



ESG PRESENTATION

30TH JUNE 2022

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AGENDA

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

Speakers:

Fanny Lung

Finance Director

Raymond Yau

General Manager, Technical Services and Sustainable Development

Patrick Ho

Senior Manager, Sustainable Development

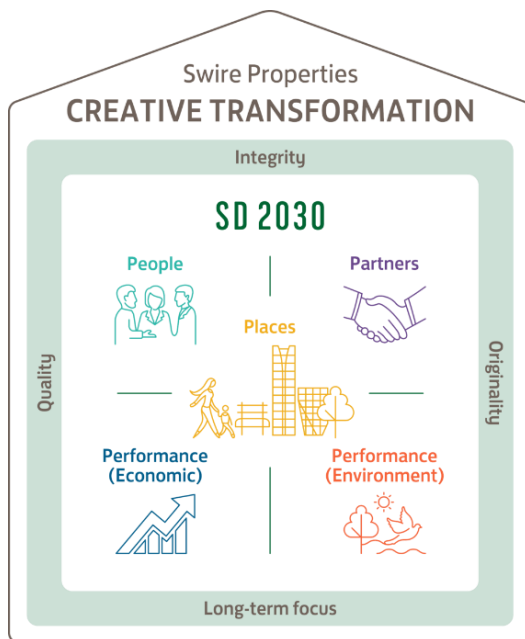
Ashley Hegland

Consultant

SD 2030 STRATEGY

ADVANCING TOWARDS 2025 & 2030 KPI

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



Performance (Environment)

1.5°C-aligned Science-Based Target

	2021	2025
Scope 1 & Scope 2 ¹	↓23%	↓25%

Partner

Green Performance Pledge (“GPP”)

2021	2025
21% of office tenants ² signed up to GPP	50% of office tenants in our wholly-owned portfolios ³ sign up to GPP

People

Maintain Lost Time Injury Rate

	2021	2025
Non-hotel operations	0.67	<1.2
Hotel operations	1.55	<2

Performance (Economic)

Green Financing

2021	2025
40% of current bond and loan facilities from green financing	50%⁴ of bond and loan facilities from green financing

¹ Compared to the 2019 baseline

² Hong Kong portfolio only

³ Measured by occupied lettable floor area (“LFA”) of office portfolios at 100% basis comprising of Taikoo Place and Pacific Place in Hong Kong and Taikoo Hui in Guangzhou.

⁴ Arranged by Hong Kong head office

SD INDICES PERFORMANCE

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

DJSI World since 2017

2021: **1st** in Asia, **7th** Globally

Sustainability Yearbook
Member 2022
S&P Global

Top **15%** globally



Hang Seng Corporate
Sustainability Index
Series Member 2021-2022



Top company since 2018

'AAA' rating



'AAA' rating since 2018



G R E S B
REAL ESTATE
sector leader 2021

Global Sector Leader

since 2017¹



FTSE4Good

since 2016

Places





Artist's Impression

TAIKOO PLACE REDEVELOPMENT

TWO TAIKOO PLACE:

TRIPLE PRECERTIFIED PLATINUM GREEN AND HEALTHY BUILDING

Incorporating Sustainable & Green Features:
*Exemplifying the **Placemaking** concept*



Liveability

70,000+ sq ft
green open space
& improved
micro-climate



Connectivity &
Walkability

Elevated walkway
to improve
interconnectivity
of the whole
business
community



Biodiversity

Curated
landscaping with
local “feng shui
woodland” tree
species to form
green corridors



Health &
Wellness

Indoor air quality
monitoring &
purification
technologies

WHITE CHRISTMAS STREET FAIR 2021

CARING FOR THE ENVIRONMENT & INVESTING IN FUTURE GENERATIONS

1st White Christmas Street Fair with

zero-waste goal



Working Towards Zero Waste

- Banning the use of single-use plastic tableware, such as straws and cutlery
- Partnering with a local pulp mill to collect, clean and recycle paper cups and containers
- Using FSC-certified wood for most wooden installations

Empowering Youth

7

university students participated
in a full-time apprenticeship

60

masterclasses and
mentorship sessions

158 hours

of practical training

HKD250,000

in employment support

Performance (Environment)



