impacts • Climate Change • Energy
- Waste • Water • Occupant Wellbeing • Building/Asset Investments

We recognise that events taking place in our properties can have impacts on the environment. In 2018, we introduced our first Green Guidelines for Event Management and Production of Collaterals, which establishes standards and protocols for managing and reducing waste at events that we sponsor or host.

Reducing Waste at our Community Events

Each year we work to raise awareness of waste issues and expand initiatives to minimise waste at our annual community events.

At the Tong Chong Street Market in 2018, we introduced additional recycling bins, worked with “Green Ambassadors” from the World Wide Fund for Nature to provide advice on recycling, and provided discounts to marketgoers who brought their own reusable utensils, containers, cups, and bags. The market’s sustainability corner included washbasins for reusable food containers. Cups, bowls, and utensils were also available for marketgoers to borrow.

At the 2018 White Christmas Street Fair, we established a dedicated sustainability station and eliminated plastic straws, cutlery and bottled drinks. To further minimise the use of single-use plastics, visitors were encouraged to bring their own or borrow tableware and refill their water bottles at drinking water refill stations.

Our annual Swire Properties 10K Challenge this year was attended by more than 150 runners, including our employees and their families. Participants were encouraged to bring their own reusable water bottles and refill them at drinking water refill stations. We also provided recycling bins for plastic, metal, and food waste and issued e-certificates to participants to reduce paper consumption.





PERFORMANCE (ENVIRONMENT)

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

Swire Hotels Expands Recycling Initiatives

Swire Hotels has implemented a wide range of recycling initiatives to reduce waste. Used bed linens are used by housekeeping as cleaning cloths or donated to design students for upcycling. Lightly used linens and towels, along with unused or partially used soaps, body washes, lotions and hair products, are recycled and donated to disaster-relief and humanitarian aid organisations.

Other Swire Hotels initiatives include:



Introducing reusable paper bags for guest laundry at

The Opposite House, Beijing



Placing recycling bins in guest rooms to encourage guests to recycle at

EAST, Hong Kong



Recycling of plastics, including bottles, pens, and toothbrushes at

EAST, Hong Kong

Taking a Position on Single Use Plastics

In September 2018, we prepared a statement on single-use plastics to support our commitment to reducing consumption of single-use plastics and guide our efforts in this area.

Restaurants and Hotels

Recognising that we use single-use plastics primarily in our restaurant and hotel operations, we are assessing the types and quantities of single-use plastics consumed to understand our plastic footprint and identify feasible alternatives to single-use plastics.

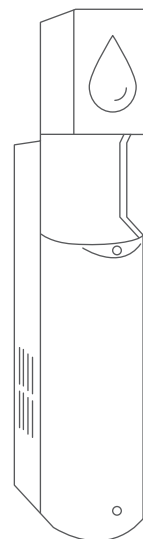
In 2018, we implemented changes at our restaurants and hotels by eliminating plastic straws and launching a “No Paper Cup” campaign to encourage our customers to bring their own refillable cups. We are also introducing changes in some of our hotel rooms, such as providing in-room recycling bins, replacing plastic bottles of water with glass bottles, and installing refillable dispensers for bath and shower amenities.

Shopping Malls and Office Buildings

In our shopping malls and office towers in Hong Kong, we have installed recycling bins to encourage office workers and the public to recycle plastic umbrella bags and provide umbrella dryers that eliminate the need for plastic umbrella bags altogether.

In October 2018, we installed our first smart water refill station at Citygate Outlets to provide the public with a sustainable alternative to plastic water bottles. The smart water refill station has an interactive display screen to monitor, in real time, the number of single-use plastic bottles saved.

Between October and December 2018, we estimate that the smart water refill station helped to avoid consumption of more than 5,000 single-use plastic water bottles.

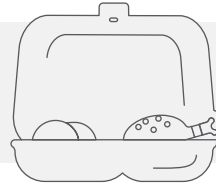




PERFORMANCE (ENVIRONMENT)

- Policies • Environmental & Energy Management Systems
- Progress • Profile of Environmental Impacts • Climate Change • Energy
- Waste • Water • Occupant Wellbeing • Building/Asset Investments

Total Amount of Packaging Materials used by Swire Properties, mainly by Swire Restaurants for food packaging⁴⁰



2018:
25 tonnes

GRI 301
HKEX KPI A2.5

Celebrating the Christmas Season

Since 2012, EAST, Hong Kong has used recycled materials to create Christmas decorations to celebrate the festive season in a more environmentally friendly way. In 2018, our employees worked with students from the Jockey Club Sarah Roe School and used branches and tree trunks brought down by Typhoon Mangkhut, together with recycled wooden boxes and wine corks, to create a sustainable “Christmas village”.



The Temple House upcycled materials to create festive decorations for its “Dreaming of a Green Christmas” display and featured a sustainable Christmas tree in its courtyard made from 2,500 recycled plastic bottles.



⁴⁰ Excluding EAST, Miami.



PERFORMANCE (ENVIRONMENT)

- Policies • Environmental & Energy Management Systems
- Progress • Profile of Environmental Impacts • Climate Change • Energy
- Waste • Water • Occupant Wellbeing • Building/Asset Investments

Food Waste Recycling Initiatives

We recognise that food waste is a significant source of waste for our food and beverage tenants. Since 2005, when we installed our first food decomposer at one of our Hong Kong shopping malls, we have been working with our hotels, restaurants, and tenants to expand our food waste reduction and recycling efforts.

In 2018, Swire Properties joined the Steering Committee of the Food Smart Partnership Programme⁴¹ to help address and provide leadership on food waste issues in Hong Kong. We also work with the Green Council, a non-profit organisation, to raise awareness about food waste issues and support two Hong Kong-based charities, Food Angel and Foodlink Foundation, by donating excess food to people in need.

We have put in place guidelines to encourage our shopping mall tenants to separate out food waste for collection. In Mainland China, we have implemented food waste recycling initiatives in all of our shopping malls, and most of our malls have installed electronic scales and refrigerated storerooms to handle food waste collected from food and beverage tenants. We also conduct regular training sessions for our tenants on how to handle and separate food waste.

In 2018, we collected more than 4,500 tonnes of food waste from Hong Kong and Mainland China tenants and hotels for recycling. Tenant participation in our food waste recycling programme at Citygate Outlets, Cityplaza, Taikoo Place, and Pacific Place grew by 38% compared with 2017. We also began collecting food waste from our own offices in Taikoo Place and One Citygate. Most of the food waste collected under this programme goes to the Hong Kong government’s Organic Resource Recovery Centre in Siu Ho Wan for conversion into compost and biogas.

We have also worked with tenants in our Hong Kong portfolio to recycle and reuse coffee grounds. In 2018, we expanded this programme to EAST, Hong Kong, Cityplaza, and Pacific Place. Coffee grounds collected from participating tenants are converted into fertiliser, which is used for landscaping in our developments, creating a closed-loop system.



Photo courtesy of EPD

Recycling Construction Materials at Two Taikoo Place

We are constructing Two Taikoo Place, a 42-storey office building above a three-storey basement, as part of our ongoing redevelopment of Taikoo Place. Designed as a high-performance sustainable building, Two Taikoo Place is expected to meet BEAM Plus and LEED Platinum ratings. To help achieve this, we have set a target to divert 80% of construction waste from landfills.

⁴¹ Co-organised by The Association for Hong Kong Catering Services Management, Association of Restaurant Managers, Chamber of Food & Beverage Industry of Hong Kong, Hong Kong Federation of Restaurants & Related Trades and Institution of Dining Art, the Environmental Protection Department, Food Wise Hong Kong, and the Hong Kong Productivity Council.



PERFORMANCE (ENVIRONMENT)

- Policies • Environmental & Energy Management Systems
- Progress • Profile of Environmental Impacts • Climate Change • Energy
- Waste • Water • Occupant Wellbeing • Building/Asset Investments

Celebrating Upcycled Fashion

In January 2018, senior managers from EAST, Hong Kong modelled sustainable costumes on the catwalk at their annual employee dinner themed “Greenfinity” demonstrating their commitment to waste reduction and environmental sustainability. The fashion show featured upcycled pieces created by local designer Angus Tsui from used, everyday items such as red packets and compact disks.

In March 2018, EAST, Hong Kong hosted “The Art of Eco Couture”, an exhibition on upcycled fashion featuring designs by Tsui and other pieces from the Redress Design Awards. Redress is a local NGO that works to reduce textile waste. Redress has helped us to further expand our own Textile Recycling Campaign, collecting used and unwanted clothing items from our employees and re-distributing them to underprivileged communities in Hong Kong through local NGOs.

EAST, Miami began working with Istituto Marangoni, a fashion and design institute in Miami, to recycle lightly used sheets and linens from the hotel for students to use when learning to make clothing.





PERFORMANCE (ENVIRONMENT)

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

Water

We 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 2018, we developed internal guidelines on fresh and flush water to help us comply with enhancements to the Hong Kong government’s voluntary “Quality Water Supply Scheme for Buildings”.

Water Risk Assessment

In 2018, we completed a study to gauge the exposure of our assets in Hong Kong, Mainland China, and Miami, U.S.A. with respect to four categories of water-related risk, including physical risks associated with baseline water stress and low groundwater availability; regulatory risks from new regulations on water use; operational risks associated with water efficiency benchmarking in our buildings; and economic risks from higher water tariffs.

In addition to incorporating the findings of this study into our ongoing **climate risk assessment**, we plan to develop a new policy on water management and implement strategic initiatives to reduce our risk exposure at the asset level.



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

GRI 303

HKEX Aspect A2 KPI A2.4, A3.1

Water-saving Strategies in our Hong Kong Portfolio

Based on the results of testing various options for reducing water consumption at One Island East during 2017, we installed water flow restrictors in selected shopping malls and office buildings in Hong Kong in 2018.

We also installed a grey water treatment and recycling system at Oxford House, Taikoo Place to collect, treat and reuse kitchen wastewater from office tenants for irrigation and car park cleansing purposes. We estimate that the new system will be capable of recycling 1,825 m³ of grey water annually.



Water-saving Strategies in our Mainland China Portfolio

In 2018, we implemented several initiatives in our Mainland China portfolio to reduce fresh-water consumption.

At Taikoo Li Sanlitun and INDIGO, Beijing, we installed approximately 500 high-efficiency water flow restrictors on bathroom faucets, lowering the flow rate of each faucet by approximately 60%. We have also installed a rainwater recycling system at Sino-Ocean Taikoo Li Chengdu to collect rainwater for flushing and irrigation purposes. The system, which we expect to be ready for use in 2019, is capable of recycling 6,300 m³ of rainwater annually.



PERFORMANCE (ENVIRONMENT)

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

Occupant Wellbeing

We aim to operate and maintain our buildings and workspaces in a way that promotes occupant health and wellbeing. In 2018, as part of a series of tenant satisfaction surveys that we completed at Pacific Place, we collected feedback from our office tenants on various metrics related to their level of comfort and wellbeing, including indoor air quality, water quality, and the availability of green space in and around the building. We are analysing the results to identify areas for improvement, and plan to conduct occupant wellbeing surveys in other properties, such as Taikoo Place, in 2019.



SDG 3
Good Health and Well-Being

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

GRI 416

HKEX Aspect B6 KPI B6.4

We design and construct our buildings to enhance visual comfort through the use of natural daylight, glare indices and diverse types of lighting as well as by minimising the adverse impacts of external lighting, such as sky glow, source intensity and building luminance.

We consider acoustic impacts throughout the design, construction, and operational phases of our buildings. In Hong Kong, we conduct noise level measurements at our construction sites on a weekly basis so that we can implement measures to mitigate excessive noise. In designing our buildings, we consider the impacts of interior and exterior noise and vibration and install acoustic devices, such as silencers, wall insulation, and isolation springs, to mitigate noise impacts. In 2018, we installed additional sound-insulating walls and windows around the cooling tower at Sino-Ocean Taikoo Li Chengdu to further reduce noise impacts on our tenants and local residents.

One Taikoo Place Achieves WELL Platinum Pre-Certification

We are committed to improving occupant experience and building performance through programmes such as the International WELL Building Institute’s WELL certification scheme. One Taikoo Place uses air-handling units equipped with sanitising ultra-violet lights, activated carbon filters, and MERV13 filters to improve indoor air quality, and reverse osmosis filtration systems to provide clean drinking water, and obtained WELL Platinum pre-certification in 2018.

We also encourage our tenants to improve occupant experience through programmes such as the WELL certification scheme. In 2018, we provided support to one of our office tenants at One Taikoo Place in obtaining WELL certification for commercial interiors.





PERFORMANCE (ENVIRONMENT)

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

Indoor Air Quality

We undertake initiatives to enhance **safety, health and wellbeing** as part of the People pillar of our SD 2030 Strategy and are committed to promoting the health and comfort of our employees, tenants, and visitors by taking steps to ensure that high standards of indoor air quality (“IAQ”) 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 Environmental Protection Department to improve IAQ and promote public awareness of IAQ issues. In 2018, **20 properties** in our Hong Kong portfolio achieved ‘Excellent Class’ ratings under the scheme for IAQ in common areas and four properties achieved ‘Good Class’ ratings.

Making Indoor Air Quality a Priority

In June 2018, the Hong Kong Environmental Protection Department awarded Swire Properties the “IAQ Certification Scheme Top 10 Highest Participation Rate” in recognition of its work to improve indoor air quality in its Hong Kong portfolio.

The award, which was received at the annual Indoor Air Quality Certificate Award Ceremony cum Technical Seminar, recognises participants with the highest total floor areas certified under the IAQ Certification Scheme. We were also invited to share our insights and experiences related to managing and improving indoor air quality with our peers in Hong Kong at the event.



In 2018, we completed measurements of PM2.5 in selected “hot spots” in all buildings in our Hong Kong and Mainland China portfolios to assess indoor air quality. Our shopping malls and office buildings in our Hong Kong portfolio meet the WELL and World Health Organization standards for PM2.5. To improve indoor air quality at INDIGO and Taikoo Li Sanlitun, Beijing, we installed electrostatic filters in selected air handling units, fan coil units, and water source heat pumps.



PERFORMANCE (ENVIRONMENT)

- Policies • 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 achieve certification for our buildings under relevant environmental building assessment schemes that provide benchmarks and objective standards against which we can measure our performance. Some examples of relevant schemes are BEAM Plus, a set of standards recognised and certified by the Hong Kong Green Building Council (“HKGBC”); LEED, a rating system devised by the USGBC; the China Green Building Design Label, issued by the Ministry of Construction in Mainland China; and WELL Certification, developed by the International WELL Building Institute.

We employ an integrated design approach to our projects in accordance with the requirements of these schemes, requiring members of our project teams to work together from building design to construction and operation. We also encourage our tenants to participate in environmental building assessment schemes, and work closely with them to implement sustainability strategies that will help them to achieve relevant certifications.



