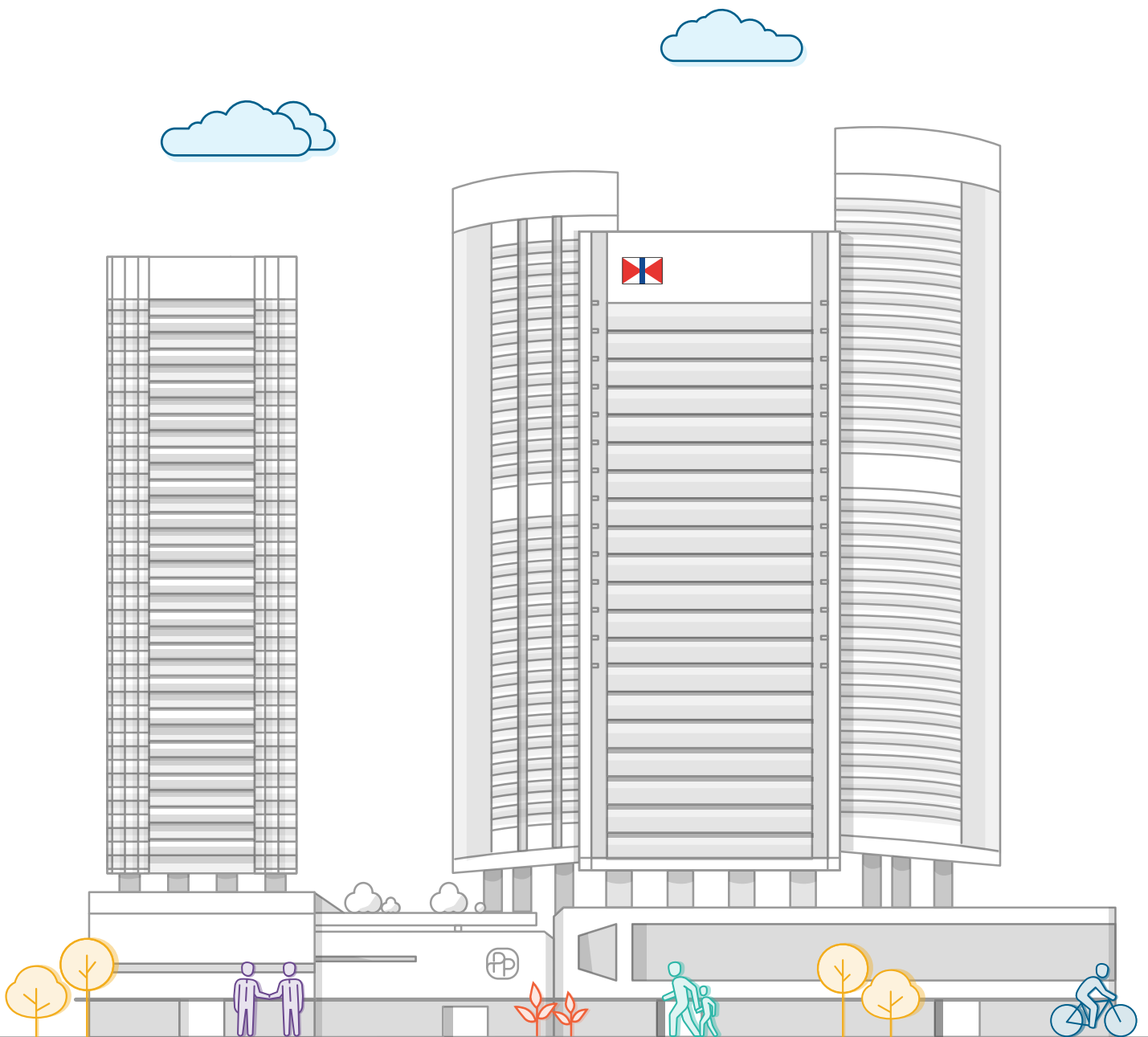


# Sustainable Development Report

—  
2019



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We welcome your feedback on our sustainable development performance and reporting. You can contact us by email at [sustainabledevelopment@swireproperties.com](mailto:sustainabledevelopment@swireproperties.com) or fill in the **Feedback Form**.

## Chief Executive's Message

*"In 2019, our steady investments in sustainable development continued to flourish across our portfolio."*

— *Guy Bradley*  
Chief Executive



In 2019, our steady investments in sustainable development (SD) continued to flourish across our portfolio. This was our third full year of implementing our SD 2030 Strategy, with our performance improving steadily each year. I am pleased to report that we are on track to accomplish our 2020 targets and meet our SD vision – to be the leading SD performer in our industry globally by 2030.

In 2019, we ranked number one in Asia and eighth overall out of 23 leading real estate developers from around the world on the Dow Jones Sustainability World Index. Indeed, for the third year in a row, we were the only company from Hong Kong and Mainland China to be listed on that world index. We also retained our position as Global Sector Leader on the Global Real Estate Sustainability Benchmark ("GRESB") and we were the top company among constituents across all industries on the Hang Seng Corporate Sustainability Index.

Investment in SD helps us mitigate real risks to our business: climate change, regulatory changes, our ability to attract and retain talent, and the need to remain resilient in the face of market shifts and adversity. Committing to SD also allows us to drive innovation to meet evolving needs and manage emerging issues.

The extent of the global climate emergency came into clear focus in 2019 and Swire Properties is committed to taking timely and meaningful action. We are the first real estate company in Hong Kong and Mainland China to set science-based targets, which were approved by the SBTi (the Science-based Target initiative), the global body that reviews carbon reduction objectives, to ensure that they align with the ambitions of the Paris Agreement.

Meeting this target will necessitate the continuous adoption of innovative low-carbon, smart and green building technologies that further enhance the energy efficiency of our global property portfolio. We will also need to work even more closely with our tenants and supply chain partners to reduce carbon emissions along value chains – tasks which we eagerly look forward to.

The launch of our first sustainability-linked loan was another expression of confidence in our ability to continue our strong SD performance. This innovative financing mechanism, the first of its kind in Hong Kong, is linked to improvement in the Company's year-on-year environmental, social and governance performance.

It is important to remember that the heart of our SD 2030 Strategy lies at ground level: in the places that we develop and with the people who we work with and work for. We completed our first Places Impact Report, which provides an innovative assessment of the impacts of our placemaking efforts in Taikoo Place and the surrounding community.

We also continued our HOMETOWN HEROES community outreach programme which featured the I AM A DREAM MAKER city-wide youth empowerment scheme and the Swire Properties Placemaking Academy, where our senior management, experts and thought leaders in urban design and community planning shared insights with participating students.

Finally, I would like to acknowledge the 30th anniversary of one of our most enduring icons: Pacific Place, an excellent example of placemaking which has made the Admiralty area a magnet for business, hospitality and leisure activities for three decades, while also acting as a leading example of how environmentally-friendly initiatives and social benefits can be achieved through everyday operations.

The achievements of 2019, and indeed the past decade, would not have been possible without our employees, our partners, our supporters, and our communities. I wish to thank all of you for your commitment to our vision of sustainability.

The next decade will be critical for our company and our planet. We will all need to work together to address important and evolving issues at the local, regional and global levels. I look forward with hope and excitement to what we will achieve in the next ten years and beyond.



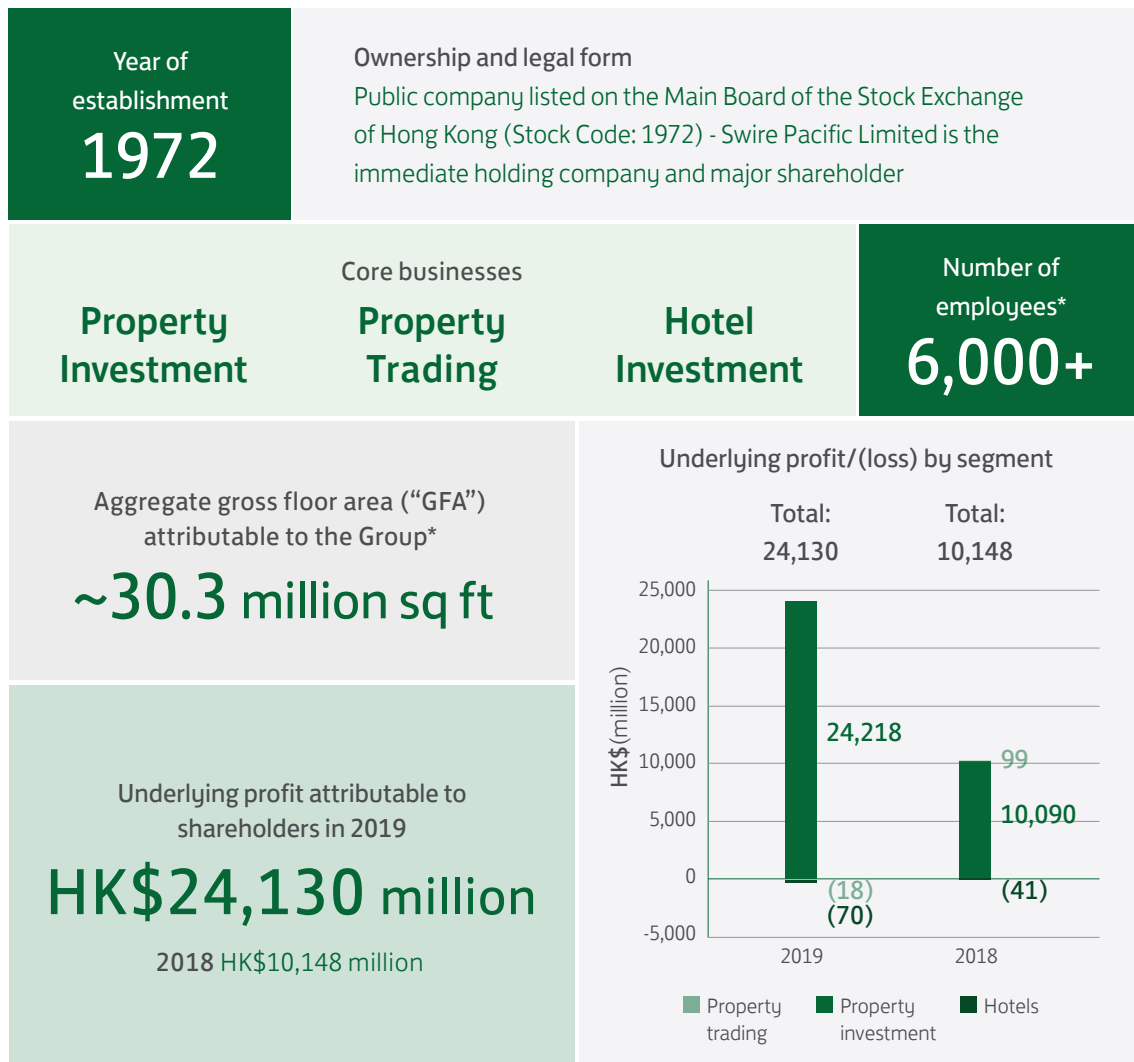
Guy Bradley  
Chief Executive

## About this Report

This report is the 12th sustainable development (“SD”) report of Swire Properties Limited (“Swire Properties”, “SPL” or “Company”). The report covers the period from 1st January 2019 to 31st December 2019 and 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 during the past year.

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

## Profile of Swire Properties Limited



\*At 31st December 2019

## About Us

Headquartered in Hong Kong, Swire Properties is a leading developer, owner and operator of mixed-use, principally commercial, properties in Hong Kong and Mainland China, with a 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 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 the 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 2019](#).

## Demonstrating Global SD Leadership on Sustainability Benchmarks and Indices

Our commitment to SD once again received global recognition in 2019. We were ranked highly in several major SD-related benchmarks and indices.

### Dow Jones Sustainability World Index (“DJSI World”) – Top Ten Globally, Number One in Asia



**2015 2016 2017\* 2018\* 2019\*\***

\*Sole constituent from Hong Kong and Mainland China listed on DJSI World  
 #Top Ten Globally, Number One in Asia

For the third year in a row, we were the only constituent company from Hong Kong and Mainland China to be listed on the DJSI World. We ranked eighth out of 23 leading real estate developers from around the world and were ranked number one in Asia.

### Global Real Estate Sustainability Benchmark (“GRESB”) – Global Sector Leader



**2017 2018 2019**

For the third year in a row, we were recognised as the Global Sector Leader in the Other (mixed-use development) category and also maintained our five-star rating.

### Hang Seng Corporate Sustainability Index – Top Company



**2015 2016 2017 2018\* 2019\***

\*Highest total score among constituent companies; “AAA” rating

In Hong Kong, we topped the Hang Seng Corporate Sustainability Index for the second consecutive year, receiving the highest total score among all index constituents, while also maintaining an “AAA” sustainability rating, which is the highest possible grading. We were the only company to receive this rating among more than 450 assessed stocks.

**MSCI ESG Leaders Indexes**

**2014 2015 2016**  
**2017 2018\* 2019\***

\* Environmental, Social and Governance (“ESG”) rating of “AAA” — the highest possible rating

**The Sustainability Yearbook 2020**

**Top 15% of real estate companies globally**

**2017 2018**  
**2019\* 2020\***

\* The only Hong Kong developer listed

**FTSE4Good**

**2016 2017**  
**2018 2019**

<sup>1</sup> Disclaimer: [www.swireproperties.com/sd/awards/mscidisclaimer.html](http://www.swireproperties.com/sd/awards/mscidisclaimer.html)

## Award-winning Sustainability Governance

### The Hong Kong Management Association’s Hong Kong Sustainability Award 2018/2019

This award scheme recognises the growing importance of sustainability to the business community in Hong Kong and rewards those organisations that make sustainability a staple of their operations and company culture. This year, we won six awards in the Large-Sized Organisation category at the Hong Kong Management Association’s Hong Kong Sustainability Award 2018/2019. They include the Grand Award – the first time we have received this prestigious accolade – and special recognition awards in economic, social and environmental dimensions.



A full list is set out below:

- The Grand Award (the highest recognition);
- Hong Kong Sustainability Award;
- Special Recognition for Outstanding Sustainability Initiative: Economic Dimension;
- Special Recognition for Outstanding Sustainability Initiative: Social Dimension;
- Special Recognition for Outstanding Sustainability Initiative: Environmental Dimension; and
- Special Recognition for Innovation.



## Green Building Awards 2019

Organised by the Hong Kong Green Building Council (HKGBC) and the Professional Green Building Council (PGBC), these awards are given in recognition of leading green buildings and those who create innovations in the green building field. We won the Pioneer Award in the Green Building Leadership: Developer category in recognition of the following:

- platinum rating for BEAM Plus Existing Buildings in our core Hong Kong assets;
- commitment to the Science-based Targets initiative (“SBTi”);
- major energy savings derived from extensive retro-commissioning works;
- widespread stakeholder engagement; and
- green financing to support our strategies.



In addition to the Pioneer Award, One Taikoo Place won the Grand Award in the New Buildings, Completed Projects – Commercial Building category and Pacific Place won the Grand Award in the Existing Buildings, Facilities Management category.



The Grand Award won by One Taikoo Place was in recognition of the following:

- integrated design approach
- waste-to-energy system
- data-driven building energy management and optimisation



The Grand Award won by Pacific Place was in recognition of the following:

- continually improving base building provisions
- tenancy services
- extensive energy savings

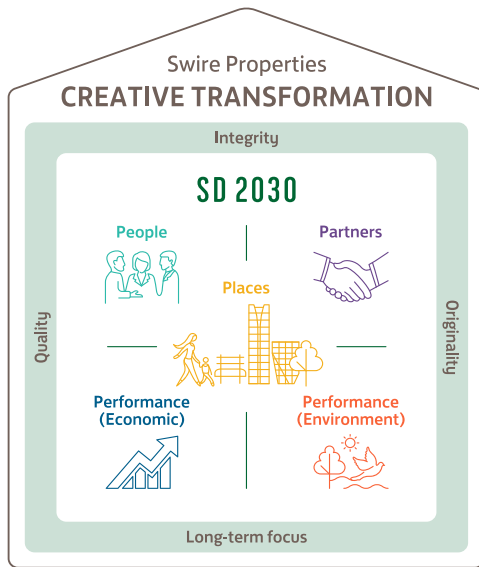


# SD 2030 Strategy

For over forty years, Swire Properties has adopted, advocated and adhered to a philosophy of responsible development.



## SD 2030 Strategy



For over 40 years, we have adopted, advocated and adhered to a philosophy of responsible development.

We are committed to operating in an environmentally, socially and economically responsible manner across all aspects of our business.

We introduced our SD vision in 2016 to clearly articulate our direction:

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

We formulated our SD 2030 Strategy in the same year to implement our SD vision. This strategy helps us build our SD capability and ensures that SD is considered in all of our operations and business decisions.

### 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.

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.

Focus areas for Places:

- Community Investment
- Liveability
- Local Economy
- Connectivity



#### People

The contributions of our employees are critical to our success.

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.

Focus areas for People:

- Talent Attraction
- Talent Retention
- Safety, Health and Wellbeing
- Diversity and Inclusion
- Volunteering



**Partners**

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

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.

Focus areas for Partners:

- Suppliers
- Tenants
- Customers
- Residential Owners and Occupiers
- Government
- Non-governmental, Non-profit Organisations (“NGOs”)
- Joint Venture Partners



**Performance (Environment)**

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

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.

Focus areas for Performance (Environment):

- Climate Change
- Energy
- Waste
- Water
- Biodiversity
- Occupant Wellbeing
- Building/Asset Investments



**Performance (Economic)**

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

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

Focus areas for Performance (Economic):

- Financial Performance
- Green Financing
- Corporate Governance
- Risk Management
- Disclosure and Reporting
- Investor Relations

## SUSTAINABLE DEVELOPMENT (SD) 2030 STRATEGY: 2019 HIGHLIGHTS



### Performance (Economic)

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

#### Financial Performance

<b>2020 KPI</b> Long-term sustainable growth in shareholder value	<b>2019 Progress</b> <b>HK\$24,130 million</b> underlying profit attributable to shareholders
--	--

#### Green Financing

<b>2020 KPI</b> Review, develop and issue green bond	<b>2019 Progress</b> <b>100%</b> of the net proceeds from our first green bond of <b>US\$500 million</b> allocated to green projects
---	---

[Green Bond Report 2019](#) published

Launched our first **sustainability-linked loan** of **HK\$500 million**, with the interest rate indexed against the Company's year-on-year ESG performance improvement

#### Disclosure and Reporting

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

#### 2019 Progress

MEMBER OF **Dow Jones Sustainability Indices**

In collaboration with **ESAM**

Top ten globally, No.1 in Asia; Member of the World Index

Global Sector Leader

Hang Seng Corporate Sustainability Index Series Member 2019-2020

Highest total score among constituents; "AAA" rating

**AAA** MSCI ESG RATINGS

"AAA" rating

The Sustainability Yearbook 2020

The only Hong Kong and Mainland China developer listed

FTSE4Good



### 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.

#### Talent Retention

**2019 Progress**  
**>169,000** training hours delivered  
**26.2** training hours/employee/year

#### Safety, Health and Wellbeing

<b>2020 KPI</b> Maintain Lost Time Injury Rate ("LTIR") below 2.0	<b>2019 Progress</b> LTIR: <b>1.63</b>
--	---

#### Diversity & Inclusion ("D&I")

<b>2020 KPI</b> Public disclosure of data on gender, age, job level, pay, and ethnicity	<b>2019 Progress</b> Gender remuneration ratio (female to male): <b>1 to 1</b>  Women hold <b>51%</b> of management positions
--	--

Develop a flexible working policy and guidelines	Achieved and launched a <b>flexible working policy and guidelines</b>
--	---

#### Volunteering

**2019 Progress**  
Community Ambassador Programme contributed **>7,000** volunteer service hours, supporting **98** activities

### 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 our creative mindset of innovation and experimentation, and promoted through communication and engagement.



### 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.

#### Impact Reporting

Published our first **Places Impact Report** for Taikoo Place

Developed a methodology for assessing, measuring and reporting on the impacts of our developments



### 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

<b>2020 KPI</b> Develop programmes for supply chain improvements	<b>2019 Progress</b> Organised our first <b>sustainability engagement events</b> for suppliers and business partners in Hong Kong and Mainland China
---	---

**HK\$48 million** of Green Procurement spending<sup>2</sup>

#### Tenants

<b>2020 KPI</b> Introduce sustainability guidelines for commercial tenants undertaking new fit-outs and renovations	<b>2019 Progress</b> Launched sustainability fit-out and renovation guidelines for office and retail tenants
--	---

Recognised **8** F&B tenants in Hong Kong and Mainland China with Green Kitchen Awards

**9 million kWh** potential annual energy savings from free energy audits for Hong Kong and 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

<b>2020 KPI</b> Carbon intensity <sup>3</sup>	<b>2019 Progress</b>
<b>Hong Kong Portfolio<sup>4</sup></b> <b>↓27%</b>	<b>Hong Kong Portfolio<sup>4</sup></b> <b>↓28%</b>
<b>Mainland China Portfolio<sup>4</sup></b> <b>↓21%</b>	<b>Mainland China Portfolio<sup>4</sup></b> <b>↓19.9%</b>

First approved **Science-based Target** set by a Hong Kong and Mainland China developer to drive long-term decarbonisation



Continued to publish **climate-related financial disclosures** as per TCFD<sup>5</sup> recommendations

#### Energy

<b>2020 KPI</b> Energy consumption <sup>6</sup>	<b>2019 Progress</b>
<b>Hong Kong Portfolio<sup>7</sup></b> <b>↓64 million kWh/year</b> <b>↓26%</b>	<b>Hong Kong Portfolio<sup>7</sup></b> <b>↓62.7 million kWh/year</b> <b>↓26.9%</b>
<b>Mainland China Portfolio<sup>4</sup></b> <b>↓23 million kWh/year</b> <b>↓20%</b>	<b>Mainland China Portfolio<sup>4</sup></b> <b>↓23.2 million kWh/year</b> <b>↓19.4%</b>

#### Waste

<b>2020 KPI</b> Commercial waste diversion rate <sup>8</sup>	<b>2019 Progress</b>
<b>25%</b>	<b>Hong Kong Portfolio<sup>9</sup></b> <b>21.7%</b> <b>Mainland China Portfolio<sup>9</sup></b> <b>32.5%</b>

#### Building/Asset Investment

<b>2020 KPI</b> Target the highest environmental building assessment scheme <sup>10</sup> rating for all projects under development <sup>11</sup>	<b>2019 Progress</b> <b>100%</b> of projects under development achieved the highest ratings  <b>97%</b> of all existing buildings <sup>12</sup> are certified green buildings, of which <b>84%</b> achieved the highest ratings
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1 Disclaimer: www.swireproperties.com/sd/awards/mscidisclaimer.html  
2 Products that meet specific environmental criteria such as green certification or accreditation by reputable, independent third parties.  
3 Carbon intensity reduction targets reference the business-as-usual ("BAU") baseline year of 2008 for our Hong Kong portfolio and the first BAU baseline year for which a complete calendar year of data was available for projects in our Mainland China portfolio.  
4 Hong Kong portfolio and Mainland China portfolio refer to our office and retail portfolios in Hong Kong and Mainland China respectively, excluding hotels.

5 Task Force on Climate-related Financial Disclosures.  
6 Energy consumption refers to purchased electricity for the provision of shared services for and in the common parts of our buildings, when compared to the BAU baseline year of 2008 for our Hong Kong portfolio and the first BAU baseline year for which a complete calendar year of data was available for projects in our Mainland China portfolio.  
7 Hong Kong portfolio refers to our office and retail portfolios and hotels in Hong Kong.

8 For Mainland China portfolio, this refers to the commercial waste recycling rate.  
9 Hong Kong portfolio and Mainland China portfolio refer to our office and retail portfolios and hotels in Hong Kong and Mainland China respectively.  
10 BEAM Plus/LEED/China Green Building Design Label/WELL certification.  
11 Projects under development refers to projects that are under construction or at the precertification stage. This includes non-joint venture projects only.  
12 Measured as the percentage of total gross floor area.

## Supporting the United Nations Sustainable Development Goals

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 believe that seven specific SDGs connect most closely with our SD vision and SD 2030 Strategy. These seven SDGs are relevant to the focus areas under one or more of the Pillars and are listed below. Our contributions to these seven SDGs in 2019 can be found in the corresponding Pillar sections in this report.

### Places

Through Creative Transformation, we aim to continue to create long-term value by transforming places into vibrant and sustainable communities. The relevant SDGs are:



#### SDG 8

Promoting sustainable economic growth, employment and decent work for all.



#### SDG 9

Building resilient infrastructure, promoting inclusive and sustainable industrialisation and fostering innovation.



#### SDG 11

Making cities and human settlements inclusive, safe, resilient and sustainable.

### People

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

Ensuring healthy lives and promoting wellbeing.

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



#### SDG 5

Achieving gender equality and empowering women and girls.

## Partners

Under our Suppliers focus area, our Supply Chain Sustainability Programme aligns with:



### SDG 12

Ensuring sustainable consumption and production patterns.

## Performance (Environment)

We aim to operate and maintain our buildings and workspaces in a way that promotes Occupant Wellbeing. This focus area aligns with:



### SDG 3

Ensuring healthy lives and promoting wellbeing.

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



### SDG 11

Making cities and human settlements inclusive, safe, resilient and sustainable.



### SDG 12

Ensuring sustainable consumption and production patterns.

We are responding to climate change with initiatives on mitigation, adaption and resilience that align with:



### SDG 13

Taking urgent action to combat climate change and its impacts.

## Performance (Economic)

The SDG relevant to the Financial Performance focus area is:



### SDG 8

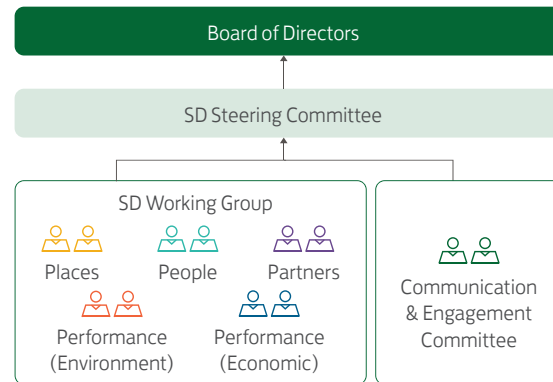
Promoting sustainable economic growth, employment and decent work for all.

## SD Governance

### SD Governance Structure

Our SD governance framework builds on our strong foundations of good [corporate governance](#) and high [ethical standards](#).

Our SD 2030 Strategy seeks to reinforce these foundations by integrating economic, social, and environmental considerations into all levels of our business decision making processes.



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

### Board of Directors

Our Board of Directors (“the Board”) is actively engaged in formulating and implementing our SD 2030 Strategy. The Board oversees our SD performance, with material SD issues and key performance indicators (“KPIs”) reported to it by the Sustainable Development Steering Committee (“SD Steering Committee”) and discussed at our quarterly board meetings.

The Board provides oversight of our risk management, including our management of climate-related risks. Material SD risks are reported and discussed at quarterly board meetings. We also conduct regular risk identification, analysis and review management processes. These are summarised and reported in our Corporate Risk Register and reviewed by the Audit Committee.

### SD Steering Committee

Our SD Steering Committee is chaired by our Chief Executive. Other members are the Finance Director and five members of our senior management from the development and valuations, human resources and administration, portfolio management, and technical services and sustainable development departments.

The Chairman of the SD Steering Committee reports relevant SD matters to the Board, as appropriate.

In accordance with its [terms of reference](#), the SD Steering Committee is responsible for reviewing the Company’s SD 2030 Strategy and ensuring that the Company’s operations and practices are carried out in line with the strategy.

The SD Steering Committee reviews the Company’s performance in terms of KPIs and SD initiatives that have been recommended by the SD working groups, which report to the SD Steering Committee on a regular basis.

### SD Working Groups

Each SD Pillar is supported by a working group. In 2019, these SD working groups delivered on KPIs for 2020 (“2020 KPIs”) for each Pillar and are currently developing KPIs for 2025, which will be disclosed in our next report.

The members of each SD working group are carefully selected to ensure that employees with different backgrounds and varying levels of expertise, seniority and work experience are represented.

### Communication and Engagement Committee

Our SD Communication and Engagement Committee identifies, prioritises and oversees the implementation of communication and engagement plans for initiatives that support our SD 2030 Strategy. It is chaired by our Director, Marketing & Communications. Other members are representatives from different functions within the Company.

## Sustainable Development Policy

GRI  
102-11

Our [Sustainable Development Policy](#) (“SD Policy”) was first published in 2008 and has guided the Company’s operations for more than a decade. It 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. These factors are always considered during the inception, design, construction, occupation, and demolition phases of our development projects.











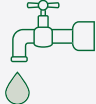

The SD Policy explicitly states that the Company will be a good steward of natural resources and biodiversity within our influence and that we will ensure that all potentially adverse impacts of our operations are identified and managed appropriately.

With respect to the environment, our basic approach follows the precautionary principle<sup>2</sup> 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.

### Swire Properties’ Policies

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

New	 Biodiversity Policy	 Board Diversity Policy	 Climate Change Policy	 Corporate Code of Conduct
 Diversity and Inclusion Policy	 Energy Policy	 Environmental Policy	 Health and Safety Policy	
 Supplier Code of Conduct	 Waste Management Policy	New	 Water Policy	 Whistleblowing Policy

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



## Integrating SD into our Business Operations

### Employee Engagement

Support from our employees is vital to the success of our SD 2030 Strategy. In 2018, we modified our performance development review system to further engage our employees on SD. In 2019, we asked our office employees to align their annual performance goals with each Pillar, further engaging them in our SD 2030 Strategy.

### Business Integration and Budgeting

In 2019, we continued to implement SD initiatives in our day-to-day operations and decision-making at both the asset and functional levels of all our major business units in Hong Kong, Mainland China and Miami, U.S.A.

All our major business units also incorporated SD considerations into their annual budgets and shared proposed budget allocations with the relevant SD working groups.

### Corporate Risk Management

We have updated our Corporate Risk Register to incorporate additional SD-related risks to ensure SD factors are considered when conducting our corporate risk analysis. Our Corporate Risk Register now includes a comprehensive section on climate-related risks. In 2019, we also conducted a “top-down” risk identification exercise, facilitated by an external consultant. New risk areas were identified for further consideration and evaluation of their impacts to our business, whilst existing risks were also analysed from a different perspective.

### Green Financing

We have launched various green financing mechanisms to fund our green building development and other projects. These include issuing our first green bond in January 2018 and entering into our first sustainability-linked loan in July 2019, the interest rate of which is indexed against improvement in the Company’s year-on-year environmental, social and governance (“ESG”) performance.

In 2019, we issued our second [Green Bond Report](#), which provides information on green projects funded by the green bond and their estimated quantitative environmental impacts, including energy and water savings and renewable energy generation.

## Innovation and Experimentation

A creative mindset of innovation and experimentation is crucial to the successful execution of our SD 2030 Strategy. This year, we demonstrated our commitment to innovation and experimentation in several ways.

### UrbanLab

We formed a partnership with Jones Lang LaSalle and Ping An Urban Tech to launch UrbanLab, the first property technology (“PropTech”) corporate accelerator programme in Mainland China.

The programme received applications from over 300 Chinese PropTech start-up companies and selected 12 finalists.

Four of these 12 finalists were given the opportunity to conduct their product trials at our developments, HKRI Taikoo Hui and Taikoo Li Qiantan in Shanghai, to work on solutions including air quality sensors, patrol robots and augmented reality sales and exhibition tools.

The UrbanLab accelerator programme gave us the chance to test potentially promising PropTech solutions, reflecting our continuous desire to experiment and evolve and our commitment to create innovative PropTech solutions for the real estate industry.



### New Ventures

Our new ventures department focuses on technology and innovation. It aims to add strategic value to the Company’s operations by sourcing innovative products and services to address business needs and opportunities. The new ventures department has access to a network of over 50 venture capital firms, accelerators, incubators and other organisations around the world, from which we can obtain inspiration and support.

Below are examples of technology trial projects initiated by our new ventures department in 2019 for each Pillar:

#### Places

A programme that uses sensor technology to collect data on office usage patterns, such as the occupancy of desks, meeting rooms and common areas, and then converts this data to actionable insights to inform and optimise office design.

#### People

A cloud-based workflow tracker which helps users visualise tasks and enhances their productivity by improving workflow processes and making task and project tracking easier.

#### Partners

A smart locker solution that allows the smooth pickup of mailed packages, dry-cleaning, food deliveries and other items via a digital interface for operation and payment. This can help improve both the safe delivery of goods and the quality of the office environment for our Taikoo Place tenants and their employees.



**Performance (Environment)**

An automated window cleaning service using a gondola rig and rolling brush for skyscraper curtain walls that is being trialled at Devon House in Taikoo Place. This service aims to reduce water usage and increase efficiency by reducing the time required to clean windows.

**Performance (Economic)**

The Hub, our online leasing and management platform, was updated to include a new portfolio dashboard function which allows our leasing teams and senior management to see a portfolio-level overview of up-to-date business performance.

**ideas@work**

ideas@work is an annual programme that promotes and stimulates a culture of innovation within the Company. Employees are invited to share their ideas on improving operations and productivity with rewards given for the best ideas.



This year, 481 ideas were received, representing the highest number of ideas received since 2014. Of these 481 ideas, 192 were approved for implementation across our business units.

Set out below are the winning ideas:

**SwireLease Pro, SwirePay Pro and Swire Pay**

These blockchain solutions aim to tackle issues with our existing procedures, such as lengthy processing times, excessive manpower requirements and potential inadvertent human errors, by enhancing process efficiency, security and immutability.

**Repair Reporting Platform**

This new platform aims to make repair requests from tenants more convenient and increase the efficiency of our management office teams' response to such requests.

**ONE INDIGO Communal Space**

This project includes offering office tenants of ONE INDIGO a shared space to meet, work and relax. The project also includes a tenant engagement programme focused on recreation, entertainment and wellness. More details about the project can be found [here](#).

**Mobile Show Suite**

This virtual reality idea was developed to facilitate the sale of units at EDEN in Singapore. It allows potential customers to experience the new development's features through wearing a virtual reality headset.

# Materiality



## Materiality

For the purposes of our SD 2030 Strategy and SD reporting, materiality is defined as 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 significantly relevant to our business and our stakeholders.

## Our Stakeholder Engagement Approach

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

We regularly engage with our stakeholders so that we can understand their priorities, expectations and perceptions regarding SD issues.

When we first introduced our SD 2030 Strategy in 2016, we engaged extensively with senior managers and employees from across our business and also consulted external sustainability experts. Today, our SD Communication and Engagement Committee continues to gather the support of our employees and other stakeholders so as to further integrate our SD 2030 Strategy across our business.

**HKEX**  
Aspect B8



## Our Stakeholders

Our stakeholders are both internal and external interest groups which have a significant impact on our business or which experience significant impacts from our operations. We regularly engage with our stakeholders in appropriate ways.

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

## Stakeholder Groups and Methods of Engagement



### Employee Groups

- Surveys and interviews
- Intranet and staff newsletter *CornerStone*
- Training sessions
- Competitions and team-building activities
- Forums
- Staff townhalls
- “WeChat Work” mobile application



### Community/NGOs

- Community events
- Joint projects
- Working committees and consultations
- Multi-stakeholder meetings/ seminars on specific issues



### Tenants

- SD-themed tenant engagement programmes
- Joint projects
- Community events
- Surveys and interviews
- Multi-stakeholder meetings/ seminars on specific issues



### Customers/Consumers

- Surveys
- Customer service mobile applications
- Community events
- Joint projects



### Suppliers

- Supplier screening and assessments
- Joint projects
- Surveys
- Forums



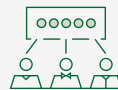
### Regulators/Government

- Joint projects
- Working committees and consultations
- Interviews



### Industry Experts/Academia

- Joint projects/research funds
- Multi-stakeholder forums and partnerships
- Seminars



### Joint Venture Partners

- Surveys and interviews
- Multi-stakeholder meetings/ seminars on specific issues
- Joint projects



### Shareholders & Investors

- SD benchmarks and indices
- Interviews and meetings
- Newsletters
- Events
- Investor Day



### Media

- Annual gathering
- Interviews
- Feedback and responses to media enquiries

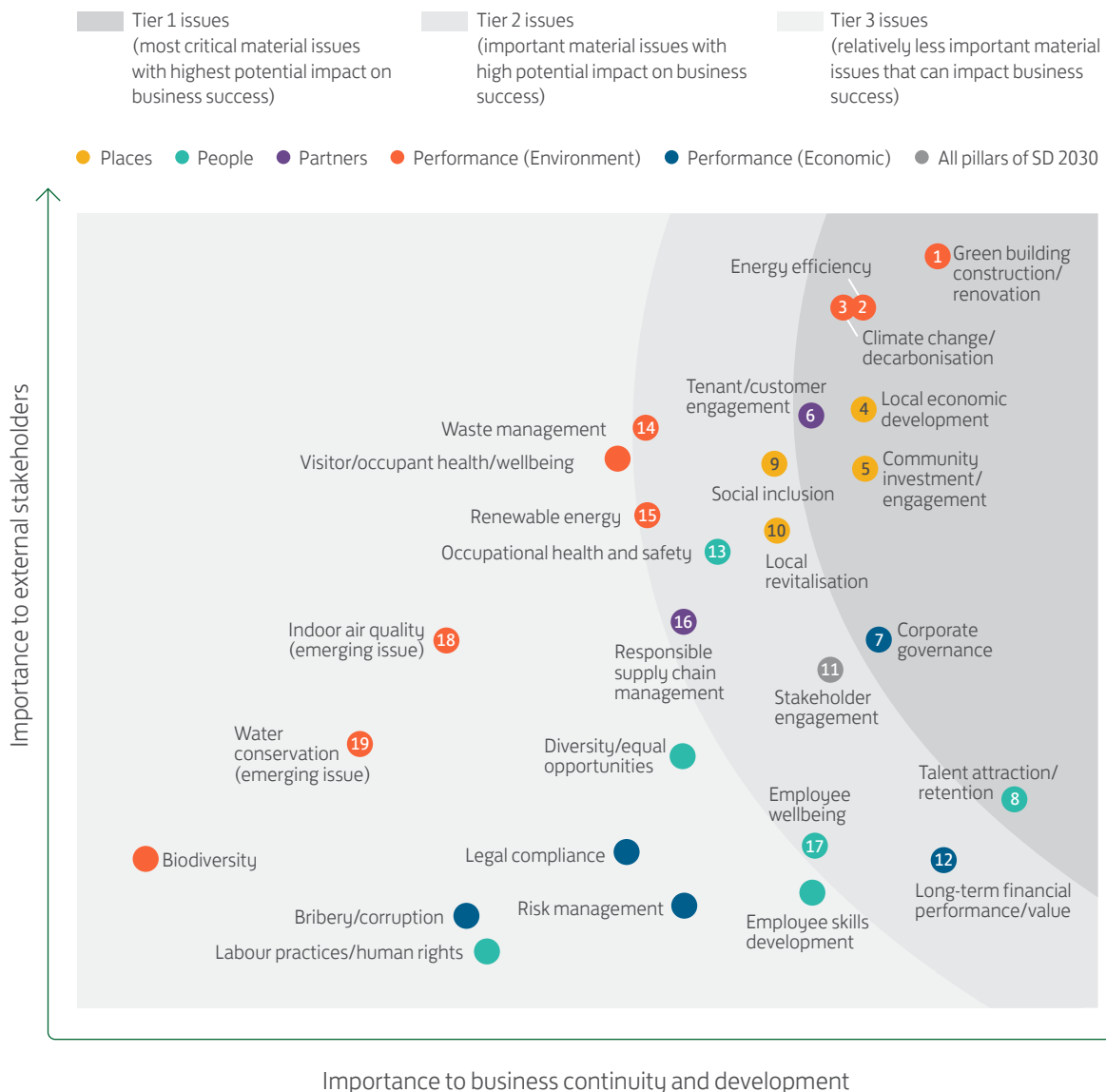
## Stakeholder-driven Materiality

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

We conducted a materiality review in 2017/18 by carrying out surveys of more than 300 stakeholders as well as 22 in-depth stakeholder interviews. The materiality matrix set out below reflects the findings from that materiality review.

The materiality matrix maps 27 SD issues, with their importance to external stakeholders appearing on the y-axis and their importance to our business continuity and development on the x-axis. Overall materiality was determined by the aggregate score assigned to each SD issue by our internal and external stakeholders.

