



ESG PRESENTATION

JUNE 2021

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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

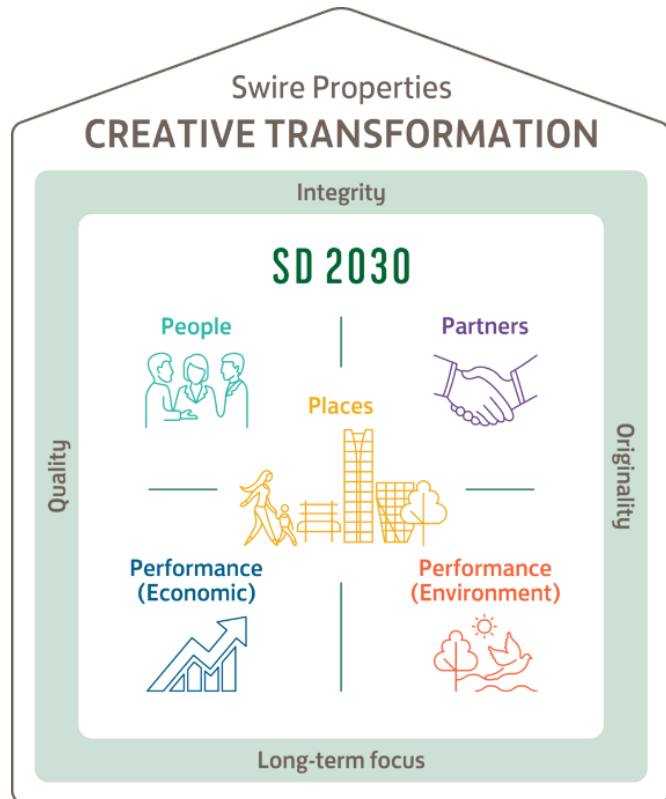
Sustainable Development Advisor

SUSTAINABLE DEVELOPMENT (SD) PERFORMANCE HIGHLIGHTS

SETTING NEW KPIS FOR 2025 AND 2030

SD Vision:

"To be the leading SD performer in our industry globally by 2030"



Achieved

80+

KPIs for 2020 milestone

Established

40+

new KPIs for 2025 and 2030

The **first** real estate developer in Hong Kong and the Chinese mainland to commit to

BUSINESS AMBITION FOR 1.5°C  

and support the transition to a net-zero emissions economy by 2050

Green financing constitutes ~30%

of current bond and loan facilities

INDEPENDENT MATERIALITY ASSESSMENT 2020

HIGH LEVEL OF TRUST AND SD LEADERSHIP RATED BY STAKEHOLDERS

Analysis of responses collected from >540 key stakeholders¹:

82% Rated **high trust** in SPL

66% Expect **more** sustainability efforts from developers post-pandemic

84% Rated SPL demonstrates **strong leadership in SD**

28 **Material** SD issues identified and addressed under SD 2030

New SD issues identified to inform strategy development

1. Technology and Innovation
2. Climate Adaptation and Resilience
3. Cyber Security & Data Governance

Top 5 Material SD Issues

1. Green Building Construction and Renovation
2. Technology and Innovation
3. Energy Efficiency
4. Tenant and Customer Engagement
5. Contribute to Local Economic Development

SD INDICES PERFORMANCE

GLOBAL LEADERSHIP RECOGNISED BY DIFFERENT BENCHMARKS

Member of
**Dow Jones
Sustainability Indices**
Powered by the S&P Global CSA

DJSI World since 2017

Top **5%** globally



Top company since 2018

'AAA' rating



Global Sector Leader

since 2017¹

Sustainability Yearbook
Member 2021
S&P Global

Since 2017



'AAA' rating since 2018



FTSE4Good

since 2016

Places



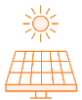
TAIKOO PLACE REDEVELOPMENT

TWO TAIKOO PLACE COMING SOON



Artist Impression

Triple Pre-certified Platinum Green and Healthy Building



Integrated **solar PV system** and green roof



Air filtration using **MERV-13 filters**
UVC lamp at all air handling units

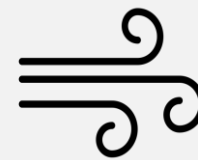


Ionisation sterilisers in all lift cars

Exemplifying the **Placemaking** concept



70,000 sq ft of **Open Greenspace**



Improved
Microclimate



Improved
Connectivity

SWIRE PROPERTIES PLACEMAKING ACADEMY

YOUTH EMPOWERMENT FOR A VIBRANT COMMUNITY

21

university students took up the 6-month apprenticeship

46

masterclasses offered by senior management, experts & thought leaders

>HK\$ 525k

in employment support

5

NGO partners

>HK\$ 820k

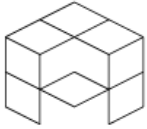
of total value of funds raised and items donated