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; and

SDG 12: ensure sustainable consumption and production patterns

GRI
417

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

2018 Greenbuild China Leadership Award

Swire Properties received the Greenbuild China Leadership Award at the 2018 Greenbuild China International Conference and Expo in recognition of our efforts to create more sustainable buildings and communities in Greater China. Hosted by the USGBC, the Greenbuild conference offers a forum for the green building community to share insights and expertise on issues such as air quality, human health, energy use and climate change.

During the two-day conference, which took place in Shanghai between 23 and 24 October 2018, Dr Raymond Yau, General Manager of our Technical Services and Sustainable Development department, presented case studies on our energy efficiency optimisation initiatives at Pacific Place and Taikoo Li Sanlitun, while Dr Amie Lai, Senior Sustainable Development Manager, spoke about Swire Properties’ experience of developing and issuing our **first green bond**.





PERFORMANCE (ENVIRONMENT)

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

Green Buildings as a % of Swire Properties' Portfolio

100% of projects under development⁴² achieved the highest ratings of green building certification

92% of all existing buildings⁴³ are certified green buildings, of which **75%** achieved the highest ratings

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

37 buildings⁴⁴ earned BEAM or BEAM Plus certification, with **29** of those achieving the highest ratings (Excellent/Platinum)

33 buildings earned LEED certification, achieving either Platinum or Gold ratings

2 mixed-use developments achieved Gold ratings under the LEED for Neighbourhood Development

Green Buildings Certified in 2018

BEAM Plus

Final Platinum (Existing Buildings Version 2.0 – Comprehensive Scheme)

28 Hennessy Road, Three Pacific Place

Citygate Outlets and One Citygate

One Island East, Cambridge House, Dorset House, Devon House, Oxford House and PCCW Tower

Cityplaza One, Cityplaza Three, Cityplaza Four and Cityplaza mall

Final Platinum (New Buildings Version 1.2)

ALASSIO

LEED

Final Platinum (Core and Shell)

HKRI Centre 1 and HKRI Centre 2

Final Gold (Core and Shell)

HKRI Taikoo Hui mall

WELL

Platinum Pre-certification (Core and Shell)

One Taikoo Place

China Three Star

China Green Building Design Label - 2 Star

HKRI Taikoo Hui mall, HKRI Centre 1, HKRI Centre 2 and The Middle House

Green Mark

Platinum

2 Draycott Park, Singapore



⁴² "Projects under development" refers to projects that are under construction or in the pre-certification stage. It does not include joint-venture projects.

⁴³ Measured as the percentage of total gross floor area.

⁴⁴ 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)

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

WorldGBC Asia Pacific Leadership in Green Building Awards 2018

In September 2018, Swire Properties received the Business Leadership in Sustainability Award from the WorldGBC, a non-profit, global network of green building councils, for its work in the Asia Pacific region. The award recognises companies that strive to integrate sustainability considerations into their business models and make an outstanding contribution to a sustainable built environment.



At the same event, Swire Properties also received the Special Recognition: Better Places for People Award, which recognises companies that incorporate health and wellbeing practices, in line with the WorldGBC’s Better Places for People project.

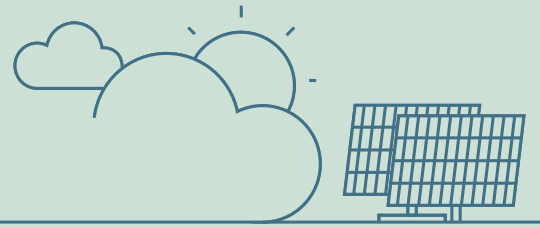


Swire Properties has demonstrated strong commitment and leadership through its laudatory efforts in ensuring the implementation of the strategy through investment in people and collaborative partnerships anchored on concrete data and science-based targets. Particularly impressive is the alignment across the different parts of the organization in realising the vision—including executives, senior management and members across various teams. In addition, they had shown clear focus in ensuring that health and wellbeing of their employees and occupants are addressed, from physical to mental wellbeing through various engagement programmes.

Milag San Jose-Ballesteros

Regional Director (East, Southeast Asia and Oceania), C40 Cities, and World GBC Juror

CLIMATE-RELATED FINANCIAL DISCLOSURES



Climate-related Financial Disclosures

GRI
102-30, 201, 305

HKEX
Aspect A2, A3
KPI A3.1

In 2015, the Financial Stability Board (“FSB”)⁴⁵ established the Task Force on Climate-related Financial Disclosures (“TCFD”) to develop voluntary, consistent climate-related financial risk disclosures for use by companies in providing information to investors, lenders, insurers, and other stakeholders. In 2017, the TCFD published a set of recommendations for voluntary climate-related financial disclosures that are consistent, comparable, reliable, clear, and efficient, and aim to provide decision-useful information to lenders, insurers, and investors.



Swire Properties Limited (“SPL”) recognises the risks and opportunities presented by climate change to our business. In accordance with our [Climate Change Policy](#), we are committed to communicating our management approaches and strategies for climate mitigation, adaptation, and resilience to our stakeholders. In 2018, we started to publish climate-related financial disclosures with reference to the recommendations of the TCFD under the four core categories of Governance, Strategy, Risk Management, and Metrics and Targets. Our disclosures are set forth in the following pages.

Governance	Strategy	Risk Management	Metrics and Targets
SPL’s governance around climate-related risks and opportunities	The actual and potential impacts of climate-related risks and opportunities on SPL’s businesses, strategy, and financial planning	How SPL identifies, assesses, and manages climate-related risks	The metrics and targets used to assess and manage relevant climate-related risks and opportunities material to SPL

⁴⁵ The FSB is an international body that monitors and makes recommendations about the global financial system.

Governance

- Our Sustainable Development Steering Committee (“SDSC”) is chaired by the Chief Executive, and comprises the Finance Director and five 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 SDSC reports relevant SD matters, including climate-related issues, to the Board of Directors of the Company (“Board”) as appropriate.

- The SDSC meets quarterly and, in accordance with its terms of reference, has the following responsibilities related to climate change:
 - ▶ Review the Company’s SD 2030 Strategy, including approving targets or key initiatives related to climate change mitigation, adaptation and building climate resilience
 - ▶ Review any significant risks, opportunities, or investments regarding climate change or energy/carbon management
 - ▶ Review on an annual basis the performance of the Company in achieving the energy/carbon intensity reduction targets and other KPIs under climate change and energy

- The Board provides oversight of our [risk management framework](#) and our SD risks, including climate-related risks. We conduct regular risk identification, analysis and review management processes throughout the year through the Audit Committee and our ERM system, including our Corporate Risk Register in which climate change has been identified as an emerging risk.

- We adopted a [Climate Change Policy](#) to guide our management approach and strategy on climate change mitigation, adaptation and resilience.

- In 2017, SPL conducted a [materiality review](#) to gather feedback from over 300 internal and external stakeholders. The topics of green buildings, climate change, and energy efficiency were identified as the three most material issues to our business continuity and development. These issues align with the focus areas of our SD 2030 Strategy.

- We support the Business Environment Council’s efforts to develop and promote the [Low Carbon Charter](#) for the property and construction sector in Hong Kong.

Strategy

- SPL recognises that climate change poses different types of risks to our business. Apart from physical risks, such as flooding, extreme weather events, and increasing temperatures, which can disrupt or negatively impact our employees, assets, and supply chain, we also acknowledge the potential financial impacts resulting from transition risks such as regulatory, market, and reputational risks.
- Climate change also presents us with opportunities to develop low carbon and climate resilient assets to meet the increasing market demand for climate-proof buildings and to mitigate the potential operational costs attributed to extreme weather conditions, such as maintenance and insurance premiums. Also, climate change helps stimulate business innovation and experimentation, which may aid the transition to a lower-carbon economy.
- We are committed to creating climate resilient places and communities that are better able to cope with the physical impacts from climate change. We are also committed to developing certified green buildings that are energy efficient and low carbon by design and in operation. Under our SD 2030 Strategy, one of our 2020 KPIs is to generate 2-4% of landlord's energy from renewable sources for selected new office developments.
- To help us develop long-term strategies to protect our business from climate-related risks, in 2018 we launched a study to help us identify the key risks and opportunities posed by climate change to our assets and business operations in Hong Kong, Mainland China, and Miami, U.S.A.
- To prepare for the low carbon transition, we have established carbon reduction targets and initiatives under our SD 2030 Strategy for our Hong Kong and Mainland China portfolios. In 2018, we have committed to the Science-Based Targets initiative ("SBTi") and began work on establishing new science-based targets for our business in accordance with SBTi criteria.
- In January 2018, we issued our first 10-year green bond, which raised US\$500 million to fund green projects relating to renewable energy, energy efficiency, and climate change adaptation. The environmental impacts of the green projects funded by the bond proceeds have been described in our first Green Bond Report.

Governance

Strategy

Risk Management

Metrics and Targets

Strategy

- Since 2011, we have worked with [Tsinghua University](#) through 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 other researchers.
- Our [New Ventures](#) team works with investors, accelerators, and experts from around the world to source new technologies that add strategic value to our operations, including low carbon technologies.

Risk Management

- In accordance with the TCFD recommendations, we are conducting asset-level modelling of acute and chronic physical risks associated with the four Representative Concentration Pathways (RCP 2.6, 4.5, 6 & 8.5) used by the Intergovernmental Panel on Climate Change (“IPCC”). As part of our ongoing [climate risk assessment](#), we are collating historical data and projecting climate variables, such as temperature, precipitation, sea level rise and wind speed from suitable Global Climate Models (“GCM”), and using the climate data to predict local climate scenarios to help us accurately evaluate the exposure of specific assets and operations in selected timeframes, from the immediate term to the distant future (i.e. year 2025, 2030, 2050 and 2100).
- As part of our ongoing climate risk assessment, we are also undertaking detailed risk and resilience assessments at the asset-level to evaluate the degree of vulnerability and criticality of various business and operational areas under the potential effects of the identified climate risks. We have considered individual building’s features such as system robustness, redundancy and susceptibility to climate hazards, including flooding, heat stress, water stress and extreme wind effects.

Governance

Strategy

Risk Management

Metrics and Targets

Risk Management

- On transition risks, we are reviewing global and local government policies, regulatory, technological, and market trends based on different climate scenarios such as the International Energy Agency 2°C Scenario (IEA 2DS), in the global transition to a low carbon economy. Through the review of these mega-trends, we are working to identify the potential risks and opportunities that may have a financial impact to our business.
- Findings of the assessment will be used to develop a targeted action plan for mitigating risks and building resilience across our portfolios, and will be incorporated into our ERM system for continuous management of material climate risks.
- Regarding investment assessment, as part of our due diligence process for new acquisitions, we have integrated SD criteria, including climate adaptation and resilience, energy efficiency and carbon emissions, of the acquired assets into the risk assessment process.
- We have had a [Business Recovery Plan](#) in place since 1997 to help ensure that we maintain critical crisis planning and execution capabilities in the event of major incidents, including extreme weather events. We have also put in place local crisis response plans for all portfolios.
- Through the ISO 14001 Environmental Management System and ISO 50001 Energy Management System, we manage our daily operational risks related to climate change, carbon and energy management.

Governance

Strategy

Risk Management

Metrics and Targets

Metrics and Targets

- Since 2004, we have been measuring and reporting our energy consumption as well as our Scope 1 and 2 carbon emissions from our operations in accordance with global standards including the GHG Protocol.

- Recognising the impact of the building sector on climate change and energy consumption, we set a target to reduce the annual energy consumption of our Hong Kong Portfolio and Mainland China Portfolio, by 2020, by 64 million kWh and 23 million kWh respectively, as compared with the baseline.

- In 2016, we announced additional targets as part of our SD 2030 Strategy to reduce the carbon intensity of our Hong Kong Portfolio and Mainland China Portfolio, by 2020, by 27% and 21% respectively, as compared with the baseline.

- These metrics and our progress against the reduction targets are tracked and reported annually in our [SD Report](#).

- To help us meet our target of generating 2-4% of landlord's energy from renewable energy sources for sizeable new office developments, at One Taikoo Place we are implementing solar PV and a waste-to-energy tri-generation system that we estimate will supply renewable energy equivalent to approximately 4% of the total landlord's building energy.

PERFORMANCE (ECONOMIC)

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





PERFORMANCE (ECONOMIC)

Governance Culture • Risk Management and Internal Controls • Ethics Progress • Green Financing • Risk Management

Governance Culture

GRI 102-18, 102-23

We are committed to conducting our affairs in accordance with high ethical standards. This reflects our belief that it is imperative to act with probity, transparency and accountability in order to achieve our long-term objectives of maximising shareholder wealth while promoting the interests of our employees, those with whom we do business, and the communities in which we operate.

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, which is chaired by the Chief Executive and comprises two Executive Directors and nine members of senior management, is responsible for overseeing the day-to-day operations of the Company.

For more information on Corporate Governance, please refer to the [Swire Properties Annual Report 2018](#).





PERFORMANCE (ECONOMIC)

Governance Culture • Risk Management and Internal Controls • Ethics
 Progress • Green Financing • Risk Management

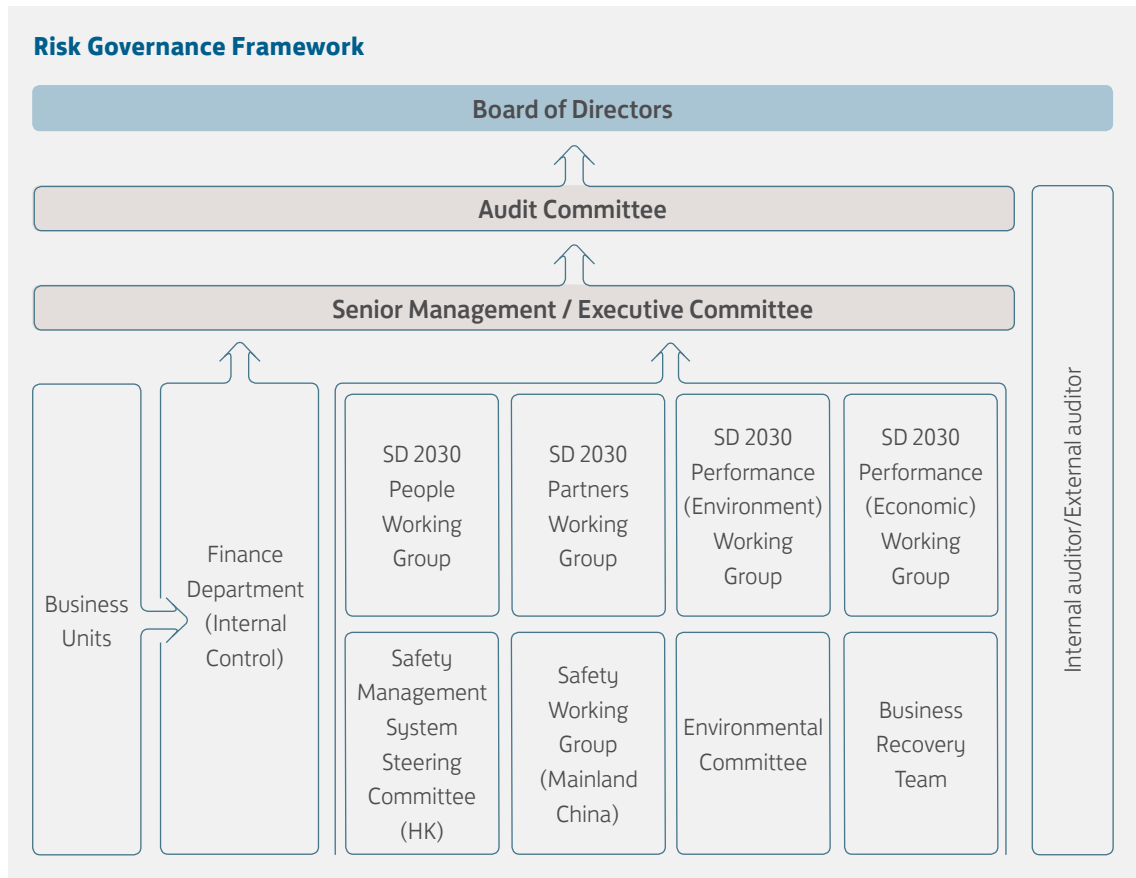
Risk Management and Internal Controls

GRI
 102-11, 102-30,
 201, 403

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 for ensuring that the Company establishes and maintains appropriate and effective risk management and internal control systems.