CARBON PERFORMANCE

FUTURE-PROOFING DECARBONISATION TRAJECTORY

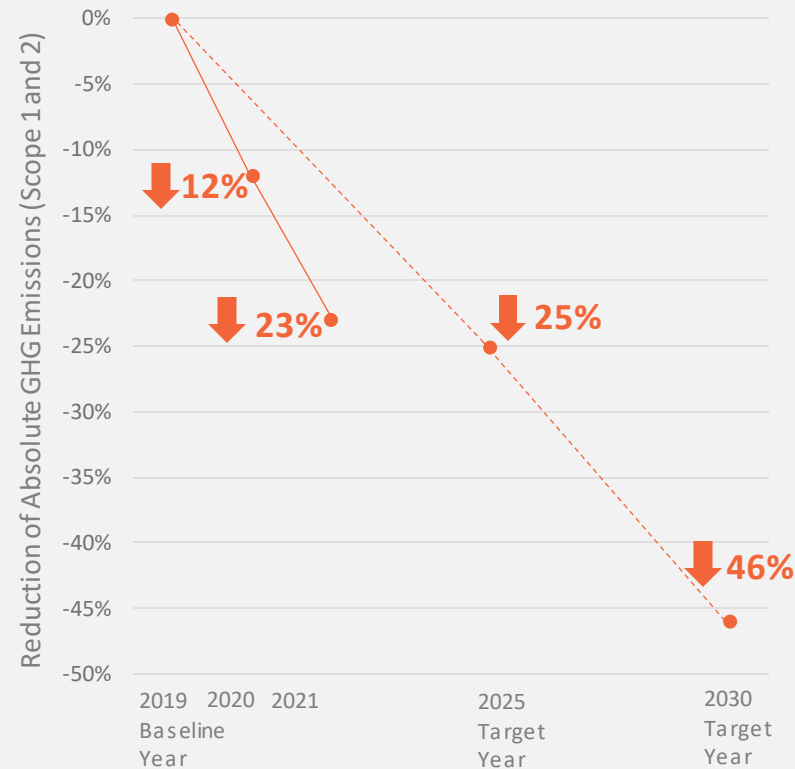
BUSINESS
AMBITION FOR **1.5°C**

Net Zero Before 2050

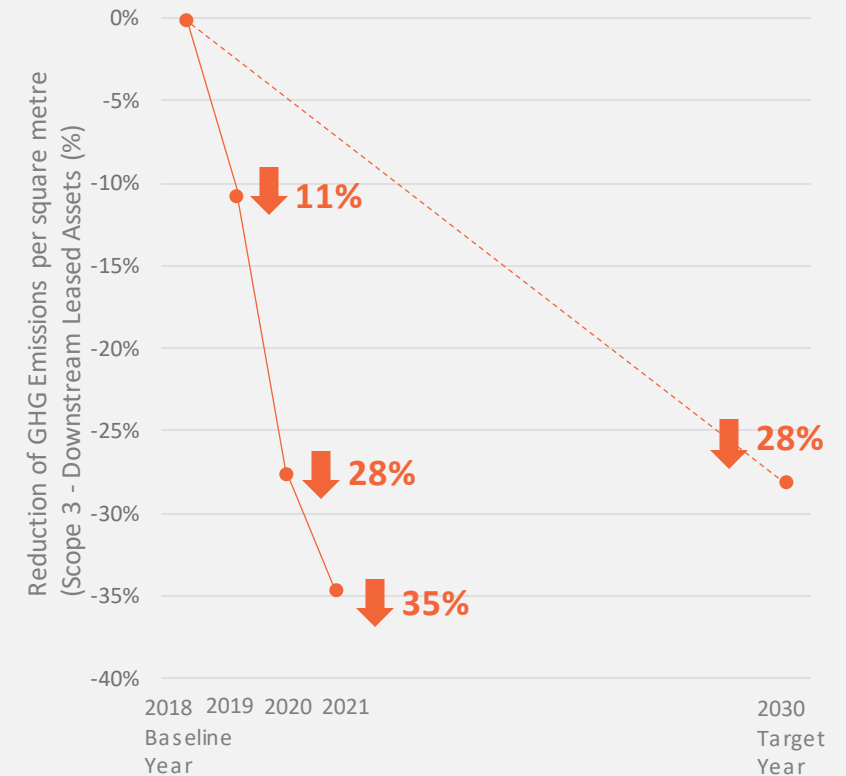
Ramped up our Science-based
Targets in alignment with 1.5°C
Decarbonisation Pathway