PLACES IMPACT REPORT

TAIKOO LI SANLITUN CONTRIBUTES TO A VIBRANT MIXED-USE COMMUNITY

Research Partner



清华大学建筑学院
School of Architecture, Tsinghua University

Four Dimensions of Place



Key Findings

Points of interests
have grown
exponentially e.g.
flagship stores

Local residents
and visitors have a
strong connection
to Taikoo Li

International
brands often
open their first
regional store at
Taikoo Li



Publishing in Q3 2021

Continue to improve
government relations and
social cohesion with the
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

2020 Target
Achieved

100%

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

97%

of all existing buildings²
are **certified green buildings**, of which
85% achieved the highest ratings

> 98%

of 2020 gross rental income
was contributed by
certified green buildings

Commercial Building Development at 46-56 Queen's Road East



Pre-certified Platinum
(BD+C: Core and Shell Version 4)



Platinum Pre-certification
(Core and Shell Version 1)



Provisional Platinum
(New Buildings Version 2.0)

Artist Impression

Taikoo Li Qiantan



Pre-certified Gold
(BD+C: Core and Shell Version 2009)



Platinum Pre-certification
(Core and Shell Version 1)

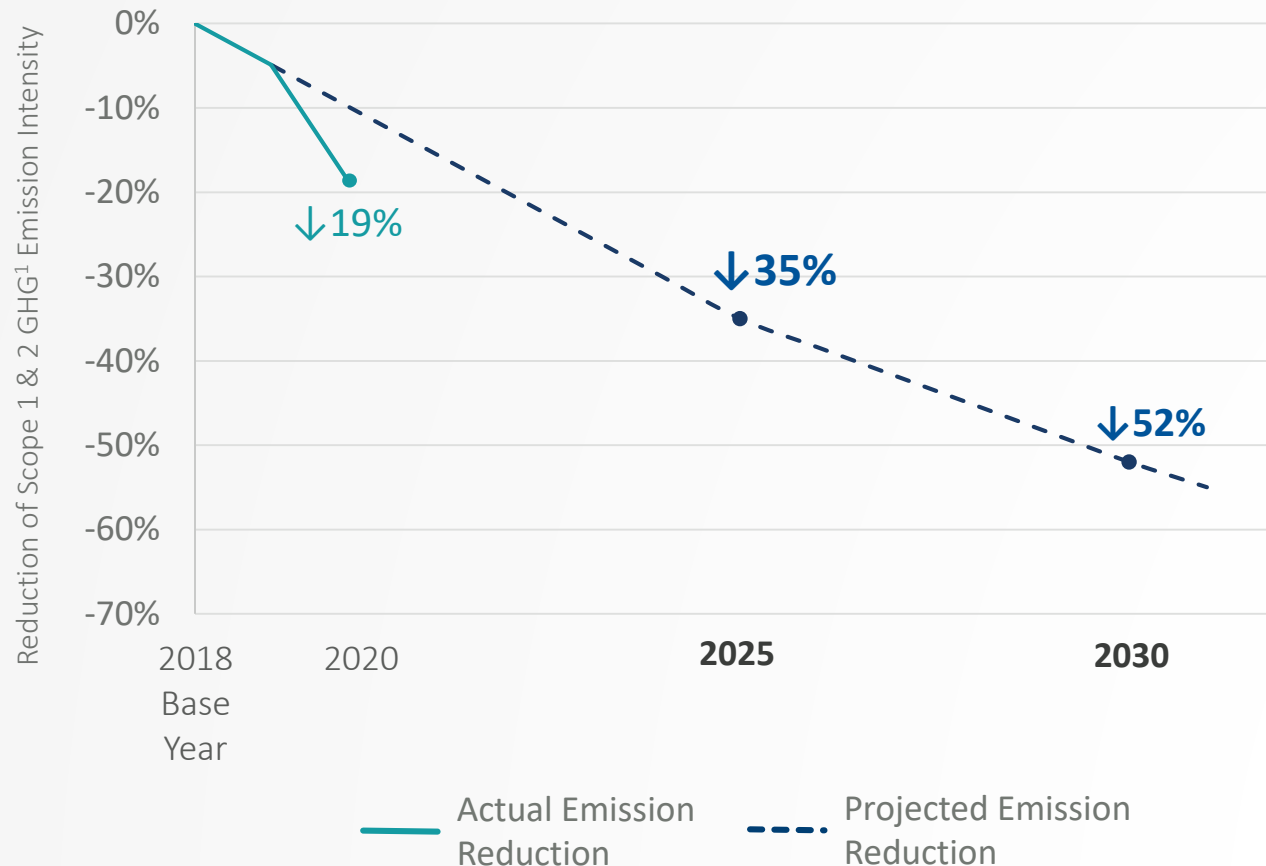


2-Star
(China Green Building Design Label)