Under our risk management framework, 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.

As summarised in the following diagram, the Board oversees management in the design, implementation and monitoring of risk management and internal control systems. Management provides confirmation to the Board, through its Audit Committee, on the effectiveness of these systems.



We have an 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.

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.



PERFORMANCE (ECONOMIC)

Governance Culture • Risk Management and Internal Controls • Ethics
 Progress • Green Financing • Risk Management

Review of our ERM System

After completing a review of our ERM system in 2017, we updated our Corporate Risk Register in 2018 to incorporate additional SD-related risks. We have also integrated SD factors into our corporate risk analysis.

Risk Profile

The following table provides an overview of our risk profile, including what we consider to be Swire Properties' principal existing and emerging risks, possible associated impacts, and mitigation measures that are in place or under development. Many of these mitigation measures refer to activities discussed in more detail elsewhere in this report.

Existing Risks and Possible Impacts	Mitigation Measures
<p>Economic and political volatilities could lead to adverse impacts on the property market and our development costs.</p>	<ul style="list-style-type: none"> ▶ Differentiate our properties in the market and maintain a balanced tenant mix. ▶ Pursue development schemes that do not require the payment of a land premium, or if the payment of a land premium is required, allow sufficient time to review the premium. ▶ Closely monitor and manage the construction progress and contractors to avoid delays in project development. <p>Our approach to financial risk management is further discussed in note 2 to the financial statements in the Swire Properties Annual Report 2018.</p>
<p>Change in government policies could lead to adverse impacts on the property market and our financing costs.</p>	<ul style="list-style-type: none"> ▶ Liaise closely with the government on property-related policies, closely monitor policy development, and seek to secure planning approvals as early as possible. ▶ Adopt conservative budgeting assumptions when assessing new opportunities. ▶ Explore alternative sources of funding.
<p>Increase in development costs and delay in project completion could adversely affect our financing costs.</p>	<ul style="list-style-type: none"> ▶ Closely monitor the construction programmes and the progress of developments. ▶ Implement stringent pre-qualification assessments of contractors and approval mechanisms for design changes. ▶ Build in additional time during development planning stages to obtain statutory approvals and communicate with the government on a timely basis.



PERFORMANCE (ECONOMIC)

Governance Culture • Risk Management and Internal Controls • Ethics
Progress • Green Financing • Risk Management

Existing Risks and Possible Impacts	Mitigation Measures
<p>Health and safety issues could lead to casualties, property damage, construction delays, and disruption to our business and/or damage to our reputation.</p>	<ul style="list-style-type: none"> ▶ Ensure safety management as part of property construction and management, including incident investigation, safety guidelines and training, contractor evaluation, maintenance programme for fire-fighting systems and other building facilities. ▶ Our Business Recovery Plan and other business compliance measures with specific health and safety provisions such as fatal incident reporting guidelines and pandemic disease communication portals are in place.
<p>Cyber-attacks on networks and systems could result in disruptions to our business, data breaches, damage to our reputation, and/or financial loss.</p>	<ul style="list-style-type: none"> ▶ Conduct regular audits to assess compliance with our Information Security Policy, provide training on information security awareness, test network security and conduct drills as part of the Business Recovery Plan. ▶ A Cyber Incident Response Plan is in place to address cyber-attacks that may threaten our business. ▶ Include data protection obligations in contracts with our third-party data processors.
<p>Climate change, which may give rise to extreme weather conditions, could expose properties to increased risks of physical damage and could adversely impact property valuation.</p>	<ul style="list-style-type: none"> ▶ Our climate change policy is in place. ▶ Conduct climate risk assessments for all portfolios. ▶ Monitor carbon emissions from existing buildings, as well as from construction activities and embodied carbon from major building and construction materials.



PERFORMANCE (ECONOMIC)

Governance Culture • Risk Management and Internal Controls • 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”) applies to every employee, officer and director of the Company and its subsidiaries. It sets out the operating principles underpinning our management approaches to a range of issues, including 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.

Under the Code, all Swire Properties employees have a responsibility to report concerns about any suspected or actual improprieties relating to the Company and/or its subsidiaries. Employees found to be in breach of the Code will be subject to disciplinary action. In 2018, there were no reported cases regarding breaches against our Code.

Whistleblowing Policy

HKEX
KPI B7.2

The [Whistleblowing Policy](#), which was approved by Swire Properties’ Board of Directors in 2018, sets out our policy on whistleblowing, including the protection of whistleblowers from reprisal or disadvantage.

To report concerns, Swire Properties employees should contact the Company’s human resources and administration department, their immediate superior, the Swire Group Internal Audit Department (“GIAD”) or make a report through our whistleblowing platform hosted by a designated third-party service provider, which includes a 24-hour hotline service. Third parties who deal with Swire Properties, such as customers and suppliers, are also encouraged to report their concerns either directly to GIAD or via the whistleblowing platform.

Since the launch of the policy in November 2018, we have not received any whistleblowing reports.

We are committed to the fair treatment of any person who makes a genuine and appropriate report. In addition to making every effort to keep the identity of whistleblowers confidential, all reported information is treated in confidence, except where Swire Properties is required by law or regulation to disclose it, for legal or audit purposes, or where Swire Properties refers the matter to relevant regulators or law enforcement authorities.



PERFORMANCE (ECONOMIC)

Governance Culture • Risk Management and Internal Controls • Ethics
 Progress • Green Financing • Risk Management

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 2018, there were no concluded legal cases regarding corrupt practices brought 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 2018, approximately 4,630 hours of anti-bribery related training were conducted.

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.

Please refer to the Partners section of this report for information about our [Data Management and Protection Policy \(Customer Data\)](#).

Competition Law

We are committed to complying with all applicable competition and antitrust laws, including the Competition Ordinance in Hong Kong. In 2018, there were no legal actions related to anti-competitive behaviour brought against Swire Properties.

To help our employees understand the legal requirements of the Competition Ordinance in Hong Kong, we have guidelines in place on dealings with competitors and third parties, avoiding abuse of market power and participating in trade associations and industry bodies. We have also developed and implemented a Competition Law e-training programme for relevant employees in Hong Kong.



PERFORMANCE (ECONOMIC)

Governance Culture • Risk Management and Internal Controls • Ethics
 Progress • Green Financing • Risk Management

Progress

Our Performance (Economic) Working Group, which comprises 16 representatives from different functions across Swire Properties, is focused on achieving our 2020 KPIs in the five focus areas of Green Financing, Corporate Governance, Risk Management, Disclosure Reporting and Investor Relations, as summarised in the table below.

In 2018, we achieved our 2020 KPIs to issue, promote and report on Swire Properties’ first green bond, participate in the Swire Pacific SD Fund and test pilot experimental technologies in our New Ventures innovation pipeline. In addition to issuing our Whistleblowing Policy that aligns with best practices, we also adopted a new due diligence checklist to incorporate SD criteria into our investment assessment process in a more structured and systematic way.

Progress Summary Table

Performance Categories

2020 KPI

Progress Updates for 2018

Financial Performance



Underlying Profit

Details of our financial performance in the year ended 31st December 2018 are available in the [Swire Properties Annual Report 2018](#).

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. The first Swire Properties [Green Bond Report](#) was published in November 2018.

Internal Fund

Participate in the Swire Pacific SD Fund

▶ **2** energy-saving pilot schemes in our existing buildings received funding approval and are currently being implemented.

“New Ventures” Innovation Pipeline

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

▶ **25** technical trials have been launched/ confirmed.



PERFORMANCE (ECONOMIC)

Governance Culture • Risk Management and Internal Controls • Ethics
 Progress • Green Financing • Risk Management

Performance Categories

2020 KPI

Progress Updates for 2018

Corporate Governance



Whistleblowing Policy

Follow best practice whistleblowing policy

▶ SPL's [Whistleblowing Policy](#) was issued in November 2018.

Anti-bribery and Anti-corruption

Annual bribery and corruption risk review by the Executive Committee

▶ An anti-bribery questionnaire covering the 2018 reporting period has been submitted to the Executive Committee for its review.

Responsible Investment

Incorporate SD criteria into our investment assessment process

▶ In Hong Kong, we developed and adopted a new due diligence checklist with SD criteria to underpin more structured and systematic processes for responsible investment.

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

▶ We updated our Corporate Risk Register to incorporate additional SD-related risks and integrate SD factors into our corporate risk analysis.

Integrate SD factors into corporate risk analysis

Business Recovery Plan ("BRP")

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

▶ The last BRP was conducted in 2017.

▶ We launched a new Cyber Incident Report Plan to tackle cyber risks.

Ensure all portfolios have local crisis response plans in place

▶ We have completed local crisis response plans for HKRI Taikoo Hui, Shanghai and Brickell City Centre, Miami, U.S.A. and have put in place local crisis response plans for all portfolios.



PERFORMANCE (ECONOMIC)

Governance Culture • Risk Management and Internal Controls • Ethics
 Progress • Green Financing • Risk Management

Performance Categories

2020 KPI

Progress Updates for 2018

Disclosure & Reporting⁴⁶



Disclosure Benchmarks and SD Indices

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

▶ We continued to participate in various [sustainability benchmarks and indices](#).

Investor Relations



Direct

Meet regularly with investors specialising in Environmental, Social and Governance (“ESG”) investments

▶ We collect feedback about our SD performance on an ongoing basis through regular meetings with investors. We met with green bond investors during regular non-deal roadshows.

Indirect

Actively participate in investor-led ESG platforms

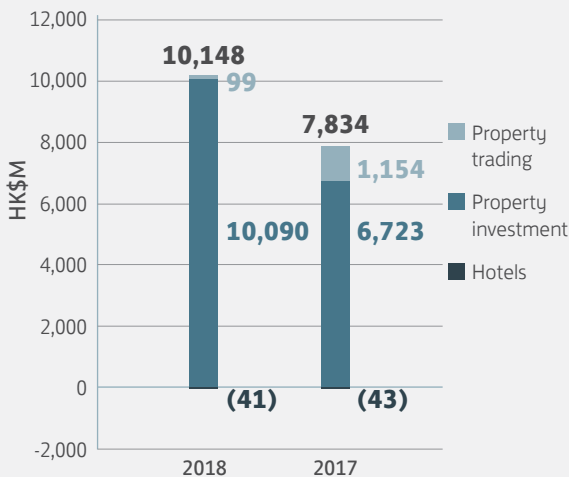
▶ We continued to participate in investor-led platforms, such as [GRESB](#) from which we received a 5-star rating.

⁴⁶ We previously included a 2020 KPI for integrated reporting, however having completed a review of the applicability of the International Integrated Reporting Council (“IIRC”) framework in 2018, we have decided not to adopt integrated reporting at this stage.

Financial Highlights for 2018

Underlying profit attributable to shareholders
 HK\$ **\$10,148** million | 2017: HK\$ **\$7,834** million

Underlying profit/(loss) by segment:



SDG 8

Decent Work and 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*:
~29.1 million sq. ft.

Gearing ratio* **10.6%**

Credit rating*
 Fitch: **A** | Moody's: **A2**

*At 31st December 2018

GRI
 201





PERFORMANCE (ECONOMIC)

Governance Culture • Risk Management and Internal Controls • Ethics
 Progress • **Green Financing** • Risk Management

Green Financing

Green Bond

The issuance of Swire Properties’ first green bond in January 2018 reaffirms our ongoing commitment to sustainable development, and to designing and developing sustainable projects that improve the wellbeing of building occupants and local communities.

Details of First Green Bond	
Size	US\$500 million
Tenor	10-year
Issue Date	10th January 2018
Coupon	3.5%
Issue Price	99.566%
Ranking	Senior Unsecured
Joint Lead Managers & Bookrunners / Joint Green Advisors	Bank of America Merrill Lynch HSBC
Ratings	A – Fitch A2 – Moody’s
Certification	First Green Bond in Hong Kong to obtain Green Finance Certification from HKQAA 
Second Party Opinion Provider	
Inclusion in Green Bond Indices	Bloomberg Barclays MSCI Green Bond Index ICE BofAML Green Bond Index



Our Green Bond Framework is available online. Net proceeds will be used to fund green projects meeting one or more of the following categories of eligibility recognised in the [Green Bond Principles](#).



Renewable Energy



Energy Efficiency



Sustainable Water and Wastewater Management



Climate Change Adaptation



Green Buildings

In November 2018, we issued our first [Green Bond Report](#), which provides information to investors about the allocation of proceeds from the green bond, as well as quantitative environmental impacts, such as estimated carbon emissions avoidance and energy savings, arising from green projects that have been funded by those proceeds.



PERFORMANCE (ECONOMIC)

Governance Culture • Risk Management and Internal Controls • Ethics
 Progress • **Green Financing** • Risk Management

Allocation of First Green Bond Proceeds

Category	Projects	Green Bond Proceeds Allocated ¹	
		Amount	Percentage
Green Buildings	One Taikoo Place	HK\$2,987 million	76.7%
Energy Efficiency	Cityplaza, Pacific Place and Taikoo Place	HK\$116 million	3.0%
Renewable Energy	One Taikoo Place	HK\$11 million	0.3%
Sustainable Water and Wastewater Management	One Taikoo Place	HK\$8 million	0.2%
Total allocated proceeds		HK\$3,122 million	80.2%
Unallocated proceeds²		HK\$769 million	19.8%
Total proceeds		HK\$3,891 million	100.0%

¹ As at 30th September 2018

² The unallocated proceeds may be invested in cash or cash equivalents, or used to repay existing borrowings under general credit facilities.

³ An independent assurance provider, PricewaterhouseCoopers has issued a limited assurance report. Please refer to page 6 to 8 of our [Green Bond Report 2018](#) for further details.

Support for Green Capital Markets

As part of our ongoing commitment to furthering the development of green financing in Hong Kong’s capital market, Swire Properties participated in various forums and events during 2018, including a seminar hosted by GRESB and Asia Pacific Real Estate Association, a luncheon organised by the HKGBC and a symposium arranged by the Hong Kong Quality Assurance Agency (“HKQAA”) in May.