Progress against SBT Scope 1 and 2 targets



Progress against SBT Scope 3 -
Downstream Leased Assets



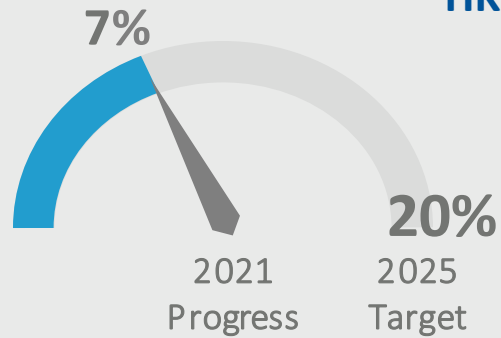
ENERGY PERFORMANCE

FURTHER ENERGY SAVINGS THROUGH TECHNOLOGICAL INNOVATION

Energy Reduction¹

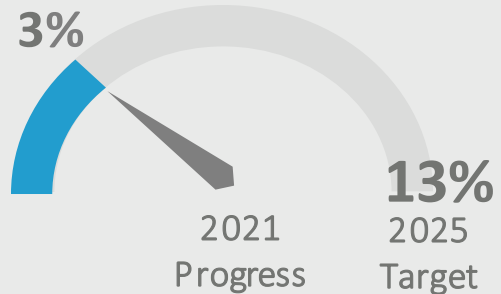
Hong Kong Portfolio²

Estimated cost-savings of
HK\$11.8M/year³

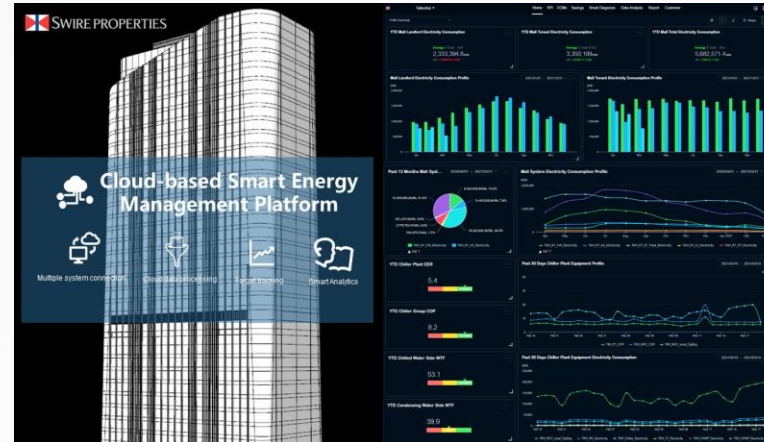


Chinese Mainland Portfolio²

Estimated cost-savings of
HK\$2.6M/year³



Energy Saving Strategies



Smart Energy Management Platform

Cityplaza and Taikoo Hui, Guangzhou

~500,000 kWh
saved since implementation (Q2 2021)



Integrated Direct Current Microgrid

Taikoo Li Sanlitun, Beijing

-10%

estimated carbon emissions
compared to conventional energy
generation systems

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 2019 baseline year for our Hong Kong and Chinese Mainland portfolios (including hotels).

² Hong Kong and Chinese Mainland portfolios refers to our office, retail portfolios and hotels in Hong Kong and the Chinese Mainland respectively.

³ Estimated like-for-like energy cost savings achieved in Hong Kong and the Chinese Mainland in 2021 against 2019 business-as-usual ("BAU") baseline.