## Materiality Matrix



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

The top material issues in the matrix, namely Tier 1 and Tier 2 issues, are consistent with the focus areas of our SD 2030 Strategy and have been addressed in this report in accordance with the relevant Global Reporting Initiative Standards (“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 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	Tenants & Customers	✓			✓	✓	✓	✓		✓		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 multiple focus areas	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	N/A
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: Pacific Place

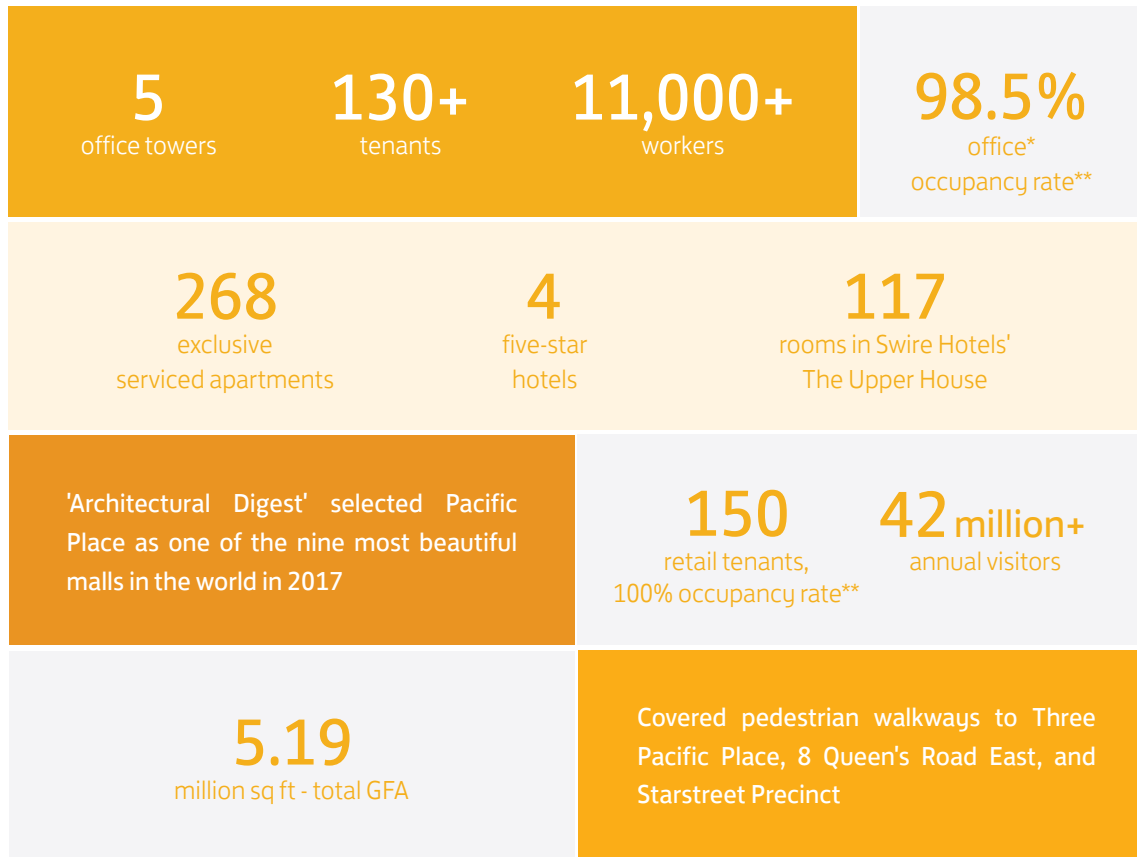


## 30 Years at the Heart of the City

In 1985, Swire Properties saw a vision of the future on the site of a disused British military barracks.

In 2019, we marked the 30th anniversary of Pacific Place. We believe that Pacific Place is an excellent example of placemaking and is an important part of the urban landscape in Hong Kong, which has helped attract business, hospitality and leisure activities to the Admiralty area.

Adjacent and connected to Admiralty MTR station, a major transport interchange, the Pacific Place complex comprises:



Remarks:

\*One Pacific Place and Two Pacific Place

\*\*As of 31st December 2019

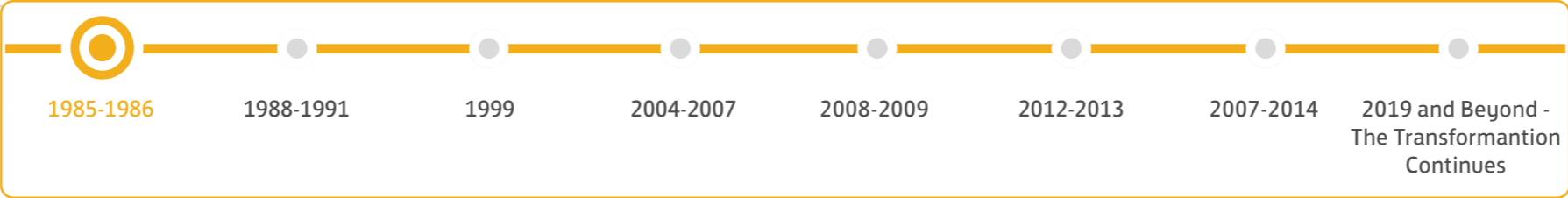
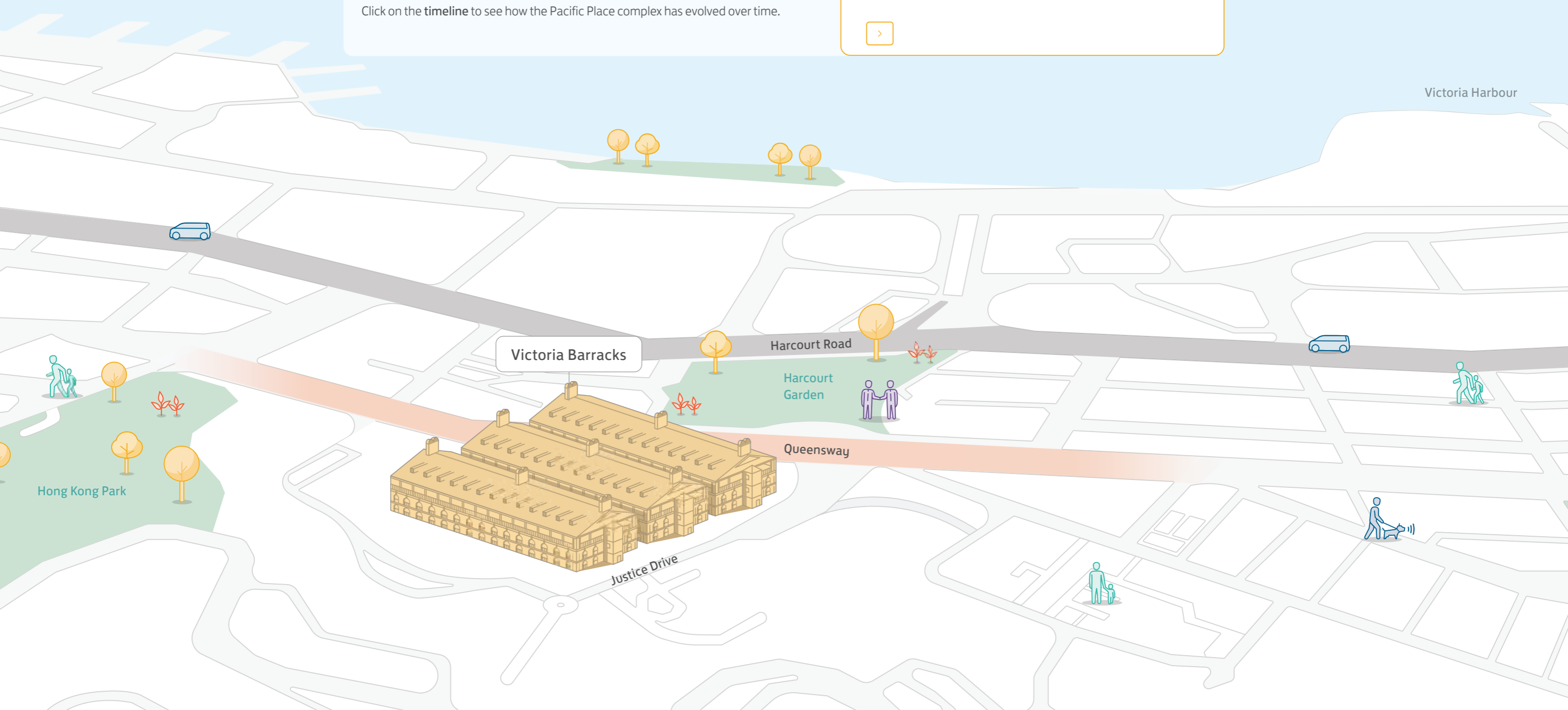
### Placemaking Pacific Place

Swire Properties' master plan envisioned placemaking of a new kind in Hong Kong. Integrating office, retail, hotel, and residential components, the plan sought to transform Admiralty and extend the central business district eastwards.

Click on the [timeline](#) to see how the Pacific Place complex has evolved over time.

#### 1985-1986

- Two Victoria Barracks sites purchased for HK\$1.7 billion, totalling 318,000 sq ft



Map not drawn to scale

## 1985-86

### Saving the "world's most expensive tree"

Environmental considerations are featured prominently in the Pacific Place master plan. A large Banyan tree, believed to have been planted in 1870, was preserved during the construction of Pacific Place in 1988, with a 10 metre deep and 18 metre diameter cylindrical structure built to contain the roots. The total cost of this preservation was approximately HK\$26 million.



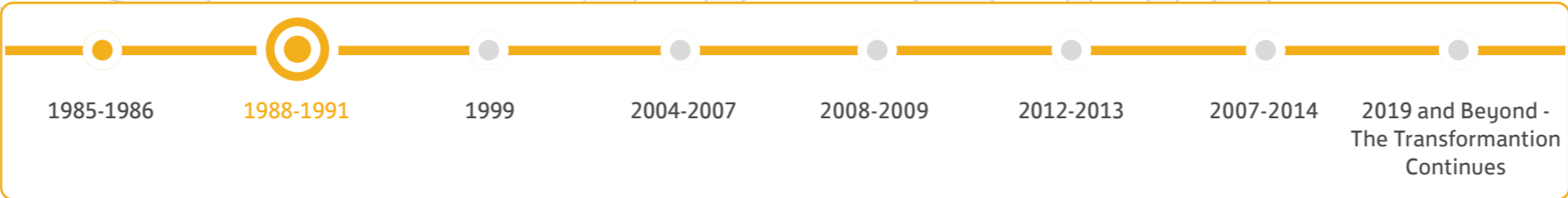
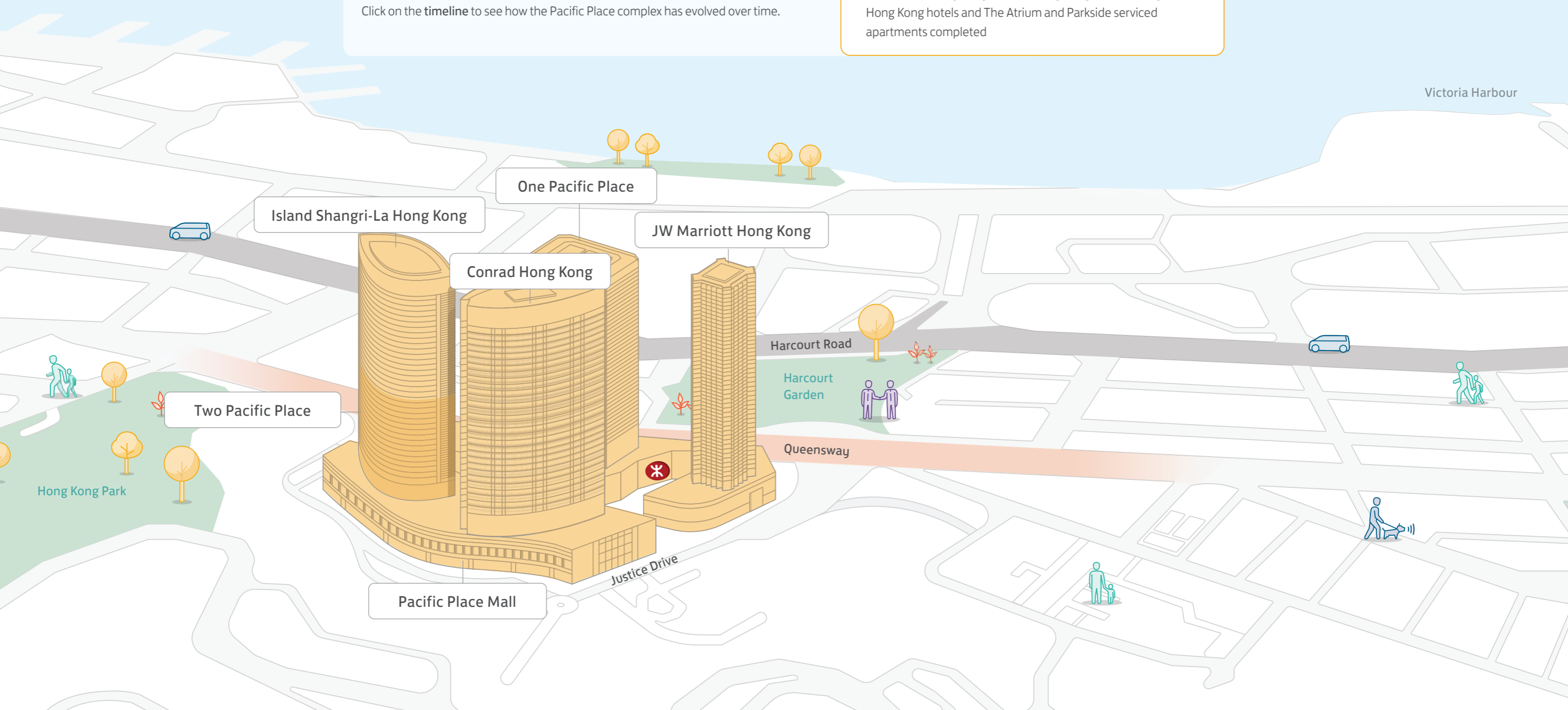
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Click on the [timeline](#) to see how the Pacific Place complex has evolved over time.

#### 1988-1991

- Pacific Place mall opened
- One and Two Pacific Place completed
- JW Marriott Hong Kong, Conrad Hong Kong, Island Shangri-La Hong Kong hotels and The Atrium and Parkside serviced apartments completed



Map not drawn to scale

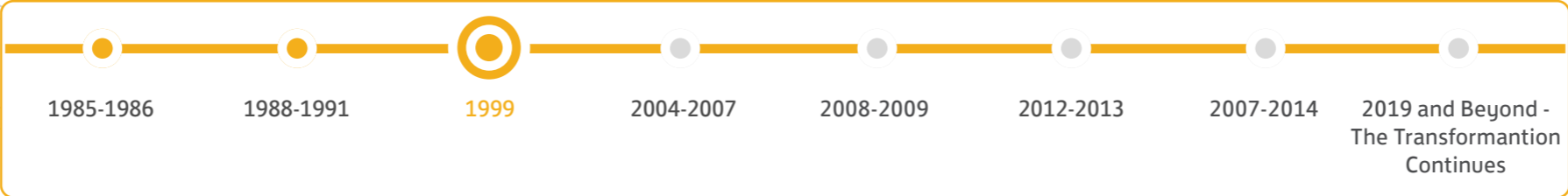
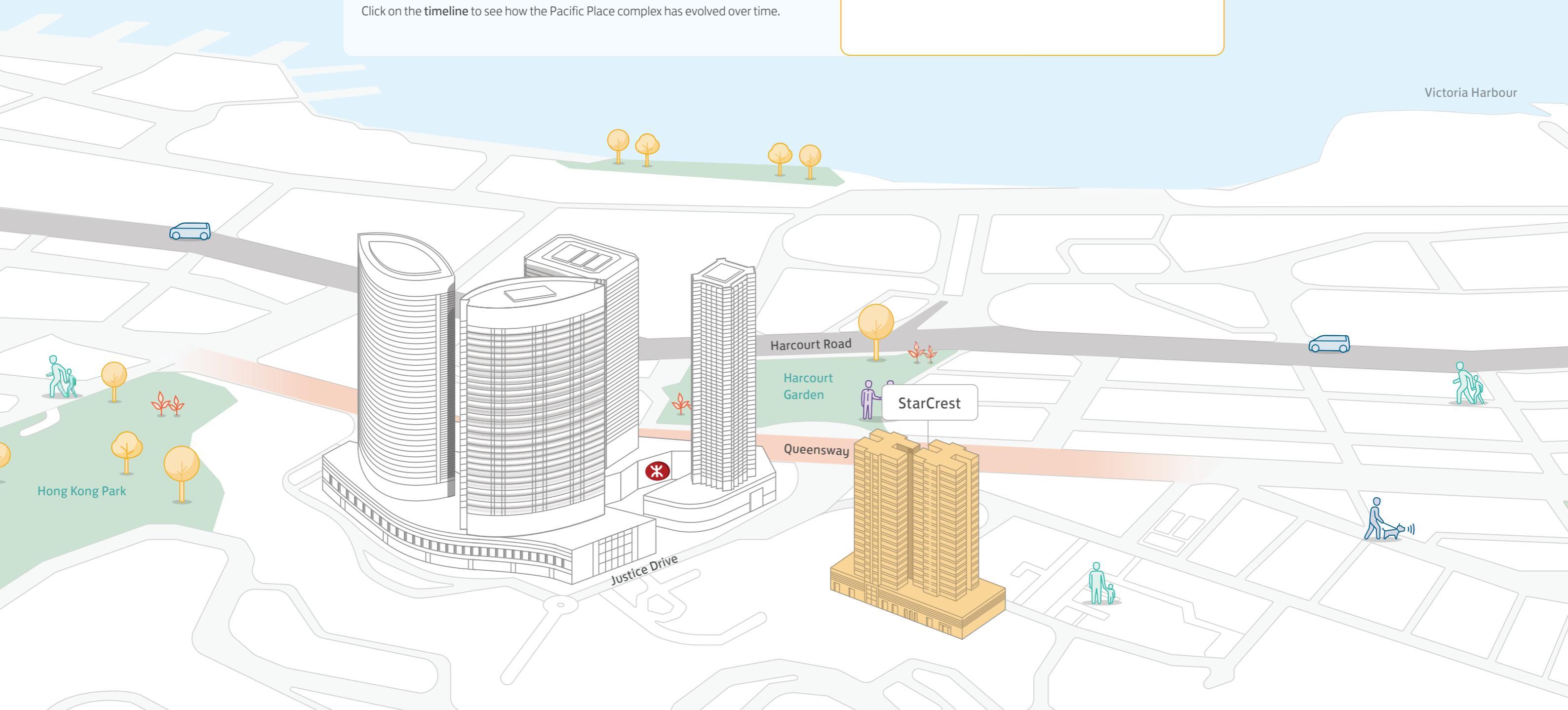
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#### 1999

- Residential development StarCrest completed



Map not drawn to scale

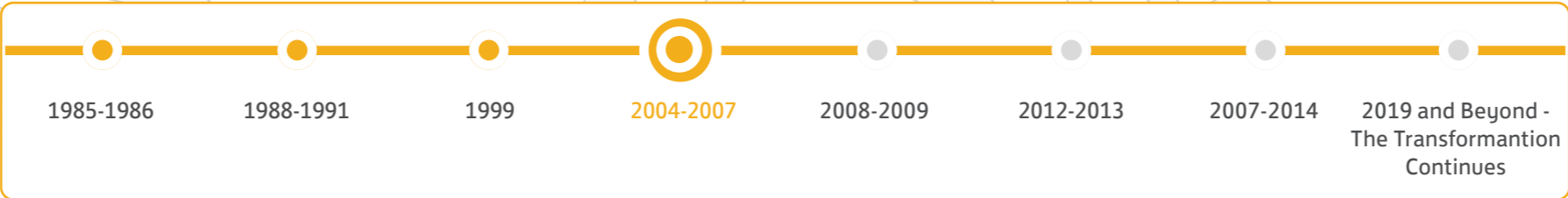
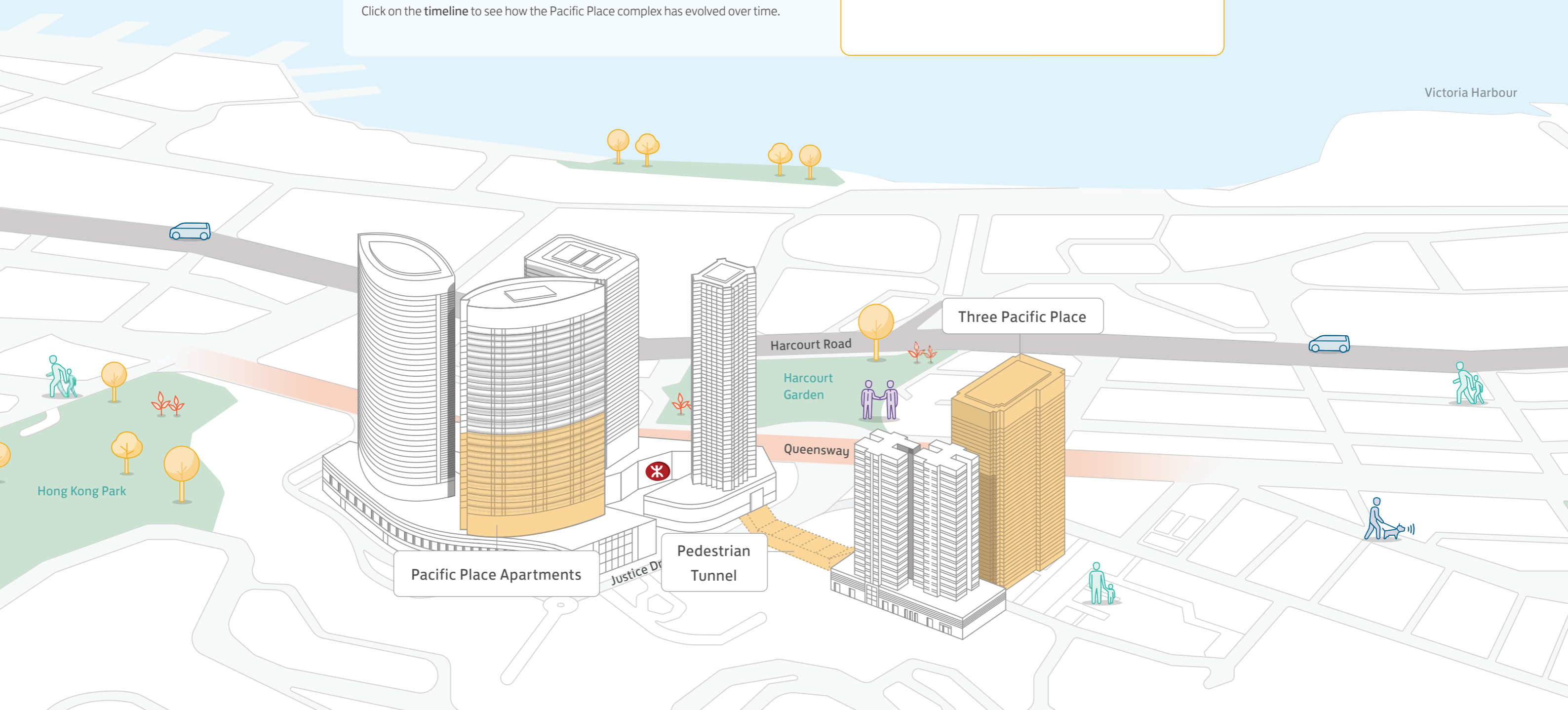
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Click on the [timeline](#) to see how the Pacific Place complex has evolved over time.

#### 2004-2007

- Three Pacific Place and pedestrian tunnel opened
- Parkside serviced apartments received a major renovation and was later renamed Pacific Place Apartments



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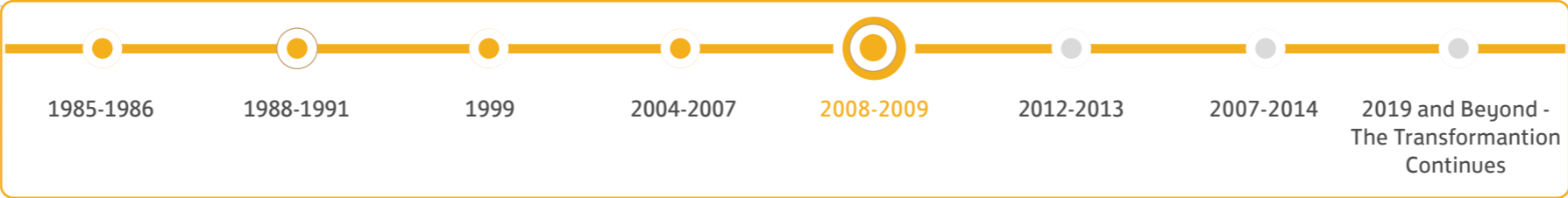
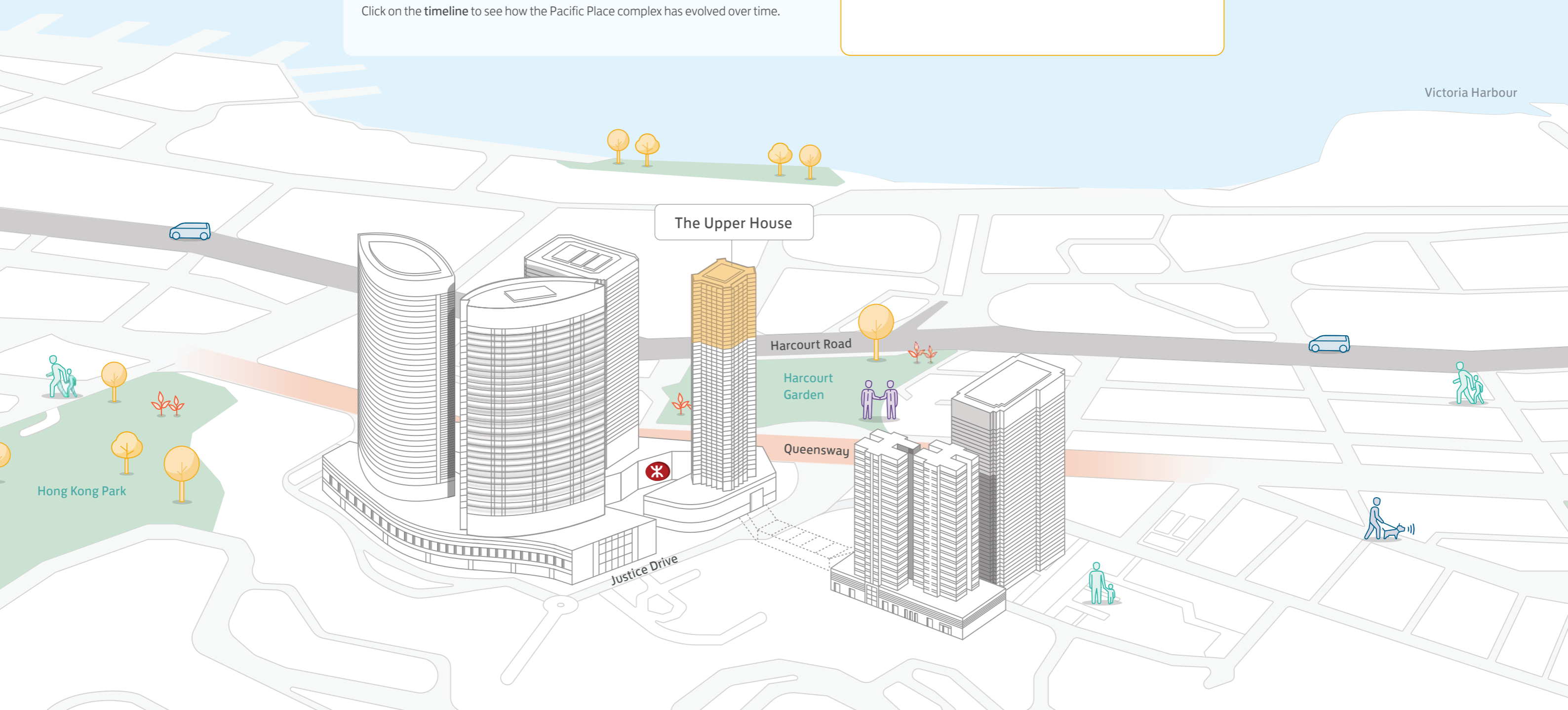
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Click on the [timeline](#) to see how the Pacific Place complex has evolved over time.

#### 2008-2009

- The Upper House opened, formerly The Atrium serviced apartments



Map not drawn to scale



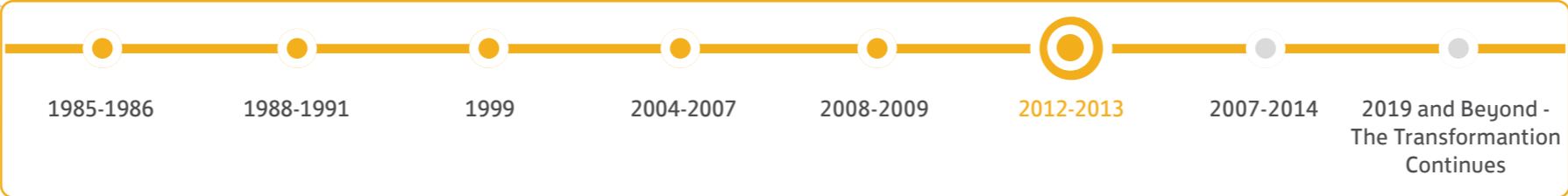
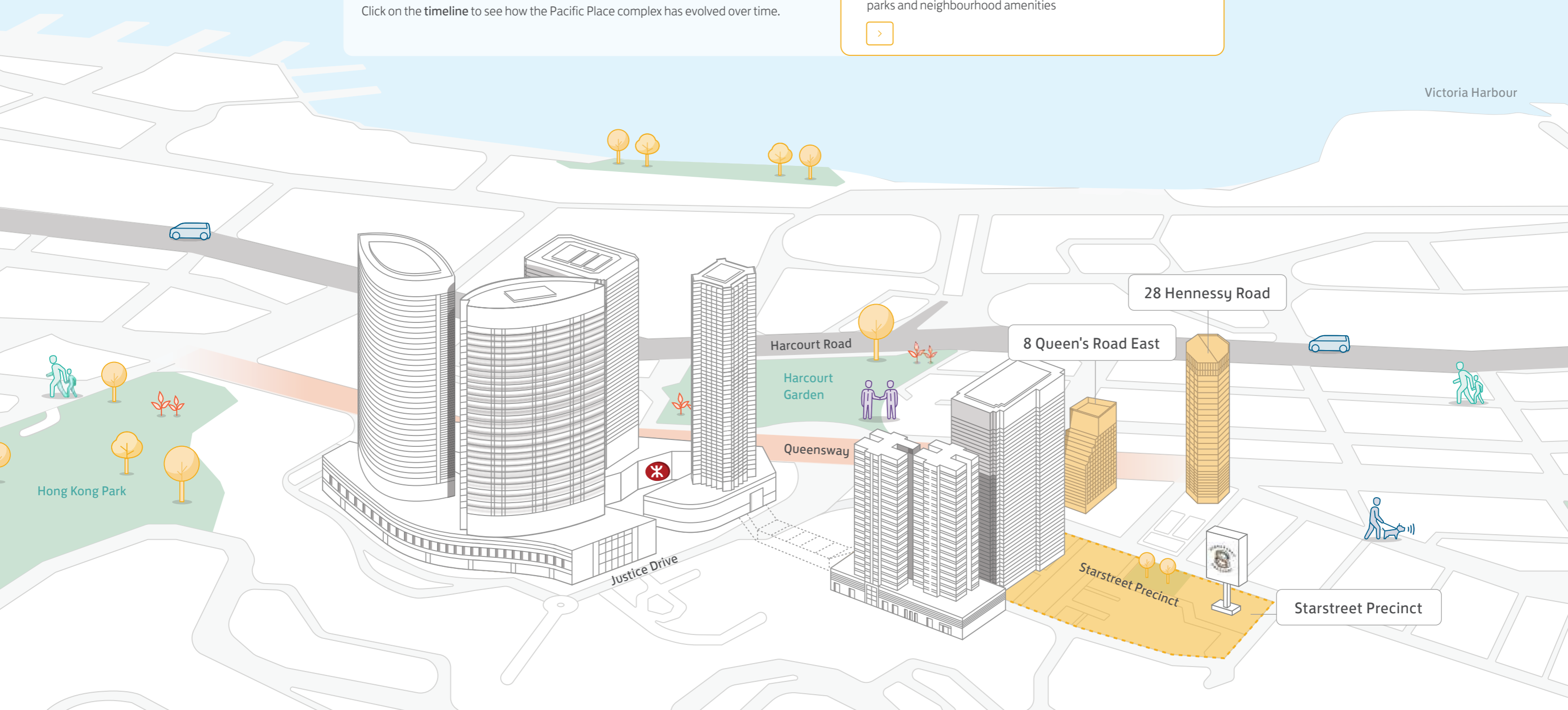
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Click on the **timeline** to see how the Pacific Place complex has evolved over time.

#### 2012-2013

- 28 Hennessy Road completed and 8 Queen's Road East refurbished
- Completion of Old Wan Chai revitalisation work on streetscape, parks and neighbourhood amenities



Map not drawn to scale

## 2012-2013

### Working with the government to revitalise and preserve

Swire Properties worked with government authorities to rebuild a sense of identity and revitalise the Starstreet Precinct next to Pacific Place, while also preserving its unique culture and character.



The HK\$20 million revitalisation project, funded by Swire Properties, enhanced the adjacent open areas of Dominion Garden and Kwong Ming St Children’s Playground on Star Street and St. Francis Street. We believe that the neighbourhood has benefited from the positive impacts and growth brought by this revitalisation.

Following these works and the development of premium residential and office buildings in the area, Starstreet Precinct began to undergo an urban transformation, with boutiques, eateries and art galleries emerging and co-existing with older architecture and offering dynamic spaces for the local community.

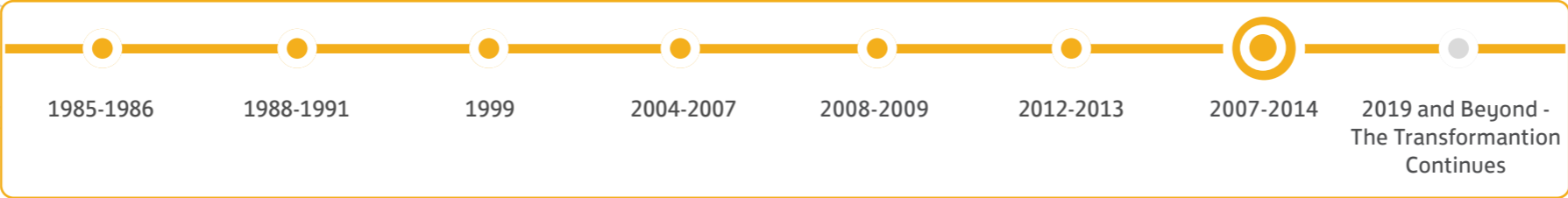
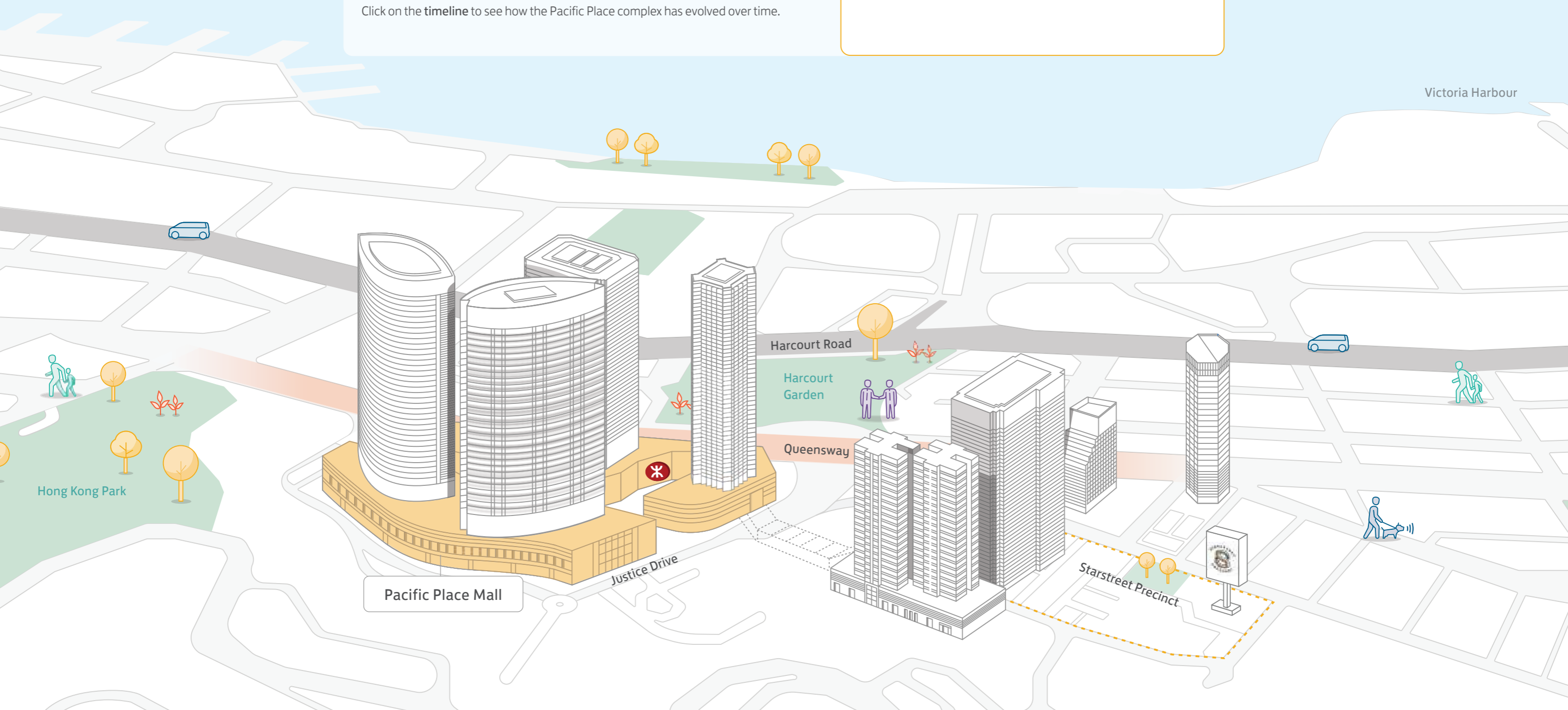
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Click on the [timeline](#) to see how the Pacific Place complex has evolved over time.

