

SUSTAINABLE
DEVELOPMENT
REPORT
2017

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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 or fill in the

[Feedback Form](#)



CHIEF EXECUTIVE'S MESSAGE



2017 was the first full calendar year of implementing our Sustainable Development (“SD”) strategy – what we call our SD 2030 Strategy – and the focus has been on ‘getting things done’. This strategy is aimed at ensuring that SD is integrated into every facet of our business, so it is vital that everyone at Swire Properties not only understands what our strategy is about, but also feels empowered to contribute to what we are trying to achieve.

Our employees are critical to the implementation of the strategy and it has been heartening to see them getting involved at every level. I am particularly proud of the progress we are making to integrate SD throughout our business by breaking down geographic and functional silos. We have incorporated SD focus areas directly into our annual budget-planning processes and, most importantly, we are putting SD key performance indicators into action.

Our SD 2030 Working Groups are already delivering tangible outcomes with respect to the interim goals we have set for 2020, including the issuance of our first green bond in January 2018. This not only reaffirms our commitment to designing and developing green projects, but also supports the emergence of Hong Kong’s green capital market.

Another area in which we aspire to provide leadership is diversity and inclusion, which means fostering a working environment that provides equality of opportunity and employment without bias. To affirm our commitment to these principles, we have created a Diversity and Inclusion Committee with responsibility for developing and implementing our agenda for diversity and inclusion throughout the Company.

At the heart of our SD 2030 Strategy is the realisation that the greatest impacts we have on society are in the places we create and maintain over time.

We opened our first development in Shanghai – HKRI Taikoo Hui – in 2017. Underpinned by our successful mixed-use model, this project is already realising its potential to become a hotspot for lifestyle offerings and family-friendly events, helping to create a vibrant new community in this iconic city.

In Hong Kong, the redevelopment of Taikoo Place continues to make steady progress, reinforcing its status as a major commercial district and hub for innovation in the city. In September, we received approval to incorporate vibrant new elements into the redevelopment project, such as more recreational amenities and public spaces.

In Miami, U.S.A., Brickell City Centre is adding value to its growing community too, having been named Project of the Year at the Urban Land Institute’s 2017 Vision Awards. This is a fantastic accolade considering that the award recognises both exceptional architectural design and social impact on the local community – two areas in which we strive to excel.

CHIEF EXECUTIVE'S MESSAGE

To ensure the continued optimisation of existing building system operations, we have commenced energy audits and a monitoring-based commissioning programme for the heating, ventilating, and air conditioning systems in Pacific Place, Hong Kong. This will help us to identify opportunities for further energy and carbon reductions.

More broadly, Swire Properties' long-term commitment to SD continues to receive recognition. In 2017, our first-time listing in the Global Real Estate Sustainability Benchmarks ("GRESB") resulted in a 5-star rating and the highest score among all participants in the Other – Mixed Use Development category. We were also proud to be the only company in Hong Kong and Mainland China to be included in the Dow Jones Sustainability World Index 2017.

Even though this recognition indicates that we are moving in the right direction to achieve our SD vision, we acknowledge that we have much more work to do.

I would like to thank all those, both within Swire Properties and among our extended network of stakeholders, who continue to support our SD 2030 Strategy. Moving into 2018, we are continuing to focus on 'getting things done'. It's an exciting challenge and I look forward to seeing what we can accomplish next.




Guy Bradley
Chief Executive

ABOUT THIS REPORT

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

This report is the 10th sustainable development (“SD”) report of Swire Properties Limited (“Swire Properties”, “SPL” or “Company”) covering the period from 1st January 2017 to 31st December 2017. It focuses on Swire Properties’ businesses, joint ventures and subsidiaries in property investment, property trading and hotel investment, where the Company has management control. The report includes details of our SD vision and progress on implementation of our SD strategy (“SD 2030 Strategy”) in the past year.

Within the [scope of this report](#), our portfolio in Hong Kong comprises primarily Grade-A office, retail, hotel and residential properties located at Pacific Place, Cityplaza, Taikoo Place, and Citygate Outlets in Hong Kong, and our portfolio in Mainland China comprises four major commercial mixed-use developments in prime locations in Beijing, Guangzhou and Chengdu. Hotel operations refer to hotels that we own and manage through Swire Hotels, a wholly-owned subsidiary, including The House Collective in Hong Kong, Beijing and Chengdu, and EAST in Hong Kong and Beijing.

We also discuss SD impacts and initiatives in our new developments at Brickell City Centre in Miami, U.S.A. (opened in 2016) and HKRI Taikoo Hui, Shanghai (opened in 2017), as well as our other residential properties in Hong Kong.



PROFILE OF SWIRE PROPERTIES LIMITED

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

Year of establishment

1972

Ownership and legal form

Public company listed on the Main Board of the Stock Exchange of Hong Kong (Stock Code: 1972) - Swire Pacific Limited is the immediate holding company and major shareholder

Core businesses

Property Investment

Property Trading

Hotel Investment



Aggregate GFA attributable to the group*

~29.2 million square feet

Number of employees*

5,000+



Underlying profit attributable to shareholders in 2017

HK\$7,834 million



Underlying profit/(loss) by segment



* Data is valid as at 31st December 2017 and has been reproduced from the [Swire Properties Annual Report 2017](#).

About Us

Headquartered in Hong Kong, we are a leading developer, owner and operator of mixed-use, principally commercial, properties in Hong Kong and Mainland China, with a significant presence in Miami, U.S.A. We also have an established office in Singapore.

Creative Transformation captures what we do and how we do it. It underlines the creative mindset and long-term approach that enables us to seek out new perspectives and original thinking that goes beyond the conventional. It also helps us unlock the potential of places and create vibrant destinations that can engender further growth and create sustainable value for our shareholders, our business partners and the people with whom we work.

For further details of our key business strategies, operations and financial performance, please refer to the [Swire Properties Annual Report 2017](#).

PROFILE OF SWIRE PROPERTIES LIMITED

Inclusion in Sustainability Benchmarks and Indices

Swire Properties' long-term commitment to SD continues to receive recognition in various sustainability benchmarks and indices.

 <p>MEMBER OF Dow Jones Sustainability Indices In Collaboration with RobecoSAM</p>	<p>2015 2016 2017*</p>	<p>* Member of Dow Jones Sustainability World Index Sole constituent from Hong Kong and Mainland China</p>
 <p>The Sustainability Yearbook 2018</p>	<p>2017 2018</p>	<p>Top 15% of real estate companies globally 1 of 3 Hong Kong developers listed</p>
 <p>FTSE4Good</p>	<p>2016 2017</p>	<p>1 of 3 Hong Kong developers listed</p>
 <p>Hang Seng Corporate Sustainability Index Series Member 2017-2018</p>	<p>2015 2016 2017*</p>	<p>* Top 3 sustainability performers Highest ranked constituent in the properties and construction industry</p>
 <p>G R E S B REAL ESTATE Sector Leader 2017</p>	<p>2017</p>	<p>5-star rating Global Sector Leader: Other – Mixed Use Development category</p>
 <p>MSCI</p>	<p>2017 Constituent¹ MSCI ESG Leaders Indexes</p>	<p>2014 2015 2016 2017</p>

Active Participation in Investor-led Sustainability Platforms

Swire Properties is committed to active participation in investor-led sustainability platforms. In 2017, we prepared and submitted our first application for inclusion in Global Real Estate Sustainability Benchmarks (“GRESB”), which is an investor driven organisation that assesses the sustainability performance of real asset sector portfolios worldwide.

<p>GRESB Assessment 2017</p>	<p>77,000 assets</p>	<p>850 entities</p>	<p>62 countries</p>	<p>6 continents</p>
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Swire Properties' GRESB 5-star rating represents the highest level of GRESB's sustainability performance, indicating that the Company is ranked among the top 20% of real estate industry participants worldwide. GRESB also named Swire Properties the Global Sector Leader in the Other – Mixed Use Development category.

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

SD 2030 STRATEGY



SD 2030 STRATEGY

For over forty years, we have consistently advocated and adopted a philosophy of responsible development. Our commitment to operate in an environmentally, socially and economically responsible manner across all aspects of our business is reflected in our SD vision:

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

To help us achieve our SD vision, we introduced our SD 2030 Strategy in 2016. The strategy involves working closely with all relevant parties to build SD capability in all of our business activities.

SD 2030 Strategy Framework

Our SD 2030 Strategy is built on five strategic pillars:

Places

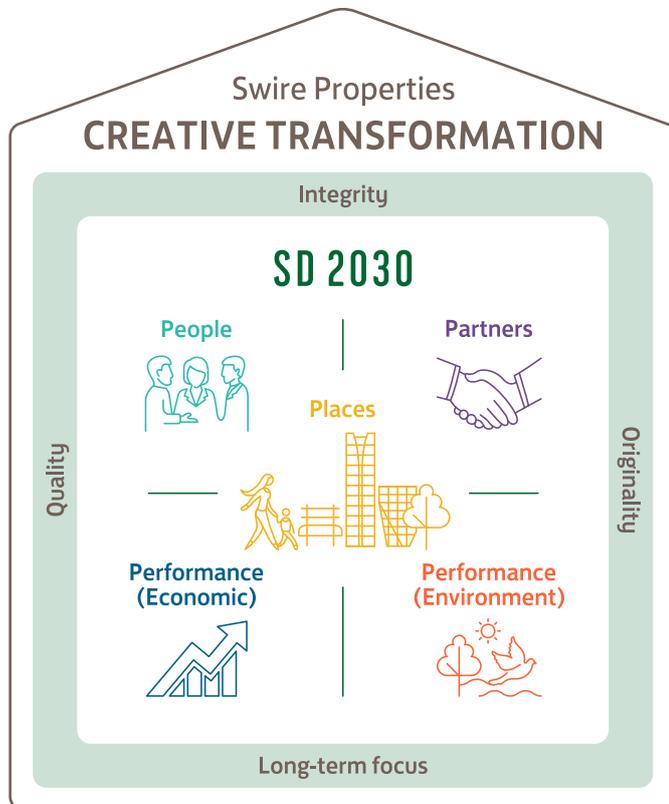
People

Partners

Performance (Environment)

Performance (Economic)

It is underpinned by the concepts of innovation and experimentation, and communication and engagement.



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Places

Places are at the heart of, and central to, the achievement of our SD 2030 Strategy.

Objective:

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

To achieve this, we will focus on five core areas:

- Master planning
- Supporting communities and local revitalisation
- Supporting the local economy
- Liveability
- Connectivity

We will work with all relevant parties to improve the quality of the communities in which we operate so that they may contribute positively to the cities where they are located.

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People

Partners

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People

The contributions of our employees are critical to our success.

Objective:

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

To achieve this, we will focus on five core areas:

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

We will promote a culture of inclusivity and encourage our employees to innovate, experiment and collaborate across functions, levels and geographies. We will also continue our long-term commitment to provide support and volunteer our services to the community.

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Places

People

Partners

Performance (Environment)

Performance (Economic)

It is underpinned by the concepts of innovation and experimentation, and communication and engagement.

Partners

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

Objective:

We aim to continue to develop long-term, mutually beneficial relationships with our business partners and other key parties so as to improve our environmental, social and economic performance.

We have identified a number of important partners who can support and benefit from our SD vision:

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

Where possible, we intend to work closely with partners who share our values. We also look for opportunities to help our partners achieve their own SD goals.

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Places

People

Partners

Performance (Environment)

Performance (Economic)

It is underpinned by the concepts of innovation and experimentation, and communication and engagement.

Performance (Environment)

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

Objective:

We aim to continue to design, construct and manage high quality developments that contribute positively to the communities in which we operate and the environment.

We will achieve this by managing the following key impact areas of our operations:

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

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SD 2030 Strategy Framework

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Places

People

Partners

Performance (Environment)

Performance (Economic)

It is underpinned by the concepts of innovation and experimentation, and communication and engagement.



Performance (Economic)

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

Objective:

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

We intend to achieve this by seeking to enhance or implement the following:

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

SD 2030 STRATEGY

Supporting the United Nations Sustainable Development Goals

Swire Properties supports 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.

In 2016, as part of the implementation of our SD 2030 Strategy, we took preliminary steps to match our focus areas, performance categories and KPIs to the SDGs and identified 15 SDGs that are relevant to our business. After further analysis, in 2017, we identified seven specific SDGs that we believe are most closely connected with our SD vision and SD 2030 Strategy.

SUSTAINABLE DEVELOPMENT GOALS

The infographic is a vertical grid with a grey brick-like background. It is divided into two main sections: 'Places' and 'People'. Each section lists specific SDGs that align with that focus area. To the right of the grid, there are detailed descriptions for each of these SDGs.

Focus Area	SDG	SDG Name	Description
Places	8	Decent Work and Economic Growth	Through Creative Transformation, we aim to continue to create long-term value by transforming places into vibrant and sustainable communities. Initiatives under Places align with: SDG 8 Promote sustainable economic growth, employment and decent work for all;
	9	Industry, Innovation and Infrastructure	SDG 9 Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation; and
	11	Sustainable Cities and Communities	SDG 11 Make cities and human settlements inclusive, safe, resilient and sustainable.
People	3	Good Health and Well-being	Safety, Health and Wellbeing is an integral part of our business and SD 2030 Strategy. Our initiatives under this focus area align with: SDG 3 Ensure healthy lives and promote wellbeing.
	5	Gender Equality	Diversity and Inclusion is an area in which we aspire to provide leadership. Our initiatives under this focus area align with: SDG 5 Achieve gender equality and empower women and girls.

SD 2030 STRATEGY



SD 2030 STRATEGY

Implementing Our Strategy

We encourage our employees to be proactive on SD issues both at work and in the community. This is reflected in our SD management structure, which includes employees with different backgrounds and expertise, in addition to different levels of seniority and work experience. Our inclusive management approach helps to ensure that our SD 2030 Strategy is properly integrated across our operations.

SD Working Groups

Each strategic pillar of our SD 2030 Strategy is supported by a working group (collectively, “SD Working Groups”). Having identified specific key performance indicators (“KPIs”) for 2020, the SD Working Groups are also responsible for developing KPIs for 2030, which will be disclosed in future reports.

The size and composition of the SD Working Groups vary depending on the nature of the issues for which they are responsible. Members of the SD Working Groups have been carefully determined to ensure that SD initiatives can be implemented through day-to-day operations in all areas of our business.

Communication and Engagement

Our SD communication and engagement committee is responsible for identifying, prioritising and overseeing the implementation of communication and engagement plans for SD initiatives that support our SD 2030 Strategy. Chaired by our Director, Marketing & Communication, its members include representatives from different functions within Swire Properties.

Communicating our Strategy

The successful implementation of our SD 2030 Strategy requires the support of our employees. In May 2016, we began a video-based internal campaign on Yammer, our internal social media platform, to introduce the strategy to employees and emphasise that SD is relevant to every part of our business.

Building on the Yammer campaign, in 2017 we opened a WeChat account for our employees in Mainland China to learn more about our SD vision and keep up with the latest news on our SD initiatives, including activities and events.

We have also created a dedicated website: www.SD2030.com. In addition to reading about our strategy and related initiatives, visitors to the website can enjoy an animated video about our approaches to SD.

SD 2030 STRATEGY

Making Swire Places



In April 2017, we held a staff engagement event in Hong Kong called “Making Swire Places”, which offered our colleagues an interactive and fun way to deepen their understanding of our SD2030 Strategy. We held similar staff engagement events at Taikoo Li Sanlitun in Beijing and TaiKoo Hui in Guangzhou later in the year. These events illustrate our approach to engaging with our employees about our SD vision.

More than 400 colleagues from across the Company participated in these events and worked together to design their ideal sustainable community. Master plans created by participating teams were shortlisted by fellow contestants before being voted on by all staff and then judged by a panel of experts, including renowned architect, Hugh Dutton, and our Chief Executive, Guy Bradley.

The top Hong Kong prize was awarded to Swire Properties Environmental-engineered Downtown, developed by a team from Taikoo Shing (Management) Limited, incorporating environmental engineering concepts to create an integrated and connected urban space.



Swire Properties Environmental-engineered Downtown



Shangri-La for Elders



Best Life, Smart Community

Shangri-La for Elders took the top prize at Taikoo Li Sanlitun in Beijing, impressing judges with its focus on the elderly, use of futuristic technology to create a seamless smart community, and blend of traditional Chinese landscape concepts with contemporary design to create a harmonious environment.



The winning entry at TaiKoo Hui in Guangzhou, Best Life, Smart Community, incorporated several innovative approaches to enhancing community connection, such as developing an underground traffic system to create more space for playgrounds and recreational facilities and building a ‘sky-walk corridor’ for patrons to enjoy the urban view.

Making Swire Places won the “Most Innovative Project Award” in the Sustainable Development Project Competition at the 7th Annual Swire Sustainable Development Forum. The competition recognises outstanding SD initiatives within the Swire group.

SD 2030 STRATEGY

In 2017, we began engaging directly with all our major business units in Hong Kong and Mainland China to integrate our SD 2030 Strategy into our operations and investment decisions at the asset and functional levels. General Managers and other senior leaders participated in half-day workshops to transform our KPIs into appropriate targets for their respective business units, and to consider operational budget requirements for 2018, 2019 and 2020 to implement our SD initiatives.

During the year, we integrated our SD 2030 Strategy into our annual budgeting process. Our business units have incorporated SD considerations in the preparation of their 2018 budgets and SD Working Groups have reviewed the proposed budget allocations that are relevant to their respective SD 2030 pillars.

In 2017, we also hosted a series of town hall meetings attended by 150 employees representing all major business units in Hong Kong to communicate progress on the implementation of our SD 2030 Strategy.

Annual Off-site Meeting for Senior Management

As part of our culture of transparency and open communications, members of our senior management attended their annual offsite meeting in September 2017. During the event, we conducted two SD sessions, including a session with external business partners who shared their views on sustainability trends and their expectations of Swire Properties in addressing material SD issues as a leading property developer.



SD GOVERNANCE

Our SD governance framework is built upon strong foundations of [corporate governance](#) and [ethical standards](#). As part of our SD 2030 Strategy, we seek to integrate economic, social and environmental considerations more deeply into our business decision-making processes at all levels.

Sustainable Development Steering Committee

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

Our Sustainable Development Steering Committee (“SD Steering Committee”) is chaired by the Chief Executive, and comprises the Chief Executive, the Finance Director and six other members of senior management representing development and valuations, human resources and administration, portfolio management, and technical services and sustainable development departments. Through its Chairman, the committee reports relevant SD matters to the Board of Directors of the Company (“Board”) as appropriate.

In accordance with its [terms of reference](#), the SD Steering Committee is responsible for reviewing the Company’s SD strategy and ensuring that the Company’s operations and practices are carried out in line with the SD strategy. It is also the highest governance body responsible for approving the annual SD Report.

The SD Steering Committee reviews the Company’s performance with respect to KPIs and SD initiatives that have been recommended by the SD Working Groups. The SD Working Groups report to the SD Steering Committee on a regular basis.

Sustainable Development Policy

GRI
102-11

Our [Sustainable Development Policy](#), first published in 2008, reflects our belief that long-term value creation depends on the sustainable development of our business, our supply chain and the communities in which we operate. We take these factors into account during the inception, design, construction, occupation and demolition phases of our development projects.

With respect to the environment, the policy states that the Company will be a good steward of the natural resources and biodiversity under our influence, and will ensure that all potential adverse impacts of our operations are identified and managed appropriately. Our approach is consistent with the precautionary principle², which implies that where there are threats of serious or irreversible damage, lack of full scientific certainty will not be used as a 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, and are able to realise their full potential.

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

SD GOVERNANCE

Swire Properties' Policies

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



Environmental Policy



Health and Safety Policy



Energy Policy



Waste Management Policy



Supplier Code of Conduct

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

Swire Properties' Award-winning 2016 Sustainable Development Report

In 2017, Swire Properties received recognition at the 18th annual Best Corporate Governance Awards, organised by the Hong Kong Institute of Certified Public Accountants. Our 2016 Sustainable Development Report received a Special Mention for the Sustainability and Social Responsibility Reporting Award in the Non-Hang Seng Index (Large Market Capitalisation) category. The judges praised the report for its introduction of our SD 2030 Strategy, and noted that the new SD management structure reflects high-level commitment to sustainability governance.

Our 2016 Sustainable Development Report also received the Bronze Occupational Safety and Health Annual Report Award presented at the 16th Hong Kong Occupational Safety & Health Award Forum. This award scheme, organised by the Hong Kong Occupational Safety and Health Council, recognises organisations that accurately present occupational safety and health performance in their annual sustainability reports.





MATERIALITY

For the purpose of Swire Properties' SD 2030 Strategy and SD reporting, materiality is any factor that has a present or future impact on our ability to achieve our SD vision. We believe that balancing internal and external viewpoints is critical in defining and managing SD issues that are of significant relevance to our business and our stakeholders.

Our Approach to Stakeholder Engagement

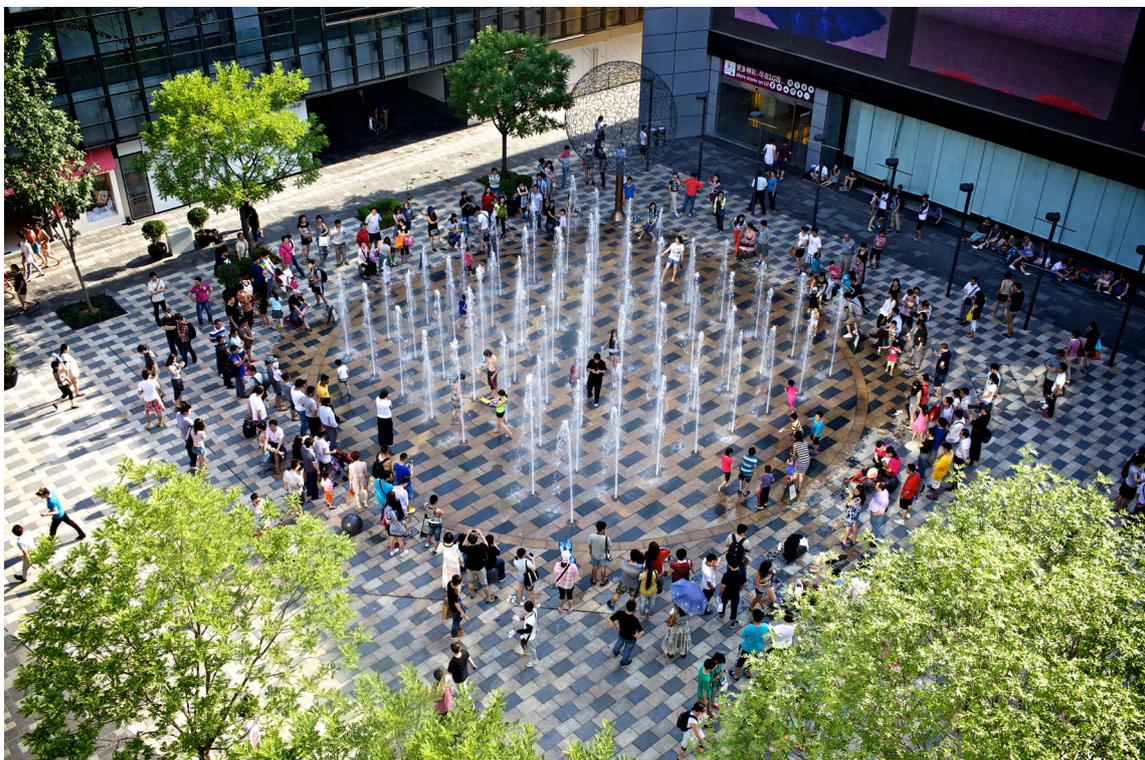
HKEX
Aspect B8

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

To help us understand stakeholders' priorities, expectations and perceptions, specifically with regard to SD issues, we have been conducting regular stakeholder engagement exercises since 2004. In 2011, we adopted a five-year plan involving systematic engagement with a range of interest groups at least once each year.

To prepare for the introduction of our SD 2030 Strategy in 2016, we engaged extensively with members of our senior management, and reached out to employees across our business through town hall meetings and a Yammer campaign. We also consulted with external sustainability experts.

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



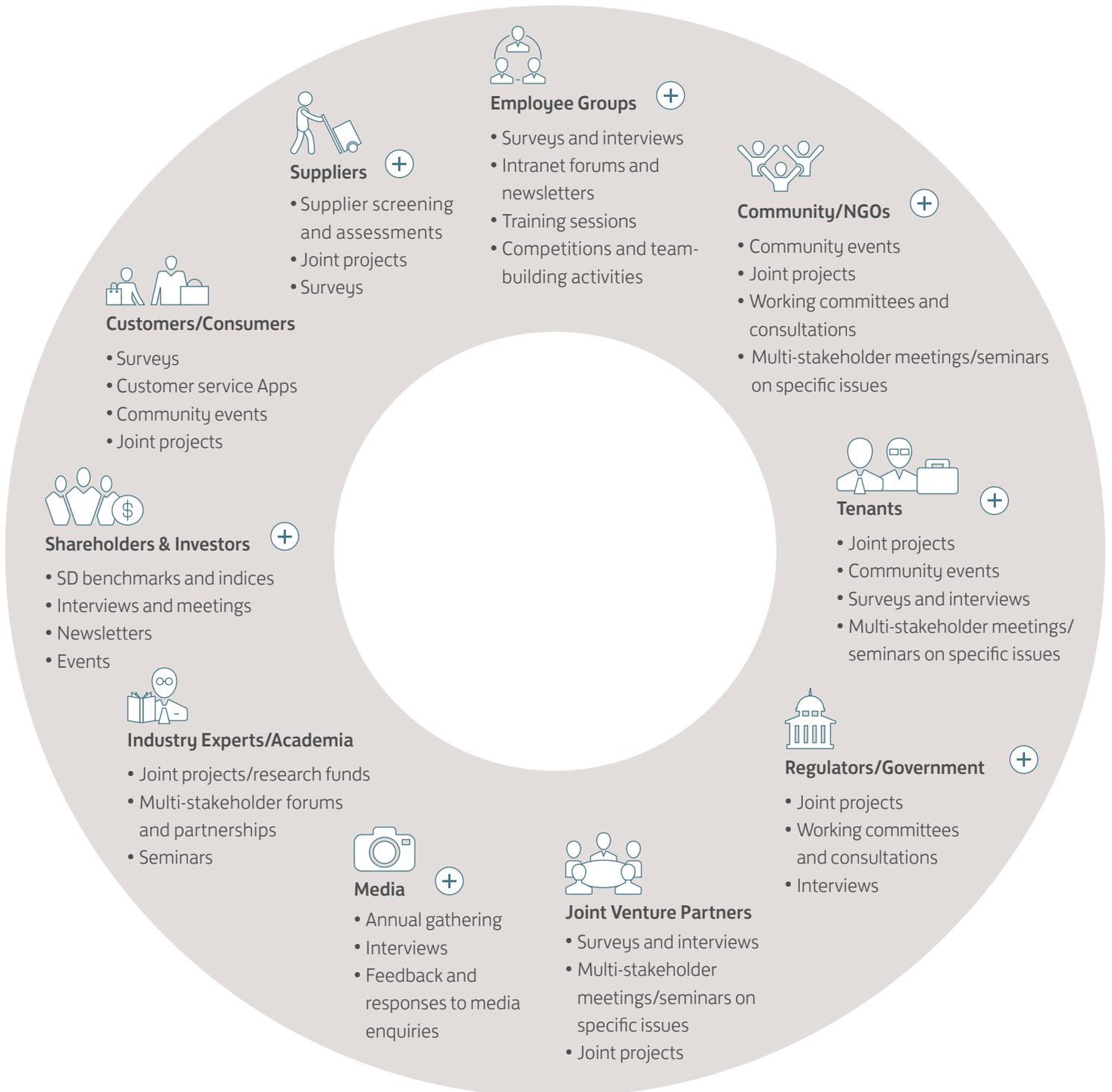
MATERIALITY

Our Stakeholders

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

Our stakeholders are internal and external interest groups who have a significant impact on our business or who experience significant impacts from our operations.

Swire Properties Stakeholder Groups and Methods of Regular Engagement



MATERIALITY

Stakeholder-driven Materiality

GRI 102-42, 102-44

In 2017, we initiated a materiality review to gather feedback from our stakeholders that will guide us in continuing to shape and implement our SD 2030 Strategy. In undertaking the review, our independent consultant adopted a three-step approach to assess materiality.

Quantitative Materiality Approach

Step 1

Issue Identification

22 Qualitative Interviews

- Identify new and emerging issues against existing materiality issues
- Consolidate analysis of issues and definitions

Outcome:

27 issues were identified and defined.

Step 2

Quantitative Survey

Survey with more than **300** stakeholders

- External stakeholders rank the issues in order of perceived importance
- Employees rank the issues in order of perceived impact on our business

Outcome:

Balanced sample composition of survey respondents provided good representation of the views of our tenants, investors and other external stakeholders, as well as employees.

Step 3

Materiality Matrix

Survey data plotted to represent internal and external stakeholder views.

MATERIALITY

Responding to Feedback from Our Stakeholders

As part of our recent materiality review, 22 interviews were conducted with internal and external stakeholders in Hong Kong, Mainland China, the U.S.A and other countries.

Stakeholder Feedback

Our Response



It would be great if you can engage with us more. I'd love to work together on sustainability because our company looks at sustainability too.

Tenant

We welcome and look forward to working with our tenants, as they are key partners in our SD 2030 Strategy. We encourage them to join our various [tenant engagement](#) programmes, such as the Green Office Pledge, Green Shop Alliance and free energy audit scheme.



I would like to see [Swire Properties] not only build, but also help [to] create a better community and the environment.

Tenant

We share the same aspirations and this is why Places is at the heart of our SD 2030 Strategy. Through placemaking and long-term placekeeping, we want to continually add value to the communities surrounding the places in which we invest and to protect the natural environment. For example, at [TaiKoo Hui, Guangzhou](#), we host an array of programmes that contribute to the local community and have introduced many sustainability measures to reduce environmental impacts.



Swire Properties is very close to becoming an SD leader. You should be more transparent in disclosing more data points to help your stakeholders track your performance.

Investor

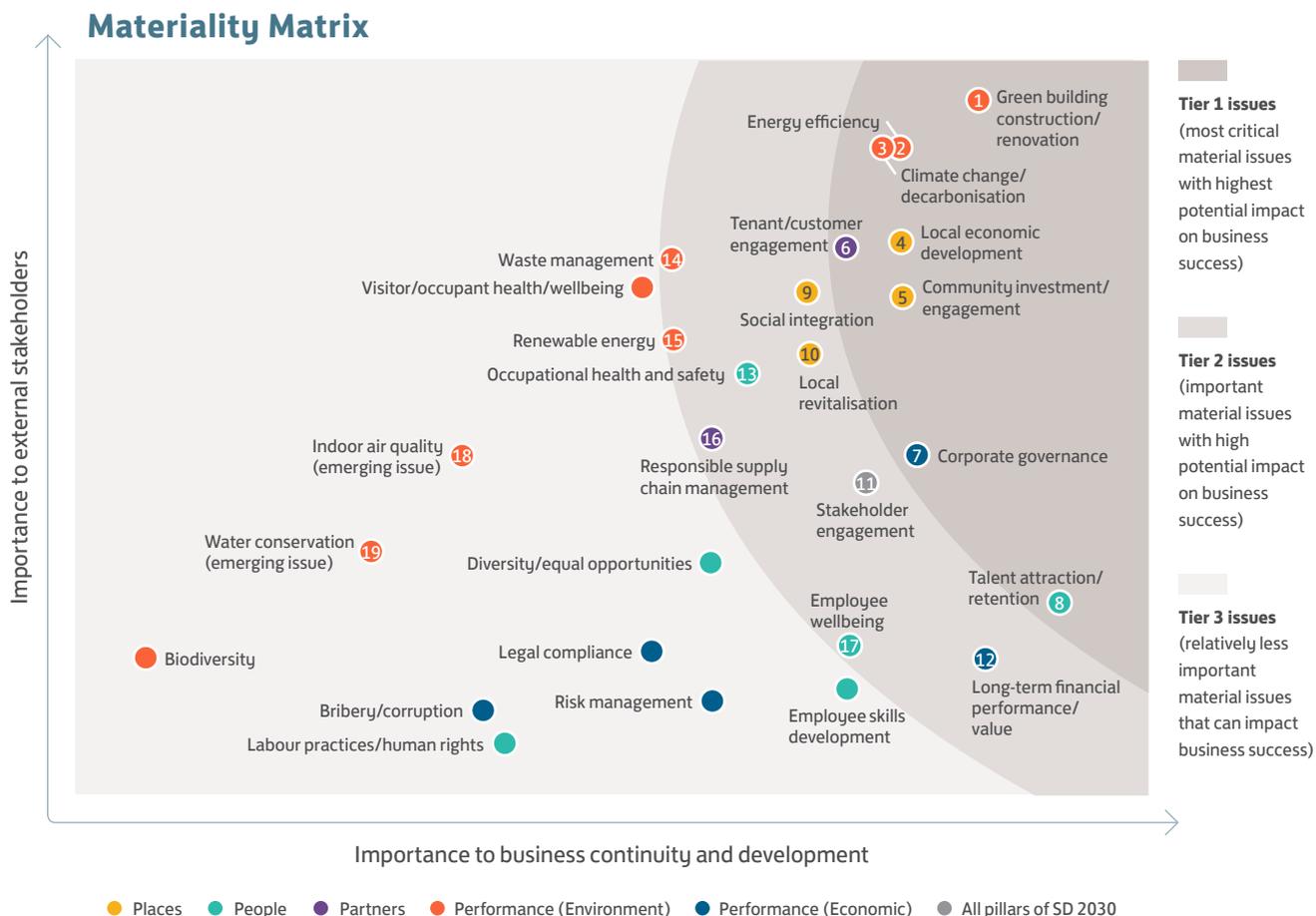
This is very helpful feedback. To help stakeholders track our performance, we have added new data points (e.g. [material used by weight and occupational disease rate](#)) and enhanced disclosure on our progress made against KPIs in this year's report. We will continue to enhance transparency of our SD performance to align with global best practices. That said, it will be very helpful for us to hear more from our investors and other stakeholders on the types of data they are interested in acquiring, so let's [continue this discussion](#).