CARBON PERFORMANCE

DECARBONISATION TRAJECTORY TOWARDS NET ZERO

Decarbonisation aligned with Science-based Targets



BUSINESS AMBITION FOR 1.5°C

TRACE TO ZERO

Net Zero Before 2050

Scope 1 + Scope 2

Technological Innovation
On and Offsite 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

ENERGY PERFORMANCE

ACHIEVING SIGNIFICANT ENERGY AND COST SAVINGS

2020 Target
Achieved

Energy Consumption¹

Hong Kong Portfolio²

↓ **31.3%**

2020 Target:

↓ **26%**

Estimated cost-savings of
HK\$99.6M/year

Chinese mainland Portfolio³

↓ **23.4%**

2020 Target:

↓ **20%**

Estimated cost-savings of
HK\$25.5M/year

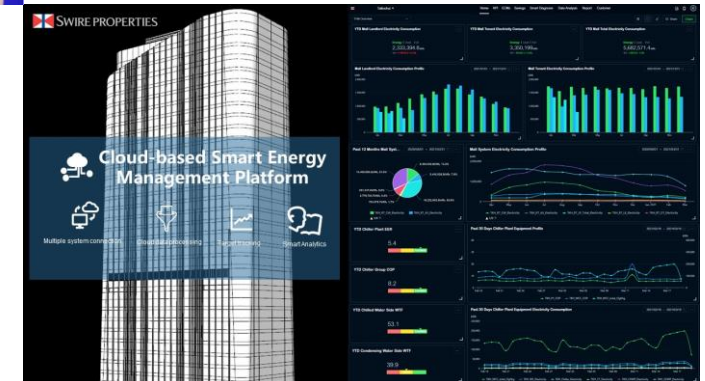
Energy Saving Strategies



Partnership with **Tsinghua University**
through the Joint Research Centre for
Building Energy Efficiency and Sustainability

~101_M kWh
energy saving achieved⁴

Continued to roll out
**Smart Energy
Management Platform**
to optimise building operations
using **AI and big data
analytics**



¹ 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 Chinese mainland portfolio.

² Hong Kong portfolio refers to our office and retail portfolios and hotels in Hong Kong.

³ Chinese mainland portfolio refers to our office and retail portfolios in the Chinese mainland, excluding hotels.

⁴ Estimated energy savings achieved in Hong Kong and the Chinese mainland in 2020 against baseline.

RENEWABLE ENERGY GENERATION AND PROCUREMENT

GREEN AND CLEAN ENERGY TO SUPPORT NET ZERO EMISSIONS

Onsite Renewable Energy Generated

200,000 kWh

INDIGO, Beijing

4,000 kWh

Taikoo Li Sanlitun, Beijing

32,700 kWh

Taikoo Hui, Guangzhou

135,500 kWh

One Taikoo Place, Hong Kong

Offsite Renewable Energy Procured

~35,600 MWh

Sino-Ocean Taikoo Li Chengdu



Sourced **100% renewable electricity** offsite since 2020

5,100 MWh

The Temple House, Chengdu



Sourced **100% renewable electricity** offsite since 2021

Going
Forward

Continue to adopt on and offsite renewable energy

SCOPE 3 EMISSIONS MANAGEMENT

DECARBONISATION ALONG WHOLE VALUE CHAIN

Downstream - Tenant Engagement



- Tenant power metering pilot for selected tenants



- Green Kitchen Initiative

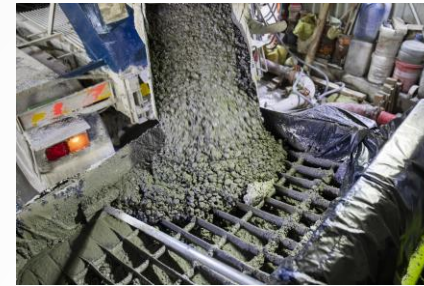
38 F&B tenants

recognised with **Green Kitchen Awards**
(vs. 8 tenants in 2019)



- Free energy audits for tenants

Upstream - Embodied Carbon of New Projects



- **1st** in Hong Kong

to develop and introduce **low carbon specification** and **performance targets** for building materials (concrete, rebar and structural steel) in main contract



- Participated in WorldGBC's Project Taskforce to develop and launch the **Asia Pacific Embodied Carbon Primer**, featuring Swire Properties as a leading business case

RESOURCE RECYCLING & WASTE DIVERSION

EMBEDDING CIRCULARITY IN BUSINESS OPERATION

Commercial Waste Diversion

Hong Kong Portfolio

Chinese mainland Portfolio

2020 Target Achieved
25.0%

34.6%

2020 Target:
25%

Construction Projects

Demolition Waste Diversion

Construction Waste Diversion

2020 Target Achieved
84%

(Two Taikoo Place)