#### 2007-2014

- Pacific Place mall contemporisation, a HK\$2 billion project was conducted in collaboration with Thomas Heatherwick



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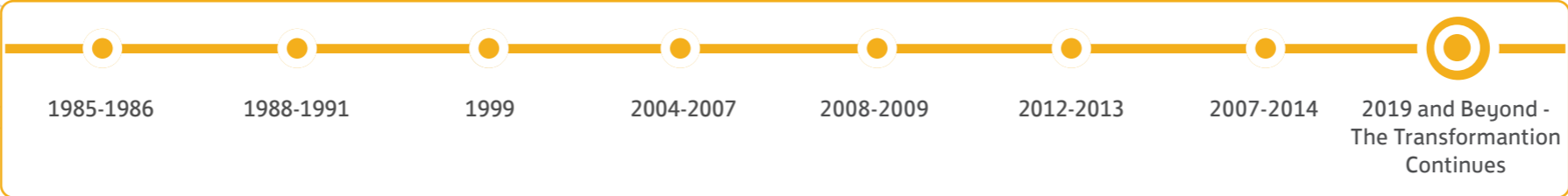
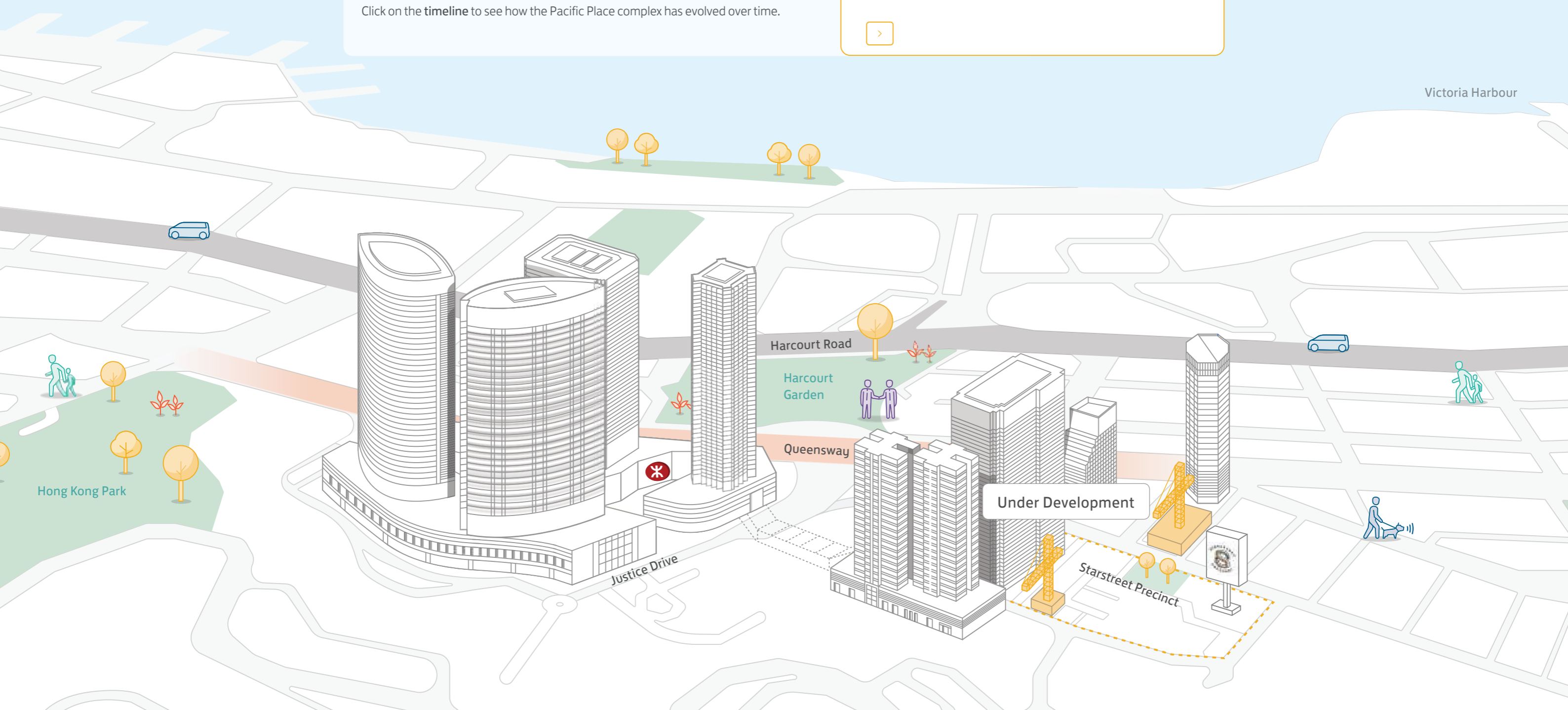
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### 2019 and beyond – The transformation continues

- Pacific Place celebrated its 30th anniversary
- Two sites near Three Pacific Place are being developed, with completion targeted for 2022 and 2023



Map not drawn to scale

## 2019 and Beyond – The Transformation Continues

### Pacific Place’s 30th anniversary

Pacific Place celebrated its 30th anniversary with an installation in the mall’s Garden Court which was inspired by the concept of tree rings – the rings that are added to a tree’s trunk with every year of growth. The installation was an interactive, nature-themed playground consisting of three “tree houses” which visitors could enter and enjoy.



### Placemaking for the future

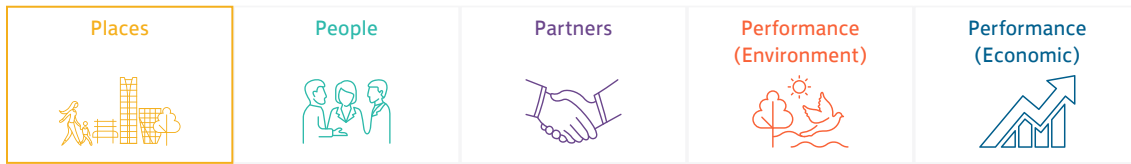
Swire Properties will continue our placemaking efforts around Pacific Place into the next decade.

Two sites near Three Pacific Place have been acquired and are being redeveloped. The first site is 21-31 Wing Fung Street, which will be developed into a 34,000 sq ft residential building with retail outlets on the two base levels. The second site is 46-56 Queen’s Road East, 1A-11 Landale Street and 2A-12 Anton Street, which will become an office tower with an aggregate GFA of approximately 218,000 sq ft. The foundation work for the first site is finished with project completion expected in 2022, whilst for the second site, foundation work is in progress and completion is expected in 2023.

We are also seeking to explore infrastructure development opportunities that will support connectivity and walkability to these new projects in the future.

## SD in Action at Pacific Place

Click on a Pillar to learn more.



### Places

Pacific Place connects and engages those who shop, live and work there while also supporting and creating real value for the surrounding communities.

#### Creating Seamless Physical Connectivity

Geographically, Pacific Place physically connects the area north of Queensway with the south side of Admiralty. It also connects Tamar with Hong Kong Park and the nearby Mid-levels area. Pacific Place’s bridges, escalators and an underground walkway connect the complex to Admiralty MTR station, an important transportation hub, as well as a large bus station and the wider Wan Chai district, creating accessibility and fluidity of movement.



The “destination design” of the Pacific Place mall with its innovative curved spaces and 100 walkable skylights emphasises natural light, clear visibility, easy access, fluid circulation and effective connections between the retail and back of house areas.

Pacific Place has also installed 12 electric vehicle chargers in the mall car park and more are scheduled to be added in Three Pacific Place in 2020. With the aim of achieving seamless parking entry and exit, Pacific Place car park’s control system was upgraded to a contactless system in early 2020.








#### Advancing Virtual Connectivity

Virtual connectivity is also vital. Already in use at 28 Hennessy Road, the Swire Properties Tenant Portal will be rolled out across other Pacific Place office buildings over the coming years. This online portal featuring manuals, e-billing, maintenance requests and self-service access requests, will help address tenant needs and also reduce waste paper and administrative work.

Social media channels such as the Pacific Place mobile application, webpage, Facebook page and Instagram channel allow customers and visitors to stay connected to the mall. An eye-catching digital hanging banner in the mall helps our retail tenants promote their brands.

## SD in Action at Pacific Place

Click on a Pillar to learn more.

<p style="text-align: center; color: orange;">Places</p> 	<p style="color: teal;">People</p> 	<p style="color: purple;">Partners</p> 	<p style="color: red;">Performance (Environment)</p> 	<p style="color: blue;">Performance (Economic)</p> 
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### White Christmas Street Fair

Christmas time at Swire Properties is synonymous with the annual White Christmas Street Fair. Beginning in 2016, we expanded the fair from our home base in Taikoo Place to Starstreet Precinct. The event engages and empowers local youth, embraces our local business partners and brings together our community members for the festive season to raise funds for Operation Santa Claus, a charity which supports local and regional non-profit organisations. In 2019, we also engaged 14 university students in our HOMETOWN HEROES community-building initiative to help plan the originally scheduled White Christmas Street Fair. Read more about these initiatives in [Places](#).

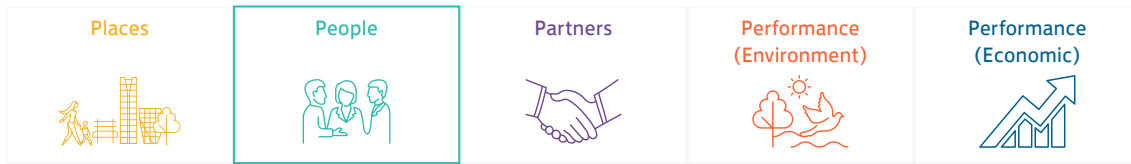


### Celebrating the Arts

The annual Swire Properties Arts Month fosters and celebrates creativity. Held since 2016, the Pacific Place Arts Campaign provides a free and easy way for people to access, learn about and appreciate art in a mall setting. Throughout the years, the campaign has showcased a number of significant art pieces: Pacific Red by Larry Bell in 2016, bit.fall by Julius Popp in 2017, Spiral Scratch by Jim Lambie in 2018 and LUMENous GARDEN by FoldHaus in 2019.

## SD in Action at Pacific Place

Click on a Pillar to learn more.



### People

Our people enable us to grow and succeed. By investing in their learning and development, and their health and wellbeing, we ensure they are best placed to help Pacific Place thrive.

#### Promoting Health and Safety

All new frontline staff at Pacific Place receive induction training which equips them with essential knowledge, including health and safety training. In 2018, Pacific Place migrated from OHSAS 18001 to ISO 45001:2018 – a more stringent safety management system.

#### Developing Togetherness Through Volunteerism

In partnership with St. James Settlement, Swire Properties Community Ambassadors from Pacific Place and other departments visited the Blue House in Wan Chai, a Grade One historic building and one of Hong Kong’s oldest “tong laus” – an old-style tenement building.

With their friends and families, the participants explored the heritage and culture of the nearby Wan Chai community through educational orienteering challenges.



#### Creating Inclusive Career Opportunities

The Upstairs Programme organised by The Upper House and the Hong Kong Down Syndrome Association for the second year saw 10 members of the Association take part in a job attachment programme at the hotel. After a few introductory lessons, they were each assigned

to a hotel department – housekeeping, kitchen or guest experience – for one month, so that they could gain real-life skills and work experience.



## SD in Action at Pacific Place

Click on a Pillar to learn more.



### Partners

Pacific Place’s many partners form a strong and tightly-knit community within the development and in the wider local community. Swire Properties believes in cultivating trust and long-term, mutually beneficial relationships with all our stakeholders.

#### Engaging Tenants in Sustainability

##### Hong Kong Green Shop Alliance

Pacific Place was one of the first malls to support the [Hong Kong Green Shop Alliance](#), 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 through landlord-tenant collaboration.

In 2018, Pacific Place received the Power Partner Award – Shopping Mall as part of the Hong Kong Green Shop Award, recognising the mall’s efforts in integrating green measures into daily operations and promoting a green shopping environment.



In December 2019, Pacific Place won the Champion award in the Best Green Practice in the Malls category, beating nearly 40 other leading organisations with our innovative energy savings solutions and initiatives that help tenants reduce and recycle waste.



**24** retail and F&B tenants participated in the Green Shop Alliance in 2019

Next Page

## SD in Action at Pacific Place

Click on a Pillar to learn more.



### Reducing Waste Together

With the majority of our waste generated by tenants' activities, Pacific Place plays a critical role in helping tenants reduce and recycle waste.

Pacific Place works with our partners to reduce waste by:

- Facilitating the collection of over 20 types of regular and seasonal recyclables including coffee grounds and polyfoam boxes for re-use.
- Sharing eco-tips with our tenants on plastic reduction and food waste recycling in daily operations.



- Installing a reverse vending machine in Three Pacific Place to incentivise the recycling of plastic beverage bottles. From September to December 2019, over 9,700 bottles were recycled.
- Partnering with NGOs to run plastic awareness campaigns which engage residents, tenants and the general public.

### Building and Maintaining Long-term Relationships With Tenants and Customers

In addition to the Swire Properties Tenant Portal, the Pacific Place loyalty programme, which was launched in December 2016, rewards Pacific Place's shoppers and VIPs by offering extensive membership privileges including discounts from over 70 merchants in the mall, event invitations from Pacific Place merchants and other services such as complimentary valet parking.

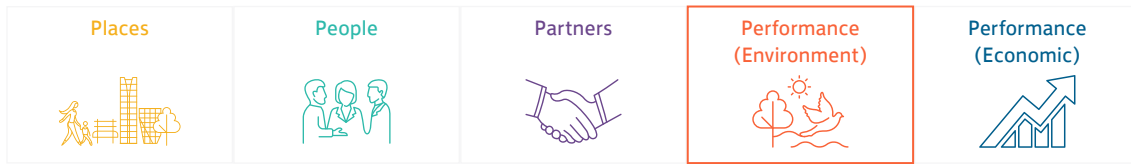
The programme allows us to better understand our shoppers' needs so that we can constantly improve our services. We also conduct regular customer surveys to understand their profiles, preferences and shopping behaviour. Read more in [Customers](#).

We communicate with our customers through The Style Sheet, an online version of our Pacific Place Magazine, featuring news from both Pacific Place and Starstreet Precinct.

In 2020, Swire Properties intends to leverage the strength of these relationships to promote Starstreet Precinct as a day-to-night destination for tourists and locals, with a long-term goal of establishing a single-use plastic-free precinct and continue to brand the neighbourhood as an iconic, must-visit Hong Kong destination.

## SD in Action at Pacific Place

Click on a **Pillar** to learn more.



### Performance (Environment)

In operation for more than 30 years, Swire Properties' innovative and ongoing environmental monitoring system uses smart technology and data analysis to continuously enhance building performance, increase energy savings and work towards continuous improvements.

Over the years, Pacific Place has been assessed three times by BEAM and BEAM Plus and received a Platinum rating each time.

The environmental and energy management systems in Pacific Place were certified in accordance with ISO 14001:2015 Environmental Management System and ISO 50001:2018 Energy Management System. Together, these management systems create a robust framework for managing our environmental and energy performance.

#### Creating Deep Energy Savings

Regular audits and continuous system upgrades help Pacific Place stay well ahead of recommended energy targets. We often test new technologies and practices in the mall, which has allowed us to achieve continuous energy improvements. These include:

- Identifying and initiating timely chiller replacement programmes, resulting in an annual energy reduction of nearly 5 million kWh (representing a 28% decrease in overall chiller energy consumption).
- Retrofitting 98 conventional air handling units with energy efficient electronically-commutated motor plug fans, estimated to reduce energy consumption by nearly 600,000 kWh per year. This energy efficiency project is supported by the Swire Pacific SD Fund.



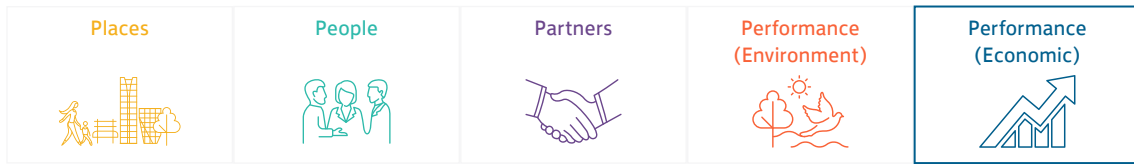
- Developing tools for monitoring-based commissioning of heating, ventilation and air conditioning to automatically carry out big data analysis and provide insights for building operation optimisation and enhancement of energy efficiency. This energy efficiency project is run in partnership with Tsinghua University and is supported by proceeds from our [green bond](#) issued in 2018.

#### Focusing on Occupant Wellbeing

Indoor air quality sensors are strategically placed in common areas of Pacific Place which monitor temperature, relative humidity, levels of carbon dioxide, indoor fine particulate matter, total volatile organic compounds and ozone.

## SD in Action at Pacific Place

Click on a **Pillar** to learn more.



### Performance (Economic)

Pacific Place continues to set benchmarks for success. Through contemporisation and asset enhancement initiatives, Pacific Place continuously works to attract shoppers, visitors and diners through high-quality experiences.

“We want to celebrate Pacific Place as the destination where people can elevate everyday moments and enjoy unique experiences.”

Theresa Leung, General Manager of Pacific Place

### A Commercial Centre with Critical Mass

We believe that Pacific Place promotes economic growth in and around the development.



There are approximately 130 tenants based in the office towers and over 11,000 workers in total. By creating a commercial centre with critical mass, we believe Pacific Place has helped stimulate positive change in the community, promote organic growth not only in the development itself and Admiralty but also in the neighbouring areas of Wan Chai.

#### Visionary

30 years ago, Swire Properties assessed the potential long-term value of the site and was confident that it could convert it into a flourishing commercial community. Our willingness to take risks allowed an embedded and coherent place to be created over many years.

#### Pioneering

Pacific Place was the first fully-integrated, mixed-use development ‘under-one-roof’ in the city — setting a new benchmark for the sector.

#### Transformative

Pacific Place successfully transformed a disused military barracks into a dynamic, thriving business hub, luxury retail and premium hospitality destination.

#### Community development

Pacific Place’s evolution has been tailored to the particular needs of the local community and created an engaging ‘sense of place’.

#### Sustainable development

Sustainability is central to both the development and management of Pacific Place.

# Places

Through effective placemaking and long-term placekeeping, we transform places while retaining their character to support communities and enhance people's lives.





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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 economic development



Social inclusion



Community investment/  
engagement



Local revitalisation

The SDGs relevant to initiatives under this Pillar are:



**SDG 8**

Promoting sustainable economic growth, employment and decent work for all.



**SDG 9**

Building resilient infrastructure, promoting inclusive and sustainable industrialisation and fostering innovation.



**SDG 11**

Making cities and human settlements inclusive, safe, resilient and sustainable.



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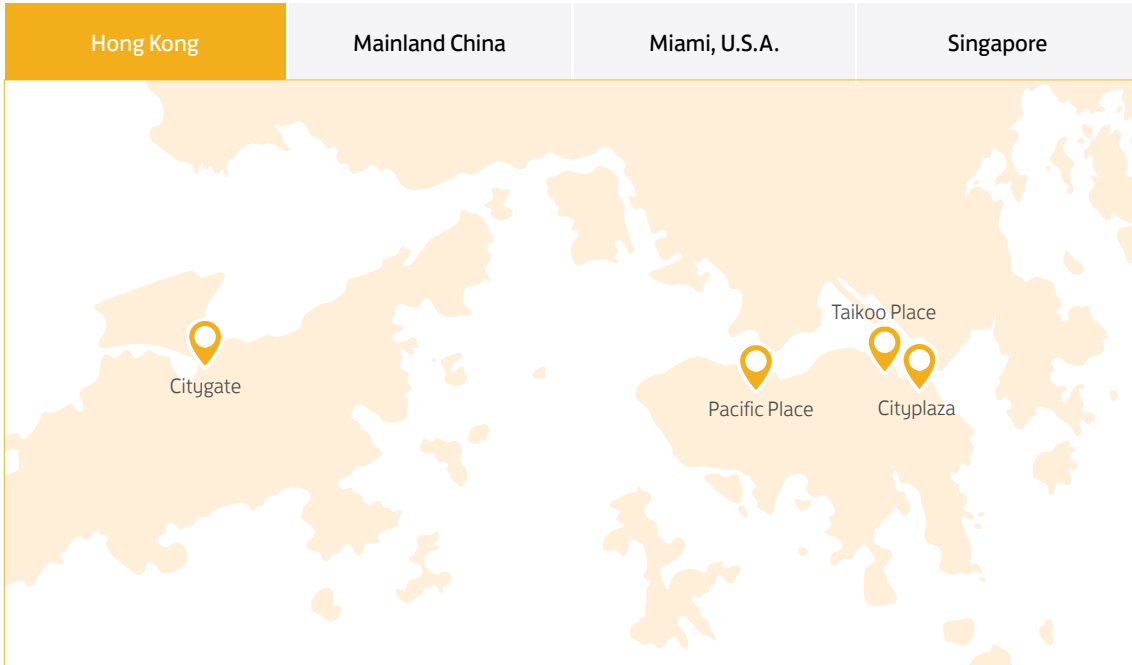
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GRI  
102-2, 102-4, 102-6



Hong Kong

Taikoo Place

Home to Swire for over 100 years, the Taikoo Place area was transformed from the old Taikoo dockyard and sugar refinery into a vibrant commercial centre.

The ongoing redevelopment of Taikoo Place is now in its final phase. Phase I was completed in 2018, with the completion of One Taikoo Place, a 48-storey high-performance office tower. Phase II, which will include the construction of Two Taikoo Place and 70,000 sq ft of green and open space, is now underway and is expected to be completed in 2021 or 2022.



In September 2019, Taikoo Place won second place in the Environmental Stewardship category at the International Facility Management Association Asia Pacific Awards of Excellence 2019. At the Hong Kong Royal Institution of Chartered Surveyors Awards, the Taikoo Place management team was recognised as Office Team of the Year, and One Taikoo Place received Sustainability Achievement of the Year and Construction Project Management Team of the Year awards. One Taikoo Place also won an accolade at the [Green Building Awards 2019](#).



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## Hong Kong

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

### Pacific Place

2019 marks the 30th anniversary of Pacific Place. Our [SD in Action](#) section explores the story of Pacific Place, illustrating how our places evolve over time to strengthen and enhance communities. This year, Pacific Place won the Grand Award in the Existing Buildings, Facilities Management category at the Green Building Awards 2019 in recognition of its continually improving base building provisions, tenancy services and extensive energy savings.



### Citygate

Citygate Outlets was expanded in August 2019 to include a 474,000 sq ft complex. Directly connected to Tung Chung MTR Station and close to Hong Kong International Airport and the Hong Kong-Zhuhai-Macao Bridge, this development offers both excellent connectivity to transportation and a strategic location to explore Hong Kong tourist sites.



### Cityplaza

Cityplaza is the largest shopping mall on Hong Kong Island. Directly accessible from Tai Koo MTR Station, the six-level mall houses more than 170 shops and restaurants, a cinema and an indoor ice rink.

A restaurant in Cityplaza was the first food and beverage (“F&B”) tenant in our Hong Kong developments to participate in our [Green Kitchen Initiative](#), achieving a rating of two green leaves.

In the past, we worked with 131 tenants of Cityplaza to trial volume-based and weight-based charging approaches for waste disposal. We conducted on-site visits and provided advice so that collaboratively, participating tenants achieved an 18% reduction in total waste and a 15% increase in the rate of recycling during the six-month trial period.







Places

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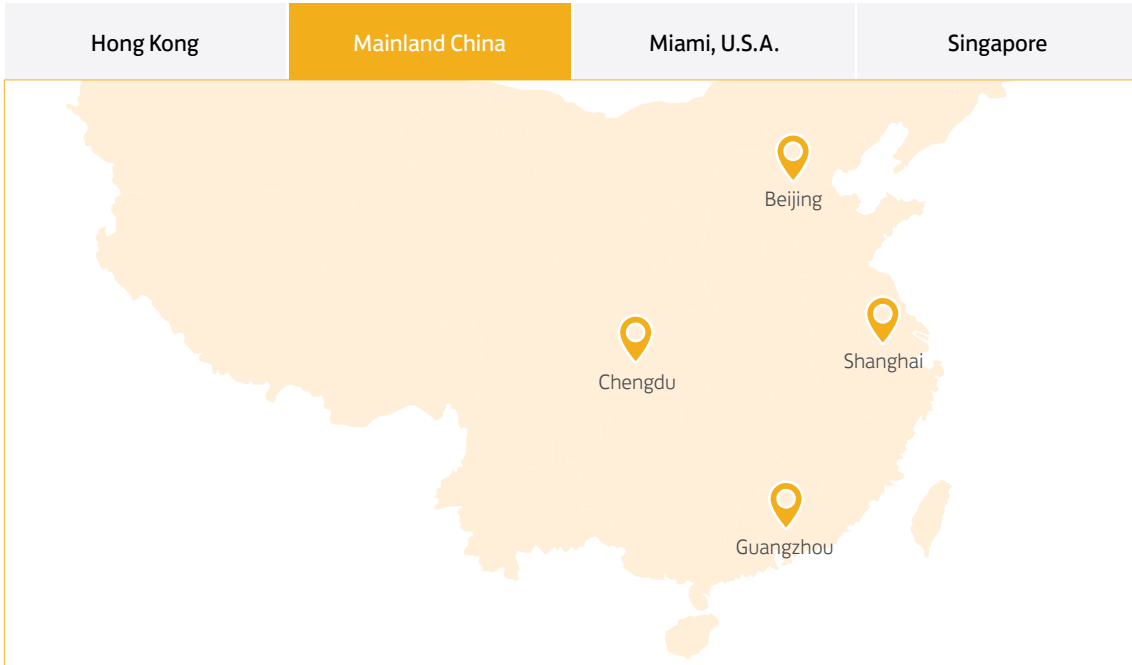
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Mainland China

Taikoo Li Sanlitun, Beijing

Taikoo Li Sanlitun was our first project in Mainland China. Located in the heart of Beijing’s Chaoyang District, Taikoo Li Sanlitun played a crucial role in the transformation of Sanlitun into a centre of culture, retail, dining and hospitality. This year, the development was a key part of a pilot project launched in partnership with the government to develop the night economy in Sanlitun.



INDIGO, Beijing

INDIGO is a retail-led and mixed-use development, which comprises a shopping mall, a Grade-A office tower and a hotel. The mixed-use development was the first in the world to receive LEED Final Platinum Certification. This year, INDIGO’s rooftop was the focus for a number of SD-related activities and achievements.





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## Mainland China

### Taikoo Hui, Guangzhou

Taikoo Hui is a lifestyle destination located in Guangzhou's Tianhe District. The development's shopping mall was the first enclosed mall in the world to earn LEED Platinum Certification in the Existing Buildings: Operations and Maintenance category.



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

### Sino-Ocean Taikoo Li Chengdu

Sino-Ocean Taikoo Li Chengdu is a 2.2 million sq ft 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 for the city, the development blends historical structures and modern buildings and serves as a leisure destination. Sino-Ocean Taikoo Li Chengdu was awarded LEED EBOM (Existing Buildings: Operations and Maintenance) v4.1 Platinum Certification status. This is the first time in the world that an open-plan lane-driven commercial complex has been certified LEED v4.1.



### HKRI Taikoo Hui, Shanghai

Located on Nanjing West Road, one of Shanghai's major shopping venues, with access to three Shanghai Metro lines, HKRI Taikoo Hui comprises two Grade-A office towers (with LEED Final Platinum Certification), a shopping mall (with LEED Final Gold Certification), and two hotels, namely The Middle House and The Sukhothai Shanghai. The development was designed to transform the area into a new business, shopping and entertainment hub.



### Taikoo Li Qiantan, Shanghai

Located in the heart of Shanghai's Pudong Qiantan International Business District, Taikoo Li Qiantan will offer a GFA of approximately 1.3 million sq ft. The open plan development is being built using a "naturalism" design concept, blending elements found in nature with contemporary architecture. Having already obtained WELL Core and Shell Platinum Precertification and LEED Gold Precertification, the first phase is expected to open in 2020.



Artist Impression



### Places

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GRI  
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### Miami, U.S.A.

#### Brickell City Centre, Miami

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™, 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.





## Places

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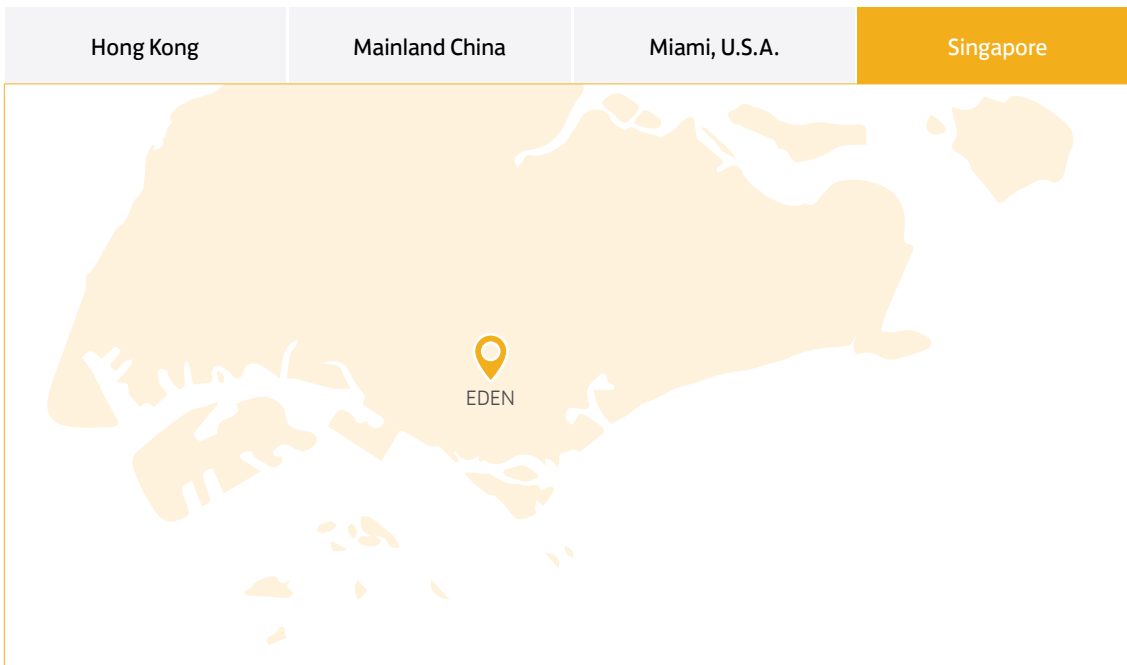
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### Singapore

#### EDEN, Singapore

EDEN is our first ultra-luxury residential development in Singapore. Designed by Thomas Heatherwick, this exclusive apartment building was inspired by Singapore’s vision of itself as a “city in a garden”. Natural ventilation is a key green component of the development. Its cantilevered balconies offer solar shading while windows open on three sides to allow natural cross-ventilation, which reduces the need for both air conditioning and energy usage. In 2018, the development’s green features earned it a Green Mark Platinum rating from Singapore’s Building and Construction Authority.





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### Places Impact Report

In 2018, we began to explore how to define and measure “great places” by commissioning a pilot study of Taikoo Place to identify its impacts through key metrics and performance indicators. Based on the results, we began to develop a methodology for assessing, measuring and reporting on the impacts of our developments.

In early 2020, we released our first [Places Impact Report](#), which sought to address the question “What makes a great place?” from four different dimensions, namely Vibrancy, Livelihood, Wellbeing and Resilience.

During the course of preparing the report, we obtained input from urban planners, designers, real estate experts, sustainability advisors, economists and other professionals. Examining both the tangible and intangible attributes of our developments, the Places Impact Report provides an innovative assessment of the impacts of our placemaking and placekeeping efforts on communities. The assessment results should help us further enhance our placemaking and placekeeping work going forward.





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Community Investment

As part of our SD 2030 Strategy, we are committed to investing in the development and the future success of the communities in which we operate. In 2019, we focused our efforts on a wide range of community events and local revitalisation initiatives, which, to the largest extent possible, were tailored to the local needs and interests of the people in each community.

Supporting Culture and the Arts

Our commitments to showcasing arts and culture and supporting artists and performers at our developments continued to grow this year. We held regular community events and promoted initiatives at our developments, which were designed to create and foster vibrant local communities.

GRI  
203, 413

HKEX  
Aspect B8  
KPI B8.1, B8.2

Arts Month

Our Arts Month returned in 2019, with events held across our developments in Hong Kong during March and April. Highlights included:



LUMENous GARDEN

An interactive artwork at Pacific Place with two kinetic sculptures that react to the movements of people nearby.



You Are My Other Me

A 700-pound recycled clothing sculpture displayed outside Three Pacific Place designed to raise awareness of textile waste.



Urban Playgrounds

An exhibition at ArtisTree in Taikoo Place combining visual arts and photography, with pop-up performances in public areas that immersed the audience in an interactive and high-energy experience.



Spectrum

An imaginative VIP lounge installation at Art Basel Hong Kong.



## Places

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### ArtisTree

This dynamic multi-purpose space in Cambridge House, Taikoo Place is a destination for world-class arts, exhibitions and performances which welcomes new art forms, fresh ideas and avant-garde performances.

Highlights of events held in 2019 included:

#### Beyond Fashion

A 37-day exhibition and series of immersive events which introduced new ways for audiences to explore fashion photography by bridging art, fashion and food.



#### ArtisTree Selects: Theatre Bites

An 11-day programme featuring 20 performances of five “bite-sized” British theatre productions combining comedy, musical and physical theatre. *If Not Me, Who?* is a piece of eco-theatre designed to motivate audiences to explore veganism, fast fashion and the environmental impacts of climate change.

#### ArtisTree Selects: Moving Pieces

A series of over 20 performances by renowned dance companies from Norway, Wales, France and Hong Kong complemented by several interactive dance workshops held in August and September.





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### Continuing our partnership with the Beijing Music Festival

In 2019, we cooperated with the Beijing Music Festival for the tenth year to organise a range of musical performances for Beijing's music lovers. Our aim was to bring innovative and inspiring experiences to Beijing so that more people could appreciate music and to also inject new vitality into the community.

Highlights included:

- Taikoo Li Sanlitun North hosted the Asian premiere of **EIGHT**, Michel van der Aa's virtual reality music experience, for 18 consecutive days.



- A series of concerts called **English Tradition and Russian Retrospective** by Vladimir Ashkenazy, Shenyang and the Mahler Chamber Orchestra.
- INDIGO welcomed the BMF Children Festival Orchestra and the Beijing Philharmonic Choir in a performance of Offenbach's classic opera, **Les Contes d'Hoffmann**.

### Canton Culture Summer Camp

In 2019, Taikoo Hui in Guangzhou launched the Canton Culture Summer Camp project. Our Community Ambassadors partnered with professional journalists and Jinan University students to host various events and activities related to five aspects of Cantonese culture, namely, dress, cuisine, architecture, customs and recreation, and arts and crafts.



Designed to illustrate how we are actively involved in preserving and enhancing local arts and culture, we promoted the following:

- designs inspired by Cantonese culture showcased by our tenants in the fashion industry;
- activities involving our F&B tenants and Cantonese cuisine;
- an introduction by the General Manager of Taikoo Hui on the architectural features of the development which was inspired by Cantonese culture; and
- several Chinese New Year campaigns at Taikoo Hui featuring Cantonese arts and crafts.

The Canton Culture Summer Camp was featured in a local mainstream newspaper, and five short videos were shared on our SD 2030 WeChat account.





## Places

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### Sanlitun Festival of Arts and Culture

The Sanlitun Festival of Arts and Culture, a tradition led by the Sanlitun Street Office, celebrated its 18th anniversary in 2019. Since Taikoo Li Sanlitun became an active contributor to this annual event, we have worked hard to help this festival present artistic and stylish public-focused activities. This year, in addition to providing the venue for this festival – The Red, Taikoo Li Sanlitun also welcomed an array of comedic and musical talent to help bring the theme of the festival – “Fashion and Culture at Sanlitun” – to life.



The performances included:

- An entertaining Peking Opera featuring local primary school students.
- A fusion dance performance blending flamenco with traditional Chinese dance.
- A line-up of special talks on arts and culture presented by local and international experts.

### HOMETOWN HEROES

Our community-building initiatives aim to connect people and bring them together to enhance the places where they work, live and stay.



### HOMETOWN HEROES

The HOMETOWN HEROES initiative allows members of the community to demonstrate their love for their neighbourhood through collaborative creative experiences which celebrate the arts, culture and more.

A highlight of this year’s initiative was a six-month I AM A DREAM MAKER mentorship

programme held as part of the newly-launched Swire Properties Placemaking Academy, where 14 students from various universities in Hong Kong planned our White Christmas Street Fair (which was cancelled in 2019 as a result of social unrest). The students were mentored by several members of our senior management, business leaders, academics, architects and NGOs to learn more about event management, including:

- design and planning;
- social value creation;
- stakeholder engagement; and
- event planning and implementation.

The HOMETOWN HEROES project also featured a community music video project and a cooking theme project, in which 70 university students participated.



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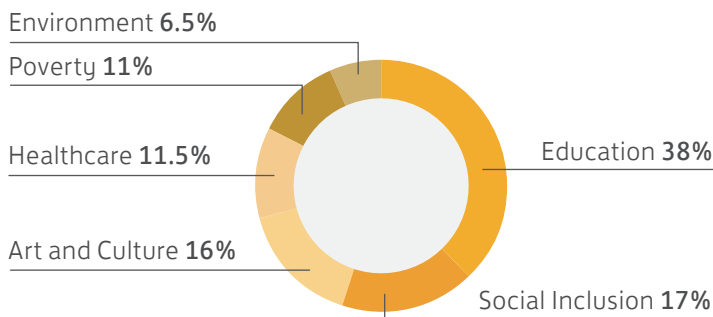
### Community Caring Fund

Our Community Caring Fund (“CCF”) provides sponsorship to less well-known Hong Kong-based community organisations nominated by our employees. The objective is to help these organisations plan and implement community-based initiatives and outreach projects.

#### CCF sponsorships since 2013

<b>HK\$12.7 million</b> donated	<b>112</b> community-based initiatives and outreach projects supported
---------------------------------	--

#### CCF-sponsored programmes in 2018/2019



Total value of donations: **HK\$1.2 million**

Community-based initiatives and outreach projects supported: **15**

This year, the CCF supported 15 new projects, including:

- The Get Redressed Campaign, where we collected clothing donations and hosted the “Sort-a-thon” event at Taikoo Place in support of **Redress** to help redistribute second-hand clothing to people in need.



- A puppet show produced as part of the **Charles K. Kao Foundation for Alzheimer’s Disease’s** Brain Health Education Programme, which aimed to educate primary school students about dementia symptoms and help them empathise with elderly patients.



**SWIRE PROPERTIES  
COMMUNITY CARING FUND**  
太古地產  
社區關懷基金

- A Rehabilitation Care Programme, run by the **HK Spinocerebellar Ataxia Association**, providing speech therapy services to people with Spinocerebellar Ataxia.





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## Local Revitalisation

As part of our SD 2030 Strategy, we seek to revitalise communities by enhancing infrastructure that supports a better quality of life for those who live there, while preserving cultural heritage in the design, development and long-term management of our developments.

### Cross-city Volunteering in Chengdu

One of our objectives is to serve the community and strengthen connections between our Hong Kong and Mainland China Community Ambassadors. In mid-June 2019, 48 Community Ambassadors participated in Habitat for Humanity’s “Global Village Building Project” in Chengdu.



The team first travelled to a remote village in Lezhi County near Chengdu for two days of hard but fulfilling work building homes for those in need. Moving construction materials, mixing cement and laying bricks, our team worked on two houses for two local families.



The team also taught English at a local school and “art jammed” with young children at the Chengdu Community Centre. They engaged with 138 primary school students and helped build two houses. Our Chief Executive made a surprise visit to support the [Community Ambassadors](#).



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### Actively Participating in Poverty Alleviation Projects

Responding to the Chaoyang District government's call for targeted poverty alleviation projects, we supported an effort by the Sanlitun Street Office to pursue poverty alleviation projects in Zhuozi County, Inner Mongolia. We also provided financial support to carry out targeted poverty alleviation activities in Sonid Right Banner, Inner Mongolia. The funds will be used to purchase Automated External Defibrillator (AED) for the Bo Ai School Clinic, which will work to improve health and hygiene at local kindergartens.



We also sent some of our employees to Zhangjiakou City in Hebei Province to perform on-site inspections as part of another targeted poverty alleviation project.

Separately, to support the Xingning Charity Association and the Guangzhou Tianhe Poverty Alleviation Office, we provided RMB120,000 to support educational initiatives in Xingning City and the repair of a deteriorating family home.



### Transforming Places through Roof Gardens

The roof gardens established at INDIGO, Beijing and Taikoo Hui, Guangzhou are leading examples of how traditionally underused rooftop spaces can be used to grow edible plants and crops and promote urban farming. This year, we welcomed groups of children and various NGOs

who participated in green workshops, learning about ecology, waste management and sustainable development.

In 2019, INDIGO completed the transformation of its shopping mall rooftop into a 3,000 square-foot eco-farm, using organic farming methods to plant a variety of crops, including eggplants, bell peppers, chilli peppers and various herbs in this space. In late October 2019, these crops were harvested and used as ingredients in a lunch prepared by a restaurant in EAST, Beijing.



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## Liveability

A common objective across all our portfolios is to enhance the lives of people by creating safe, high-quality, sustainable places for them to live, work, and enjoy.

We believe that quality public space is critical to the health and wellbeing of all people living and working in or near our developments. As such, we strive to incorporate gardens, public plazas and green spaces into the design of our developments.

### Tong Chong Street Market

The Tong Chong Street Market (“TCSM”), created in 2015 in partnership with a social enterprise, is a market held in Taikoo Place selling fresh, locally-produced foods, including organic fruits and vegetables grown by local farmers. In addition to supporting Hong Kong farmers, the TCSM aims to educate our employees, tenants and neighbours at Taikoo Place about the importance of food cycles and sustainable production.



Highlights included:

- The Great Farm Feast held at the Lincoln House link bridge in Taikoo Place where five chefs served 10 different courses which were made from local farm produce and sustainably-sourced ingredients.
- To encourage a zero-waste lifestyle, discount incentives were given to market-goers who brought their own reusable utensils.
- Healthy eating sharing sessions were conducted in the offices of Taikoo Place tenants, with fresh local organic produce available for purchase.
- A lunchtime plant-based meat substitute pop-up food truck.
- A coffee festival featuring eight local coffee experts and four award-winning roasters from Singapore, Malaysia and Thailand.



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### "LIVE WELL for More Happiness" Campaign, Cityplaza

Held in May 2019, Cityplaza's "LIVE WELL for More Happiness" campaign featured several leisure, sports and dining workshops including:

- a "Fat Burn Run" led by professional runners;
- healthy cooking lessons at a cooking studio inside the mall;
- an aromatherapy yoga workshop; and
- ice skating and curling lessons at Cityplaza's Ice Palace skating rink.