MATERIALITY

Defining and Prioritising Material Issues

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

We have mapped the 27 SD issues from our recent materiality review onto a matrix reflecting their importance to external stakeholders (y-axis), and their importance to our business continuity and development (x-axis). Overall materiality has been determined by the aggregated score assigned to each issue by our internal and external stakeholders.



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

The top material issues in the materiality matrix (namely, Tier 1 and Tier 2 issues) align with the focus areas of our SD 2030 Strategy, and have been addressed in this report in accordance with relevant GRI Standards.

In determining the content of this report, we have also taken account of additional emerging issues that are the subject of increasing public and regulatory attention, such as indoor air quality and water conservation.

Looking to the future, we are assessing the findings from the materiality review to identify implications for our SD 2030 Strategy.

MATERIALITY

Top Material Issues for this Report

Material Issues	SD 2030 Pillars	SD 2030 Focus Areas	Impacts and Boundaries										GRI Standards	
			Employee Groups	Community/NGOs	Suppliers	Tenants	Consumers/Customers	Regulators/Government	Joint Venture Partners	Ind. Experts/Academia	Shareholders/Investors	Media		
1 Green building construction/renovation		Building Assets and Investments	✓	✓	✓	✓	✓				✓	✓		GRI 417 Marketing and Labelling
2 Energy efficiency		Energy	✓		✓	✓	✓	✓			✓	✓		GRI 302 Energy
3 Climate change/decarbonisation		Climate Change	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		GRI 305 Emissions
4 Local economic development		Supporting Local Economy	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		GRI 203 Indirect Economic Impacts
5 Community investment/engagement		Community Investment & Engagement	✓	✓		✓	✓	✓	✓		✓			GRI 413 Local Communities
6 Tenant/customer engagement		Tenant & Customer Engagement	✓			✓	✓	✓	✓		✓			N/A
7 Corporate governance		Corporate Governance	✓		✓			✓			✓			GRI 205 Anti-corruption
8 Talent attraction/retention		Talent Attraction and Talent Retention	✓									✓		GRI 401 Employment GRI 404 Training and Education
9 Social integration		Community Investment & Engagement	✓	✓		✓	✓	✓	✓		✓			GRI 413 Local Communities
10 Local revitalisation		Local Revitalisation	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		GRI 203 Indirect Economic Impacts
11 Stakeholder engagement		Integral to all pillars of our Strategy	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Not applicable
12 Long-term financial performance/value		Financial Performance	✓		✓			✓	✓		✓	✓		GRI 201 Economic Performance
13 Occupational health and safety		Safety, Health & Wellbeing	✓	✓	✓	✓	✓	✓			✓	✓		GRI 403 Occupational Health & Safety
14 Waste management		Waste	✓	✓	✓	✓	✓	✓			✓			GRI 306 Effluents and Waste
15 Renewable energy		Energy			✓	✓	✓	✓			✓	✓		GRI 302 Energy
16 Responsible supply chain management		Suppliers	✓		✓					✓		✓		GRI 301 Materials GRI 308 Supplier Environmental Assessment GRI 414 Supplier Social Assessment
17 Employee wellbeing		Safety, Health & Wellbeing	✓	✓	✓	✓	✓	✓			✓	✓		GRI 403 Occupational Health & Safety
18 Indoor air quality (emerging issue)		Occupant Wellbeing	✓	✓		✓	✓	✓			✓	✓		GRI 416 Customer Health and Safety
19 Water conservation (emerging issue)		Water	✓	✓		✓	✓	✓			✓	✓		GRI 303 Water

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

Sustainable Development in Action

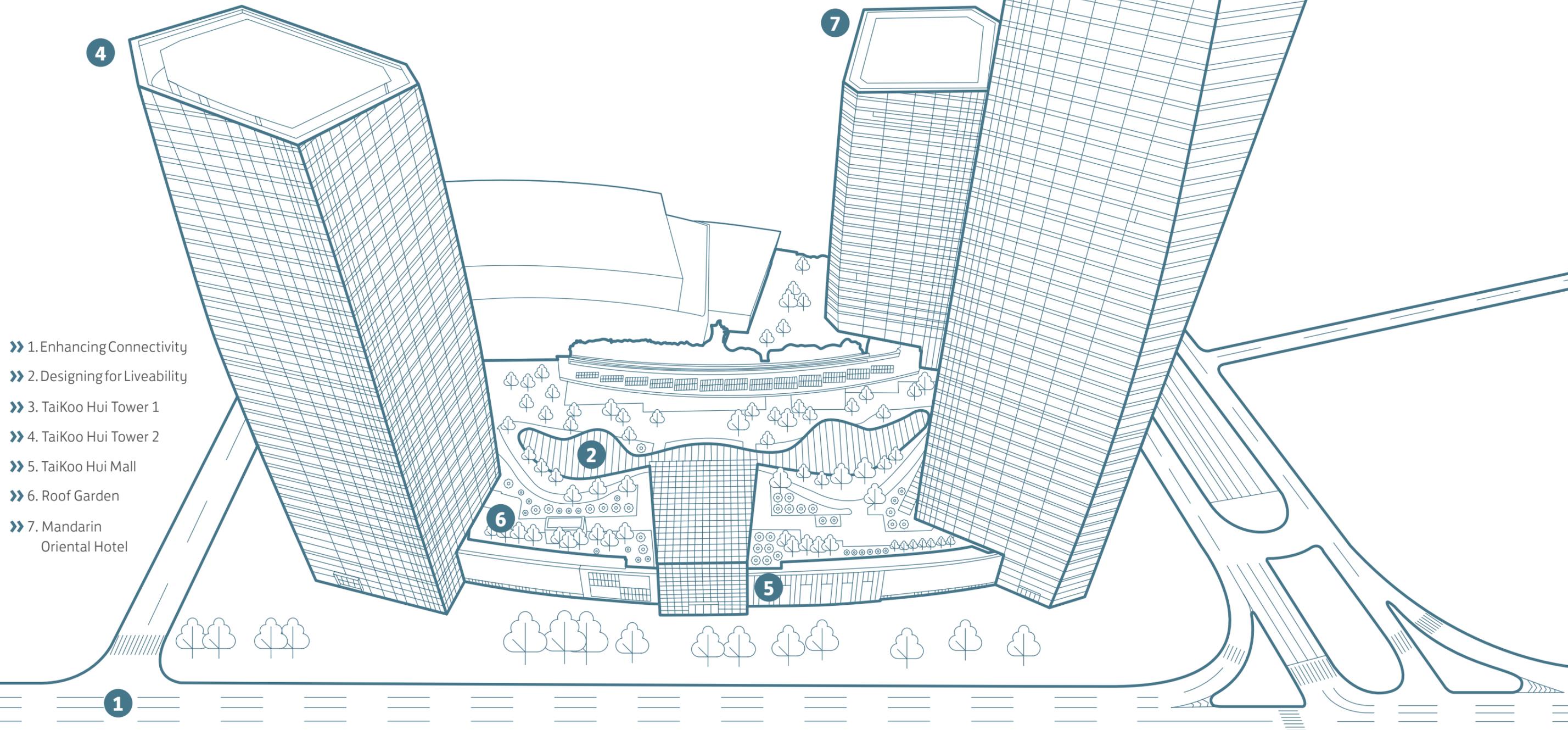
TaiKoo Hui, Guangzhou, Mainland China



Our TaiKoo Hui development exemplifies a number of important elements of our SD 2030 Strategy and underscores our commitment to making and keeping great places.

Highlights of TaiKoo Hui, Guangzhou

Located in Tianhe, the thriving central business district and geographical heart of Guangzhou, TaiKoo Hui combines business and cultural elements in a large-scale, mixed-use development. As its name, derived from the Chinese words for confluence and gathering, suggests, TaiKoo Hui serves as a gathering place where visitors, office workers and shoppers can work, shop, interact and enjoy vibrant public spaces.



Highlights of TaiKoo Hui, Guangzhou

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- »» 4. TaiKoo Hui Tower 2
- »» 5. TaiKoo Hui Mall
- »» 6. Roof Garden
- »» 7. Mandarin Oriental Hotel

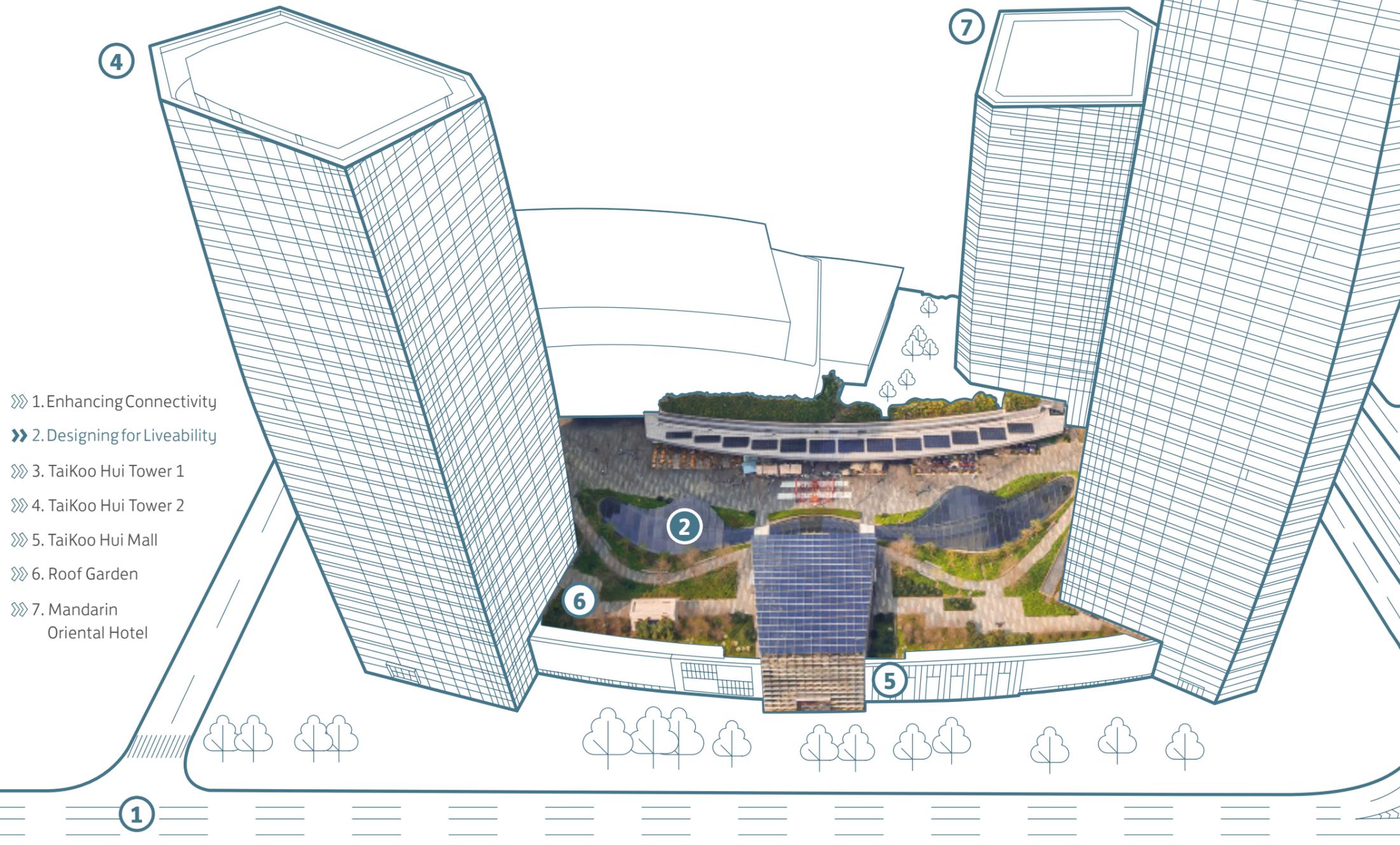
1 Enhancing Connectivity

Anchored by two Metro lines and accessible by bus and Bus Rapid Transit, TaiKoo Hui provides office workers, shoppers and visitors with easy access to a wide variety of restaurants, cafés and cultural amenities. An elevated pedestrian walkway connects the shopping mall to the office towers and hotel, providing convenient connectivity.



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Designing for Liveability

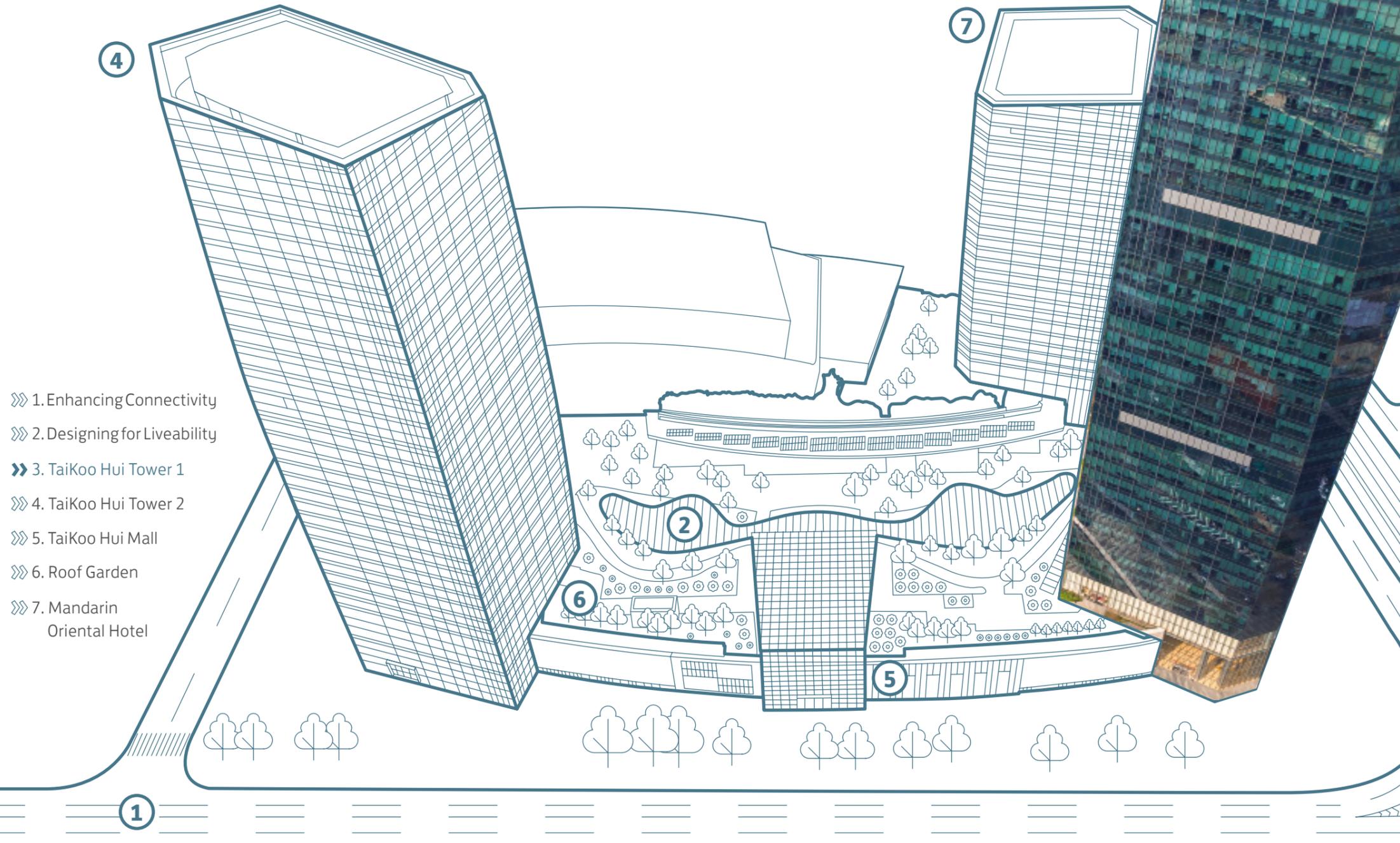
Designed by renowned architectural firm Arquitectonica, the shopping mall features a soaring, oval-shaped central atrium that serves as the focal point of the development. The mall's glass and steel architecture allow natural light to permeate the lower levels of the mall, illuminating and transforming the space, and also saving energy.

The shopping mall connects to an expansive roof garden that offers inviting green spaces and outdoor seating areas helps to reduce storm-water runoff and mitigate urban heat island effects.



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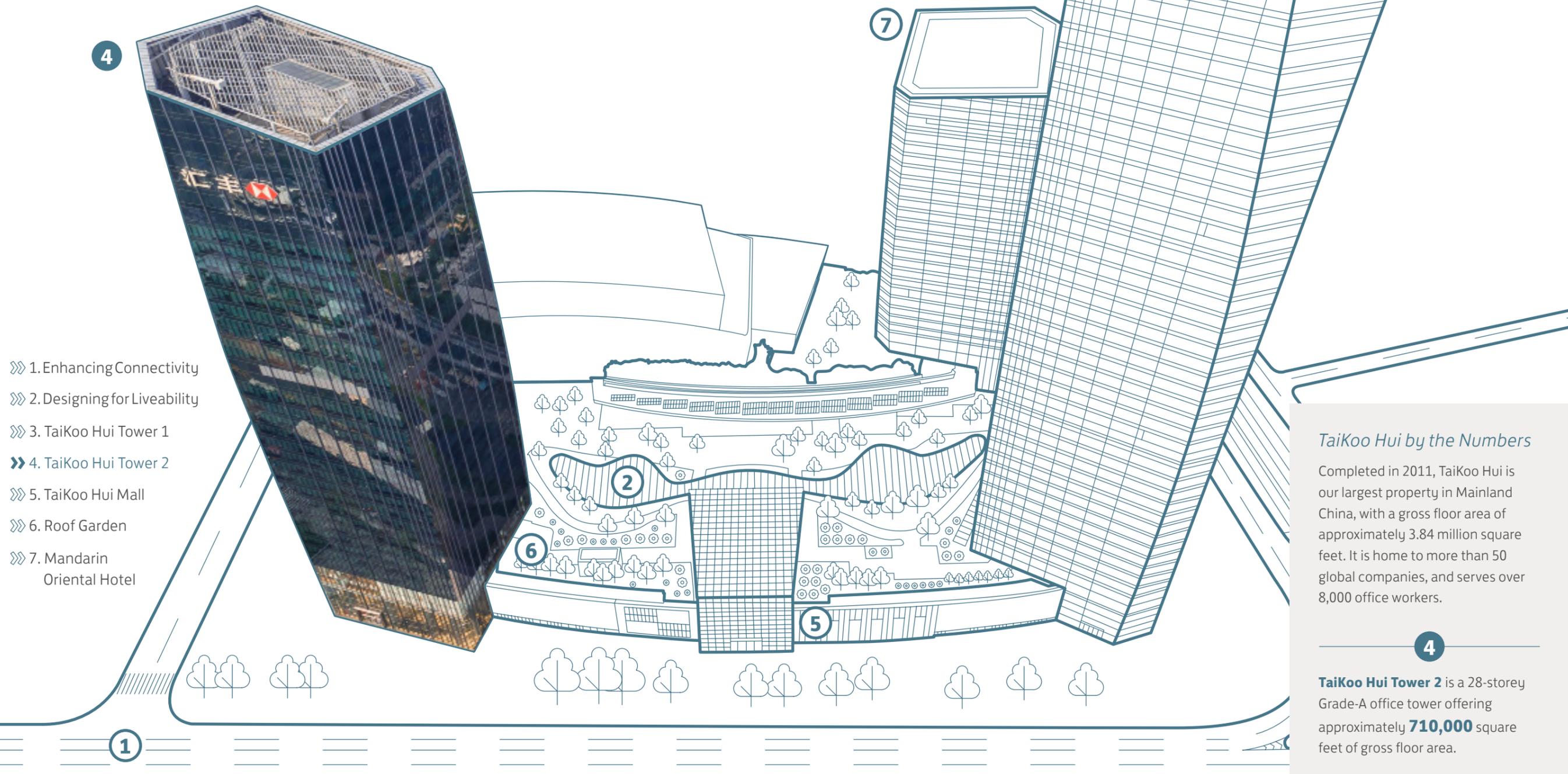
TaiKoo Hui by the Numbers

Completed in 2011, TaiKoo Hui is our largest property in Mainland China, with a gross floor area of approximately 3.84 million square feet. It is home to more than 50 global companies, and serves over 8,000 office workers.

TaiKoo Hui Tower 1 is a 39-storey Grade-A office tower offering approximately **1.05 million** square feet of gross floor area.

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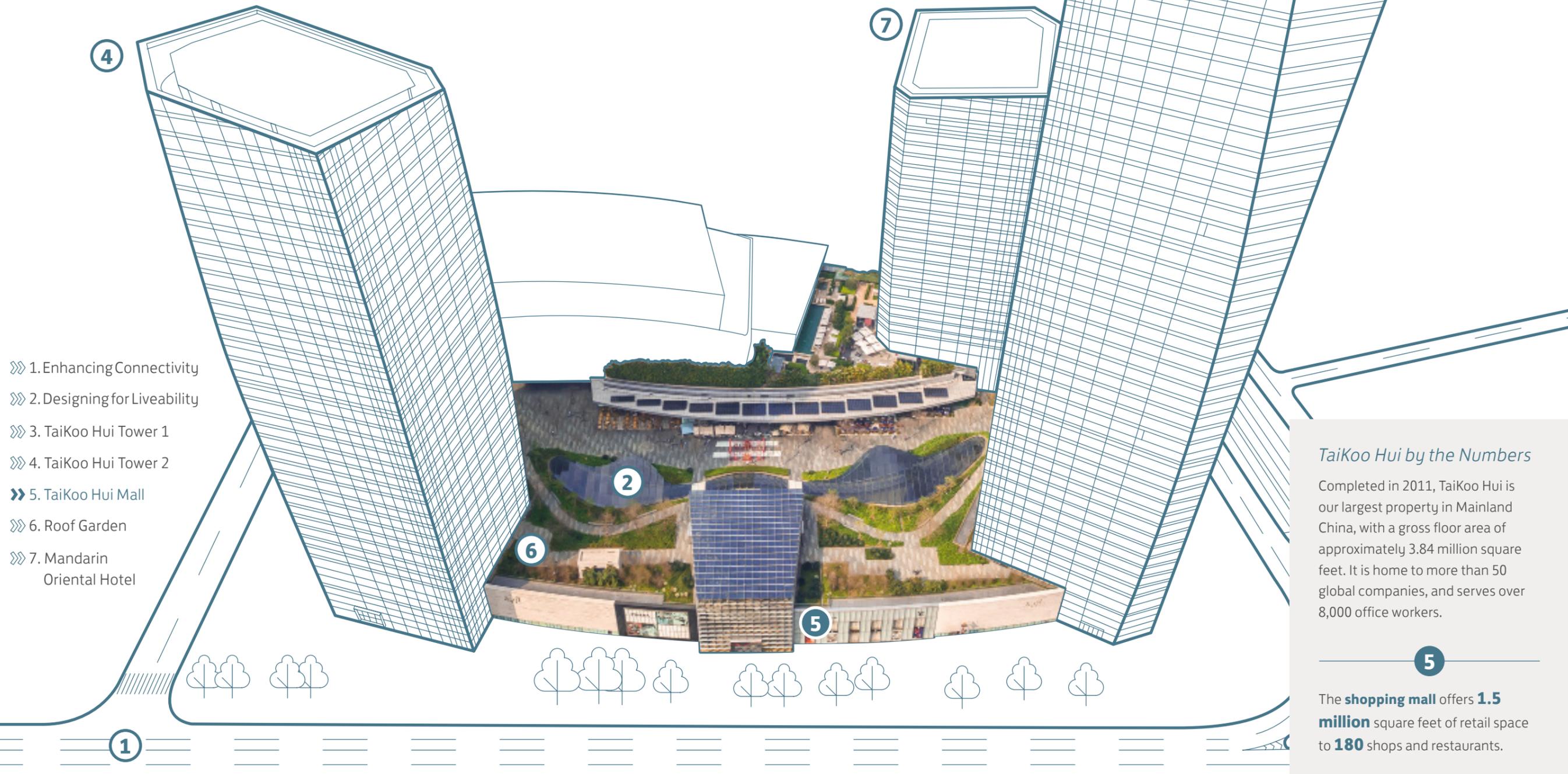
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TaiKoo Hui Tower 2 is a 28-storey Grade-A office tower offering approximately **710,000** square feet of gross floor area.

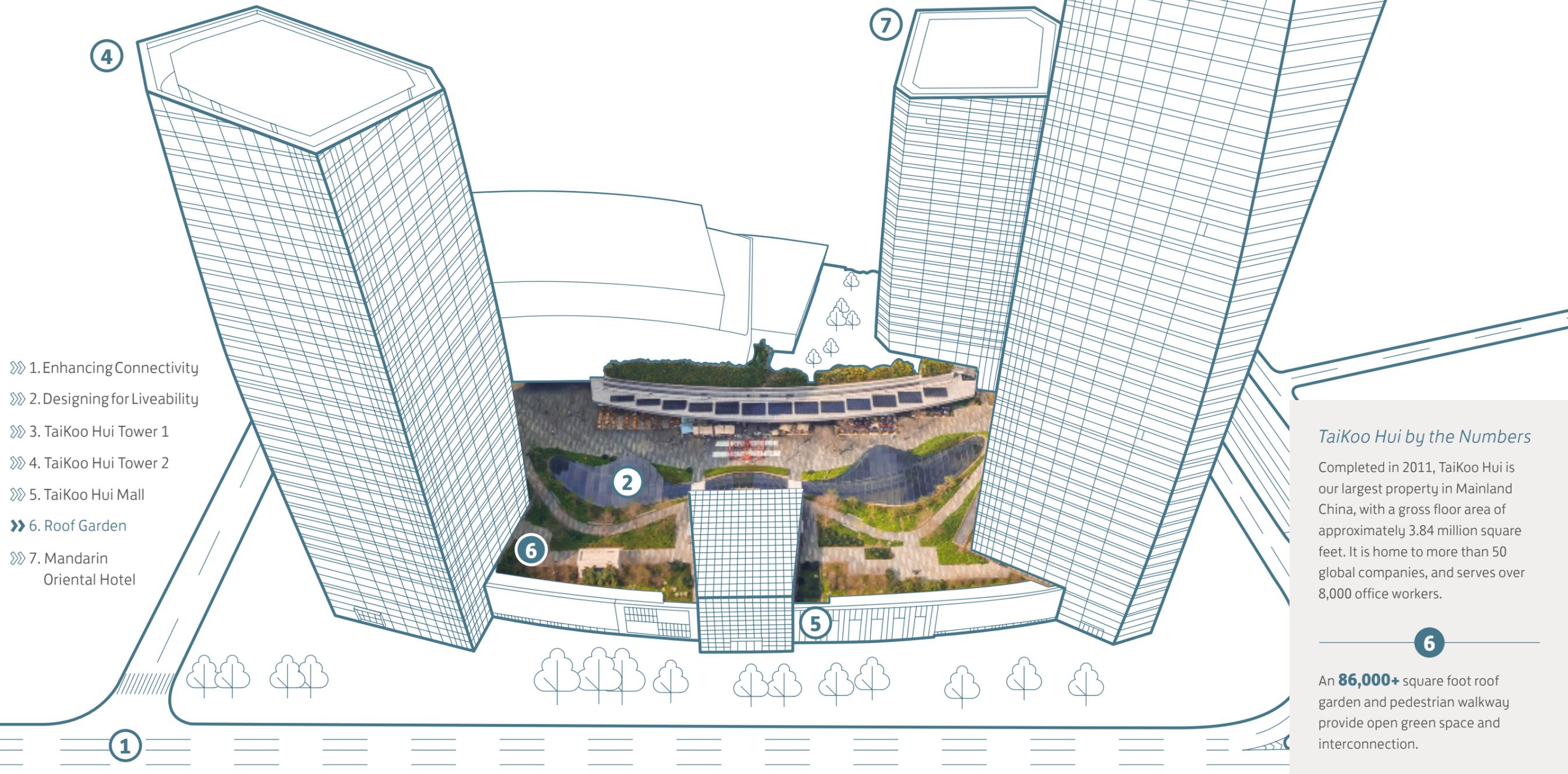
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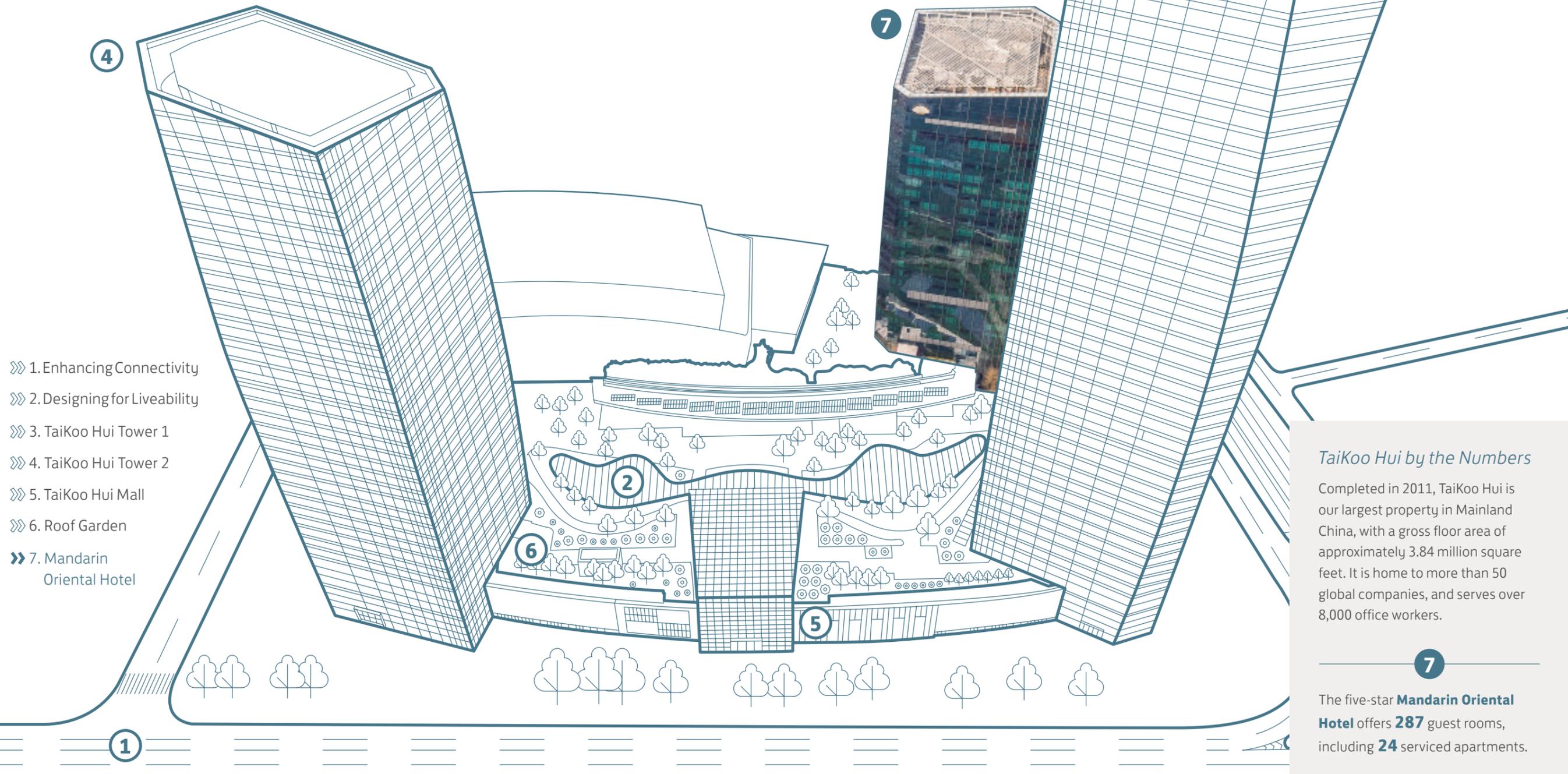
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An **86,000+** square foot roof garden and pedestrian walkway provide open green space and interconnection.

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The five-star **Mandarin Oriental Hotel** offers **287** guest rooms, including **24** serviced apartments.

