



ESG PRESENTATION

JUNE 2020

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AGENDA

1. Opening Remarks
2. Places
3. Performance (Environment)
4. People
5. Partners
6. Performance (Economic)
7. Closing Remarks

Speakers:

Fanny Lung

Finance Director

Raymond Yau

General Manager, Technical Services & Sustainable Development

Amie Lai

Senior Sustainable Development Manager

Ashley Hegland

Sustainable Development Advisor

SUSTAINABLE DEVELOPMENT (SD) PERFORMANCE HIGHLIGHTS

Decarbonisation through Science-based Targets (SBTs), improve the wellbeing of our tenants and local communities, and accelerate technological innovations in our business



Places Impact Report

Issued first-ever Impact Report for Taikoo Place and Island East



#1 ESG performer in Asia

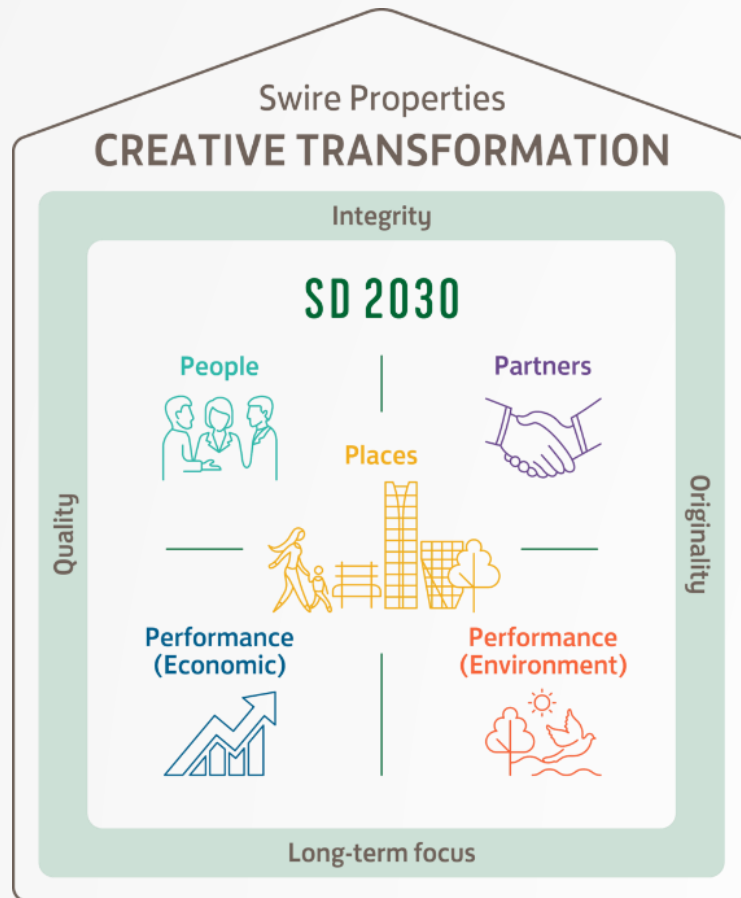
Ranked 8th globally by Dow Jones Sustainability World Index (DJSI World)



SD2030 STRATEGY

BEST IN CLASS STRATEGY ALIGNED WITH U.N. SUSTAINABLE DEVELOPMENT GOALS

SD Vision: “To be the leading SD performer in our industry globally by 2030”