### ONE INDIGO Communal Space

We believe office workers need a comfortable community space where they can retreat to and relax. Seeking to help alleviate their stress, INDIGO innovatively transformed the lobby of the ONE INDIGO office building into an "oasis of calm" to help office workers relax and socialise. The space can also be used for meetings and other functions.

The space uses an eco-design concept incorporating natural light, plant-covered walls and garden furniture. The area is also a testing ground where retail tenants of INDIGO shopping mall can launch pilot marketing programmes.



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## Local Economy

GRI  
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We strive to ensure that our developments contribute to and stimulate the local economy in all places in which we operate.

### Night Economy, Taikoo Li Sanlitun

A new Beijing government initiative in 2019 named Chaoyang District as a “nightlife city”. It is also the first district in Beijing to receive a District Consumer Stimulus Work Plan for 2019-2021. The work plan encourages the business community to find new and innovative ways of building a night time economy.



With Taikoo Li Sanlitun being a landmark commercial development in the Chaoyang District, we supported the work plan in a number of ways:

- upgrading the development’s lighting and hardware in anticipation of more night time customers;
- optimising the lighting around the development, including constructing roof lighting facilities;
- hosting various government receptions to showcase our leadership in supporting the night economy; and
- highlighting the development as a landmark shopping destination of global influence and an international meeting ground which integrates a variety of cultural offerings.

### Blueprint

Blueprint is a flex-space amenity offering workspace, event spaces and a F&B outlet.



Blueprint’s workspaces include a co-working area with 90 desks in an open plan configuration and 15 private offices of various sizes. Ten thousand sq ft of event facilities sit across an entire dedicated floor which includes an auditorium, a show suite and configurable conference rooms, all equipped with audio-visual equipment, and a 1,000 sq ft outdoor terrace.



In 2019, we supported the government’s “Space Sharing Scheme for Youth” by making 20 desks available to young entrepreneurs at a concessionary rate. In addition to offering physical space and amenities to support the young people’s ambitions, we also hope Blueprint can connect these young entrepreneurs to our diverse tenant base at Taikoo Place.



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## Connectivity

Connectivity is an important element of Creative Transformation. We believe that improving connections between people and places, both physically and digitally, is integral to the sustainability of our developments, local communities and the cities in which we operate.

### Taikoo Place Walkways

With the opening of One Taikoo Place in 2018, tenants and visitors are now able to access certain parts of Taikoo Place through bright and air-conditioned elevated walkways. These walkways were designed by award-winning Paris-based design company Hugh Dutton Associés. Once Two Taikoo Place is built, nine office buildings in Taikoo Place will be accessible via these walkways.



### Pedestrian Walkway Improvement Near Sino-Ocean Taikoo Li Chengdu

Completed in early 2019, this improvement project enhanced approximately 300 metres of street fence on the western lane of Shamao Street near Sino-Ocean Taikoo Li Chengdu. Fulfilling mandatory local government requirements, the street fences were designed

to match the shopping mall's visual appearance. In addition, a street crossing with traffic lights on Shamao Street was recently approved by the government.

The project aimed to improve the walkability and connectivity in this part of Chengdu so that the area is more modern and human-centric. It is also now safer for people to cross the busy Shamao Street.



# 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 the implementation of our SD 2030 Strategy and to our overall success. As such, we aim to create an environment where our employees will be healthier, happier and more productive. We also seek to invest in our employees and aim to provide them with rewarding career paths so as to develop a diverse, industry-leading team.



## Top Material Issues



Talent attraction/retention



Occupational health and safety



Employee wellbeing



## People

**Progress**

Safety, Health and Wellbeing

Employment Profile

Talent Attraction

Diversity and Inclusion

Talent Retention

Volunteering

## Progress

Our People Working Group comprises 19 representatives from different functions within the Company. Its primary responsibility is to achieve progress in the five focus areas of the People Pillar, namely, Talent Attraction, Talent Retention, Safety, Health and Wellbeing, Diversity and Inclusion, and Volunteering.

In 2019, we continued to make significant progress towards achieving our 2020 KPIs. Our progress is summarised in the table below.

### Progress Summary Table

 <b>Talent Attraction</b>	
<b>Employer Branding</b>	
<b>2020 KPI</b> <ul style="list-style-type: none"> <li>Refine communication strategy for employer branding</li> </ul>	<b>Progress Updates in 2019</b> <ul style="list-style-type: none"> <li>A new online communication strategy for employer branding was developed based on the results of the employer branding review conducted in 2018 and is being rolled out in Hong Kong and Mainland China.</li> </ul>
<b>Compensation and Benefits</b>	
<b>2020 KPI</b> <ul style="list-style-type: none"> <li>Conduct compensation and benefits review</li> </ul>	<b>Progress Updates in 2019</b> <ul style="list-style-type: none"> <li>Completed an annual remuneration survey of our properties in Mainland China. We plan to kick-start the review in 2020.</li> </ul>
<b>Recruitment Process</b>	
<b>2020 KPI</b> <ul style="list-style-type: none"> <li>Introduce new digitalised recruitment platform</li> </ul>	<b>Progress Updates in 2019</b> <ul style="list-style-type: none"> <li>A career application website was developed for Mainland China which allows candidates to apply for roles online.</li> </ul>



## People

**Progress**

Safety, Health and Wellbeing

Employment Profile

Talent Attraction

Diversity and Inclusion

Talent Retention

Volunteering



### Talent Retention

#### Learning and Development

**2020 KPI**

- **25%** increase in training hours per employee per year<sup>3</sup>

**Progress Updates in 2019**

- Delivered more than **169,000** training hours in 2019, an average of **26.2** training hours per employee, representing an increase of **112%** compared to 2016.

#### Performance Development Review (“PDR”)

**2020 KPI**

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

**Progress Updates in 2019**

- This year, our office employees were asked to set their annual performance goals to align with each SD Pillar.

#### Incentive Structure

**2020 KPI**

- Conduct incentive structure review

**Progress Updates in 2019**

- We plan to kick-start the review in 2020.

<sup>3</sup> Compared to the baseline year of 2016.



## People

**Progress**

Safety, Health and Wellbeing

Employment Profile

Talent Attraction

Diversity and Inclusion

Talent Retention

Volunteering



### Safety, Health & Wellbeing

#### Safety

##### 2020 KPI

- Increase total occupational health and safety (“OHS”) training hours by **5%**<sup>4</sup>
- Conduct compulsory OHS training via e-learning platform for all of our employees
- Maintain Lost Time Injury Rate (“LTIR”)<sup>5</sup> below **2.0**
- Maintain record of zero work-related fatalities
- Migrate OHSAS 18001 to ISO 45001 standard in Hong Kong and Mainland China<sup>6</sup> portfolios

##### Progress Updates in 2019

- Delivered approximately **28,600** OHS training hours, representing an increase of **21%** compared to 2015. We also launched an internal Health and Safety Awards Scheme.
- Launched an e-learning platform for senior management to receive compulsory OHS training, with a completion rate of **100%**. We are working to expand this digital platform to frontline and office employees in 2020.
- LTIR of **1.63**.
- Maintained zero work-related fatalities.
- Migrated our safety management systems in Hong Kong to ISO 45001:2018 standard. Four properties in Mainland China began preparing documents required by the ISO 45001:2018 standard.



#### Satisfaction

##### 2020 KPI

- Conduct employee engagement survey for all employees
- Implement employee assistance programme in all Mainland China<sup>7</sup> offices

##### Progress Updates in 2019

- We plan to launch this survey in early 2020.
- Maintained our previously implemented employee assistance programme for office and frontline employees.

<sup>4</sup> Compared to the baseline year of 2015.

<sup>5</sup> 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.

<sup>6</sup> Non-joint venture centres (i.e. Taikoo Hui and Taikoo Li Sanlitun) only.

<sup>7</sup> Non-joint venture centres (i.e. Taikoo Hui and Taikoo Li Sanlitun) only.



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### Safety, Health & Wellbeing

#### Health and Wellbeing

##### 2020 KPI

- Develop a health and wellbeing policy framework

##### Progress Updates in 2019

- Maintained a wellness programme for employees in our Hong Kong and Mainland China portfolios, including a sponsorship fund in Hong Kong providing financial support for employees to organise internal sports clubs and other interest clubs.



### Diversity and Inclusion

#### Policy, Strategy and Governance

##### 2020 KPI

- Adopt a diversity and inclusion (“D&I”) Policy
- Establish a D&I committee
- Introduce a formal employee grievance policy

##### Progress Updates in 2019

- [D&I Policy](#) already adopted.
- D&I Committee has been established and continues to work on implementing the D&I Policy and related initiatives.



#### Culture

##### 2020 KPI

- Conduct D&I awareness training for our senior management

##### Progress Updates in 2019

- D&I awareness training was conducted for our senior management.



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### Diversity and Inclusion



#### Disclosure

##### 2020 KPI

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

##### Progress Updates in 2019

- Data on gender, age, job level, and pay for 2019 is disclosed in the [Performance Data Summary](#).

#### Working Environment

##### 2020 KPI

- Develop “flexible working policy” and guidelines

##### Progress Updates in 2019

- Launched the Flexible Working Policy, the first phase of which is the implementation of the staggered working hours initiative.



### Volunteering

#### Community Ambassador Programme

##### 2020 KPI

- 20%** increase in volunteer service hours (>**9,300** hours)<sup>8</sup>
- Introduce Community Ambassador Programme in employee induction

##### Progress Updates in 2019

- Our Community Ambassadors in Hong Kong, Mainland China and Miami, U.S.A. contributed more than **7,000** volunteer service hours.
- Since 2017, our basic induction training for new hires in Beijing and Hong Kong includes an introduction to the Community Ambassador Programme.

#### Community Caring Fund

##### 2020 KPI

- Increase the number of nominated programmes from employees by **20%**<sup>9</sup>

##### Progress Updates in 2019

- We received 26 nominations from employees and funded 15 projects. The number of nominations represents an increase of **18%** compared to 2016.

<sup>8</sup> Compared to the baseline year of 2016.

<sup>9</sup> Compared to the baseline year of 2016.



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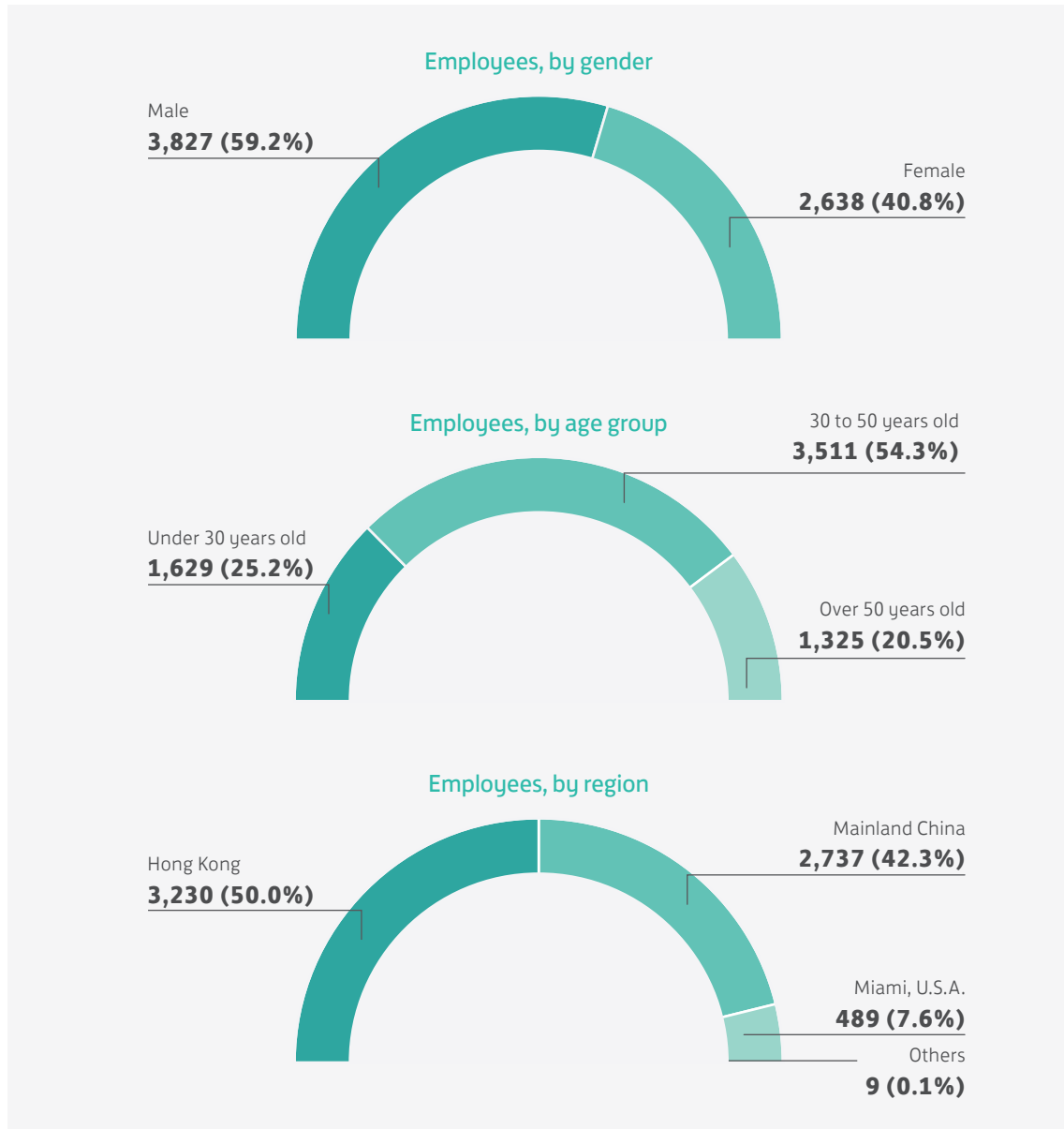
Volunteering

## Employment Profile

We employ 6,465 people<sup>10</sup>, of which approximately 3,200 are located in Hong Kong, 2,700 in Mainland China, and 490 in Miami, U.S.A.

**GRI**  
102-8, 102-41,  
401

**HKEX**  
KPI B1.1



<sup>10</sup> This figure reflects employees with permanent and fixed term/temporary contracts in our Hong Kong portfolio, Mainland China portfolio, U.S.A. portfolio, and Swire Hotels.





## People

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## Talent Attraction

**HKEX**  
Aspect B1

### Continuing to Deliver Excellence for our Employees

We believe that our employees receive competitive remuneration packages with a variety of benefits which include medical care, retirement schemes and discretionary bonuses.

We strive to ensure that every employee receives regular, objective, fair, and open assessments of their performance and is rewarded accordingly with merit-based incentives. We have a PDR system in place to streamline the assessment processes and ensure consistency across the Company.

In 2019, we started asking our office employees to align their annual performance goals with each SD Pillar. We also conducted a remuneration review of our Mainland China offices this year to ensure that our employees in these offices receive fair pay internally and a competitive salary within the industry.

We have launched a new online employer branding communication strategy to ensure that we continue to attract and retain talent. We plan on introducing a new target as one of our future KPIs, namely to be identified as a “preferred employer” by 2030.

### Swire Properties Named One of the Best Companies to Work for in Hong Kong

For the fourth consecutive year, we were named one of the top three companies to work for in Hong Kong by the Randstad Employer Brand Awards. This year, 75 of Hong Kong’s largest companies (based on workforce size) competed in these awards, the results of which were determined by the opinions of 3,700 locally-based employees and job seekers. We were cited in particular for our career progression opportunities, our pleasant working atmosphere and our use of the latest technologies.



#### Total New Hires, by region

**721**(43%)  
Hong Kong

**762**(45.5%)  
Mainland China

**193**(11.5%)  
Miami, U.S.A.

Total New Hires: **1,676**



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## Talent Retention

We prioritise attracting talented people to work with us and retaining them as they develop their long-term careers within the Company.

**GRI**  
401, 404

**HKEX**  
Aspect B3

## Learning and Development Programmes

Our multi-year trainee programmes help develop talent in building surveying, engineering and general management. For example, Swire Hotels' 18-month international operations management trainee programme provides wide-ranging exposure to hotel operations in Hong Kong, Mainland China and Miami, U.S.A.

Other learning and development programmes across the Company include:

- on-the-job training;
- internal job rotations;
- mentoring opportunities;
- secondments in other markets where we operate; and
- management and leadership training programmes.

### Total Training Hours and Spending



**>169,000**  
Total training hours

**26.2**  
Average training hours  
per employee

**HK\$8M**  
Total training spend

**HKEX**  
KPI B3.2

### Average Hours of Training, by gender

2019

Change year-on-year

Male



**23.2**

**↑ 17.8%**

Female



**30.7**

**↑ 21.9%**

### Average Hours of Training, by employment category

2019

Change year-on-year

Management



**28.2**

**↓ 4.2%**

Non-management



**24.3**

**↑ 25.6%**



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### Revamping our Trainee Programme

We nurture talent by ensuring that our trainees are properly familiarised with the Company and their role within it as early as possible. In September 2019, we launched a revamped trainee on-boarding programme which was designed to be more user-centric and maximise learning effectiveness.

The now-completed revamping process was divided into three phases:

#### Phase I:

Focus groups were held in which previous trainees shared their experiences and suggested how the trainee programme could be improved to facilitate a smoother transition from university to work.

#### Phase II:

Based on the focus group results, the department introductions, which are part of the trainee programme, were enhanced by adopting a more “story-telling” approach. Adjustments to job shadowing were also made and a trainee shadowing guidance booklet was prepared so that trainees and their host departments could better understand their respective roles and expectations.

#### Phase III:

Launch of the revamped trainee programme.

### New Evaluation Framework for Learning and Development Programmes

We are developing a learning evaluation framework, with reference to the Kirkpatrick Evaluation Model, to help us analyse and evaluate the impact of our different learning and development programmes.

We are also reviewing selected leadership training programmes such as the Achieving Excellence Programme. This is a two-year programme that aims to help our managers develop their careers through workshops focused on leadership and presentation skills, strategic thinking, fostering teamwork, and performance management.

We plan on adopting a multidimensional performance appraisal system (for example, a 360-degree feedback mechanism) so that we can gather feedback from individual employees on how our learning and development programmes have helped them in their career development and how these programmes have contributed to employee retention and the improvement of work efficiency.

### Developing Talent through our Micro College

Last year, we introduced an e-learning training platform for our Mainland China employees to make our training programmes more accessible. This platform provides more than 1,000 mini-training modules that employees can access via personal computers and smartphones. In addition to enhancing our ability to track employee training and analyse their performance, this platform allows our employees to plan the training around their work schedules and earn reward points by registering online for training workshops.

We then launched the HKRI Taikoo Hui Micro College in September 2019, which offers courses designed to enhance the professional skills and personal and management capabilities of our employees in Shanghai. Learners are given “learning passports” which are stamped with points after they complete courses. They are also given access to information and learning materials in our regularly updated corporate e-library.



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### Keeping Up With the Latest Trends: Our Digital Series Returns

Last year, we hosted a series of workshops to help our marketing teams 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. These workshops received excellent feedback.



Following on from the success of these workshops last year, we hosted six workshops this year on various topics with an emphasis on data analysis. These workshops, which attracted 195 participants in total, were led by internal speakers and external experts. The topics were:

- Search Engine Optimisation
- Programmatic Advertising Explained
- Data Analytics
- Optimise Digital Strategy with Google Analytics
- What's on: Social Media 2020
- Digital Trends in China

We plan to continue these workshops in 2020.



### “DISC” Profile Workshops to Foster Cohesive Teamwork

“DISC” (which stands for dominance, influence, steadiness, conscientiousness) Profile workshops are small-scale one-day workshops that aim to help our employees find out more about their office personalities. We believe this process will help them become better team

players through developing better communication skills, the ability to appreciate the different office personalities of others and the ability to positively influence those around them.

A total of 15 “DISC” Profile workshops were held in 2019 for more than 300 of our employees from different departments providing more than 2,500 training hours in total. Through these workshops, we believe our employees gained a better understanding of their own behavioural styles and learned how to effectively collaborate and communicate with colleagues having different styles.



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## Safety, Health and Wellbeing

We regard health and safety as an integral part of our business. The scope of our [Health and Safety Policy](#) covers our employees, contractors, tenants, and visitors, including any person whose work or workplace is controlled by the Company.

Safety, Health and Wellbeing is an integral part of our business and our SD 2030 Strategy. The relevant SDG is:



### SDG 3

Ensuring healthy lives and promoting wellbeing.

**GRI**  
403

**HKEX**  
Aspect B2  
KPI B2.3

## Safety Management Systems

We have Safety Management Systems (“SMS”) in place to maintain a safe and healthy work environment and minimise any adverse health and safety impacts arising from our operations.

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

In accordance with the SMS, all our employees are required to report any workplace hazards to their supervisors immediately. We regularly conduct inspections to identify potential workplace hazards and assess risks. Follow-up actions are then carried out 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 monitor the progress of any follow-up actions.

We have also implemented accident investigation programmes to identify the causes of accidents so that we can adopt preventive measures to avoid reoccurrence. Managers of our business units at a supervisory level or above issue accident reports once formal investigations are completed.

As at 31st December 2019, the SMS in six of our properties in Hong Kong comply with the new and more stringent ISO 45001:2018 standard, while four properties in Mainland China comply with the internationally-applied British Standard OHSAS 18001:2007.

We intend to upgrade our OHSAS 18001:2007 properties to the ISO 45001:2018 standard. This year, the four properties in Mainland China began preparing documents required by the ISO 45001:2018 standard, and completion of the migration is expected in 2020.



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### 2019 Health and Safety Performance

Since we began to disclose health and safety information in 2003, we maintained a record of zero workplace fatalities of our employees. There were also no confirmed incidents of non-compliance with relevant laws or regulations relating to the provision of a safe working environment and the protection of employees from occupational hazards which have a significant impact on Swire Properties.

One of our 2020 KPIs is to maintain a lost time injury rate (“LTIR”) of below 2.0 for our employees. As part of our management approach to prevent workplace accidents, we conducted education and awareness talks for our employees tailored for different areas of our business, such as managing deliveries that involve a truck-mounted crane 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 at our construction sites.

In 2019, our LTIR increased by 10.9% compared to 2018 and our lost day rate (“LDR”)<sup>11</sup> decreased by 20.5%, compared to 2018. The increase in LTIR was primarily due to an increase in injuries resulting from lifting and carrying and from STF in Mainland China. In response, we have carried out corrective measures and revised the compulsory induction safety training for our frontline staff in Mainland China.

**HKEX**  
KPI B2.1, B2.2

Employee LTIR and LDR Trend	2017	2018	2019
LTIR	<b>1.43</b> ↓20.6% change year-on-year	<b>1.47</b> ↑2.8% change year-on-year	<b>1.63</b> ↑10.9% change year-on-year
LDR	<b>48.36</b> ↑33.7% change year-on-year	<b>54.47</b> ↑12.6% change year-on-year	<b>43.28</b> ↓20.5% change year-on-year

**HKEX**  
KPI B2.2

Employee LTIR and LDR 2019, by portfolio		LTIR	LDR
Hong Kong		<b>1.72</b>	<b>53.31</b>
Mainland China		<b>0.62</b>	<b>25.37</b>
Miami, U.S.A.		<b>1.31</b>	<b>28.72</b>
Hotels		<b>2.21</b>	<b>44.40</b>

<sup>11</sup> Number of lost scheduled working days per 100 employees per year.

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### Internal Health and Safety Performance Awards

We launched an internal awards scheme in January 2019 in Hong Kong and Mainland China to commend our management offices for outstanding health and safety performance. We hope this scheme will further strengthen our safety-oriented culture.

This scheme gives out two awards:

- **The Zero Lost Time Injury Award** which is based on the management office's health and safety performance. There are three categories for this award, namely, zero lost time injury for 180 days, 500 days and 1,000 days.

This year, Citygate Outlets, Island Place Mall, Sino-Ocean Taikoo Li Chengdu, and Taikoo Hui in Guangzhou each won the 180 days Zero Lost Time Injury Award. Taikoo Li Sanlitun, HKRI Taikoo Hui, and INDIGO, Beijing won the 500 days Zero Lost Time Injury Award.

- **The Outstanding Health and Safety Performance Award** which is given to the management office with the best health and safety management at work for that year. This award will be presented in 2020.

### 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% when compared to the baseline year of 2015.

Last year, we conducted an analysis of our OHS training needs and identified areas where additional training was required. We consequently developed an e-learning platform for senior management to receive compulsory OHS training. This was launched in March 2019 and has achieved a 100% completion rate. We are working to expand this e-learning platform to frontline and office employees in 2020.



In 2019, we delivered approximately 28,600 hours of training to our employees, covering a range of OHS topics, including STF prevention, managing deliveries that involve a truck-mounted crane, working at heights and the safe use of cutting devices.

In Mainland China, we provided training for our senior management and line managers focusing on communicating safety priorities and demonstrating leadership on OHS issues. We conducted emergency response drills covering security management, crowd management and facilities management, which aimed to improve our emergency response capabilities across our Mainland China portfolio. We also organised a fire safety video competition, a safety sport event and safety quiz activities to reinforce this training and boost engagement.



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## Employee Health and Wellbeing

We value our employees and work to improve their health and wellbeing through a wide variety of events and activities both in and out of the office. These events not only contribute to employee health and wellbeing, but also help build rapport between employees and increase the level of employee engagement.

### Supporting the Mental and Physical Health of our Employees

Every office in each of our portfolios recognises the importance of ensuring the wellbeing of their employees. As such, our offices have created tailored programmes and campaigns which support mental and physical health in different and locally-relevant ways.

We provide information to employees via the Company's intranet, covering a range of topics relating to healthy work practices and office safety. We also conduct, on request, work station assessments of our employees' workstation ergonomics, screen illumination and visual comfort.

In addition, we provide counselling services and learning opportunities through our Employee Assistance Programme, which offers in-person counselling and 24-hour telephone support from relevant professionals. We also host regular events for our employees, such as luncheons and training sessions, to promote physical, mental and emotional wellness and work-life balance.

### Highlights of our Employee Wellness Programme 2019

Throughout 2019, we continued our efforts to improve the health and wellbeing of all our employees. The theme of our Employee Wellness Programme this year was "Embrace, Engage, Enjoy" and highlights include:



#### Hong Kong

- A "Health Fiesta" that marked the launch of our 2019 Employee Wellness Programme in Hong Kong, with fresh organic produce being sold, health assessments conducted, and a talk hosted on how to enhance wellbeing.
- "Casual Friday" was rolled out in offices across Hong Kong in mid-February 2019, encouraging employees to wear their favourite clothes to feel more relaxed and comfortable in the workplace.
- A sponsorship fund for eight interest clubs organised by our employees, namely, a mixed netball team, a lunchtime jogging club, a badminton training club, a cooking club, a handicraft club, a self-defence club, a Japanese culture club and a yoga club.
- A work-life balance week where 11 activities were held throughout the week, including a "Less is More" minimalist living session and an outdoor fitness session.
- The Employee Wellness Programme involved a total of more than 15 events, luncheon talks and workshops, which attracted 1,315 employees and their family members.

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### Mainland China

- Fruit Day every Friday, where fresh and seasonal fruits were offered to our employees.
- Monthly art lectures, which aimed to enhance employees’ knowledge and appreciation of art through oil paintings.
- A monthly sports series, which aimed to stimulate employees’ interest in sports through activities like work-break exercises, Zumba, body fat reduction lectures and yoga classes.
- A week of traditional Chinese medicine activities such as neck and shoulder massages, cupping therapy and traditional Chinese medicine lectures.
- Promoting a “Health Check-up Route” for employees at INDIGO in Beijing, to address various common health issues, which were identified through questionnaires and interviews conducted earlier in the year.
- A series of wellness lunch lectures at Taikoo Hui in Guangzhou, where every two months, professional consultants were invited to talk about physical and mental health. Topics included the following:
  - Alleviating Office Work-related Neck, Shoulder and Back Pain
  - Personal Growth and Team Win-Win
  - Self-Discovery Journey
  - Happy Family Raiders
  - Lajin and Health



### New Staff Lounge at HKRI Taikoo Hui

In July 2019, the staff lounge at our HKRI Taikoo Hui office was upgraded in response to employee feedback that there was a lack of natural light. The upgrade transformed the staff lounge into a bright and uncluttered space with a more vibrant colour scheme. Now serving as a multi-functional space, the staff lounge has

reading, leisure and dining areas and added facilities such as ping pong tables, boxing equipment and a foosball table to engage and entertain employees.



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## Diversity and Inclusion

Our commitment to promoting diversity in the workplace is documented in our Corporate Code of Conduct and our Equal Opportunities Policy, both of which are communicated to our employees through our employee handbook. Additionally, the [Equal Opportunities and Diversity Council](#) of John Swire & Sons (H.K.) Limited, a wholly-owned subsidiary of John Swire & Sons Limited which is the parent company of the Swire group, encourages and advocates equal opportunities and diversity across the Swire group.

Diversity and Inclusion is a focus area in which we aspire to provide leadership. The relevant SDG is:



### SDG 5

Achieving gender equality and empowering women and girls.

GRI  
405

HKEX  
Aspect B1

## D&I Policy

In 2018, we introduced our [D&I Policy](#) to reaffirm our commitment to creating an inclusive and supportive working environment for all our employees regardless of age, gender or gender reassignment, sex or sexual orientation, marital or family status, disability, race (including ethnic origin or nationality) and religious or political beliefs.

Our D&I Committee is chaired by our Director, Human Resources and reports to the Executive Committee (“EXCOM”) 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 in achieving D&I in our workplaces. The D&I Committee also serves as a governing body to review grievances relating to discrimination.

Percentage of Management Positions Held by Women  
(as at 31st December 2019)

**51%**

of management positions held by women

**42%**

of EXCOM members are women

2019 Gender Remuneration Ratio  
(female to male)



**1 to 1**



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### Introducing Flexible Working Hours

Seeking to develop a true flexible working environment, our staggered working hours initiative was launched on 1st July 2019.

This initiative allows employees to arrive or leave the office at flexible times provided they are present during specified core working hours. As our goal is to build a more people-centric workplace culture, this initiative allows our employees to balance their work with their personal commitments. In addition, we believe staggered working hours empower our employees to be more creative and productive.

### Introducing the Taikoo Women’s Inspire Network

The Taikoo Women’s Inspire Network (“Taikoo WIN”) is a business network established this year by the Company and two of our Taikoo Place tenants. Taikoo WIN aims to connect and create a community in support of women working for professional firms and companies based in the Taikoo Place area. Taikoo WIN currently has over 200 individual members and 47 corporate members based in Taikoo Place.

Taikoo WIN’s first series of events was named “She Inspires”. One highlight of these events was the “fireside chats” led by inspiring and pioneering women who shared their unique professional journeys. Taikoo WIN aims to invite role models to explain how gender stereotypes can be broken. Most recently, Taikoo WIN welcomed Simone Storey, a captain at Cathay Pacific, who talked about her career experiences.



### Welcoming our First Family Day

Our inaugural Family Day was co-organised by our human resources and administration department and the D&I Committee. Aiming to engage our employees and their families in Hong Kong and create a spirited atmosphere for all, the “Spooktacular Fest” was held on 1st November 2019 at our One Island East office. The event was

kicked off by our Chief Executive and Director, Human Resources. More than 50 colleagues brought their families to take part in fun activities such as trick-or-treating with our senior executives, a block-building workshop, a family yoga class and an office tour.

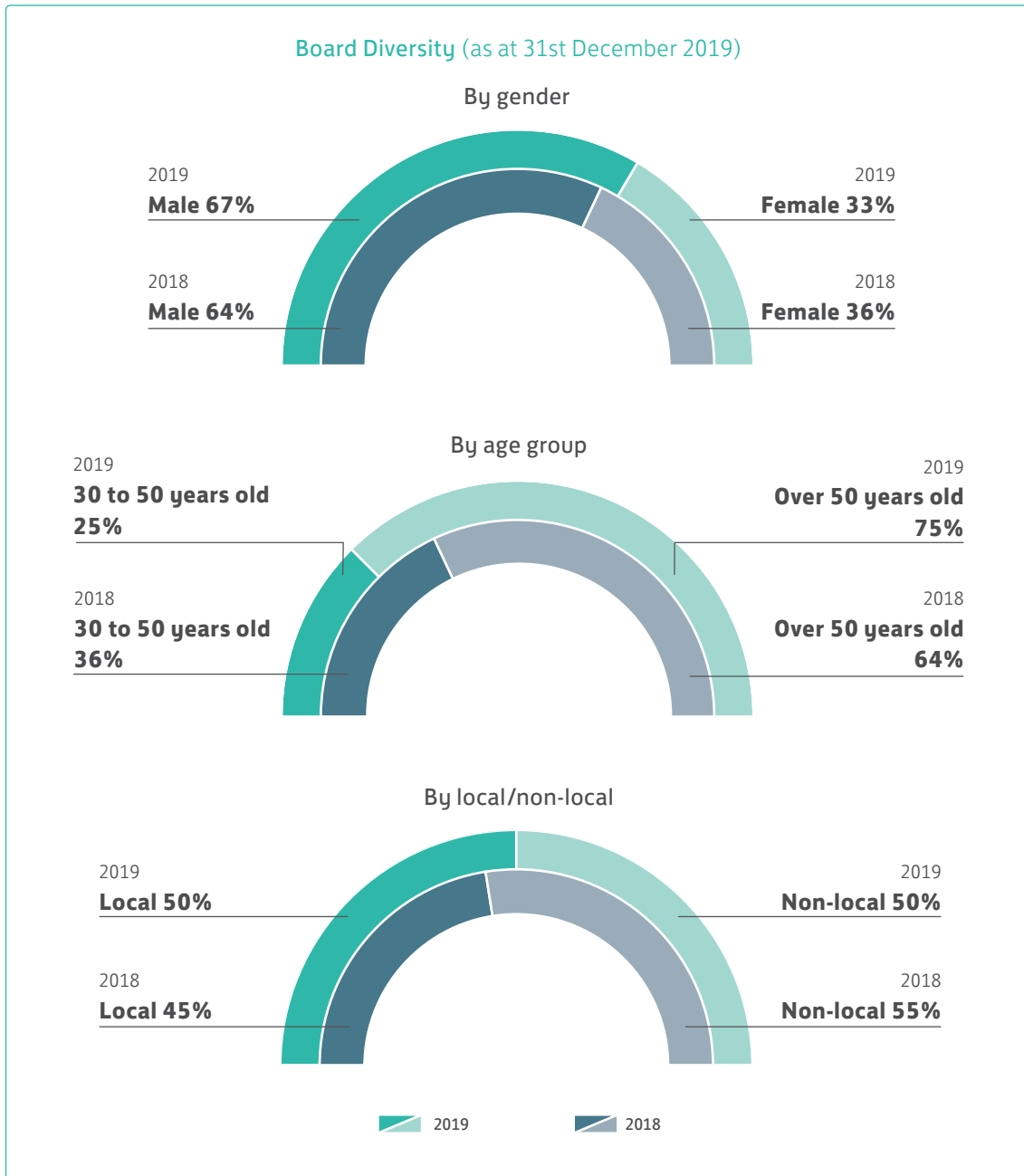


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### Board Diversity Policy

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 are aligned with our business.



Additional information about the diversity of our Board members is available in the [Swire Properties Annual Report 2019](#).



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## Volunteering

Our Community Ambassador Programme is a channel for our employees to contribute their time and skills to various social and environmental causes. To encourage active participation, our employees can nominate less well-known Hong Kong-based community organisations for us to support through the [Community Caring Fund](#). Our employees are eligible to receive one extra day of leave for every ten hours of voluntary service completed, capped at two days per year.

### A Growing Community of Ambassadors

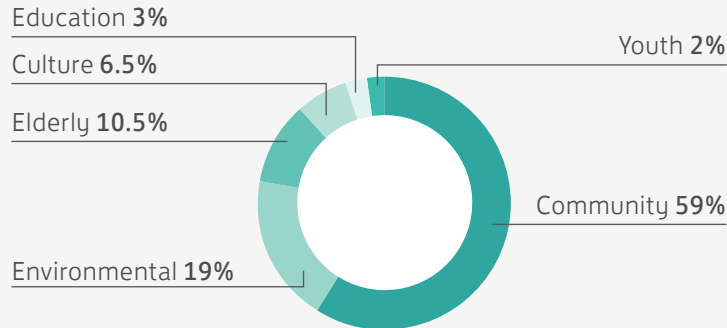
Since its establishment in 2001, our Community Ambassador team has grown from 40 employees to more than 4,000 and continues to attract support from our employees' families and friends, as well as our business partners, tenants, customers and other Swire Group companies.

Our Community Ambassador activities in Hong Kong focus 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 strengthen the connections between our Hong Kong and Mainland China Community Ambassadors and our joint volunteering efforts.

**GRI**  
413

**HKEX**  
Aspect B8  
KPI B8.1, B8.2

Community Ambassador Programme Volunteer Hours, by focus area



**98**  
Activities supported

**>7,000**  
Total volunteer hours



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### Another Outstanding Year for BOOKS for LOVE @ \$10 Charity Book Sale

The 2019 edition of our charity book sale, BOOKS for LOVE @ \$10, attracted more than 65,000 visitors and raised over HK\$750,000 for two beneficiaries: The Boys' & Girls' Clubs Association of Hong Kong's "Treasure Trove" child development project, which helps underprivileged children; and the Agency for Volunteer Service's efforts, which promotes volunteerism in the city.

Held in April at ArtisTree in Taikoo Place, the event also offered unique book-related experiences such as the Dr Louis Cha (also known as Jin Yong) corner and a parent's talk featuring singer and child rights advocate, Dr Agnes Chan.

The tribute to Jin Yong proved popular, with all his books at the sale selling out on the first day, together with all 5,000 special-edition bookmarks. Dr Agnes Chan's talk covered how reading can contribute to the development of children and the importance of connecting with children through reading.

This event won a Silver award at the second Construction Industry Volunteer Awards, an awards scheme that aims to foster a caring culture among industry practitioners and recognises their volunteering achievements and contributions.



### Learning New Talents at the Swap-A-Skill Academy

This year, our Community Ambassador Programme launched the "Swap-A-Skill Academy", a platform where volunteers can learn skills from each other while socialising.

Activities included:

- Collaborating with the Hong Kong Playground Association ("HKPA") to host a Dodgebee event, which is essentially dodgeball but with a flying disc.
- Another collaboration with HKPA and the Chicken Soup Foundation to experience the ancient Scottish sport of curling.



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- Volunteering**

### Supporting the Joyful Café for the Elderly

Caring for elderly people is an important part of our Community Ambassador Programme. This year, more than 70 Community Ambassadors supported a YWCA pilot programme called “Joyful Café for the Elderly”, a partnership between the Hong Kong Social Welfare Department and the YWCA which encourages elderly people suffering from dementia and their family caregivers to exercise and learn practical skills. The three sessions focused on communication skills, time management skills, tendon strengthening exercises and playing various games. Taking place at PUBLIC in Taikoo Place, the sessions engaged 240 participants.



### Pitching In and Cleaning Coastlines Together

This year, several teams of Community Ambassadors spent time cleaning up coastlines in Hong Kong and Miami, U.S.A.

On 21st September 2019, International Coastal Clean-up Day, 20 of our employees and 29 of their friends and family members collected over

30kg of garbage at Bill Baggs Cape Florida State Park.

On 12th October 2019, our Community Ambassadors organised a “Mudflats Clean-up” event on Lantau Island, Hong Kong. Fifty Community Ambassadors and their family members cleaned mudflats at Shui Hau Wan, Hong Kong to improve the natural habitat for native horseshoe crabs, collecting more than 95kg of coastal trash.

On 17th October 2019, some of our employees with Swire Hotels went to the Chi Ma Wan peninsula on Lantau Island, Hong Kong for a beach clean-up session. A team of 24 colleagues from The Upper House, EAST, Hong Kong and the Swire Hotels Central Support Office participated, picking up more than 250kg of garbage.

# Partners

We aim to continue to develop long-term, mutually beneficial relationships with our business partners and other key parties to improve our SD performance.







## Partners

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

We aim to continue to develop long-term, mutually beneficial relationships with our business partners and other key parties to improve our SD performance.

Our SD 2030 Strategy focuses on working with all our partners to achieve our SD objectives, including our suppliers, tenants, customers, residential owners and occupiers, as well as the government, NGOs and joint venture partners.



## Top Material Issues



Tenant/customer engagement



Responsible supply chain management



## Partners

**Progress**

Suppliers

Tenants

Customers

Residential Owners, Occupiers and Serviced Apartment Residents

## Progress

With 32 representatives from different functions within the Company, the composition of our Partners Working Group reflects our commitment to engaging with as many partners as possible, including local partners in all places where we have a significant presence.

In 2019, we continued to make progress towards achieving our 2020 KPIs. This progress is summarised in the table below.