Insights to Our Approach

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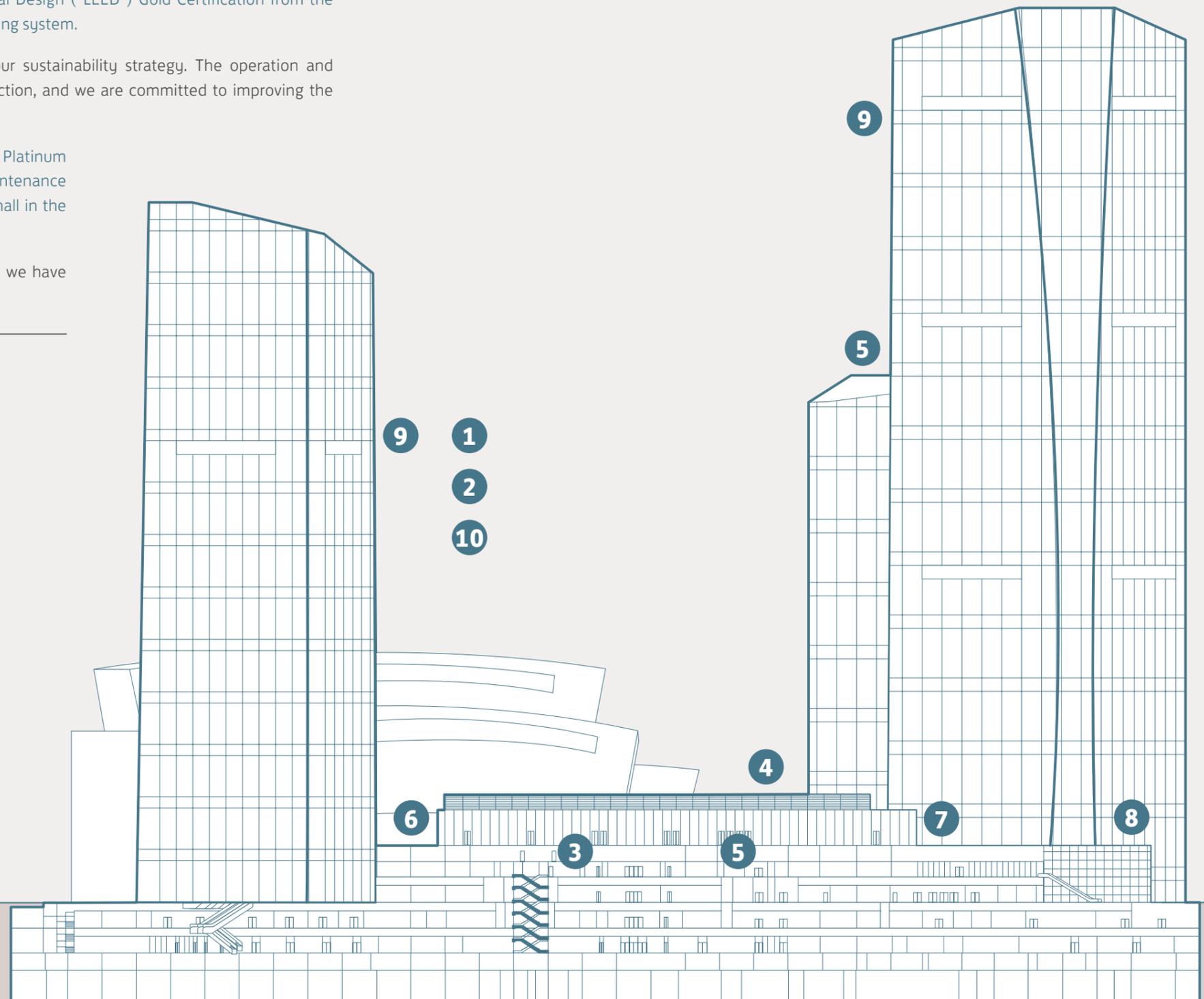
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To reduce impacts, realise efficiencies and improve building performance, we have introduced a wide range of strategies described in further detail below.

- 1 **Intelligent Energy and Facility Management Systems** >>
 - 2 **Standard Energy Efficiency Platform (“SEED”)** >>
 - 3 **Intelligent Fan Coil Units** >>
 - 4 **Solar Photovoltaic (“PV”) Panels** >>
 - 5 **Light Emitting Diode (“LED”) Lighting** >>
 - 6 **Food Waste Composting** >>
 - 7 **Water Conservation** >>
 - 8 **Indoor Air Quality** >>
- Partnering with Tenants to Improve Sustainability Performance**

 - 9 **Green Pledge Programme** >>
 - 10 **Energy Audits** >>



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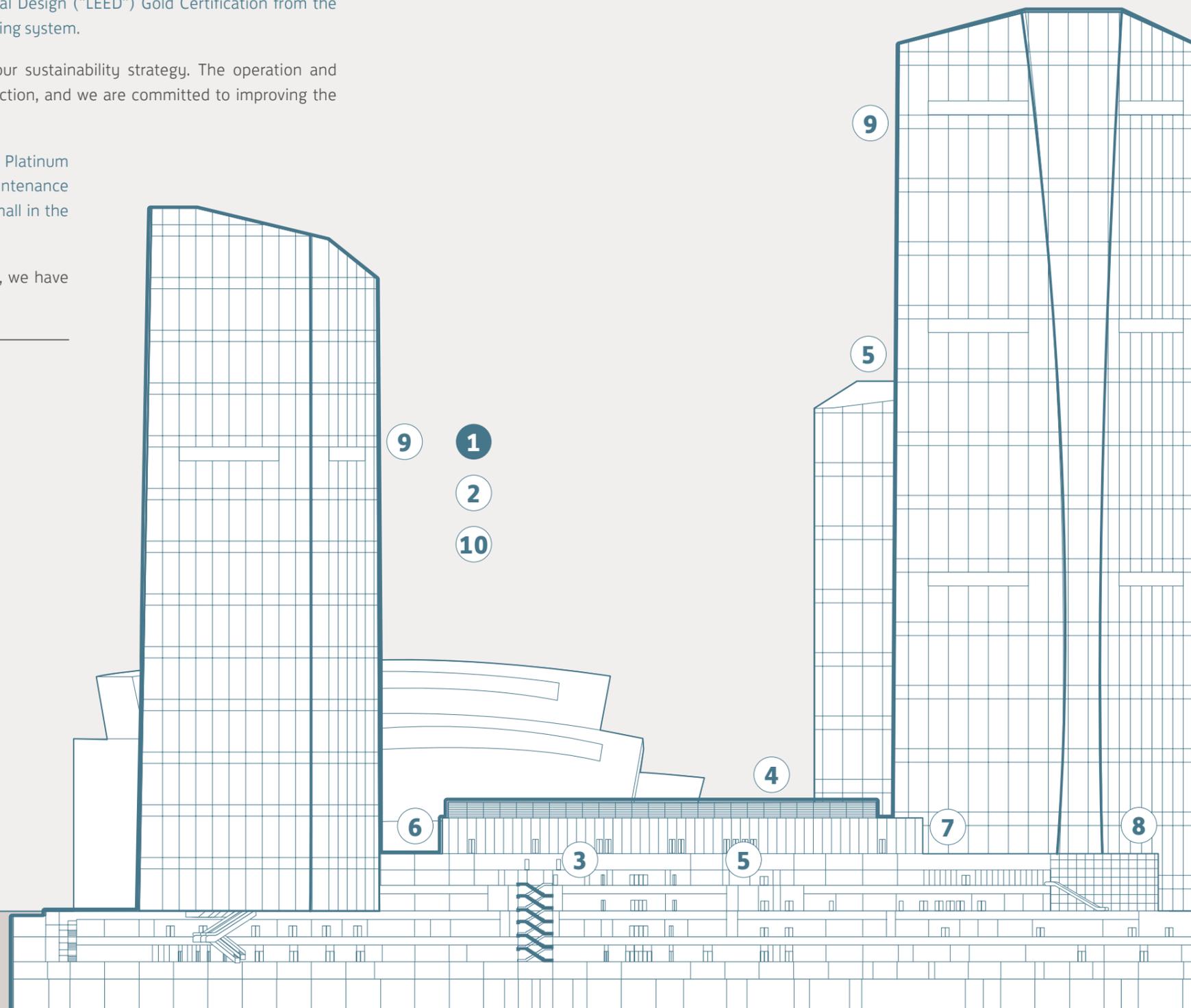
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1 Intelligent Energy and Facility Management Systems X

Our ISO 14001 environmental management system and ISO 50001 energy management system provide a robust framework for managing our environmental and energy impacts, reflecting the systematic approach we take to continuously improving our performance.



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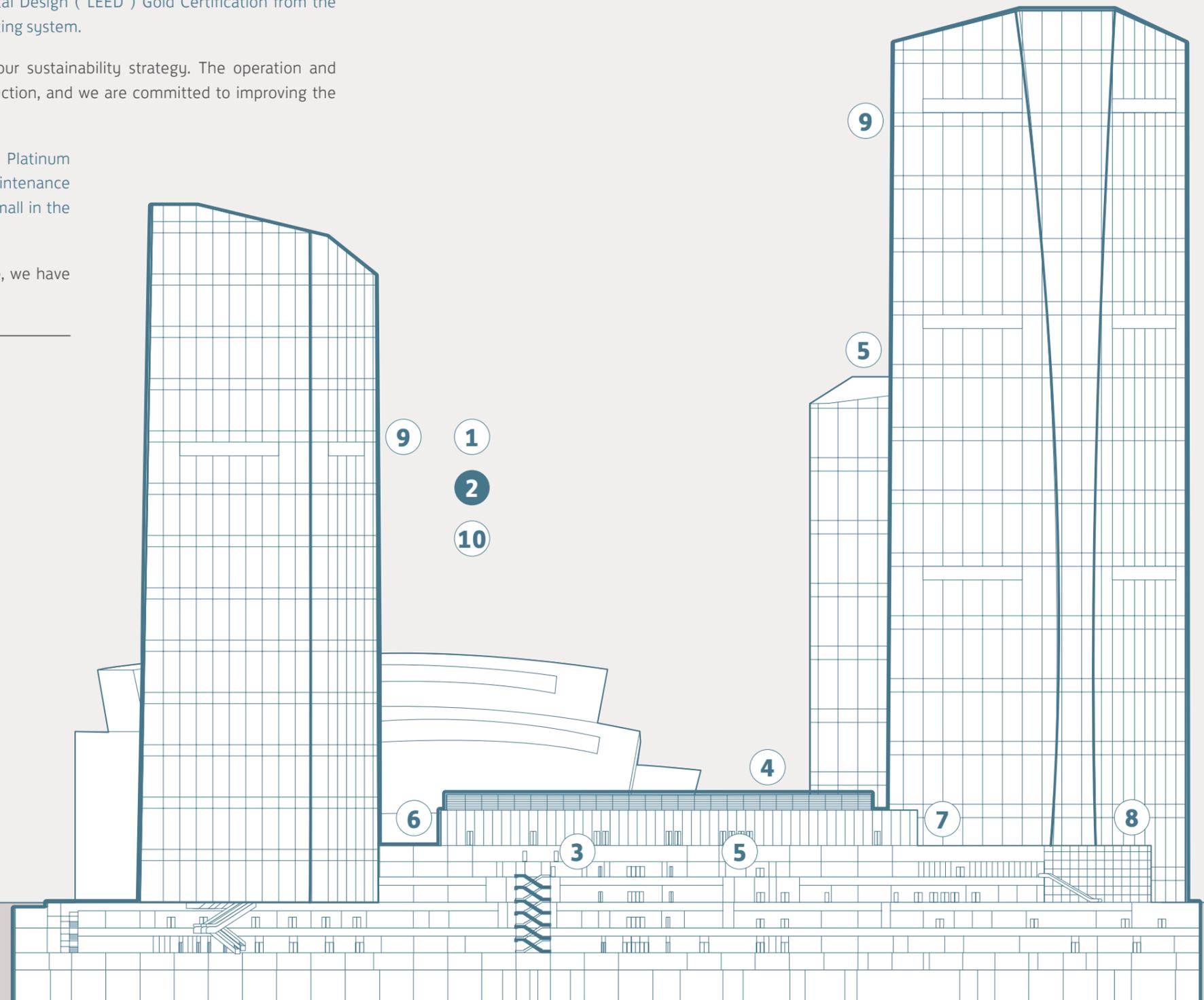
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2 Standard Energy Efficiency Platform (“SEED”) X

Since 2015, we have implemented SEED in the shopping mall and office towers to analyse data collected by building management systems (including total energy consumption, total CO₂ emissions, electricity consumption and cooling capacity), to identify energy consumption trends, and to formulate targeted energy-saving strategies.



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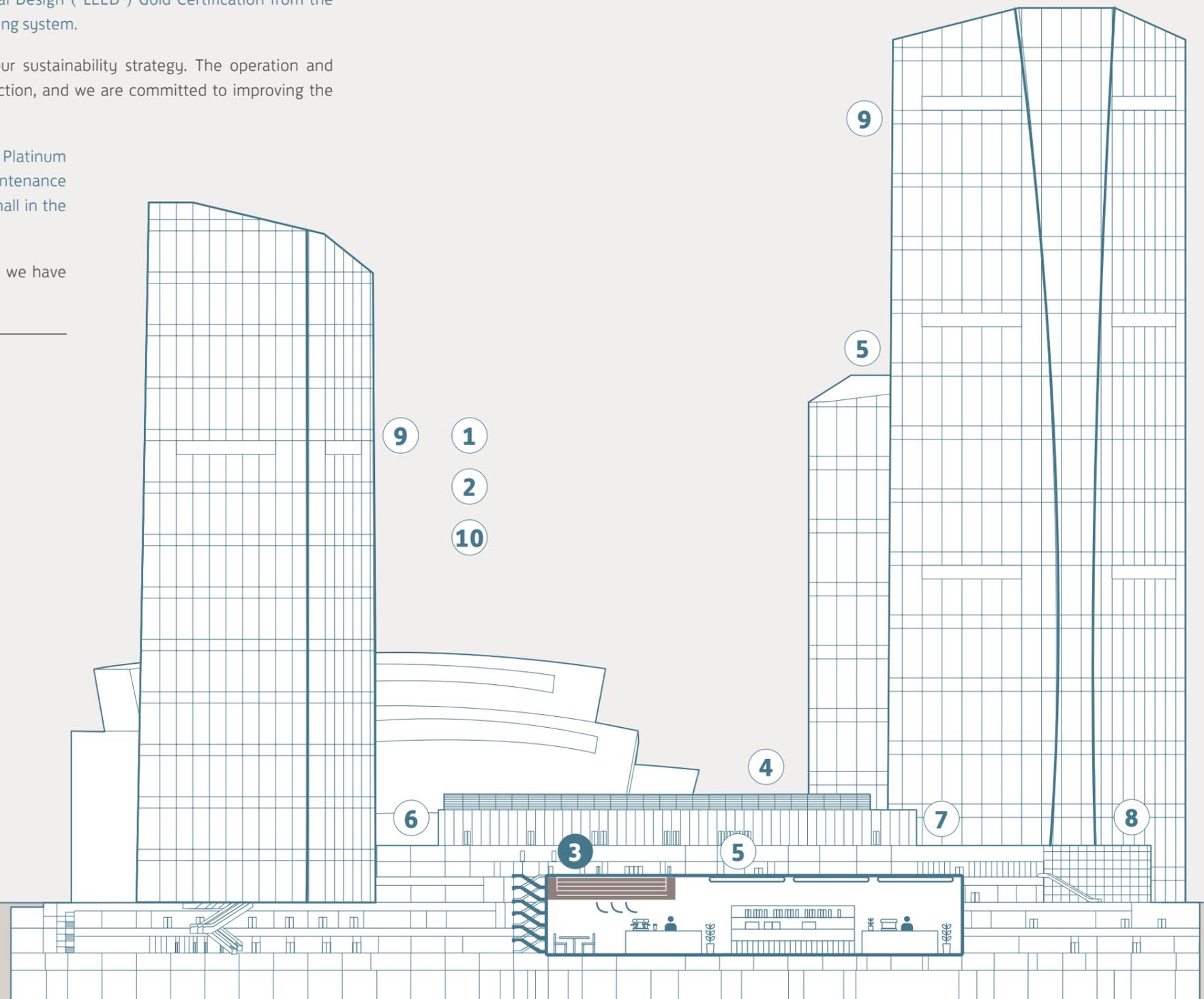
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3 Intelligent Fan Coil Units

We have replaced conventional fan coil units with Intelligent Fan Coil Units (“iFCU”) in 390 HVAC air-handling units to improve the efficiency of building cooling systems. iFCUs use permanent magnet motor core technology and intelligent thermostat programmes to automatically adjust fan speed, improving operational efficiency and reducing energy consumption. iFCUs are estimated to provide energy savings of approximately 50% over conventional fan coil units.

When all 1,200 fan coil units have been replaced, we estimate annual electricity savings of approximately 610,000 kWh.



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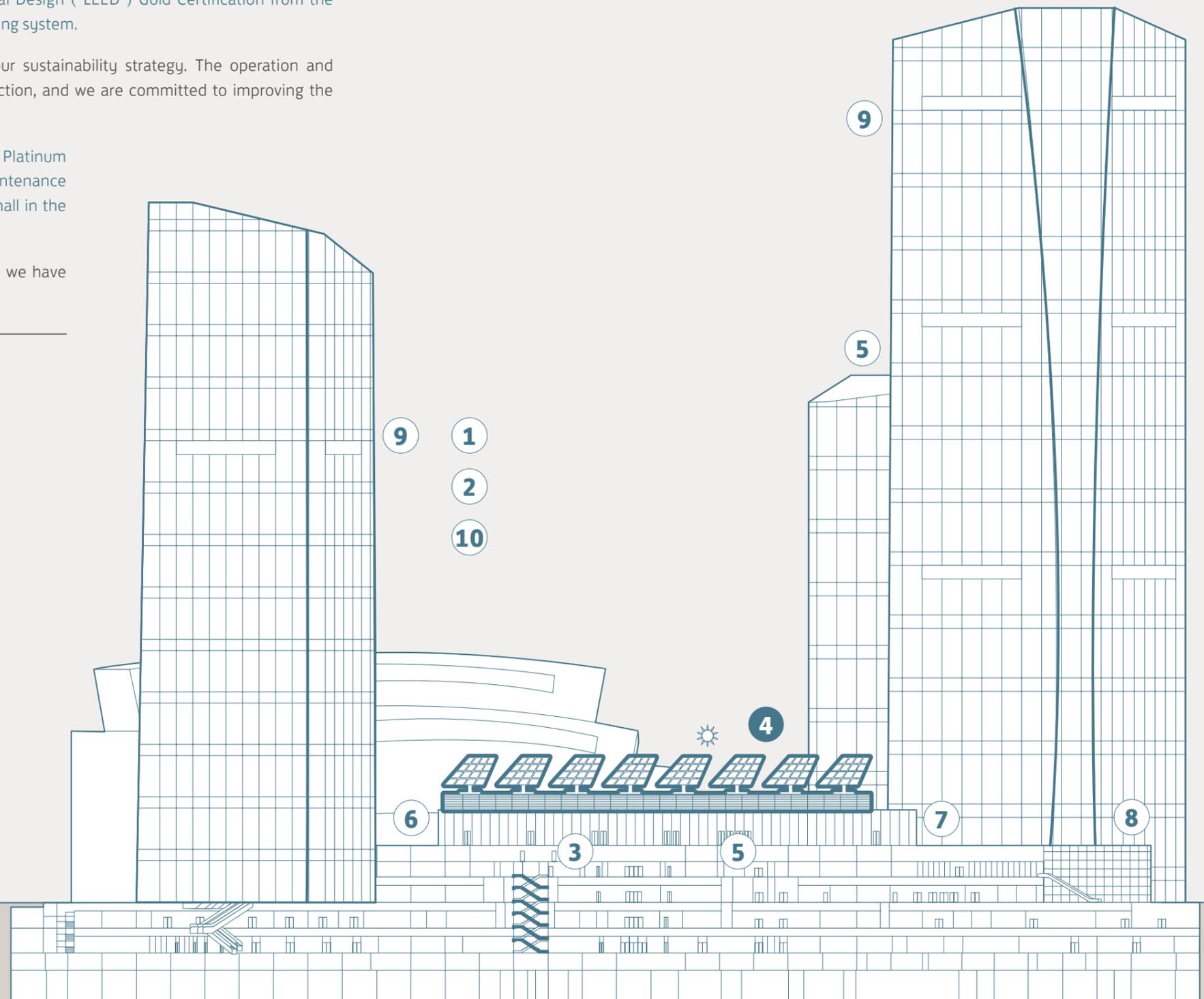
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4 Solar Photovoltaic (“PV”) Panels X

405 thin-film solar PV panels installed on the roof of the shopping mall generate approximately 76,000 kWh of clean electricity each year and reduce carbon emissions by approximately 60 tonnes. TaiKoo Hui is the only commercial development in Guangzhou that uses solar panels to generate renewable energy.



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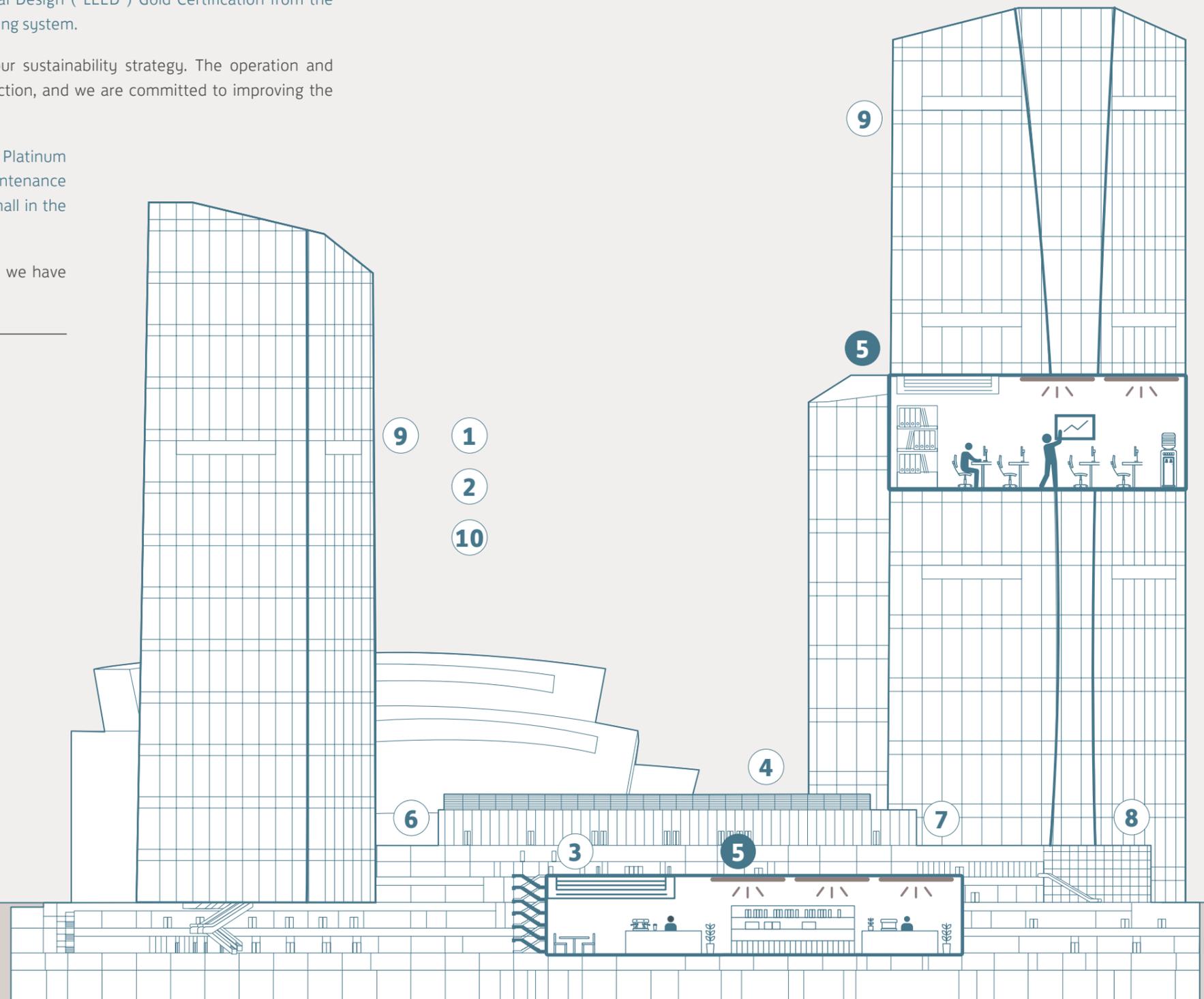
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5 Light Emitting Diode (“LED”) Lighting X

Energy-efficient LED lights improve efficiency and reduce cooling loads.



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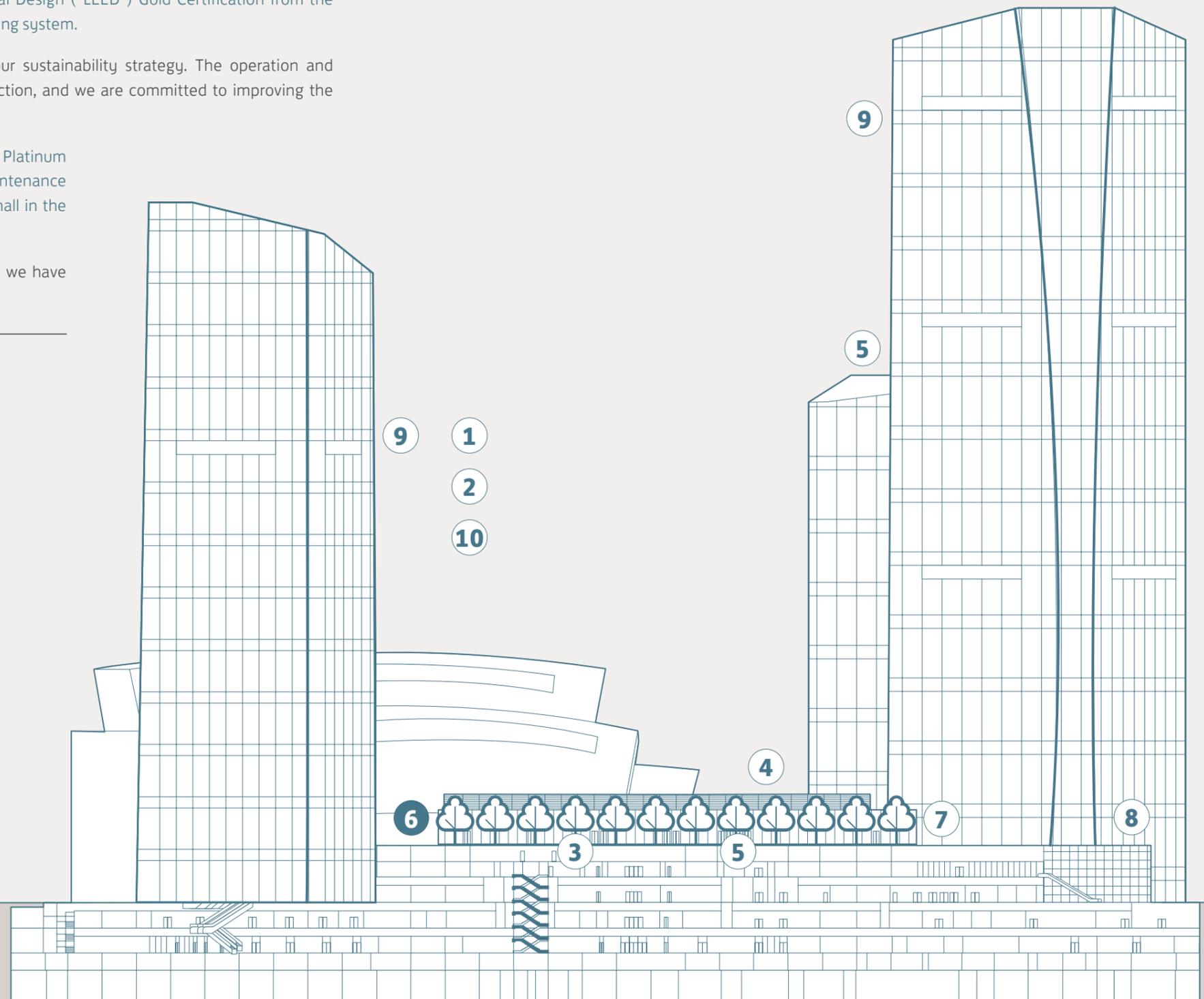
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6 Food Waste Composting

An automated food waste processor converts food waste generated by food and beverage tenants in our shopping mall into organic compost, which is used to fertilise plants in the roof garden.

Working together with tenants, in 2017, we collected 840,741 kg of food waste and produced 740 kg of compost.



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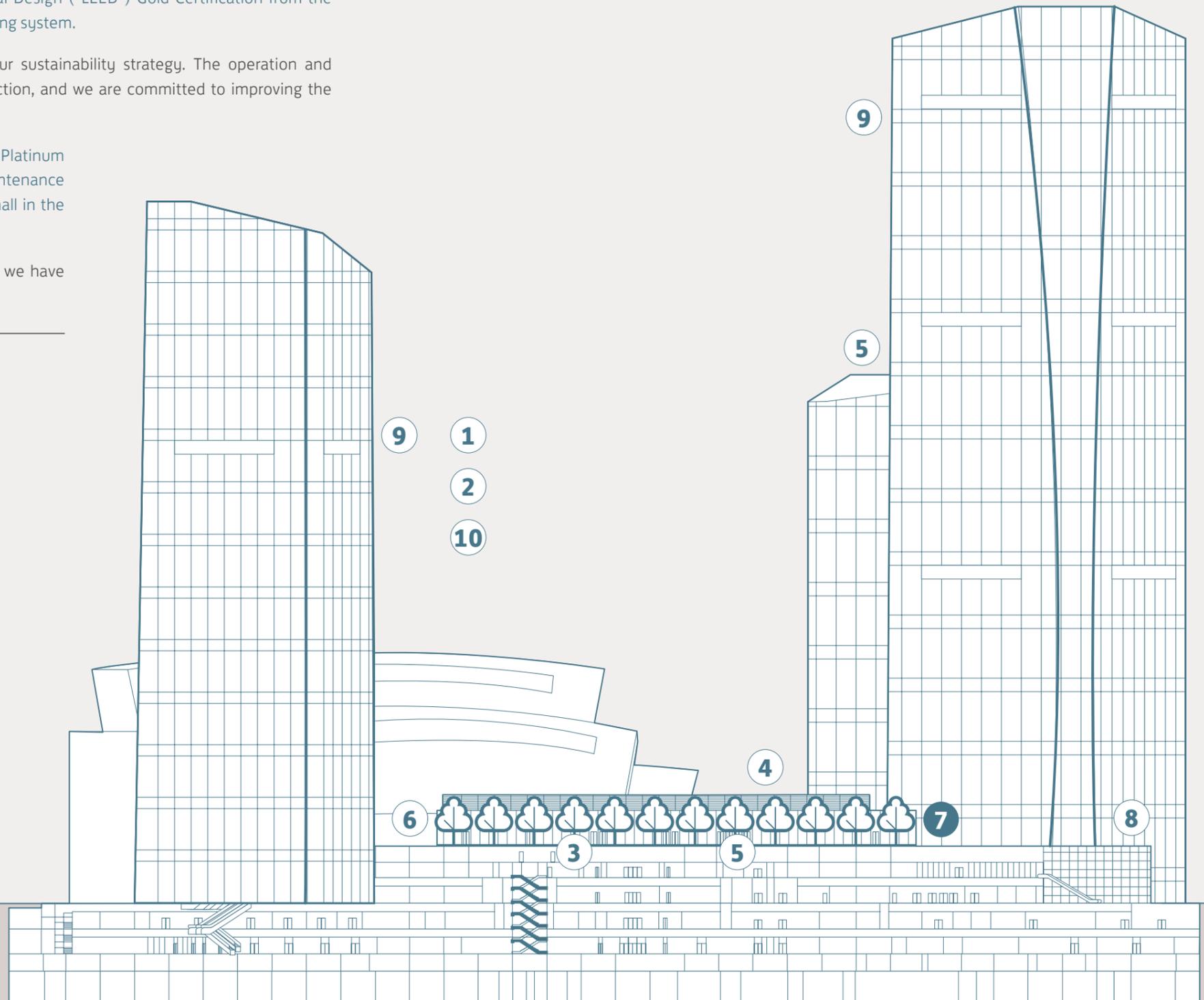
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7 Water Conservation

A grey water treatment and recycling system collects wastewater from sinks for reuse as flush water in the toilets.

The roof garden is planted with native plant species that require less water, helping to conserve water.

Insights to Our Approach

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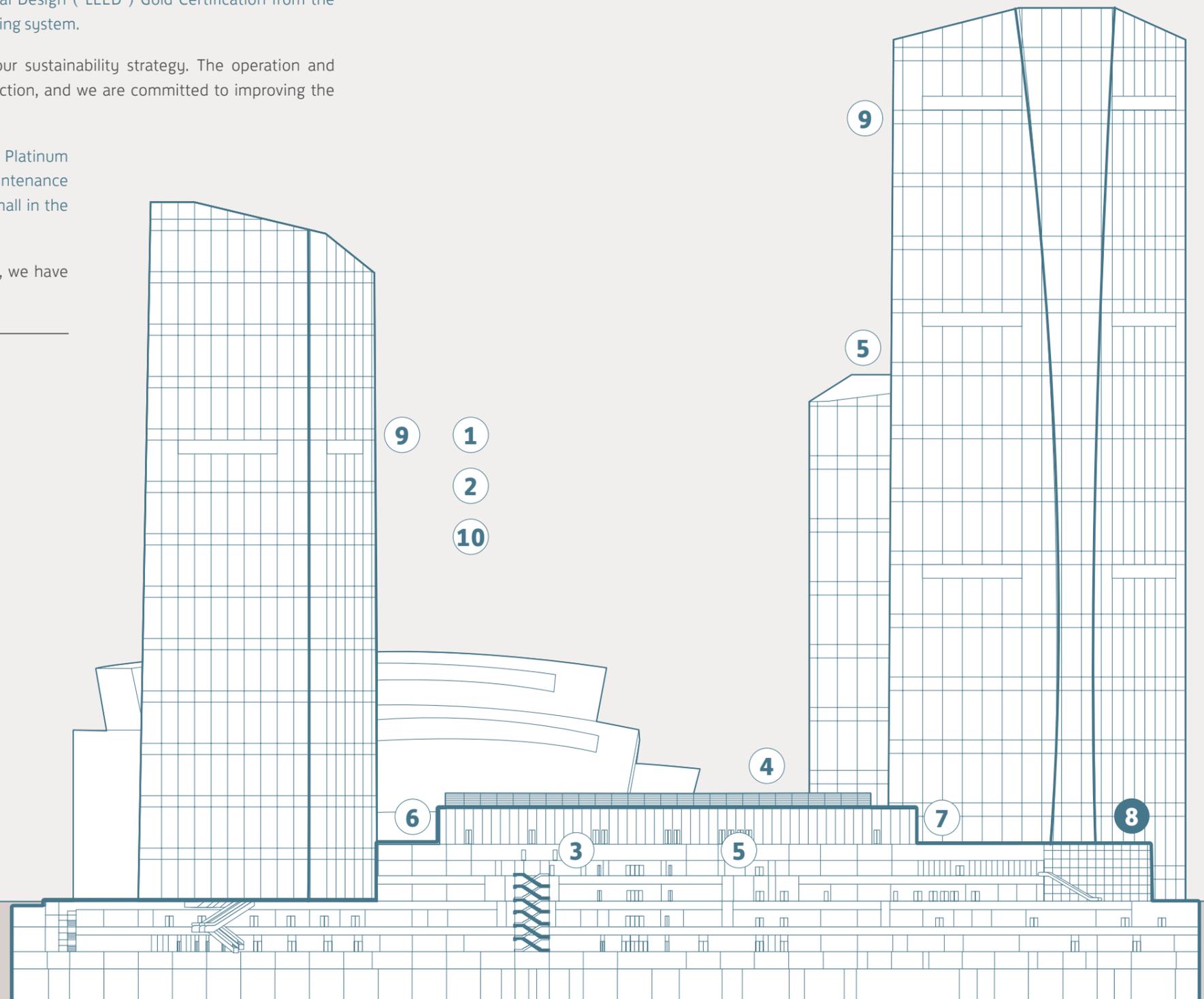
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8 Indoor Air Quality X

All interior paints and coatings used for internal renovations and tenant fit-out work are required to meet the volatile organic compound limits set by the USGBC under its LEED Platinum rating system. The shopping mall’s fresh-air ventilation provision exceeds LEED baseline¹ performance by 30%.