PERFORMANCE AMONGST TOP SD LEADERS



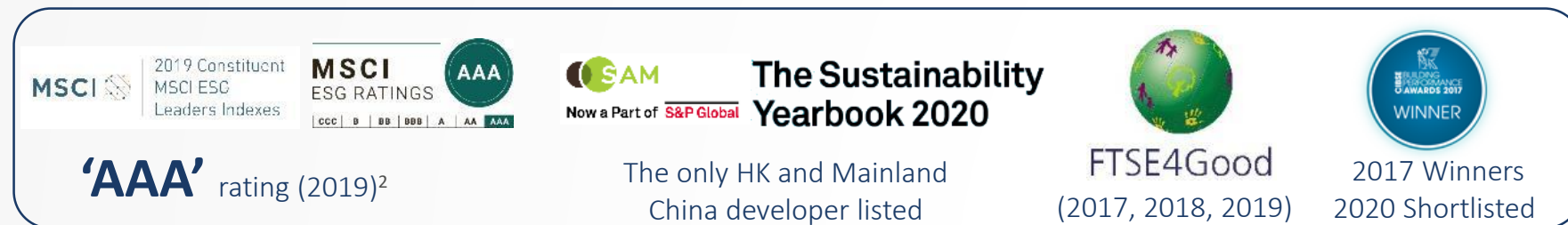
1st in Asia
Ranked 8th globally



Top Company
since 2018



Global Sector Leader
since 2017¹



'AAA' rating (2019)²

The only HK and Mainland
China developer listed

FTSE4Good
(2017, 2018, 2019)