### Progress Summary Table

	Suppliers	
<b>Supply Chain Policy</b>		
<p><b>2020 KPI</b></p> <ul style="list-style-type: none"> <li>• Full implementation of our Supplier Code of Conduct (“SCoC”) in Hong Kong and Mainland China</li> <li>• Implement green procurement systems across all business operations in Hong Kong and Mainland China</li> </ul>	<p><b>Progress Updates in 2019</b></p> <ul style="list-style-type: none"> <li>• It is standard practice to promote the SCoC to all suppliers in Hong Kong and Mainland China.</li> <li>• Green procurement training in Mainland China completed for our offices and portfolios.</li> </ul>	
<b>Monitoring (Compliance)</b>		
<p><b>2020 KPI</b></p> <ul style="list-style-type: none"> <li>• Ensure key high-risk suppliers demonstrate compliance with the SCoC</li> </ul>	<p><b>Progress Updates in 2019</b></p> <ul style="list-style-type: none"> <li>• Conducted an annual supply chain risk assessment of our top 25 critical suppliers, by highest procurement spending, in 2019.</li> </ul>	
<b>Supply Chain Improvement</b>		
<p><b>2020 KPI</b></p> <ul style="list-style-type: none"> <li>• Develop programmes for supply chain improvements</li> </ul>	<p><b>Progress Updates in 2019</b></p> <ul style="list-style-type: none"> <li>• We hosted a sustainability engagement forum attended by 80 of our suppliers and business partners in Hong Kong, and a separate event focusing on the application of green construction materials with 11 suppliers in Guangzhou .</li> </ul>	



## Partners

**Progress**

Suppliers

Tenants

Customers

Residential Owners, Occupiers and Serviced Apartment Residents



### Tenants

#### Tenant Engagement<sup>12</sup>

##### 2020 KPI

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

##### Progress Updates in 2019

- Updated and began to implement fit-out and renovation guidelines for office and retail tenants and prepared an accompanying one-page information sheet.
- Recognised **8** F&B tenants in Hong Kong and Mainland China with the Green Kitchen Award since launching the Green Kitchen Initiative in 2017.

#### Tenant Satisfaction

##### 2020 KPI

- Conduct tenant satisfaction surveys in Hong Kong and develop appropriate KPIs for improvement

##### Progress Updates in 2019

- We began conducting tenant satisfaction surveys of office tenants in Taikoo Place.



### Customers

#### Retail

##### 2020 KPI

- Conduct surveys to collect customer feedback

##### Progress Updates in 2019

- Continued to conduct surveys in our major retail properties in Hong Kong and Mainland China.

#### Office Workers

##### 2020 KPI

- Conduct surveys to collect office tenant feedback

##### Progress Updates in 2019

- We began conducting a survey of office workers at Taikoo Place.

<sup>12</sup> In 2019, we reviewed our 2020 KPIs under the Tenant Engagement performance category and removed the KPI “Review and expand the Green Pledge Programme to include the majority of office tenants”.



## Partners

**Progress**

Suppliers

Tenants

Customers

Residential Owners, Occupiers and Serviced Apartment Residents



### Customers

#### Hotel Guests

##### 2020 KPI

- Conduct hotel guest surveys

##### Progress Updates in 2019

- We continued to conduct guest satisfaction surveys at EAST, Hong Kong.



### Residential

#### Engagement (Owners, Occupiers and Serviced Apartment Residents)

##### 2020 KPI

- Complete a pilot survey in Hong Kong to establish baseline level of satisfaction and establish an appropriate KPI for improvement
- Develop Green Pledge Programme for serviced apartment residents

##### Progress Updates in 2019

- Completed in-person and online satisfaction surveys with owners and residents of ALASSIO and AREZZO, the results of which will influence the design of future residential projects.
- The Green Pledge Programme for residents of STAR STUDIOS has been developed and will be rolled out in 2020.



### Government

#### Government Engagement

##### 2020 KPI

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

##### Progress Updates in 2019

- Continued exploring cooperation and engagement opportunities with the local Chaoyang District government.
- Taikoo Li Sanlitun was listed as a pilot site for the night economy trial by the local government. Developing the night economy is one of the focus areas of the Beijing government.



## Partners

**Progress**

Suppliers

Tenants

Customers

Residential Owners, Occupiers and Serviced Apartment Residents



### NGOs

#### NGO Engagement

##### 2020 KPI

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

##### Progress Updates in 2019

- Partnerships this year included NGOs supporting environmental protection, poverty alleviation, youth education and caring for vulnerable groups in local communities.
- For more information about our work with NGOs, please refer to the [Community Investment](#) and [Volunteering](#) sections.



### Joint Venture Partners

#### Joint Venture Partners Engagement

##### 2020 KPI

- Engage 100% of our joint venture partners with our SD 2030 Strategy
- Promote and support the efforts of joint venture companies to provide their employees with SD training

##### Progress Updates in 2019

- Continued engaging our joint venture partners on SD initiatives.

#### Partner Selection and Company Formation

##### 2020 KPI

- Integrate SD considerations into joint venture partner selection and joint venture company formation processes

##### Progress Updates in 2019

- Continued engaging our joint venture partners on SD initiatives.



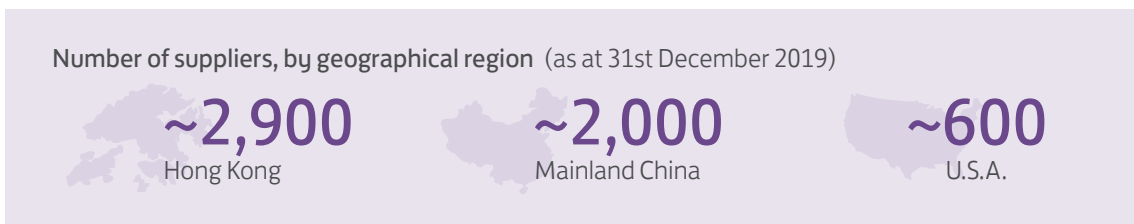
## Partners

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

## Suppliers

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 several dimensions, including [occupational health and safety](#), [waste](#), [long-term decarbonisation](#), and [building/assets investments](#).

### Supply Chain Profile



**GRI**  
102-9, 102-10

**HKEX**  
KPI B5.1


### Supplier Code of Conduct

Swire Properties' [Supplier Code of Conduct \("SCoC"\)](#) 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 all 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 works for Swire Properties can be below 16 years of age unless they are 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 all our suppliers adopt and implement policies and procedures that prevent bribery, corruption and fraud in their own operations. Suppliers that fail to comply fully with our SCoC risk termination of their contracts, subject to the contractual terms therein, and removal from our approved contractors list.

Our Supply Chain Sustainability Programme aligns with:



**SDG 12**

Ensuring 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

We work closely with our suppliers to collect accurate and up-to-date information about their environmental, social and governance practices and performance.

We have an e-Contractor List Management System in place that is integrated with our vendor requisition process in Hong Kong and Mainland China. This automated platform facilitates supplier selection, management, and performance analysis and allows for timely updates of supplier information.

In order for new suppliers to be included on this list of approved contractors, they must first complete self-assessment questionnaires to confirm that they have appropriate policies and systems in place to comply with our SCoC. We monitor the compliance status of suppliers on our approved contractors list on an ongoing basis. In addition to requesting regular self-assessments, we may also undertake supplier site visits, request that our suppliers obtain independent certification in accordance with internationally recognised standards, and submit environmental and health and safety management plans for our internal review.

In 2019, we refined our performance management system for technical services providers. Any non-compliance or malpractice in the areas of health and safety, environment, procurement, quality and site management will be recorded and the service provider will be subject to disciplinary action.

We also conducted a risk assessment of our top 25 critical suppliers, by highest procurement spending in 2019, in order to confirm their compliance with our SCoC. These top 25 critical suppliers are based in Hong Kong, Mainland China and the U.S.A.

According to our findings, none of these suppliers were considered “high risk” under our Enterprise Risk Management System (“ERM System”).

**GRI**  
308, 403, 414

**HKEX**  
Aspect B4, B5  
KPI B4.1, B4.2,  
B5.2, B5.3  
(new)

### Green Procurement

As part of our green procurement strategy, since 2015, we have been implementing our guidelines on environmental procurement in accordance with the ISO 14001 Environmental Management System. This system tracks 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 further opportunities to source more sustainable products.

In addition, we also track our consumption of specific construction materials such as timber, concrete and reinforcement bar, which allows us to benchmark our consumption of these materials during the construction of new developments.

We have been a member of the Hong Kong Green Purchasing Charter of the Green Council since 2013 and a member of their Sustainable Procurement Charter since 2018.

**GRI**  
301

**HKEX**  
Aspect A2  
KPI B5.4 (new)

#### Green Procurement for Hong Kong and Mainland China in 2019



Total value: **HK\$48 million**



## Partners

Progress

**Suppliers**

Tenants

Customers

Residential Owners, Occupiers and Serviced Apartment Residents



### Hosting Supplier Engagement Events

Another method we use to engage our suppliers is through events which foster exchange, dialogue and deeper relationships. In early January 2020, we held our first-ever Sustainability Engagement Forum in Hong Kong. It took place at Blueprint with 80 of our

suppliers and business partners in attendance. These stakeholders received an update on our SD 2030 Strategy, followed by presentations and a panel discussion to identify further opportunities for collaboration on low-carbon and sustainable building lifecycle initiatives.

We also hosted a supplier engagement event about the application of green construction materials in southern China at Taikoo Hui in Guangzhou.

#### These events:

- introduced new green materials adopted in concrete, reinforcement bar and formwork;
- discussed methods of recycling construction materials;
- informed participants about the current status and latest trends in government policy; and
- informed suppliers about reduction targets we have committed to under the Science-based Targets initiative.



We look forward to working with these forward-looking suppliers and business partners to further drive the transition to low-carbon built environment.







## Partners

Progress

**Suppliers**

Tenants

Customers

Residential Owners, Occupiers and Serviced Apartment Residents

### Expanding our Sustainable Sourcing

We are committed to continuously expanding our sourcing of sustainable materials across all areas of our business. In 2019, we continued to make significant achievements in this regard, including:



#### Portfolio Management Offices and Facilities

- Office and toilet paper certified by the Forest Stewardship Council (“FSC”).
- Office paper that is made from 100% recycled content.
- Biodegradable tea bags with certified organic tea.
- Two Taikoo Place – use of FSC-certified and PEFC-certified timber, concrete, reinforcement bar and structural steel with recycled content.
- EDEN, Singapore – use of prefabricated construction in around 80% of bathrooms in apartment units, reducing both waste and construction time.

#### Hotel Operations

- Sustainable seafood that meets WWF-Hong Kong Seafood Guide or the Aquaculture Stewardship Council guidelines.
- Plant-based meat alternatives on menus, helping to lower carbon emissions and reduce the ecological footprint of our operations.
- Vegan, organic and biodynamic wines added to menus.
- Toilet paper rolls with 90-100% recycled fibre certified by FSC.
- Simplified the packaging for room amenities such as removing paper boxes.





## Partners

Progress

**Suppliers**

Tenants

Customers

Residential Owners, Occupiers and Serviced Apartment Residents

### Giving Our Uniforms a Sustainable Makeover

In early 2019, we began looking into revamping retail customer service staff uniforms across our portfolios in Hong Kong and Mainland China. The initiative aimed to give frontline staff a modernised new look and refresh our brand image while using sustainable and durable materials. Important elements of this initiative included:

- Engaging Hong Kong designer Angus Tsui to foster and support local talent.
- Adopting one design which can be used at all malls and in different seasons, environments and weather conditions.
- Ensuring a timeless design and high-quality materials to prolong the uniform's service life.
- Using sustainable materials such as organic cotton and wool wherever possible.
- Using advanced pattern cutting techniques to minimise textile wastage.





## Partners

Progress

Suppliers

**Tenants**

Customers

Residential Owners, Occupiers and Serviced Apartment Residents

## Tenants

We work closely with our commercial tenants to help them integrate sustainability practices into their operations. In 2019, we began implementing our latest fit-out and renovation guidelines, which have been updated and customised for our office and retail tenants so as to help them incorporate sustainability considerations into their office and shop designs. We also introduced other initiatives to help our tenants fulfil their environmental, social and employee wellbeing objectives.

**HKEX**  
Aspect A3  
KPI A3.1

### Introducing the Portfolio Dashboard

In August 2019, The Hub, our online leasing and management platform, was updated to include a new portfolio dashboard. The dashboard provides a portfolio-level overview of KPIs for each development, giving office leasing teams and senior management real-time actionable insights to aid strategic decision making.

The portfolio dashboard:

- provides a centralised platform for our 17 office building stacking plans in Hong Kong;
- gives real-time insights and performance updates on 13.4 million sq ft of office space; and
- integrates information such as occupancy and rental figures, therefore allowing the tracking and comparison of such performance metrics.

### Tenant Surveys Focus on Future Needs

In late 2018, Pacific Place sent out a survey designed to understand the current views of our tenants and explore areas for growth in service and relationship management, particularly in terms of building facilities, management services and sustainability.

In 2019, Taikoo Place began to conduct a similar tenant survey, which is part of a larger tenant mapping project that focuses on the future needs of our tenants, and how they use our spaces and engage with us, both online and offline. The ultimate aim is to increase the wellness and productivity of all tenants in our portfolios.

### Hong Kong Green Shop Alliance Awards

We are the first real estate 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 through landlord-tenant collaboration. More than 70 of our retail tenants in Hong Kong are now part of the HKGSA.

In December 2019, our leadership in this field was recognised as we won two major accolades at 2019 HKGSA Awards:

- **Pacific Place** – Champion, Best Green Practice in Malls category, beating nearly 40 other leading organisations with our innovative energy savings solutions and facilities as well as initiatives that help tenants reduce and recycle waste.
- **Cityplaza** – Best Guidance to Tenant Award in the Best Collaborative Effort of Malls and Shops category, recognising our tenant engagement efforts which include our free energy audit programme and Green Kitchen Initiative, as well as our food waste recycling scheme which facilitated the monthly collection of 20 tonnes of food waste at the mall.





## Partners

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

## Environment



### The Green Kitchen Initiative Keeps Growing

For the past two years, we have encouraged tenants to make their daily operations “greener” through tailored and practical SD initiatives. One of these is our Green Kitchen Initiative, which provides a platform for our portfolio management teams and our tenants to have

sustainability conversations before fit-out and renovation projects. Both sides can collaborate to enhance the sustainability performance of F&B outlets in our malls.

As part of our Green Kitchen Initiative, we also developed a comprehensive set of Green Kitchen Technical Guidelines, which give specific design recommendations to reduce energy and water usage and improve air quality and waste management.

Last year, we launched a Green Kitchen Award programme to applaud tenants who actively support our Green Kitchen Initiative. In 2019, two restaurants at INDIGO, two at Sino-Ocean Taikoo Li Chengdu and one at Cityplaza received this recognition. In total, eight F&B tenants in Hong Kong and Mainland China have been recognised with our Green Kitchen Award since launching the Green Kitchen Initiative in 2017.





## Partners

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

### What's New at The Loop

Launched in 2017, The Loop is our SD exhibition centre. The Loop features a recycling centre, food waste composter, "eco-art" installation and edible garden, amongst other exhibitions. This 4,000 sq ft space in Taikoo Place encourages tenants and the wider community to "close the loop" by incorporating sustainable practices into their business operations and daily lives. In 2019, The Loop collected 658 tonnes of recyclables.



This year, The Loop hosted 42 weekly urban farming workshops in collaboration with a local social enterprise. Every week, office workers from our supporting tenants were given hands-on farming experience and coaching, ultimately bringing crops they had grown themselves back to the office.



### Offering More Free Energy Audits

In 2019, we continued to conduct free energy audits for our tenants to help them identify energy saving opportunities.

#### Free energy audits for commercial tenants (since 2008)

Tenanted area 	Hong Kong <b>3.3 million</b> sq ft	Mainland China <b>2.2 million</b> sq ft
Potential annual energy savings 	Hong Kong <b>3.1 million</b> kWh	Mainland China <b>5.9 million</b> kWh



## Partners

Progress

Suppliers

**Tenants**

Customers

Residential Owners, Occupiers and Serviced Apartment Residents

## Social



### PROJECT AFTER 6

Since its launch in 2014, PROJECT AFTER 6, a programme that engages people around Taikoo Place in a common interest, has been connecting the Taikoo Place community through a variety of arts, cultural, sport and leisure programmes.

In 2019, we organised PROJECT AFTER 6: THE PITCH, aiming to connect office executives by bringing music into their work environments and tapping into their unexplored talents. The ultimate goal was to bring the community together and promote a better work-life balance.

PROJECT AFTER 6: THE PITCH began with an open audition for office professionals from across Hong Kong. Finalists were picked by celebrity judges and given the chance to perform alongside celebrities at eight live gigs in July 2019, held during lunchtime at ArtisTree.

Highlights included:

- Total applications: 120, including 23 from our tenants
- Total number of finalists: 40 music groups with 92 performers, including 12 from our tenants
- Ten of the top finalists were selected to compete in the finale concert
- Total audience: over 8,600 attendees, with 90% from our tenants

### Taikoo Place Business Network

This location-centric network is driven by a critical mass of companies that have moved their offices out of Central to the Taikoo Place area and are seeking networking opportunities in this new location.

Highlights included:

- Targeting middle-management employees, around 100 people attending each quarterly event and meeting in an informal social setting.
- In 2019, a speaker talked about mental wellbeing at one gathering and a live rugby match was broadcasted at another.





## Partners

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

## Wellbeing



### Discover Taikoo Place

Discover Taikoo Place was held in May 2019 to demonstrate everything Taikoo Place has to offer. More than 60 events were organised covering four components, namely wellness, culture, gourmet and business. The Pavilion, a key event venue, was created on the ground floor of One Taikoo Place solely for the campaign.

Highlights of each component included:

#### Wellness

- A Sustainability x Wellness panel discussion focused on how sustainability can be applied at a personal level at work, at home and at play.
- The Walk For Miles Challenge, where participants who walked between 8,000 and 10,000 steps per day were rewarded with travel miles.
- The Corporate Wellness Challenge, an eight-hour charity bicycle spin that engaged over 330 riders to “spin for a good cause”, raising funds for a local mental health charity.

#### Culture

- Introduced ArtisTree to the community by conducting backstage tours and open rehearsals.
- Lunchtime gigs held by PROJECT AFTER 6 alumni.

#### Gourmet

- A lunchtime pop-up food truck that featured two gourmet partners used plant-based substitutes for meat products, offered new lunch options, promoted sustainable eating habits and raised donations for different local charitable organisations.

#### Business

- Hosted two panel discussions to engage Taikoo Place tenants on the topics of “Future Workspaces” and “Employee Engagement” which were attended by a total of 145 participants.





## Partners

Progress

Suppliers

**Tenants**

Customers

Residential Owners, Occupiers and Serviced Apartment Residents

### Focusing on Mental Wellbeing at Taikoo Hui

We believe it is important to promote and sustain the mental health of our tenants' office workers. This year, two tenant workshops were held in Taikoo Hui, Guangzhou, namely:

- A lunchtime painting event where artists guided participants as they created their own unique works of art, based on using the architectural image of Taikoo Hui in the shape of a vase.
- A relaxation-focused event called "Savouring the Slow Life", where participants made their own artisanal soap and essential oils, whilst enjoying delicacies from a special catering menu.







## Partners

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

## Customers

Customer feedback is vital for us to understand our customers’ needs so that we can continue to improve our services and offerings. In 2019, our research programmes engaged more customers than ever before, providing us with invaluable data which will be analysed and used to further refine customer experience and our market positioning.

### Data Management and Protection Policy (Customer Data)

We are committed to protecting the privacy of our customers. Our Data Management and Protection Policy (Customer Data) covers our operations in Hong Kong and Mainland China. This policy provides guidance on the handling of customer data throughout the data life cycle and how to ensure 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.

**HKEX**  
KPI B6.5

### Retail Customers

In addition to our annual customer surveys, which collect feedback from customers visiting our major retail properties, we also deployed a mystery shopper programme in 2019 to help us evaluate and enhance customer service. This programme was conducted twice in our malls in Mainland China and once in our malls in Hong Kong.

Other research initiatives were carried out this year to understand shoppers from different perspectives.

These include:

- A pilot survey aiming to improve the operational efficiency of customer service counters at Cityplaza.
- Big data research conducted in Sino-Ocean Taikoo Li Chengdu, with customer profiles and behaviours analysed in-depth to help devise sustainable growth plans.

#### 2019 Customer Surveys

**8,500**  
shoppers

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

**95%**  
of response ratings were between “excellent” and “good”

### Hotel Guests

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

EAST, Hong Kong has established a hotel guest survey platform which asks hotel guests to answer short questions when they sign into the hotel wireless internet service. This survey provides valuable data that will help us continuously improve our hotel guest experience.



## Partners

Progress

Suppliers

Tenants

Customers

Residential Owners, Occupiers and Serviced Apartment Residents

## Residential Owners, Occupiers and Serviced Apartment Residents

We continue 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 our Pacific Place Apartments and EAST Residences (previously known as Taikoo Place Apartments), continue to be managed by the Company.

### Listening to Residents through Surveys

In 2018, we conducted a pilot satisfaction survey of owners and occupiers of ALASSIO and AREZZO to help us identify areas for improvement in the way we design and build residential properties. The survey was designed to understand their level of satisfaction with

the developments in terms of design, ease of maintenance of in-unit items, preferred clubhouse features, sustainability considerations such as indoor air quality, thermal comfort and other variables. These insights will be considered in the design and management of future residential projects, with the aim of making our residents happier, resulting in stronger and longer-term owner and occupier relationships.

In-depth interviews were conducted in March 2019 and an online survey was launched for all residents in June 2019. Key takeaways of the survey include:

- We have a positive reputation with residents.
- Residents are satisfied with the design and service of our apartments.
- Residents support our SD efforts.
- More communication about SD and ways to help residents live sustainably could be beneficial to us.



## 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**

Energy

Progress

Waste

Profile of Environmental Impacts

Water

Occupant Wellbeing

Climate Change

Building/Asset Investments

We are committed to strengthening our management approaches to environmental protection by expanding the focus of our initiatives beyond the direct impacts of our business to address environmental concerns that are crucial to the communities in which we operate, including 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

Our [policies](#) clearly set out our environmental principles, approaches and commitments.

### Environmental and Energy Management Systems

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

### Thought Leadership

We strive to provide guidance and leadership for the property sector in Hong Kong, throughout Asia Pacific and on a global level by sharing our experience and expertise at international conferences and seminars. This year, we attended Greenbuild China, the HKGBC Advancing Net Zero Conference and the Royal Institution of Chartered Surveyors' Hong Kong Annual Conference, where our representatives spoke about long-term decarbonisation and climate resilience. We also attended the Green Bond Asia Conference and a seminar hosted by the Hong Kong Monetary Authority and International Finance Corporation on Green Financing, where we gave presentations about our green bond and sustainability-linked loan.



**GRI**  
301-3, 305-7

**HKEX**  
Aspect A1, A2, A3, A4 (new)  
KPI A3.1



## Performance (Environment)


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

### Progress

Our Performance (Environment) Working Group, which comprises 33 members from different functions within the Company, has developed key performance indicators for seven environmental and resource management focus areas.

In 2019, we continued to make progress towards achieving our 2020 KPIs. Our progress is summarised in the table below.

### Progress Summary Table

 <b>Climate Change</b>	
<p><b>Policy</b></p> <p><b>2020 KPI</b></p> <ul style="list-style-type: none"> <li>• Establish a climate change policy</li>   <li>• Conduct climate risk assessments for all portfolios</li> </ul>	<p><b>Progress Updates in 2019</b></p> <ul style="list-style-type: none"> <li>• <a href="#">Climate Change Policy</a> has been already established.</li> <li>• Our science-based targets (“SBTs”) were officially approved, making us the first real estate developer from Hong Kong and Mainland China to establish long-term decarbonisation goals in line with the Paris Agreement.</li> <li>• Undertaking detailed risk and resilience assessments at the asset level to evaluate the potential effects of the identified climate risks and to develop a targeted action plan to mitigate risks and build resilience across our portfolios.</li> <li>• Continued to publish <a href="#">climate-related financial disclosures</a> with reference to the recommendations of the Task Force on Climate-related Financial Disclosures (“TCFD”).</li> </ul>





## Performance (Environment)

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



### Climate Change

#### Carbon Management and Accounting

##### 2020 KPI

- Establish a comprehensive carbon accounting framework for reporting and management purposes
- Complete pilot study to measure carbon emissions from construction activities and embodied carbon from major construction materials used in One Taikoo Place.

##### Progress Updates in 2019

- Completed the assessment of our Scope 3 emissions<sup>13</sup> and established SBTs to manage the most significant sources of our Scope 3 emissions.
- Study completed, and the results used to develop SBTs to manage embodied carbon for new development projects. A carbon accounting tool has also been developed and will be adopted by other development projects, where appropriate.

#### Decarbonisation

##### 2020 KPI

- Reduction of carbon intensity<sup>14</sup> (tonnes of CO<sub>2</sub>e/m<sup>2</sup>):

Hong Kong portfolio

↓ 27%

Mainland China portfolio

↓ 21%

##### Progress Updates in 2019

- Reduction of carbon intensity (tonnes of CO<sub>2</sub>e/m<sup>2</sup>):

Hong Kong portfolio

↓ 28%

Mainland China portfolio

↓ 19.9%



<sup>13</sup> The GHG Protocol defines emissions as Scope 1, 2 or 3. 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. Scope 3 emissions are indirect emissions that occur along Swire Properties’ value chains including both upstream and downstream emissions. Source: [https://ghgprotocol.org/sites/default/files/standards\\_supporting/FAQ.pdf](https://ghgprotocol.org/sites/default/files/standards_supporting/FAQ.pdf)

<sup>14</sup> Compared to the business-as-usual (“BAU”) baseline year of 2008 for our Hong Kong portfolio, and the first BAU baseline year for which a complete calendar year of data was available for projects in our Mainland China portfolio.



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### Energy

#### Energy Reduction

##### 2020 KPI

- Reduction of energy consumption<sup>15</sup> (kWh/year):

**Hong Kong portfolio<sup>16</sup>**

**↓ 26%**

↓ 64 million kWh/year

**Mainland China portfolio**

**↓ 20%**

↓ 23 million kWh/year

- Reduction of natural gas consumption<sup>17</sup> (m<sup>3</sup>/year):

**Mainland China portfolio**

**↓ 32%**

↓ 1.5 million m<sup>3</sup>/year

##### Progress Updates in 2019

- Reduction of energy consumption (kWh/year):

**Hong Kong portfolio**

**↓ 26.9%**

↓ 62.7 million kWh/year

**Mainland China portfolio**

**↓ 19.4%**

↓ 23.2 million kWh/year

- Reduction of natural gas consumption (m<sup>3</sup>/year):

**Mainland China portfolio**

**↓ 36.1%**

↓ 1.6 million m<sup>3</sup>/year

- Continued to implement energy-saving measures throughout our Hong Kong and Mainland China portfolios and hotels.

<sup>15</sup> Energy consumption refers to purchased electricity for the provision of shared services for and in the common parts of our buildings when compared to the BAU baseline year of 2008 for our Hong Kong portfolio, and the first BAU baseline year for which a complete calendar year of data was available for projects in our Mainland China portfolio.

<sup>16</sup> Our 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.

<sup>17</sup> Compared to the first BAU baseline year for which a complete calendar year of data was available for each project.



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### Energy

#### Renewable Energy

##### 2020 KPI

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

##### Progress Updates in 2019

- Estimated that approximately **4%** of landlord's building energy is supplied from renewable sources at One Taikoo Place.
- Starting from October 2019, the renewable energy generated by One Taikoo Place's solar PV system is supplied back to the electric grid in accordance with the feed-in tariff scheme approved by Hong Kong Electric Company ("HK Electric").

#### Smart Energy System

##### 2020 KPI

- Implement pilot energy management automation projects at four properties (two in Hong Kong, two in Mainland China)
- Adopt facility management electronic databases in all investment portfolios

##### Progress Updates in 2019

- We initiated a pilot cloud-based smart energy management platform at Cityplaza in Hong Kong, INDIGO in Beijing and Taikoo Hui in Guangzhou.
- We plan to roll out a facility management platform for fit-out projects at Cityplaza mall. Upon the result of this pilot, we will evaluate the adoption for other retail portfolios.





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### Waste

#### Policy

##### 2020 KPI

- Establish a waste management policy

##### Progress Updates in 2019

- To complement our [Waste Management Policy](#) adopted in 2017, we are developing communication packages to enhance tenant awareness and providing advice and support through tenant meetings and training sessions.

#### Waste Diversion

##### 2020 KPI

- Waste diversion rates from landfills:
  - Hong Kong portfolio (including hotels) **25%** of commercial waste
  - Hong Kong (projects under development) **80%** of demolition waste and **60%** of construction waste
  - Mainland China (projects under development) **50%** of total waste<sup>18</sup>
- Waste recycling rate:
  - Mainland China portfolio (including hotels) **25%** of commercial waste

##### Progress Updates in 2019

- Waste diversion rates from landfills:
  - Hong Kong portfolio (including hotels) **21.7%** of commercial waste
  - Hong Kong (projects under development)
    - 84%** of demolition waste at Two Taikoo Place
    - 98%** of demolition waste at 21-31 Wing Fung Street, Wan Chai
    - 90%** of demolition waste at 46-56 Queen's Road East, 1A-11 Landale Street and 2A-12 Anton Street
    - 68%** of construction waste at One Taikoo Place
    - 66%** of construction waste at South Island Place
  - 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:
  - Mainland China portfolio (including hotels) **32.5%** of commercial waste



<sup>18</sup> 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.



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### Water

#### Policy

##### 2020 KPI

- Establish a water management policy

##### Progress Updates in 2019

- Adopted a new [Water Policy](#) in 2019.

#### Risk Assessment

##### 2020 KPI

- Complete water risk assessment

##### Progress Updates in 2019

- Assessments for all operations in Hong Kong, Mainland China and Miami, U.S.A. have been completed.

#### Water Reduction

##### 2020 KPI

- Reduction of water intensity<sup>19</sup>:

Hong Kong portfolio  
↓ **20%** (m<sup>3</sup>/m<sup>2</sup>)

Mainland China portfolio  
↓ **20%** (m<sup>3</sup>/m<sup>2</sup>)

Hotels  
↓ **20%**  
 (m<sup>3</sup>/ guest night)

##### Progress Updates in 2019

- Reduction of water intensity:

Hong Kong portfolio  
↑ **33%** (m<sup>3</sup>/m<sup>2</sup>)

Mainland China portfolio  
↓ **7%** (m<sup>3</sup>/m<sup>2</sup>)

Hotels  
↓ **48%**  
 (m<sup>3</sup>/ guest night)



<sup>19</sup> Compared to the baseline year of 2016.



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### Biodiversity

#### Policy

##### 2020 KPI

- Establish a biodiversity policy

##### Progress Updates in 2019

- Adopted a new [Biodiversity Policy](#).

#### Integration

##### 2020 KPI

- Establish guidelines to integrate biodiversity considerations into new developments

##### Progress Updates in 2019

- We engaged a consultant to conduct an urban biodiversity study of the Taikoo Place Redevelopment Project. This study will be completed in 2020 and its results will help establish guidelines for our new development projects.



### Occupant Wellbeing

#### Indoor Air Quality (“IAQ”)

##### 2020 KPI

- For common areas, **80%** of buildings in our Hong Kong portfolio achieve IAQ Excellent Class
- **80%** of buildings in our Mainland China portfolio fulfill local IAQ standard
- Conduct research to reduce indoor PM2.5 concentrations
- Conduct occupant wellbeing surveys for office, retail and hotels

##### Progress Updates in 2019

- 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.
- Completed measurements of indoor PM2.5 concentrations in selected hot spots and consolidated air filtration system information in our Hong Kong and Mainland China portfolios.
- A survey will be conducted for Taikoo Place in 2020.





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### Building/Asset Investments

#### Environmental Building Assessment Schemes<sup>20</sup>

##### 2020 KPI

- Target the highest environmental building assessment scheme rating for all projects under development<sup>21</sup>

##### Progress Updates in 2019



- 100% of projects under development achieved the highest ratings.
- **Hong Kong portfolio**
  - One Taikoo Place achieved Final Platinum under WELL Core and Shell Version 1, the first commercial building in Asia to do so.
  - Two Taikoo Place achieved Provisional Platinum under BEAM Plus New Buildings Version 1.2 and Platinum Precertification under WELL Core and Shell Version 1.
  - South Island Place achieved Final Platinum under BEAM Plus New Buildings Version 1.2.
- **Mainland China portfolio**
  - INDIGO mall, ONE INDIGO and EAST, Beijing achieved Final Platinum under LEED Existing Buildings: Operations and Maintenance Version 4.1, the first mixed-use development in the world to do so.
  - Sino-Ocean Taikoo Li Chengdu achieved Final Platinum under LEED Existing Buildings: Operations and Maintenance Version 4.1.
  - Taikoo Li Qiantan achieved Precertification Platinum under WELL Core and Shell Version 1 and Precertification Gold under LEED for Building Design and Construction: Core and Shell Development Version 2009.

<sup>20</sup> BEAM Plus/LEED/China Green Building Design Label/WELL Certification.

<sup>21</sup> Projects under development refers to projects that are under construction or in the precertification stage. It does not include joint venture projects.



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### Profile of Environmental Impacts

**HKEX**  
KPI A3.1



### Carbon Emissions

The Company's largest source of carbon emissions is Scope 2 emissions arising from purchased electricity in our Hong Kong portfolio. In 2019, this category of emissions declined by 9.2% compared to 2018.

In 2019, carbon intensity in our Hong Kong portfolio, Mainland China portfolio and hotel operations decreased compared to 2018. Total carbon emissions in our Mainland China portfolio and hotel operations increased in 2019 due to the inclusion of two properties: HKRI Taikoo Hui and The Middle House, Shanghai.

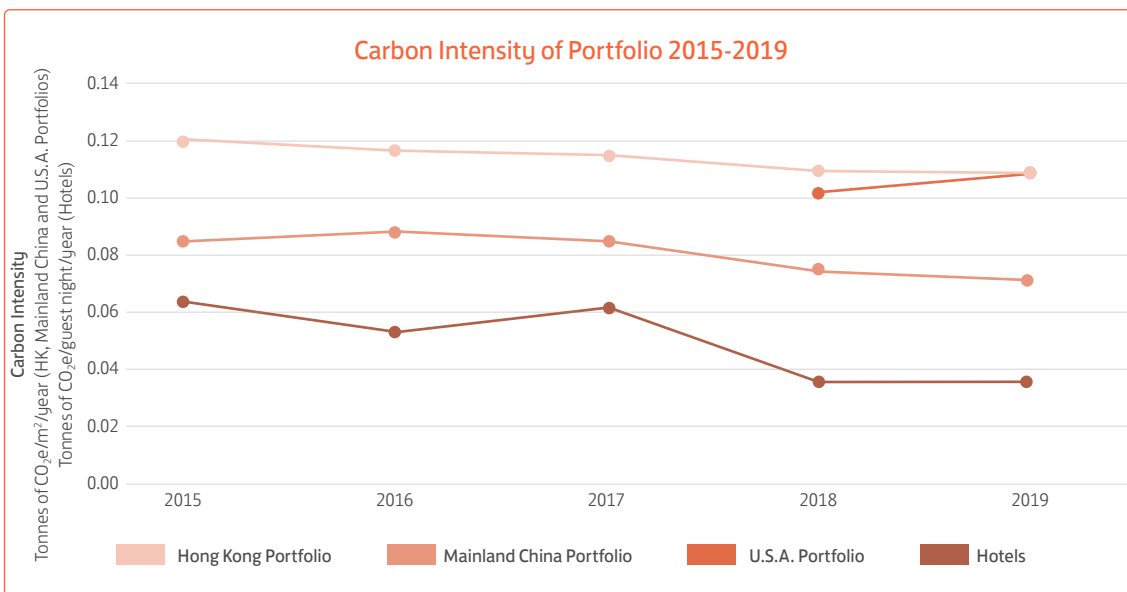
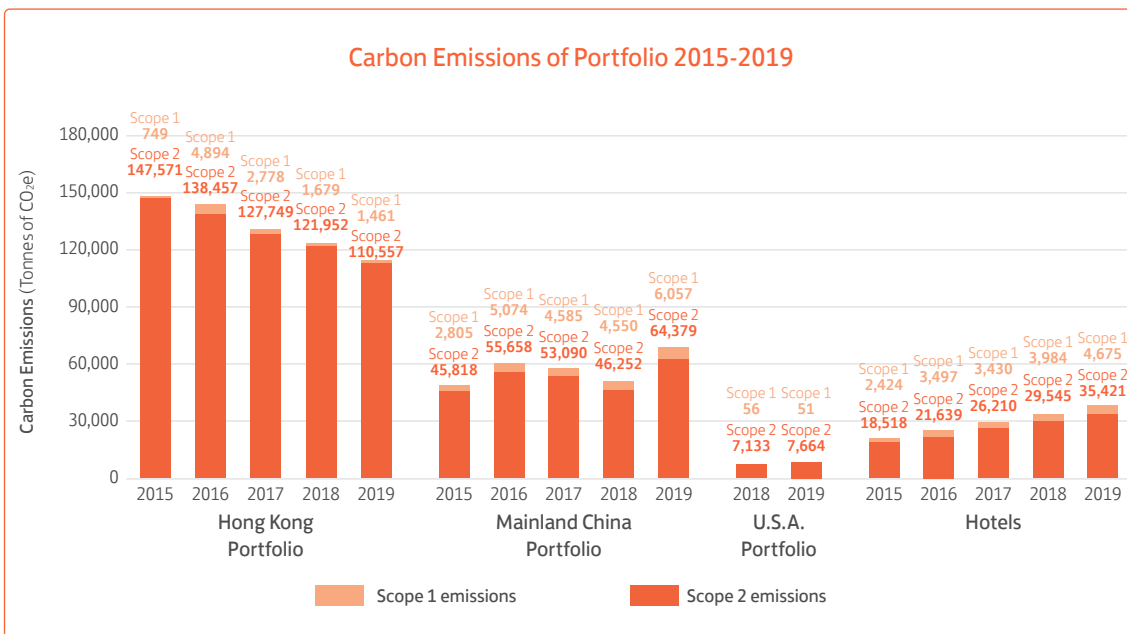
**GRI**  
305

**HKEX**  
KPI A1.2, A1.5



## Performance (Environment)

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Carbon Intensity	2019 Progress	2020 Target
Hong Kong Portfolio	↓ 28%	↓ 27%
Mainland China Portfolio	↓ 19.9%	↓ 21%

Remarks:

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



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### Energy Consumption

In line with the reduction of energy consumption<sup>22</sup> in our Hong Kong portfolio between 2008 and 2019, energy use intensity decreased by 26% from 199 kWh per square metre (“kWh/m<sup>2</sup>”) per year to 147 kWh/m<sup>2</sup> per year over the same period.

By 31st December 2019, we had reduced annual energy consumption in our Hong Kong portfolio by 62.7 million kWh compared with 2008. This is consistent with meeting our 2020 reduction target.

GRI  
302

HKEX  
KPI A2.1, A2.3

Energy Consumption	2019 Progress	2020 Target
Hong Kong Portfolio	<span style="font-size: 2em;">↓</span> <b>26.9%</b> ↓62.7 million kWh/year	<span style="font-size: 2em;">↓</span> <b>26%</b> ↓64 million kWh/year

We are also on track to meet our 2020 energy reduction target in Mainland China. Between 2010 and 2019, energy intensity in our Mainland China portfolio decreased by nearly 36% from 156 kWh/m<sup>2</sup> per year to 100 kWh/m<sup>2</sup> per year. By 31st December 2019, we had reduced our annual energy consumption in our Mainland China portfolio by 23.2 million kWh compared with the business-as-usual (“BAU”) scenario.<sup>23</sup>

Energy Consumption	2019 Progress	2020 Target
Mainland China Portfolio	<span style="font-size: 2em;">↓</span> <b>19.4%</b> ↓23.2 million kWh/year	<span style="font-size: 2em;">↓</span> <b>20%</b> ↓23 million kWh/year



<sup>22</sup> Energy consumption refers to electricity consumption for the provision of shared services for and in the common parts of our buildings.

<sup>23</sup> Refers to the amount in the first complete calendar year in which energy consumption data are collected from each project.