¹ Based on ASHRAE 62.1-2007 as baseline (LEED 2009 for Existing Buildings: Operations & Maintenance).

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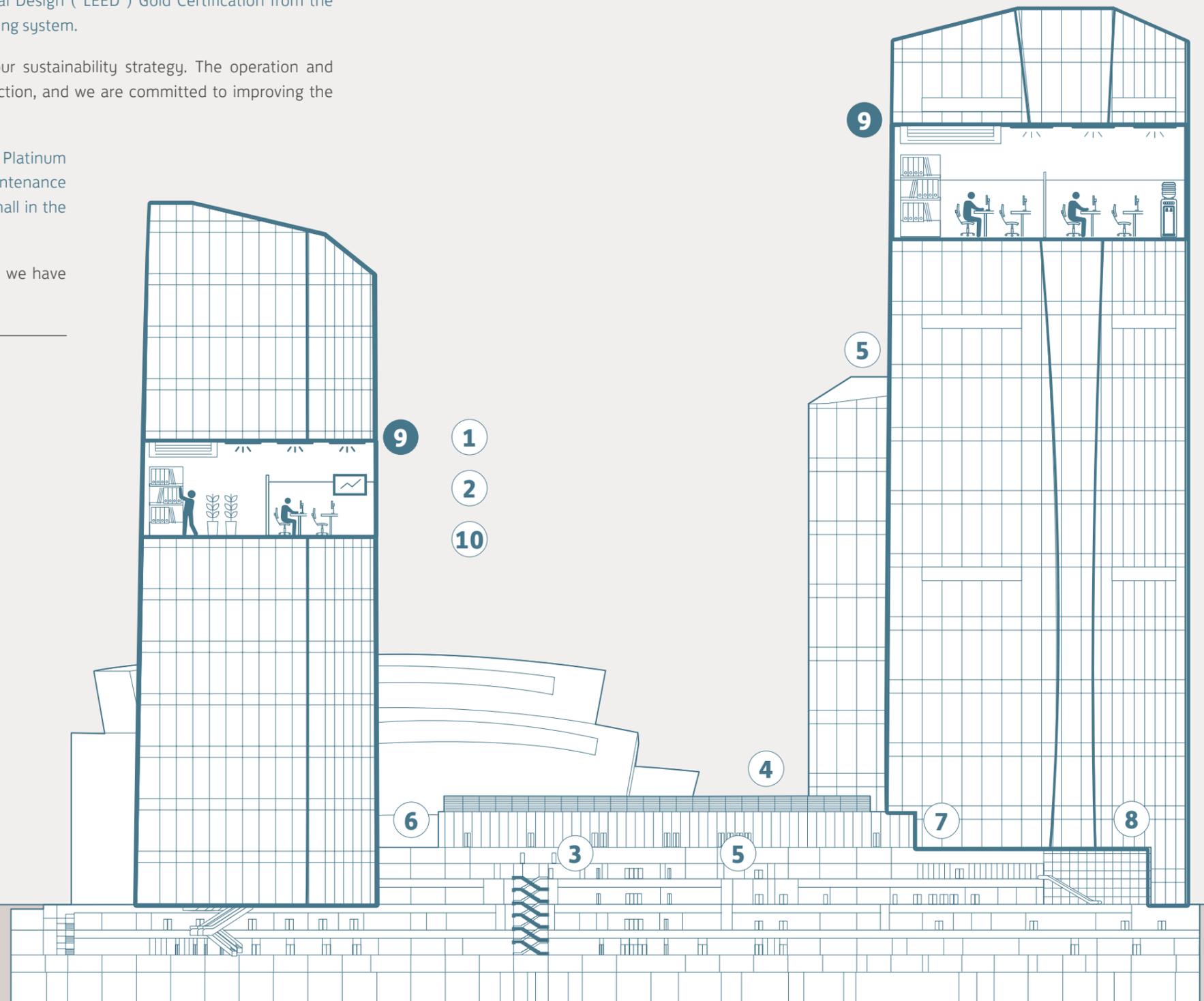
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Partnering with Tenants to Improve Sustainability Performance

9 Green Pledge Programme X

We work with tenants to improve the sustainability performance of our buildings through our Green Pledge Programme. Tenants in the programme have undertaken a range of targeted sustainability initiatives, ranging from the installation of energy efficient equipment, water conservation and recycling of waste, to educating employees about sustainability best practices.

We have signed sustainability memoranda with tenants occupying approximately 53% of our office space.



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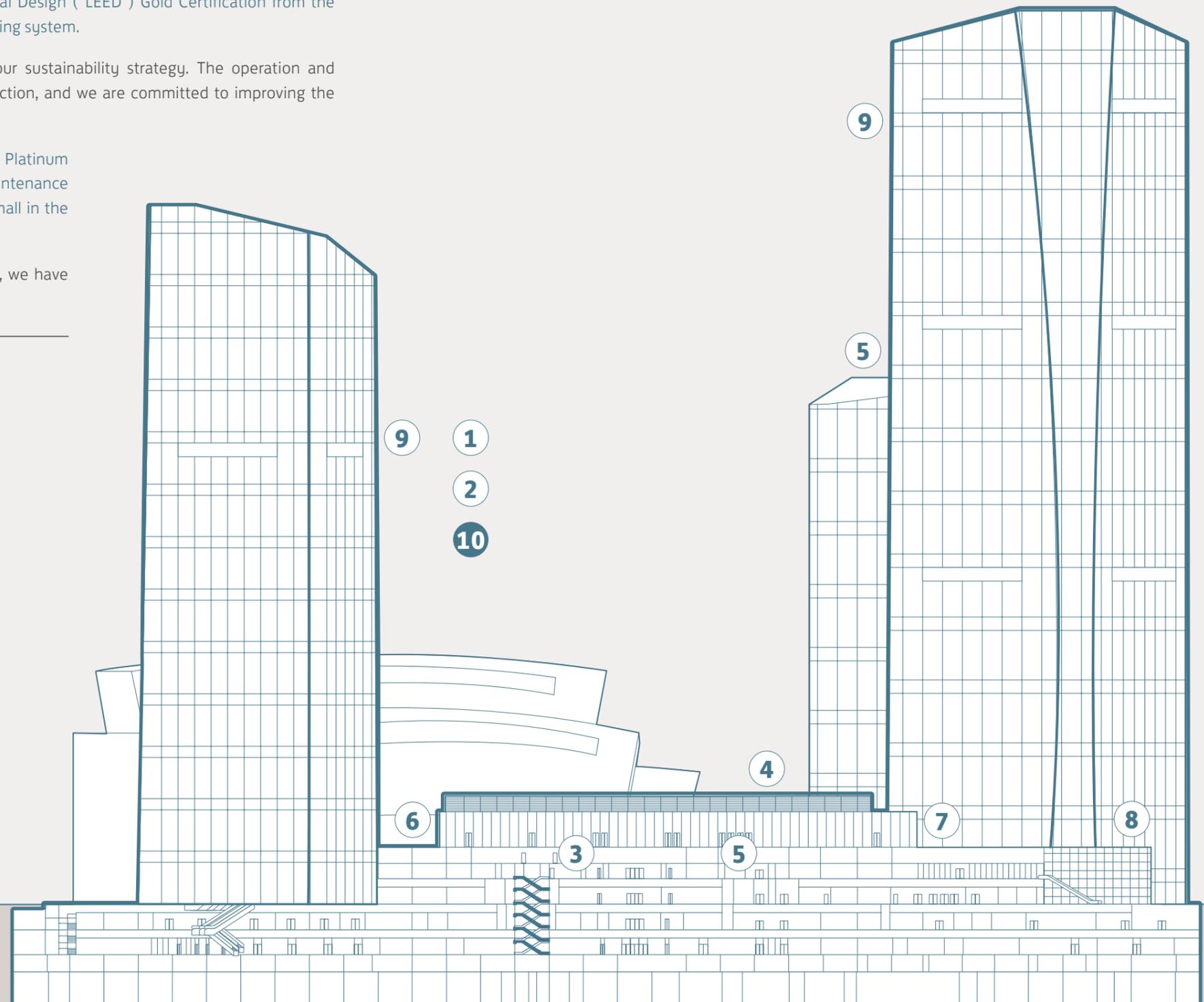
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Partnering with Tenants to Improve Sustainability Performance

10 Energy Audits X

Free energy audits for our office and retail tenants help them identify energy-saving opportunities.

As at 31st December 2017, energy audits covered more than 1.8 million square feet of tenanted area and identified potential annual energy savings of approximately 4.2 million kWh.



Sustainable Bathrooms at TaiKoo Hui

As part of our SD 2030 Strategy, we monitor water consumption in our buildings and adopt initiatives to reduce water use. In 2017, we retrofitted two of the public bathrooms in the shopping mall to include a variety of features aimed at reducing water consumption and minimising environmental impacts.

Conserving water

45 new low-flush toilets reduce the volume of flush water by 5.8 litres per flush compared to conventional toilets. Each of the 23 waterless urinals is equipped with special filtration systems to eliminate odour, and is expected to save approximately 150 cubic metres of water annually. The urinals also eliminate the need for water and electricity typically required by conventional urinals to transport and treat wastewater.

A grey water treatment and recycling system collects wastewater from sinks for reuse as flush water in the toilets, and for plant irrigation. Estimated annual water savings from both systems is approximately 1,080 cubic metres.



Improving air quality

Green plants provide visual appeal and environmental benefits, helping purify the air and reduce air temperature through soil moisture evaporation, while fans increase ventilation. Together, these improvements allow us to raise bathroom thermostats by 2° Celsius, which will reduce annual electricity consumption by an estimated 12-16%.

Incorporating recycled materials

During retrofitting, we reused floor tiles from the original bathrooms to create a watermill floor made from the crushed tiles. Bathroom walls and ceilings are made from glass-fibre reinforced gypsum, which is odourless, washable and recyclable and helps to control indoor humidity to improve microclimate comfort.

Reducing paper and energy use

Bathroom faucets are equipped with integrated, energy efficient hand dryers, eliminating paper use.

Energy-efficient LED lighting and white walls improve indoor brightness and provide lighting for indoor plants.



Sharing our sustainable practices

A short educational video in each bathroom introduces visitors to the bathroom's sustainability features and their environmental benefits.

Building on the success of our sustainable bathrooms, we are planning to undertake retrofits of the remaining public bathrooms in the shopping mall.



Awards and Accolades



Best Design Award for Sustainable Interior Design (2016 Good Design Awards)



Red Dot Award (2016 Communication Design Awards)



Interior Design Sustainable Living/ Green Child Silver Award (International Design Awards 2015)



Silver Award for sustainable products, projects and green design categories (2016 A'Design Award & Competition)



Merit Award in the professional designer awards and environmental category (Global Design Awards 2016)



ICONIC Award (2016 Indoor Retail Awards)

Engaging and Supporting Communities

Throughout the year, TaiKoo Hui hosts a variety of community events and cultural activities, which help create a vibrant mixed-use district that enhances the community and surrounding neighbourhoods.

Canton Cultural Workshops

In collaboration with the Children's Palace Guangzhou, we hosted a series of workshops aimed at preserving and promoting traditional Cantonese culture. Guided by local craftsman, children learned how to make traditional bamboo containers and lanterns.



Supporting the Environment

Our environmental initiatives included partnering with Sony, a tenant, to host a light painting contest in support of Earth Hour, one of the world's largest collective environmental actions. Our volunteers also visited Nine Dragon Lake in Zhaoqing with middle school students and teachers, and planted more than 80 trees to support Arbor Day.



Volunteering in the Community

Through our Community Ambassador programme, our employees volunteer their time and skills to help the elderly, disabled, children of migrant workers, and disadvantaged families in remote and impoverished areas.

During the 2017 Spring Festival, Community Ambassadors provided migrant workers who were unable to travel home for the holiday with a tour to see the shopping mall's decorations in celebration of Chinese New Year.

Our Community Ambassadors also worked with the Hualin Street Community Centre to host a Reading and Sharing event, where Ambassadors shared books and stories with low-income children in a reading corner set up by the community centre.



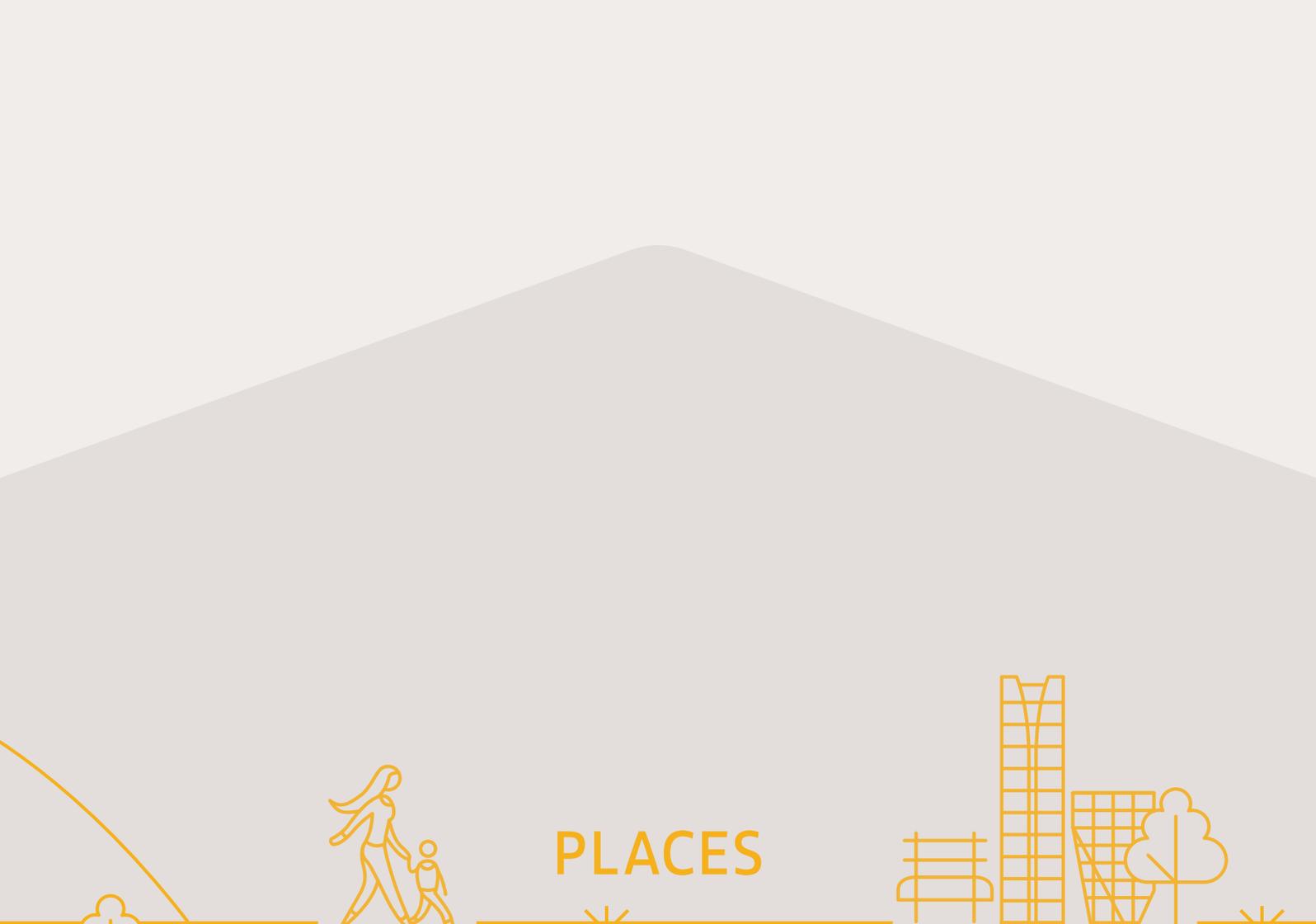
Employee Health and Wellbeing

In 2017, our Wellness Programme for employees included frontline sharing sessions on topics ranging from mindfulness, to career planning and conflict management.



With its green features, community enhancements and focus on continual improvement, TaiKoo Hui illustrates the creative, long-term approach we take to our business and our belief that value creation depends upon the sustainable development of our business and the communities in which we operate.





PLACES

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



PLACES



Highlights of Our Developments
Community Investment and Engagement | Local Revitalisation

The places we create and maintain have significant impacts on society. As a result, effective placemaking and long-term placekeeping are at the core of our SD 2030 Strategy.

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. We also strive for long-term placekeeping, which involves 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
- Community investment/engagement
- Social integration
- Local revitalisation



Through Creative Transformation, we aim to continue to create long-term value by transforming places into vibrant and sustainable communities. Initiatives under this pillar of our SD 2030 Strategy align with:



SDG 8

promote sustainable economic growth, employment and decent work for all



SDG 9

build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation



SDG 11

make cities and human settlements inclusive, safe, resilient and sustainable

PLACES



Highlights of Our Developments
Community Investment and Engagement | Local Revitalisation

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

Highlights of Our Developments

INDIGO



Taikoo Li Sanlitun

A New Design, Culture and International Exchange District



Taikoo Li Sanlitun was our first project to be completed in Mainland China. Our master plan to transform the Sanlitun area was developed in close collaboration with the local government and has become a core component of the local government's initiative to create a dynamic urban commercial centre.



Brickell City Centre

Leaders in Innovation, Design and Social Impact



Brickell City Centre is our landmark mixed-use development in Miami, U.S.A. that opened in 2016. It is our first development to obtain LEED Gold certification for Neighbourhood Development. A highlight of the centre is its state-of-the-art Climate Ribbon™, which is an elevated trellis that provides shade from the sun, creates air flow and collects rainwater, while also allowing natural light to penetrate and illuminate the shopping mall underneath it.



Sino-Ocean Taikoo Li Chengdu

The Coming Together of Heritage Structures and Modern Designs



Sino-Ocean Taikoo Li Chengdu is a 2.2 million square foot⁴ retail-led development in Chengdu's Jinjiang district, consisting of a retail complex, boutique hotel and serviced apartments, and Pinnacle One, a Grade-A office tower.



Beijing

Shanghai

Guangzhou

Hong Kong

Miami

TaiKoo Hui



Pacific Place, Cityplaza and Citygate



Taikoo Place

A Transformation that Continues



The redevelopment of Taikoo Place is a milestone project that illustrates our commitment to the continuing transformation of places and communities.

The on-going redevelopment project involves the phased construction of two triple Grade-A office towers, an elevated air-conditioned walkway linking the



HKRI Taikoo Hui

A New Hub for Business, Shopping and Entertainment



In November 2017, we opened HKRI Taikoo Hui in the Jingan district of Shanghai. Located on Nanjing West Road, one of Shanghai's major shopping venues, with access to three lines of the Shanghai Metro, this development is designed to transform the area by creating a new business, shopping and entertainment hub in Shanghai.



⁴This figure is rounded-up and based on gross floor area ("GFA") (100% basis).

PLACES



Highlights of Our Developments

Community Investment and Engagement | Local Revitalisation

Taikoo Place, Hong Kong: A Transformation that Continues

We aim to create places that support local economies and bring people together, helping to build communities that are happier, healthier and more productive.

In 2017, we hosted an exhibition entitled Taikoo Place: A Transformation that Continues, which rotated through the lobbies of five different buildings in Taikoo Place. We invited visitors to take a first-hand look at the master planning underlying the continuing transformation of Taikoo Place.

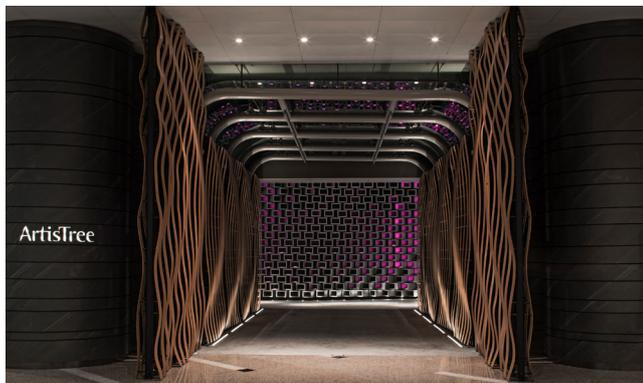


Taikoo Place Enhancements Approved

In 2017, the Hong Kong Town Planning Board approved our application to amend portions of our Taikoo Place redevelopment. The application, developed in consultation with the Eastern District Council and with extensive community input, will allow us to incorporate new elements into the project, including more food and beverage outlets, retail and recreational amenities, and communal spaces. These elements are integral to our processes of placemaking for Taikoo Place, and will help enhance Taikoo Place's position as a commercial hub in Hong Kong.

ArtisTree, Cambridge House

In June 2017, we celebrated one of the milestones of our HK\$15 billion Taikoo Place redevelopment project with the opening of the new ArtisTree – a 7,000 square foot multi-purpose event space. Fitted with a theatre stage, lighting and audio-visual technology, the new ArtisTree is designed to host a diverse range of productions, performances, talks and exhibitions, and to offer tenants and the wider community access to a variety of cultural events and performing arts.



Aimed at fostering emerging art forms, ArtisTree is expected to host a diverse range of works by international and local artists to help introduce new artworks to Hong Kong and make arts and culture more accessible to everyone.

PLACES



Highlights of Our Developments

Community Investment and Engagement | Local Revitalisation

Taikoo Place, Hong Kong: A Transformation that Continues

Blueprint, Dorset House

In 2017, we opened new and improved Blueprint premises in Dorset House at Taikoo Place. Blueprint exemplifies our approach to providing stimulus for local economies and supporting entrepreneurship. The 30,000 square foot space offers flexible workspaces and a range of multi-purpose event areas including a bar, café and outdoor terrace.

With the aim of nurturing innovation and creativity within Taikoo Place, the new Blueprint venue is designed to cater more effectively to the evolving needs of startups, small businesses and established companies looking for temporary workspace. Occasionally, we host talks and networking events that are open to all tenants and members of the wider business community.



20,000 square feet of co-working area, including 13 private offices

10,000 square feet of dedicated event, training and conference facilities for up to **180** guests, all equipped with audio-visual equipment

Tong Bar & Café, run by Swire Restaurants



For more information see [Blueprint](#)

PLACES



Highlights of Our Developments
Community Investment and Engagement | Local Revitalisation

Community Investment and Engagement

GRI
203, 413

HKEX
Aspect B8
KPI B8.1, B8.2

We believe that long-term value creation depends upon the sustainable development of our business and the communities in which we operate. Therefore, as part of our SD 2030 Strategy, we seek to engage our stakeholders during the design and planning, construction, operation and management phases of our buildings to better understand and manage the impacts of our developments.

We invest in the development of the communities in which we operate, with four focus areas of contribution, namely community care, arts and culture, education, and environment. In addition to charitable giving, we also contribute by other means, including **employee volunteering**, venue sponsorship and in-kind donations.

Events for the Community

We hold regular community events in and around our developments to help create and foster vibrant local communities. Enhancing the lives of people by creating high quality, sustainable places for them to live, work and enjoy is a common objective across all of our portfolios. We also seek to tailor our community development initiatives to local needs and interests in each location.



PLACES



Highlights of Our Developments
Community Investment and Engagement | Local Revitalisation

White Christmas Street Fair, Hong Kong



In order to raise funds for Operation Santa Claus, in November and December 2017, we held our White Christmas Street Fair, themed Rediscover the Wonders of Christmas, at the Star Street Precinct near Pacific Place and Tong Chong Street in Taikoo Place. The street fair is an important community engagement programme, which helps to create a sense of community by bringing together residents, office workers and retail and office tenants.

This year, the street fair was held over six days, with food and drinks, DIY workshops, live entertainment and more than 40 stalls between the two venues. For the first time, we held open bidding for the allocation of tenant booths, which provided a platform for startup companies and small local businesses to sell their products. The live performances were carried out by talented groups of tenants and employees in **PROJECT AFTER 6**, as well as several NGO partners who receive support from Swire Properties.



PLACES



Highlights of Our Developments
Community Investment and Engagement | Local Revitalisation

White Christmas Street Fair, Hong Kong

In the Star Street Precinct, we also hosted a drawing contest to promote the history and heritage of the area.

The successful recurrence of this annual charity event is the result of constructive collaboration between Community Ambassadors, residents, tenants, business and NGO partners, and local artists.



40 shopping booths (**50%** run by the Swire Properties' community)

38 retail and food and beverage tenants



350 Community Ambassador volunteers

50 live performances (**50%** staged by the Swire Properties' NGO partners)

80,000 visitors



More than **HK\$790,000** raised for Operation Santa Claus, an annual fundraising campaign, supporting local and regional non-profit organisations



The White Christmas Street Fair 2016 won the Silver Award in the Event Management category of the



3rd Hong Kong Public Relations Awards (2016) organised by the Hong Kong Public Relations Professionals' Association.

PLACES



Highlights of Our Developments
Community Investment and Engagement | Local Revitalisation

Swire Properties Art Month 2017

During Swire Properties Art Month in March 2017, we held a series of programmes to promote art and culture, architecture and design, and collaborated with Art Basel in Hong Kong for the 5th consecutive year.

In addition to hosting talks about art, architecture, design and the built environment in our VIP Lounge designed by Hugh Dutton at Hong Kong Convention and Exhibition Centre, we also hosted two independent exhibitions in our developments to engage the public in the art.

At Pacific Place, we presented BIT.FALL, a multimedia installation by German artist Julius Popp. The art installation displayed popular buzzwords as a curtain of water to convey the idea of the rapid flow of digital information in the modern age.



ArtisTree, our visual and performance arts space in Taikoo Place, hosted the exhibition ZAHA HADID: There Should Be No End to Experimentation, a collaboration with London's Serpentine Galleries and Zaha Hadid Design. The exhibition, shown for the first time in Hong Kong, gave visitors a glimpse into the work of the late visionary architect and designer. Hadid's early paintings, drawings and private sketchbooks provided insights into her thoughts on architectural forms and relationships. The exhibition also featured four specially designed virtual-reality experiences, which gave viewers a more dynamic perspective on Hadid's work.



PLACES



Highlights of Our Developments
Community Investment and Engagement | Local Revitalisation

Building Relationships in the Miami-Dade Community, Miami, U.S.A.

As part of our efforts to strengthen connections with the local communities in which we operate, we sponsor charitable events that benefit local residents.

In 2017, Brickell City Centre, Miami, U.S.A. hosted a Shopping Olympics to raise funds for Special Olympics Florida, a local NGO that supports athletes with intellectual and developmental disabilities, and also sponsored a Christmas Tree Lot to support the Boys & Girls Club of Miami-Dade, the local branch of a national NGO that provides educational opportunities for children.



Charity Art Week, Sanlitun, Beijing, Mainland China

Taikoo Li Sanlitun sponsored its first Charity Art Week in July 2017, offering young artists an opportunity to demonstrate their talent by interpreting the theme: Meaning of Life. Hosted in our multi-purpose event space, The Red, visitors enjoyed a wide variety of performances and exhibitions, including piano and guzheng recitals, Japanese flower arrangements, tea ceremonies, sculpture and painting exhibitions, and flamenco and modern dance performances.

The event, which received widespread media interest, was broadcast live on a popular Chinese online platform (一直播) and generated millions of views in a single week. It also received positive feedback from the Ministry of Culture, local government and the China Arts Festival Foundation.

The Taikoo Li Sanlitun Charity Art Week reflects our commitment to supporting arts and culture and to developing successful community engagement initiatives. We hope to make this an annual event.



More than **50** participating local youth artists

More than **1,000** visitors

More than **8 million** views on online platform

PLACES



Highlights of Our Developments
Community Investment and Engagement | Local Revitalisation

Investments in the Community

Community Caring Fund

Through our Community Caring Fund (“CCF”), we provide sponsorship to lesser-known Hong Kong-based community organisations that have been nominated by our employees with the objective of helping them plan and implement community-based initiatives and outreach projects.

Notable initiatives that received funding from the CCF in 2017 include, a dementia awareness campaign organised by the Hong Kong Alzheimer’s Disease Association, a music training programme for underprivileged children organised by House of Learning, a series of inspirational talks for our own employees organised by Direction Association for the Handicapped, and a village home rebuilding project in a remote area of Guangdong Province organised by Habitat for Humanity Hong Kong.

GRI
203, 413

HKEX
Aspect B8
KPI B8.1, B8.2



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

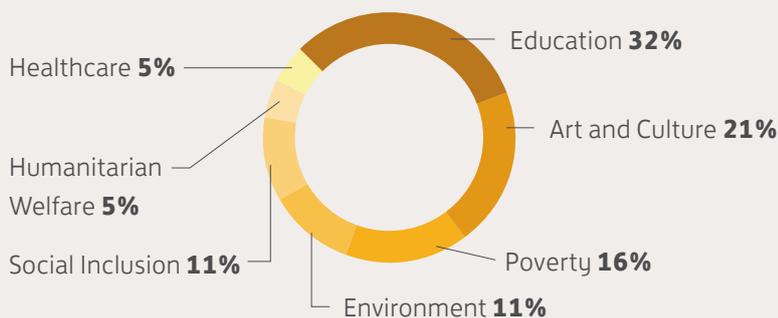
Community Caring Fund sponsorships since 2013

HK\$9.6 million donated
81 community-based initiatives and outreach projects supported

CCF-sponsored Programmes in 2016/2017, by focus area

Total value of donations:
HK\$2 million

Number of community-based initiatives and outreach projects supported:
19



PLACES



Highlights of Our Developments
Community Investment and Engagement | Local Revitalisation

Chengdu Community Centre, Sichuan Province, Mainland China

Following the severe earthquake that struck Sichuan province in 2013, Swire Properties committed RMB 2 million to helping residents of the disaster-affected area. To maximise the impact of our donation, we worked with China Children and Teenagers' Fund to create a community centre in Shuanghong Village, a rural area in Pengzhou that had been devastated by the earthquake. After nearly four years of work, the community centre's principal buildings were completed in March 2017.



This project reflects our commitment to long-term and sustainable community investments. The community centre is constructed from locally sourced materials, such as bamboo, and consists of three buildings housing a workshop, library and classroom for community and volunteer activities. This project won the "Integration" category of The China CSR Awards 2017 organised by the British Chamber of Commerce in China and AmCham China in recognition of the value that it brings to the community.



Dare to Take A 1,000 ft. Plunge for Charity?

In December 2017, Taikoo Place and EAST, Hong Kong worked with Outward Bound Hong Kong to host a charitable event, HK vertical 1000. In order to raise funds to provide disadvantaged youth in Hong Kong with greater access to adventure training programmes, participants stretched their own physical limits by abseiling down Swire Properties' headquarters building, One Island East.

Limited to 40 people, the 1,000-foot challenge attracted participation from our tenants and local mountaineering enthusiast Ada Tsang, the first Hong Kong woman to conquer Mount Everest.



PLACES



Highlights of Our Developments
Community Investment and Engagement | Local Revitalisation

Local Revitalisation

GRI
203, 413

HKEX
Aspect B8
KPI B8.1, B8.2

Through effective placemaking and long-term placekeeping we intend to enhance the productive potential of local economies. In addition to stimulating local jobs and commerce, our developments are designed to attract new visitors and residents. The impacts of our investments on local communities therefore extend beyond the scope of our own operations, and potentially over a long period of time.

As part of our SD 2030 Strategy, we seek to revitalise communities by enhancing infrastructure that supports a better quality of life for inhabitants, while preserving cultural heritage in the design and development of our properties.

Macha Village Project, Gansu Province

In 2017, our work on the Macha Village project received the Award for New Design in Heritage Contexts at the UNESCO Asia-Pacific Awards for Cultural Heritage Conservation.

Since 2011, we have been supporting the Wu Zhi Qiao (Bridge to China) Charitable Foundation on a local revitalisation project in Macha Village, located in the rural region of Gansu Province in northwestern China. Initiated by the Ministry of Housing and Urban-Rural Development, the project aims to modernise the traditional rammed-earth building methods that are prevalent in the region.

Working with local villagers, the project team has developed building methods to make new rammed-earth dwellings more earthquake-resistant, sustainable and environmentally friendly even though they are still built in the traditional style.

Twenty-eight prototype dwellings and a community centre have been constructed in Macha Village. More than 100 rammed-earth dwellings have been built throughout Mainland China utilising the new methods.

An exhibition on the Macha Village project, demonstrating the modernisation of the traditional rammed-earth buildings, will be held in Hong Kong in 2018.



By adapting traditional techniques of construction to meet modern standards of building performance and seismic safety, the quality of life of the villagers has been enhanced. The [Macha Village] project is a model for rural dwelling construction, which is affordable, sustainable and ecologically friendly.