RENEWABLE ELECTRICITY (RE) GENERATION AND PROCUREMENT

INCREASING RE PENETRATION IN OUR PORTFOLIOS



¹ On-site renewables from solar photovoltaic (PV)

² On-site renewables from solar photovoltaic (PV) and waste-to-energy tri-generation system

³ Off-site renewable electricity procured

⁴ Figures shown refer to renewable electricity generated or procured in 2021

TWO TAIKOO PLACE - WHOLE LIFECYCLE CARBON MANAGEMENT

Resource & Circularity

- High recycling rate of **>88%¹**
- Covering over **6** waste streams to be reused / recycled

Structural Optimisation

- BIM models
- Prefabricated structural items and modularised E&M elements

Low-carbon Building Materials

- **~100%** concrete used with CIC Green Product Platinum Certification
- Structural steel & rebar with high recycled content & manufactured by electric arc furnace (EAF) process



Renewable Energy

Generate **~7%** renewable energy of total landlord energy use through

- Biodiesel tri-generation plant
- Photovoltaic panels
- Wind turbine

Demolition

Design

Construction

Operation

Low-carbon Construction Process

- Use of battery storage system
- Use of biodiesel
- Reuse timber
- Support of *BEC Power-Up Coalition*



¹ Covering the demolition of the previous Cornwall House and Somerset House

RESOURCE RECYCLING & WASTE DIVERSION

PROACTIVE TENANT MANAGEMENT

2021 Progress

Commercial Waste Diversion

Hong Kong Portfolio

23.6%

2025 Target:
30%

Chinese Mainland Portfolio

41.6%

2025 Target:
40%

Projects Under Development

Hong Kong Portfolio:
Demolition Waste Diversion

94.6%

6 Deep Water Bay Road

Chinese Mainland Portfolio:
Construction Waste Diversion

84.5%

Taikoo Li Qiantan

2025 Targets:

Hong Kong

85%

Demolition Waste

70%

Construction Waste

Chinese Mainland

50%

Total Waste

PROMOTING CIRCULARITY

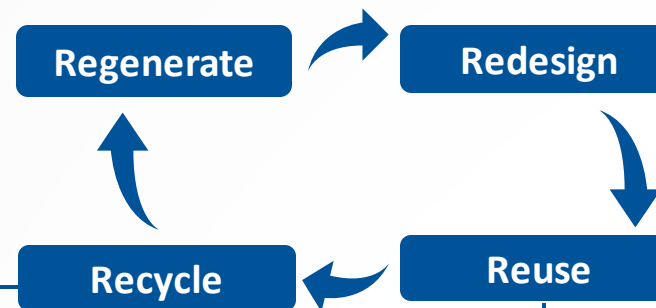


Smart Waste
Reduction Challenge

10 office tenants

41% waste diversion rate

14% reduction in total
waste per employee¹



SD Fit-out Guidelines
(office and F&B tenants)
Green Event Guidelines



18

tonnes of furniture diverted
from landfill through circular
furniture programme



Food Waste
Recycling
Programme

Smart
reusable cup
network



GREEN BUILDING PERFORMANCE

GREEN BUILDING LEADER RECOGNISED BY AWARDS AND CERTIFICATIONS

By 2025, **100%** wholly-owned new development¹ and **90%** wholly-owned existing developments¹ to achieve the highest environmental building assessment scheme rating

2021 Progress



of projects under development² achieved **highest** green building certification ratings



of all existing buildings³ are **certified green buildings**, of which 82% achieved the highest ratings



of 2021 gross rental income was contributed by **certified green buildings**



Pioneer Award

in Green Building Leadership –
Facilities Management

1st and only developer to win this **top award** in the
“Green Building Leadership Category” for **three years**
running

Grand Award

in New Building Category: Projects Under Construction and/or
Design (Commercial)

Two Taikoo Place being
the 2nd building at Taikoo Place to obtain a Grand Award

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 2022¹

- **Second time topping this award since 2020**
- **Placed in Top 4 Most Attractive Employer for 6 consecutive years**

People Engagement Survey



100% response rate

88% Employee Engagement Index²

>90% felt aligned with Company's goals and objectives

Innovation



680+ idea submissions in 2021 to help improve business operations and processes

>50% ideas approved

¹ Based on 3,027 locally-based respondents

² Employee Engagement Index measures how well our people are connected to the company and it measures based on a few dimensions (e.g. the extent of discretionary effort committed to achieving work goals, an environment that supports executing their daily work, a work experience that promotes well-being).