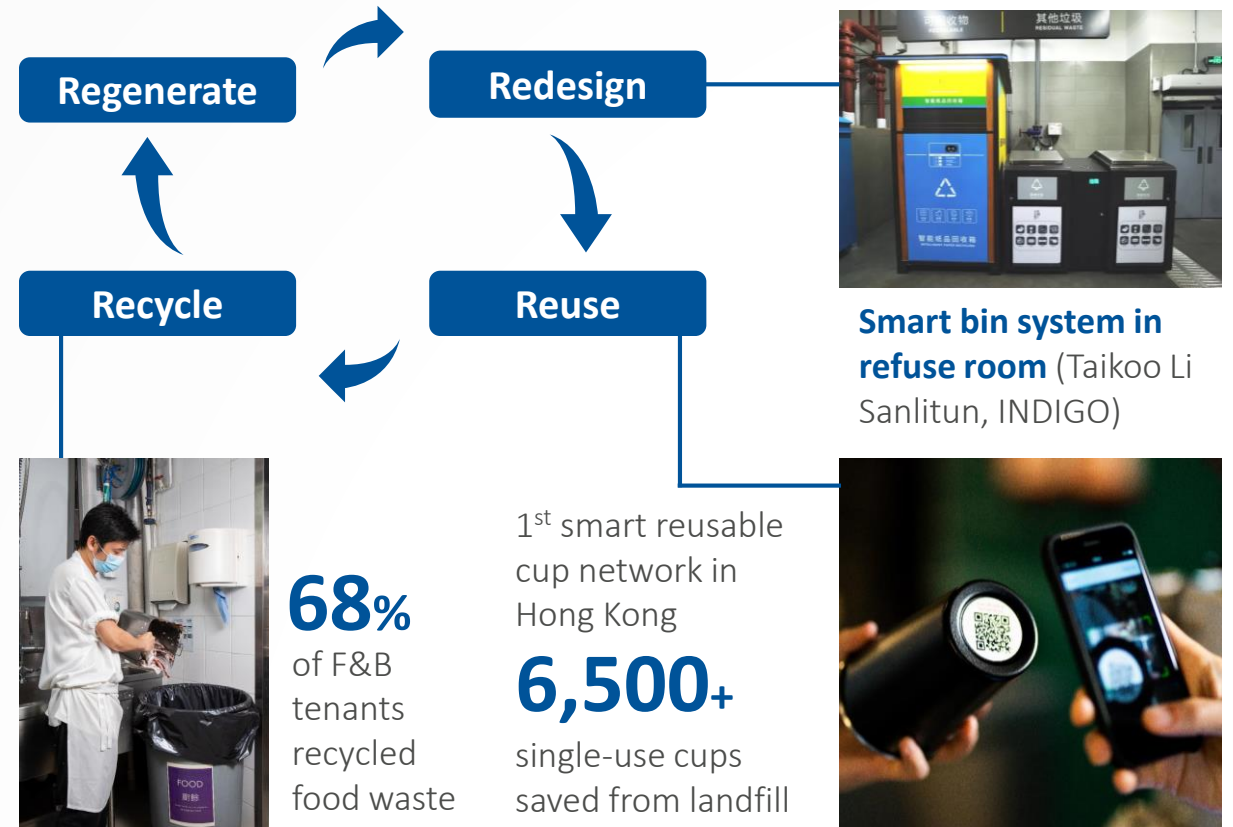
2020 Target:
80%

68%

(One Taikoo Place)

2020 Target:
60%

Deepening Our Circular Approach



FUTURE TARGETS FOR ENVIRONMENT

2025 AND BEYOND

2025 KPI

Decarbonisation

Scope 1 and 2¹

↓35% per sqm



SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Energy Reduction³

Hong Kong portfolio⁴

↓23.6%

Chinese mainland portfolio⁵

↓13.5%

2030 KPI

Scope 1 and 2¹

↓52% per sqm

Scope 3 – Capital Goods²

↓25% per sqm

Scope 3 – Downstream Leased Assets¹

↓28% per sqm

Hong Kong portfolio⁴

↓42.5%

Chinese mainland portfolio⁵

↓38.8%

2025 KPI

Resource and Circularity

Waste Diversion Rates

Hong Kong portfolio⁴:

30% of commercial waste

Chinese mainland portfolio⁵:

40% of commercial waste

Building/Asset Investment

100% of wholly-owned new development projects to achieve the highest environmental building assessment scheme rating

90% of all wholly-owned existing developments to achieve the highest environmental building assessment scheme rating

2030 KPI

Hong Kong portfolio⁴:

50% of commercial waste

Chinese mainland portfolio⁵:

45% of commercial waste

100% of all wholly-owned new and existing developments to achieve the highest environmental building assessment scheme rating

¹ From a 2018 baseline.

² From a 2016-2018 baseline.

³ Energy reduction refers to a reduction in energy use intensity.

⁴ Hong Kong portfolio refers to our office and retail portfolios and hotels in Hong Kong.

⁵ Chinese mainland portfolio refers to our office and retail portfolios and hotels in the Chinese mainland.