UNESCO Asia-Pacific Awards for Cultural Heritage Conservation

PLACES



Highlights of Our Developments
Community Investment and Engagement | Local Revitalisation

Tong Chong Street Market, Quarry Bay Hong Kong

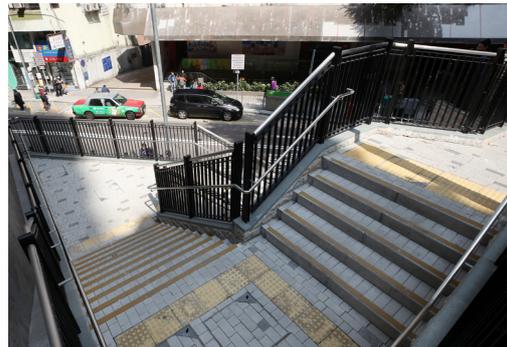
The Tong Chong Street Market, created three years ago with social enterprise Honestly Green, is a Sunday market in Taikoo Place selling fresh locally produced foods, including organic fruits and vegetables grown by local organic farmers.



In 2017, the market introduced the concept of zero waste by encouraging marketgoers to bring their own utensils, containers and bags. In addition to supporting local Hong Kong farmers, the market aims to engage the community, including our employees, tenants and neighbours at Taikoo Place on the importance of food cycles and sustainable production.

Caine Road Public Staircase, Mid-Levels Hong Kong

We want the places we build to be accessible and well-integrated into the surrounding neighbourhood so that they benefit and add value to the community.



Following the completion of our residential development ALASSIO in Hong Kong's Mid-Levels West in 2017, we dedicated the building setback at street level along Caine Road to public use, providing wider pedestrian-friendly sidewalks. We also built a new public staircase connecting Caine road and Castle Road to enhance access and walkability in the local area. This work formed part of the larger streetscape and pedestrian improvement work for our residential developments in Mid-Levels West, namely AZURA, ARGENTA, AREZZO and ALASSIO.

Sharing Experiences in Heritage Conservation

Chief Executive Guy Bradley served as a panelist at the International Heritage Conservation Conference 2017 organised by the Royal Institution of Chartered Surveyors (RICS). Speaking to more than 200 industry professionals, business leaders, operators and government representatives on the social and economic benefits of heritage conservation, he discussed the challenges that developers face in preserving heritage buildings.





PEOPLE

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

PEOPLE



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

We believe that the contributions of our employees are critical to our success and implementation of our SD 2030 Strategy. We aim to invest in attracting the right people and support our employees to achieve their full potential.

Progress

Our People Working Group comprises 15 representatives from different functions within Swire Properties. This working group has primary responsibility for achieving progress in five focus areas that are identified under the People pillar of our SD 2030 Strategy.

Top Material Issues

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

Progress Summary Table

Performance Categories	2020 KPI	Progress Updates in 2017
Talent Attraction		
Employer Branding	Refine communication strategy for employer branding	- A working group has been established to develop this strategy.
Compensation & Benefits	Conduct compensation and benefits review	- We have initiated a review of existing incentive systems, and Swire Hotels has conducted a survey of compensation within the hospitality sector in Hong Kong and Mainland China.
Recruitment Process	Introduce new digitalised recruitment platform	- We are researching recruitment systems to support the digitalisation of our recruitment platform.
Talent Retention		
Learning & Development	25% increase in training hours per employee per year ⁵	- We delivered approximately 75,000 training hours, an increase of 15.2% compared to 2016. We are developing new training programmes for implementation in 2018/2019.
Performance Development Review (PDR)	Incorporate elements of SD 2030 Strategy into annual performance goals and PDR for all employees	- We plan to commence work on this initiative in 2018/2019.
Incentive Structure	Conduct incentive structure review	- We have initiated the review process and our findings will be available in due course.

⁵ Compared to baseline year of 2016.

PEOPLE



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

Performance Categories

2020 KPI

Progress Updates in 2017

Safety, Health & Wellbeing



Safety

Increase total occupational health and safety (“OHS”) training hours by **5%**⁶

- We implemented programmes for accident investigation and OHS inspections and held talks for frontline employees on workplace injury prevention.

We are reviewing data from our Hong Kong portfolio to evaluate our OHS training needs.

Conduct compulsory OHS training via e-learning platform for **100%** of our employees

- We have approved implementation of compulsory OHS training that is intended to reach 100% of our employees via a new e-learning platform.

Maintain Loss Time Injury Rate (“LTIR”)⁷ below **2.0**

- LTIR of **1.43**, a decrease of **20.6%** compared to 2016.

Maintain record of zero work-related fatalities

- We have maintained zero work-related fatalities.

Migrate OHSAS 18001 to ISO 45001 standard in Hong Kong and Mainland China⁸ portfolios

Satisfaction

Conduct employee engagement survey for all employees

- We plan to commence work on this initiative in 2018/2019.

Implement employee assistance programme in all Mainland China⁹ offices

Health & Wellbeing

Develop health & wellbeing policy framework

- We delivered a wellness programme for employees in Hong Kong and Mainland China portfolios. Swire Hotels introduced a new wellness programme, which involved a fitness challenge.

⁶ Compared to baseline year of 2015.

⁷ LTIR represents the number of injuries per 100 employees per year. It is calculated by multiplying the total number of injuries by 200,000 and then dividing the product by the total number of hours worked. The factor 200,000 is the annual number of hours worked by 100 employees, based on 40 hours per week for 50 weeks a year.

⁸ Non-joint venture centres (i.e. TaiKoo Hui, Guangzhou and Taikoo Li Sanlitun, Beijing) only.

⁹ Non-joint venture centres (i.e. TaiKoo Hui, Guangzhou and Taikoo Li Sanlitun, Beijing) only.

PEOPLE



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

Performance Categories

2020 KPI

Progress Updates in 2017

Diversity and Inclusion



Policy, Strategy & Governance

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

- We established the D&I Committee, which is responsible for developing the D&I Statement of Commitment and corresponding initiatives.

Adopt a D&I Statement of Commitment

Introduce formal employee grievance policy

Culture

Conduct D&I awareness training for senior management

- We are currently in the planning stages of developing D&I training sessions for senior management.

Disclosure

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

- We have disclosed data on gender, age and job level in the [Performance Data Summary](#).

Working Environment

Develop “flexible working policy” and guidelines¹⁰

- We are researching and evaluating flexible working policy best practices.

Volunteering



Community Ambassador Programme

Participation in Community Ambassador Programme¹¹

- Community Ambassadors in Hong Kong and Mainland China contributed more than **6,700** volunteer hours to **74** activities that benefited the community.

Hong Kong
All employees and their families and friends **↑20%**

Hong Kong tenants & other Swire group companies **↑20%**

Mainland China
All employees and their families and friends **↑20%**

Introduce Community Ambassador programme in employee induction

- An introduction to the Community Ambassador programme became part of our basic induction programme for new hires in Beijing and Hong Kong.

Community Caring Fund

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

- We received **40** nominations from employees and funded **19** projects.

¹⁰ This KPI was listed under the focus area of “Talent Retention” in the Swire Properties SD Report 2016.

¹¹ Compared to baseline year of 2016.

PEOPLE



Progress | [Employment Profile](#) | Talent Attraction | Talent Retention | Safety, Health and Wellbeing | Diversity and Inclusion | Volunteering

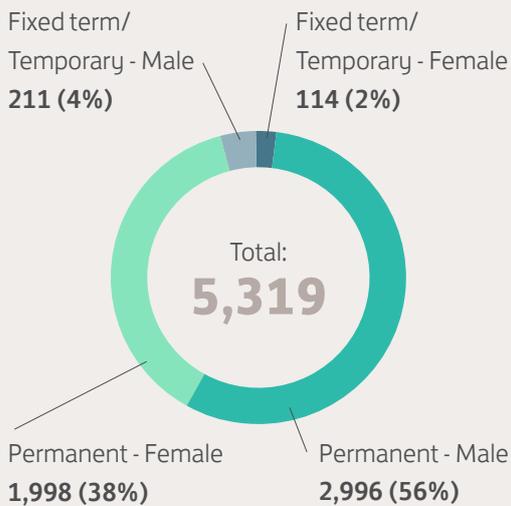
Employment Profile

GRI 102-8, 401

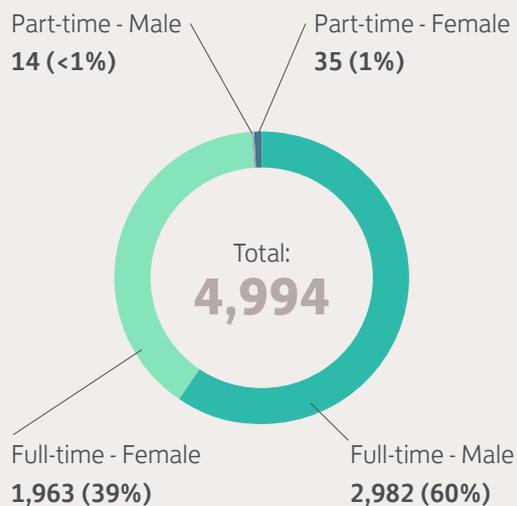
HKEX KPI B1.1

Swire Properties employs more than 5,300 people¹², of which approximately 3,200 employees are located in Hong Kong and approximately 2,100 in Mainland China.

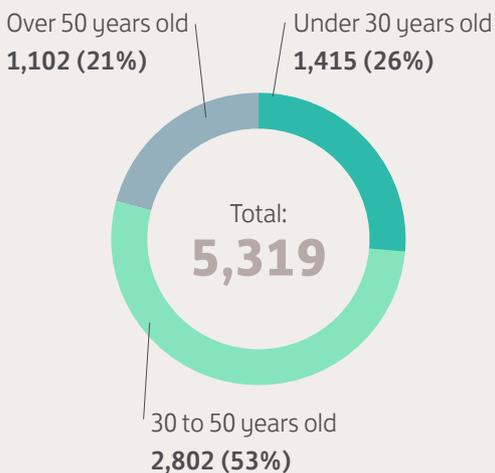
Employment Contract Type, by gender



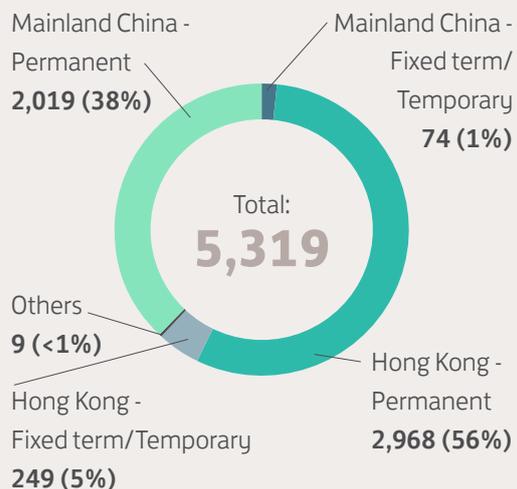
Employment Type¹³, by gender



Employees, by age group



Employment Type, by region



¹² This figure reflects permanent employees with permanent and fixed term/temporary contracts in our Hong Kong portfolio, Mainland China portfolio and Swire Hotels.

¹³ Includes permanent employees only.

PEOPLE



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

Talent Attraction

GRI
102-41, 401

HKEX
Aspect B1

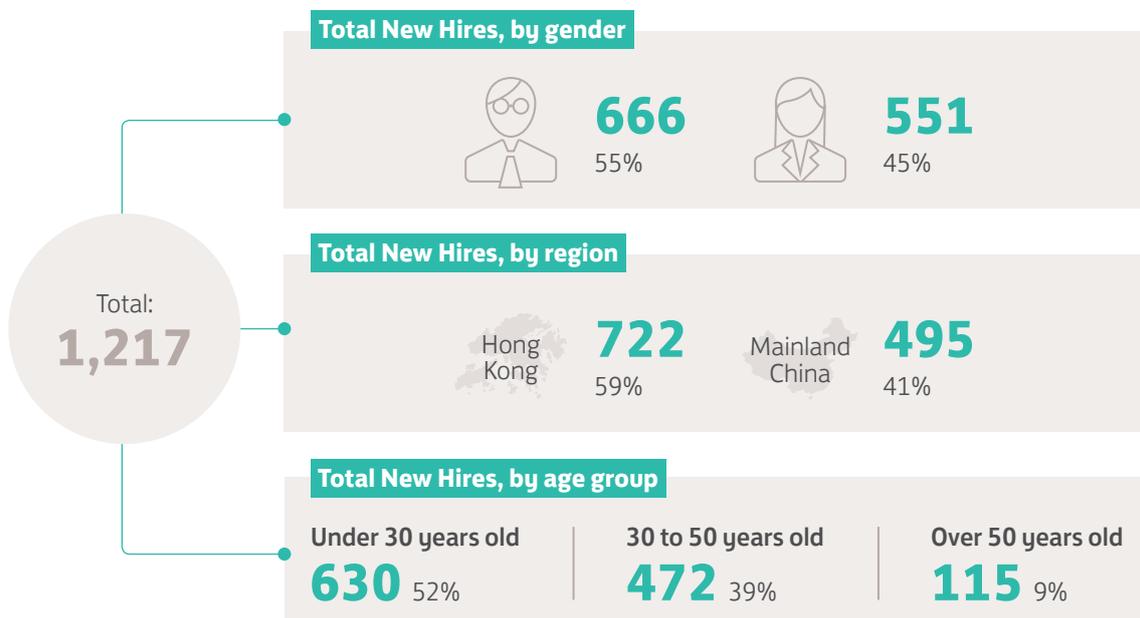
Our employees receive competitive remuneration packages with a variety of benefits, including medical care, retirement schemes and performance-based bonuses. We strive to ensure that every employee receives regular, objective, fair and open assessments of his/her performance, and is rewarded accordingly with merit-based incentives. To streamline the assessment processes and ensure consistency across the Company, we have a Performance Development Review system in place. There are no formal collective bargaining agreements in place within our Company.

To help ensure that we continue to attract and employ the right people for the long-term success of our business, we are working on a communication strategy for employer branding and reviewing a new system to facilitate the digitalisation of our recruitment process, including candidate selection.

In Hong Kong, our human resources and administration department has established a new working group to capitalise on the experiences and perspectives of management and technical trainee representatives to help ensure that Swire Properties continues to be an employer of choice.

Swire Properties Named 2nd Most Attractive Employer in Hong Kong

We earned second place in the 2017 Randstad Employer Brand Awards, competing against a field of 75 local and international companies across multiple industries in Hong Kong. Commonly known as the people's choice awards, the annual Randstad Employer Brand Awards scheme recognises the most attractive employers based on the votes and opinions of locally based workers.



PEOPLE



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

Talent Retention

GRI 401

In 2017, total employee turnover was 22%, a slight increase over the rate of 21% in 2016.

ACCA Names Swire “Approved Employer”

In 2017, the Association of Chartered Certified Accountants (“ACCA”) named Swire Properties an “Approved Employer” under its Approved Employer Programme, in recognition of the standard of training and development we offer to our employees. As a result, our employees who are ACCA members will have access to additional support and programmes designed to help them further their professional development.

Learning and Development

GRI 404

HKEX Aspect B3

Our multi-year trainee programmes develop talent in the areas of building surveying, engineering and general management. Swire Hotels’ 18-month international operations management trainee programme provides wide-ranging exposure to hotel operations in Hong Kong and Mainland China.

Our other learning and development programmes include:

- On-the-job training
- Internal job rotations
- Mentoring opportunities
- Secondments in other markets where we operate
- Management and leadership training programmes

Our Achieving Excellence Programme (“AEP”), introduced in 2015, is a two-year programme that aims to help new managers develop their careers.

In 2017, we held five AEP modules, focused on developing leadership skills, fostering teamwork and managing employees. The interactive workshops covered a range of management skills, such as strategies for working effectively with different types of people and approaches to managing business change with flexibility and creativity.



Our AEP team also hosted a workshop on sustainability to help participants gain a deeper understanding of our commitment to SD and how we integrate our SD 2030 Strategy into our business.

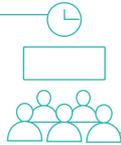
At the final workshop in December 2017, participants were involved in a business simulation exercise designed to provide them with an opportunity to use the skills they acquired throughout the two-year programme.

PEOPLE



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

Total training hours:



~75,000
hours

Total training spend(HK\$):



9.4
million

HKEX
KPI B3.2

Average Hours of Training, by gender

2017



Male

13.5 hours
↑ **11.6%**
Change year-on-year



Female

15.0 hours
↑ **23.0%**
Change year-on-year

Average Hours of Training, by employment category

2017

Management

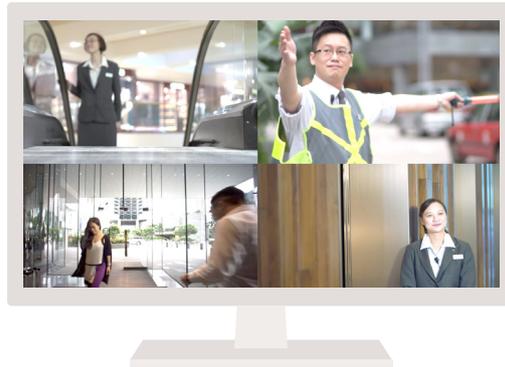
23.2 hours
↑ **37.3%**
Change year-on-year

Non-management

11.2 hours
↑ **3.7%**
Change year-on-year

Job Training for New Employees: Lights, Camera, Action!

The building management department and human resources and administration department have produced a training video to help new employees familiarise themselves with building management roles and responsibilities. The video features building management and technical department employees simulating real-life scenarios they may face day-to-day. The video is part of a series of weekly job familiarisation sessions that began in April 2017.



Security Services Best Training Awards



In March 2017, the Security Services Training Board of the Vocational Training Council and the Hong Kong Police Force awarded Taikoo Shing (Management) Limited team the Gold Award at the 2016 Security Services Best Training Awards in recognition of their excellent employee training and support programme.

Our security trainees attend training sessions to learn skills and techniques that they can apply in performance of their employment duties. This is the second time that the Taikoo Shing (Management) Limited team has won the gold award at the Security Services Best Training Awards.

PEOPLE



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

Service Excellence Awards

In 2017, we presented Service Excellence Awards to 35 frontline employees from 14 departments. The awards recognise the efforts these employees made to improve the lives of our tenants and customers.

“Doing everything we can to make every one of our customers feel acknowledged and appreciated is the key to success,” said award winner Chan Chi-tak, Building Supervisor, Cityplaza Management Office. “I feel a sense of accomplishment when I can help someone in need, whether it’s something as mundane as giving directions, or as unforgettable as saving a life.”

Another award winner, Chan Cho-yiu, Senior Building Attendant in the Pacific Place Management Office, who saved the life of a worker employed by our contractor, while on duty at Pacific Place, said, “I feel excited to be part of the team at Pacific Place. The size and diversity of the portfolio enables me to interact with many types of customers with different needs, and I believe that having a positive and respectful attitude can drive us to exceed customer expectations.”

Safety, Health and Wellbeing

GRI 403

Health and Safety Policy

HKEX Aspect B2 KPI B2.3

We regard health and safety (“H&S”) as an integral part of our business. Our [Health and Safety Policy](#) encompasses our employees, contractors, tenants and visitors, including any person whose work or workplace is controlled by the Company.

Safety Management Systems

We have Safety Management Systems (“SMS”) in place for maintaining a safe and healthy work environment, and for minimising any adverse H&S impacts arising from our operations.

The SMS Steering Committee in Hong Kong, which is chaired by our fire and safety manager, and our SMS sub-committee, meet periodically to monitor and evaluate the Company’s safety performance. In Mainland China, the Safety Working Group, which is chaired by the Director of Technical Services and Sustainable Development (Mainland China), holds regular meetings to monitor and evaluate our safety performance.

We have implemented programmes for accident investigation and H&S inspection to help identify the causes of accidents, allowing us to adopt measures that can prevent them from reoccurring. Our relevant business units issue accident reports following the completion of formal investigations by a manager

3 GOOD HEALTH AND WELL-BEING

SDG 3
 Good Health and Wellbeing

Safety, Health and Wellbeing is an integral part of our business and SD 2030 Strategy. Our initiatives under this focus area align with **SDG 3**: ensure healthy lives and promote wellbeing

PEOPLE



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

of supervisor-level or above. We inspect our workplaces for irregularities and hazardous conditions, and take follow-up actions for the maintenance of our buildings, equipment and facilities.

In 2017, independent third-party audits of our SMS were conducted at four properties in our Hong Kong and Mainland China portfolios. The findings confirm that our SMS complies with the internationally applied OHSAS 18001: 2007 for occupational health and safety management systems. As at 31st December 2017, we have obtained OHSAS 18001 certifications for a total of eight properties.

By 2020, we expect our Hong Kong and Mainland China portfolios to comply fully with the new and more stringent ISO 45001 standard. We are focused on integrating health and safety into various aspects of our operations, identifying and controlling our own health and safety risks, and expanding our efforts to account for how suppliers and contractors are managing health and safety risks too.

Awards for Safety Management and Performance

To promote awareness of occupational health and safety among our employees, we seek to participate actively in relevant competitions and external award schemes.

2017 Awards/Certifications

- **INDIGO, Beijing** was recognised as a Company Advanced in Safety Operation and Management by the Chaoyang District Association of Work Safety
- **TaiKoo Hui, Guangzhou** and **Sino-Ocean Taikoo Li Chengdu** were each recognised as a Company Advanced in Fire Safety Management by the Public Security and Fire Bureau of Guangzhou and the Chengdu Municipal Government, respectively
- **Taikoo Li Sanlitun** was recognised as a Company Advanced in Emergency Management by the Chaoyang District Association of Work Safety
- **Swire Properties' security team** earned gold at the 2016 Security Services Best Training Awards organised by the Security Services Training Board of the Vocational Training Council and the Hong Kong Police Force
- **Two Swire Properties employees** earned gold in the Outstanding Registered Electrical Worker Awards Scheme organised by the Hong Kong Special Administrative Region ("SAR") Government's Electrical and Mechanical Services Department

PEOPLE



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

Safety at Work

GRI 403

HKEX KPI B2.1

In 2017, we maintained our record of zero workplace fatalities for our employees and there were no confirmed incidents of non-compliance with relevant laws or regulations relating to the provision of a safe working environment and protection of employees from occupational hazards, which have a significant impact on Swire Properties.

Swire Properties Wins Bronze at 2017 Considerate Contractors Site Award Scheme

Swire Properties won Bronze in the 2017 Considerate Contractors Site Award Scheme for its efforts to provide a safe working environment for its contractor, Otis Elevator Company (H.K.) Limited, at One Island East in Taikoo Place. The award scheme, jointly organised by the Hong Kong Development Bureau and the Construction Industry Council, seeks to recognise construction contractors, supervising teams, site supervisors and workers for outstanding safety performance.

Prevention of Workplace Injuries

HKEX KPI B2.2

Our target for 2020 is to maintain a Lost Time Injury Rate (“LTIR”) for employees of below 2.0.

In 2017, our LTIR decreased by 20.6% and our lost day rate (“LDR”)¹⁴ increased by 33.7% compared to 2016. The majority of injuries resulted from slips, trips and falls (“STF”) and lifting and carrying. We attribute the increase in LDR to long recovery times associated with these types of injuries. We are carrying out corrective measures, including safety talks on STF prevention and additional work site inspections to improve safety.

Employee Lost Time Injury Rate (LTIR) and Lost Day Rate (LDR) Trend

	2015	2016	2017
LTIR	1.88	1.80 ↓4.3% Change year-on-year	1.43 ↓20.6% Change year-on-year
LDR	61.08	36.18 ↓40.8% Change year-on-year	48.36 ↑33.7% Change year-on-year

Employee Lost Time Injury Rate (LTIR) and Lost Day Rate (LDR) 2017, by portfolio

LTIR	Hong Kong	LDR	LTIR	Mainland China	LDR	LTIR	Hotels	LDR
1.40		64.34	0.48		26.96	2.12		39.13

¹⁴ Number of lost scheduled working days per 100 employees per year.

PEOPLE



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

As part of our management approach to preventing workplace accidents, in 2017 we conducted education and awareness talks for frontline employees. The topics of the talks were selected to address concerns of specific relevance to employees in different areas of our business, such as back pain prevention for frontline employees in our Hong Kong portfolio, STF prevention in our Mainland China portfolio and manual handling operation tips in our hotel operations.

Safety Training

We are in the process of expanding our training programme to achieve our 2020 KPI of increasing total occupational health and safety (“OHS”) training hours by 5% compared with the baseline level in 2015. In 2017, we gathered data from across our Hong Kong portfolio to evaluate our OHS training needs. In 2017, we also approved the implementation of compulsory OHS training that is intended to reach 100% of our employees via a new e-learning platform.

In 2017, we delivered more than 20,000 hours of training to our employees, covering a range of OHS topics, including STF prevention, back pain prevention and safety ladder demonstration. In Mainland China, we provided training for senior management and line managers on communicating safety priorities and demonstrating leadership on OHS issues. We also conducted approximately 50 emergency response drills covering security management, crowd management and facilities management to improve our emergency response capabilities at different properties in our Mainland China portfolio.

Innovating for a Safer Work Environment

We encourage our employees to be proactive in preventing accidents and improving safety. In 2017, two of our employees won Merit awards at the 9th Outstanding Occupational Safety and Health Employee Award Scheme organised by the Hong Kong Occupational Safety and Health Council.

Cheung Chi-tak, a technician at Island Place, Hong Kong, developed a practical and effective strap for small tools, which wraps around the user’s wrist to keep them from slipping or falling.

Frederick Leung, a technical officer at technical services and sustainable development, also won an award for his work on promoting the use of new, safer stepladders to prevent incidents from occurring when our employees are working at height.

On technology adoption for safety, we have promoted the use of Handylift Hydraulic, a new hydraulic manhole cover lifter, which facilitates the lifting of heavy manhole covers and prevents related injuries.



PEOPLE



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

Employee Health and Wellbeing

We encourage our employees to participate in a wide variety of activities in and out of the office. In 2017, our Wellness Programme for employees in Hong Kong and Mainland China included sharing sessions for frontline employees on a range of topics, including mindfulness, maintaining work/life balance, good nutrition and healthy eating.

In 2017, Swire Hotels introduced a new Wellness Programme, which involved a fitness challenge. Members of our Central Support Office were offered personal fitness trackers and invited to participate in a wide range of physical activities from yoga and funky dance to jogging and hiking. We intend to incorporate feedback from participants to make improvements to the pilot programme before expanding it to other departments.

We care about the mental health of our employees, and provide relevant counseling services and learning opportunities through our Employee Assistance Programme.

In 2017, we hosted a variety of sharing sessions, lunchtime talks and workshops for our employees, which aimed to address work/life balance and mental health issues in the workplace.

Wellness Programme 2017

280 participants across **6** offices

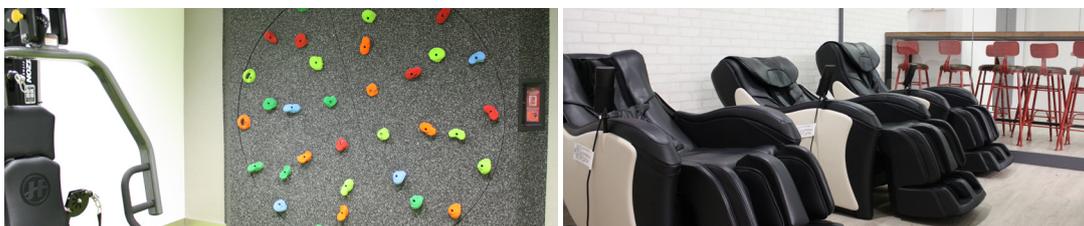
Lunch talks on low-carbon eating and coping with allergies attended by **160** employees

3-hour workshop on Becoming Resilient – The Key to Thriving at Work



Creating Rejuvenating Space for Frontline Employees

We have created a dedicated space for members of our Taikoo Place building management and technical services departments to relax and rejuvenate. Opened in May 2017, the 4,500 square foot space consists of a changing room, common room and gym and includes other amenities, such as mobile-charging stations, a massage corner and a magnetic blackboard. The design of the new space incorporated employees' suggestions to ensure that it meets the needs of our building management and technical services department members.



PEOPLE



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

Encouraging Our Employees to Keep Fit



In 2017, we sponsored two sporting events to promote healthy living, exercise and teamwork among our employees. In February, our Community Ambassadors and their families participated in Run for Survival, organised by the Ocean Park Conservation Foundation Hong Kong to raise funds for its marine conservation efforts. In September, 116 employees participated in our annual sporting event by competing in 2km, 5km and 10km team and individual races.



Urban Farming in Our Own Homes

In 2017, we worked with social enterprise Rooftop Republic to develop three workshops aimed at teaching employees how to live more sustainably:

- Create Your Own Mini Edible Garden focused on how to grow greens at home using recycled plastic drink bottles. As the instructors demonstrated planting techniques and offered tips, participants learned about the feasibility and benefits of urban farming.
- Coffee Grounds Recycling instructed participants on how to make a body scrub suitable for their skin type and explored the benefits of using coffee grounds to create homemade soaps and scrubs.
- Grow Your Own Oyster Mushrooms demonstrated to participants how to use food compost and coffee grounds to grow non-toxic mushrooms in their own homes.



PEOPLE



Progress | Employment Profile | Talent Attraction | Talent Retention
Safety, Health and Wellbeing | [Diversity and Inclusion](#) | Volunteering

Diversity and Inclusion

Our commitment to promoting diversity in the workplace has been documented in our [Corporate Code of Conduct](#).

The [Equal Opportunities and Diversity Council](#) of John Swire & Sons (H.K.) Limited, our parent company, is responsible for encouraging and advocating equal opportunities and diversity across the Swire group, including Swire Properties. It continues to monitor and measure our equal opportunities and diversity achievements. We also have an internal Equal Opportunities Policy in place, which is available in our employee handbook and communicated to our employees.



5

GENDER
EQUALITY

SDG 5

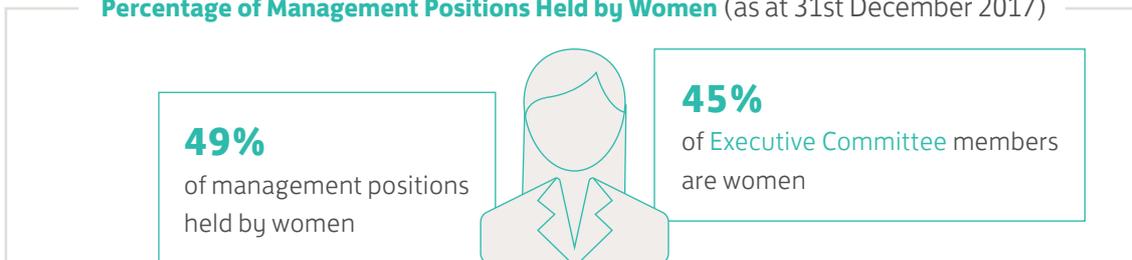
Gender Equality

Diversity and Inclusion is an area in which we aspire to provide leadership. Our initiatives under this focus area align with **SDG 5**: achieve gender equality and empower women and girls

GRI 405

HKEX Aspect B1

Percentage of Management Positions Held by Women (as at 31st December 2017)



We plan to introduce a new Diversity and Inclusion (“D&I”) Statement of Commitment in 2018 to reaffirm our continuing commitment to create 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), religious or political beliefs.

To develop and implement our D&I policies and initiatives, we established a Diversity and Inclusion Committee (“D&I Committee”), which is chaired by our Human Resources Director and reports to the Executive Committee on a quarterly basis. The D&I Committee is responsible for ensuring equal opportunities, advocating fair and bias-free processes for recruiting, developing and promoting our employees, and monitoring our success at achieving D&I in our workplaces. The D&I Committee will also serve as a governing body to review grievances relating to discrimination.

PEOPLE



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

Urban Orienteering Challenge

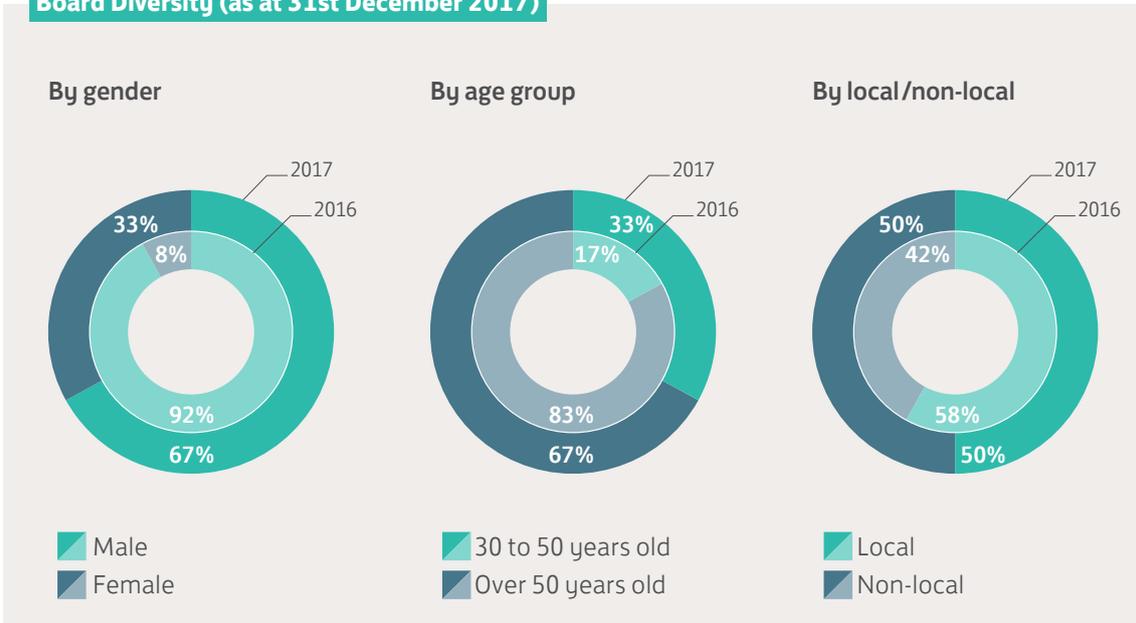
In March 2017, Swire Properties Community Ambassadors joined the Barrier-Free Orienteering Competition sponsored by Hong Kong PHAB (Physically Handicapped and Able-Bodied) Association, one of our NGO partners. Our Community Ambassadors joined with wheelchair-bound teammates to take on an orienteering course in Hong Kong's urban environment. The competition enabled participants to personally experience the daily mobility challenges faced by people who use wheelchairs in Hong Kong.