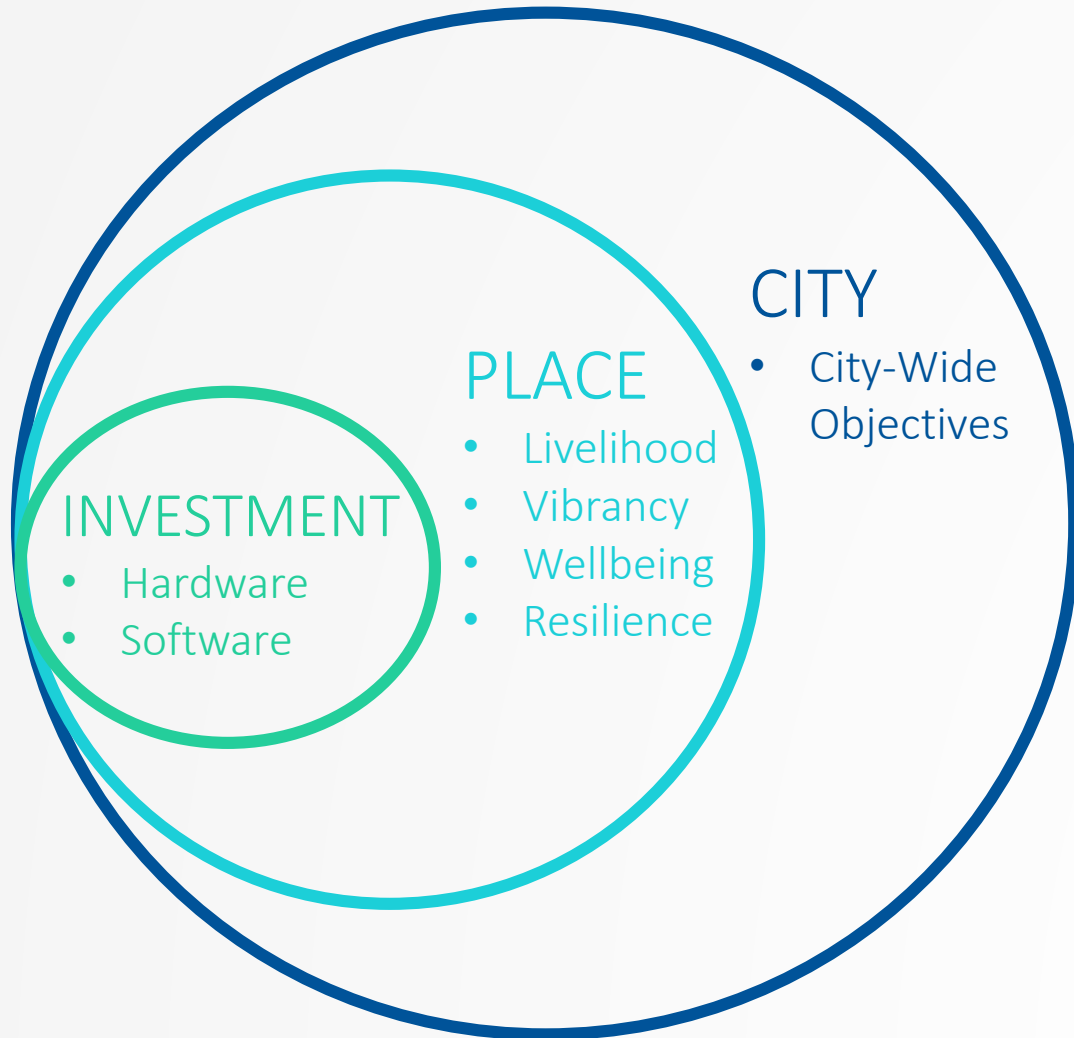
2017 Winners
2020 Shortlisted

Places

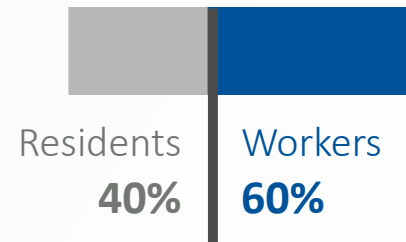


PLACES IMPACT REPORT¹

SUPPORTING DECENTRALISATION WITH A THRIVING COMMUNITY



Population Balance



Employment Density

1,100
jobs/hectare

Economic Value

Gross Value Added
HK\$88 bn
(~3% of HK GDP)

Pedestrian Accessibility

95%



Continuous long-term value creation for the company and surrounding communities

Performance (Environment)



GREEN BUILDING PERFORMANCE

SUSTAINABLE, GREEN AND RESILIENT PORTFOLIO

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

On track to
2020 Target

100%

of projects under development¹
achieved **highest** green building
certification ratings

97%

(↑5ppt. year-on-year)

of all existing buildings²
are **certified green buildings**, of which
84% achieved the highest ratings

Over 95%

of 2019 gross rental income
was contributed by
certified green buildings

WELL



- One Taikoo Place achieved **Final Platinum** (Asia's 1st commercial building)
- Two Taikoo Place and Taikoo Li Qiantan achieved **Pre-certified Platinum**

LEED



Final Platinum under LEED EBOM v4.1

- INDIGO - 1st mixed-use development in the world
- Sino-Ocean Taikoo Li Chengdu - 1st open-plan lane-driven commercial complex in the world

¹ "Projects under development" refers to projects that are under construction or in the pre-certification stage. They comprise non joint-venture projects only.

² Measured as the percentage of total gross floor area.

³ All figures are calculated based on 2019 data.