People



INVESTING IN AND ENGAGING WITH OUR EMPLOYEES

ATTRACTING AND RETAINING TOP TALENT

Talent Attraction



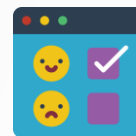
**Hong Kong's
Most Attractive Employer**
in the Randstad Hong Kong
Employer Brand Research 2020



Based on **2,549** locally-based respondents

People Engagement Survey

Our People Count



97%

response rate, with results
outperforming global industry
norms in **18 out of 21** categories

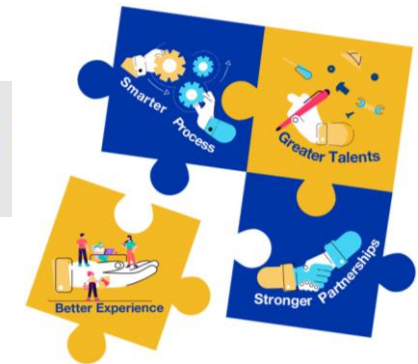
Innovation



**INNOVATION
ACCELERATOR**

150

Change Agents



400+

idea submissions in 2021 to help
improve business operations and
processes

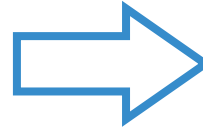
FOCUS ON OUR PEOPLE

FOSTERING A CULTURE OF HEALTH AND SAFETY



2020 TARGET:

- Maintain a lost time injury rate (“LTIR”) at or **below 2.0**



2025 TARGET:

- Maintain a LTIR at or **below 1.2** for Hong Kong operations and at or **below 2.0** for hotel operations



Internal Health and Safety Awards to recognise our staff and further strengthen our safety-oriented culture



New Offices focused on employee wellness (e.g. INDIGO office aiming at WELL certification) while also optimising sustainability and efficiency



Employee Wellness Programme to continue to provide support for the mental and physical health of our employees during COVID-19

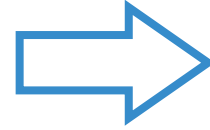
FOCUS ON OUR PEOPLE

SUPPORTING DIVERSITY AND AN INCLUSIVE WORKPLACE

2020 Target
Achieved

2020 TARGET:

- Adopt a [D&I Policy](#)
- Establish a [D&I Committee](#)



New Target

2025 TARGET:

- Maintain a [gender balance](#) in senior management
- Maintain gender pay ratio at [1:1](#)

Performance in 2020

51%

of **Management** positions
held by women

39%

of **Executive Committee**
members are women

33%

of **Board of Directors**
are women

1:1.05

Gender Pay Ratio
(female to male)



**Women Inspire Networks and
Male Ally Network**



Flexible Workplace Policy
details arrangements for
staggered working hours,
sabbatical leave and “dress for
the day”

Partners



TENANT ENGAGEMENT

JOINTLY ADVANCE ENVIRONMENTAL PERFORMANCE THROUGHOUT TENANCY LIFECYCLE



Green Performance Pledge (GPP)



60%
of new office leases and
renewals in wholly-owned
portfolios sign a GPP

How it works?



Commit

to collaborate
on sustainability



Establish

baseline
performance



Take action

to meet agreed
SD goals



Recognise

tenants' good
performance

Smart Waste Reduction Pilot



An innovative, fun and
rewarding waste
reduction challenge

- ✓ Advisory to optimise
waste bin layout
- ✓ IoT scales to monitor
waste disposal
- ✓ Gamify collective waste
reduction journey

15+

Participating
Offices (SPL &
Tenant)

322k+

Floor Area
(sq ft)

SUSTAINABLE PROCUREMENT STRATEGY

SUPPORTING A LOW-CARBON ECONOMY VIA PROCUREMENT

Sustainable procurement system implemented in operations in the Hong Kong and the Chinese mainland

HK\$1,196_M

Total Sustainable Procurement Spending in 2020

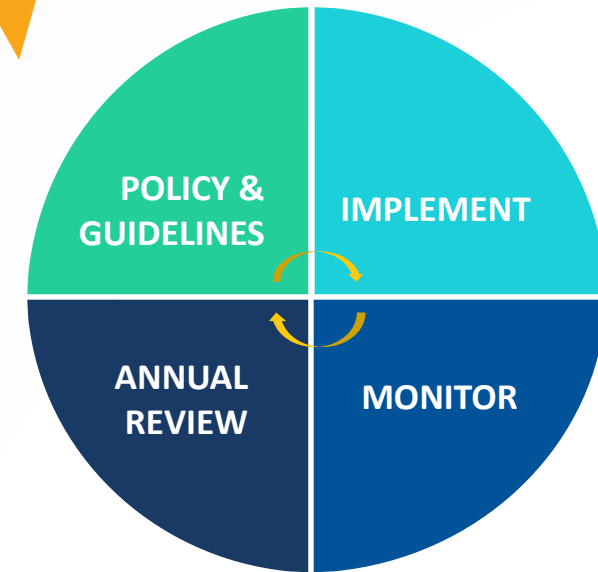
- In 2020, we expanded our procurement from green products & services to include sustainability-related products & services
- Includes expenditures on promoting **safety, health and wellbeing** in our properties and projects under development