FOCUS ON OUR PEOPLE

LAUNCHING MORE HEALTH AND SAFETY INITIATIVES



Established **Zero Harm Commitment** and **Zero Harm Framework and Roadmap**
4 engagement areas: leadership, structure, process and culture

Launched “**Management Safety Walks**” and “**Near-miss and Hazard Reporting System**” to report any near-miss incidents or hazardous conditions in their buildings

Lost Time Injury Rate (LTIR) - Employee

2025 Target	2021 Progress
LTIR ≤ 1.2 for non-hotel operations	0.67 Drop 20% vs 2020
LTIR ≤ 2 for hotel operations	1.55 Drop 25% vs 2020



Contractor Workers at Project sites

Reduce 5-year rolling average¹ of
**Accident Rate per 1,000 contractor workers
for Hong Kong Projects**

2025 Target:

↓ **50%**

2030 Target:

↓ **70%**

FOCUS ON OUR PEOPLE

INCREASING DIVERSITY AND CREATING AN INCLUSIVE WORKPLACE

New

Established **Respect in the Workplace Policy, Staff Grievance Policy and Parental Leave Policy and Guidelines**, which reaffirm our commitment to creating an inclusive and supportive working environment in 2021.

2025 Target

Maintain a **gender balance** in senior management

Maintain gender pay ratio at **1:1**

2021 Progress

49% of Senior Management positions held by women

50% of Management positions held by women

1:1.07
Gender Pay Ratio
(female to male)

Support LGBTQ+ community & Women Empowerment

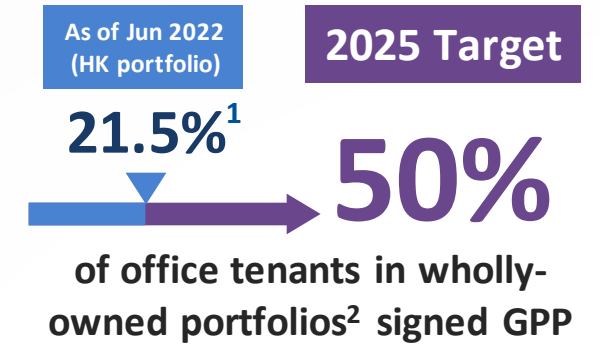
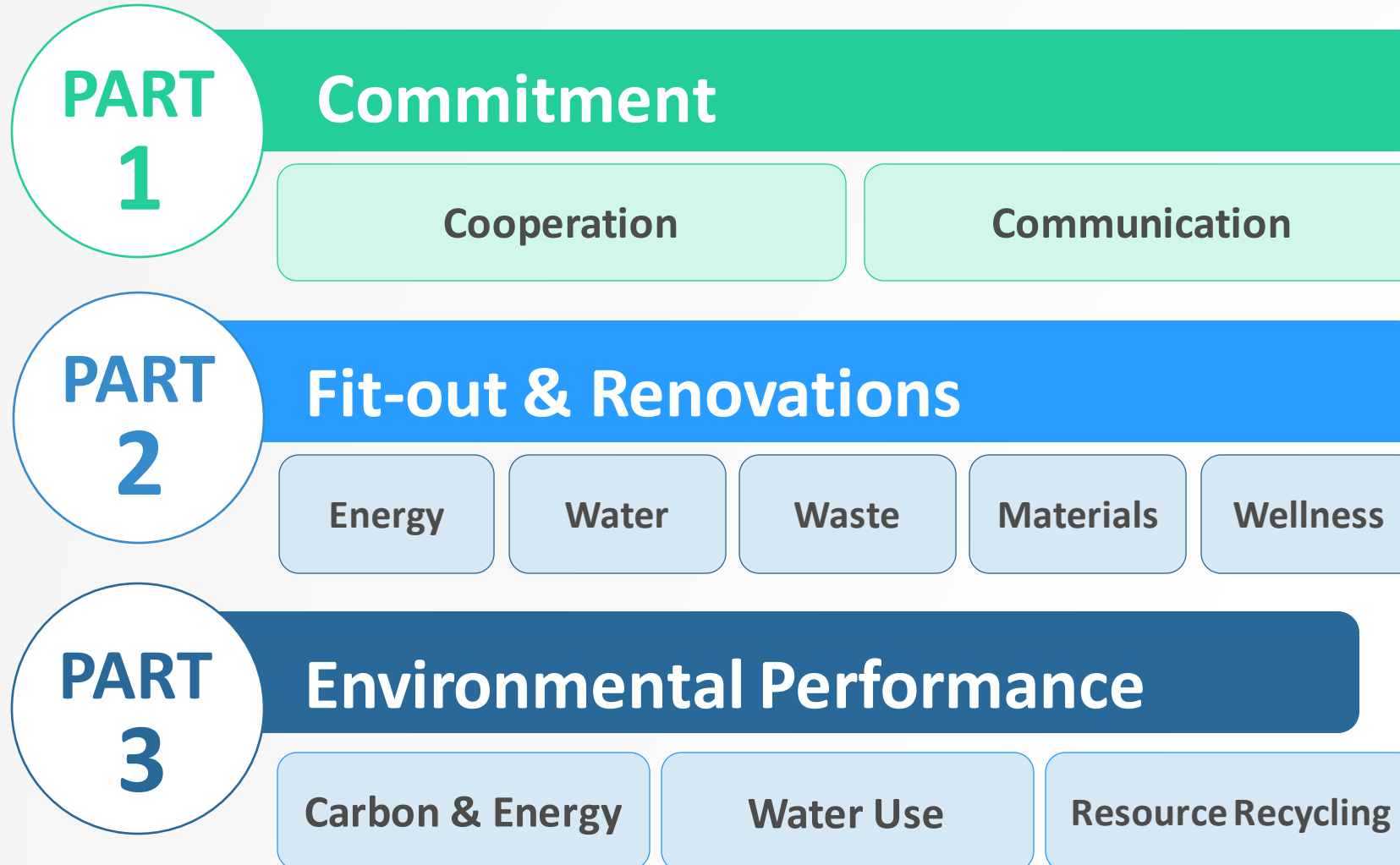