ENERGY PERFORMANCE

CONTINUE TO ACHIEVE SIGNIFICANT ENERGY SAVINGS

Energy Reduction



GFA



Energy
Consumption

Hong Kong Portfolio¹

↓ **26.9%**

2020 Target³:

↓ **26%**

Estimated cost-savings of
HK\$74.6 m/year

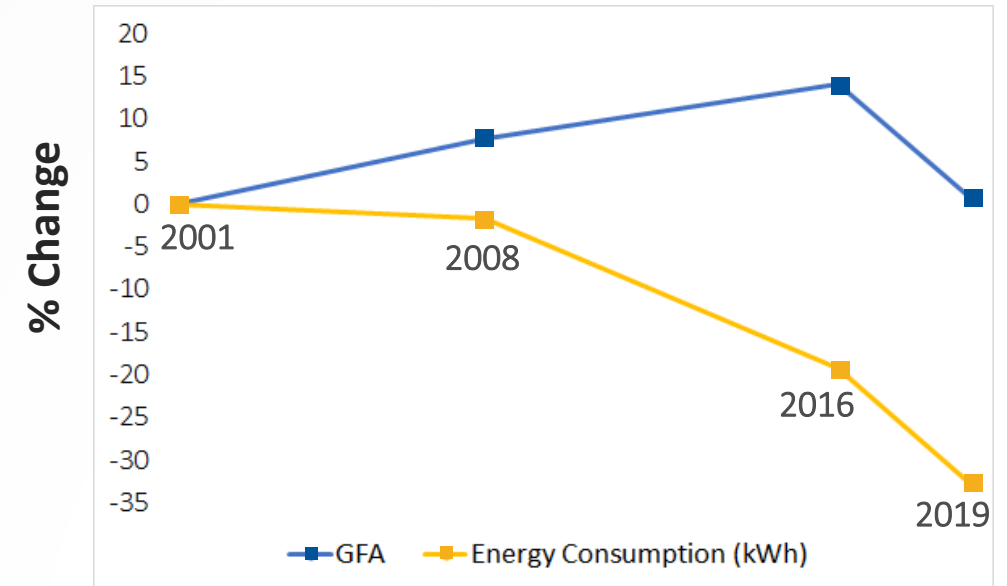
Mainland China Portfolio²

↓ **19.4%**

2020 Target³:

↓ **20%**

Estimated cost-savings of
HK\$20.2 m/year



Hong Kong Portfolio

¹ Hong Kong portfolio is our office, retail portfolios and hotels in Hong Kong.

² Mainland China portfolio is our office and retail portfolio in Mainland China, excluding hotels.

³ Energy consumption refers to purchased electricity for the provision of shared services for and in the common parts of our buildings with reference to the 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 All figures are calculated based on 2019 data.

CARBON PERFORMANCE

FUTURE-PROOFING DECARBONISATION TRAJECTORY

Decarbonisation

Hong Kong Portfolio¹

↓ **28%**

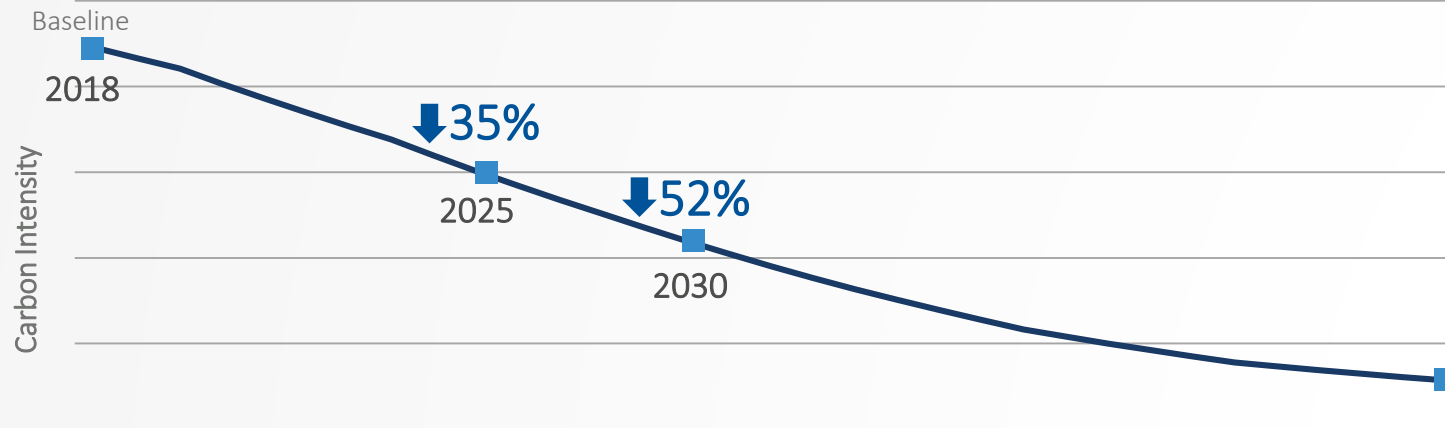
2020 Target²:
↓ 27%

Mainland China Portfolio¹

↓ **19.9%**

2020 Target²:
↓ 21%

Long-term Decarbonisation Pathway



1st & Only



SCIENCE
BASED
TARGETS

in line with goals of Paris Agreement

Scope 1 + Scope 2

Technological Innovation
On and Off-site Renewable Energy
Joint Research with Tsinghua University

Scope 3 - Upstream

New Projects Development
embodied carbon reduction target

Scope 3 - Downstream

Tenant Engagement
tenant carbon reduction target

SCOPE 1 & 2 EMISSIONS: INVESTMENT IN RENEWABLE ENERGY

Installation of Solar Photovoltaic (PV) Panels

Renewable Energy
Generated in 2019

Beijing

224,122 kwh

INDIGO



6,610 kwh

Taikoo Li Sanlitun



Guangzhou

31,935 kwh

Taikoo Hui



On and Off-site Renewable
Energy Procurement
Strategy and Roadmap

Hong Kong

6,066 kwh

One Taikoo Place



Combined PV
system and
green roof



HK's 1st

bio-diesel powered tri-generation
and absorption chiller system in
commercial building