## Performance (Environment)

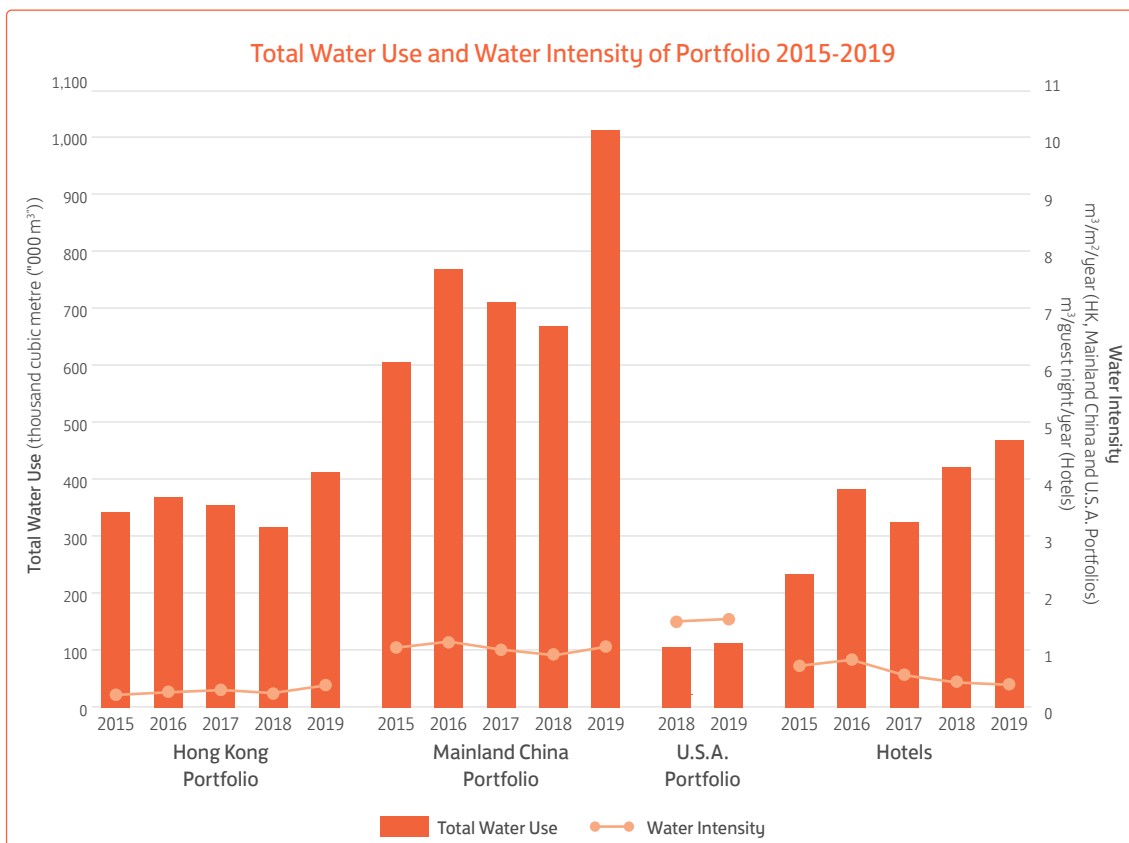
- Policies
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### Water Use

In 2019, the total water use and water intensity in our Hong Kong portfolio increased. We attribute this increase, in part, to the use of fresh water to replenish flushing water due to a leak in an underground flushing water pipe. Total water use in our Mainland China portfolio and hotel operations also increased in 2019. This was due to the inclusion of two properties: HKRI Taikoo Hui and The Middle House, Shanghai. We also note a general increase of water intensity across our portfolios in 2019, and we are implementing [water saving measures](#) across our business to meet our water use reduction targets by 2020.

GRI  
303

HKEX  
KPI A2.2, A2.4



Water Intensity	2019 Progress	2020 Target
Hong Kong Portfolio	↑ 33%	↓ 20%
Mainland China Portfolio	↓ 7%	↓ 20%
Hotels	↓ 48%	↓ 20%

Remarks:

- Our Hong Kong portfolio, Mainland China portfolio and U.S.A. portfolio refers to our office and retail portfolios in Hong Kong, Mainland China and Miami, U.S.A. respectively, excluding hotels.
- Water intensity reduction targets reference the baseline year of water consumption (2016).
- The 2018 total water use and water intensity of U.S.A. portfolio have been adjusted to exclude tenants' water use.





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### Projects Under Development

#### Materials Used in 2019

GRI  
301



**40,627 m<sup>3</sup>**

Concrete



**4,521 tonnes**

Reinforcement bar



**1,337 m<sup>3</sup>**

Timber



**802 MWh**

Electricity consumption



**476,825 litres**

Diesel consumption



**19,606 m<sup>3</sup>**

Water consumption

Remarks:

- Projects under development refers to projects that are under construction or in the precertification stage.
- Includes projects under development in all portfolios, including joint venture and non-joint venture projects.
- Includes biodiesel consumption in “diesel consumption”.



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### Climate Change

We recognise that climate change poses significant risks and also presents significant opportunities to our business. We are firmly committed to reducing climate impacts and optimising resource efficiency throughout our operations.

We are responding to the Climate Change focus area through initiatives on mitigation, adaptation and resilience. The relevant SDG is:



#### SDG 13

Taking urgent action to combat climate change and its impacts.

**GRI**  
305

**HKEX**  
Aspect A1, A2, A3, A4 (new)  
KPI A1.5, A3.1, A4.1 (new)

### Climate Change Policy

We adopted our [Climate Change Policy](#) in 2018. The policy outlines our commitment to managing climate risks across our operations and to developing mitigation, adaptation and resilience strategies to address those risks in line with global best practices.

As our largest source of carbon emissions is Scope 2 emissions arising from purchased electricity, our management approaches to climate 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.

### Climate-related Financial Disclosures

We 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.

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



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### Science-Based Targets Approved

We are the first real estate developer in Hong Kong and Mainland China to commit to the Science-Based Targets initiative (“SBTi”), developed by the United Nations Global Compact, World Resources Institute, the CDP<sup>24</sup> and the World Wide Fund for Nature.



In November 2019, our SBTs were validated and approved by the SBTi, making us the first real estate developer from Hong Kong and Mainland China to establish long-term decarbonisation goals for our portfolios around the world that are in line with the Paris Agreement.

These approved SBTs are:



Our strategies to achieve these targets are as follows:

#### Scope 1 and 2 emissions

- Continuously adopt innovative low-carbon technologies and management practices
- Enhance energy data tracking and optimisation through our cloud-based smart energy management platform and application of artificial intelligence and machine learning
- Invest in on-site and off-site renewable and clean energy procurement
- Invest in research and development through our continuing partnership with Tsinghua University

#### Scope 3 emissions

- Downstream Leased Assets

Work with tenants more closely to reduce their carbon and energy footprints, via free energy audits, our Green Kitchen Initiative and the introduction of smart metering systems.

- Capital Goods

Work with our supply chain partners to reduce the carbon and energy footprints throughout the life cycle of our buildings through procuring building materials with lower embodied carbon, optimisation of building design and better site management.

<sup>24</sup> Previously known as the Carbon Disclosure Project.



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### Progressing with our Climate Risk Assessment

We are undertaking a climate risk assessment to identify the key risks posed by climate change to our business operations as well as the business opportunities arising from new climatic conditions.

This three-stage assessment evaluates climate-related risks and opportunities across our global portfolio under various climate change scenarios. Based on the findings of the assessment, we will develop a targeted action plan to mitigate risks and build resilience strategies across our portfolios, which will supplement our ERM System for continuous management of material climate risks.

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

### Swire Properties Climate Risks Assessment



Align with recommendations of the TCFD



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### Completion of an Embodied Carbon Pilot Study at 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 the amount of embodied carbon in key construction materials.

In 2019, we completed an evaluation of the cradle-to-site carbon footprint data of One Taikoo Place, with technical support from a research team from the Hong Kong University of Science and Technology's Department of Civil and Environmental Engineering.

The key findings are as follows:

- The Scope 3 emissions (indirect emissions that occur along the value chain) significantly outweigh Scope 1 emissions (direct carbon emissions from energy combustion on-site) and Scope 2 emissions (indirect carbon emissions from electricity consumption).
- The embodied carbon in the building's concrete, rebar and structural steel contributes to nearly 90% of One Taikoo Place's total carbon emissions.

Further data analysis will allow us to identify measures to achieve carbon reduction in future development projects, including procuring low-carbon concrete and steel and improving the structural design of our developments.

We have also established a carbon accounting tool for measuring embodied carbon in new development projects.





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### Energy

We strive to continually reduce the consumption of energy in our Hong Kong and Mainland China portfolios and in our hotel operations. In 2019, we used a variety of technologies and strategies to achieve this objective.

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

### Energy-saving Strategies

Monitoring-based Commissioning of Heating, Ventilating and Air Conditioning (“HVAC”) Systems to Optimise Building Operation

- One Island East

Implementation of Cloud-based Smart Energy Management Platforms to Track and Optimise Energy Consumption

- Pacific Place
  - One Pacific Place, Two Pacific Place, Pacific Place mall
- Taikoo Place
  - Cambridge House, Devon House, Dorset House, and PCCW Tower
- HKRI Taikoo Hui
- INDIGO

Retro-commissioning of HVAC Systems and Energy Audits to Improve Heating and Cooling Efficiency

- Cityplaza
- EAST, Beijing
- The Temple House

Upgrading of HVAC Air Handling Units; Replacement of Conventional Fans with Electronically-commutated Motor Plug Fans to Increase Efficiency and Reliability

- One and Two Pacific Place – Completed a retrofit of approximately 100 conventional fans (estimated annual energy savings of 600,000 kWh)
- Taikoo Place
  - Devon House, Dorset House and PCCW Tower – Completed a retrofit of approximately 50 conventional fans (estimated annual energy savings of 400,000 kWh)
- Taikoo Hui (estimated annual energy savings of 200,000 kWh)
- INDIGO (estimated annual energy savings of 650,000 kWh)

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### Installation of High-efficiency Oil-free Magnetic Bearing Chillers that Use Less Energy and Eliminate Handling and Disposal of Lubricating Oil and Oil Filters

- **Three Pacific Place**  
(estimated annual energy savings of 479,000 kWh)
- **The Opposite House**  
(estimated annual energy savings of 200,000 kWh)

### Installation of High-efficiency Chillers Containing Non-ozone-depleting Refrigerants

- **Citygate Outlets** – three chillers installed  
(estimated annual energy savings of 1,295,000 kWh)

### Installation of Variable Speed Drive Condensing Water Pumps

- **Taikoo Hui**  
(estimated annual energy savings of 200,000 kWh)
- **INDIGO**  
(estimated annual energy savings of 990,000 kWh)

### Installation of a Biodiesel Tri-generation and Adsorption Chiller to Supply Combined Heating, Cooling and Power Generation and a Combined Green Roof and Solar Photovoltaic (“PV”) System

- **One Taikoo Place**  
(estimated to contribute renewable energy equivalent to 4% of the total landlord’s building energy)

### Installation of Solar PV Panels

- **One Taikoo Place**
- **INDIGO**
- **Taikoo Li Sanlitun**

### Replacement of Lighting with Energy-efficient Light Emitting Diodes to Improve Efficiency and Reduce Cooling Loads

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

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- **INDIGO**  
(estimated annual energy savings of 159,000 kWh)
- **Taikoo Hui**  
(estimated annual energy savings of 85,000 kWh)

### Replacement of Split-type Air-conditioning Units with New Models Containing Non-ozone-depleting Refrigerants

- **Cityplaza** – replacements are ongoing

### Installation of Air Curtains at Building Entrances to Maintain Indoor Temperatures

- **INDIGO**

Electricity consumption by tenants accounts for approximately 50 to 60% of our total building energy consumption. We work closely and continuously with our tenants to help them reduce their electricity use, for example, by conducting [free energy audits](#).

### Continuing our Collaboration with Tsinghua University

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 for increasing energy efficiency and improving environmental performance in our projects. This collaboration

continues to generate substantial energy savings and allows us to share new ideas and practices with our employees, business partners, industry peers and other researchers.

In May 2019, we extended our partnership for another three years. Together, both teams will work to push the boundaries of traditional building management by developing new artificial intelligence technologies, improving IAQ control measures, increasing the generation and use of renewable energy, and other measures to make our portfolios even more energy efficient and sustainable.

In 2019, highlights of our partnership included:

- energy consumption reductions resulting from operational improvements in HKRI Taikoo Hui;
- retro-commissioning of HVAC systems at Taikoo Place (One Island East, Dorset House and PCCW Tower), Cityplaza and HKRI Taikoo Hui; and
- energy audits and identification of energy management opportunities at The Temple House and EAST, Beijing.







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### Renewable Energy

One of our 2020 KPIs is to generate 2 to 4% of landlord’s building energy from renewable energy sources in selected new office developments. At One Taikoo Place, we have installed solar PV panels and a waste-to-energy tri-generation system, which are 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, starting from October 2019, the renewable energy generated by One Taikoo Place’s solar PV system is being supplied back to the electricity grid in accordance with the feed-in tariff scheme.

We continue to explore other ways of increasing renewable energy generation across our portfolio, such as installing solar PV panels on the roofs of INDIGO, Taikoo Hui in Guangzhou and Taikoo Li Sanlitun. After completing a comparative study in 2018 of the efficiency of these installations, we installed additional high efficiency solar PV panels at INDIGO in 2019.

Unlike conventional single-sided solar PV panels, 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 conducting 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 portfolios. The study will also evaluate governmental policies and programmes related to renewable energy procurement.

#### Renewable Energy Generated in 2019

**224,122kWh**  
INDIGO

**31,935kWh**  
Taikoo Hui

**6,610kWh**  
Taikoo Li Sanlitun

**6,066kWh**  
One Taikoo Place



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- Building/Asset Investments

### Waste

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.

#### Reducing Waste by Identifying Impacts and Setting Ambitious Targets

In accordance with our Waste Management 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 others with whom we do business to minimise waste and work closely with our tenants on waste reduction and recycling initiatives.

GRI  
306

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

#### Waste Diversion Rates

Commercial Waste Diversion Rate

**21.7%**

Hong Kong portfolio

Commercial Waste Recycling Rate

**32.5%**

Mainland China portfolio

#### Total Amount of Waste Recycled

**3,406 tonnes**

Hong Kong portfolio

**8,402 tonnes**

Mainland China portfolio

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 strive to understand the downstream processes of each waste stream and work closely with recycling partners to provide secured outlets for the recyclables we collect.

Our waste management taskforces in Hong Kong and Mainland China, made up of representatives from our technical services and sustainable development department, portfolio management teams and hotels, meet regularly to evaluate our waste management strategy, analyse waste data and facilitate new initiatives.

In 2019, compulsory garbage sorting was introduced by the local government in Shanghai and other major cities in Mainland China followed by closer monitoring of waste separation. We worked with our tenants in Mainland China to prepare for these changes in a number of ways, such as adding new recycling bins.



## Performance (Environment)

Policies  
Energy

Progress  
**Waste**

Profile of Environmental Impacts  
Water  
Occupant Wellbeing

Climate Change  
Building/Asset Investments

### Working to Reduce and Recycle Single-use Plastic Items

In 2019, we participated in and initiated a number of campaigns and activities to raise public awareness about plastic recycling and promote reducing single-use plastics.

As part of the “Tap, Return, Earn” campaign initiated by Swire Coca-Cola HK Limited, a smart plastic beverage bottle deposit machine was set up at The Loop at Taikoo Place and the Town Square at Citygate Outlets. This machine offers a cash rebate of HK\$0.2 per bottle via an Octopus card. Since September 2019, more than 140,000 bottles have been collected via these new installations.



In October and November 2019, Starstreet Precinct in Hong Kong held a plastic awareness campaign where visitors could drop off cleaned plastics at a recycling station in return for offers from tenants in the neighbourhood. Over 720 people registered and participated, redeeming over 1,000 complimentary F&B offers and shopping discounts. More than 26,000 plastic items were collected and sorted for recycling.

Tenants and nearby residents are also able to continue recycling with a “reverse vending machine” installed at Three Pacific Place, where tokens and rewards can be earned in exchange for depositing empty plastic bottles. The machine has collected around 10,000 bottles since August 2019.

Swire Hotels and Swire Restaurants also implemented a wide range of initiatives to reduce their consumption of single-use plastics such as the following:

- Retrofitting rooms with a water filtration system to phase out plastic water bottles at **EAST, Hong Kong**.
- Providing amenities pouches on request only at **EAST, Hong Kong**.
- Testing bamboo and rice straws at **The Upper House**.
- Replacing toiletry plastic packaging with rice paper at **The Temple House**.
- Working to eliminate plastic straws at **all Swire Restaurants outlets**.
- Replacing plastic cutlery with wooden alternatives at **all PUBLIC locations**.
- Offering more than 29,000 “bring your own” discounts at **all PUBLIC locations**.



## Performance (Environment)

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

### Food Waste Initiatives

Food waste is a significant component of the waste sent to landfill in Hong Kong. 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 deepen our food waste reduction and recycling efforts. In 2019, we collected more than 8,000 tonnes of food waste from our Hong Kong and Mainland China portfolios and hotels, an increase of 78% compared with 2018.

In Hong Kong, Swire Properties joined the Source Separation Programme of Food Waste for the Food & Beverage Trade scheme, funded by the government’s Environment and Conservation Fund, by introducing food waste recycling to Island Place Mall and the new extension at Citygate. Tenant participation in our food waste recycling programme at Citygate, Cityplaza, Taikoo Place, Pacific Place and Island Place Mall grew by 34% compared with 2018. Most of the food waste collected goes to the Hong Kong government’s O · PARK1 for conversion into compost and biogas.

We recognise that food waste is a significant source of waste for our F&B tenants. Nineteen of our F&B tenants from Citygate, Pacific Place and Island Place Mall participated in the Municipal Solid Waste Charging Trial Scheme between March and July 2019, with the following results:

- The volume of waste disposed by the participating tenants dropped by 11%.
- F&B-related recyclables including recyclable food waste, coffee grounds, polyfoam boxes and glass bottles collected at the three malls during the trial period increased by 43%.
- Food waste collection increased by 57% across the three malls.
- 14 tenants collected new types of recyclables at their premises.

We are also promoting the recycling of food waste and coffee grounds to our office tenants. This year, the number of tenanted floors participating in either or both programmes nearly tripled.

At EAST, Hong Kong, we have been recycling food waste since 2009. Together with EAST, Miami and The Temple House, we have installed and are testing smarter and more efficient food waste digestors. These machines can be placed inside a kitchen, reducing the need to transport food waste. To date, 33 tonnes of food waste have been treated with this new technology.





## Performance (Environment)

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

### Making the “Waste Less” Concept More Visible

In addition to ongoing efforts to reduce and recycle waste, our hotels and portfolios have developed several new initiatives to raise environmental awareness among our employees, guests and the public:



#### EAST, Beijing

- In May 2019, to promote the concept of sustainable lifestyles, we created a “recycling corner” where staff can recycle second-hand goods and exchange items with other team members.

#### EAST, Hong Kong

- The hotel’s restaurant began up-cycling glass bottles into other items such as table lights and holiday decorations.

#### The Upper House

- Kick-started the Green Leaders Programme to encourage employee engagement on recycling and other environmental issues.
- Employee “Stuff Share” programme encourages our people to trade unwanted items regularly.

#### The Middle House and The Opposite House

- Worked with a non-profit organisation, which collects lightly-used soap from hotels and recycles them by cleaning and distributing the soap to the needy.

#### The Temple House

- Creatively recycled wooden floor panels from guest rooms which were dismantled during refurbishment work and turned them into decorative Christmas trees. Roughly 2,500 panels were recycled and turned into one large tree, around six metres high, and four smaller trees.

#### Taikoo Place

- Christmas decorations featuring nutcrackers, trains and clock towers were donated to seven NGOs in Hong Kong after the holiday season.



## Performance (Environment)

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

### Water

We monitor water consumption in our buildings and utilise water saving mechanisms such as water meters, water flow restrictors, automatic taps and automatic flush water basins and urinals. We encourage our employees and tenants to save water. Our tenants are also encouraged to have in place internal guidelines on fresh and flushing water to help us comply with enhancements to the Hong Kong government’s voluntary “Quality Water Supply Scheme for Buildings”.

We aim to manage water risk and reduce overall water consumption under the Water focus area. The relevant SDG is:



#### SDG 12

Ensuring sustainable consumption and production patterns.

GRI 303

HKEX Aspect A2  
KPI A2.4, A3.1

### Water Policy

In 2019, we established a new [Water Policy](#) which focuses on reducing our water consumption intensity. Pursuant to this policy, we aim to design and implement efficient water management measures across our operations and encourage our employees and tenants to consume water responsibly, among other action items.

### Water Recycling

Several of our properties have grey water treatment and recycling systems in place. INDIGO’s system collects and treats wastewater and rainwater for toilet flushing and plant irrigation. INDIGO is also planning to build a sewage water recycling system that can substantially reduce the amount of pollutants in wastewater before being discharged into municipal drains. The system will also save an estimated 85,000 tonnes of water annually.

One Taikoo Place also has a rainwater collection system which collects recycled rainwater for irrigating the gardens and green spaces at Taikoo Square and One Taikoo Place.

#### Sustainable Bathrooms at Taikoo Hui

At Taikoo Hui in Guangzhou, we retrofitted the bathrooms to introduce a variety of features which aim to reduce water consumption:

- Waterless urinals equipped with special filtration systems to eliminate odour.
- New low-flush toilets that reduce the volume of flushing water from 7 litres per flush to 4.8 litres per flush.
- Bathroom faucets are equipped with integrated, energy efficient hand dryers, eliminating paper use.
- Projected overall water savings: around 1,969 m<sup>3</sup> per year.





## Performance (Environment)

- Policies
- 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. The relevant SDG is:



#### SDG 3

Ensuring healthy lives and promoting wellbeing.

GRI 416

HKEX Aspect B6 KPI B6.4

### Promoting Health and Wellbeing in Building Design

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

We also 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.

### Continuously Improving Indoor Air Quality

In 2019, Pacific Place installed 10 air quality sensors in common areas of the mall which monitor temperature, relative humidity, CO<sub>2</sub>, airborne particulates, total volatile organic compounds and ozone levels.

At INDIGO mall in Beijing, we helped anchor shops improve their air quality by installing electrostatic filters, and, after enhancements to the mall’s HVAC system, purification efficiency of airborne particulates improved to above 75%.

#### One Taikoo Place Achieves WELL Final Platinum Certification

We are committed to improving the occupant experience and building performance through programmes such as the International WELL Building Institute’s WELL certification scheme. The key health and wellness principles associated with the WELL Standard set out the core foundations of how we should act and behave within the built environment to lead healthy, more active lifestyles and reduce occupant exposure to harmful chemicals and pollutants.

This year, One Taikoo Place became the first commercial building in Asia to achieve WELL Core and Shell Version 1 Final Platinum Certification. The building has air-handling units equipped with sanitising ultra-violet lights, activated carbon filters and MERV<sup>25</sup> 13 filters to improve IAQ and reverse osmosis filtration systems to provide clean drinking water.



<sup>25</sup> The MERV rating is the “Minimum Efficient Reporting Value” rating, a measurement scale which rates the effectiveness of air filters.



## Performance (Environment)

- Policies
- 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 identify and manage significant impacts of our buildings on the environment and natural resources, we aim to obtain certification for our buildings under environmental building assessment schemes that provide benchmarks and objective standards against which we can measure our performance.

We support green building development as part of the Building/Asset Investments focus area. The relevant SDGs are:



#### SDG 11

Making cities and human settlements inclusive, safe, resilient and sustainable.



#### SDG 12

Ensuring sustainable consumption and production patterns.

GRI  
417

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

### Demonstrating and Sustaining Green Building Leadership

We employ an integrated design approach to our projects in accordance with the requirements of several internationally-recognised standards and ratings schemes, requiring members of our project teams to work together in areas ranging 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 the relevant certifications.

These schemes include:

- **BEAM Plus**, a set of standards recognised and certified by the Hong Kong Green Building Council
- **LEED**, a rating system devised by the United States Green Building Council
- **China Green Building Design Label**, issued by the Ministry of Construction in Mainland China
- **The WELL Certification**, a scheme developed by the International WELL Building Institute

### Green Building Awards 2019

Our efforts to create outstanding green built environments were recognised through our receipt of three top accolades at the Green Building Awards 2019, including the [Pioneer Award](#).

### Global Certification Leadership

In Beijing, INDIGO has been carrying out energy-saving optimisation works and maintaining excellent operational performance since it opened in 2012. In 2019, INDIGO mall, ONE INDIGO and EAST, Beijing achieved Final Platinum under LEED Existing Buildings: Operations and Maintenance Version 4.1, the first mixed-use development in the world to do so.





## Performance (Environment)

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

### Green Buildings as a Percentage of our Portfolio

**100%**

of projects under development<sup>26</sup> achieved the highest ratings of green building certification

**97%**

of all existing buildings<sup>27</sup> are certified green buildings, of which **84%** achieved the highest ratings

### Type and Number of Green Building Certification, Rating and Labelling Schemes as at 31st December 2019

**36**

buildings<sup>28</sup> earned BEAM or BEAM Plus certification, with **29** of those achieving the highest ratings (Excellent/Platinum)

**39**

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 2019



BEAM Plus

#### Two Taikoo Place

- Provisional Platinum (New Buildings Version 1.2)

#### South Island Place

- Final Platinum (New Buildings Version 1.2)



LEED

#### INDIGO mall, ONE INDIGO, and EAST, Beijing

- Final Platinum (Existing Buildings: Operations and Maintenance Version 4.1)

#### Sino-Ocean Taikoo Li Chengdu

- Final Platinum (Existing Buildings: Operations and Maintenance Version 4.1)

#### Taikoo Li Qiantan

- Precertification Gold (Building Design and Construction: Core and Shell Development Version 2009)



WELL

#### One Taikoo Place

- Final Platinum (Core and Shell Version 1)

#### Two Taikoo Place

- Platinum Precertification (Core and Shell Version 1)

#### Taikoo Li Qiantan

- Platinum Precertification (Core and Shell Version 1)

<sup>26</sup> "Projects under development" refers to projects that are under construction or in the precertification stage. It does not include joint venture projects.

<sup>27</sup> Measured as the percentage of total GFA.

<sup>28</sup> Refers to buildings that were built after BEAM was established in 1996 and that are either managed or at least 50% owned by Swire Properties. Small-scale, low-rise buildings in the same development are counted as one building and not as individual buildings.

# Climate-related Financial Disclosures

We publish climate-related financial disclosure with reference to the recommendations of the TCFD under four categories of governance, strategy, risk management and metrics and targets.



## Climate-related Financial Disclosures

In 2015, the Financial Stability Board (“FSB”)<sup>29</sup> 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 which aim to provide decision-useful information to lenders, insurers, and investors.



**GRI**  
102-30, 201, 305

**HKEX**  
Aspect A2, A3, A4 (new)  
KPI A3.1, A4.1 (new)

We recognise 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. Since 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

<sup>29</sup> The FSB is an international body that monitors and makes recommendations about the global financial system.

## Governance

Our SD Steering Committee is chaired by our Chief Executive. Other members are the Finance Director and five members of our senior management from the development and valuations, human resources and administration, portfolio management and technical services and sustainable development departments. The Chairman of the SD Steering Committee reports relevant SD matters, including climate-related issues, to the Board as appropriate.

The SD Steering Committee 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. Material SD issues are reported and discussed at quarterly board meetings. We also 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 have adopted a [Climate Change Policy](#) to guide our management approach and strategy on climate change mitigation, adaptation and resilience.

In 2017/18, we 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 in the Performance (Environment) Pillar.

We also support the Business Environment Council's efforts to develop and promote the Low Carbon Charter for the property and construction sector in Hong Kong.

Governance

Strategy

Risk Management

Metrics and Targets

## Strategy

We recognise 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 that can result 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. In 2019, 97% of all existing buildings were certified green buildings, and over 95% of our 2019 gross rental income was from certified green buildings.

Under our SD 2030 Strategy, one of our 2020 KPIs is to generate [2 to 4% of landlord's energy from renewable energy](#) sources in selected new office developments. We are also exploring different procurement options for off-site renewable energy for our portfolio, where feasible.

To help us develop long-term strategies to protect our business from climate-related risks, in 2019 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 2019, our SBTs were officially approved, making us the first real estate developer from Hong Kong and Mainland China to establish long-term decarbonisation goals in line with the Paris Agreement for our global portfolio.

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Governance

Strategy

Risk Management

Metrics and Targets

[These approved SBTs are:](#)

- Reduce Scope 1 and 2 greenhouse gas (“GHG”) emissions by 35% per sqm by 2025 and by 52% per sqm by 2030 (compared to the baseline year of 2018).
- Reduce Scope 3 GHG emissions from downstream leased assets by 28% per sqm by 2030 (compared to the baseline year of 2018).
- Reduce Scope 3 GHG emissions from capital goods by 25% per sqm by 2030 (compared to the baseline years of 2016-2018).

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In January 2018, we issued our first 10-year green bond, which raised US\$500 million to fund green projects related to renewable energy, energy efficiency, and climate change adaptation. In July 2019, we secured our first sustainability-linked loan, with the interest rate being indexed against our year-on-year SD performance improvement. In 2019, we issued our second [Green Bond Report](#), which provides information on green projects funded by the green bond and their estimated quantitative environmental impacts, including energy and water savings, renewable energy generation and wastewater management impacts.

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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. In May 2019, we extended our partnership for another three years.

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Our [new ventures](#) department 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. In 2019, we also launched UrbanLab, the first PropTech corporate accelerator programme in Mainland China that focuses on property technology, to foster application of innovative technology solutions relevant to the real estate sector.

Governance

Strategy

Risk Management

Metrics and Targets

## Risk Management

In accordance with the TCFD's 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. 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, and using such 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, namely, 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 features such as system robustness, redundancy and susceptibility to climate hazards, including flooding, heat stress, water stress, and extreme wind effects.

In terms of transition risks, we are reviewing global and local government policies, and 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 on our business.

The findings of the assessment will be used to develop a targeted action plan to mitigate 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

The below table provides key metrics related to the implications of GHG emissions, energy and green building development on the financial aspects related to revenue, expenditures, assets and financing costs.

Financial category	Climate-related category	Metric	Unit of measure	2018	2019
Revenues	Risk Adaptation and Mitigation	Gross rental income contributed by certified green buildings	%	>95%	>95%
Expenditures	Risk Adaptation and Mitigation	Expenditures for energy efficiency/low-carbon projects supported by green bond proceeds	HK\$	116 million	31 million
Expenditures	Risk Adaptation and Mitigation	Expenditures for renewable energy supported by green bond proceeds	HK\$	11 million	2 million
Expenditures	Risk Adaptation and Mitigation	Expenditures for sustainable water and wastewater management supported by green bond proceeds	HK\$	8 million	3 million
Expenditures	Energy/Fuel	Total electricity consumption	MWh	287,365	307,942
Expenditures	Energy/Fuel	Proportion of electricity consumption from renewable sources	%	10.6%	13.2%
Expenditures	Energy/Fuel	Building energy intensity by gross floor area	kWh/m <sup>2</sup> /year	142 HK Portfolio  101 Mainland China Portfolio  221 U.S.A. Portfolio	139 HK Portfolio  101 Mainland China Portfolio  237 U.S.A. Portfolio

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Governance		Strategy		Risk Management		Metrics and Targets	
Financial category	Climate-related category	Metric	Unit of measure	2018	2019		
Expenditures	Energy/Fuel	Building carbon intensity by gross floor area	Tonnes of CO <sub>2</sub> e/m <sup>2</sup> /year	<b>0.111</b> HK Portfolio	<b>0.109</b> HK Portfolio	<b>0.074</b> Mainland China Portfolio	<b>0.073</b> Mainland China Portfolio
				<b>0.102</b> U.S.A. Portfolio	<b>0.109</b> U.S.A. Portfolio		
Assets	Risk Adaptation and Mitigation	Percentage of existing buildings which are certified green buildings	%	<b>92%</b>	<b>97%</b>		
Assets	Risk Adaptation and Mitigation	Percentage of projects under development which are certified green buildings	%	<b>100%</b>	<b>100%</b>		
Assets	Risk Adaptation and Mitigation	Expenditures for green building development supported by green bond proceeds	HK\$	<b>2,987 million</b>	<b>733 million</b>		

# Performance (Economic)

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





## Performance (Economic)

**Progress**

Green Financing

Corporate Governance

Investor Relations

Risk Management and Internal Controls

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



## Top Material Issues



Corporate governance



Long-term financial performance/value

## Progress

Our Performance (Economic) Working Group, made up of 12 representatives from different functions within the Company, works to achieve our 2020 KPIs in the focus areas under this Pillar, namely, Financial Performance, Green Financing, Corporate Governance, Risk Management, Disclosure and Reporting, and Investor Relations.

In 2019, we continued to make significant progress towards achieving our 2020 KPIs. Our progress is summarised in the table below.



## Performance (Economic)

**Progress**

Green Financing

Corporate Governance

Investor Relations

Risk Management and Internal Controls

### Progress Summary Table



#### Financial Performance

**Underlying Profit | Dividends, Gearing Ratio | Credit Rating**

**2020 KPI**

**Progress Updates in 2019**



- Details of our financial performance for the year ended 31st December 2019 are available in the [Swire Properties Annual Report 2019](#).



#### Green Financing<sup>30</sup>

##### Green Bonds

**2020 KPI**

- Review, develop and issue Swire Properties' first green bond

**Progress Updates in 2019**

- Issued our first green bond in January 2018, raising US\$500 million for green projects. Our second [Green Bond Report](#) was published in December 2019.
- Launched our first sustainability-linked loan in July 2019, with the interest rate being indexed against improvement in the Company's year-on-year ESG performance.

##### Internal Fund

**2020 KPI**

- Participate in the Swire Pacific SD Fund

**Progress Updates in 2019**

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

<sup>30</sup> In previous SD reports, we included a "New Ventures" Innovation Pipeline performance category. After having completed a review in 2019, we moved this category to [Innovation and Experimentation](#).



## Performance (Economic)

**Progress**

Green Financing

Corporate Governance

Investor Relations

Risk Management and Internal Controls



### Corporate Governance

#### Whistleblowing Policy

##### 2020 KPI

- Follow best practice whistleblowing policy

##### Progress Updates in 2019

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

#### Anti-bribery and Anti-corruption

##### 2020 KPI

- Annual bribery and corruption risk review by the Executive Committee ("EXCOM")

##### Progress Updates in 2019

- An anti-bribery questionnaire covering the 2019 reporting period has been endorsed by EXCOM.

#### Responsible Investment

##### 2020 KPI

- Incorporate SD criteria into our investment assessment process

##### Progress Updates in 2019

- 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

##### 2020 KPI

- Continually review executive compensation through the Remuneration Committee

##### Progress Updates in 2019

- The Remuneration Committee continually reviews executive compensation.



## Performance (Economic)

**Progress**

Green Financing

Corporate Governance

Investor Relations

Risk Management and Internal Controls



### Risk Management

#### Enterprise Risk Management ("ERM") System

**2020 KPI**

- Review ERM System, including corporate risk identification, review and mitigation processes
- Integrate SD factors into corporate risk analysis

**Progress Updates in 2019**

- We updated our Corporate Risk Register to incorporate additional SD-related risks and integrate SD factors into our corporate risk analysis.
- Any SD-related risks identified in future materiality assessments will be considered and integrated into our Corporate Risk Register, if deemed appropriate.

#### Business Recovery Plan ("BRP")

**2020 KPI**

- Conduct a BRP drill exercise once every two years or on an as-needed basis
- Ensure all portfolios have local crisis response plans in place

**Progress Updates in 2019**

- A BRP drill was conducted in 2019.
- Local crisis response plans are in place for all portfolios.



### Disclosure and Reporting

#### Disclosure Benchmarks and SD Indices

**2020 KPI**

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

**Progress Updates in 2019**

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



## Performance (Economic)

**Progress**

Green Financing

Corporate Governance

Investor Relations

Risk Management and Internal Controls



### Investor Relations

#### Direct

##### 2020 KPI

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

##### Progress Updates in 2019

- Held our inaugural ESG Investor Day, attended by over 50 investors and analysts, including some investors focused on ESG investments.
- Incorporated more discussions on SD in meetings with investors during regular post-results road shows.

#### Indirect

##### 2020 KPI

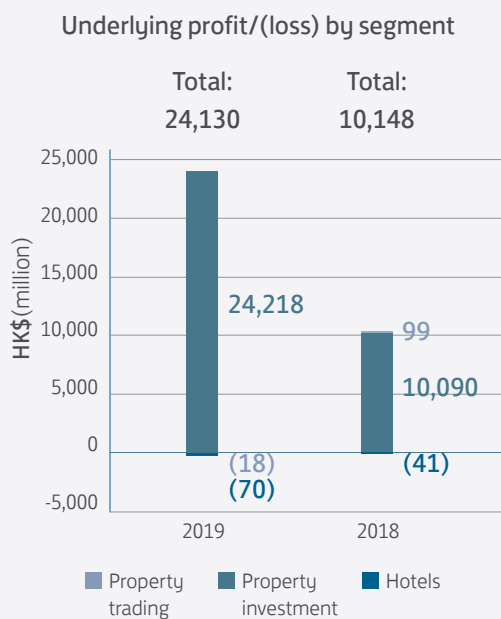
- Actively participate in investor-led ESG platforms

##### Progress Updates in 2019

- We continued to participate in investor-led platforms, such as GRESB, from which we received a five-star rating.

## Financial Highlights for 2019

GRI 201



Aggregate GFA attributable to the Group\*

**~30.3 million sq ft**

Gearing ratio\*

**5.3%**

Credit rating\*

**A**

Fitch

**A2**

Moody's



Our focus area on Financial Performance aligns with:

**SDG 8**

Promote sustainable economic growth, employment and decent work for all.

\*At 31st December 2019



## Performance (Economic)

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### Corporate Governance

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.

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

- satisfactory and sustainable returns to our shareholders;
- that the interests of those who deal with the Company are safeguarded;
- that overall business risks are understood and managed appropriately;
- the delivery of high quality products and services to the satisfaction of our 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. An 80% minimum Board meeting attendance requirement (in person or through electronic means of communication) was established for all Board members in May 2020.

Our EXCOM, which is chaired by the Chief Executive and comprises two Executive Directors and ten 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 2019](#).

**GRI**  
102-18, 102-23

### Ethics

#### Corporate Code of Conduct

Our [Corporate Code of Conduct](#) (“the 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
- Environment
- Equal opportunities and diversity
- Use of social media
- Privacy

Under the Code, all our 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 2019, there were no reported cases regarding breaches of the Code.

**GRI**  
102-16, 102-17

**HKEX**  
KPI B7.2





## Performance (Economic)

- Progress
- Green Financing
- Corporate Governance**
- Investor Relations
- Risk Management and Internal Controls

### Whistleblowing Policy

Our [Whistleblowing Policy](#) sets out our policy on whistleblowing, including the protection of whistleblowers from reprisal or disadvantage.

If an employee wishes to report concerns, they should contact our human resources and administration department, their immediate supervisor, 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.

In December 2019, we received one whistleblowing report related to the work behaviour of an employee. The case is under further investigation.

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.

### Anti-Corruption Practices

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 2019, 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 2019, approximately 6,660 hours of anti-bribery related training were conducted for employees across the Company, and all Directors received anti-bribery-related training materials in January 2020.

**HKEX**  
KPI B7.2

**GRI**  
205

**HKEX**  
Aspect B7  
KPI B7.1, B7.2,  
B7.3 (new)



## Performance (Economic)

- Progress
- Green Financing
- Corporate Governance**
- Investor Relations
- Risk Management and Internal Controls

### 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 in Hong Kong 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 2019, 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 the relevant Hong Kong employees.

**HKEX**  
KPI B6.3, B6.5



## Performance (Economic)

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**Risk Management and Internal Controls**

### Risk Management and Internal Controls

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

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

#### Risk Governance Framework

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.

The management of risks is subject to audit by GIAD with support from specialist external consultants, where necessary.

**Risk Governance Framework**



#### Ongoing Review of our ERM System

Our ERM System helps us 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.

After reviewing our ERM System in 2017, we updated our Corporate Risk Register in 2018 to incorporate additional SD-related risks, such as climate-related risks. We have also integrated SD factors into our corporate risk analysis.

In late 2019, a half-day “top-down” risk identification workshop for our EXCOM was held by external risk management consultants. Certain new risks were identified and an evaluation of their impacts to the business is in progress. Going forward, we also plan to enhance the presentation and format of our Corporate Risk Register so that the details of each risk area are set out more clearly.