25% of products and services purchased¹ shall be sustainable



Continuous commitment on



Supplier
Code of
Conduct

ISO
14001
EMS

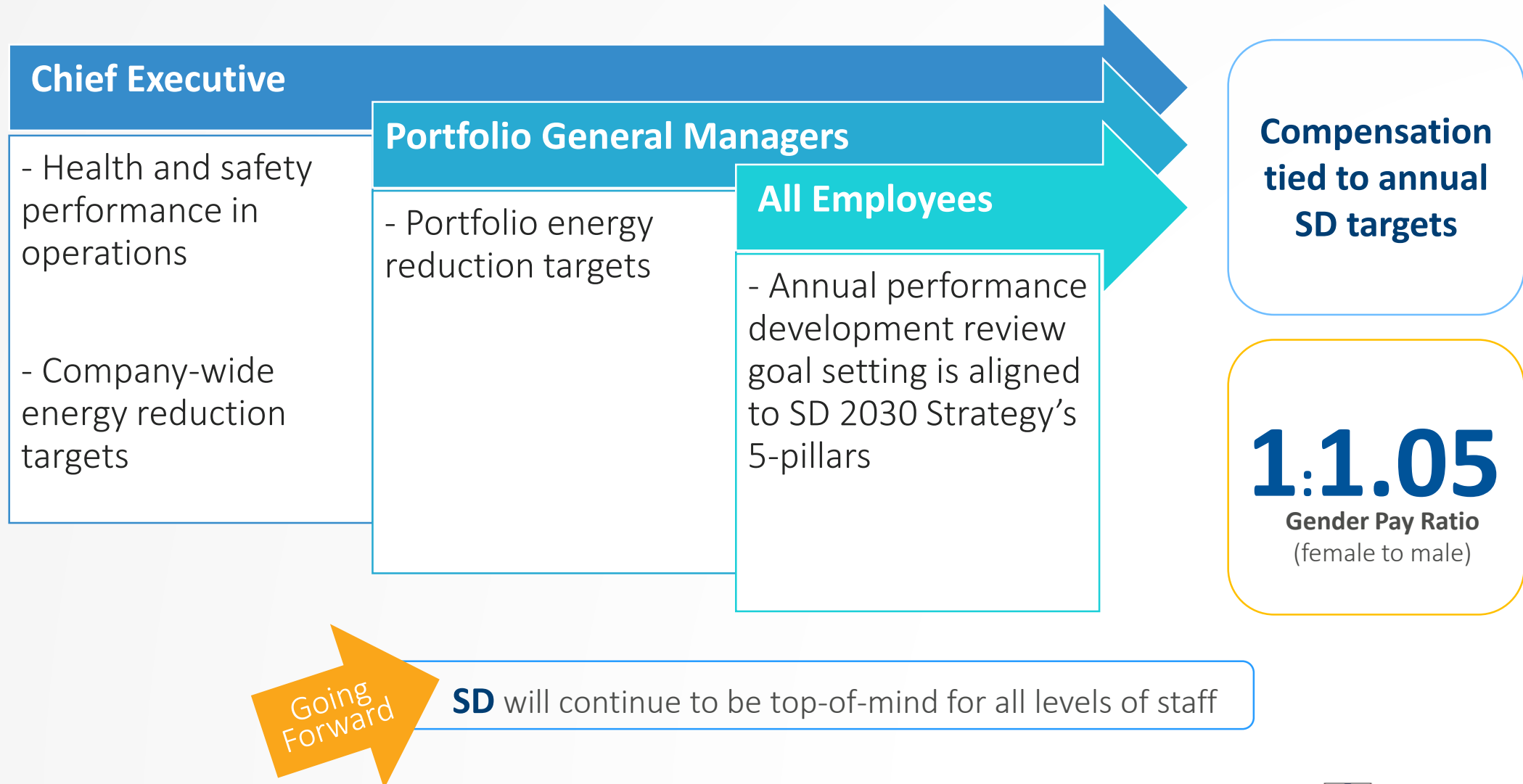
e-Tracking
System

Performance (Economic)



SD INTEGRATION IN COMPENSATION

COMPENSATION TIED TO SD PERFORMANCE INDICATORS



GREEN FINANCING PREFERRED FINANCING STRATEGY

~30%

of our current bond and loan facilities come from green financing¹



2025 TARGET:

- Achieve a minimum of **50%** of bond and loan facilities from **green financing**

2018

1st green bond in Hong Kong that obtained the Green Finance Certification from HKQAA (US\$500M)

2019

1st sustainability-linked loan in Hong Kong with the interest rate linked to year-on-year SD performance improvement (HK\$500M)

2020

Launched four more green bonds (totalling HK\$1,934M)