In June, Fanny Lung, our Finance Director, joined a panel discussion at a seminar on Green Finance opportunities hosted by the Hong Kong Monetary Authority and the Research Bureau of the People’s Bank of China. In November, she also spoke at the Financial Times Climate Finance Asia Summit on the topic of Financing Climate-Related Investments: Green Bonds and Green Debt – Expanding the Boundaries of Innovation in Asia.

In September, Dr Raymond Yau, General Manager of our Technical Services and Sustainable Development department spoke about Swire Properties’ experience of developing and issuing our first green bond at the International Green Building Conference 2018.





PERFORMANCE (ECONOMIC)

Governance Culture • Risk Management and Internal Controls • Ethics
 Progress • **Green Financing** • Risk Management

Internal Funding

In 2018, Swire Properties became the first operating company within the Swire group to receive financing from the Swire Pacific SD Fund, which was established to support SD projects within the Swire group. We are currently implementing two pilot projects under this scheme, which involve the adoption of advanced fan technology and the application of big data analytics to reduce energy consumption in our existing buildings.

Innovation Pipeline

New Ventures is Swire Properties’ technology pipeline and innovation fund that aims at adding strategic value to the Company’s operations by sourcing innovative products and services to address business needs and opportunities. The New Ventures network comprises over 50 venture capital firms, accelerators, incubators, and other organisations from around the world, creating a platform from which we can obtain inspiration and support.

In 2018, the New Ventures team conducted meetings and workshops with various teams and management offices in Hong Kong and Mainland China to discuss their technical sourcing priorities. As at 31st December 2018, 25 pilot tests have been confirmed and/or launched in a number of areas, including data analytics, smart buildings, sustainability, customer engagement, and human resources.

Partnerships for New Ventures

Our New Ventures initiative is designed to empower our business and embody the spirit of innovation and experimentation. Set out below are projects that illustrate the concepts of innovation and experimentation and support the five pillars of our SD 2030 Strategy:

- | | |
|----------------------|--|
| <p>Places</p> | <p>A content management system allowing community engagement and content submission for our “Hometown Heroes” placemaking initiative at Taikoo Place.</p> |
| | <p>A digital meal plan design and catering application to be rolled out as a standard tenant amenity in our new South Island Place office development.</p> |
| <p>People</p> | <p>A customised software platform using data analytics and machine learning to be used to improve hiring and retention strategies for frontline staff.</p> |
| | <p>An interactive voice response software that converts phone interviews with job candidates into text to enhance record-keeping and analysis.</p> |

Next Page



PERFORMANCE (ECONOMIC)

Governance Culture • Risk Management and Internal Controls • Ethics
 Progress • **Green Financing** • Risk Management

<p>Partners</p>		<p>A tenant engagement and tenant management portal allowing enhanced communication with tenants, such as a newsfeed, room bookings, and other applications.</p>
<p>Performance (Environment)</p>		<p>A cloud-based software programme for real-time collaboration between project team members on construction projects, such as architects, designers, and contractors.</p>
<p>Performance (Economic)</p>		<p>Air-purifying paint tested at Blueprint and Taikoo Li Sanlitun, Beijing, using photo-catalysis to remove pollutants, odours, and bacteria from the air.</p>
		<p>A self-rinsing fountain installed at Citygate Outlets for supplying filtered drinking water with a smart display to track the number of bottles saved.</p>
		<p>An upgrade to our in-house software for making portfolio valuations that automates the identification of significant lease changes.</p>

Risk Management

GRI 102-30

Business Recovery Plan

Our Business Recovery Plan (“BRP”) has been in place since 1997 to ensure that we maintain critical crisis planning and execution capabilities in the event of major incidents.

In 2018, we launched a training video for members of our Business Recovery Team (“BRT”) to familiarise them with the implementation of the BRP. We aim to organise a BRP simulation exercise for our Hong Kong portfolio in 2019.

In May 2018, we adopted a new Cyber Incident Response Plan to address the increase in the frequency and severity of cyber-attacks that are threatening businesses around the world. The plan, which was tested by our BRT through a desktop drill in February 2018, provides detailed guidance on how to handle a variety of potential scenarios, including setting up an incident response team and communicating with external stakeholders.

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.

We have also prepared this report in compliance with all applicable provisions set out in the Environmental, Social and Governance Reporting Guide (“HKEX ESG Reporting 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 2018.

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 2018 to help us illustrate progress on relevant focus areas of our SD 2030 Strategy. More information is available in the [Swire Properties Annual Report 2018](#).

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, excluding 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, U.S.A. portfolio and Hotel operations. Notes accompanying our [Performance Data Summary](#) provide additional information 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 with the Swire Properties SD Report 2017, the scope of reporting on KPIs in this report has been expanded to include REPUBLIC, STAR STUDIOS, Brickell City Centre, Miami, U.S.A., EAST, Miami and EAST, Residences. Due to changes in our property management structure, our serviced apartments in Hong Kong, namely Pacific Place Apartments and Taikoo Place Apartments are now reported under Swire Hotels.

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 each development has opened and reached a significant level of occupancy. Properties in this category include HKRI Taikoo Hui, Shanghai (officially opened in late 2017) and The Middle House, Shanghai (opened in mid-2018). The scope of reporting for KPIs also excludes completed developments for sale.

Scope of SD KPI Data Collection and Reporting in 2018

Hong Kong Portfolio	Pacific Place (3 office towers, shopping mall and STAR STUDIOS ¹) Cityplaza (3 office towers ² and shopping mall) Taikoo Place (8 office towers, including One Island East) Citygate ³ (office and outlets) Other offices and shopping 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
U.S.A. Portfolio	Brickell City Centre ¹
Hotels	Swire Hotels (The Upper House, Hong Kong; EAST, Hong Kong; The Opposite House, Beijing; EAST, Beijing; The Temple House, Chengdu; and EAST, Miami ¹) Serviced Apartments (Pacific Place Apartments ⁴ , Taikoo Place Apartments ⁴ , and EAST, Residences ¹) Swire Restaurants (PUBLIC, Ground PUBLIC, REPUBLIC ¹ , Mr & Mrs Fox, Plat du Jour, Tong Bar & Café, The Continental and SHARK)

¹ Newly added to scope of KPI data collection and reporting in 2018

² Excludes ten floors, which were assigned to the government since 30th December 2016

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

⁴ Formerly reported as part of the Hong Kong portfolio

External Assurance

GRI
102-56

Deloitte Touche Tohmatsu (“Deloitte”) 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 Deloitte is set out in its [assurance report](#).

External Charters and Memberships

GRI
102-12, 102-13

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
Energy Saving Charter	Environment Bureau and Electrical and Mechanical Services Department, Hong Kong SAR Government
4Ts 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
Hong Kong Green Purchasing Charter	Green Council
Sustainable Procurement Charter	Green Council
Manifesto for Energy Efficiency in Buildings	World Business Council for Sustainable Development

Memberships

Name of Association	Nature of Membership
BEAM Society	Founding Member
Business Environment Council	Board of Director and Council Member
China Green Building Council	Member
Green Cross - Occupational Safety & Health Council	Group Member
Green Earth	Soil Companion
Harbour Business Forum	Patron Member (through the Swire group)
Hong Kong General Chamber of Commerce	Member
Hong Kong Green Building Council	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	Director and Corporate Member
Urban Land Institute	Regional Corporate Sustaining Member
World Wide Fund for Nature Hong Kong	Pearl Member

Awards and Certifications

2018 Shopping Centre and Innovate Brand Summit

2018 Outstanding Commercial Complex – Taikoo Li Sanlitun, Beijing

American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHARE) Technology Awards Program

Regional Technology Award 2018 in Commercial Buildings Category – Swire Properties Limited

Building and Construction Authority (Singapore Government)

Green Mark Platinum – 2 Draycott Park

Business Environment Council

Sustainable Consumption Award Scheme – Sustainable Consumption Enterprise Award – Gold – Swire Properties Limited

China Quality Certification Centre

ISO 14001:2015 Environmental Management System Certification

- INDIGO, Beijing
- Taikoo Hui, Guangzhou
- Taikoo Li Sanlitun, Beijing

ISO 50001:2011 Energy Management System Certification

- Taikoo Hui, Guangzhou
- Taikoo Li Sanlitun, Beijing

OHSAS 18001:2007 Occupational Health and Safety Management System Certification

- INDIGO, Beijing
- Taikoo Hui, Guangzhou
- Taikoo Li Sanlitun, Beijing

Condé Nast Traveler

The Best Hotels in the World: 2018 Readers' Choice Awards

- Rank no.28 – The Temple House

Top Hotels in China: Reader's Choice Award 2018

- Rank no.2 – The Temple House
- Rank no.6 – The Upper House
- Rank no.11 – The Opposite House

Top Hotels in Miami: Reader's Choice Award 2018

- Rank no.12 – EAST, Miami

Construction Industry Council

CIC Sustainable Construction Award – Developer (Private Sector) – Silver Rating – One Taikoo Place

Construction Industry Volunteer Award

- Silver Award – Excellence in Construction Industry Volunteering Project – “Welcome Home: Elderly Safe Living Scheme”
- Merit Award for Participation – Swire Properties Limited
- Most Supportive Organisation – Swire Properties Community Ambassador

Electrical and Mechanical Services Department (Hong Kong SAR Government)

Energy Saving Championship Scheme – Merit Award

- Pacific Place Mall
- Cityplaza Three
- Cityplaza Four

Environment Bureau (Hong Kong SAR Government)

Charter on External Lighting – Platinum Award – Swire Properties Limited

- One Pacific Place
- Two Pacific Place
- Three Pacific Place
- Pacific Place Mall
- Citygate Outlets
- Cityplaza Mall
- Cambridge House
- Dorset House
- Lincoln House
- One Island East
- Oxford House

Environmental Campaign Committee

Hong Kong Green Organisation

- Pacific Place
- Citygate
- Cityplaza
- Taikoo Place

Environmental Protection Department (Hong Kong SAR Government)

Indoor Air Quality Certification Scheme

- IAQ Certification Scheme Top 10 Highest Participation Rate in 2017
- 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 (18/F to 19/F & 64/F to 65/F Office) – One Island East
- Excellent Class (Public Areas of Whole Building) – One Island East
- Excellent Class (Public Areas of Office Building) – Oxford House
- Excellent Class (Public Areas of Office Building) – PCCW Tower
- Excellent Class (G/F to 30/F Public Areas and 1/F Coffee Shop) – EAST, Hong Kong
- Excellent Class (L49 Café Gray Deluxe and Public Areas of The Upper House Hotel) – The Upper House
- Good Class (Public Areas of Shopping Mall) – Cityplaza
- Good Class (Public Areas of the Shopping Mall) – Pacific Place Mall
- Good Class (G/F Lobby) – 625 King's Road
- Good Class (Public Areas of Shopping Mall) – Island Place

Global Real Estate Sustainability Benchmark (GRESB)

Global Sector Leader – (Other – Mixed-Use Development Category) – Swire Properties Limited

Hong Chi Jockey Club Glass Bottle Recycling Project

Champion Award – Glass Bottle Recycling Competition – Pacific Place

Diamond Sponsor: Certificate of Recognition

- Pacific Place Apartments
- Taikoo Place

Sponsor: Certificate of Recognition

- Citygate Outlets
- Cityplaza
- Taikoo Place Apartments
- AREZZO (Residential)
- AZURA (Residential)

Hong Kong Green Building Council

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

- 28 Hennessy Road
- Three Pacific Place
- Citygate Outlets (Retail)/One Citygate (Office)
- Cityplaza One
- Cityplaza Three
- Cityplaza Four
- Cityplaza Mall
- Cambridge House
- Devon House
- Dorset House
- One Island East
- Oxford House
- PCCW Tower

BEAM Plus New Buildings (Version 1.2) – Final Platinum Rating

- ALASSIO

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 – 18/F to 19/F & 64/F to 65/F Office – One Island East
- 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 – Pacific Place Complex
- Class of Excellence – Citygate
- Class of Excellence – Cityplaza
- Class of Excellence – Taikoo Place
- Class of Excellence – EAST, Hong Kong

Hong Kong Green Shop Alliance

The Leading Partner Award – Developer/Strategic Partner – Swire Properties Limited

The Power Partner Award – Developer/Strategic Partner – Swire Properties Limited

The Power Partner Award – Shopping Mall

- Pacific Place
- Citygate Outlets
- Cityplaza
- Island Place

Hong Kong Quality Assurance Agency (HKQAA)

ISO 14001:2015 Environmental Management System Certification – Hong Kong Portfolio

ISO 50001:2011 Energy Management System Certification – Hong Kong Portfolio

ISO 45001:2018 Occupational Health and Safety Management System Certification – Hong Kong Portfolio

Hospitality Technology magazine

2018 Hotel Visionary Award – EAST, Miami

International Facility Management Association Hong Kong Chapter

Asia Pacific Facility Management Awards – Certificate of Merit, Best Facility Management Technology Award Category – Swire Properties Limited

International WELL Building Institute

WELL Core & Shell – Pre-certification Platinum – One Taikoo Place

Labour Department (Hong Kong SAR Government) and Occupational Safety and Health Council

The 10th Outstanding Occupational Safety and Health Employees Award Scheme

- Meritorious Award – Management Category – K.N. Hui (Cityplaza)

League of American Communication Professionals

2017 Vision Awards

- Silver – Corporate Social Responsibility Report – Swire Properties Limited
- Silver – Sustainability Report – Asia Pacific – Swire Properties Limited

Marketing Magazine

Marketing Excellence Awards 2018

- Silver Award – Excellence in Public Relations – PROJECT AFTER 6: Cube Culture – Taikoo Place
- Silver Award – Excellence in Partnership – V&A ‘Shoes: Pleasure and Pain’ Exhibition – Swire Properties Limited

PR Awards 2018

- “Best PR Campaign – China” – Gold award – V&A ‘Shoes: Pleasure and Pain’ Exhibition
- “Best Launch/Relaunch” – Bronze award – V&A ‘Shoes: Pleasure and Pain’ Exhibition
- “Best PR Campaign – Lifestyle” – Bronze award – All-star Summer Campaign (Taikoo Hui, Guangzhou)

MerComm Inc.