## Performance (Economic)

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**Risk Management and Internal Controls**

### 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><b>Economic and political volatilities</b> could lead to adverse impacts on the property market and our development costs.</p>	<ul style="list-style-type: none"> <li>• Differentiate our properties in the market and maintain a balanced tenant mix.</li> <li>• 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.</li> <li>• Arrange workshops for teams at building management offices to familiarise them with procedures for managing incidents arising from social unrest.</li> </ul>
<p><b>Change in government policies</b> could adversely affect the property market and our financing costs.</p>	<ul style="list-style-type: none"> <li>• Liaise closely with government authorities about property-related policies, closely monitor policy developments and seek to secure planning approvals as early as possible.</li> <li>• Adopt conservative budgeting assumptions when assessing new opportunities.</li> <li>• Explore alternative sources of funding.</li> </ul>
<p><b>Increase in development costs and delay in project completions</b> could adversely affect our financing costs.</p>	<ul style="list-style-type: none"> <li>• Closely monitor and manage construction progress and contractors to avoid delays in project development.</li> <li>• Implement stringent prequalification assessments of contractors and approval mechanisms for design changes.</li> <li>• Build in additional time during development planning to obtain statutory approvals and communicate with government authorities on a timely basis.</li> </ul>



## Performance (Economic)

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**Risk Management and Internal Controls**

### Existing Risks and Possible Impacts

**Health and safety issues** could lead to casualties, property damage, construction delays and disruption to our business and/or damage to our reputation.

**Cyber-attacks** on networks and systems could result in disruptions to our business, data breaches, damage to our reputation, and/or financial loss.

### Mitigation Measures

- Ensure [safety management](#) is part of property construction and management, including incident investigation, safety guidelines and training, contractor evaluation and maintenance programmes for fire-fighting systems and other building facilities.
- Our BRP and other business compliance measures (including specific health and safety provisions) are in place.

- Conduct regular audits to assess compliance with our Information and Cyber Security Policy, provide training on information security awareness, test network security and conduct drills as part of the BRP.
- A Cyber Incident Response Plan is in place to address cyber-attacks that may threaten our business.
- Include [data protection obligations](#) in contracts with third-party data processors.

### Emerging Risks and Possible Impacts

**Climate change**, which may give rise to extreme weather conditions, could expose properties to increased risks of physical damage and could adversely affect property valuation.

### Mitigation Measures

- A [Climate Change Policy](#) is in place.
- Conduct [climate risk assessments](#) for all portfolios.
- Science-based targets with a view to achieving long-term decarbonisation have been established.
- [Monitor and reduce carbon emissions](#) from construction activities and embodied carbon from major building and construction materials.



## Performance (Economic)

Progress

**Green Financing**

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Risk Management and Internal Controls

### Green Financing

We are committed to integrating sustainability considerations into our financing mechanisms. By obtaining green financing through green bonds and sustainability-linked loans, we not only support the transition to a low-carbon, more resource-efficient and sustainable economy, we also reaffirm our commitment to SD, and to designing and developing sustainable projects that improve the wellbeing of building occupants and local communities.

#### Green Bond Proceeds Fully Allocated

The issuance of our first green bond in January 2018 is a sign of our deepening and ongoing commitment to SD. The bond raised US\$500 million at a coupon rate of 3.5% and is due in 2028. The 10-year green bond was issued under our US\$4 billion Medium Term Note Programme and was rated A2 by Moody’s Investors Service and A by Fitch Ratings.

This was the first bond in Hong Kong to obtain Pre-issuance Stage Certification under the Green Finance Certification Scheme by the Hong Kong Quality Assurance Agency (HKQAA). The net proceeds from the green bond have been fully allocated to the following green projects:

Category	Projects	Green Bond Proceeds Allocated <sup>1</sup>
Green Buildings	One Taikoo Place and Two Taikoo Place	HK\$3,720 million <b>95.6%</b>
Energy Efficiency	Cityplaza, Pacific Place and Taikoo Place	HK\$147 million <b>3.8%</b>
Renewable Energy	One Taikoo Place	HK\$13 million <b>0.3%</b>
Sustainable Water and Wastewater Management	Taikoo Place, including One Taikoo Place	HK\$11 million <b>0.3%</b>
<b>Total allocated proceeds</b>		<b>HK\$3,891 million<sup>2</sup> 100%</b>

<sup>1</sup> As at 30th September 2019

<sup>2</sup> An independent assurance provider, PricewaterhouseCoopers has issued a limited assurance report. Please refer to pages 7 to 9 of the [green bond report](#) for further details.

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## Performance (Economic)

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**Green Financing**



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### Details of First Green Bond

<b>Size</b>	US\$500 million
<b>Tenor</b>	10-year
<b>Issue Date</b>	10th January 2018
<b>Coupon</b>	3.5%
<b>Issue Price</b>	99.566%
<b>Ranking</b>	Senior Unsecured
<b>Joint Lead Managers &amp; Bookrunners/ Joint Green Advisors</b>	<ul style="list-style-type: none"> <li>Bank of America Merrill Lynch</li> <li>HSBC</li> </ul>
<b>Ratings</b>	<ul style="list-style-type: none"> <li>A – Fitch</li> <li>A2 – Moody's</li> </ul>
<b>Certification</b>	First Green Bond in Hong Kong to obtain Green Finance Certification from HKQAA 
<b>Second Party Opinion Provider</b>	
<b>Inclusion in Green Bond Indices</b>	<ul style="list-style-type: none"> <li>Bloomberg Barclays MSCI Green Bond Index</li> <li>ICE BofAML Green Bond Index</li> </ul>

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 2019, we issued our second [Green Bond Report](#) which provides information on the bond's green projects and estimated quantitative environmental impacts, including energy and water savings, renewable energy generation and wastewater management impacts, among others.



## Performance (Economic)

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### Swire Properties' First Sustainability-linked Loan

In July 2019, we secured our first sustainability-linked loan, making Swire Properties the first company in Hong Kong to launch such a financing mechanism against improvement in its year-on-year environmental, social and governance (“ESG”) performance.

We reached an agreement with Crédit Agricole Corporate and Investment Bank to convert an existing five-year revolving credit facility of HK\$500 million, dated August 2017, into a sustainability-linked loan, with the interest rate being indexed against improvement in the Company’s year-on-year ESG performance.

Within this loan structure, the bank will grant a reduction in interest rate each year based on the following two criteria:

- We retain our listing on the DJSI World.
- We achieve a target reduction in energy use intensity, measured in units of kWh/m<sup>2</sup> each year, for our Hong Kong portfolio.

This loan will be used for investments supporting the Company’s targets set under our SD 2030 Strategy, such as the adoption of advanced energy-saving technologies, and to fund ongoing green building developments, including Two Taikoo Place.

This loan was developed with reference to the framework of the internationally recognised Sustainability Linked Loan Principles developed by the Loan Market Association, the Asia Pacific Loan Market Association and the Loan Syndications and Trading Association.

## Investor Relations

We believe in keeping our investors properly informed of our operations and our plans, in being transparent and proactively communicating with them about all matters, both financial and those related to sustainability.

### Our Inaugural ESG Investor Day

In November 2019, our inaugural ESG Investor Day was held at Blueprint at Taikoo Place and was attended by over 50 investors and analysts. During the event, members of senior management gave presentations on updates and achievements related to our SD 2030 Strategy. The participants were also given a tour of Taikoo Place and had the opportunity to experience the first-hand SD features built into the complex.





# GRI and HKEX ESG Reporting



## GRI and HKEX ESG Reporting

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

### Reporting Standards and Principles

This report has been prepared in accordance with the GRI Standards: Core option and with reference to the GRI G4 Construction and Real Estate Sector Disclosures. We have used GRI Standards to report our SD performance annually since 2007.

We have also prepared this report disclosing all “comply or explain” provisions and recommended disclosures 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 2019. In addition, in this report we have contained [additional disclosure](#) in the revised HKEX ESG Reporting Guide.

We have followed the Reporting Principles as recommended by GRI and the HKEX ESG Reporting Guide to define the report content and to ensure the quality of information presented in this report, including:

<b>Materiality</b>	<p>We conduct regular materiality assessment and stakeholder engagement to identify material issues related to sustainability, and to ensure these issues are properly addressed by our SD 2030 Strategy.</p> <p>Please refer to <a href="#">Materiality</a> for more information.</p>
<b>Quantitative</b>	<p>The notes accompanying our <a href="#">Performance Data Summary</a> provides information about the standards and methodologies used for calculation of data, where appropriate.</p>
<b>Balance</b>	<p>We report both positive and negative impacts of our performance in a transparent manner to enable a reasoned and unbiased assessment of our overall performance.</p>
<b>Consistency</b>	<p>To facilitate comparability over time, we maintain consistency in the use of reporting standards and principles, methods used to calculate data, structure of the report, and explanations of methods and assumptions used to prepare information. We also provide explanation to facilitate information interpretation when changes occur.</p>

### External Assurance

**GRI**  
102-56

We obtain external independent assurance for the content of our SD reports. Deloitte Touche Tohmatsu (“Deloitte”) was engaged to provide limited assurance on selected sustainability information contained in this report in accordance with the International Standard on Assurance Engagements 3000 (Revised) and with respect to greenhouse gas emissions, the International Standard on Assurance Engagements 3410. The scope of work carried out by Deloitte is set out in their [assurance report](#).

## Reporting Boundary

### GRI

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

For the purposes of this report, our portfolio in Hong Kong comprises primarily Grade-A office, retail, hotel<sup>31</sup> and residential properties located in Pacific Place, Cityplaza, Taikoo Place and Citygate. Our portfolio in Mainland China comprises major commercial mixed-use developments in prime locations in Beijing, Guangzhou, Chengdu, and Shanghai. Also within the scope of this report is Brickell City Centre in Miami, U.S.A.

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) Pillar, the scope of disclosures aligns with the Company's financial reporting. We have extracted selected corporate governance and financial performance information from our Swire Properties Annual Report 2019 to help us illustrate progress on relevant focus areas of our SD 2030 Strategy. More information is available in the [Swire Properties Annual Report 2019](#).

The Places, People, Partners and Performance (Environment) Pillars cover our management approaches to [material issues](#) arising from our 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.

Unless stated otherwise, for the purposes of disclosing quantitative data on our SD performance, we collect and report KPIs on a 100% basis for our Hong Kong, Mainland China and U.S.A. portfolios and our hotel operations. Notes accompanying our [Performance Data Summary](#) provide additional information about the calculation basis for specific KPIs. The scope of some KPIs, for example green procurement and waste diversion, also includes properties that are under construction.

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 been opened and has reached a significant level of occupancy.

Therefore, when compared to our SD Report 2018, the scope of KPI reporting in this report has been expanded to include both HKRI Taikoo Hui and The Middle House. Properties which have been excluded include One Taikoo Place (which opened in late 2018), South Island Place (which opened in late 2018) and the Citygate Outlets extension (which opened in mid-2019). The scope of reporting for KPIs also excludes completed developments for sale.

<sup>31</sup> In this report, hotels refer to Swire Hotels, serviced apartments and Swire Restaurants in Hong Kong, Mainland China and Miami, U.S.A., that we own and are managed by Swire Properties Hotel Management Limited.

## Reporting Boundary of SD Data in 2019

### Hong Kong portfolio

- Pacific Place (three office towers, shopping mall and STAR STUDIOS)
- Cityplaza (three office towers<sup>1</sup> and shopping mall)
- Taikoo Place (eight office towers, including One Island East)
- Citygate<sup>2</sup> (office and outlets)
- Other offices and shopping malls (8 Queen's Road East, 28 Hennessy Road, 625 King's Road<sup>1</sup> and Island Place Mall)

### Mainland China portfolio

- Taikoo Hui, Guangzhou
- Hui Fang, Guangzhou
- Taikoo Li Sanlitun, Beijing
- INDIGO, Beijing
- Sino-Ocean Taikoo Li Chengdu
- HKRI Taikoo Hui, Shanghai<sup>3</sup>

### U.S.A. portfolio

- Brickell City Centre, Miami

### Hotels

- Swire Hotels (The Upper House, Hong Kong; EAST, Hong Kong; The Opposite House, Beijing; EAST, Beijing; The Temple House, Chengdu; The Middle House, Shanghai<sup>3</sup>; EAST, Miami)
- Serviced Apartments (Pacific Place Apartments and EAST Residences (previously known as Taikoo Place Apartments))
- Swire Restaurants (PUBLIC, Ground PUBLIC, REPUBLIC<sup>4</sup>, Mr & Mrs Fox, Plat du Jour and The Continental)

<sup>1</sup> The sale of Cityplaza Three, Cityplaza Four and 625 King's Road was completed by mid-2019

<sup>2</sup> Approximately 126,000 sq ft has been removed from the scope since 2017 due to major renovation

<sup>3</sup> Added to scope of KPI data collection and reporting in 2019

<sup>4</sup> REPUBLIC was closed since mid-2019

## External Charters and Memberships

### External Charters and Initiatives

Name of Charter / Initiative	Sponsoring Organisation(s)
4Ts Charter	Environment Bureau and Electrical and Mechanical Services Department, Hong Kong SAR Government
Advancing Net Zero	Hong Kong Green Building Council
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
Energy Saving Charter on "No ILB"	Environment Bureau and Electrical and Mechanical Services Department, Hong Kong SAR Government
FoodSmart Partnership Programme	Hong Kong Productivity Council
Food Wise Charter	Environment Bureau, Hong Kong SAR Government
Friends of EcoPark	Environmental Protection Department, Hong Kong SAR Government
Green Event Pledge	Environmental Protection Department, Hong Kong SAR Government
Low Carbon Charter	Business Environment Council
Manifesto for Energy Efficiency in Buildings	World Business Council for Sustainable Development
Sustainable Procurement Charter	Green Council

## Memberships

Name of Association	Nature of Membership
BEAM Society	Founding Member
Business Environment Council	Board of Director and Council Member
China Green Building Council	Corporate Member and Committee Member
Construction Industry Council	Member
Council on Tall Buildings and Urban Habitat	2019 CTBUH Organisational Membership
Green Cross - Occupational Safety & Health Council	Group Member
Harbour Business Forum	Patron Member (through the Swire group)
Hong Kong General Chamber of Commerce	Member, Real Estate & Infrastructure Committee
Hong Kong Green Building Council	Platinum Patron Member
Royal Institution of Chartered Surveyors	Valuation Professional Group Committee Planning and Development Professional Group Committee
The Hong Kong Management Association	Executive Committee Member and Charter Member
The Lighthouse Club Hong Kong	Corporate Member
The Real Estate Developers Association of Hong Kong	Executive Committee Member Member, Planning Environment and Lands Sub-Committee
Urban Land Institute	Regional Corporate Sustaining Member
World Wide Fund For Nature Hong Kong	Pearl Member
U.S. Green Building Council	Gold Member

## Awards and Certifications

### Campaign Asia

Event Marketing Award 2019

- Best Mall Event – Gold – Swire Properties Limited
- Best Event – Retail – Silver – Cityplaza
- Best Engaging Event – Bronze – Cityplaza

### China Quality Certification Centre

ISO 14001:2015 Environmental Management System Certification

- INDIGO
- Taikoo Hui
- Taikoo Li Sanlitun
- Sino-Ocean Taikoo Li Sanlitun Chengdu

ISO 50001:2011 Energy Management System Certification

- INDIGO
- Taikoo Hui
- Taikoo Li Sanlitun
- Sino-Ocean Taikoo Li Sanlitun Chengdu

OHSAS 18001:2007 Occupational Health and Safety Management System Certification

- INDIGO
- Taikoo Hui
- Taikoo Li Sanlitun
- Sino-Ocean Taikoo Li Sanlitun Chengdu

### Condé Nast Traveller

Top 10 Hotels in China: Readers' Choice Awards 2019

- Rank #5 – The Temple House

Top 10 Hotels in Hong Kong and Macao: Readers' Choice Awards 2019

- Rank #7 – The Upper House

Top Hotels in Miami: Readers' Choice Awards 2019

- Rank #16 – EAST, Miami

## 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
- EAST, Hong Kong

## Environmental Campaign Committee

Hong Kong Green Organisation

- Citygate
- Cityplaza
- Pacific Place
- Taikoo Place

## Environment Bureau and Electrical and Mechanical Services Department (Hong Kong SAR Government)

Hanson Innovation & Technology Merit Award – Swire Properties Limited

## Environmental Protection Department (Hong Kong SAR Government)

Indoor Air Quality Certification Scheme (Hong Kong)

- Excellent Class (Public Areas from 1/F to 28/F) – 28 Hennessy Road
- Excellent Class (G/F Entrance Lift Lobby) – Generali Tower
- Excellent Class (Public Areas from 4/F to 40/F) – One Pacific Place
- Excellent Class (Public Areas from 4/F to 36/F) – Two Pacific Place
- Excellent Class (Public Areas from LG/F to 38/F) – Three Pacific Place
- Excellent Class (Whole Office Building) – One Citygate
- Excellent Class (Common Areas) – Citygate Outlets
- Excellent Class (Common Areas of Whole Office Tower) – Cityplaza One
- Excellent Class (Common Areas of Whole Office Tower, Excluding 3/F to 12/F) – Cityplaza Three
- Excellent Class (Common Areas of Whole Office Tower) – Cityplaza Four
- Excellent Class (Public Areas from 3/F to 28/F) – Berkshire House
- Excellent Class (Public Areas of Office Building) – Cambridge House



- Excellent Class (Public Areas of Whole Building) – Devon House
- Excellent Class (Public Areas of Whole Building) – Dorset House
- Excellent Class (Public Areas of Office Building) – Lincoln House
- Excellent Class (Public Areas of Office Building) – Oxford House
- Excellent Class (Public Areas of Whole Building) – One Island East
- Excellent Class (18/F to 19/F & 64/F to 65/F Office) – One Island East
- 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 (Public Areas of Shopping Mall) – Island Place Mall
- Good Glass (Common Area on 5/F – 30/F) – EAST Residences

## Global Real Estate Sustainability Benchmark

Global Sector Leader – (Other – Mixed-use Development Category) – Swire Properties Limited

## Hong Kong Green Building Council

BEAM Plus New Buildings (Version 1.2) – Final Platinum Rating

- South Island Place

BEAM Plus New Buildings (Version 1.2) – Provisional Platinum

- Two Taikoo Place

Green Building Award 2019

- Green Building Leadership Category: Developers – Pioneer Award – Swire Properties Limited
- New Buildings Category: Completed Projects – Commercial Building – Grand Award – One Taikoo Place
- Existing Building Category: Facilities Management – Grand Award – Pacific Place Mall, One Pacific Place, Two Pacific Place

## Hong Kong Green Organisation Certification

IAQwi\$e Certificate

- Excellence level – Public Areas from 1/F to 28/F – 28 Hennessy Road
- Excellence level – G/F Entrance Lift Lobby – Generali Tower
- Excellence level – Public Areas from 4/F to 40/F – One Pacific Place
- Excellence level – Public Areas from 4/F to 36/F – Two Pacific Place
- Excellence level – Public Areas from LG/F to 38/F – Three Pacific Place
- Excellence level – Whole Office Building – One Citygate
- Excellence level – Common Areas – Citygate Outlets
- Excellence level – Common Areas of Whole Office Tower – Cityplaza One
- Excellence level – Common Areas of Whole Office Tower – Cityplaza Three

- Excellence level – Common Areas of Whole Office Tower – Cityplaza Four
- Excellence level – Public Areas from 3/F to 28/F – Berkshire House
- Excellence level – Public Areas of Office Building – Cambridge House
- Excellence level – Public Areas of Whole Building – Devon House
- Excellence level – Public Areas of Whole Building – Dorset House
- Excellence level – Public Areas of Office Building – Lincoln House
- Excellence level – Public Areas of Whole Building – One Island East
- Excellence level – 18/F to 19/F & 64/F to 65/F Office – One Island East
- Excellence level – Public Areas of Office Building – Oxford House
- Excellence level – Public Areas of Office Building – PCCW Tower

#### WasteWi\$e Certificate

- Class of Excellence – Citygate
- Class of Excellence – Cityplaza
- Class of Excellence – Pacific Place Complex
- Class of Excellence – Taikoo Place
- Class of Excellence – EAST, Hong Kong

### Hong Kong Green Shop Alliance

Hong Kong Green Shop Alliance (HKGSA) Award 2019

- Best Practice In Malls – Champion – Pacific Place
- Best Collaborative Effort of Malls and Shops – Best Guidance to Tenant Award – Cityplaza Mall

### Hong Kong Institute of Certified Public Accountants

Best Corporate Governance Award 2019 – Sustainability and Social Responsibility Reporting Awards – Non-Hang Seng Index (Large Market Capitalisation) Category – Winner – Swire Properties

### Hong Kong Quality Assurance Agency (HKQAA)

ISO 14001:2015 Environmental Management System Certification – Hong Kong Portfolio

ISO 50001:2018 Energy Management System Certification – Hong Kong Portfolio

ISO 45001:2018 Occupational Health and Safety Management System Certification – Hong Kong Portfolio

### International Council of Shopping Centers

2019 ICSC China Shopping Centre & Retailer Award

- Digital/Emerging Technology Category – Gold – Swire Properties Limited
- Public Relations Category – Gold – Swire Properties Limited

### International Facility Management Association Hong Kong Chapter

Asia Pacific Award of Excellence 2019 - Environmental Stewardship Category – Certificate of Excellence – Taikoo Place

## International WELL Building Institute

WELL Core & Shell Version 1.0 – Final Platinum – One Taikoo Place

WELL Core & Shell Version 1.0 – Precertification Platinum – Two Taikoo Place

WELL Core & Shell Version 1.0 – Precertification Platinum – Taikoo Li Qiantan

## Labour Department (Hong Kong SAR Government) and Occupational Safety and Health Council

The 11th Outstanding Occupational Safety and Health Employees Award Scheme

- Meritorious Award – Supervisor Category – M.F. Yu (Citygate)

## League of American Communication Professionals

2018 Vision Awards

- Silver – Corporate Responsibility Report – World Wide Category – Swire Properties Limited
- Silver – Sustainability Report
- Technical Achievement Award

## Marketing Magazine

Marketing Events Awards 2019

- Gold Award – Best Mall Event – Swire Properties Limited
- Silver Award – Best Event – Retail – Cityplaza x LEGO®: Build Happiness Together
- Silver Award – Best Use of Social Media – The “DEERest” Christmas at Cityplaza
- Bronze Award – Best Engaging Event – Cityplaza x LEGO®: Build Happiness Together

PR Awards 2019

- Best Engagement – Targeted Community – Silver – Cityplaza
- Campaign of the Year – Bronze – Swire Properties Limited

## MIPIM

The Architectural Review 2019 Future Project Awards – Shopping Category – Taikoo Li Qiantan

## Occupational Safety & Health Council

18th Hong Kong Occupational Safety & Health Award

- Occupational Safety and Health (OSH) Annual Report Award – Gold – Swire Properties Limited

## Randstad

Randstad Employer Brand Awards 2019 – Third Most Attractive Employer in Hong Kong – Swire Properties Limited

## RICS Awards China

Sustainability Achievement of the year – Taikoo Hui

## Stellier Greater China Awards 2019

Unsung Hero of The Year – Lisa Lui

## The Hong Kong Institute of Architects

Annual Awards 2018/19 – [Special Architectural Award – Interior] – Cumulus (Swire VIP Lounge at the Art Basel Hong Kong 2018)

## The Hong Kong Council of Social Service

15 Years Plus Caring Company – Swire Properties Limited

## The Hong Kong Management Association

Hong Kong Sustainability Award 2018/19 – Large-Sized Organisation Category

- Grand Award
- Hong Kong Sustainability Award
- Special Recognition for Outstanding Sustainability Initiative: Economic Dimension
- Special Recognition for Outstanding Sustainability Initiative: Social Dimension
- Special Recognition for Outstanding Sustainability Initiative: Environmental Dimension
- Special Recognition for Innovation

## The Hong Kong Retail Management Association

2019 Service Retailers of the Year in the Shopping Mall Category

- Gold Award – Pacific Place Mall
- Silver Award – Cityplaza Mall

2019 Service & Courtesy Award in the Property Management Category – Bronze Award – Natalie Wong (Cityplaza)

## The Royal Institution of Chartered Surveyors

RICS Award Hong Kong 2019

- Sustainability Achievement of the Year – Winner – One Taikoo Place
- Office Team of the Year – Winner – Swire Properties Limited
- Construction Project Management Team of the Year – Winner – One Taikoo Place
- Facility Management Team – Excellence – Taikoo Li Sanlitun

## Travel + Leisure (T+L)

T+L's 2019 World's Best Awards – The Top 5 Hong Kong City Hotels – The Upper House

T+L's 2019 World's Best Awards – The Top 100 Hotels in the World – The Temple House

T+L's 2019 World's Best Awards – The 10 Best City Hotels in Asia – The Temple House

## TripAdvisor

2019 TripAdvisor Travellers' Choice Award – No.1 in the Top 25 Hotels China Category; No.15 in the Top 25 Hotels Asia Category – The Temple House

2019 TripAdvisor Travellers' Choice Award – No.2 in the Top 25 Hotels China Category; No.9 in the Top 25 Hotels World Category; No.17 in the Top 25 Hotels Asia Category – The Upper House

2019 TripAdvisor Travellers' Choice Award – No.6 in the Top 25 Hotels China Category – The Opposite House

## Urban Land Institute

2019 Asia Pacific Awards for Excellence – Winner – Pacific Place

## U.S. Green Building Council

LEED v4.1 Existing Buildings: Operations & Maintenance (EBOM)

- Platinum – Mixed-use Development – INDIGO(INDIGO Mall, ONE INDIGO and EAST, Beijing)
- Platinum – Sino-Ocean Taikoo Li Chengdu

LEED Building Design and Construction: Core and Shell Development Version 2009

- Precertification Gold – Taikoo Li Qiantan

Carbon Challenge Award for Excellence – Taikoo Hui

## Water Supplies Department (Hong Kong SAR Government)

Quality Water Supply Scheme for Buildings – Flushing Water

- 28 Hennessy Road
- Generali Tower
- Pacific Place
- Three Pacific Place
- Citygate Outlets & One Citygate
- Cityplaza One
- Cityplaza North
- Cityplaza South
- Berkshire House
- Cambridge House
- Devon House
- Dorset House
- Lincoln Housex
- One Island East

- Oxford House
- PCCW Tower
- Pacific Place Apartments

#### Quality Water Supply Scheme for Buildings – Fresh Water (Management System) Certificate

- 28 Hennessy Road
- Generali Tower
- Pacific Place
- Three Pacific Place
- Citygate Outlets & One Citygate
- Cityplaza One
- Cityplaza Three
- Cityplaza Four
- Cityplaza North/South Mall
- Berkshire House
- Cambridge House
- Devon House
- Dorset House
- Lincoln House
- Oxford House
- One Island East
- PCCW Tower
- Island Place Mall
- Pacific Place Apartments
- Star Studios I (Residential)
- Star Studios II (Residential)

## Performance Data Summary

	Unit	Hong Kong Portfolio					Mainland China Portfolio					U.S.A. Portfolio			Hotels			Total	
		2019	2018	2017	2016	2015	2019*	2018	2017	2016	2015	2019	2018	2019 <sup>#</sup>	2018	2017	2016	2015	2019
<b>Energy consumption</b>																			
Purchased electricity	MWh	141,955	157,959	165,100	181,180	189,360	97,530	70,069	70,556	73,965	59,659	16,753	15,591	51,704	43,746	33,856	28,174	23,638	307,942
	GJ	511,039	568,654	594,360	652,249	681,696	351,107	252,248	254,002	266,273	214,773	60,310	56,129	186,136	157,486	121,882	101,425	85,097	1,108,592
Industrial diesel	Litres	-	-	-	17,320	19,292	5,000	5,150	5,272	5,272	4,460	18,704	20,677	2,298	15	60	401	425	26,002
Ultra-low sulphur diesel (ULSD)	Litres	52,940	58,513	60,677	44,883	48,276	-	-	-	-	-	-	-	609	246	347	-	-	53,549
Biodiesel	Litres	60	60	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	60
Petrol	Litres	14,819	15,697	16,905	18,487	22,627	67,430	63,625	67,449	70,662	54,840	1,128	927	43,217	44,512	44,400	41,063	36,834	126,594
Town gas	Unit	-	-	-	-	-	-	-	-	-	-	-	-	219,549	236,138	198,192	210,208	185,276	219,549
Natural gas	GJ	-	-	-	-	-	110,551	86,040	75,991	86,762	51,964	-	-	76,080	61,842	50,431	49,790	35,487	186,631
Liquefied petroleum gas	Kilograms	-	-	-	-	-	-	-	-	-	-	-	-	-	3,020	17,368	6,524	-	-
Direct energy consumption (Industrial diesel + ULSD + biodiesel + petrol + town gas + natural gas + liquefied petroleum gas)	GJ	2,393	2,622	2,737	2,844	3,168	112,936	88,306	78,386	89,263	53,929	710	775	88,136	74,780	62,210	61,537	45,604	204,175
Total energy consumption	GJ	513,432	571,276	597,097	655,093	684,864	464,043	340,554	332,388	355,536	268,702	61,020	56,904	274,272	232,266	184,092	162,962	130,701	1,312,767 <sup>R</sup>
<b>Carbon emissions<sup>(1)</sup></b>																			
Direct carbon emissions (Scope 1)	Tonnes of CO <sub>2</sub> e	1,461	1,679	2,778	4,894	749	6,057	4,550	4,585	5,074	2,805	51	56	4,675	3,984	3,430	3,497	2,424	12,244
Indirect carbon emissions (Scope 2)	Tonnes of CO <sub>2</sub> e	110,557	121,952	127,749	138,457	147,571	64,379	46,252	53,090	55,658	45,818	7,664	7,133	35,421	29,545	26,210	21,639	18,518	218,021
Total carbon emissions (Scopes 1 & 2)	Tonnes of CO <sub>2</sub> e	112,018	123,631	130,527	143,351	148,320	70,436	50,802	57,675	60,732	48,623	7,715	7,189	40,096	33,529	29,640	25,136	20,942	230,265 <sup>R</sup>
<b>Materials used</b>																			
Refrigerants containing HCFCs refilled	Kilograms	347	170	590	897	93	0	0	20	100	0	0	0	-	-	-	-	-	347
Refrigerants containing HFCs refilled	Kilograms	987	1,141	1,982	3,602	387	189	0	408	354	0	0	0	49	46	75	112	23	1,225
Paper products	Kilograms	27,078	29,612	30,905	32,876	31,242	17,925	10,275	7,602	7,365	5,571	-	-	19,722	19,272	18,677	20,863	16,470	64,725
<b>Water consumption</b>																			
Water consumption - municipal	000 m <sup>3</sup>	411	317	354	368	342	1,011	668	709	767	602	111	106 <sup>(2)</sup>	475	431 <sup>(2)</sup>	327	386	236	2,008 <sup>R</sup>
<b>Wastewater reuse and discharge</b>																			
Wastewater discharged	000 m <sup>3</sup>	40,122	46,288	47,753	48,810	47,956	983	638	668	706	457	111	106 <sup>(2)</sup>	511	414	260	349	197	41,727
Seawater reused for flushing	m <sup>3</sup>	283,285	337,318	402,109	349,057	404,242	-	-	-	-	-	-	-	40,529	21,211	-	-	-	323,814
Waste potable water reused for flushing	m <sup>3</sup>	7,296	8,936	6,663	7,039	6,538	75,020	121,432	112,408	112,605	49,849	-	-	-	0	0	0	-	82,316
<b>Waste disposal (Hazardous)</b>																			
Oils and lubricants	Litres	420	422	1,018	292	1,826	-	-	-	-	-	-	-	-	-	-	-	-	420
<b>Waste disposal (Non-hazardous)</b>																			
Construction and demolition waste	Tonnes	1,396 <sup>R</sup>	2,171	2,489	3,107	1,795	6,525	5,387	8,371	4,720	1,728	-	-	-	-	-	3	-	7,921
Commercial waste	Tonnes	11,714 <sup>R</sup>	12,367	12,576	13,194	12,834	16,987	14,973	12,717	16,905	15,384	1,343	1,475	1,739	1,871	1,539	1,554	1,287	31,783
Residential / domestic waste	Tonnes	9 <sup>(3)</sup>	128	388	360	345	-	-	-	-	-	-	-	-	-	-	-	-	9
Grease trap waste	Tonnes	4,683	4,854	5,004	4,743	5,397	-	-	-	-	-	-	-	119	133	18	235	202	4,802
Garden waste	Tonnes	184	-	38	365	426	-	-	-	-	-	-	-	-	-	-	-	-	184
<b>Waste recycling (Hazardous)</b>																			
Battery electrolyte	Litres	0	0	0	0	0	-	-	-	-	-	-	-	-	-	0	0	200	0
Oils and liquids	Litres	0	530	0	750	0	-	-	-	-	-	-	-	-	-	-	-	-	0
<b>Waste recycling (Non-hazardous)</b>																			
Construction and demolition waste	Tonnes	100,726	149,470	106,390	441	2,254	-	-	-	-	-	-	-	-	-	-	-	-	100,726
Paper	Tonnes	2,610	2,865	2,837	2,750	2,640	615	333	302	278	289	-	-	83	65	54	65	51	3,308
Metal	Tonnes	1,901	3,012	12,188	4,230	2,202	33	26	22	4	3	-	-	5	4	7	7	6	1,939
Plastics	Tonnes	14	10	10	10	10	49	46	30	11	12	-	-	15	11	12	11	7	78
Glass	Tonnes	41	36	22	23	-	71	43	53	32	-	-	-	66	12	62	74	-	178
Food waste	Tonnes	507	403	433	352	-	7,109	3,702	3,052	639	-	-	-	66	429	320	55	-	7,682
Grease trap waste	Tonnes	-	-	-	-	-	323	244	241	242	105	-	-	6	0.1	0.1	-	-	329
Mixed recyclables	Tonnes	-	-	-	-	-	-	-	-	-	-	228	245	91	82	-	-	-	319

**Scope:**

- (a) Our Hong Kong portfolio, Mainland China portfolio and U.S.A. portfolio refers to office and retail portfolio in Hong Kong, Mainland China and Miami, U.S.A. respectively, excluding hotels.
- (b) Hotels refer to Swire Hotels, serviced apartments and Swire Restaurants in Hong Kong, Mainland China and Miami, U.S.A.
- \* HKRI Taikoo Hui is newly included in 2019.
- # The Middle House is newly included in 2019.

**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) Calculation standards and methodologies for carbon emissions:
  - (i) Carbon emissions are calculated using "Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong" published by the Environmental Protection Department (EPD) and the Electrical and Mechanical Services Department (EMSD) of the Hong Kong Government.
  - (ii) The sources of published emission factors for the reporting of carbon emissions are:
    - (a) Sustainability reports of the local utility companies (for electricity and town gas in Hong Kong).
    - (b) "Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong" published by the EPD and the EMSD of the Hong Kong Government.
    - (c) "Guidelines to Defra's Greenhouse Gas Conversion Factors for Company Reporting" by the Department for Environment, Food and Rural Affairs (Defra) of the UK.
  - (iii) Carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O) and hydrofluorocarbons (HFCs) are included in greenhouse gas (GHG) calculations. Perfluorocarbons (PFCs), sulphur hexafluoride (SF<sub>6</sub>) and nitrogen trifluoride (NF<sub>3</sub>) are not applicable.
  - (iv) Direct carbon emissions included industrial diesel, ULSD, biodiesel, petrol, town gas, natural gas, liquefied petroleum gas and refrigerant containing HFCs refilled.
  - (v) Indirect carbon emissions included purchased electricity and town gas.
- (2) The data has been adjusted to reflect actual situation.
- (3) The residential / domestic waste of Pacific Place Apartments and EAST Residences, Hong Kong are reported under commercial waste of Hong Kong portfolio and Hotels respectively since mid-2018.

## Performance Data Summary

	Unit	Hong Kong Portfolio					Mainland China Portfolio					U.S.A. Portfolio			Hotels			
		2019	2018	2017	2016	2015	2019*	2018	2017	2016	2015	2019#	2018	2019#	2018	2017	2016	2015
Carbon intensity	Tonnes of CO <sub>2</sub> e/m <sup>2</sup> /year (for Hong Kong, Mainland China and U.S.A. Portfolios) Tonnes of CO <sub>2</sub> e/guest night/year (for Hotels)	<b>0.109</b>	0.111	0.116	0.118	0.120	<b>0.073</b>	0.074	0.084	0.089	0.085	<b>0.109</b>	0.102	<b>0.036</b>	0.036 <sup>(3)</sup>	0.061	0.053	0.064
Direct energy intensity	GJ/m <sup>2</sup> /year (for Hong Kong, Mainland China and U.S.A. Portfolios) GJ/guest night/year (for Hotels)	<b>0.002</b>	0.002	0.002	0.002	0.003	<b>0.117</b>	0.128	0.115	0.130	0.095	<b>0.010</b>	0.011	<b>0.079</b>	0.080 <sup>(3)</sup>	0.127	0.131	0.140
Indirect energy intensity	kWh/m <sup>2</sup> /year (for Hong Kong, Mainland China and U.S.A. Portfolios) kWh/guest night/year (for Hotels)	<b>139</b>	142	146	149	153	<b>101</b>	101	103	108	105	<b>237</b>	221	<b>46</b>	47 <sup>(3)</sup>	69	60	73
Water intensity	m <sup>3</sup> /m <sup>2</sup> /year (for Hong Kong, Mainland China and U.S.A. Portfolios) m <sup>3</sup> /guest night/year (for Hotels)	<b>0.401</b>	0.285	0.314	0.302	0.276	<b>1.046</b>	0.968	1.036	1.119	1.058	<b>1.571</b>	1.498 <sup>(3)</sup>	<b>0.427</b>	0.459 <sup>(3)</sup>	0.668	0.819	0.725

	Unit	Swire Properties				
		2019	2018	2017	2016	2015
Total hazardous waste disposal <sup>(1)</sup>	Litres	<b>420</b>	422	1,018	292	1,826
Total hazardous waste recycling <sup>(1)</sup>	Litres	<b>0</b>	530	0	750	200
Total non-hazardous waste disposal <sup>(2)</sup>	Tonnes	<b>44,699</b>	43,359	43,140	45,186	39,398
Total non-hazardous waste recycling <sup>(2)</sup>	Tonnes	<b>114,559</b>	161,038	126,035	9,224	7,579

### Scope:

- (a) Our Hong Kong portfolio, Mainland China portfolio and U.S.A. portfolio refers to office and retail portfolio in Hong Kong, Mainland China and Miami, U.S.A. respectively, excluding hotels.
- (b) Hotels refer to Swire Hotels, serviced apartments and Swire Restaurants in Hong Kong, Mainland China and Miami, U.S.A.
- \* HKRI Taikoo Hui is newly included in 2019.
- # The Middle House is newly included in 2019.