SCOPE 3 EMISSIONS

Downstream - Tenant Engagement



- Free energy audits for tenants
 - potential energy savings identified (in 5.3m sq. ft. of tenanted space)

9m kWh



- Green Kitchen Initiative
 - recognised with

8 F&B tenants Green Kitchen Awards



- Sustainability fit-out and renovation guidelines for tenants

Upstream - Embodied Carbon of New Projects

- Material selection and building design

- Procure construction materials with lower embodied carbon wherever applicable



Concrete: with **25% - 35%** Pulverised Fly Ash (PFA) as cement substitute



Rebar / structural steel: more recycled steel content and adopt low carbon production method

- More efficient use of materials through structural optimisation

- More energy-efficient construction equipment and processes

CLIMATE RESILIENCE

FUTURE-PROOFING OUR GLOBAL ASSETS

Physical Risks

- Assessment on global assets completed based on 4 IPCC¹'s future climate scenarios **RCP 2.6** **RCP 4.5** **RCP 6.0** **RCP 8.5**
- Overall **low to moderate** risk levels identified for acute and chronic stresses



Flooding



Heat Stress



Water Stress



Extreme Wind

- Short-term and mid-term enhancement measures identified for individual buildings to enhance resilience, e.g. flood protection measures

Transition Risks

- Identified regionally-relevant regulatory, technological and market risks and opportunities in the global transition to a low carbon economy
- Working to prioritize risks and opportunities to enhance business strategy and risk management

TCFD

TASK FORCE ON
CLIMATE-RELATED
FINANCIAL
DISCLOSURES

- Published second Climate-related Financial Disclosure as per **TCFD** recommendations



- Highlighted SPL's commitment in

Governance

Strategy

4 Categories

Risk
Management

Metric and
Target

WASTE MANAGEMENT PERFORMANCE

ADOPTING CIRCULARITY IN BUSINESS

Commercial Waste

Hong Kong Portfolio

21.7%

Diverted from landfill

Mainland China Portfolio

32.5%

Diverted from landfill

2020 Target:
25%

Projects under Development in HK

Demolition Waste

84%

Diverted from landfill
(Two Taikoo Place)

2020 Target:
80%

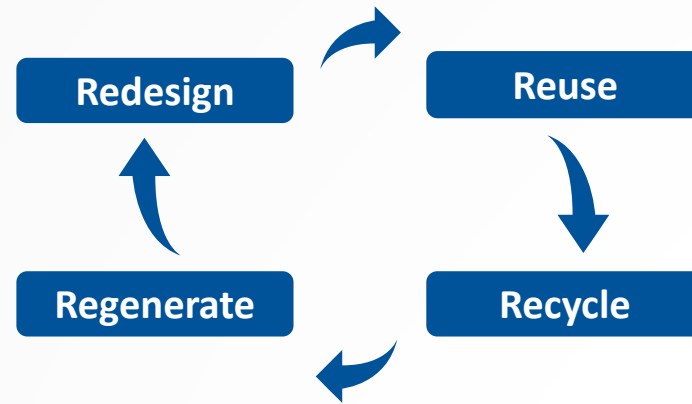
Construction Waste

68%

Diverted from landfill
(One Taikoo Place)

2020 Target:
60%

Realising A Circular Approach



360,000+

Plastic bottles
collected via RVMs¹
(since Sep 2019)



Pilot new
approaches to
promote “redesign”
and “reuse”