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 have a balance of skills, experience and diversity of perspectives appropriate to our business.

Board Diversity (as at 31st December 2017)



Additional information about the diversity of our Board members is available in our [Swire Properties Annual Report 2017](#).

PEOPLE



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

Volunteering



Our Community Ambassador programme enables our employees to contribute their time and skills towards social and environmental causes. To encourage active participation in the programme, our employees nominate the beneficiaries we will support, and we offer one extra day of leave for every ten hours of voluntary service (capped at two days per year) under our Community Ambassador Service Leave Policy.

GRI 413

HKEX Aspect B8 KPI B8.1, B8.2

Our Community Ambassador programme attracts support from our employees and their families and friends, as well as representatives of our business partners, tenants, customers and other Swire group companies.

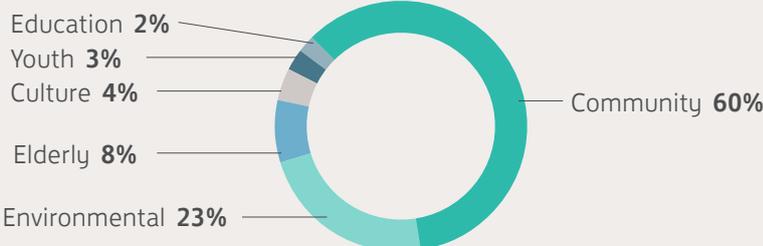
Community Ambassador Programme Volunteer Hours, by focus area

Activities supported:

74

Total volunteer hours:

6,700



In 2017, our Community Ambassadors in Beijing and Guangzhou organised events focused on local arts and culture, environmental protection and community building. Events ranged from introducing young earthquake victims to traditional Beijing Opera, to planting fruit trees at local farms and learning about traditional farming methods. In Hong Kong, our Community Ambassador activities in 2017 focused on youth development, social inclusion and community building.

Since 2011, the Community Ambassador team has grown from 40 employees to more than 4,000. In 2017, to help expand the team, our induction programme for new hires in Beijing and Hong Kong included an introduction to our Community Ambassador programme.

Community Ambassadors Earn Outstanding Partnership Project Award for LOVE's TEAM



To mark its 15th anniversary, our Community Ambassadors in Hong Kong joined with 15 NGOs to host the LOVE'S TEAM charity bazaar in 2016. Over 1,350 volunteers participated in the event, which, with the help of matching funds from the Swire Group Charitable Trust, raised more than HK\$870,000 for the participating NGOs.

In 2017, the Hong Kong Council of Social Services awarded our Community Ambassador team the Outstanding Partnership Project Award 2017/18 for its work on the LOVE'S TEAM charity bazaar.

PEOPLE



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

Working with Youth to Develop Job Skills

As part of our community engagement efforts, we have developed programmes to help the younger generation in Hong Kong develop job skills and gain work experience.

In 2017, Swire Restaurants and EAST, Hong Kong worked with Jockey Club Sarah Roe School and King George V School to provide work experience for students with learning disabilities. During the 2016/17 school year, eight students participated in the internship programme. The rotation through a variety of roles in our kitchens, dining rooms and housekeeping allowed them to gain experience that will help to prepare them for work after graduation.



Together with NGO KELY Support Group, 20 of our Community Ambassadors held a pilot pre-employment workshop for ethnic minority students to equip them with job skills and teach them interview strategies. We also introduced the students to our SD vision and provided them with the opportunity to team up with their Community Ambassador mentors to brainstorm their ideal sustainable community.

In August 2017, our Community Ambassador team worked with Hong Kong University of Science and Technology to organise a computer training and robotics workshop for 15 youths from the Unusual Academy, a unit of the Hong Kong Playground Association. 20 Community Ambassadors worked with the young people to learn basic computer engineering and assembly skills. Students then applied their new skills to benefit underprivileged families through a related initiative involving the delivery and installation of second-hand computers and printers.

PEOPLE



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

Cleaning up Mudflats at Shui Hau Wan



In September 2017, our Community Ambassadors partnered with Ocean Park Conservation Foundation to clean up the mudflats at Shui Hau Wan on Lantau Island, which provide an important habitat for many marine species, including the [horseshoe crab](#). Our Community Ambassador team, together with their friends, family members and other volunteers, helped to collect and dispose of debris and trash that had accumulated in the mudflats during typhoons.



Spreading the Joy of Books

The TaiKoo Hui Community Ambassador team visited the Hualin Street Community Service Centres in Guangzhou in July 2017 to share their joy of reading with underprivileged children. Together with the children, the Community Ambassadors built bookshelves, filled them with books donated by our Guangzhou employees and designed a reading corner in which they read and shared their favourite books.



PEOPLE



Progress | Employment Profile | Talent Attraction | Talent Retention
 Safety, Health and Wellbeing | Diversity and Inclusion | [Volunteering](#)

Inspiring Budding Engineers

In 2017, we continued to work with Otis Elevator Company, one of our tenants at Cityplaza, by hosting the Be a Little Engineer programme. Together with 20 Community Ambassadors and 10 Otis volunteers, 37 “Little Engineers” from The Boys’ and Girls’ Clubs Association of Hong Kong and Haven of Hope Christian Service were invited to get a behind-the-scenes look at how the Otis Super Double-Deck Elevator in One Island East works. As part of the programme, participants also designed their own elevators and earned awards for the most creative and sustainable designs.



PARTNERS



We aim to continue to develop long-term, mutually beneficial relationships with our business partners and other key parties so as to improve our environmental, social and economic performance.

PARTNERS



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

The Partners pillar of our SD 2030 Strategy is about working with others to achieve SD objectives. We aim to continue to develop long-term and mutually beneficial relationships with our suppliers, tenants, customers and residential owners/occupiers, as well as government, NGOs and joint venture partners (collectively, our “Partners”) to help us improve our environmental, social and economic performance.

Progress

Our Partners Working Group comprises 34 representatives from different functions within Swire Properties. The relatively large and diverse composition of this working group reflects our determination to influence a wide range of Partners, including local Partners in places where we have significant presence.

In 2017, this working group implemented new measures to strengthen compliance monitoring for key suppliers, and continued to expand our Green Pledge Programme with tenants in our Hong Kong and Mainland China portfolios.

Top Material Issues

- Tenant/customer engagement
- Responsible supply chain management

Progress Summary Table

Performance Categories	2020 KPI	Progress Updates in 2017
<div style="display: flex; align-items: center; justify-content: center;"> <div style="background-color: #4a4a4a; color: white; padding: 5px 10px; border-radius: 3px; margin-right: 10px;">Suppliers</div> </div>		
Supply Chain Policy	Full implementation of Supplier Code of Conduct (“SCoC”) in Hong Kong and Mainland China	- We are coordinating with our business units to prepare for full implementation of SCoC and green procurement system.
	Implement green procurement system across all business operations in Hong and Mainland China	
Monitoring (compliance)	Ensure key high-risk suppliers demonstrate compliance with SCoC	- Key suppliers were assessed in 2017, and will be subject to on-going annual assessment.
Supply Chain Improvement	Develop programme for supply chain improvements	- We plan to commence work on this initiative in 2018/2019.

PARTNERS



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

Performance Categories

2020 KPI

Progress Updates in 2017

Tenants



Tenant Engagement

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

- We have introduced a sustainable kitchen initiative with technical guidelines for food and beverage tenants.

Review and expand the Green Pledge Programme to include the majority of office tenants¹⁵

- We are continuing to expand our Green Pledge Programme.

Tenant Satisfaction

Conduct tenant satisfaction surveys in Hong Kong

- We plan to conduct surveys for office tenants in Pacific Place, Hong Kong in 2018.

Set an appropriate KPI for improvement

Customers



Retail

Conduct surveys to collect customer feedback

- We have conducted surveys in our major retail properties in Hong Kong and Mainland China to collect customer feedback.

Office Workers

Conduct surveys to collect office workers feedback

- We are in the planning stages of this initiative.

Conduct 500 tours at The Loop (Taikoo Place) for office workers, students, and representatives of other groups

- We have conducted 62 tours at The Loop for office workers and others.

Hotel Guests

Conduct hotel guest surveys

- A pilot mobile application is under development.

Residential



Engagement (Owners, Occupiers & Serviced Apartment Residents)

Complete pilot survey in Hong Kong to establish baseline level of satisfaction

- Groundwork has been completed for a pilot survey in 2018.

Set an appropriate KPI for improvement

Develop Green Pledge for serviced apartment residents

- A Green Pledge for serviced apartments is under development.

¹⁵ Percentage based on number of tenants.

PARTNERS



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

Performance Categories

2020 KPI

Progress Updates in 2017

Government



Government Engagement

Identify key government bodies for engagement

- In Hong Kong and Mainland China, we have mapped government stakeholders at the local level to identify specific partners for engagement.

Design bespoke government engagement plans for all portfolios

NGOs



NGO Engagement

Identify and prioritise NGOs for engagement for all operations

- A centralised NGO database has been created and is being populated for Hong Kong, Mainland China and the U.S.A.

Expand NGO engagement in Mainland China and the U.S.A.

Joint Venture ("JV") Partners



JV Partners Engagement

Inform 100% of JV partners about progress on our SD 2030 Strategy

- We have started engaging our JV partners.

All of our JV companies to provide SD training to their employees

Partner Selection & Company Formation

Integrate SD checklist into JV partner selection and JV company formation processes

PARTNERS



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

Suppliers

Supply Chain Profile

We work closely with a wide range of suppliers, including architects, designers, consultants, service providers, contractors and vendors, to provide safe and respectful working conditions and promote sustainable environmental practices.

GRI
102-9, 102-10

HKEX
KPI B5.1

Number of Suppliers, by geographical region (as at 31st December 2017)



Hong Kong
~2,500

Mainland China
~1,700

During the design and construction phases of our new properties and projects under development, social and environmental impacts in our supply chain, such as OHS and waste, are particularly significant.

Some of our suppliers have a significant influence over the Company's consumption of materials. We seek to work with them to source environmentally friendly products and to make use of their expertise in sustainable design and construction as part of our management approach to Environmental Building Assessment Schemes.

Supplier Code of Conduct

Our Supply Chain Sustainability Programme integrates SD policies, procedures and goals into our supply chain management practices.

At the core of this programme is our Supplier Code of Conduct ("SCoC"), which sets out minimum standards and practices relating to legal and regulatory compliance, environmental protection, health and safety, labour practices and other areas.

In addition to having their own supplier codes of conduct in place, we require that our suppliers adopt and implement policies and procedures to prevent bribery, corruption and fraud in their own operations.

To ensure proper respect for human rights throughout our business, including our supply chain, we require that our suppliers do not use any form of forced, coerced or bonded labour, and that legal minimum age requirements for employment are strictly observed. Our policy is that no person who does work for Swire Properties can be below 16 years of age unless he or she is part of a recognised professional apprenticeship programme. This includes suppliers working on projects for Swire Properties.

Suppliers who fail to comply fully with our SCoC risk termination of their contracts and removal from our contractors list.

GRI
308, 414

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

12
RESPONSIBLE
CONSUMPTION
AND PRODUCTION

SDG 12
Responsible
Consumption and
Production

Under our Suppliers focus area, our Supply Chain Sustainability Programme aligns with **SDG 12**: ensure sustainable consumption and production patterns

PARTNERS



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

One of the subgroups within our Partners Working Group is responsible for addressing supply chain sustainability issues and managing supply chain risks. This subgroup is working to ensure that the SCoC is implemented consistently across all business operations, and we believe that we are on track to complete implementation throughout our supply chain in Hong Kong and Mainland China by 2020.

Compliance Monitoring

We are working to enhance and streamline our contractor selection processes, and have implemented an e-contractor list management system that will allow potential contractors to submit applications online.

In order to be included on our contractor list, relevant new suppliers must complete self-assessment questionnaires to confirm that appropriate policies and systems are in place to manage environmental impacts and OHS. Our technical services and sustainable development department carries out due diligence to verify the information provided.

All suppliers who have been accepted onto our contractor list are subject to compliance monitoring. Each year, we select key suppliers, based on highest total procurement spending to complete self-assessment questionnaires. In 2017, we also completed a risk assessment of our 20 largest suppliers accounting for the majority of our procurement budget. Using our Enterprise Risk Management framework to evaluate the likelihood and severity of risks, we determined that none of these suppliers are “high risk”.

We have enhanced our monitoring of key suppliers to strengthen risk management in our supply chain. As part of the new process, we may undertake site visits and/or request that key suppliers obtain independent certification in accordance with internationally recognised standards, such as ISO 14001 Environmental Management System and OHSAS 18001 Occupational Health & Safety Management System. In some cases, key suppliers may also be asked to submit environmental and health and safety management plans for our internal review.

GRI
308, 403, 414

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

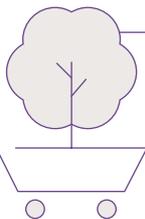
Green Procurement

Our green procurement monitoring system has been in place since 2015 to track our consumption of office supplies, building services equipment and building materials that meet specific environmental criteria, such as whether the products have been certified or accredited by reputable, independent third parties. We use the data collected to evaluate our procurement performance and to identify opportunities to source more sustainable products.

GRI
301

HKEX
Aspect A2

Green Procurement for Hong Kong in 2017



12 categories of products

Total value **HK\$378 million**

PARTNERS



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

Apart from green procurement, we track our consumption of some construction materials. We are in the process of developing a more robust tracking system for construction materials and have selected two key materials, timber and concrete, to focus on in the short-term.

Sustainable Sourcing for Swire Hotels

We are expanding our sustainable sourcing programme across all Hong Kong hotels. In addition to procuring biodegradable tableware and paper towels certified by the Forest Stewardship Council, we have replaced disposable bento boxes with reusable ones for in-room dining.



Our hotel restaurants serve sustainable seafood that meets the criteria of the World Wide Fund for Nature Hong Kong (“WWF”) Seafood Guide, or is certified as sustainable by the Aqua Stewardship Council. We also serve organic wines with certification from Agriculture Biologique, certified-organic poultry and fair-trade chocolates.

In 2017, The Temple Café at The Temple House in Chengdu planted a garden on site, which supplies approximately 10% of its vegetables and herbs. Head Chef Jerome Merlo has developed a “farm to table” menu with vegetables and herbs, such as micro-greens and nasturtium flowers, harvested from the garden. The Café is also working directly with small farmers in the region to source fresh, locally grown organic produce.



PARTNERS



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

Tenants

HKEX
Aspect A3
KPI A3.1

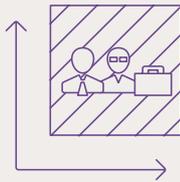
Tenant Engagement

We seek to work closely with our commercial tenants to help them integrate sustainability practices into their operations.

In 2017, we conducted free energy audits to identify energy-saving opportunities for our tenants at Taikoo Li Sanlitun, INDIGO, TaiKoo Hui and Sino-Ocean Taikoo Li Chengdu. We also completed a trial of new waste management approaches in preparation for the Hong Kong SAR Government’s municipal solid waste charging scheme, which will be introduced in 2019.

Free energy audits for commercial tenants (since 2008)

Tenanted area:



Hong Kong
3.2 million
square feet

Mainland China
1.8 million
square feet

Potential annual energy savings:



Hong Kong
2.8 million
kWh

Mainland China
5.1 million
kWh

Sustainability Guidelines for Fit-outs and Renovations

We have introduced a sustainable kitchen initiative with detailed technical guidelines to help our food and beverage tenants design, construct and operate more sustainable kitchens. The guidelines provide advice on sustainable design features, construction methods and sustainable operations, including lighting, energy use, waste management, and water conservation.

We plan to update our standardised fit-out and renovation guides for office and retail tenants to incorporate this additional information.

PARTNERS



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

THE Loop

In May 2017, we opened The Loop, Swire Properties' first sustainable development exhibition centre. Located in the heart of Taikoo Place, this interactive space has been designed to increase environmental awareness and encourage tenants and the wider community to incorporate sustainable practices into their business operations and daily lives. The name was inspired by the phrase "close the loop", which refers to the idea that most waste can be recycled and reused.



The Loop covers 4,000 square feet and features a retrospective exhibition of the Company's sustainability work in Quarry Bay, a recycling centre for seven types of waste, a food waste composter, an "Eco-art installation" and an edible garden, planted and cared for by our employees, to raise awareness of urban farming. Consistent with its theme, sustainable and recycled materials, including recycled timber veneers and terrazzo flooring, were utilised in The Loop's construction.

The Loop has hosted a variety of sustainability-oriented activities for employees, tenants and the public, ranging from gardening workshops and lunchtime talks to tours for new tenants, schools and NGOs. The facility serves as a platform to engage our tenants, employees and the wider community around our sustainability initiatives, and also provides us with an opportunity to share our SD vision.

In 2017, employees at Taikoo Place planted the edible garden as part of our Green Gardeners initiative. The two-month programme, led by a local farmer, provided our employees with a chance to learn basic gardening skills, enhance the community with additional green space and experience the benefits of urban farming. Participants were invited to plant seedlings, prune, water and maintain the plants, and to take home fresh organic produce and herbs from the garden to share with family and friends.



For more information, see [The Loop](#)

PARTNERS



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

THE Loop



62 guided tours and community programmes for tenants, schools and NGOs



Over **759 tonnes** of recyclables collected



Over **250** participants in the Green Gardeners programme



39 kg edible herbs produced by our urban farm



The Loop won the **Most Replicable Project Award** in the Sustainable Development Project Competition at the 7th Annual Swire Sustainable Development Forum, which recognises outstanding SD initiatives within the Swire group.

ideas@work 4.0

Introduced in 2014, ideas@work has served as a key platform for employees to share their ideas and help us discover new ways to improve the way we work. This year's competition was tailored to our SD 2030 Strategy. We collected over 100 submissions, each of which targeted one of our five SD pillars – Places, People, Partners, Performance (Environment) and Performance (Economic).



The winning team from Taikoo Place developed an online calendar to simplify the process for scheduling maintenance work and inspections and provide tenants with more control. The calendar, which can be integrated into our tenant portal, increases transparency and reduces delays by allowing our tenants to schedule maintenance and inspections of their shops and offices on a first-come, first-served basis.

PARTNERS



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

PROJECT AFTER 6

To be at the forefront of Hong Kong’s highly competitive, price-driven market for commercial office space, we believe meaningful engagement with our office tenants is critical. We understand that leading businesses today expect more than just office space; they are looking for places that will contribute to making their employees happy, healthy and productive. As a result, we are working to develop valuable and relevant programmes for our office tenants at Taikoo Place.

In June 2017, Taikoo Place celebrated the re-launch of ArtisTree, our multi-purpose arts venue, with a full range of opening productions. Highlights included several key events of the Hong Kong Drummer Festival and the tenant engagement initiative, PROJECT AFTER 6: The Buskers, which offered our tenants and employees the opportunity to perform together with professional artists from Universal Music.



PROJECT AFTER 6 aims to strengthen connections within the office community at Taikoo Place by bringing art, music and entertainment into the workplace.

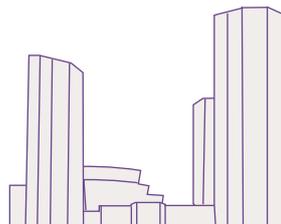
These programmes are designed to change perceptions about what a commercial hub can offer and to make our developments more attractive to prospective tenants.

Green Pledge Programme

We have been working closely with some of our office tenants in TaiKoo Hui, Guangzhou since 2015 to improve the environmental performance of our buildings. Under our Green Pledge Programme, these tenants have implemented a variety of initiatives, ranging from installation of energy-efficient equipment, water conservation and recycling of waste to educating employees about best practices.

Building on these initiatives, we are working to expand the Green Pledge Programme to office tenants in Hong Kong and to office and retail tenants throughout our Mainland China portfolio.

Green Pledge Programme at
TaiKoo Hui, Guangzhou



Participating tenants occupy
53% of office space

In 2016, we were the first property developer to announce our support for Hong Kong’s first Green Shop Alliance established by the Construction Industry Council and the Hong Kong Green Building Council (“HKGBC”) to promote sustainability initiatives in the retail industry in Hong Kong. In 2017, 73 retail tenants in our Hong Kong portfolio had joined the Green Shop Alliance, pledging to reduce energy and water consumption and to reduce waste through reuse and recycling.

PARTNERS



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

Celebrating Double Ninth Festival

In October 2017, we worked with tenants at our INDIGO property in Beijing to celebrate the Double Ninth Festival with the community's elderly residents. Volunteers from INDIGO joined elderly guests for traditional desserts and chrysanthemum tea offered by one of our tenants, Xiheyayuan Beijing Duck Restaurant, and created their own perfume scents with courtesy of another tenant, Scent Library.



Support for WWF Earth Hour

World Wide Fund for Nature's ("WWF") Earth Hour is one of the world's largest collective environmental actions. People around the world switch off their lights for an hour to show their commitment to combating climate change.

Swire Properties has been an associate sponsor and supporter of WWF's Hong Kong Earth Hour campaign since 2010. On 25th March 2017, we turned off non-essential lights in our buildings, external facades, advertisements and sky signs during Earth Hour. We also encouraged our tenants, hotel guests and residents to do the same. At TaiKoo Hui, Guangzhou, we collaborated with one of our office tenants, Sony, to host a special light-painting contest to raise awareness about the event.



PARTNERS



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

Customers

Customer Feedback

We aim to conduct surveys on an annual basis across our retail portfolios in Hong Kong and Mainland China to collect feedback from customers who visit our properties for shopping, eating and other recreational activities, and to develop improvement plans to enhance our service. We have also established a Secret Shopper Programme to help us evaluate customers' perceptions about the standards of customer service in our malls.

Customer surveys 2016 and 2017



> 400 shoppers

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

95% of response ratings were "excellent/good"



In our hotel operations, our customer relationship management department is developing a mobile application to engage hotel guests and facilitate communication. EAST, Hong Kong will manage the application and collect customer feedback on our hotel facilities and services.

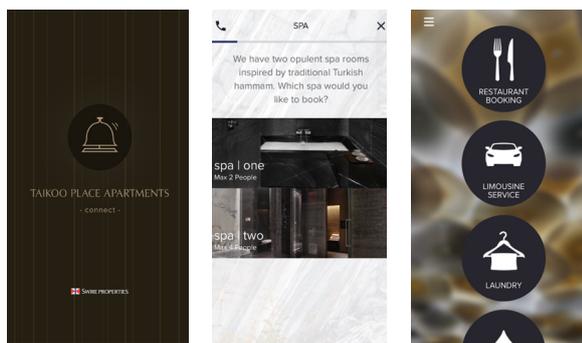
To engage the employees of new office tenants in Taikoo Place and introduce them to our SD 2030 Strategy, we have developed a variety of programmes and activities, including tours of The Loop and visits to the Tong Chong Street Market and selected ArtisTree events.

Residential Owners, Occupiers and Serviced Apartment Residents

Swire Properties has developed a total of 24 residential projects in Hong Kong. While some of these projects, such as Pacific Place Apartments and Taikoo Place Apartments, are managed by the Company as part of our Hong Kong portfolio, others, such as WHITESANDS and ALASSIO, have been developed for sale.

In 2017, we created a new mobile application (TPA connect) to facilitate and improve communication with residents in Taikoo Place Apartments. We are also working on a green pledge programme designed specifically for serviced apartment residents.

During the year, we laid the groundwork for a pilot survey of residential owners and occupiers in Hong Kong. The survey, which we plan to conduct in 2018, will help us to identify general areas for improvement in the way that we design, build and deliver residential properties for sale. We plan to seek feedback on aspects of overall value for money, as well as levels of post-handover satisfaction, including the perceived quality of our units and the speed at which we undertake to rectify any defect.



TPA connect



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.

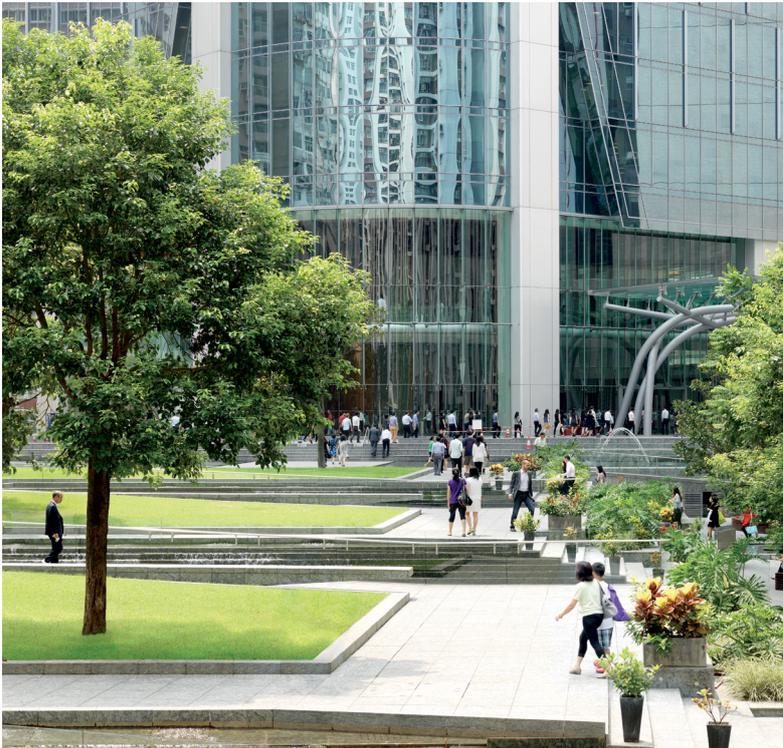


PERFORMANCE (ENVIRONMENT)



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

We take great care to develop high quality buildings and seek to continually improve the environmental performance of our buildings and operations. As part of our SD 2030 Strategy, we are strengthening our management approaches to environmental protection, and expanding the focus of our initiatives beyond the direct impacts of our business to address important environmental concerns for the communities in which we operate, such as climate change, waste management and water conservation.



Top Material Issues

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

Environmental Policy

Our **Environmental Policy** sets out the principles underpinning our approach to the use of resources, emissions and waste, and other impacts on the environment and natural resources arising from our operations.

As stated in the policy, we maintain environmental policies and standards that meet or exceed applicable legal requirements and integrate industry best practices into our operations and services. We also encourage our contractors, suppliers and customers to do the same.

Celebrating World Environment Day

On 5th June 2017, in honour of World Environment Day, we held lunch talks for our employees in Hong Kong and Mainland China. Led by experts from the WWF, the talks focused on World Environment Day 2017's theme, Connecting People to Nature. We also organised a photography competition, Eye on Nature, and invited employees to share their photographs of nature and wildlife.

GRI
301-3, 305-7
HKEX
Aspect A1-A3,
KPI A3.1

PERFORMANCE (ENVIRONMENT)



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

Energy Policy

GRI
302, 305

HKEX
Aspect A2, A3

Our **Energy Policy** outlines our approach to improving energy efficiency by integrating energy efficiency considerations into all relevant aspects of our operations. We recognise the economic and environmental value of improving energy efficiency over the lifecycle of our buildings by adopting appropriate technologies and influencing the behaviour of our tenants, employees and other people with whom we work.

Winner of Energy Management Initiative Award

In February 2017, the United Kingdom Chartered Institute of Building Services Engineers (“UK CIBSE”) awarded Swire Properties the Energy Management Initiative Award in its Building Performance Awards 2017 for our work in our Hong Kong portfolio, including our robust knowledge-based energy management system and other achievements in energy management.



This award recognises the energy reduction achievements of building owners and occupiers globally and is given to the organisation that demonstrates the most effective initiatives for managing energy use to achieve outstanding building performance in their building portfolio, including substantial reductions in energy consumption and carbon emissions, without compromising overall user satisfaction.

A lot of work has gone into the energy management initiative... there was a great openness, a wide dissemination of research and a serious collaborative approach.

UK CIBSE Award Panel

We use a systematic approach to monitor and measure energy use throughout our Hong Kong portfolio. Having invested more than HK\$6 million to install 800-plus additional electricity meters in our buildings, in excess of 20 million data points are collected each day through our data acquisition systems. Analysis of this data helps us to understand energy use throughout of our buildings, identify energy-saving opportunities and set appropriate energy reduction targets.

PERFORMANCE (ENVIRONMENT)



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

Environmental and Energy Management Systems

GRI
301-3, 305-7

HKEX
Aspect A1-A3, KPI A3.1

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

In 2017, the environmental management system in our Hong Kong portfolio was certified by the Hong Kong Quality Assurance Agency (“HKQAA”) against the latest standard, ISO 14001:2015. This helps us ensure that our environmental management system can respond to the latest developments.

Certification of Environmental and Energy Management Systems in 2017

Properties with environmental management system achieving **ISO 14001:2015 certification**:
Hong Kong portfolio

Properties with environmental management system achieving **ISO 14001:2004 certification**:
TaiKoo Hui, Guangzhou and Taikoo Li Sanlitun, Beijing

Properties with energy management system achieving **ISO 50001:2011 certification**:
Hong Kong portfolio
TaiKoo Hui, Guangzhou and Taikoo Li Sanlitun, Beijing



PERFORMANCE (ENVIRONMENT)



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

Progress

Our Performance (Environment) Working Group comprises 28 members from different functions within Swire Properties.

Following our energy-saving efforts, we are on track to achieve our targets for the reduction of carbon intensity and energy consumption by 2020. We have also made progress on our waste diversion and indoor air quality (“IAQ”) objectives.

Some highlights of this working group’s activities to date include the development and adoption of our new waste management policy, and the work of our waste management taskforces in Hong Kong and Mainland China.

Progress summary table

Performance Categories	2020 KPI	Progress Updates in 2017
Climate Change		
Policy	<p>Establish a climate change policy</p> <p>Conduct climate risk assessments for all portfolios</p>	<ul style="list-style-type: none"> - We are developing a new Climate Change Policy, which we expect to adopt in 2018. - We have appointed a consultant to conduct climate risk assessments for our operations in Hong Kong, Mainland China and Miami, U.S.A.
Carbon Management & Accounting	<p>Establish a comprehensive carbon accounting framework for reporting and management purposes</p> <p>Complete pilot study to measure carbon emissions from construction activities and embodied carbon¹⁶ from major building and construction materials used in One Taikoo Place</p>	<ul style="list-style-type: none"> - In 2017, we reviewed our carbon accounting framework for Scope 1 and 2 emissions. No significant gaps were identified with reference to major internationally recognised methodologies. - We have also begun a pilot study to investigate Scope 3 emissions from our construction activities.
Decarbonisation	<p>Reduction of carbon intensity¹⁷ (tonnes of CO₂e/m²)</p> <p>Hong Kong portfolio: ↓ 27%</p> <p>Mainland China portfolio: ↓ 21%¹⁸</p>	<p>Reduction of carbon intensity (tonnes of CO₂e/m²)</p> <p>Hong Kong portfolio: ↓ 23%</p> <p>Mainland China portfolio: ↓ 21%</p>

¹⁶ Embodied carbon is the carbon footprint of a material, which is the total carbon emissions generated from the activities related to the generation of a material, such as extraction, processing and transport.
¹⁷ Carbon intensity target references the business-as-usual (“BAU”) baseline level in 2008 for our Hong Kong portfolio, and the BAU baseline level in the first year for which a complete calendar year of data was available for projects in our Mainland China portfolio.
¹⁸ New 2020 KPI.

PERFORMANCE (ENVIRONMENT)



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

Performance Categories	2020 KPI	Progress Updates in 2017
Energy		
Energy Reduction	<p>Reduction of energy consumption¹⁹</p> <p>Hong Kong portfolio²⁰: ↓ 64 million kWh/year (↓ 26%)²¹</p> <p>Mainland China portfolio: ↓ 23 million kWh/year (↓ 20%)²²</p> <p>Reduction of natural gas consumption²³</p> <p>Mainland China portfolio: ↓ 1.5 million m³/year (↓ 32%)</p>	<p>- Reduction of energy consumption</p> <p>Hong Kong portfolio: ↓ 51 million kWh/year (↓ 22%)</p> <p>Mainland China portfolio: ↓ 17 million kWh/year (↓ 20%)</p> <p>Reduction of natural gas consumption</p> <p>Mainland China portfolio: ↓ 1 million m³/year (↓ 34%)</p> <p>- Extensive energy-saving measures are being implemented throughout our Hong Kong and Mainland China portfolios and hotels.</p>
Renewable Energy	<p>2 to 4% landlord's building energy consumption to be from renewable energy sources for sizeable new office developments²⁴</p>	<p>- At One Taikoo Place, we are implementing solar photovoltaic panels and a waste-to-energy tri-generation system that we estimate will supply renewable energy equivalent to approximately 5% of the total landlord's building energy consumption.</p>
Intelligent Energy & Facility Management System	<p>Implement pilot energy management automation projects in four properties (two in Hong Kong, two in Mainland China)</p> <p>Adopt facility management electronic databases in all investment portfolios</p>	<p>- We are in the process of installing a pilot energy management automation dashboard at Pacific Place to monitor energy use and other parameters in real time.</p> <p>- An energy management documentation system has been developed for trial. We are also implementing feasibility studies on facility management electronic databases.</p>

¹⁹ Energy reduction refers to electricity reduction for the provision of shared services for and in the common parts of our buildings.
²⁰ 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. Hong Kong portfolio refers to office and retail portfolio and hotels in Hong Kong.
²¹ Compared with 2008 BAU baseline.
²² Compared with the BAU amount in the first year for which a complete calendar year of data was available for each project.
²³ New 2020 KPI; the natural gas consumption reduction target references the BAU baseline level in the first year for which a complete calendar year of data was available for each project.
²⁴ New 2020 KPI.

PERFORMANCE (ENVIRONMENT)



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

Performance Categories

2020 KPI

Progress Updates in 2017

Waste



Policy

Establish waste management policy

- Our new **Waste Management Policy** was adopted in 2017.