### 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																	
	2019	2018	2017 <sup>(b)</sup>	2016 <sup>(5)</sup>	2015 <sup>(5)</sup>	2019*	2018	2017	2016	2015	2019	2018	2019*	2018	2017	2016	2015	2019																					
<b>Workforce Profile</b>																																							
Total workforce	2,373	2,370	2,425	2,382	2,301	1,657	1,300	1,227	1,274	1,232	85	97	2,350	2,113	1,667	1,758	1,831	6,465																					
By gender																																							
Male	1,558	65.7%	1,565	66.0%	1,564	64.5%	1,568	65.8%	1,531	66.5%	1,041	62.8%	804	61.8%	776	63.2%	812	63.7%	812	65.9%	51	60.0%	55	56.7%	1,177	50.1%	1,066	50.4%	867	52.0%	929	52.8%	992	54.2%	3,827	59.2%			
Female	815	34.3%	805	34.0%	861	35.5%	814	34.2%	770	33.5%	616	37.2%	496	38.2%	451	36.8%	462	36.3%	420	34.1%	34	40.0%	42	43.3%	1,173	49.9%	1,047	49.6%	800	48.0%	829	47.2%	839	45.8%	2,638	40.8%			
By age group																																							
Under 30 years old	334	14.1%	336	14.2%	365	15.1%	367	15.4%	361	15.7%	391	23.6%	335	25.8%	340	27.7%	379	29.7%	414	33.6%	16	18.8%	15	15.5%	888	37.8%	774	36.6%	710	42.6%	795	45.2%	808 <sup>(7)</sup>	46.7%	1,629	25.2%			
30 to 50 years old	1,130	47.6%	1,105	46.6%	1,154	47.6%	1,159	48.7%	1,117	48.5%	1,124	67.8%	886	68.2%	822	67.0%	830	65.1%	758	61.5%	47	55.3%	58	59.8%	1,210	51.5%	1,088	51.5%	826	49.6%	809	46.0%	823 <sup>(7)</sup>	47.6%	3,511	54.3%			
Over 50 years old	909	38.3%	929	39.2%	906	37.4%	856	35.9%	823	35.8%	142	8.6%	79	6.1%	65	5.3%	65	5.1%	60	4.9%	22	25.9%	24	24.7%	252	10.7%	251	11.9%	131	7.9%	154	8.8%	98 <sup>(7)</sup>	5.7%	1,325	20.5%			
By employment contract <sup>(1)</sup>																																							
Permanent	2,130	89.8%	2,135	90.1%	2,191	90.4%	2,162	90.8%	2,086	90.7%	1,656	99.9%	1,300	100%	1,226	99.9%	1,273	99.9%	1,231	99.9%	85	100%	97	100%	2,176	92.6%	1,914	90.6%	1,577	94.6%	1,667	94.8%	1,712	93.5%	6,047	93.5%			
Fixed term/temporary	243	10.2%	235	9.9%	234	9.6%	220	9.2%	215	9.3%	1	0.1%	0	0%	1	0.1%	1	0.1%	1	0.1%	0	0%	0	0%	174	7.4%	199	9.4%	90	5.4%	30	1.7%	17	0.9%	418	6.5%			
Supervised worker	-	-	-	-	0	0%	0	0%	-	-	-	-	-	-	-	-	0	0%	0	0%	-	-	-	-	-	-	-	-	-	61	3.5%	102	5.6%	-	-	-	-		
Permanent employees by employment type																																							
Full-time	2,077	97.5%	2,082	97.5%	2,147	98.0%	2,127	98.4%	2,040	97.8%	1,656	100%	1,300	100%	1,226	100%	1,273	100%	1,231	100%	84	98.8%	96	99.0%	2,135	98.1%	1,881	98.3%	1,572	99.7%	1,665	99.9%	1,709	99.8%	5,952	98.4%			
Part-time	53	2.5%	53	2.5%	44	2.0%	35	1.6%	46	2.2%	0	0%	0	0%	0	0%	0	0%	0	0%	1	1.2%	1	1.0%	41	1.9%	33	1.7%	5	0.3%	2	0.1%	3	0.2%	95	1.6%			
By geographical region																																							
Hong Kong	2,364	99.6%	2,362	99.7%	2,416	99.6%	2,376	99.7%	2,296	99.8%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	866	36.9%	862	40.8%	801	48.1%	899	51.1%	902	49.3%	3,230	50.0%			
Mainland China	-	-	-	-	-	-	-	-	-	-	1,657	100%	1,300	100%	1,227	100%	1,274	100%	1,232	100%	-	-	-	-	1,080	46.0%	843	39.9%	866	51.9%	858	48.8%	928	50.7%	2,737	42.3%			
Beijing	-	-	-	-	-	-	-	-	-	-	546	33.0%	528	40.6%	523	42.6%	535	42.0%	-	-	-	-	-	-	476	20.3%	516	24.4%	542	32.5%	525	29.9%	-	-	1,022	15.8%			
Shanghai	-	-	-	-	-	-	-	-	-	-	436	26.3%	81	6.2%	21	1.7%	22	1.7%	-	-	-	-	-	-	280	12%	0	0%	0	0%	1	0.1%	-	-	716	11.1%			
Guangdong province	-	-	-	-	-	-	-	-	-	-	359	21.7%	371	28.5%	354	28.9%	360	28.3%	-	-	-	-	-	-	0	0%	0	0%	0	0%	0	0%	-	-	359	5.6%			
Sichuan province	-	-	-	-	-	-	-	-	-	-	316	19.1%	320	24.6%	329	26.8%	338	26.5%	-	-	-	-	-	-	324	13.8%	327	15.5%	324	19.4%	332	18.9%	-	-	640	9.9%			
Other provinces	-	-	-	-	-	-	-	-	-	-	0	0%	0	0%	0	0%	19	1.5%	-	-	-	-	-	-	0	0%	0	0%	0	0%	0	0%	-	-	0	0%	0	0%	
Miami, U.S.A.	-	-	2	0.1%	0	0%	0	0%	0	0%	-	-	-	-	-	-	-	-	-	-	-	-	-	85	100%	97	100%	404	17.2%	408	19.3%	0	0%	1	0.1%	1	0.1%	489	7.6%
Others	9 <sup>(5)</sup>	0.4%	8	0.3%	7	0.3%	6	0.3%	5	0.2%	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	0%	9	0.1%	
<b>New Hires</b>																																							
Total number and rate of new hires <sup>(2)</sup>	500	23.5%	401	18.8%	507	23.1%	503	23.3%	421	20.2%	323	19.5%	341	26.2%	229	18.7%	291	22.9%	339	27.5%	10	11.8%	36	37.1%	843	38.7%	776	40.5%	481	30.5%	496	29.8%	758	44.3%	1,676	27.7%			
By gender																																							
Male	293	21.4%	255	18.5%	301	21.7%	318	22.7%	243	17.8%	179	17.2%	191	23.8%	132	17.0%	162	20.0%	225	27.7%	6	11.8%	19	34.5%	417	37.3%	341	34.4%	233	27.9%	264	29.9%	376	40.5%	895	25.0%			
Female	207	27.2%	146	19.4%	206	25.6%	185	24.3%	178	24.7%	144	23.4%	150	30.2%	97	21.5%	129	27.9%	114	27.2%	4	11.8%	17	40.5%	426	40.2%	435	47.1%	248	33.4%	232	29.6%	382	48.8%	781	31.6%			
By age group																																							
Under 30 years old	158	49.5%	169	52.6%	189	54.9%	200	58.7%	159	46.4%	131	33.5%	147	43.9%	132	38.8%	126	33.2%	172	41.5%	7	43.8%	10	66.7%	496	61.2%	402	58.3%	309	48.1%	322	41.7%	441	55.3%	792	51.6%			
30 to 50 years old	226	20.4%	150	13.8%	215	19.0%	209	18.3%	188	17.0%	181	16.1%	186	21.0%	95	11.6%	156	18.8%	159	21.0%	3	6.4%	24	41.4%	305	26.5%	300	28.8%	162	19.6%	147	18.8%	285	34.6%	715	20.9%			
Over 50 years old	116	16.5%	82	11.2%	103	14.4%	94	13.8%	74	11.3%	11	7.8%	8	10.1%	2	3.1%	9	14.1%	8	13.6%	0	0%	2	8.3%	42	19.5%	74	40.2%	10	9.2%	27	23.5%	32	34.8%	169	15.6%			
By geographical region																																							
Hong Kong	500	23.5%	400	18.8%	507	23.2%	503	23.3%	420	20.2%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	221	26.4%	341	40.6%	215	27.4%	237	28.7%	330	39.4%	721	24.3%			
Mainland China	-	-	-	-	-	-	-	-	-	-	323	19.5%	341	26.2%	229	18.7%	291	22.9%	339	27.5%	-	-	-	-	439	44.3%	253	35.5%	266	33.5%	258	30.6%	428	49.0%	762	28.8%			
Miami, U.S.A.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10	11.8%	36	37.1%	183	52.7%	182	50.1%	0	0%	1	100%	0	0%	193	44.7%			
Others	0	0%	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%	0	0%	0	0%	
<b>Turnover</b>																																							
Total number and rate of voluntary turnover <sup>(3)</sup>	369	17.3%	380	17.8%	411	18.8%	357	16.5%	319	15.3%	240	14.5%	228	17.5%	195	15.9%	208	16.3%	194	15.8%	17	20.0%	18	18.6%	636	29.2%	658	34.4%	508	32.2%	505	30.3%	492	28.7%	1,262	20.9%			
By gender																																							
Male	214	15.6%	204	14.8%	252	18.3%	225	16.1%	201	14.7%	132	12.7%	140	17.4%	128	37.6%	130	16.0%	127	15.6%	8	15.7%	8	14.5%	334	29.9%	305	30.8%	244	29.2%	281	31.8%	248	26.7%	688	19.2%			
Female	155	20.4%	176	23.3%	159	19.9%	132	17.3%	118	16.4%	108	17.5%	88	17.7%	67	14.9%	78	16.9%	67	16.0%	9	26.5%	10	23.8%	302	28.5%	353	38.2%	264	35.6%	224	28.6%	244	31.2%	574	23.2%			
By age group																																							
Under 30 years old	94	29.5%	126	39.3%	127	36.9%	127	37.2%	88	27.2%	104	26.6%	108	32.2%	92	27.1%	109	28.8%	97	23.4%	3	18.8%	1	6.7%	343	42.3%	313	45.4%	308	47.9%	299	38.7%	316	39.6%	544	35.4%			
30 to 50 years old	179	16.2%	16																																				



## Independent Practitioner’s Limited Assurance Report



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 by SPL (the "Data Points") listed below in its Sustainable Development ("SD") Report for the year ended 31 December 2019 (the "SD Report 2019").

### Data Points

The details of the Data Points are listed below:

Data Points	Scope of assurance
Total energy consumption	Total*
Total carbon emissions (Scopes 1 & 2)	Total*
Water consumption – municipal	Total*
Commercial waste	Hong Kong portfolio
Construction and demolition waste	Hong Kong portfolio
Number of fatalities	Total*
Lost time injury rate	Total*
Lost day rate	Total*
Convicted cases of corruption	Total*

\* In this instance "Total" refers to the total of Hong Kong portfolio, Mainland China portfolio, U.S.A. portfolio and Hotels, as displayed in the Performance Data Summary chapter.

The Data Points were identified with the symbol [R] in the Performance Data Summary of the SD Report 2019.

### 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 Principles and Reporting Boundary in the SD Report 2019 (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, "*Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*" 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 of SPL 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.

## 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 2019;
- 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 2019. 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 causes us to believe that the Data Points have not been prepared, in all material respects, in accordance with the Reporting Criteria.



**Deloitte Touche Tohmatsu**

Certified Public Accountants

Hong Kong

27 March 2020

# Global Reporting Initiative Content Index

## GRI 102: General Disclosures

GRI Indicator	Description	References and Remarks
<b>Organisational Profile</b>		
102-1	Name of the organisation	Cover Page
102-2	Activities, brands, products, and services	Profile of Swire Properties Limited Places Annual Report 2019 – Company Profile Corporate website – About Us <a href="http://www.swireproperties.com/en/about-us.aspx">http://www.swireproperties.com/en/about-us.aspx</a>
102-3	Location of headquarters	Profile of Swire Properties Limited
102-4	Location of operations	Profile of Swire Properties Limited Places Annual Report 2019 – Company Profile
102-5	Ownership and legal form	Profile of Swire Properties Limited Annual Report 2019 – Company Profile
102-6	Markets served	Profile of Swire Properties Limited Places Annual Report 2019 – Company Profile Corporate website – About Us <a href="http://www.swireproperties.com/en/about-us.aspx">http://www.swireproperties.com/en/about-us.aspx</a>
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 2019 – 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 <a href="http://www.swireproperties.com/en/sustainable-development/partners.aspx">http://www.swireproperties.com/en/sustainable-development/partners.aspx</a> Corporate website – Supplier Code of Conduct <a href="http://www.swireproperties.com/en/sustainable-development/policies/supplier-code-of-conduct.aspx">http://www.swireproperties.com/en/sustainable-development/policies/supplier-code-of-conduct.aspx</a>
102-10	Significant changes to the organisation and its supply chain	Partners GRI & HKEX ESG Reporting Annual Report 2019 – 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 2019 – 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
<b>Strategy</b>		
102-14	Statement from senior decision-maker	Chief Executive's Message
<b>Ethics and Integrity</b>		
102-16	Values, principles, standards and norms of behaviour	Performance (Economic) Corporate website – Our Vision and Values <a href="http://www.swireproperties.com/en/about-us/our-vision-and-values.aspx">http://www.swireproperties.com/en/about-us/our-vision-and-values.aspx</a> Corporate website – Corporate Code of Conduct <a href="http://ir.swireproperties.com/en/cg/pdf/conduct.pdf">http://ir.swireproperties.com/en/cg/pdf/conduct.pdf</a> Corporate website – Sustainable Development <a href="http://www.swireproperties.com/en/sustainable-development.aspx">http://www.swireproperties.com/en/sustainable-development.aspx</a>
102-17	Mechanisms for advice and concerns about ethics	Performance (Economic)
<b>Governance</b>		
102-18	Governance structure	SD Governance Performance (Economic) Annual Report 2019 – Corporate Governance – The Board of Directors
102-19	Delegating authority	SD Governance Annual Report 2019 – 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 2019 – Corporate Governance
102-23	Chair of the highest governance body	Performance (Economic) Annual Report 2019 – Corporate Governance
102-24	Nominating and selecting and highest governance body	Annual Report 2019 – Corporate Governance – Appointment and Re-election
102-25	Conflicts of interest	Performance (Economic) Annual Report 2019 – Corporate Governance – Conflicts of Interest
102-26	Role of highest governance body in setting purpose, values and strategy	Annual Report 2019 – Corporate Governance – The Board of Directors
102-27	Collective knowledge of highest governance body	Annual Report 2019 – Corporate Governance – Board Processes and Continuous Professional Development
102-30	Effectiveness of risk management processes	Climate-related Financial Disclosures Performance (Economic) Annual Report 2019 – Corporate Governance – Accountability and Audit Annual Report 2019 – Risk Management
102-32	Highest governance body's role in sustainability reporting	SD Governance
102-35	Remuneration policies	Annual Report 2019 – Corporate Governance – Remuneration Committee
102-36	Process for determining remuneration	Annual Report 2019 – 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 <a href="http://ir.swireproperties.com/en/cg/terms-of-reference.php">http://ir.swireproperties.com/en/cg/terms-of-reference.php</a>

GRI Indicator	Description	References and Remarks
<b>Stakeholder Engagement</b>		
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
<b>Reporting Practice</b>		
102-45	Entities included in the consolidated financial statements	Annual Report 2019 – 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
<b>GRI 201: Economic Performance 2016</b>		
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 2019 – Key Business Strategies Annual Report 2019 – Management Discussion & Analysis – Review of Operations – Review of Operations
103-3	Evaluation of the management approach	
201-1	Direct economic value generated and distributed	Performance (Economic) Annual Report 2019 – Management Discussion & Analysis – Review of Operations – Portfolio Overview Annual Report 2019 – Financial Review
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.
<b>GRI 203: Indirect Economic Impacts 2016</b>		
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 Annual Report 2019 – Management Discussion & Analysis – Review of Operations – Portfolio Overview
103-3	Evaluation of the management approach	
203-1	Infrastructure investments and services supported	Places
203-2	Significant indirect economic impacts	Places Annual Report 2019 – Management Discussion & Analysis – Review of Operations – Portfolio Overview
<b>GRI 205: Anti-corruption 2016</b>		
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 <a href="http://ir.swireproperties.com/en/cg/pdf/conduct.pdf">http://ir.swireproperties.com/en/cg/pdf/conduct.pdf</a>
103-3	Evaluation of the management approach	
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
<b>GRI 301: Materials 2016</b>		
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) Corporate website – Environmental Policy <a href="http://www.swireproperties.com/en/sustainable-development/policies/environmental-policy.aspx">http://www.swireproperties.com/en/sustainable-development/policies/environmental-policy.aspx</a>
103-3	Evaluation of the management approach	Swire group website – Swire Pacific Sustainable Procurement Policy <a href="http://www.swirepacific.com/en/sd/policy/procurement.pdf">http://www.swirepacific.com/en/sd/policy/procurement.pdf</a>
301-1	Materials used by weight or volume	Partners Performance (Environment) Performance Data Summary
<b>GRI 302: Energy 2016</b>		
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 <a href="http://www.swireproperties.com/en/sustainable-development/policies/energy-policy.aspx">http://www.swireproperties.com/en/sustainable-development/policies/energy-policy.aspx</a>
103-3	Evaluation of the management approach	
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	Performance (Environment) Performance Data Summary
302-4	Reduction of energy consumption	Performance (Environment) Performance Data Summary
<b>GRI 303: Water and Effluents 2018</b>		
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 – Water Policy <a href="https://www.swireproperties.com/en/sustainable-development/policies/water-policy.aspx">https://www.swireproperties.com/en/sustainable-development/policies/water-policy.aspx</a>
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 Indicator	Description	References and Remarks
<b>GRI 305: Emissions 2016</b>		
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 Performance Data Summary
103-3	Evaluation of the management approach	Corporate website – Climate Change Policy <a href="https://www.swireproperties.com/en/sustainable-development/policies/climate-change-policy.aspx">https://www.swireproperties.com/en/sustainable-development/policies/climate-change-policy.aspx</a>
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
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
<b>GRI 306: Effluents and Waste 2016</b>		
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 <a href="http://www.swireproperties.com/en/sustainable-development/policies/waste-management-policy.aspx">http://www.swireproperties.com/en/sustainable-development/policies/waste-management-policy.aspx</a>
103-3	Evaluation of the management approach	
306-2	Waste by type and disposal method	Performance (Environment) Performance Data Summary
<b>GRI 307: Environmental Compliance 2016</b>		
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) Performance (Economic)
103-3	Evaluation of the management approach	
307-1	Non-compliance with environmental laws and regulations	In 2019, we were not subject to significant fines or non – monetary sanctions for non – compliance with such laws or regulations.
<b>GRI 308: Supplier Environmental Assessment 2016</b>		
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 <a href="http://www.swireproperties.com/en/sustainability/partners.aspx">http://www.swireproperties.com/en/sustainability/partners.aspx</a> Corporate website – Supplier Code of Conduct <a href="http://www.swireproperties.com/en/sustainable-development/policies/supplier-code-of-conduct.aspx">http://www.swireproperties.com/en/sustainable-development/policies/supplier-code-of-conduct.aspx</a>
103-3	Evaluation of the management approach	Swire group website – Swire Pacific Sustainable Procurement Policy <a href="http://www.swirepacific.com/en/sd/policy/procurement.pdf">http://www.swirepacific.com/en/sd/policy/procurement.pdf</a>
308-1	New suppliers that were screened using environmental criteria	Partners

## Material Topics (Social) & Management Approach

GRI Indicator	Description	References and Remarks
<b>GRI 401: Employment 2016</b>		
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 Corporate website – People <a href="http://www.swireproperties.com/en/sustainable-development/people.aspx">http://www.swireproperties.com/en/sustainable-development/people.aspx</a> Corporate website – Working with us <a href="http://www.swireproperties.com/en/careers/working-with-us.aspx">http://www.swireproperties.com/en/careers/working-with-us.aspx</a>
103-3	Evaluation of the management approach	Corporate website – Diversity and Inclusion Policy <a href="https://www.swireproperties.com/en/sustainable-development/policies/diversity-and-inclusion-policy.aspx">https://www.swireproperties.com/en/sustainable-development/policies/diversity-and-inclusion-policy.aspx</a>
401-1	New employee hires and employee turnover	People Performance Data Summary
401-3	Parental leave	Performance Data Summary
<b>GRI 403: Occupational Health and Safety 2018</b>		
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 Corporate website – Health & Safety Policy <a href="http://www.swireproperties.com/en/sustainable-development/policies/health-and-safety-policy.aspx">http://www.swireproperties.com/en/sustainable-development/policies/health-and-safety-policy.aspx</a>
103-3	Evaluation of the management approach	
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
<b>G4-CRE6</b>	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	Performance Data Summary

GRI Indicator	Description	References and Remarks
<b>GRI 404: Training and Education 2016</b>		
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
<b>GRI 405: Diversity and Equal Opportunity 2016</b>		
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 Corporate Website – Diversity and Inclusion Policy <a href="https://www.swireproperties.com/en/sustainable-development/policies/diversity-and-inclusion-policy.aspx">https://www.swireproperties.com/en/sustainable-development/policies/diversity-and-inclusion-policy.aspx</a> Corporate Website – Board Diversity Policy <a href="http://ir.swireproperties.com/en/cg/pdf/diversity.pdf">http://ir.swireproperties.com/en/cg/pdf/diversity.pdf</a> Corporate Website – Corporate Code of Conduct <a href="https://ir.swireproperties.com/en/cg/pdf/conduct.pdf">https://ir.swireproperties.com/en/cg/pdf/conduct.pdf</a>
103-3	Evaluation of the management approach	
405-1	Diversity of governance bodies and employees	People Performance Data Summary Annual Report 2019 – Corporate Governance & Sustainability – Directors and Officers Corporate website – Directors <a href="http://ir.swireproperties.com/en/cg/directors.php">http://ir.swireproperties.com/en/cg/directors.php</a>
405-2	Ratio of basic salary and remuneration of women to men	People Performance Data Summary
<b>GRI 413: Local Communities 2016</b>		
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 Indicator	Description	References and Remarks
<b>GRI 414: Supplier Social Assessment 2016</b>		
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 <a href="http://www.swireproperties.com/en/sustainability/partners.aspx">http://www.swireproperties.com/en/sustainability/partners.aspx</a> Corporate website – Supplier Code of Conduct
103-3	Evaluation of the management approach	<a href="http://www.swireproperties.com/en/sustainable-development/policies/supplier-code-of-conduct.aspx">http://www.swireproperties.com/en/sustainable-development/policies/supplier-code-of-conduct.aspx</a>
414-1	New suppliers that were screened using social criteria	Partners
<b>GRI 416: Customer Health and Safety 2016</b>		
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)
<b>GRI 417: Marketing and Labelling 2016</b>		
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)
<b>GRI 419: Socioeconomic Compliance 2016</b>		
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 <a href="http://ir.swireproperties.com/en/cg/pdf/conduct.pdf">http://ir.swireproperties.com/en/cg/pdf/conduct.pdf</a>
103-3	Evaluation of the management approach	
419-1	Non-compliance with laws and regulations in the social and economic area	In 2019, we were not subject to significant fines or non-monetary sanctions for non-compliance with such laws or regulations.

## HKEX ESG Reporting Guide Content Index

Aspects, General Disclosure, KPIs	Description	References and Remarks
<b>A. Environmental</b>		
<b>Aspect A1</b>	<b>Emissions</b>	
<b>General Disclosure</b>	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  <a href="http://www.swireproperties.com/en/sustainable-development/policies/environmental-policy.aspx">http://www.swireproperties.com/en/sustainable-development/policies/environmental-policy.aspx</a>                      Corporate website – Climate Change Policy  <a href="https://www.swireproperties.com/en/sustainable-development/policies/climate-change-policy.aspx">https://www.swireproperties.com/en/sustainable-development/policies/climate-change-policy.aspx</a>                      Corporate website – Waste Management Policy  <a href="https://www.swireproperties.com/en/sustainable-development/policies/waste-management-policy.aspx">https://www.swireproperties.com/en/sustainable-development/policies/waste-management-policy.aspx</a>                      Corporate website – Water Policy  <a href="https://www.swireproperties.com/en/sustainable-development/policies/water-policy.aspx">https://www.swireproperties.com/en/sustainable-development/policies/water-policy.aspx</a></p> <p>In 2019, there were no confirmed incidents of non-compliance with such laws or regulations, which have a significant impact on Swire Properties.</p>
<b>KPI A1.1</b>	The types of emissions and respective emissions data	Emissions of NOx, SOx and other pollutants are considered not significant in our operations.
<b>KPI A1.2</b>	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	<p>Performance (Environment)                      Performance Data Summary</p>
<b>KPI A1.3</b>	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.                      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>
<b>KPI A1.4</b>	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>
<b>KPI A1.5</b>	Description of measures to mitigate emissions and results achieved	Performance (Environment)
<b>KPI A1.6</b>	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved	Performance (Environment)

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  <a href="http://www.swireproperties.com/en/sustainable-development/policies/sustainable-development-policy.aspx">http://www.swireproperties.com/en/sustainable-development/policies/sustainable-development-policy.aspx</a></p> <p>Corporate website – Environmental Policy  <a href="http://www.swireproperties.com/en/sustainable-development/policies/environmental-policy.aspx">http://www.swireproperties.com/en/sustainable-development/policies/environmental-policy.aspx</a></p> <p>Corporate website – Energy Policy  <a href="http://www.swireproperties.com/en/sustainable-development/policies/energy-policy.aspx">http://www.swireproperties.com/en/sustainable-development/policies/energy-policy.aspx</a></p> <p>Corporate website – Waste Management Policy  <a href="https://www.swireproperties.com/en/sustainable-development/policies/waste-management-policy.aspx">https://www.swireproperties.com/en/sustainable-development/policies/waste-management-policy.aspx</a></p> <p>Corporate website – Water Policy  <a href="https://www.swireproperties.com/en/sustainable-development/policies/water-policy.aspx">https://www.swireproperties.com/en/sustainable-development/policies/water-policy.aspx</a></p> <p>Swire group website – Swire Pacific Sustainable Procurement Policy  <a href="http://www.swirepacific.com/en/sd/policy/procurement.pdf">http://www.swirepacific.com/en/sd/policy/procurement.pdf</a></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)	Performance (Environment) Performance Data Summary
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility)	Performance (Environment) Performance Data Summary
KPI A2.3	Description of energy use efficiency initiatives and results achieved	Performance (Environment)
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved	Performance (Environment)  In 2019, we did not encounter any problems in sourcing water for daily operations.
KPI A2.5	Total packaging material used for finished products (in tonnes), and if applicable, with reference to per unit produced	In 2019, the total amount of packaging material used by Swire Properties, mainly by Swire Restaurants for food packaging is 22 tonnes.



Aspects, General Disclosure, KPIs	Description	References and Remarks
Aspect A3	The Environment and Natural Resources	
General Disclosure	Policies on minimising the issuer’s significant impact on the environment and natural resources	Partners Performance (Environment) Climate-related Financial Disclosures Corporate website – Sustainable Development Policy <a href="http://www.swireproperties.com/en/sustainable-development/policies/sustainable-development-policy.aspx">http://www.swireproperties.com/en/sustainable-development/policies/sustainable-development-policy.aspx</a> Corporate website – Environmental Policy <a href="http://www.swireproperties.com/en/sustainable-development/policies/environmental-policy.aspx">http://www.swireproperties.com/en/sustainable-development/policies/environmental-policy.aspx</a> Corporate website – Climate Change Policy <a href="https://www.swireproperties.com/en/sustainable-development/policies/climate-change-policy.aspx">https://www.swireproperties.com/en/sustainable-development/policies/climate-change-policy.aspx</a> Corporate website – Energy Policy <a href="http://www.swireproperties.com/en/sustainable-development/policies/energy-policy.aspx">http://www.swireproperties.com/en/sustainable-development/policies/energy-policy.aspx</a> Corporate website – Waste Management Policy <a href="https://www.swireproperties.com/en/sustainable-development/policies/waste-management-policy.aspx">https://www.swireproperties.com/en/sustainable-development/policies/waste-management-policy.aspx</a> Corporate website – Water Policy <a href="https://www.swireproperties.com/en/sustainable-development/policies/water-policy.aspx">https://www.swireproperties.com/en/sustainable-development/policies/water-policy.aspx</a> Corporate website – Supplier Code of Conduct <a href="http://www.swireproperties.com/en/sustainable-development/policies/supplier-code-of-conduct.aspx">http://www.swireproperties.com/en/sustainable-development/policies/supplier-code-of-conduct.aspx</a>
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	Partners Performance (Environment) Climate-related Financial Disclosures

Aspects, General Disclosure, KPIs	Description	References and Remarks
<b>B.Social</b>		
<b>Employment and Labour Practices</b>		
<b>Aspect B1</b>	<b>Employment</b>	
<b>General Disclosure</b>	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer  relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare	<p>People</p> <p>Corporate website – People  <a href="http://www.swireproperties.com/en/sustainable-development/people.aspx">http://www.swireproperties.com/en/sustainable-development/people.aspx</a></p> <p>Corporate website – Working with us  <a href="http://www.swireproperties.com/en/careers/working-with-us.aspx">http://www.swireproperties.com/en/careers/working-with-us.aspx</a></p> <p>Corporate website – Corporate Code of Conduct  <a href="http://ir.swireproperties.com/en/cg/pdf/conduct.pdf">http://ir.swireproperties.com/en/cg/pdf/conduct.pdf</a></p> <p>Corporate website – Diversity and Inclusion Policy  <a href="https://www.swireproperties.com/en/sustainable-development/policies/diversity-and-inclusion-policy.aspx">https://www.swireproperties.com/en/sustainable-development/policies/diversity-and-inclusion-policy.aspx</a></p> <p>Corporate website – Board Diversity Policy  <a href="http://ir.swireproperties.com/en/cg/pdf/diversity.pdf">http://ir.swireproperties.com/en/cg/pdf/diversity.pdf</a></p> <p>Corporate website – Equal opportunities and diversity  <a href="http://ir.swireproperties.com/en/cg/pdf/equal.pdf">http://ir.swireproperties.com/en/cg/pdf/equal.pdf</a></p> <p>In 2019, there were no confirmed incidents of non-compliance with such laws or regulations, which have a significant impact on Swire Properties.</p>
<b>KPI B1.1</b>	Total workforce by gender, employment type, age group and geographical region	<p>People</p> <p>Performance Data Summary</p>
<b>KPI B1.2</b>	Employee turnover rate by gender, age group and geographical region	<p>Performance Data Summary</p>
<b>Aspect B2</b>	<b>Health and Safety</b>	
<b>General Disclosure</b>	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer  relating to providing a safe working environment and protecting employees from occupational hazards	<p>People</p> <p>Corporate website – Health &amp; Safety Policy  <a href="http://www.swireproperties.com/en/sustainable-development/policies/health-and-safety-policy.aspx">http://www.swireproperties.com/en/sustainable-development/policies/health-and-safety-policy.aspx</a></p> <p>In 2019, there were no confirmed incidents of non-compliance with such laws or regulations, which have a significant impact on Swire Properties.</p>
<b>KPI B2.1</b>	Number and rate of work-related fatalities	<p>People</p> <p>Performance Data Summary</p>
<b>KPI B2.2</b>	Lost days due to work injury	<p>People</p> <p>Performance Data Summary</p>
<b>KPI B2.3</b>	Description of occupational health and safety measures adopted, how they are implemented and monitored	<p>People</p>

Aspects, General Disclosure, KPIs	Description	References and Remarks
<b>Aspect B3</b>	<b>Development and Training</b>	
<b>General Disclosure</b>	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities	<p>People</p> <p>Corporate website – Working with us  <a href="http://www.swireproperties.com/en/careers/working-with-us.aspx">http://www.swireproperties.com/en/careers/working-with-us.aspx</a></p>
<b>KPI B3.1</b>	The percentage of employees trained by gender and employee category (e.g. senior management, middle management)	Performance Data Summary
<b>KPI B3.2</b>	The average training hours completed per employee by gender and employee category	<p>People</p> <p>Performance Data Summary</p>
<b>Aspect B4</b>	<b>Labour Standards</b>	
<b>General Disclosure</b>	<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 preventing child and forced labour</p>	<p>Partners</p> <p>Corporate website – Corporate Code of Conduct  <a href="http://ir.swireproperties.com/en/cg/pdf/conduct.pdf">http://ir.swireproperties.com/en/cg/pdf/conduct.pdf</a></p> <p>Corporate website – Supplier Code of Conduct  <a href="https://www.swireproperties.com/en/sustainable-development/policies/supplier-code-of-conduct.aspx">https://www.swireproperties.com/en/sustainable-development/policies/supplier-code-of-conduct.aspx</a></p> <p>In 2019, there were no confirmed incidents of non-compliance with such laws or regulations, which have a significant impact on Swire Properties.</p>
<b>KPI B4.1</b>	Description of measures to review employment practices to avoid child and forced labour	<p>Partners</p> <p>Corporate website – Corporate Code of Conduct  <a href="http://ir.swireproperties.com/en/cg/pdf/conduct.pdf">http://ir.swireproperties.com/en/cg/pdf/conduct.pdf</a></p> <p>Corporate website – Supplier Code of Conduct  <a href="https://www.swireproperties.com/en/sustainable-development/policies/supplier-code-of-conduct.aspx">https://www.swireproperties.com/en/sustainable-development/policies/supplier-code-of-conduct.aspx</a></p> <p>Corporate website – Whistleblowing Policy  <a href="https://ir.swireproperties.com/en/cg/pdf/whistleblowing.pdf">https://ir.swireproperties.com/en/cg/pdf/whistleblowing.pdf</a></p>
<b>KPI B4.2</b>	Description of steps taken to eliminate such practices when discovered	<p>Partners</p> <p>Corporate website – Corporate Code of Conduct  <a href="http://ir.swireproperties.com/en/cg/pdf/conduct.pdf">http://ir.swireproperties.com/en/cg/pdf/conduct.pdf</a></p> <p>Corporate website – Supplier Code of Conduct  <a href="http://www.swireproperties.com/en/sustainable-development/policies/supplier-code-of-conduct.aspx">http://www.swireproperties.com/en/sustainable-development/policies/supplier-code-of-conduct.aspx</a></p> <p>Corporate website – Whistleblowing Policy  <a href="https://ir.swireproperties.com/en/cg/pdf/whistleblowing.pdf">https://ir.swireproperties.com/en/cg/pdf/whistleblowing.pdf</a></p> <p>In 2019, we did not discover any such practices in our operations.</p>

Aspects, General Disclosure, KPIs	Description	References and Remarks
<b>Operating Practices</b>		
<b>Aspect B5</b>	<b>Supply Chain Management</b>	
<b>General Disclosure</b>	Policies on managing environmental and social risks of the supply chain	Partners Corporate website – Partners <a href="http://www.swireproperties.com/en/sustainable-development/partners.aspx">http://www.swireproperties.com/en/sustainable-development/partners.aspx</a> Corporate website – Supplier Code of Conduct <a href="http://www.swireproperties.com/en/sustainable-development/policies/supplier-code-of-conduct.aspx">http://www.swireproperties.com/en/sustainable-development/policies/supplier-code-of-conduct.aspx</a>
<b>KPI B5.1</b>	Number of suppliers by geographical region	Partners
<b>KPI B5.2</b>	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 <a href="http://www.swireproperties.com/en/sustainable-development/partners.aspx">http://www.swireproperties.com/en/sustainable-development/partners.aspx</a> Corporate website – Supplier Code of Conduct <a href="http://www.swireproperties.com/en/sustainable-development/policies/supplier-code-of-conduct.aspx">http://www.swireproperties.com/en/sustainable-development/policies/supplier-code-of-conduct.aspx</a> Corporate website – Whistleblowing Policy <a href="https://ir.swireproperties.com/en/cg/pdf/whistleblowing.pdf">https://ir.swireproperties.com/en/cg/pdf/whistleblowing.pdf</a>
<b>Aspect B6</b>	<b>Product Responsibility</b>	
<b>General Disclosure</b>	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 <a href="http://ir.swireproperties.com/en/cg/pdf/conduct.pdf">http://ir.swireproperties.com/en/cg/pdf/conduct.pdf</a> Corporate website – Swire Properties' Data Privacy and Security Policy <a href="http://www.swireproperties.com/en/privacy-statement.aspx">http://www.swireproperties.com/en/privacy-statement.aspx</a> Corporate website – Whistleblowing Policy <a href="https://ir.swireproperties.com/en/cg/pdf/whistleblowing.pdf">https://ir.swireproperties.com/en/cg/pdf/whistleblowing.pdf</a>  In 2019, there were no confirmed incidents of non-compliance with such laws or regulations, which have a significant impact on Swire Properties.
<b>KPI B6.1</b>	Percentage of total products sold or shipped subject to recalls for safety and health reasons	In 2019, 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.
<b>KPI B6.2</b>	Number of products and service related complaints received and how they are dealt with	In 2019, there were no substantiated complaints received relating to the provision and use of products and services that have a significant impact on Swire Properties.
<b>KPI B6.3</b>	Description of practices relating to observing and protecting intellectual property rights	Performance (Economic) Corporate website – Corporate Code of Conduct <a href="http://ir.swireproperties.com/en/cg/pdf/conduct.pdf">http://ir.swireproperties.com/en/cg/pdf/conduct.pdf</a>
<b>KPI B6.4</b>	Description of quality assurance process and recall procedures	Performance (Environment) We did not consider that recall procedures are material to our operations.
<b>KPI B6.5</b>	Description of consumer data protection and privacy policies, how they are implemented and monitored	Partners Performance (Economic) Corporate website – Corporate Code of Conduct <a href="http://ir.swireproperties.com/en/cg/pdf/conduct.pdf">http://ir.swireproperties.com/en/cg/pdf/conduct.pdf</a> Corporate website – Swire Properties' Data Privacy and Security Policy <a href="http://www.swireproperties.com/en/privacy-statement.aspx">http://www.swireproperties.com/en/privacy-statement.aspx</a> Corporate website – Whistleblowing Policy <a href="https://ir.swireproperties.com/en/cg/pdf/whistleblowing.pdf">https://ir.swireproperties.com/en/cg/pdf/whistleblowing.pdf</a>

Aspects, General Disclosure, KPIs	Description	References and Remarks
<b>Aspect B7</b>		
<b>Anti-corruption</b>		
<b>General Disclosure</b>	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	<b>Performance (Economic)</b> Corporate website – Corporate Code of Conduct <a href="http://ir.swireproperties.com/en/cg/pdf/conduct.pdf">http://ir.swireproperties.com/en/cg/pdf/conduct.pdf</a> Corporate website – Whistleblowing Policy <a href="https://ir.swireproperties.com/en/cg/pdf/whistleblowing.pdf">https://ir.swireproperties.com/en/cg/pdf/whistleblowing.pdf</a>  In 2019, there were no confirmed incidents of non-compliance with such laws or regulations, which have a significant impact on Swire Properties.
<b>KPI B7.1</b>	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	<b>Performance (Economic)</b> <b>Performance Data Summary</b>  In 2019, there were no concluded legal cases regarding corrupt practices brought against Swire Properties or its employees.
<b>KPI B7.2</b>	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	<b>Performance (Economic)</b> Corporate website – Corporate Code of Conduct <a href="http://ir.swireproperties.com/en/cg/pdf/conduct.pdf">http://ir.swireproperties.com/en/cg/pdf/conduct.pdf</a> Corporate website – Whistleblowing Policy <a href="https://ir.swireproperties.com/en/cg/pdf/whistleblowing.pdf">https://ir.swireproperties.com/en/cg/pdf/whistleblowing.pdf</a>
<b>Community</b>		
<b>Aspect B8</b>		
<b>Community Investment</b>		
<b>General Disclosure</b>	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	<b>Materiality</b> <b>Places</b> <b>People</b> Corporate website – Community Ambassador Programme <a href="http://www.swireproperties.com/en/sustainable-development/people/community-ambassador-programmes.aspx">http://www.swireproperties.com/en/sustainable-development/people/community-ambassador-programmes.aspx</a> Corporate website – Community Caring Fund <a href="http://www.swireproperties.com/en/sustainable-development/people/community-caring-fund.aspx">http://www.swireproperties.com/en/sustainable-development/people/community-caring-fund.aspx</a> Corporate website – Community Programmes <a href="http://www.swireproperties.com/en/sustainable-development/places/community-programmes.aspx">http://www.swireproperties.com/en/sustainable-development/places/community-programmes.aspx</a>
<b>KPI B8.1</b>	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport)	<b>Places</b> <b>People</b>
<b>KPI B8.2</b>	Resources contributed (e.g. money or time) to the focus area	<b>Places</b> <b>People</b>

## Revised HKEX ESG Reporting Guide – Additional Disclosures Content Index

A revised HKEX ESG Reporting Guide containing additional disclosure requirements will be effective for financial years commencing on or after 1st July 2020 (the “Revised HKEX ESG Reporting Guide”). The following table sets out the additional disclosures in the Revised HKEX ESG Reporting Guide which we have included in this report.

Mandatory Disclosure Requirements	References and Remarks
Governance Structure	SD 2030 Strategy SD Governance
Reporting Principles	Materiality GRI and HKEX ESG Reporting Performance Data Summary
Reporting Boundary	GRI and HKEX ESG Reporting

Aspects, General Disclosure, KPIs	Description	References and Remarks
<b>A. Environmental</b>		
Aspect A4	Climate Change	
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer	Corporate website – Climate Change Policy <a href="https://www.swireproperties.com/en/sustainable-development/policies/climate-change-policy.aspx">https://www.swireproperties.com/en/sustainable-development/policies/climate-change-policy.aspx</a> Corporate website – Energy Policy <a href="http://www.swireproperties.com/en/sustainable-development/policies/energy-policy.aspx">http://www.swireproperties.com/en/sustainable-development/policies/energy-policy.aspx</a> Performance (Environment) Climate-related Financial Disclosures
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them	Performance (Environment) Climate-related Financial Disclosures
<b>B. Social</b>		
Operating Practices		
Aspect B5	Supply Chain Management	
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored	Partners Corporate website – Partners <a href="http://www.swireproperties.com/en/sustainable-development/partners.aspx">http://www.swireproperties.com/en/sustainable-development/partners.aspx</a> Corporate website – Supplier Code of Conduct <a href="http://www.swireproperties.com/en/sustainable-development/policies/supplier-code-of-conduct.aspx">http://www.swireproperties.com/en/sustainable-development/policies/supplier-code-of-conduct.aspx</a>
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored	Partners
Aspect B7	Anti-corruption	
KPI B7.3	Description of anti-corruption training provided to directors and staff	Performance (Economic)