Secured a HK\$1B green loan facility

Launched three more sustainability-linked loans (totalling HK\$3B)

2021

Named a **“Top 10” green bond issuer** globally by Climate Bonds Initiative for our green bond reporting work

2021 AND BEYOND

1.5 PATHWAY TO ACCELERATE TRANSITION TO NET ZERO EMISSIONS ECONOMY

**BUSINESS
AMBITION FOR 1.5°C**  



RACE TO ZERO

1.5°C pathway supported by
technological innovations



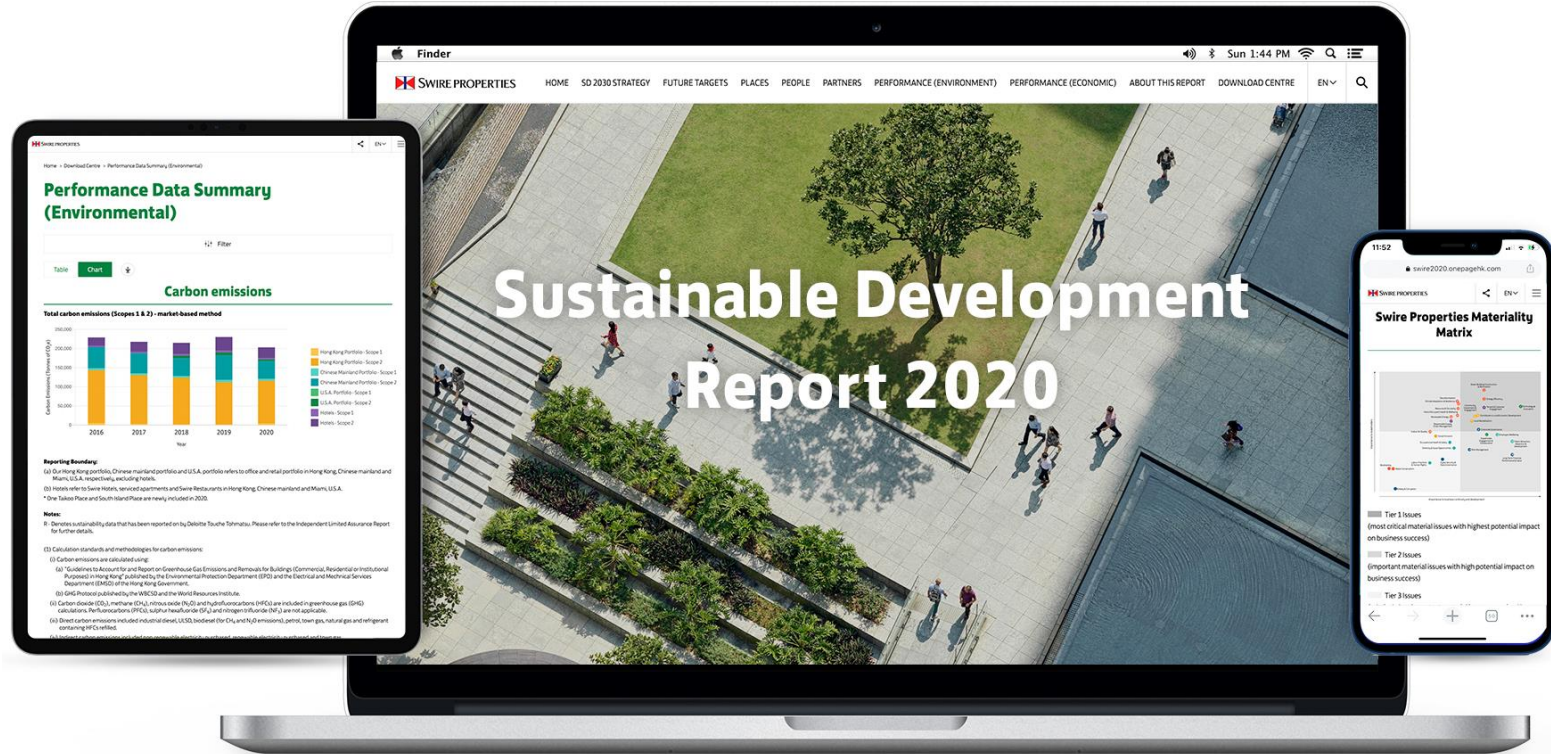
New partnerships with
tenants and supply chain



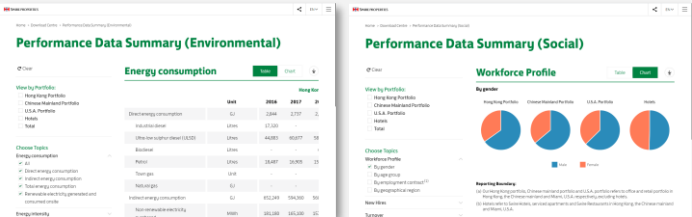
Expanding our green
financing capability