Annual Report Competition (ARC) International Awards

- Gold (1st Prize) in Specialized Annual Report: Sustainability Report – Asia, Mid-East & Pacific
- Gold (1st Prize) in PDF Version of Annual Report: Sustainability – Asia, Mid-East & Pacific
- Silver (2nd Prize) in Green/Environmentally Sound Annual Report

Ministry of Housing and Urban-Rural Development of the People’s Republic of China

Green Building Evaluation Label (China Three Star) – Two Star – HKRI Taikoo Hui, Shanghai

Occupational Safety & Health Council

17th Hong Kong Occupational Safety & Health Award

- Occupational Safety and Health (OSH) Annual Report Award – Bronze – Swire Properties Limited

Quality Building Award 2018

Merit Award – Hong Kong Residential (Single Building) – AREZZO

Randstad

Randstad Employer Brand Awards 2018 – Third Most Attractive Employer in Hong Kong – Swire Properties Limited

The Hong Kong Institute of Architects

Annual Awards 2017/18 – (Special Architectural Award – Interior) – ArtisTree

The Hong Kong Council of Social Service

Outstanding Partnership Project Award 2017/18 – LOVE’S TEAM Charity Bazaar (Swire Properties Community Ambassador)

15 Years Plus Caring Company – Swire Properties Limited

The Hong Kong Retail Management Association (HKRMA)

2018 Service Retailers of the Year in the Shopping Mall Category – Cityplaza

2017-18 HKRMA Mystery Shopper Programme – No. 1 Ranking – Cityplaza

Top 10 Outstanding Service Retail Brands – Citygate Outlets**2018 Service & Courtesy Award – Gold Award – Mavis Lau (Cityplaza)****Mystery Shopper Programme**

- Rank no.1 – Cityplaza
- Rank no.2 – Citygate Outlets
- Rank no.5 – Pacific Place Mall

*Travel + Leisure (T+L)***T+L's 2018 World's Best Awards – The Top 100 Hotels in the World – The Temple House****T+L's 2018 World's Best Awards – The 10 Best City Hotels in Asia – The Temple House***TripAdvisor***2018 TripAdvisor Travellers' Choice Award – No.1 in the Top 25 Hotels China Category; No.3 in the Top 25 Luxury Hotels Word Category; No.15 in the Top 25 Hotels Asia Category – The Upper House****2018 TripAdvisor Travellers' Choice Award – No.4 in the Top 25 Hotels China Category – The Opposite House****2018 TripAdvisor Travellers' Choice Award – No.6 in the Top 25 Hotels China Category – The Temple House***U.S. Green Building Council***LEED 2009 for Core and Shell**

- Platinum – HKRI Centre One and HKRI Centre Two, Shanghai
- Gold – HKRI Taikoo Hui Mall, Shanghai

2018 Greenbuild China Leadership Award – Swire Properties Limited*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
- Cityplaza North
- Cityplaza South
- Berkshire House
- Cambridge House
- Devon House
- Dorset House

- Lincoln House
- One Island East
- Oxford House
- PCCW Tower
- Pacific Place Apartments

Quality Water Supply Scheme for Buildings – Fresh Water (Management System) Certificate

- Generali Tower
- Pacific Place
- Cityplaza One
- Cityplaza Three
- Cityplaza Four
- Oxford House
- Pacific Place Apartments
- STAR STUDIOS I (Residential)
- STAR STUDIOS II (Residential)

Quality Water Supply Scheme for Buildings – Fresh Water (Plus) Certificate

- 28 Hennessy Road
- Three Pacific Place
- Citygate Outlets & One Citygate
- Berkshire House
- Cambridge House
- Devon House
- Dorset House
- Lincoln House
- One Island East
- PCCW Tower
- Island Place Mall

World Green Building Council

Asia Pacific Leadership in Green Building Awards (2018)

- Business Leadership in Sustainability Award – Swire Properties Limited
- Special Recognition: Better Places for People Award – Swire Properties Limited

Performance Data Summary

	Unit	Hong Kong Portfolio					Mainland China Portfolio					U.S.A. Portfolio		Hotels				Total
		2018 [^] *	2017	2016	2015	2014	2018	2017	2016	2015	2014	2018 [*]	2018 [^]	2017	2016	2015	2014	2018
Energy consumption																		
Purchased electricity	MWh	157,959	165,100	181,180	189,360	192,617	70,069	70,556	73,965	59,659	59,213	15,591	43,746	33,856	28,174	23,638	23,846	287,365
Industrial diesel	GJ	568,654	594,360	652,249	681,696	693,420	252,248	254,002	266,273	214,773	213,168	56,129	157,486	121,882	101,425	85,097	85,845	1,034,517
Ultra-low sulphur diesel (ULSD)	Litres	-	-	17,320	19,292	18,776	5,150	5,272	5,272	4,460	7,908	20,677	15	60	401	425	917	25,842
Biodiesel	Litres	60	-	-	-	-	-	-	-	-	-	-	246	347	-	-	-	60
Petrol	Litres	15,697	16,905	18,487	22,627	24,090	63,625	67,449	70,662	54,840	41,971	927	44,512	44,400	41,063	36,834	37,804	124,761
Town gas	Unit	-	-	-	-	-	-	-	-	-	-	-	236,138	198,192	210,208	185,276	183,846	236,138
Natural gas	GJ	-	-	-	-	-	86,040	75,991	86,762	51,964	14,187	-	61,842	50,431	49,790	35,487	34,507	147,882
Liquefied petroleum gas	Kilograms	-	-	-	-	-	-	-	-	-	-	-	3,020	17,368	6,524	-	-	3,020
Direct energy consumption (Industrial diesel + ULSD + biodiesel + petrol + town gas + natural gas + liquefied petroleum gas)	GJ	2,622	2,737	2,844	3,168	3,228	88,306	78,386	89,263	53,929	15,852	775	74,780	62,210	61,537	45,604	44,620	166,483
Total energy consumption	GJ	571,276	597,097	655,093	684,864	696,648	340,554	332,388	355,536	268,702	229,020	56,904	232,266	184,092	162,962	130,701	130,465	1,201,000^R
Carbon emissions																		
Direct carbon emissions (Scope 1) ⁽¹⁾	Tonnes of CO ₂ e	1,679	2,778	4,894	749	3,290	4,550	4,585	5,074	2,805	3,338	56	3,984	3,430	3,497	2,424	2,727	10,269
Indirect carbon emissions (Scope 2) ⁽²⁾	Tonnes of CO ₂ e	121,952	127,749	138,457	147,571	148,116	46,252	53,090	55,658	45,818	45,476	7,133	29,545	26,210	21,639	18,518	18,564	204,882
Total carbon emissions (Scopes 1 & 2)	Tonnes of CO ₂ e	123,631	130,527	143,351	148,320	151,406	50,802	57,675	60,732	48,623	48,814	7,189	33,529	29,640	25,136	20,942	21,291	215,151^R
Materials used																		
Refrigerants containing HFCs refilled	Kilograms	170	590	897	93	908	0	20	100	0	120	0	-	-	-	-	-	170
Refrigerants containing HFCs refilled	Kilograms	1,141	1,982	3,602	387	2,321	0	408	354	0	1,800	0	46	75	112	23	13	1,187
Paper products	Kilograms	29,612	30,905	32,876	31,242	34,994	10,275	7,602	7,365	5,571	4,058	-	19,272	18,677	20,863	16,470	24,385	59,159
Water consumption																		
Water consumption - municipal	000 m ³	317	354	368	342	334	668	709	767	602	595	190	424	327	386	236	239	1,599 ^R
Wastewater reuse and discharge																		
Wastewater discharged	000 m ³	46,288	47,753	48,810	47,956	37,841	638	668	706	457	341	155	414	260	349	197	238	47,495
Seawater reused for flushing	m ³	337,318	402,109	349,057	404,242	385,493	-	-	-	-	-	-	21,211	-	-	-	-	358,529
Waste potable water reused for flushing	m ³	8,936	6,663	7,039	6,538	6,194	121,432	112,408	112,605	49,849	124,413	0	0	0	0	-	-	130,368
Waste disposal (Hazardous)																		
Oils and lubricants	Litres	422	1,018	292	1,826	-	-	-	-	-	-	-	-	-	-	-	-	422
Waste disposal (Non-hazardous)																		
Construction and demolition waste	Tonnes	2,171 ^R	2,489	3,107	1,795	11,006	5,387	8,371	4,720	1,728	481	-	0	0	3	-	-	7,558
Commercial waste	Tonnes	12,367 ^R	12,576	13,194	12,834	12,992	14,973	12,717	16,905	15,384	13,659	1,475	1,871	1,539	1,554	1,287	1,273	30,686
Residential / domestic waste	Tonnes	128	388	360	345	359	-	-	-	-	-	-	-	-	-	-	-	128
Grease trap waste	Tonnes	4,854	5,004	4,743	5,397	5,420	-	-	-	-	2	-	133	18	235	202	-	4,987
Garden waste	Tonnes	- ⁽³⁾	38	365	426	589	-	-	-	-	-	-	-	-	-	-	-	- ⁽³⁾
Waste recycling (Hazardous)																		
Battery electrolyte	Litres	0	0	0	0	-	-	-	-	-	-	-	-	0	0	200	-	0
Oils and liquids	Litres	530	0	750	0	846	-	-	-	-	-	-	-	-	-	-	-	530
Waste recycling (Non-hazardous)																		
Construction and demolition waste	Tonnes	149,470	106,390	441	2,254	-	-	-	-	-	-	-	-	-	-	-	-	149,470
Paper	Tonnes	2,865	2,837	2,750	2,640	2,655	333	302	278	289	205	-	65	54	65	51	51	3,263
Metal	Tonnes	3,012	12,188	4,230	2,202	1,023	26	22	4	3	0	-	4	7	7	6	0	3,042
Plastics	Tonnes	10	10	10	10	13	46	30	11	12	11	-	11	12	11	7	7	67
Glass	Tonnes	36	22	23	-	-	43	53	32	-	-	-	12	62	74	-	-	91
Food waste	Tonnes	403	433	352	-	-	3,702	3,052	639	-	-	-	429	320	55	-	-	4,534
Grease trap waste	Tonnes	-	-	-	-	-	244	241 ⁽⁴⁾	242 ⁽⁴⁾	105 ⁽⁴⁾	-	-	0.1	0.1 ⁽⁴⁾	-	-	-	244
Mixed recyclables	Tonnes	-	-	-	-	-	-	-	-	-	-	245	82	-	-	-	-	327

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) U.S.A. Portfolio refers to office and retail portfolio in Miami, U.S.A., excluding hotels.
- (d) Hotels refer to (i) The Upper House, Hong Kong, (ii) EAST, Hong Kong, (iii) Swire Restaurants, (iv) The Opposite House, Beijing, (v) EAST, Beijing, (vi) The Temple House, Chengdu and (vii) EAST, Miami.
- [^] Due to changes in our property management structure, our serviced apartments in Hong Kong, namely Pacific Place Apartments and Taikoo Place Apartments are now reported under Swire Hotels.
- * STAR STUDIOS and U.S.A. Portfolio are newly included in 2018.
- # REPUBLIC, EAST, Miami and EAST, Residences are newly included in 2018.

Notes:

- R - Denotes sustainability data that has been reported on by Deloitte Touche Tohmatsu. Please refer to the Independent Limited Assurance Report for further details.
- (1) Direct carbon emissions included industrial diesel, ULSD, biodiesel, petrol, town gas, natural gas, liquefied petroleum gas and refrigerant containing HFCs refilled.
- (2) Indirect carbon emissions included purchased electricity and town gas.
- (3) Not tracked in 2018.
- (4) The data has been adjusted to reflect actual situation.

Performance Data Summary

	Unit	2018				2017			2016			2015		
		Hong Kong Portfolio ^{^*}	Mainland China Portfolio	U.S.A. Portfolio [*]	Hotels ^{^#}	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, Mainland China and U.S.A. Portfolios) Tonnes of CO ₂ e/guest night/year (for Hotels)	0.111	0.074	0.102	0.046	0.116	0.084	0.061	0.118	0.089	0.053	0.120	0.085	0.064
Direct energy intensity	GJ/m ² /year (for Hong Kong, Mainland China and U.S.A. Portfolios) GJ/guest night/year (for Hotels)	0.002	0.128	0.011	0.103	0.002	0.115	0.127	0.002	0.130	0.131	0.003	0.095	0.140
Indirect energy intensity	kWh/m ² /year (for Hong Kong, Mainland China and U.S.A. Portfolios) kWh/guest night/year (for Hotels)	142	101	221	60	146	103	69	149	108	60	153	105	73
Water intensity	m ³ /m ² /year (for Hong Kong, Mainland China and U.S.A. Portfolios) m ³ /guest night/year (for Hotels)	0.285	0.968	2.696	0.586	0.314 ⁽³⁾	1.036	0.668	0.302	1.119	0.819	0.276	1.058	0.725
Total hazardous waste disposal⁽¹⁾	Litres	422				1,018			292			1,826		
Total hazardous waste recycling⁽¹⁾	Litres	530				0			750			200		
Total non-hazardous waste disposal⁽²⁾	Tonnes	43,359				43,140			45,186			39,398		
Total non-hazardous waste recycling⁽²⁾	Tonnes	161,038				126,035 ⁽³⁾			9,224 ⁽³⁾			7,579 ⁽³⁾		

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) U.S.A. Portfolio refers to office and retail portfolio in Miami, U.S.A., excluding hotels.
- (d) Hotels refer to (i) The Upper House, Hong Kong, (ii) EAST, Hong Kong, (iii) Swire Restaurants, (iv) The Opposite House, Beijing, (v) EAST, Beijing, (vi) The Temple House, Chengdu and (vii) EAST, Miami.
- [^] Due to changes in our property management structure, our serviced apartments in Hong Kong, namely Pacific Place Apartments and Taikoo Place Apartments are now reported under Swire Hotels.
- ^{*} STAR STUDIOS and U.S.A. Portfolio are newly included in 2018.
- [#] REPUBLIC, EAST, Miami and EAST, Residences are newly included in 2018.