Waste Diversion

Waste diversion rates from landfills

- Waste diversion rates from landfills

Hong Kong portfolio (including hotels):
25% of commercial waste

Hong Kong portfolio (including hotels):
20% of commercial waste

Hong Kong (projects under development):
80% of demolition waste
60% of construction waste

Hong Kong (projects under development):
61% of construction waste

Mainland China (projects under development):
50% of total waste²⁵

Mainland China (projects under development):
Not available as the projects are not wholly owned by the Company, and have already started well before the 2020 KPI was established

Waste recycling rate

Waste recycling rate

Mainland China portfolio (including hotels):
25% of commercial waste²⁶

Mainland China portfolio (including hotels):
22% of commercial waste

The waste management taskforce has reviewed our performance and developed an action plan to help us achieve our 2020 targets.

Water



Policy

Establish water management policy

- We have engaged a consultant to conduct a water risk assessment for our operations in Hong Kong, Mainland China and Miami, U.S.A. With deeper understanding of our water risks, we intend to develop a corporate water management policy.

Risk Assessment

Complete water risk assessment

²⁵ New 2020 KPI; 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.

²⁶ New 2020 KPI.

PERFORMANCE (ENVIRONMENT)



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

Performance Categories

2020 KPI

Progress Updates in 2017

Water



Water Reduction

Reduction of water intensity²⁷

- Reduction of water intensity

Hong Kong portfolio:

↓ 20% (m³/m²)

Hong Kong portfolio:

↑ 4% (m³/m²)

Mainland China portfolio:

↓ 20% (m³/m²)

Mainland China portfolio:

↓ 7% (m³/m²)

Hotels:

↓ 20% (m³/guest night)

Hotels:

↓ 18% (m³/guest night)

- We have reviewed our water consumption patterns and are in the process of implementing additional water-saving and recycling initiatives in our Hong Kong and Mainland China portfolios and hotels. We anticipate that these initiatives will help to reduce the water intensity of our operations.

Biodiversity



Policy

Establish biodiversity policy

- We are developing a biodiversity policy to align with the Swire Pacific Biodiversity Policy.

Integration

Establish guidelines to integrate biodiversity considerations into new developments

Occupant Wellbeing



Indoor Air Quality ("IAQ")

Achieve IAQ excellent class and Mainland China IAQ standard for common areas in 80% of Hong Kong and Mainland China portfolios respectively

- Contractors have been engaged to conduct IAQ and PM2.5 monitoring for our portfolios in Hong Kong and in Mainland China.

Conduct research into reducing indoor PM2.5 (fine particulate matter) concentration

Conduct occupant wellbeing surveys for office, retail and hotel properties

Building/Asset Investments



Environmental Building Assessment Schemes²⁸

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

- In 2017, three buildings earned the BEAM Plus Platinum Ratings and two buildings earned LEED Platinum and Gold ratings, respectively.

²⁷ New 2020 KPI; the water intensity reduction targets reference the baseline level of water consumption in 2016.

²⁸ BEAM Plus/LEED/China Green Building Design Label/WELL Certification.

PERFORMANCE (ENVIRONMENT)



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

Profile of Environmental Impacts

HKEX
KPI A3.1

Compared with the Swire Properties SD Report 2016, the scope of environmental data in this report has been expanded to include Taikoo Place Apartments in our Hong Kong portfolio and Swire Restaurants, which are part of our hotel operations. Since Cornwall House, Taikoo Place was demolished in 2017, data from this property is no longer within the scope.



Carbon Emissions

GRI
305

We strive to mitigate the environmental impacts of our buildings and services. The Company's largest source of carbon emissions is Scope 2 emissions arising from purchased electricity in our Hong Kong portfolio. In 2017, this category of emission declined by 7.7% compared to 2016.

HKEX
KPI A1.2



Total Carbon Emissions in 2017

HONG KONG PORTFOLIO
2017: **130,527** tonnes

MAINLAND CHINA PORTFOLIO
2017: **57,675** tonnes

HOTELS
2017: **29,640** tonnes

PERFORMANCE (ENVIRONMENT)



Environmental Policy | Energy Policy | Environmental & Energy Management Systems Progress | [Profile of Environmental Impacts](#) | Climate Change | Energy | Waste Water | Occupant Wellbeing | Building/Asset Investments

Carbon Emissions



Remarks:

- Scope 1 emissions are direct greenhouse gas (“GHG”) emissions from sources that are owned or controlled by Swire Properties, such as emissions from natural gas, diesel and town gas burned onsite.
- Scope 2 emissions are indirect GHG emissions from the generation of purchased or acquired electricity, steam, heating, or cooling consumed by Swire Properties.
- Hong Kong Portfolio refers to office and retail portfolio in Hong Kong, excluding hotels; Mainland China Portfolio refers to office and retail portfolio in Mainland China, excluding hotels.



Remarks:

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

PERFORMANCE (ENVIRONMENT)



Environmental Policy | Energy Policy | Environmental & Energy Management Systems Progress | [Profile of Environmental Impacts](#) | Climate Change | Energy | Waste Water | Occupant Wellbeing | Building/Asset Investments

Energy Consumption

GRI 302

HKEX KPI A2.1

In line with the reduction of energy consumption²⁹ in our Hong Kong portfolio between 2001 and 2017, energy use intensity decreased over the same period by 29.5% from 218 kWh per square metre (“kWh/m²”) per year to 153 kWh/m² per year. By 31st December 2017, we had reduced annual energy consumption in our Hong Kong portfolio by 51 million kWh compared with the amount in 2008, which puts us on track to meet our target by 2020.

Energy Consumption	2017 Progress	2020 Target
HONG KONG PORTFOLIO	↓ 51 million kWh/year (↓ 22%)	↓ 64 million kWh/year (↓ 26%)

We are also on track to meet our 2020 energy reduction target in Mainland China. Between 2010 and 2017, energy intensity in our Mainland China portfolio decreased by nearly 35% from 156 kWh/m² per year to 102 kWh/m² per year. By 31st December 2017, we had reduced our annual energy consumption in our Mainland China portfolio by 17 million kWh compared with the business-as-usual (“BAU”) amount³⁰.

Energy Consumption	2017 Progress	2020 Target
MAINLAND CHINA PORTFOLIO	↓ 17 million kWh/year (↓ 20%)	↓ 23 million kWh/year (↓ 20%)



²⁹ Energy consumption refers to electricity consumption for the provision of shared services for and in the common parts of our buildings.

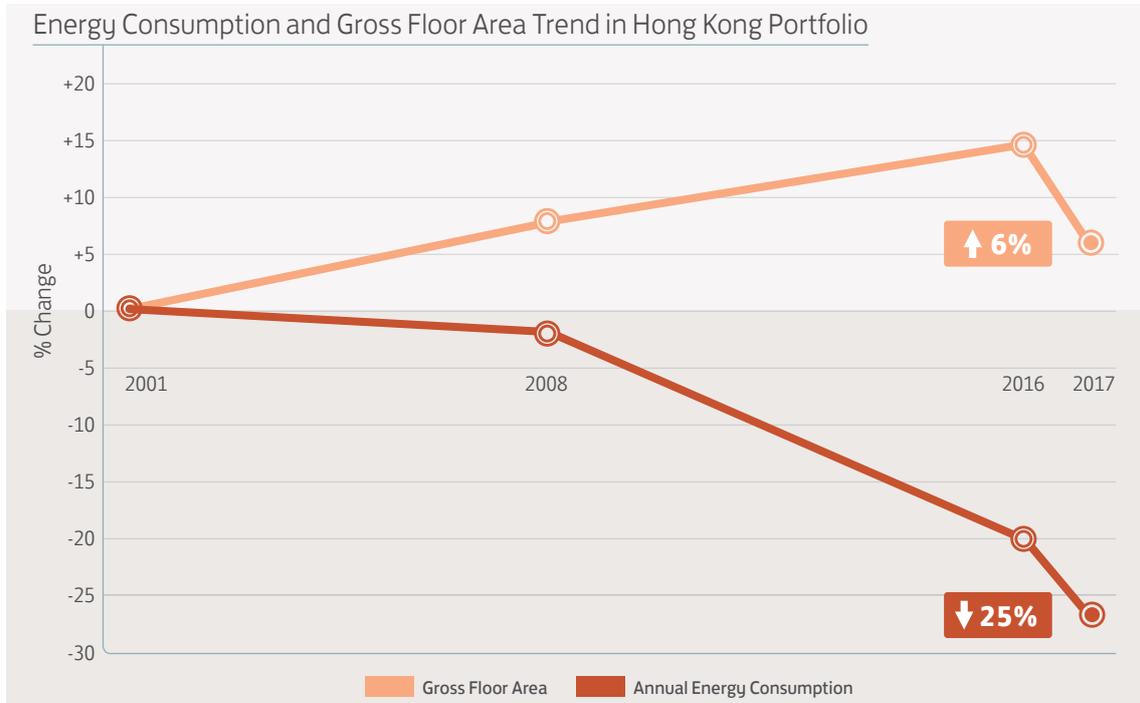
³⁰ Refers to the amount in the first complete calendar year in which energy consumption data are collected from each project.

PERFORMANCE (ENVIRONMENT)



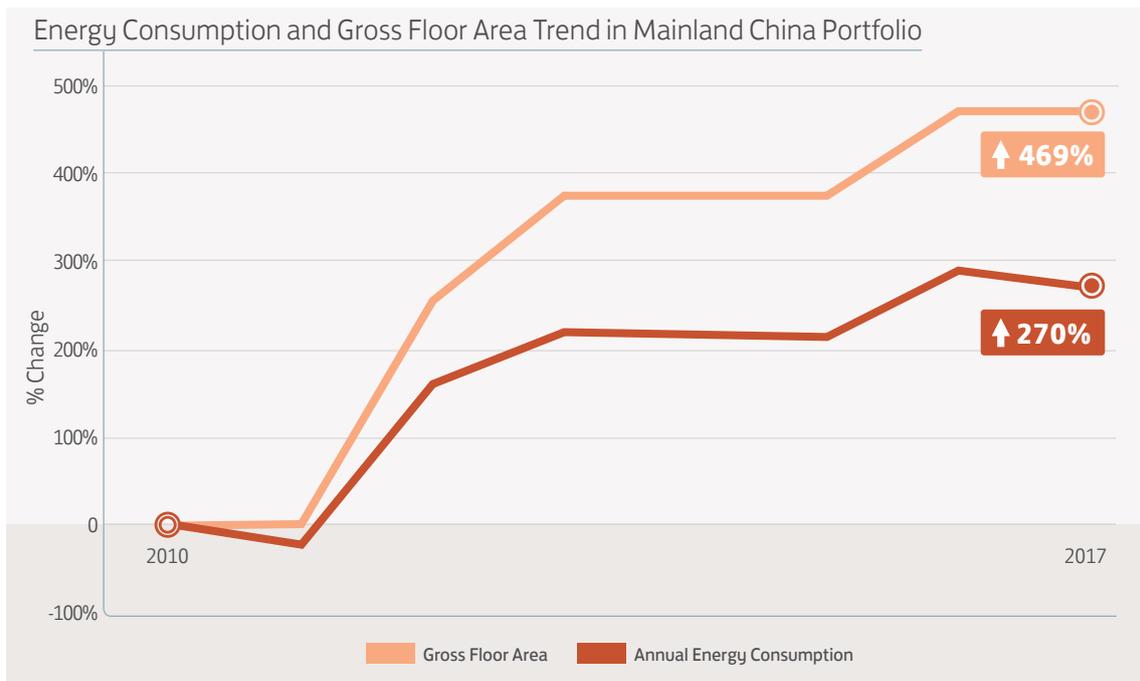
Environmental Policy | Energy Policy | Environmental & Energy Management Systems Progress | [Profile of Environmental Impacts](#) | Climate Change | Energy | Waste Water | Occupant Wellbeing | Building/Asset Investments

Energy Consumption



Remarks:

- Hong Kong Portfolio refers to office and retail portfolio and hotels in Hong Kong. Gross floor area decreased in 2017 due to removal of Cornwall House, Taikoo Place from the scope.



Remarks:

- Mainland China Portfolio refers to office and retail portfolio in Mainland China, excluding hotels.

PERFORMANCE (ENVIRONMENT)



Environmental Policy | Energy Policy | Environmental & Energy Management Systems Progress | [Profile of Environmental Impacts](#) | Climate Change | Energy | Waste Water | Occupant Wellbeing | Building/Asset Investments

Water Use

GRI 303

HKEX KPI A2.2

Total water use and water intensity in our Mainland China portfolio and hotel operations declined in 2017 compared to 2016. The water intensity in our Hong Kong portfolio increased in 2017 and we attribute this in part as a result of the use of fresh water to replenish flush water due to leakage of an underground flush water pipe. We are implementing **water-saving measures** across our business with a view to meeting our water use reduction targets by 2020.

Total Water Use and Water Intensity of Portfolio 2015-2017



Water Intensity	2017 Progress	2020 Target
HONG KONG PORTFOLIO	↑ 4%	↓ 20%
MAINLAND CHINA PORTFOLIO	↓ 7%	↓ 20%
HOTELS	↓ 18%	↓ 20%

Remarks:

- Hong Kong Portfolio refers to office and retail portfolio in Hong Kong, excluding hotels; Mainland China Portfolio refers to office and retail portfolio in Mainland China, excluding hotels.
- Water intensity reduction targets reference the baseline level of water consumption in 2016.

PERFORMANCE (ENVIRONMENT)



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

Climate Change

GRI
305

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

We recognise that climate change poses risks to our business. To address these risks and document our approaches to climate change mitigation, adaptation and resilience, we are developing a new climate change policy, which we intend to adopt in 2018.

As the majority of our carbon emissions arise from Scope 2, purchased electricity, our approach to climate change mitigation is closely aligned with our approach to energy. In addition to improving the energy efficiency of our buildings, we strive to source renewable energy, where feasible.

SDG 13
Climate Action

We are responding to Climate Change with initiatives on mitigation, adaption and resilience that align with **SDG13**: take urgent action to combat climate change and its impacts.

Carbon Management and Accounting

We recognise that carbon emissions arising from construction activities and the consumption of construction materials contribute to climate change. As a property developer, we believe it is important and potentially cost-effective to manage these sources of carbon emissions, in addition to continuing to target emissions-reduction opportunities in our building operations.

We are working with a research team in the Department of Civil and Environmental Engineering, Hong Kong University of Science and Technology on a pilot study to measure carbon emissions from construction of One Taikoo Place, including embodied carbon in key construction materials. Embodied carbon is the carbon footprint of a material, including carbon emissions arising from its extraction, processing and transport. The study aims to develop a carbon accounting methodology that will help us to manage carbon emissions associated with the construction of all future projects.

Climate Risk Assessment

We have commissioned a study to help us identify the key risks posed by climate change to our business operations, as well as business opportunities arising from new climatic conditions.

We expect that the assessment will include an analysis of climate risk scenarios associated with various climate projections, and make reference to local and international scientific data to evaluate the exposure of our operations. We plan to use the findings of the assessment to develop a targeted action plan for mitigating risks and building climate resilience across our portfolios.

PERFORMANCE (ENVIRONMENT)



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

Brickell City Centre Withstands Hurricane Irma

On 10th September 2017, Hurricane Irma hit the Miami area of the Florida coast where our new Brickell City Centre development is located. The storm tested the strength of our emergency response systems and our Hurricane Plan, which outlines specific processes and procedures for storm events, including protective measures and an employee deployment plan.



September

Saturday, 2nd:

Operations Management Team begins tracking storm.

Tuesday, 5th:

Hurricane Plan Phase I implemented.

Wednesday, 6th:

Phase II - Storm supplies procured, and employee rotation initiated to allow time for personal storm preparations.

Saturday, 9th:

Tropical storm force winds arrive. EAST, Miami initiates lock-down of premises. Mechanical plants serving offices and condominiums shut down.

Friday, 8th:

Phase IV - A small team of volunteer employees deploys an additional 500 sand bags, 400 of which are filled by hand, throughout the site to reinforce the flood barrier.

Thursday, 7th:

Phase III - Installation of flood barrier system, operations team conducts walk-through of site to assess preparedness, and all remaining employees are released.

Sunday, 10th:

Winds subside. Site assessment begins.

Monday, 11th:

All operations managers and 50% of employees conduct site assessment. Mechanical plants come on-line. Work begins to remove the flood barrier.

Tuesday, 12th:

100% employees return on-site. Offices re-open at 8am. Retail food and beverage tenants re-open at 6pm.

Wednesday, 13th:

Back to business-as-usual.

As a testament to the effectiveness of our protective measures, Brickell City Centre sustained minimal damage from the storm. We plan to use this experience to further refine and strengthen our emergency response systems and Hurricane Plan, and to supplement our climate risk assessment.

PERFORMANCE (ENVIRONMENT)



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

Energy

GRI 302

Selected Energy-saving Strategies

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

We strive to continually reduce the consumption of energy in our Hong Kong and Mainland China portfolios and hotel operations. In 2017, we continued to explore a variety of technologies and strategies to achieve this objective.

Energy audits and monitoring-based commissioning to optimise building system operation

Examples >

Upgrading of heating, ventilating, and air conditioning (“HVAC”) air handling units; replacing conventional fans with electrically-commutated (“EC”) motor plug fans to increase efficiency and reliability

Examples >

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

Examples >

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

Examples >

Installation of variable speed drive condensing water pump

Examples >

Installation of biodiesel tri-generation and adsorption chiller to supply combined heating, cooling and power generation

Examples >

Installation of solar photovoltaic panels

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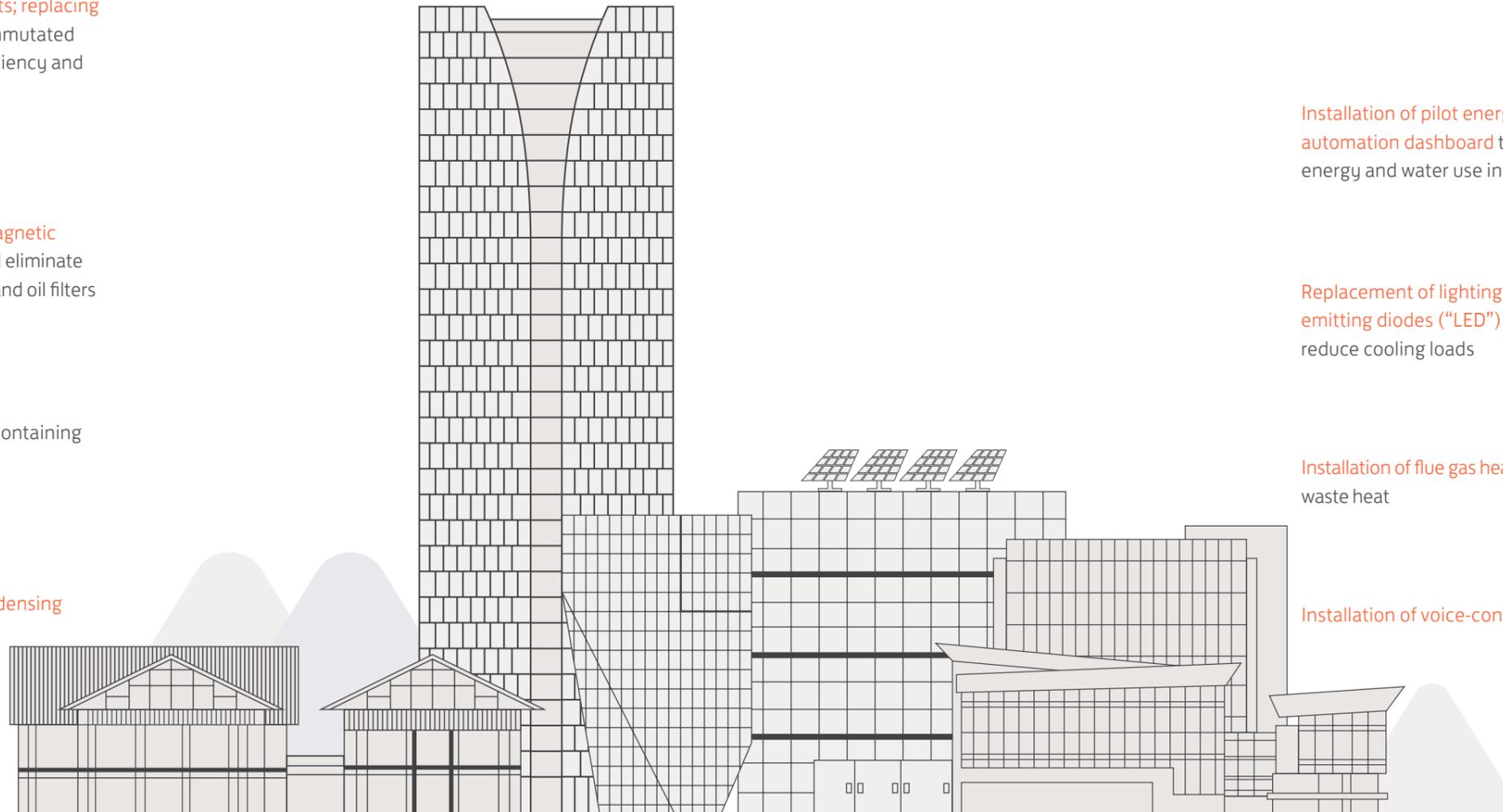
Examples >

Installation of flue gas heat recovery system to recover waste heat

Examples >

Installation of voice-controlled lighting in stairways

Examples >



PERFORMANCE (ENVIRONMENT)



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

Energy

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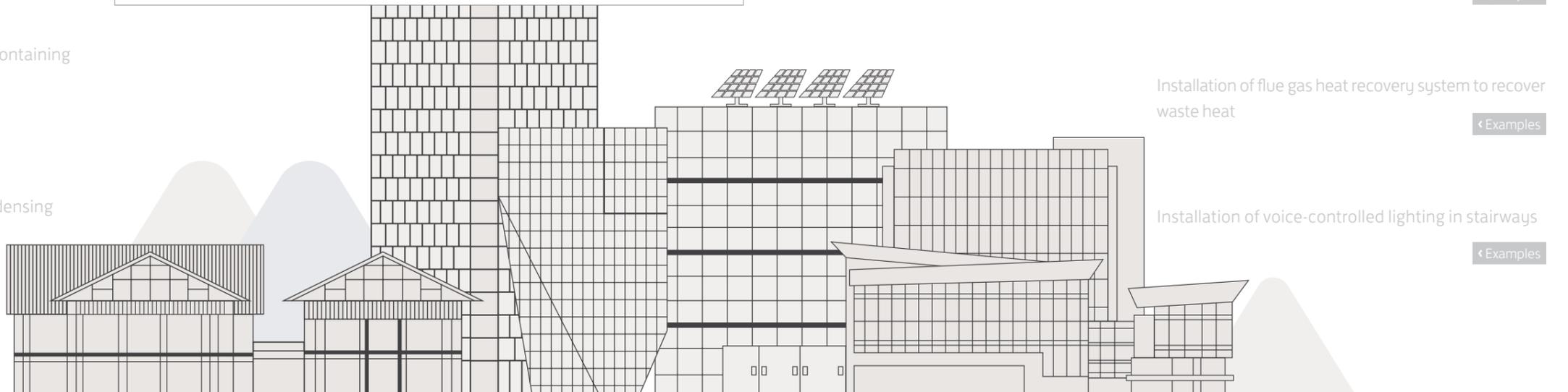
Examples >

Pacific Place, Hong Kong



Interim results show estimated annual energy savings of **8%** compared with 2016.

Taikoo Place, Hong Kong



Installation of biodiesel tri-generation and adsorption chiller to supply combined heating, cooling and power generation

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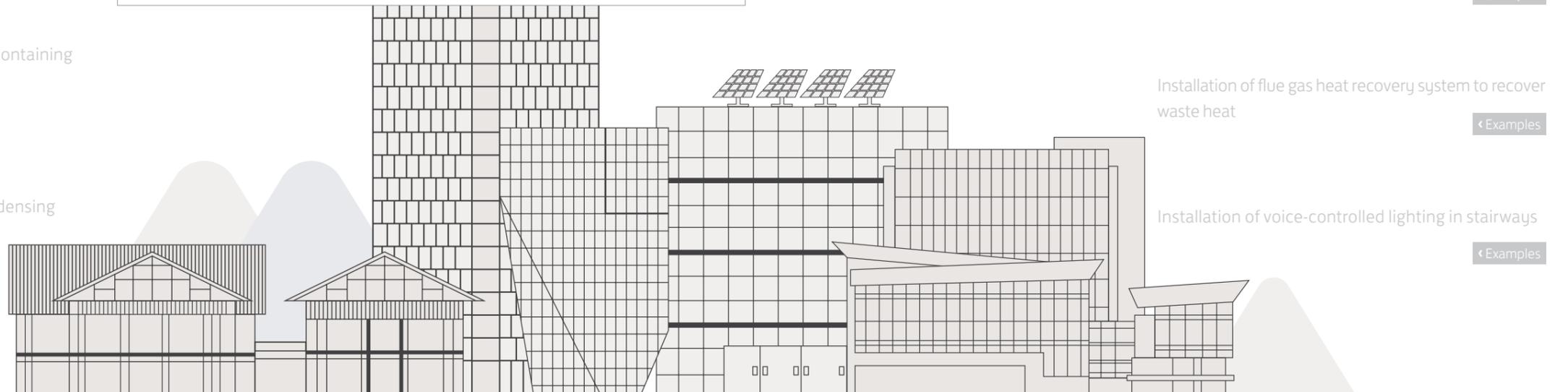
Taikoo Place, Hong Kong



22 fans replaced (estimated annual energy savings of **30%** over conventional fan)

We plan to retrofit the majority of air handling units with EC motor plug fans in Taikoo Place and Pacific Place in phases.

Pacific Place, Hong Kong



Installation of biodiesel tri-generation and adsorption chiller to supply combined heating, cooling and power generation

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Examples >

Installation of variable speed drive condensing water pump

Examples >

TaiKoo Hui, Guangzhou



In progress with completion expected in 2018 (estimated annual energy savings of **600,000 kWh**)

Installation of biodiesel tri-generation and adsorption chiller to supply combined heating, cooling and power generation

Examples >

Installation of solar photovoltaic panels

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PERFORMANCE (ENVIRONMENT)



Environmental Policy | Energy Policy | Environmental & Energy Management Systems
Progress | Profile of Environmental Impacts | Climate Change | Energy | Waste
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Energy

GRI 302

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Examples >

Citygate, Hong Kong



Replacement of three chillers expected in 2018 (estimated annual energy savings of **18%**)

PERFORMANCE (ENVIRONMENT)



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

Energy

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Examples >

Sino-Ocean Taikoo Li Chengdu



Estimated annual energy savings of **274,000 kWh**

PERFORMANCE (ENVIRONMENT)



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Energy

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Installation of variable speed drive condensing water pump

Examples >

Taikoo Place, Hong Kong



In progress with completion expected in 2018 for One Taikoo Place (estimated to contribute renewable energy equivalent to **4%** of the total landlord’s building energy consumption)

Installation of biodiesel tri-generation and adsorption chiller to supply combined heating, cooling and power generation

Examples >

Installation of solar photovoltaic panels

Examples >

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Energy

GRI 302

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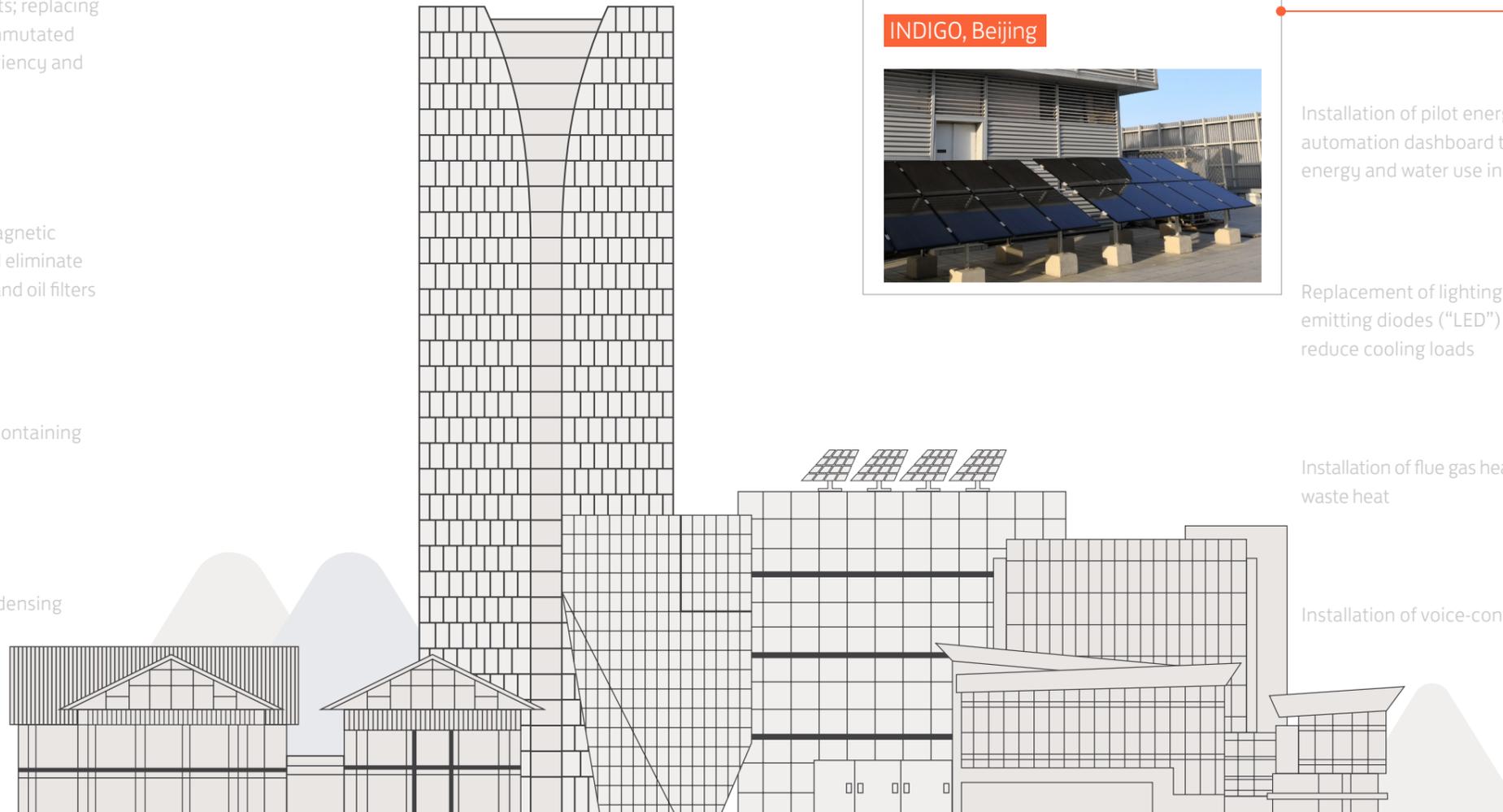
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Installation of high-efficiency chillers, containing non-ozone-depleting refrigerants

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Installation of variable speed drive condensing water pump

Examples >



TaiKoo Hui, Guangzhou



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INDIGO, Beijing



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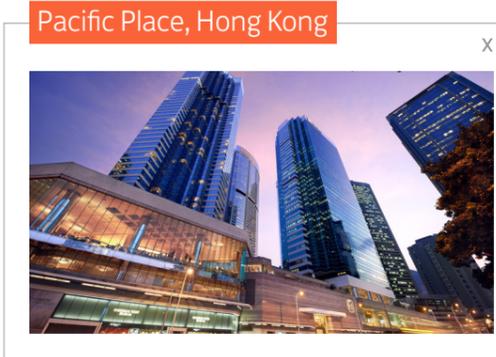
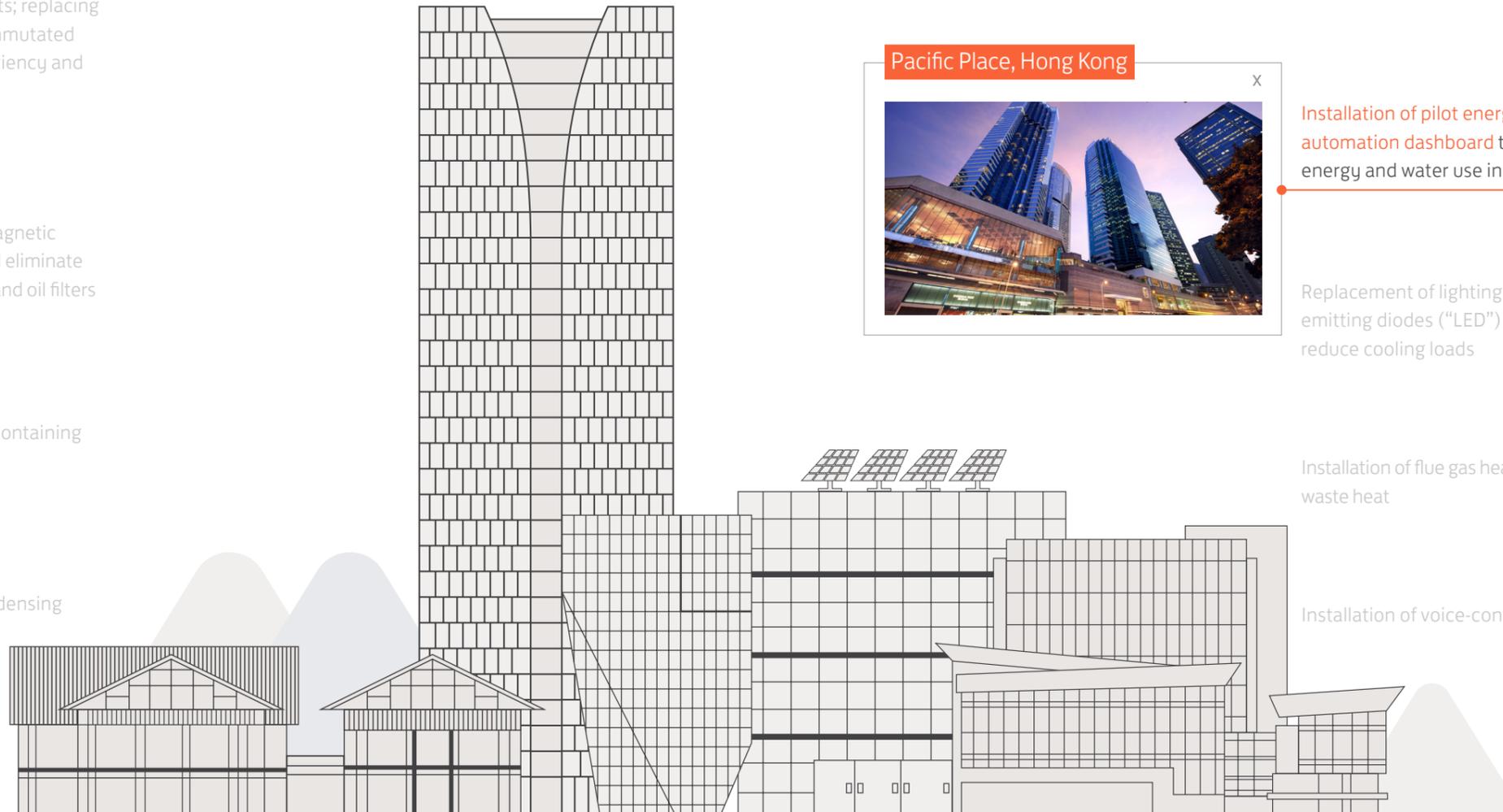
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Examples >

Pacific Place Mall, Hong Kong



Estimated annual energy savings of **97,000 kWh**

The Upper House, Hong Kong



Estimated annual energy savings of about **10,000 kWh**

EAST, Miami, U.S.A.