FIGHTING CLIMATE CHANGE – WE'RE ALL IN



Interactive data charts in **web-based Performance Data Summary**



TCFD | TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

Read our 3rd Climate-related Financial Disclosures



🔍 sd.swireproperties.com ➡



Taikoo Li Sanlitun

ESG Q&A





South Island Place

APPENDIX

COMMITMENT TO 1.5°C PATHWAY LEADS TO NET ZERO BY 2050

BUSINESS
AMBITION FOR **1.5°C**

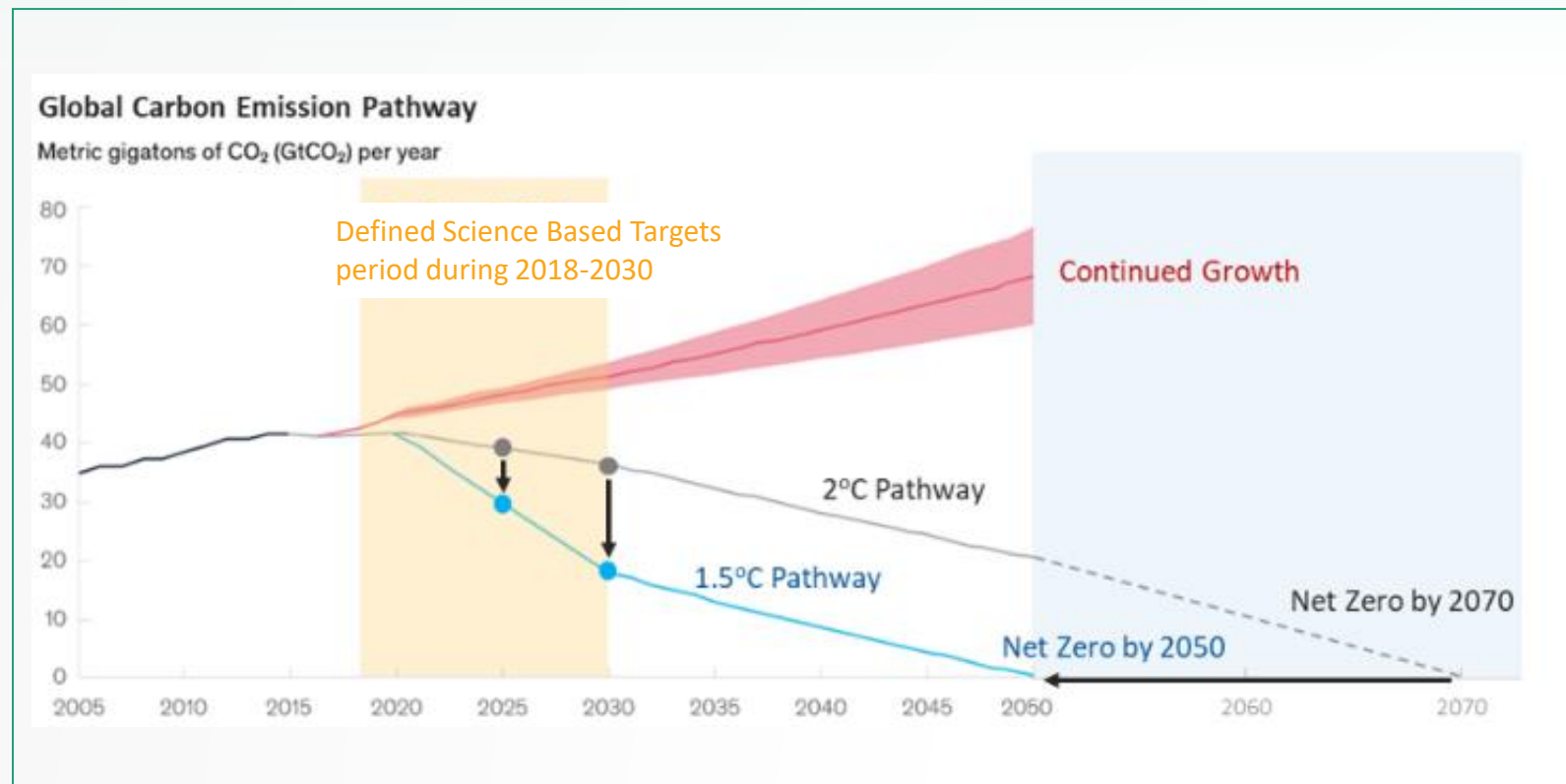


RACE TO ZERO



1st

real estate developer in Hong Kong and the Chinese mainland to **commit to Business Ambition for 1.5°C** to support a net-zero emissions⁽²⁾ economy by 2050.



(1) Chart adapted from "Climate math: What a 1.5-degree pathway would take, McKinsey & Company". For illustration of global carbon emissions pathway only.

(2) Hong Kong and Chinese mainland have pledged to achieve carbon neutrality before 2050 and 2060 respectively