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					U.S.A. Portfolio		Hotels					Total												
	2018	2017 ⁽⁶⁾	2016 ⁽⁵⁾			2015 ⁽⁵⁾			2014 ⁽⁵⁾			2018	2017	2016	2015	2014	2018	2017	2016	2015	2014	2018												
Workforce Profile																																		
Total workforce	2,370	2,425	2,382			2,301			2,264			1,300	1,227	1,274	1,232	1,202	97	2,113	1,667	1,758	1,831	1,522	5,880											
By gender																																		
Male	1,565	66.0%	1,564	64.5%	1,568	65.8%	1,531	66.5%	1,540	68.0%	804	61.8%	776	63.2%	812	63.7%	812	65.9%	798	66.4%	55	56.7%	1,066	50.4%	867	52.0%	929	52.8%	992	54.2%	829	54.5%	3,490	59.4%
Female	805	34.0%	861	35.5%	814	34.2%	770	33.5%	724	32.0%	496	38.2%	451	36.8%	462	36.3%	420	34.1%	404	33.6%	42	43.3%	1,047	49.6%	800	48.0%	829	47.2%	839	45.8%	693	45.5%	2,390	40.6%
By age group																																		
Under 30 years old	336	14.2%	365	15.1%	367	15.4%	361	15.7%	369	16.3%	335	25.8%	340	27.7%	379	29.7%	414	33.6%	404	33.6%	15	15.5%	774	36.6%	710	42.6%	795	45.2%	808 ⁽⁷⁾	46.7%	792 ⁽⁷⁾	53.8%	1,460	24.8%
30 to 50 years old	1,105	46.6%	1,154	47.6%	1,159	48.7%	1,117	48.5%	1,099	48.5%	886	68.2%	822	67.0%	830	65.1%	758	61.5%	732	60.9%	58	59.8%	1,088	51.5%	826	49.6%	809	46.0%	823 ⁽⁷⁾	47.6%	602 ⁽⁷⁾	40.9%	3,137	53.4%
Over 50 years old	929	39.2%	906	37.4%	856	35.9%	823	35.8%	796	35.2%	79	6.1%	65	5.3%	65	5.1%	60	4.9%	66	5.5%	24	24.7%	251	11.9%	131	7.9%	154	8.8%	98 ⁽⁷⁾	5.7%	77 ⁽⁷⁾	5.2%	1,283	21.8%
By employment contract⁽¹⁾																																		
Permanent	2,135	90.1%	2,191	90.4%	2,162	90.8%	2,086	90.7%	2,055	90.8%	1,300	100%	1,226	99.9%	1,273	99.9%	1,231	99.9%	1,201	99.9%	97	100%	1,914	90.6%	1,577	94.6%	1,667	94.8%	1,712	93.5%	1,467	96.4%	5,446	92.6%
Fixed term / temporary	235	9.9%	234	9.6%	220	9.2%	215	9.3%	209	9.2%	0	0%	1	0.1%	1	0.1%	1	0.1%	1	0.1%	0	0%	199	9.4%	90	5.4%	30	1.7%	17	0.9%	4	0.3%	434	7.4%
Supervised worker	-	-	-	-	0	0%	0	0%	0	0%	-	-	-	-	0	0%	0	0%	0	0%	-	-	-	-	-	-	61	3.5%	102	5.6%	51	3.4%	-	-
Permanent employees by employment type																																		
Full-time	2,082	97.5%	2,147	98.0%	2,127	98.4%	2,040	97.8%	2,008	97.7%	1,300	100%	1,226	100%	1,273	100%	1,231	100%	1,201	100%	96	99.0%	1,881	98.3%	1,572	99.7%	1,665	99.9%	1,709	99.8%	1,464	99.8%	5,359	98.4%
Part-time	53	2.5%	44	2.0%	35	1.6%	46	2.2%	47	2.3%	0	0%	0	0%	0	0%	0	0%	0	0%	1	1.0%	33	1.7%	5	0.3%	2	0.1%	3	0.2%	3	0.2%	87	1.6%
By geographical region																																		
Hong Kong	2,362	99.7%	2,416	99.6%	2,376	99.7%	2,296	99.8%	2,262	99.9%	-	-	-	-	-	-	-	-	-	-	-	-	862	40.8%	801	48.1%	899	51.1%	902	49.3%	741	48.7%	3,224	54.8%
Mainland China	-	-	-	-	-	-	-	-	-	-	1,300	100%	1,227	100%	1,274	100%	1,232	100%	1,202	100%	-	-	843	39.9%	866	51.9%	858	48.8%	928	50.7%	781	51.3%	2,143	36.4%
Beijing	-	-	-	-	-	-	-	-	-	-	528	40.6%	523	42.6%	535	42.0%	-	-	-	-	-	-	516	24.4%	542	32.5%	525	29.9%	-	-	-	-	1,044	17.8%
Shanghai	-	-	-	-	-	-	-	-	-	-	81	6.2%	21	1.7%	22	1.7%	-	-	-	-	-	-	0	0%	0	0%	1	0.1%	-	-	-	-	81	1.4%
Guangdong province	-	-	-	-	-	-	-	-	-	-	371	28.5%	354	28.9%	360	28.3%	-	-	-	-	-	-	0	0%	0	0%	0	0%	-	-	-	-	371	6.3%
Sichuan province	-	-	-	-	-	-	-	-	-	-	320	24.6%	329	26.8%	338	26.5%	-	-	-	-	-	-	327	15.5%	324	19.4%	332	18.9%	-	-	-	-	647	11.0%
Other provinces	-	-	-	-	-	-	-	-	-	-	0	0%	0	0%	19	1.5%	-	-	-	-	-	-	0	0%	0	0%	0	0%	-	-	-	-	0	0%
Miami, U.S.A.	-	-	2	0.1%	0	0%	0	0%	0	0%	-	-	-	-	-	-	-	-	-	-	97	100%	408	19.3%	0	0%	1	0.1%	1	0.1%	0	0%	505	8.6%
Others	8 ⁽⁵⁾	0.3%	7	0.3%	6	0.3%	5	0.2%	2	0.1%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	8	0.1%
New Hires																																		
Total number and rate of new hires⁽²⁾	401	18.8%	507	23.1%	503	23.3%	421	20.2%	488	23.7%	341	26.2%	229	18.7%	291	22.9%	339	27.5%	370	30.8%	36	37.1%	776	40.5%	481	30.5%	496	29.8%	758	44.3%	711	48.5%	1,554	28.5%
By gender																																		
Male	255	18.5%	301	21.7%	318	22.7%	243	17.8%	304	22.0%	191	23.8%	132	17.0%	162	20.0%	225	27.7%	265	33.2%	19	34.5%	341	34.4%	233	27.9%	264	29.9%	376	40.5%	375	46.7%	806	24.9%
Female	146	19.4%	206	25.6%	185	24.3%	178	24.7%	184	27.4%	150	30.2%	97	21.5%	129	27.9%	114	27.2%	105	26.1%	17	40.5%	435	47.1%	248	33.4%	232	29.6%	382	48.8%	336	50.3%	748	33.8%
By age group																																		
Under 30 years old	169	52.6%	189	54.9%	200	58.7%	159	46.4%	200	61.8%	147	43.9%	132	38.8%	126	33.2%	172	41.5%	203	50.2%	10	66.7%	402	58.3%	309	48.1%	322	41.7%	441	55.3%	425	53.7%	728	53.5%
30 to 50 years old	150	13.8%	215	19.0%	209	18.3%	188	17.0%	215	19.8%	186	21.0%	95	11.6%	156	18.8%	159	21.0%	163	22.3%	24	41.4%	300	28.8%	162	19.6%	147	18.8%	285	34.6%	254	42.2%	660	21.5%
Over 50 years old	82	11.2%	103	14.4%	94	13.8%	74	11.3%	73	11.4%	8	10.1%	2	3.1%	9	14.1%	8	13.6%	4	6.2%	2	8.3%	74	40.2%	10	9.2%	27	23.5%	32	34.8%	32	41.6%	166	16.3%
By geographical region																																		
Hong Kong	400	18.8%	507	23.2%	503	23.3%	420	20.2%	488	23.8%	-	-	-	-	-	-	-	-	-	-	-	-	341	40.6%	215	27.4%	237	28.7%	330	39.4%	337	54.6%	741	25.0%
Mainland China	-	-	-	-	-	-	-	-	-	-	341	26.2%	229	18.7%	291	22.9%	339	27.5%	370	30.8%	-	-	253	35.5%	266	33.5%	258	30.6%	428	49.0%	374	47.9%	594	29.0%
Miami, U.S.A.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	36	37.1%	182	50.1%	0	0%	1	100%	0	0%	0	0%	218	47.4%
Others	1	20.0%	0	0%	0	0%	1	20.0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	1	20.0%
Turnover																																		
Total number and rate of voluntary turnover⁽³⁾	380	17.8%	411	18.8%	357	16.5%	319	15.3%	335	16.3%	228	17.5%	195	15.9%	208	16.3%	194	15.8%	227	18.9%	18	18.6%	658	34.4%	508	32.2%	505	30.3%	492	28.7%	460	31.4%	1,284	23.6%
By gender																																		
Male	204	14.8%	252	18.3%	225	16.1%	201	14.7%	200	14.5%	140	17.4%	128	37.6%	130	16.0%	127	15.6%	145	18.2%	8	14.5%	305	30.8%	244	29.2%	281	31.8%	248	26.7%	252	31.4%	657	20.3%
Female	176	23.3%	159	19.9%	132	17.3%	118	16.4%	135	20.1%	88	17.7%	67	14.9%	78	16.9%	67	16.0%	82	20.3%	10	23.8%	353	38.2%	264	35.6%	224	28.6%	244	31.2%	208	31.1%	627	28.3%
By age group																																		
Under 30 years old	126	39.3%	127	36.9%	127	37.2%	88	27.2%	113	34.8%	108	32.2%	92	27.1%	109	28.8%	97	23.4%	119	29.5%	1	6.7%	313	45.4%	308	47.9%	299	38.7%	316	39.6%	321	40.6%	548	40.3%
30 to 50 years old	168	15.5%	202	17.8%	159	13.9%	150	13.6%	175	16.1%	118	13.3%	99	12.0%	97	11.7%	93	12.3%	105	14.3%	10	17.2%	302	29.0%	188	22.8%	188	24.1%	159	19.3%	128	21.3%	598	19.5%
Over 50 years old	86	11.8%	82	11.5%	71	10.4%	81	12.3%	47	7.3%	2	2.5%	4	6.3%	2	3.1%	4	6.8%	3	4.6%	7	29.2%	43	23.4%	12	11.0%	18	15.7%	17	18.5%	11	15.1%	138	13.6%
By geographical region																																		
Hong Kong	379	17.8%	411	18.8%	357	16.6%	319	15.3%	335	16.3%	-	-	-	-	-	-	-	-	-	-	-	-	263	31.3%	245	31.3%	231	28.0%	176	21.0%	186	27.0%	642	21.6%
Mainland China	-	-	-	-	-	-	-	-	-	-	228																							

Performance Data Summary

	Hong Kong Portfolio					Mainland China Portfolio					U.S.A. Portfolio		Hotels			Total	
	2018	2017 ⁽⁷⁾	2016 ⁽⁸⁾	2015 ⁽⁹⁾	2014 ⁽⁸⁾	2018	2017	2016	2015	2014	2018	2018	2017	2016	2015	2014	2018
Training																	
Total number and percentage of employees received training	1,830 77.2%	1,663 68.6%	2,224 93.4%	1,498 65.1%	1,870 82.6%	1,232 94.8%	1,212 98.8%	1,251 98.2%	1,218 98.9%	861 71.6%	97 100%	2,113 100%	1,667 100%	1,697 100%	-	-	5,272 89.7%
By gender																	
Male	1,208 77.2%	1,006 64.3%	1,509 96.2%	918 60.0%	1,330 86.4%	763 94.9%	771 99.4%	798 98.3%	806 99.3%	563 70.6%	55 100%	1,066 100%	867 100%	900 100%	-	-	3,092 88.6%
Female	622 77.3%	657 76.3%	715 87.8%	580 75.3%	540 74.6%	469 94.6%	441 97.8%	453 98.1%	412 98.1%	298 73.8%	42 100%	1,047 100%	800 100%	797 100%	-	-	2,180 91.2%
By management role																	
Management	543 94.6%	471 85.0%	453 96.6%	409 96.2%	364 91.9%	407 88.9%	396 97.1%	395 95.4%	394 97.0%	236 61.6%	42 100%	405 100%	332 100%	330 100%	-	-	1,397 94.5%
Non-management	1,287 71.7%	1,192 63.7%	1,771 92.6%	1,089 58.0%	1,506 80.6%	825 98.0%	816 99.6%	856 99.5%	824 99.8%	625 76.3%	55 100%	1,708 100%	1,335 100%	1,367 100%	-	-	3,875 88.0%
Total training hours	34,251	26,339	24,434	19,508	19,495	26,190	27,403	25,597	28,409	10,966	867	67,479	21,197	15,024	33,852 ⁽¹⁰⁾	17,682	128,787
Average training hours																	
By employee	14.5	10.9	10.3	8.5	8.6	20.1	22.3	20.1	23.1	9.1	8.9	31.9	12.7	8.9	19.1 ⁽¹⁰⁾	12.0	21.9
By gender																	
Male	13.2	9.6	9.5	8.2	7.9	20.2	22.8	20.8	26.3	9.0	8.9	29.3	12.1	8.8	15.3 ⁽¹⁰⁾	10.5	19.7
Female	16.9	13.2	11.8	9.0	10.2	20.1	21.5	18.8	16.9	9.3	8.9	34.6	13.3	8.9	23.7 ⁽¹⁰⁾	13.9	25.2
By management role																	
Management	34.8	25.8	19.7	19.5	20.0	20.0	22.7	18.7	16.9	9.4	8.9	34.7	19.6	10.5	19.9 ⁽¹⁰⁾	12.3	29.5
Non-management	7.9	6.4	7.9	6.0	6.2	20.2	22.1	20.9	26.1	9.0	8.9	31.3	11.0	8.4	18.9 ⁽¹⁰⁾	11.9	19.4
Total training spend (million HK\$)	4.0	4.3	3.1	2.8	3.4	2.3	2.5	2.0	1.5	0.8	1.2	1.6	2.6	1.5	-	-	9.0
Training by related-topics																	
Corporate social responsibility related training																	
Total training hours for employees	5,548.0	1,364.0	382.3	433.3	371.8	2,433.9	1,998.5	3,111.5	696.0	353.5	122.0	3,170.8	1,768.2	266.0	479.0	923.0	11,274.7
Total training hours for new hires (SD training in induction programme)	257.0	277.0	333.5	240.3	291.8	483.0	529.7	247.0	210.0	169.5	72.0	119.3	632.5	138.0	223.0	589.0	931.3
Health and safety related training																	
Total training hours on health and safety	4,342.3	5,475.0	5,445.3	7,198.5 ⁽⁹⁾	3,531.3 ⁽⁹⁾	10,329.5	10,498.3	9,918.1	15,442.0	5,504.0	135.0	5,848.2	4,637.0	798.8	979.0	895.0	20,655.0
Average training hours on health and safety per employee	1.8	2.3	2.3	3.1 ⁽⁹⁾	1.6 ⁽⁹⁾	7.9	8.6	7.8	12.5	4.6	1.4	2.8	2.8	0.5	0.6	0.6	3.5
Human rights related training																	
Total training hours on human rights related topics	1,881.3	1,027.5	1,845.0	652.5 ⁽⁹⁾	991.0 ⁽⁹⁾	1,794.5	951.5	356.9	75.0	381.0	388.0	1,654.0	1,799.5	430.2	1,989.0	3,358.3	5,717.8
Percentage of employees received human rights related training	787 33.2%	1,053 43.4%	2,269 95.3%	2,242 ⁽⁹⁾ 97.6%	2,227 ⁽⁹⁾ 98.5%	1,083 83.3%	574 46.8%	570 44.7%	-	-	97 100%	1,196 56.6%	1,667 100%	1,205 71.0%	-	-	3,163 53.8%
Anti-corruption related training																	
Total training hours on anti-corruption related topics	999.8	709.3	-	-	-	1,703.5	754.0	-	-	-	194.0	1,732.0	1,466.5	-	-	-	4,629.3
Percentage of employees received anti-corruption related training	617 26.0%	1,169 48.2%	2,228 93.5%	2,263 ⁽⁹⁾ 98.6%	2,218 ⁽⁸⁾ 98.1%	1,119 86.1%	540 44.0%	908 71.3%	-	-	97 100%	1,086 51.4%	1,667 100%	1,337 78.8%	-	-	2,919 49.6%
By management role																	
Management	236 41.1%	471 85.0%	451 96.2%	399 ⁽⁹⁾ 99.0%	383 ⁽⁹⁾ 97.7%	344 75.1%	120 29.4%	293 70.8%	-	-	42 100%	177 43.7%	332 100%	207 62.7%	-	-	799 54.0%
Non-management	381 21.2%	698 37.3%	1,777 92.9%	1,864 ⁽⁹⁾ 98.5%	1,835 ⁽⁹⁾ 98.2%	775 92.0%	420 51.3%	615 71.5%	-	-	55 100%	909 53.2%	1,335 100%	1,130 82.7%	-	-	2,120 48.2%