Partners



TENANT ENGAGEMENT – GREEN PERFORMANCE PLEDGE

NEW FLAGSHIP PLATFORM TO FOSTER LANDLORD-TENANT COLLABORATION



The GPP Journey



Commit to collaborate and communicate



Share data for action planning



Take action to improve SD performance



Benchmark & Recognise outstanding tenants

TENANT ENGAGEMENT – RETAIL TENANTS

JOINTLY ADVANCE ENVIRONMENTAL PERFORMANCE THROUGHOUT TENANCY LIFECYCLE


Green Kitchen Initiative



62

F&B tenants
participated¹

28

recognized with

Three-Leaf rating¹

Energy Audit (since 2008)



5.8 million

sq ft of
tenanted area²

9.1 million

kWh of potential
annual energy savings²

Hong Kong Green Shop Alliance (“HKGSA”)

Won major accolades at the 2021 HKGSA Awards

1st

Real Estate Developer
to support the HKGSA

“Best Green Practice in Malls”

- Cityplaza – Champion
- Island Place Mall – 2nd Runner-up

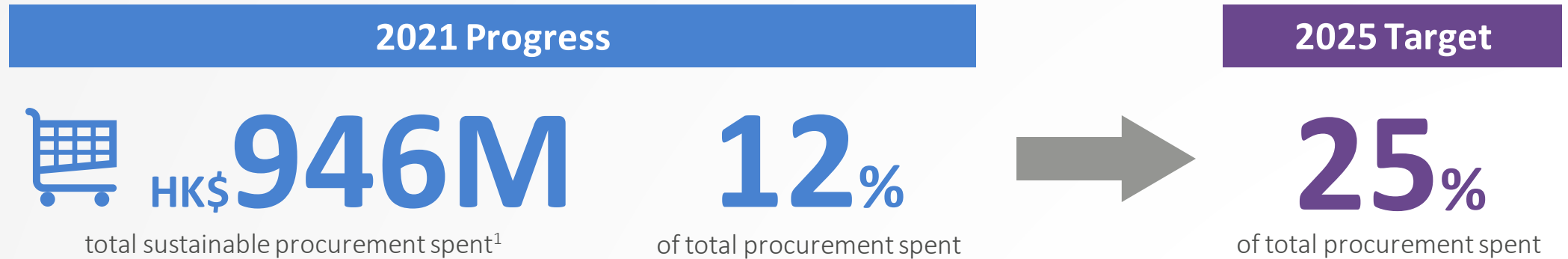
“Best Collaborative Effort of Malls and Shops”