75%+

F&B tenants
recycled food waste

People



DIVERSITY & INCLUSION

BEST IN CLASS GENDER BALANCE

2020 Target
Achieved

Diversity & Inclusion Policy supported by Flexible Working Guidelines

51%

of **Management** positions
held by women

42%

of **Executive Committee**
members are women

33%

of **Board of Directors**
are women

1:1

Gender Remuneration Ratio



Going
Forward

Continuous commitment on
flexible working arrangements

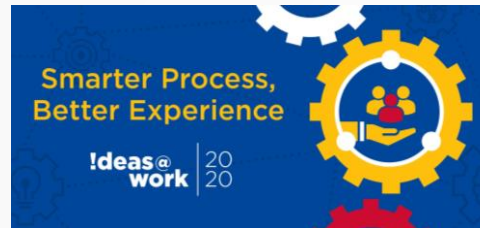
EMPLOYEE ENGAGEMENT

STRONG EMPLOYEE PARTICIPATION AND INNOVATIONS

Integration

- Office employee goal setting and performance appraisal aligned with SD 2030
- Departmental budgeting process

Innovation



- 600+ ideas submitted in 2020



Employee Wellbeing

- 2,800 Safety Care Packs distributed to frontline workers



- Flexible and remote working arrangements to support social distancing



Most Attractive Employer

in Hong Kong
2020

Randstad Employer
Brand Awards

Partners



TENANT ENGAGEMENT

STRENGTHENING TENANT VALUE PROPOSITION WITH ENVIRONMENTAL & SOCIAL INITIATIVES



1st Place

at 2019 Green Shop Alliance Awards

Pacific Place: Champion -
Best Green Practice in Malls

Cityplaza: Best Guidance to Tenant Award



40+

urban farming
workshops
at The Loop

Bringing the community together through arts & culture, wellbeing, sustainability and business networks



PROJECT AFTER 6



Corporate Wellness Challenge



Discover Taikoo Place



GREEN PROCUREMENT STRATEGY

WORKING WITH SUPPLIERS TO IMPROVE SUSTAINABILITY

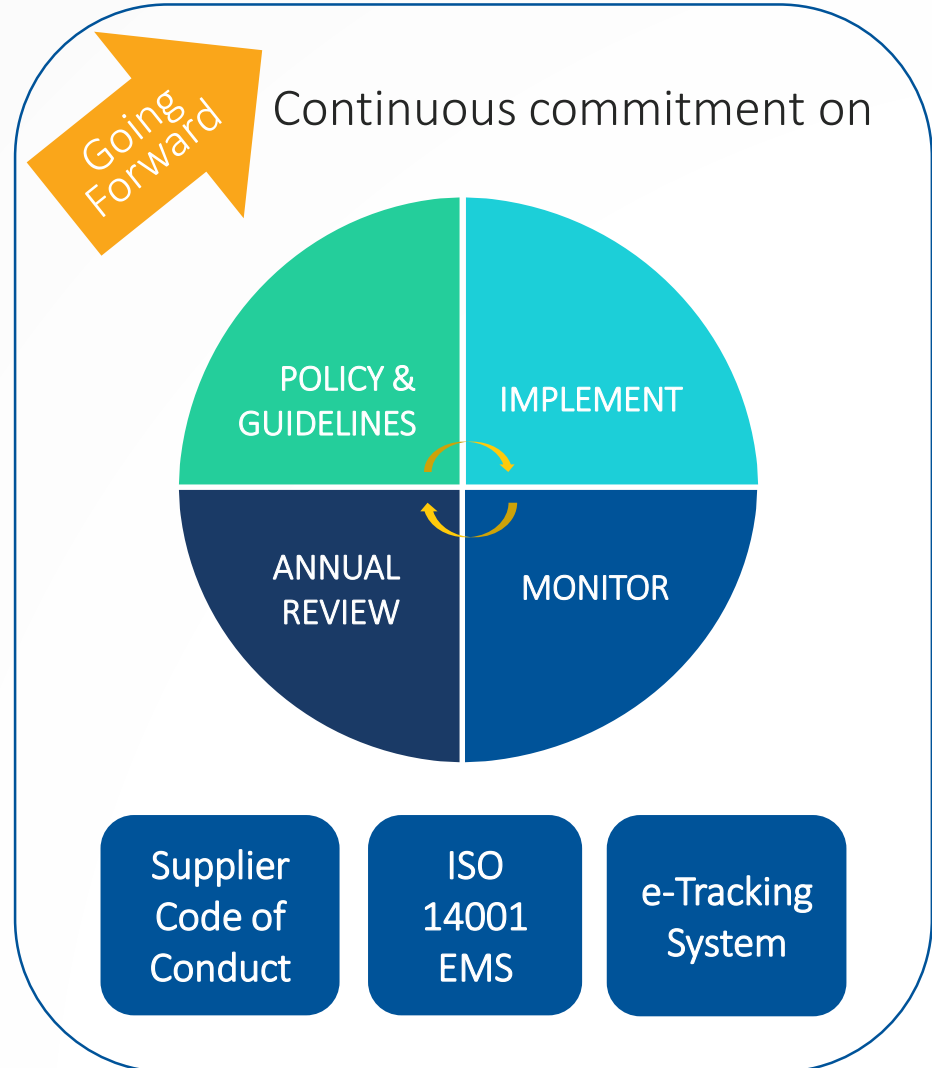
Green procurement system in all business operations in Hong Kong and Mainland China