	2018	2017 ⁽⁷⁾	2016 ⁽⁸⁾	2015 ⁽⁹⁾	2014 ⁽⁸⁾	2018	2017	2016	2015	2014	2018	2018	2017	2016	2015	2014	2018
Occupational Health and Safety																	
Number of lost time injuries (sick leave > 0 days)	47	38	43	48	36	3	6	6	5	12	0	41	39	56	38	43	91
Number of reportable injuries (sick leave > 3 days)	34	25	31	37	26	2	5	5	3	6	0	32	23	33	21	26	68
Number of high-consequence injuries (sick leave > 6 months)	7	-	-	-	-	0	-	-	-	-	0	2	-	-	-	-	9
Thousand hours worked	5,434.7	5,447.8	5,348.0	5,199.4	5,136.5	2,475.5	2,485.1	2,502.5	1,788.5	1,770.6	185.4	4,309.9	3,680.1	3,823.6	2,701.3	2,427.3	12,450.5
Lost time injury rate (LTIR) ⁽¹⁾	1.73	1.40	1.61	1.85	1.40	0.24	0.48	0.48	0.56	1.36	0.00	1.90	2.12	2.93	2.81	3.54	1.47 ⁸
Rate of high-consequence injuries ⁽²⁾	0.26	-	-	-	-	0.00	-	-	-	-	0.00	0.09	-	-	-	-	0.15
Lost days due to injuries	2,602.5	1,753	1,144	1,970	1,382.5	77	335	222	235	115	0	699	720	746	754	1,012	3,378.5
Lost day rate (LDR) ⁽³⁾	95.77	64.38	42.78	75.78	53.83	6.22	26.69	17.74	26.28	12.99	0.00	32.44	39.13	39.02	55.82	83.38	54.47 ⁸
Absentee rate ⁽⁴⁾	2.49%	2.15%	2.40%	1.96%	1.78%	1.05%	0.85%	1.15%	1.28%	1.16%	4.51%	0.09% ⁽¹¹⁾	1.59%	0.61%	0.42%	0.87%	1.66% ⁽¹¹⁾
Number of work-related ill health	0	0	-	-	-	0	0	-	-	-	0	0	0	-	-	-	0
Number of fatalities	0	0	0	0	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%	0%	0%	0%	0%
Percentage of the organisation operating in verified compliance with an internationally recognised occupational health and safety management system (ISO 45001 or OHSAS 18001) ⁽⁶⁾	100%	100%	100%	100%	100%	65.8%	48.0%	48.0%	65.6%	0%	0%	/	/	/	/	/	-

	Swire Properties				
	2018	2017	2016	2015	2014
Governance					
Convicted cases of corruption	0 ⁸	0	0	0	0
Composition of the Board of Directors					
Total number of Directors	11	12	12	14	14
By gender					
Male	7 63.6%	8 66.7%	11 91.7%	13 92.9%	13 92.9%
Female	4 36.4%	4 33.3%	1 8.3%	1 7.1%	1 7.1%
By age group					
Under 30 years old	0 0%	0 0%	0 0%	0 0%	0 0%
30 to 50 years old	4 36.4%	4 33.3%	2 16.7%	4 28.6%	4 28.6%
Over 50 years old	7 63.6%	8 66.7%	10 83.3%	10 71.4%	10 71.4%
By local or non-local					
Local	5 45.5%	6 50.0%	7 58.3%	9 64.3%	9 64.3%
Non-local	6 54.5%	6 50.0%	5 41.7%	5 35.7%	5 35.7%

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) U.S.A. Portfolio refers to office and retail portfolio in Miami, U.S.A., excluding hotels.
- (d) Hotels refer to (i) The Upper House, Hong Kong, (ii) EAST, Hong Kong, (iii) Swire Restaurants, (iv) The Opposite House, Beijing, (v) EAST, Beijing, (vi) The Temple House, Chengdu, and (vii) EAST, Miami.

Notes:

R - Denotes sustainability data that has been reported on by Deloitte Touche Tohmatsu. Please refer to the Independent Limited Assurance Report for further details.

- (1) Lost time injury rate ("LTIR") represents the number of injuries per 100 employees per year. It is calculated as "total number of 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.
- (2) Rate of high-consequence injuries represents the number of high-consequence injuries per 100 employees per year. It is calculated as "total number of high-consequence 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.
- (3) Lost day rate ("LDR") represents the number of lost scheduled working days per 100 employees per year. It is calculated as "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.
- (4) Absentee rate is calculated as number of actual days lost divided by number of scheduled work days in the reporting year.
- (5) Rate of fatalities represents the number of fatalities per 100 employees per year. It is calculated as "total number of fatalities 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.
- (6) Calculated base on percentage of employees.
- (7) Included Hong Kong secondees working in Singapore, Jakarta and U.S.A.
- (8) Included Hong Kong secondees working in Singapore and Jakarta.
- (9) Excluded Hong Kong secondees working in Singapore and Jakarta.
- (10) Included EAST, Miami, U.S.A. employees.
- (11) Excluded EAST, Miami, U.S.A. employees.

Independent Practitioner's Limited Assurance Report

Deloitte.

德勤

To the Board of Directors of
Swire Properties Limited

We have been engaged by the Directors of Swire Properties Limited (“SPL”) to perform a limited assurance engagement in relation to the selected sustainable development data (the “Data Points”) listed below and identified with the symbol [R] in its Sustainable Development (“SD”) Report for the year ended 31 December 2018 (the “Reporting Period”).

Data Points

The details of the Data Points selected by SPL are as follows:

- Total energy consumption
- Total carbon emissions (Scopes 1 & 2)
- Total water consumption – municipal
- Commercial waste
- Construction and demolition waste
- Total number of fatalities
- Total lost time injury rate
- Total lost day rate
- Total convicted cases of corruption

Reporting Criteria

The Data Points are presented in accordance with the criteria set out in the GRI and HKEX ESG Reporting chapter under the heading Reporting Standards and Scope of Report in SD Report 2018 (the “Reporting Criteria”).

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 of Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

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.

Responsibilities

Deloitte Touche Tohmatsu

It is our responsibility to express a limited assurance conclusion on the Data Points based on our work performed and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility or accept liability to any other person for the contents of this report.

Swire Properties Limited

The Directors are responsible for the preparation and presentation of the Data Points in accordance with the Reporting Criteria. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and presentation of the Data Points, applying an appropriate basis of preparation, making estimates that are reasonable in the circumstances and ensuring the accuracy and completeness of the Data Points.

Reporting Framework

We conducted our work in accordance with the International Standard on Assurance Engagements 3000 (Revised), “Assurance Engagements other than Audits or Reviews of Historical Financial Information”, and the International Standard on Assurance Engagements 3410, “Assurance Engagements on Greenhouse Gas Statements” (the “Standards”), issued by the International Auditing and Assurance Standards Board. The Standards require that we comply with ethical requirements, and plan and perform the engagement to obtain limited assurance as to whether any matters have come to our attention that cause us to believe that the Data Points do not comply in all material respects with the Reporting Criteria.

Objectives

The overall objectives of our procedures were to assess:

- Whether the Data Points were prepared, in all material respects, in accordance with the Reporting Criteria;
- The consistency of the information presented with the findings of our work.

Procedures Performed

Our work comprised the following limited procedures:

- Interviews with relevant management and personnel involved in providing information relating to the Data Points for inclusion in the SD Report;
- Sample testing of documentary evidence at SPL's corporate level and site level;
- Analytical procedures; and,
- Recalculation.

We have not performed any procedures in relation to other data included in the SD Report 2018. In addition, our work performed is not for the purposes of expressing an opinion on the effectiveness of SPL's internal controls.

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 a reasonable assurance engagement been performed.

Inherent Limitations

Non-financial performance information, including the Data Points, is subject to more inherent limitations than financial information given both its nature and the methods used for determining, calculating, sampling and estimating such information. This could have a material impact on comparability. Qualitative interpretations of relevance, materiality and the accuracy of such information are subject to individual assumptions and judgements.

Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that caused us to believe that: 1) the Data Points have not been prepared, in all material respects, in accordance with the Reporting Criteria, and 2) that relevant sections in the SD Report relating to the Data Points are not consistent with the findings of our work.



Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

06 March 2019

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 Places Annual Report 2018 – Company Profile Corporate website – About Us http://www.swireproperties.com/en/about-us.aspx
102-3	Location of headquarters	Profile of Swire Properties Limited
102-4	Location of operations	Profile of Swire Properties Limited Places Annual Report 2018 – Company Profile
102-5	Ownership and legal form	Profile of Swire Properties Limited Annual Report 2018 – Company Profile
102-6	Markets served	Profile of Swire Properties Limited Places Annual Report 2018 – 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
G4-CRE	Gross lettable area for assets under construction and management and vacancy rate	Annual Report 2018 – Management Discussion & Analysis – Review of Operations – Portfolio Overview
102-8	Information on employees and other workers	People Performance Data Summary
102-9	Supply chain	Partners 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 GRI & HKEX ESG Reporting Annual Report 2018 – 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 Performance (Economic) Annual Report 2018 – Risk Management
102-12	External initiatives	External Charters and Memberships
102-13	Memberships of associations	External Charters and Memberships

GRI Indicator	Description	References and Remarks
Strategy		
102-14	Statement from senior decision-maker	Chief Executive's Message
Ethics and Integrity		
102-16	Values, principles, standards and norms of behaviour	Performance (Economic) 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)
Governance		
102-18	Governance structure	SD Governance Performance (Economic) Annual Report 2018 – Corporate Governance – The Board of Directors
102-19	Delegating authority	SD Governance Annual Report 2018 – Corporate Governance – Delegation by the Board
102-20	Executive-level responsibility for economic, environmental, and social topics	SD Governance
102-22	Composition of the highest governance body and its committees	Annual Report 2018 – Corporate Governance
102-23	Chair of the highest governance body	Performance (Economic) Annual Report 2018 – Corporate Governance
102-24	Nominating and selecting and highest governance body	Annual Report 2018 – Corporate Governance – Appointment and Re-election
102-25	Conflicts of interest	Performance (Economic) Annual Report 2018 – Corporate Governance – Conflicts of Interest
102-26	Role of highest governance body in setting purpose, values and strategy	Annual Report 2018 – Corporate Governance – The Board of Directors
102-27	Collective knowledge of highest governance body	Annual Report 2018 – Corporate Governance – Board Processes and Continuous Professional Development
102-30	Effectiveness of risk management processes	Climate-related Financial Disclosures Performance (Economic) Annual Report 2018 – Corporate Governance – Accountability and Audit Annual Report 2018 – Risk Management
102-32	Highest governance body's role in sustainability reporting	SD Governance
102-35	Remuneration policies	Annual Report 2018 – Corporate Governance – Remuneration Committee
102-36	Process for determining remuneration	Annual Report 2018 – 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

GRI Indicator	Description	References and Remarks
Stakeholder Engagement		
102-40	List of stakeholder groups	Materiality
102-41	Collective bargaining agreements	There are no formal collective bargaining agreements in place within our Company.
102-42	Identifying and selecting stakeholders	Materiality
102-43	Approach to stakeholder engagement	Materiality
102-44	Key topics and concerns raised	Materiality
Reporting Practice		
102-45	Entities included in the consolidated financial statements	Annual Report 2018 – Schedule of Principal Group Properties
102-46	Defining report content and topic Boundaries	Materiality GRI and HKEX ESG Reporting
102-47	List of material topics	Materiality
102-48	Restatements of information	Performance Data Summary
102-49	Changes in reporting	About this Report GRI and HKEX ESG Reporting Performance Data Summary
102-50	Reporting period	About this Report GRI and HKEX ESG Reporting
102-51	Date of most recent report	GRI and HKEX ESG Reporting
102-52	Reporting cycle	About this Report GRI and HKEX ESG Reporting
102-53	Contact point for questions regarding the report	Table of Contents
102-54	Claims of reporting in accordance with GRI Standards	GRI and HKEX ESG Reporting Global Reporting Initiative Content Index
102-55	GRI Content Index	Global Reporting Initiative Content Index
102-56	External assurance	GRI and HKEX ESG Reporting Assurance Report

Material Topics (Economic) & Management Approach

GRI Indicator	Description	References and Remarks
GRI 201: Economic Performance 2016		
103-1	Explanation of the material topic and its Boundary	Materiality GRI and HKEX ESG Reporting
103-2	The management approach and its components	Performance (Economic) Annual Report 2018 – Key Business Strategies
103-3	Evaluation of the management approach	Annual Report 2018 – Management Discussion & Analysis – Review of Operations – Review of Operations
201-1	Direct economic value generated and distributed	Performance (Economic) Annual Report 2018 – Management Discussion & Analysis – Review of Operations – Portfolio Overview Annual Report 2018 – Financial Review

GRI Indicator	Description	References and Remarks
GRI 201: Economic Performance 2016		
201-2	Financial implications and other risks and opportunities due to climate change	Climate-related Financial Disclosures Performance (Economic)
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 GRI and HKEX ESG Reporting
103-2	The management approach and its components	Places
103-3	Evaluation of the management approach	Annual Report 2018 – Management Discussion & Analysis – Review of Operations – Portfolio Overview
203-1	Infrastructure investments and services supported	Places
203-2	Significant indirect economic impacts	Places Annual Report 2018 – Management Discussion & Analysis – Review of Operations – Portfolio Overview
GRI 205: Anti-corruption 2016		
103-1	Explanation of the material topic and its Boundary	Materiality GRI and HKEX ESG Reporting
103-2	The management approach and its components	Performance (Economic)
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) Performance Data Summary
205-3	Confirmed incidents of corruption and actions taken	Performance (Economic) Performance Data Summary

Material Topics (Environmental) & Management Approach

GRI Indicator	Description	References and Remarks
GRI 301: Materials 2016		
103-1	Explanation of the material topic and its Boundary	Materiality GRI and HKEX ESG Reporting
103-2	The management approach and its components	Partners Performance (Environment)
103-3	Evaluation of the management approach	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 Performance (Environment) Performance Data Summary