- Pacific Place – Best Green Kitchen Partner Award

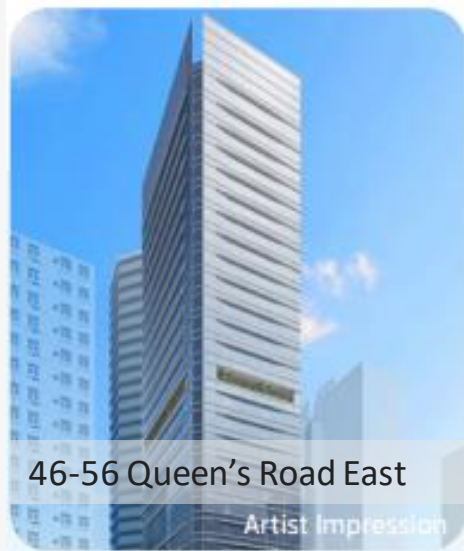


SUSTAINABLE PROCUREMENT STRATEGY

COLLABORATING WITH SUPPLIERS TO IMPROVE SUSTAINABILITY



In addition to sustainable sourcing at our portfolio management offices and hotels



Utilising Low-carbon Development Strategies for New Projects

- **Introduce low-carbon specification** for building materials and design process. Examples include:
 - Concrete
 - Reinforcement bar and structural steel
 - Structural optimisation
- **Early construction site electrification** to reduce carbon emissions, air pollution and noise from diesel-driven equipment