On track to 2020 Target

HK\$48_m

Total Green Procurement Spending in 2019

Organised 1st sustainability forum for suppliers and business partners in Hong Kong (January 2020)



Performance (Economic)



GREEN FINANCING

ONGOING INITIATIVES TO ACHIEVE INTEREST COST SAVINGS

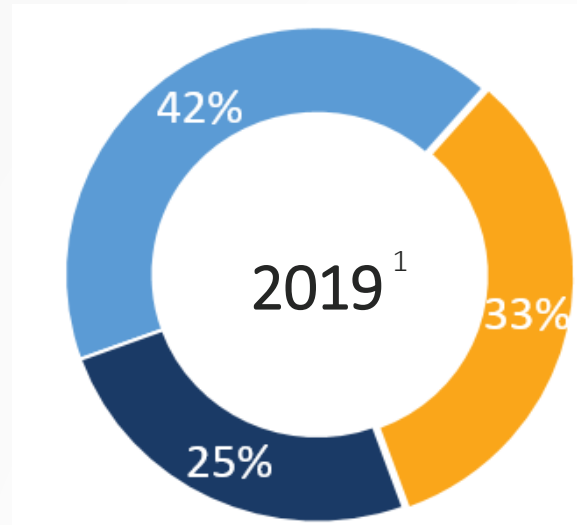


CORPORATE GOVERNANCE

MAINTAINING BOARD INDEPENDENCE AND DIVERSITY

33%

of Board of
Directors are
women



■ Non-Executive Directors ■ Executive Directors
■ Independent Non-Executive Directors

80%

Minimum board meeting
attendance requirement
set for all Board members



- To continue to align board composition with the Board Diversity Policy
- To deliver **sustainable growth in dividends** to shareholders under the company's dividend policy

2020 AND BEYOND

ENHANCING LONG-TERM VALUES THROUGH ESG INVESTMENTS



**Decarbonisation and
Climate Resilience**



Health and Wellness



Tenant Engagement

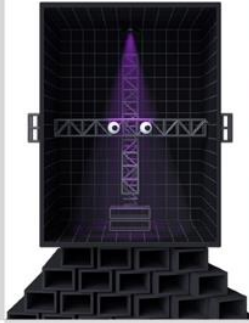
Sustainability We All Count

SWIRE PROPERTIES

SD2030



EVERY STORY HERE



SUSTAINABILITY WE ALL COUNT

Sustainable Development Report 2019

Top

Sustainability Performance
in global and local benchmarks and indices

MEMBER OF
Dow Jones Sustainability Indices
in collaboration with



Hang Seng Corporate Sustainability Index
Series Member 2019-2020



1st

Approved Science-based targets

set by a Hong Kong and Mainland China developer to drive long-term decarbonisation



1st

Sustainability-linked loan

indexed against improvement in year-on-year ESG performance launched by HK company



1st

LEED EBOM Platinum

globally for mixed-use development - INDIGO

WELL Final Platinum

in Asia for commercial building - One Taikoo Place



SD REPORT 2019





Talkoo Place

ESG Q&A



South Island Place

APPENDIX

SD GOVERNANCE

ROBUST AND INCLUSIVE ESG GOVERNANCE STRUCTURE