GRI Indicator	Description	References and Remarks
GRI 302: Energy 2016		
103-1	Explanation of the material topic and its Boundary	Materiality GRI and HKEX ESG Reporting
103-2	The management approach and its components	Performance (Environment) Corporate website – Energy Policy
103-3	Evaluation of the management approach	http://www.swireproperties.com/en/sustainable-development/policies/energy-policy.aspx
302-1	Energy consumption within the organisation	Performance (Environment) Performance Data Summary
302-3	Energy intensity	Performance (Environment) Performance Data Summary
G4-CRE1	Building energy intensity	
302-4	Reduction of energy consumption	Performance (Environment) Performance Data Summary
GRI 303: Water and Effluents 2018		
103-1	Explanation of the material topic and its Boundary	Materiality GRI and HKEX ESG Reporting
103-2	The management approach and its components	Performance (Environment)
103-3	Evaluation of the management approach	
303-1	Interactions with water as a shared resource	Performance (Environment) Performance Data Summary
303-2	Management of water discharge-related impacts	Performance (Environment) Performance Data Summary
303-3	Water withdrawal	Performance Data Summary 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.
303-4	Water discharge	Performance Data Summary 100% of water discharged from our operations was transported to municipal wastewater systems in the cities where we operate.
G4-CRE2	Building water intensity	Performance (Environment) Performance Data Summary
GRI 305: Emissions 2016		
103-1	Explanation of the material topic and its Boundary	Materiality GRI and HKEX ESG Reporting
103-2	The management approach and its components	Performance (Environment) Climate-related Financial Disclosures
103-3	Evaluation of the management approach	Performance Data Summary Corporate website – Climate Change Policy https://www.swireproperties.com/en/sustainable-development/policies/climate-change-policy.aspx
305-1	Direct (Scope 1) GHG emissions	Performance (Environment) Performance Data Summary
305-2	Energy Indirect (Scope 2) GHG emissions	Performance (Environment) Performance Data Summary

GRI Indicator	Description	References and Remarks
GRI 305: Emissions 2016		
305-4	GHG emissions intensity	Performance (Environment) Performance Data Summary
G4-CRE3	GHG emissions intensity from buildings	
305-5	Reduction of GHG emissions	Performance (Environment) Performance Data Summary
GRI 306: Effluents and Waste 2016		
103-1	Explanation of the material topic and its Boundary	Materiality GRI and HKEX ESG Reporting
103-2	The management approach and its components	Performance (Environment) Corporate website – Waste Management Policy
103-3	Evaluation of the management approach	http://www.swireproperties.com/en/sustainable-development/policies/waste-management-policy.aspx
306-2	Waste by type and disposal method	Performance (Environment) Performance Data Summary
GRI 307: Environmental Compliance 2016		
103-1	Explanation of the material topic and its Boundary	Materiality GRI and HKEX ESG Reporting
103-2	The management approach and its components	Performance (Environment)
103-3	Evaluation of the management approach	Performance (Economic)
307-1	Non-compliance with environmental laws and regulations	In 2018, we were not subject to significant fines or non-monetary sanctions for non-compliance with such laws or regulations.
GRI 308: Supplier Environmental Assessment 2016		
103-1	Explanation of the material topic and its Boundary	Materiality GRI and HKEX ESG Reporting
103-2	The management approach and its components	Partners Corporate website – Partners
103-3	Evaluation of the management approach	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

Material Topics (Social) & Management Approach

GRI Indicator	Description	References and Remarks
GRI 401: Employment 2016		
103-1	Explanation of the material topic and its Boundary	Materiality GRI and HKEX ESG Reporting
103-2	The management approach and its components	People
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 Corporate website – Diversity and Inclusion Policy https://www.swireproperties.com/en/sustainable-development/policies/diversity-and-inclusion-policy.aspx
401-1	New employee hires and employee turnover	People Performance Data Summary
401-3	Parental leave	Performance Data Summary
GRI 403: Occupational Health and Safety 2018		
103-1	Explanation of the material topic and its Boundary	Materiality GRI and HKEX ESG Reporting
103-2	The management approach and its components	People Partners
103-3	Evaluation of the management approach	Corporate website – Health & Safety Policy http://www.swireproperties.com/en/sustainable-development/policies/health-and-safety-policy.aspx
403-1	Occupational health and safety management system	People Performance Data Summary
403-2	Hazard identification, risk assessment, and incident investigation	People Performance (Economic)
403-3	Occupational health services	People
403-4	Worker participation, consultation, and communication on occupational health and safety	People
403-5	Worker training on occupational health and safety	People Performance Data Summary
403-6	Promotion of worker health	People
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	People
403-8	Workers covered by an occupational health and safety management system	People Performance Data Summary
G4-CRE6	Percentage of the organisation operating in verified compliance with an internationally recognised occupational health and safety management system (ISO 45001 or OHSAS 18001)	
403-9	Work-related injuries	People Performance Data Summary
403-10	Work-related ill health	People

GRI Indicator	Description	References and Remarks
GRI 404: Training and Education 2016		
103-1	Explanation of the material topic and its Boundary	Materiality GRI and HKEX ESG Reporting
103-2	The management approach and its components	People
103-3	Evaluation of the management approach	
404-1	Average hours of training per year per employee	People Performance Data Summary
404-2	Programs for upgrading employee skills and transition assistance programs	People
404-3	Percentage of employees receiving regular performance and career development reviews	Performance Data Summary
GRI 405: Diversity and Equal Opportunity 2016		
103-1	Explanation of the material topic and its Boundary	Materiality GRI and HKEX ESG Reporting
103-2	The management approach and its components	People
103-3	Evaluation of the management approach	Corporate Website – Diversity and Inclusion Policy https://www.swireproperties.com/en/sustainable-development/policies/diversity-and-inclusion-policy.aspx Corporate Website – Board Diversity Policy http://ir.swireproperties.com/en/cg/pdf/diversity.pdf Corporate Website – Corporate Code of Conduct https://ir.swireproperties.com/en/cg/pdf/conduct.pdf
405-1	Diversity of governance bodies and employees	People Performance Data Summary Annual Report 2018 – Corporate Governance & Sustainability – Directors and Officers Corporate website – Directors http://ir.swireproperties.com/en/cg/directors.php
405-2	Ratio of basic salary and remuneration of women to men	People Performance Data Summary
GRI 413: Local Communities 2016		
103-1	Explanation of the material topic and its Boundary	Materiality GRI and HKEX ESG Reporting
103-2	The management approach and its components	Places People
103-3	Evaluation of the management approach	
413-1	Operations with local community engagement, impact assessments, and development programmes	Places
GRI 414: Supplier Social Assessment 2016		
103-1	Explanation of the material topic and its Boundary	Materiality GRI and HKEX ESG Reporting
103-2	The management approach and its components	Partners Corporate website – Partners http://www.swireproperties.com/en/sustainability/partners.aspx
103-3	Evaluation of the management approach	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

GRI Indicator	Description	References and Remarks
GRI 416: Customer Health and Safety 2016		
103-1	Explanation of the material topic and its Boundary	Materiality GRI and HKEX ESG Reporting
103-2	The management approach and its components	Performance (Environment)
103-3	Evaluation of the management approach	
416-1	Assessment of the health and safety impacts of product and service categories	Performance (Environment)
GRI 417: Marketing and Labelling 2016		
103-1	Explanation of the material topic and its Boundary	Materiality GRI and HKEX ESG Reporting
103-2	The management approach and its components	Performance (Environment)
103-3	Evaluation of the management approach	
417-1	Requirements for product and service information and labelling	Performance (Environment) 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)
GRI 419: Socioeconomic Compliance 2016		
103-1	Explanation of the material topic and its Boundary	Materiality GRI and HKEX ESG Reporting
103-2	The management approach and its components	Performance (Economic) Corporate website – Corporate Code of Conduct
103-3	Evaluation of the management approach	http://ir.swireproperties.com/en/cg/pdf/conduct.pdf
419-1	Non-compliance with laws and regulations in the social and economic area	In 2018, we were not subject to significant fines or non-monetary sanctions for non-compliance with such laws or regulations.

HKEX ESG Reporting Guide Index

Aspects, General Disclosure, KPIs	Description	References and Remarks
A. Environmental		
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	<p>Performance (Environment) Corporate website – Environmental Policy http://www.swireproperties.com/en/sustainable-development/policies/environmental-policy.aspx Corporate website – Climate Change Policy https://www.swireproperties.com/en/sustainable-development/policies/climate-change-policy.aspx Corporate website – Waste Management Policy https://www.swireproperties.com/en/sustainable-development/policies/waste-management-policy.aspx</p> <p>In 2018, there were no confirmed incidents of non-compliance with such laws or regulations, which have a significant impact on Swire Properties.</p>
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) Performance Data Summary
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	<p>Performance Data Summary</p> <p>We do not consider Swire Properties to be a major producer of hazardous waste.</p> <p>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.</p>
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	<p>Performance Data Summary</p> <p>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.</p>
KPI A1.5	Description of measures to mitigate emissions and results achieved	Performance (Environment) Performance Data Summary
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved	Performance (Environment) Performance Data Summary

Aspects, General Disclosure, KPIs	Description	References and Remarks
Aspect A2		
Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials	<p>Partners</p> <p>Performance (Environment)</p> <p>Climate-related Financial Disclosures</p> <p>Corporate website – Sustainable Development Policy http://www.swireproperties.com/en/sustainable-development/policies/sustainable-development-policy.aspx</p> <p>Corporate website – Environmental Policy http://www.swireproperties.com/en/sustainable-development/policies/environmental-policy.aspx</p> <p>Corporate website – Energy Policy http://www.swireproperties.com/en/sustainable-development/policies/energy-policy.aspx</p> <p>Corporate website – Waste Management Policy https://www.swireproperties.com/en/sustainable-development/policies/waste-management-policy.aspx</p> <p>Swire group website – Swire Pacific Sustainable Procurement Policy http://www.swirepacific.com/en/sd/policy/procurement.pdf</p>
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)	<p>Performance (Environment)</p> <p>Performance Data Summary</p>
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility)	<p>Performance (Environment)</p> <p>Performance Data Summary</p>
KPI A2.3	Description of energy use efficiency initiatives and results achieved	<p>Performance (Environment)</p> <p>Performance Data Summary</p>
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved	<p>Performance (Environment)</p> <p>Performance Data Summary</p> <p>In 2018, we did not encounter any problems in sourcing water for daily operations.</p>
KPI A2.5	Total packaging material used for finished products (in tonnes), and if applicable, with reference to per unit produced	<p>Performance (Environment)</p>
Aspect A3		
The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer’s significant impact on the environment and natural resources	<p>Partners</p> <p>Performance (Environment)</p> <p>Climate-related Financial Disclosures</p> <p>Corporate website – Sustainable Development Policy http://www.swireproperties.com/en/sustainable-development/policies/sustainable-development-policy.aspx</p> <p>Corporate website – Environmental Policy http://www.swireproperties.com/en/sustainable-development/policies/environmental-policy.aspx</p> <p>Corporate website – Climate Change Policy https://www.swireproperties.com/en/sustainable-development/policies/climate-change-policy.aspx</p> <p>Corporate website – Energy Policy http://www.swireproperties.com/en/sustainable-development/policies/energy-policy.aspx</p> <p>Corporate website – Waste Management Policy https://www.swireproperties.com/en/sustainable-development/policies/waste-management-policy.aspx</p> <p>Corporate website – Supplier Code of Conduct http://www.swireproperties.com/en/sustainable-development/policies/supplier-code-of-conduct.aspx</p>
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	<p>Partners</p> <p>Performance (Environment)</p> <p>Climate-related Financial Disclosures</p>

Aspects, General Disclosure, KPIs	Description	References and Remarks
B. Social		
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, anti-discrimination, and other benefits and welfare</p>	<p>People</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 – Diversity and Inclusion Policy https://www.swireproperties.com/en/sustainable-development/policies/diversity-and-inclusion-policy.aspx</p> <p>Corporate website – Equal opportunities and diversity http://ir.swireproperties.com/en/cg/pdf/equal.pdf</p> <p>In 2018, 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 Performance Data Summary
KPI B1.2	Employee turnover rate by gender, age group and geographical region	Performance Data Summary
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> <p>Corporate website – Health & Safety Policy http://www.swireproperties.com/en/sustainable-development/policies/health-and-safety-policy.aspx</p> <p>In 2018, 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 Performance Data Summary
KPI B2.2	Lost days due to work injury	People Performance Data Summary
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored	People
Aspect B3	Development and Training	
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities	People 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
KPI B3.2	The average training hours completed per employee by gender and employee category	People Performance Data Summary

Aspects, General Disclosure, KPIs	Description	References and Remarks
Aspect B4		
General Disclosure	Labour Standards 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 Corporate website – Corporate Code of Conduct http://ir.swireproperties.com/en/cg/pdf/conduct.pdf Corporate website – Supplier Code of Conduct https://www.swireproperties.com/en/sustainable-development/policies/supplier-code-of-conduct.aspx In 2018, 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 Corporate website – Corporate Code of Conduct http://ir.swireproperties.com/en/cg/pdf/conduct.pdf Corporate website – Supplier Code of Conduct https://www.swireproperties.com/en/sustainable-development/policies/supplier-code-of-conduct.aspx Corporate website – Whistleblowing Policy https://ir.swireproperties.com/en/cg/pdf/whistleblowing.pdf
KPI B4.2	Description of steps taken to eliminate such practices when discovered	Partners Corporate website – Corporate Code of Conduct http://ir.swireproperties.com/en/cg/pdf/conduct.pdf Corporate website – Supplier Code of Conduct https://www.swireproperties.com/en/sustainable-development/policies/supplier-code-of-conduct.aspx Corporate website – Whistleblowing Policy https://ir.swireproperties.com/en/cg/pdf/whistleblowing.pdf In 2018, we did not discover any such practices in our operations.
Operating Practices		
Aspect B5		
General Disclosure	Supply Chain Management Policies on managing environmental and social risks of the supply chain	Partners 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
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 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 – Whistleblowing Policy https://ir.swireproperties.com/en/cg/pdf/whistleblowing.pdf

Aspects, General Disclosure, KPIs	Description	References and Remarks
Aspect B6	Product Responsibility	
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 health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress	Partners Performance (Environment) Performance (Economic) 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 – Whistleblowing Policy https://ir.swireproperties.com/en/cg/pdf/whistleblowing.pdf In 2018, there were no confirmed incidents of non-compliance with such laws or regulations, which have a significant impact on Swire Properties.
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	In 2018, 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 2018, 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) 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) 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	Partners Performance (Economic) 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 – Whistleblowing Policy https://ir.swireproperties.com/en/cg/pdf/whistleblowing.pdf
Aspect B7	Anti-corruption	
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 bribery, extortion, fraud and money laundering	Performance (Economic) Corporate website – Corporate Code of Conduct http://ir.swireproperties.com/en/cg/pdf/conduct.pdf In 2018, there were no confirmed incidents of non-compliance with such laws or regulations, which have a significant impact on Swire Properties.
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) Performance Data Summary In 2018, there were no concluded legal cases regarding corrupt practices brought against Swire Properties or its employees.
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	Performance (Economic) Corporate website – Corporate Code of Conduct http://ir.swireproperties.com/en/cg/pdf/conduct.pdf Corporate website – Whistleblowing Policy https://ir.swireproperties.com/en/cg/pdf/whistleblowing.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 take into consideration the communities' interests	Materiality Places People 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 People
KPI B8.2	Resources contributed (e.g. money or time) to the focus areas	Places People

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