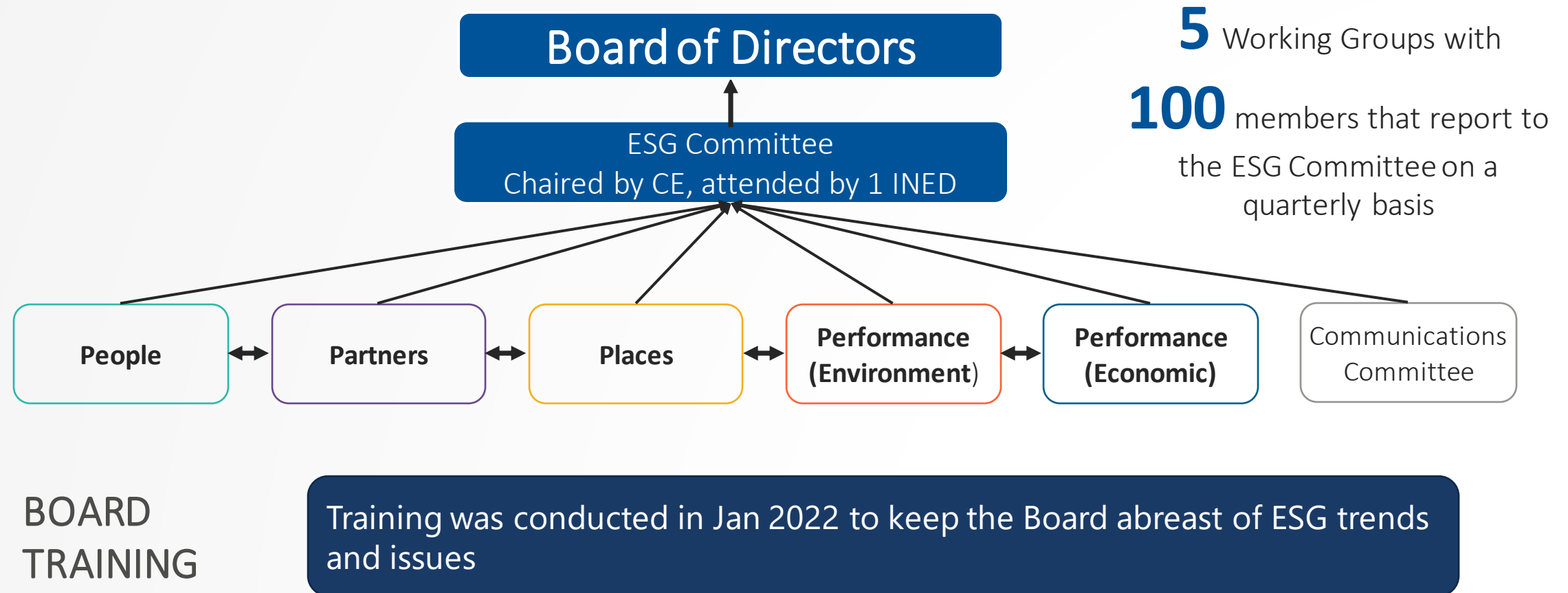
CIC GREEN
PRODUCT CERTIFICATION

Performance (Economic)



CORPORATE GOVERNANCE

BOARD OVERSIGHT OF ESG MATTERS



GREEN FINANCING

INCREASING USE OF SUSTAINABILITY-LINKED LOANS



~40% 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**

As at September 2021

Allocation of Green Bonds and Green Loan Proceeds



100% of net proceeds from all green bonds have been allocated to green projects

2022

3 sustainability-linked loan facilities totalling **HK\$3.5 billion** were secured¹

2022 AND BEYOND

BRINGING EVERYONE ONBOARD OUR NET ZERO JOURNEY

BUSINESS AMBITION FOR 1.5°C



SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

RACE TO ZERO



**Digitalisation for a
low-carbon and
resource efficient portfolio**

**Ramp up tenant
engagement through GPP**

**Continuous expansion of our
green finance facility**

Fighting Climate Change, Together We Can!

Your actions matter. Join Team 1.5°C and do more.



Sustainability
We All Count



Learn More About
Our Initiatives

Visit our Latest SD Report 2021



sd.swireproperties.com



Read our fourth set of climate-related financial disclosures as per TCFD recommendations

sd.swireproperties.com/2021/en/climate-related-financial-disclosures



Fighting Climate Change We're All In



Taikoo Hui, Guangzhou

ESG Q&A



Taikoo Li Qiantan, Shanghai

APPENDIX

2025 & 2030 TARGETS

People



2025 KPI

Gender pay ratio:
1 to 1

Lost Time Injury Rate
(LTIR):

≤ 1.2

Non-hotel operations

≤ 2.0

Hotel operations

Partners



2025 KPI

25% of products and services purchased¹ shall be sustainable

50% of tenants in our office portfolios² sign the **Green Performance Pledge** to jointly improve environmental performance

Performance (Environment)



2025 KPI

Scope 1 and 2³
↓ 25% of absolute GHG emissions



Hong Kong portfolio⁶
↓ 20%
Chinese Mainland portfolio⁷
↓ 13%

2030 KPI

Decarbonisation

Scope 1 and 2³
↓ 46% of absolute GHG emissions

Scope 3 –
Capital
Goods⁴

↓ 25% per sqm

Scope 3 –
Downstream
Leased Assets³

↓ 28% per sqm

Energy Reduction⁵

Hong Kong portfolio⁶
↓ 40%
Chinese Mainland portfolio⁷
↓ 35%

Performance (Economic)



2025 KPI

Achieve a minimum of **50%** of bond and loan facilities⁸ from **green financing**

2030 KPI

Achieve a minimum of **80%** of bond and loan facilities⁸ from **green financing**

¹ For wholly owned new and existing investment portfolios.

² Measured by occupied lettable floor area ("LFA") of office portfolios at 100% basis comprising of Taikoo Place and Pacific Place in Hong Kong and Taikoo Hui in Guangzhou

³ From a 2018 baseline.

⁴ From a 2016-2018 baseline.

⁵ Energy reduction refers to a reduction in energy use intensity.

⁶ Hong Kong portfolio refers to our office and retail portfolios and hotels in Hong Kong.

⁷ Chinese Mainland portfolio refers to our office and retail portfolios and hotels in the Chinese Mainland.

⁸ Loans and bonds arranged at Hong Kong Head Office level.



ORIGINAL. ALWAYS.
50 YEARS OF SWIRE PROPERTIES