Estimated annual energy savings of **30,000 kWh**

Installation of biodiesel tri-generation and adsorption chiller to supply combined heating, cooling and power generation

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Progress | Profile of Environmental Impacts | Climate Change | Energy | Waste
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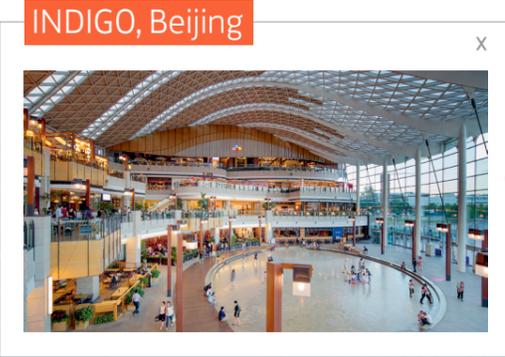
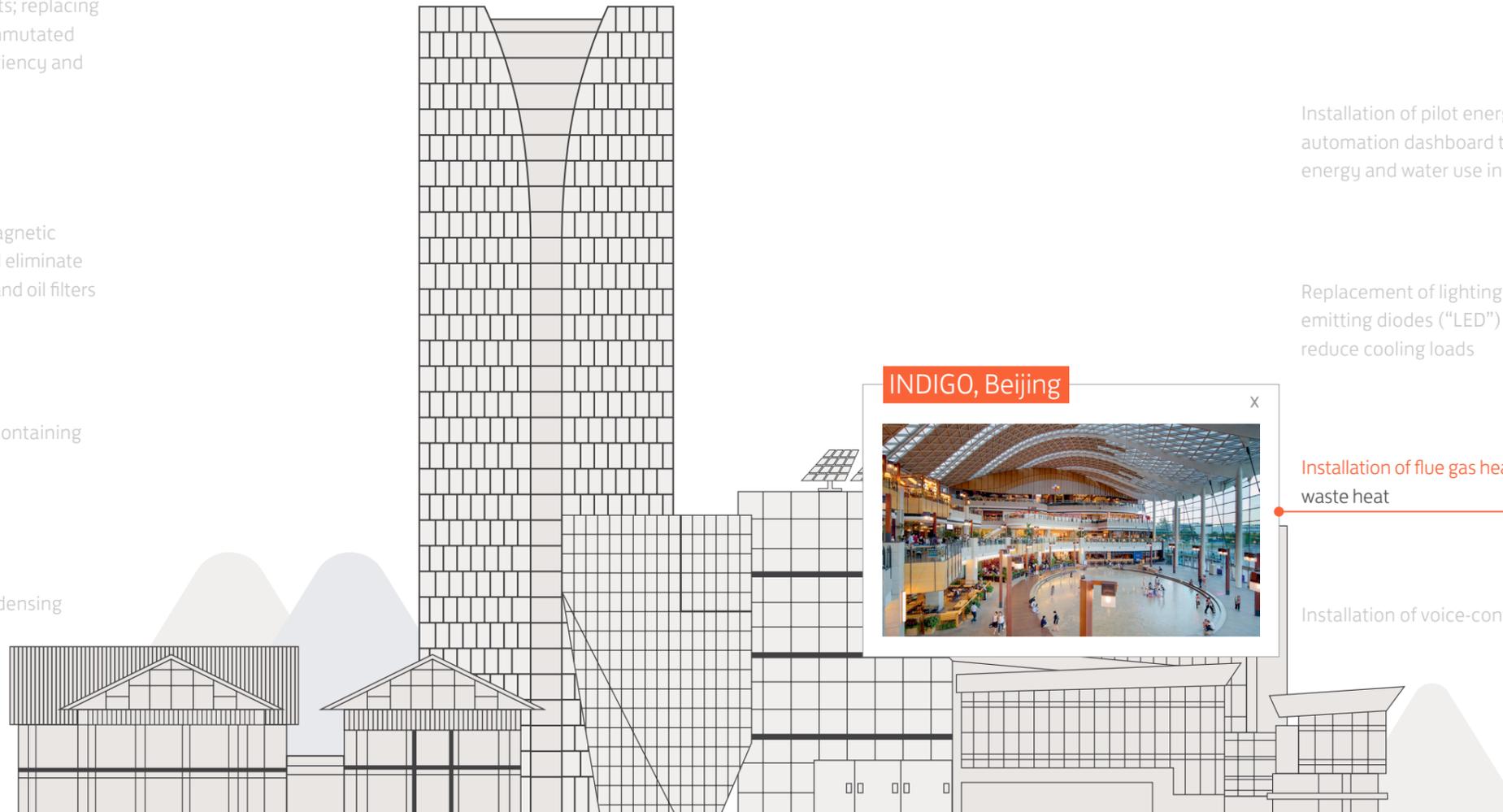
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PERFORMANCE (ENVIRONMENT)



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

Partnership with Tsinghua University

Since 2011, we have worked with Tsinghua University on 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 researchers.



Sino-Ocean Taikoo Li Chengdu

14 HVAC enhancement initiatives, currently being implemented in stages

Estimated annual energy savings of **900,000kWh**

In Sino-Ocean Taikoo Li Chengdu, we worked with Tsinghua University to address high energy-consumption patterns caused by retail businesses operating with open doors. Based on energy analysis and tenant surveys, we were able to identify areas for improvement and suggest design measures that could help landlords and tenants to reduce energy consumption.

Monitoring-based Commissioning of HVAC Systems

In order to better understand our energy consumption patterns and enhance the system efficiency of our buildings, we have commenced a three-year monitoring-based commissioning programme for the HVAC systems in Pacific Place and Taikoo Place in Hong Kong. We believe this will allow us to apply analytical methodologies for fault detection and diagnosis, measurement and verification, system performance evaluation and optimisation through an on-line automated tool. The system is expected to automatically ensure that a high-efficiency operation is maintained. Interim results show estimated annual energy savings of 8% compared with 2016.

PERFORMANCE (ENVIRONMENT)



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

Supporting Government Energy-saving Initiatives

We continue to support the Hong Kong SAR Government’s Energy Saving Charter and, in 2017, we also endorsed its new “4Ts” – Target, Timeline, Transparency and Together – Charter. To further expand the adoption of energy-saving measures in the commercial building sector, the 4Ts scheme encourages participating companies to set time-bound energy reduction targets, and to increase transparency by sharing information about existing and planned energy savings measures.



In 2017, Devon House and Cambridge House in Taikoo Place won the Hanson Excellent Award in the Office Building category of the Energy Saving Championship Scheme organised by the Hong Kong SAR Government’s Environment Bureau and Electrical and Mechanical Services Department. The scheme recognises organisations that are taking the lead in the adoption of energy efficient technologies and equipment, retro-commissioning, development of best practices in energy management and the promotion of energy saving among tenants and occupants.

17 properties in our Hong Kong portfolio have joined the Government’s Energy Saving Charter schemes.

Charter on External Lighting

Swire Properties has been a signatory to the Hong Kong SAR Government Environment Bureau’s “Charter on External Lighting” since 2016, which aims to promote energy savings and minimise light pollution. In 2017, we received the Platinum Award for switching off external lighting from 11pm to 7am.

Renewable Energy

As part of our SD 2030 Strategy, we aim to achieve 2-4% of landlord’s building energy consumption from renewable sources for sizeable new office developments. At One Taikoo Place (expected to be completed in 2018), we are implementing solar photovoltaic panels and a waste-to-energy tri-generation system that we estimate will supply renewable energy equivalent to approximately 5% of the total landlord’s building energy consumption.

We are also looking at ways to increase renewable energy generation for use in our existing portfolios. We have installed solar photovoltaic panels on the roofs of INDIGO, Beijing and TaiKoo Hui, Guangzhou and are studying the comparative efficiency of solar technology in the different climates of these two cities.



PERFORMANCE (ENVIRONMENT)



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

Waste

GRI
301, 306, 307

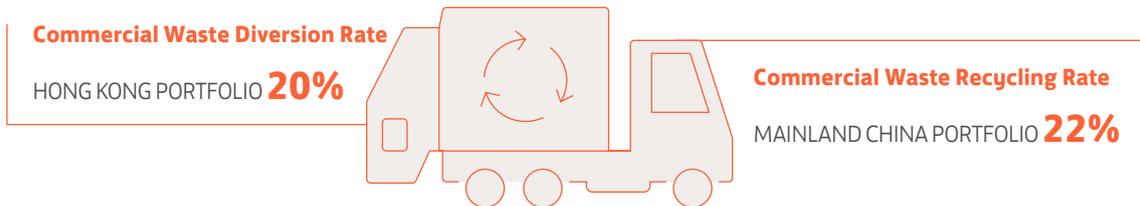
HKEX
Aspect A1-A3
KPI A1.6, A3.1

In 2017, we adopted a new **Waste Management Policy** to guide our approach to reducing waste from the design and planning stages of new projects to the construction and daily operations of our buildings.

In accordance with the policy, we aim to identify the impacts of waste disposal from our business activities, set targets to continually improve our waste management performance, and incorporate waste-prevention considerations into our procurement processes. We also encourage our employees, tenants, suppliers and other people with whom we do business to minimise waste.

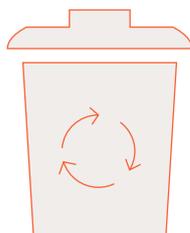
Waste management taskforces, comprising representatives from our technical services and sustainable development and portfolio management departments, have been established in our Hong Kong, Mainland China portfolios and hotels to develop coordinated approaches for waste reduction and waste diversion.

These taskforces are responsible for helping us to achieve our targets for the diversion of commercial, demolition and construction waste by 2020. They are also tasked with working with our tenants on waste recycling initiatives.



In Hong Kong, we are preparing for the implementation of the Hong Kong SAR Government’s new municipal solid waste charging scheme, which is expected to come into force in 2019.

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. In 2017, we completed a six-month trial of volume-based and weight-based charging approaches for waste disposal involving 131 tenants at Cityplaza and Swire Hotels’ EAST, Hong Kong.



The trial achieved an **18%** reduction in total waste and a **15%** increase in the rate of recycling by participants, including a **30%** increase in food waste recycling.

PERFORMANCE (ENVIRONMENT)



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

In 2017, waste audits were completed at EAST, Hong Kong, expanding on audits completed in 2015 and 2016. We are analysing this data to develop targeted waste reduction and recycling strategies for our hotel operations.

The Temple House has implemented several recycling initiatives to reduce waste. Damaged bed linens are trimmed for use as pillowcases or used by housekeeping as cleaning cloths. Guestroom soaps are re-packaged and donated to disaster-relief organisations.

To reduce plastic waste, Swire Restaurants has eliminated individually wrapped sugar cubes at The Continental and Mr & Mrs Fox, and no longer serves plastic straws with drinks for dine in customers, unless requested.

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



2017:
31 tonnes

HKEX
KPI A2.5

Using Recycled Materials for the Christmas Season

To celebrate the Christmas season in a more environmentally friendly manner, for the fifth consecutive year, EAST, Hong Kong used approximately 300 recycled wooden wine boxes and other recycled materials to create decorations for the hotel.



The Temple House, Chengdu worked with the Daci Temple to reuse approximately 7,000 tea light candle shells, collected over five months, to create a sustainable Christmas tree for display in the hotel courtyard.



PERFORMANCE (ENVIRONMENT)



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

Our Food Waste Recycling Journey

Our food waste recycling efforts began in 2005, when we installed our first food decomposer at one of our Hong Kong shopping malls.

In 2015, we began to work with food waste recyclers to convert food waste collected from Citygate Outlet tenants into fish feed. In 2016, we extended this programme to include tenants of Cityplaza, Taikoo Place and Pacific Place.

In 2016, we worked with the Hong Kong Environmental Protection Department to introduce its Food Waste Recycling Partnership Scheme to our retail tenants in Cityplaza and Taikoo Place. This scheme promotes responsible food waste management for the commercial and industrial sectors and provides guidance on waste separation and recycling. In 2017, we introduced the scheme to our retail tenants in Pacific Place.

In Mainland China, food waste recycling is practised in all of our shopping malls and we have installed electronic scales and refrigerated storerooms to handle food waste collected from food and beverage tenants. We conduct regular training sessions for our tenants on how to handle and separate food waste. In 2017, we recycled more than 3,800 tonnes of food waste from Hong Kong and Mainland China tenants and hotels.



In addition to food waste recycling, we also work with Food Angel and Foodlink Foundation to donate excess food to people in need.

Promoting Recycling of Electronic Waste

For the 10th consecutive year, we held an Electronic Waste Recycling Campaign to collect and recycle unwanted or obsolete electrical appliances and devices from our employees and office tenants. A total of 11.4 tonnes of electronic waste was collected and recycled.

PERFORMANCE (ENVIRONMENT)



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

Waste Check Charter

Since 2016, we have participated in the Waste Check Charter programme organised by the Hong Kong SAR Government's Environmental Protection Department. Designed to promote waste reduction, the programme requires participants to measure landfill waste and recycled waste and formulate specific plans to achieve waste reduction goals.

In 2017, Cityplaza and EAST, Hong Kong were recognised as "Excellent Class" from a field of 180 hotels and malls.

Water

We recognise that an adequate supply of clean water is a topic of increasing concern in many of the cities in which we operate. In 2017, we began a study to assess water risks for our operations in Hong Kong, Mainland China and Miami, U.S.A. We plan to use the findings of the study to guide our approach to water management and conservation.

We have reviewed our water consumption patterns and are implementing water saving measures to reduce water consumption in our Hong Kong and Mainland China portfolios and hotel operations. We consistently monitor water consumption in our buildings and manage its use with water meters, water flow restrictors, automatic taps and automatic flush water basins and urinals.

We also encourage our employees and tenants to save water. In 2017, our World Water Day Campaign introduced employees to a water footprint calculator to help them measure their water consumption at home.

GRI 303

HKEX Aspect A2 KPI A2.4, A3.1

SDG 12
Responsible Consumption and Production

Our initiatives under the focus area of Water, specifically, managing water risk and reducing overall consumption, align with **SDG12**: ensure sustainable consumption and production patterns

Water-saving Strategies in our Hong Kong Portfolio

In 2017, we tested various water flow restrictors at One Island East, Hong Kong to evaluate the most effective models for reducing water consumption while maintaining sufficiency. We have selected two models, which we intend to install in selected buildings.

We also installed a low-flow water closet in the employee common room of our Citygate mall for the purposes of pilot testing. The water closet uses displaced air and water to produce a flush with only 1.5 litres of water. According to estimates, the new water closet uses 84% less water and 80% less energy than a conventional toilet.

PERFORMANCE (ENVIRONMENT)



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

Water-saving Strategies in our Hotels

To reduce fresh-water consumption in The Temple House in Chengdu, Mainland China, we have designed a grey water treatment and recycling system to collect and reuse shower water, cooling tower water and rainwater. We estimate that this system saves approximately 7,300 m³ of water annually, reducing our typical monthly consumption of irrigation and cleaning water by 10%.



We have also installed high-quality water flow restrictors on the faucets in guest rooms in The Temple House and EAST, Hong Kong to reduce water consumption without impacting the guest experience. Pilot tests show annual savings of 20,000 m³, with an estimated reduction of tap-water consumption by 40%.

Occupant Wellbeing

GRI 416

Indoor Air Quality (IAQ)

HKEX Aspect B6 KPI B6.4

IAQ refers to the air quality within and around buildings and structures, and relates to the health and comfort of building occupants. We recognise that indoor air quality is a topic of increasing concern as awareness about the health effects from indoor air pollution increases.

Our initiatives to improve **safety, health and wellbeing** apply not only to our employees, but also to our tenants and visitors. We are taking steps to ensure that high standards of air quality are maintained in all common areas of our buildings.

In Hong Kong, we participate in the Indoor Air Quality Certification Scheme, a voluntary certification scheme organised by the Hong Kong Government Environmental Protection Department to improve IAQ and promote public awareness of IAQ issues. In 2017, **18 properties** in our Hong Kong portfolio achieved Excellent Class ratings under the scheme for IAQ in common areas and three properties achieved Good Class ratings.

3 GOOD HEALTH AND WELL-BEING

SDG 3
Good Health and Wellbeing

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

PERFORMANCE (ENVIRONMENT)



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

Working with Tenants to Achieve WELL Certification

We strongly support the efforts of our tenants to improve occupant experience and building performance through programmes such as the International WELL Building Institute’s WELL certification scheme.

In 2017, two of our office tenants at HKRI Taikoo Hui, Shanghai, earned WELL certifications for commercial interiors and a third tenant is currently working towards WELL certification.



WELL is a building certification framework designed to advance the health and wellbeing of people that visit, work in or experience buildings. For example, with a view to providing employees with an optimal working environment and delivering shoppers a high quality experience, one of our tenants, city'super, is adopting a range of measures for its new 43,000 square foot market at HKRI Taikoo Hui. These include real-time indoor air quality monitoring, drinking water filtration and purification, and high quality lighting design to accurately portray colour and minimise glare.

INDIGO’s High Indoor Air Quality

INDIGO, Beijing was rated as one of the two best performing shopping malls in Mainland China with respect to indoor air quality, with a fine particulate matter (PM2.5) concentration under 100. To combat poor air quality, INDIGO has strived to provide shoppers with high quality indoor air throughout its life cycle, from the selection of building materials to day-to-day operations.

In 2016, our technical services and sustainable development department worked with Tsinghua University and implemented strategies to minimise outside air infiltration and rebalance indoor air composition. Automatic doors were installed in underground parking and delivery areas to prevent outdoor air from flowing into the mall, and a static electricity filter was installed to improve the performance of ventilation systems and air-conditioning units.



As a result, we were able to reduce pollutant penetration and lower PM2.5 concentrations within the mall to better protect the health and safety of shoppers.

Building on INDIGO’s experience, we engaged consultants to help us implement initiatives to reduce indoor PM2.5 concentrations across our Hong Kong and Mainland China portfolios.

PERFORMANCE (ENVIRONMENT)



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

Building/Asset Investments

As part of our management approach to identifying and managing significant impacts of our buildings on the environment and natural resources, we strive to invest in achieving certification for our buildings under relevant environmental building assessment schemes.

Examples of relevant schemes include BEAM Plus, which is a set of standards recognised and certified by the Hong Kong Green Building Council (“HKGBC”); LEED, which is a rating system devised by the United States Green Building Council (“USGBC”); and the China Green Building Design Label, which is issued by the Ministry of Construction in Mainland China.

These schemes provide benchmarks and objective standards against which we can measure our performance, and help our stakeholders to gain information about the sustainability impacts of our products and services.

In accordance with the requirements of these schemes, we employ an integrated design approach to our projects, which requires members of the project team to work together. At an early stage of project development, project team members work with one another to consider the entire building and its systems throughout its lifecycle.

We also encourage our tenants to participate in environmental building assessment schemes and work closely with them to implement sustainability strategies to help them achieve relevant building certifications. For example, one of our INDIGO, Beijing tenants has earned LEED Platinum certification from the USGBC.

SDG 11
Sustainable Cities and Communities

SDG 12
Responsible Consumption and Production

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

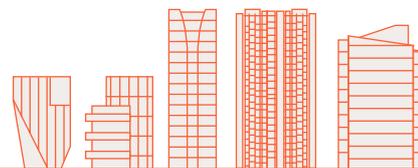
SDG 11 - make cities and human settlements inclusive, safe, resilient and sustainable

SDG 12 - ensure sustainable consumption and production patterns

GRI
417

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

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



30 buildings³¹ have earned BEAM or BEAM Plus certification, with **20** of those achieving top ratings (Excellent / Platinum)

30 buildings have earned LEED certification, achieving either Platinum or Gold ratings

In addition, two of our mixed use developments have achieved Gold ratings under the LEED for Neighbourhood Development

³¹ Refers to buildings that were built after BEAM was established in 1996 and that are either managed or at least half-owned by Swire Properties. Small-scale, low-rise buildings in the same development are counted as one building and not as individual buildings.

PERFORMANCE (ENVIRONMENT)



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

Green Buildings Certified in 2017

BEAM Plus

One Taikoo Place

Provisional Platinum
(BEAM Plus New Buildings Version 1.2)

Lincoln House

Final Platinum
(BEAM Plus Existing Buildings Version 2.0 Comprehensive Scheme)

One Pacific Place, Two Pacific Place and Pacific Place Mall

Final Platinum
(BEAM Plus Existing Buildings Version 2.0 Comprehensive Scheme)

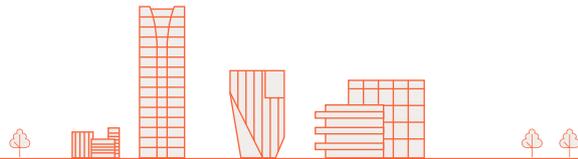
LEED

Office Tower 1, Office Tower 2 and TaiKoo Hui Mall

Final Platinum
(LEED for Existing Buildings: Operations and Maintenance Version 2009)

Taikoo Li Sanlitun, Beijing

Final Gold
(LEED for Existing Buildings: Operations and Maintenance Version 2009)



Sharing Insights at Greenbuild China 2017

The USGBC invited Dr. Raymond Yau, General Manager of technical services and sustainable development, to speak at the Leadership Luncheon at the Greenbuild China 2017 conference in Shanghai. The conference offers a forum for the green building community to share insights and expertise and address pressing issues such as air quality, human health, energy use and climate change. Dr. Yau shared his thoughts about the role of developers in promoting sustainable development and elaborated on Swire Properties' SD vision, our SD 2030 Strategy, and our perspectives on green building.



PERFORMANCE (ENVIRONMENT)



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

World Sustainable Built Environment Conference 2017



At the World Sustainable Built Environment Conference 2017, we received two awards, “Organisation with the most BEAM Plus FINAL PLATINUM Projects” and “Highest Score for Residential Projects of BEAM Plus New Buildings”, the latter for the AREZZO development.

The three-day conference, which took place in Hong Kong and focused on the theme Transforming Our Built Environment through Innovation and Integration: Putting Ideas into Action, allowed us to engage with and learn from our peers from around the globe.

We hosted two workshops to share our knowledge and experience in sustainable development and submitted seven technical papers on a variety of subjects, from Building Energy Efficiency to a case study on One Taikoo Place. We also managed an exhibition booth to provide visitors with the opportunity to learn more about our SD 2030 Strategy and our key development projects: One Taikoo Place, Hong Kong, Brickell City Centre, Miami, U.S.A. and Sino-Ocean Taikoo Li Chengdu.

Dr. Raymond Yau, General Manager of technical services and sustainable development, addressed a plenary session of the conference and spoke about our long-term commitment to sustainable development, our SD 2030 Strategy and our efforts to combat climate change.



PERFORMANCE (ECONOMIC)



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

PERFORMANCE (ECONOMIC)



Governance Culture | Ethics
Progress | Green Financing | Risk Management

Governance Culture

GRI
102-18, 102-23

We are committed to ensuring that our affairs are conducted in accordance with high ethical standards. This reflects our belief that, in the achievement of our long-term objectives, it is imperative to act with probity, transparency and accountability. By doing so, we believe that shareholder wealth will be maximised in the long term and that our employees, those with whom we do business, and the communities in which we operate will all benefit.

Top Material Issues

- Corporate governance
- Long-term financial performance/value

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

- Satisfactory and sustainable returns to shareholders
- That the interests of those who deal with the Company are safeguarded
- That overall business risk is understood and managed appropriately
- The delivery of high-quality products and services to the satisfaction of customers; and
- That high standards of ethics are maintained.

Our Chairman is responsible for ensuring, through the Board, that good corporate governance practices and procedures are followed. Our Audit Committee, consisting of three Non-Executive Directors, is responsible for assisting the Board in discharging its responsibilities for corporate governance. Our Executive Committee, consisting of two Executive Directors and nine members of senior management, is responsible for overseeing the day-to-day operations of the Company. The Chief Executive chairs the Executive Committee.



PERFORMANCE (ECONOMIC)



Governance Culture | Ethics
Progress | Green Financing | Risk Management

Risk Management and Internal Controls

GRI 102-30

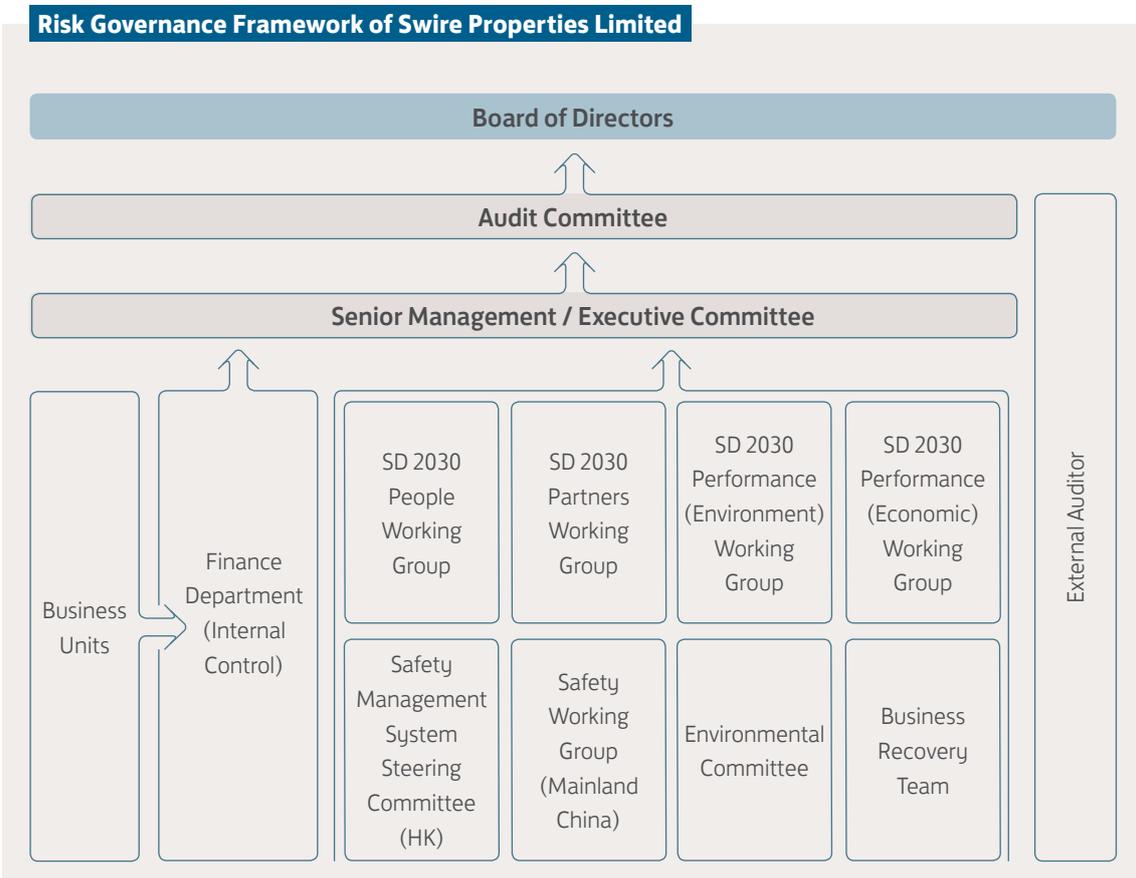
The Board is responsible for evaluating and determining the nature and extent of the risks it is willing to take in achieving Swire Properties' strategic objectives, and ensuring that the Company establishes and maintains appropriate and effective risk management and internal control systems.

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. The Board oversees management in the design, implementation and monitoring of the risk management and internal control systems, and management provides confirmation to the Board on the effectiveness of these systems.

The management of risks is subject to audit by the Internal Audit department of the Swire group, with support from specialist external consultants, where necessary.

We have an Enterprise Risk Management ("ERM") system in place to help identify, analyse and manage business risks. Risk identification, analysis and management processes are completed on a regular basis throughout the year, and the results help to guide our business decisions.

Our risk governance framework is provided underneath. More information on Corporate Governance can be found in the [Swire Properties Annual Report 2017](#).



PERFORMANCE (ECONOMIC)



Governance Culture | Ethics
Progress | Green Financing | Risk Management

Ethics

GRI
102-16, 102-17

Corporate Code of Conduct

HKEX
KPI B7.2

The Swire Properties [Corporate Code of Conduct](#) (“Code”) sets out our operating principles underpinning our management approaches to a range of issues, including those relating to business ethics, conflicts of interest, competition and antitrust, bribery, political contributions, gambling, procurement, record keeping, use of Company information and property, whistleblowing, health and safety and the environment, equal opportunities and diversity, use of social media, and privacy.

The Code applies to every employee, officer and director of the Company and its subsidiaries, all of whom have a responsibility to raise concerns about potential violations of the Code. Employees who are found to be in breach of the Code are subject to disciplinary action.

Any third party who wishes to report potential improprieties concerning the operations of the Company and/or the conduct of our employees, may follow our [published procedures](#) to seek redress.

Our human resources and administration departments are responsible for investigating reported concerns raised with respect to the Code and ensuring that they are handled appropriately. As part of our SD 2030 Strategy, we are in the process of strengthening our policies and procedures on whistleblowing to ensure that they align with best practices.

Anti-Corruption

GRI
205

HKEX
Aspect B7
KPI B7.1, B7.2

We have a strict policy of compliance with anti-bribery laws in every applicable jurisdiction. Our employees are not permitted to offer or accept advantages for the purpose of influencing business decisions, to make any form of payment to officials, or to grant, guarantee or accept loans from any person or organisation with whom we have business dealings.

To avoid the perception of improper conduct, our employees are expected to exercise caution when making or soliciting contributions to charitable causes, and when providing entertainment and corporate hospitality or reimbursing bona fide expenses for legitimate business purposes. In 2017, there were no concluded legal cases regarding corrupt practices 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 2017, around 2,900 hours of anti-bribery related training were conducted.

PERFORMANCE (ECONOMIC)



Governance Culture | **Ethics**
Progress | Green Financing | Risk Management

Product Responsibility

HKEX
KPI B6.3, B6.5

With respect to product responsibility, we are committed to ensuring that our marketing and communications materials comply with relevant government regulations and industry guidelines, including the Residential Properties (First-hand Sales) Ordinance and the Consent Scheme of the Hong Kong Lands Department.

We respect property rights, including intellectual property rights, and require our employees to comply with applicable legal requirements relating to the collection, holding, processing, disclosure and use of personal data, and to respect the privacy of others and the confidentiality of information received in the course of business. Our [Data Privacy and Security Policy](#) is available on our corporate website.

Competition Law

We are committed to complying with all applicable competition and antitrust laws, including the Competition Ordinance in Hong Kong.

To help our employees understand the legal requirements of the Competition Ordinance in Hong Kong, we have an internal manual containing guidelines on dealings with competitors and third parties, avoiding abuse of market power and participation in trade associations and industry bodies. The manual also includes practical tips to help employees achieve compliance in the course of everyday business.

In 2017, there were no legal actions in relation to anti-competitive behaviour, anti-trust and monopoly practices brought against Swire Properties. We conducted an e-training exercise on the Competition Ordinance for relevant employees in Hong Kong.

PERFORMANCE (ECONOMIC)



Governance Culture | Ethics
Progress | Green Financing | Risk Management

Progress

Our Performance (Economic) Working Group comprises 16 representatives from different functions within Swire Properties. We have created five sub-groups to focus on specific areas and we are making progress towards most KPIs.

Two major highlights of this working group’s activities to date are the issuance of Swire Properties’ first green bond, and our successful application for inclusion in GRESB, resulting in a 5-star rating.

Progress Summary Table

Performance Categories

2020 KPI

Progress Updates in 2017

Financial Performance



Underlying Profit

Details of our financial performance in the year ended 31st December 2017 are available in the [Swire Properties Annual Report 2017](#)

Dividends

Gearing Ratio and Credit Rating

Green Financing



Green Bonds

Review, develop and issue Swire Properties’ first green bond

- We issued our first green bond in January 2018, raising US\$500 million for green projects.

Internal Fund

Participate in the Swire Pacific SD Fund

- Two SD project applications have been submitted to the Swire Pacific SD Fund.

New Ventures Innovation Pipeline³²

Test pilot experimental technologies leading to successful collaboration with start-up companies³²

- Our internal New Ventures team is in place and five new technologies are undergoing pilot testing.

Develop an appropriate KPI for value added to the Company³²

³² New performance category and 2020 KPI.

PERFORMANCE (ECONOMIC)



Governance Culture | Ethics
Progress | Green Financing | Risk Management

Performance Categories

2020 KPI

Progress Updates

Corporate Governance



Whistleblowing Policy

Follow best practice whistleblowing policy

- We have completed a gap analysis and we are planning to update our policies and procedures to follow best practices.

Anti-bribery and Anti-corruption

Annual bribery and corruption risk review by the Executive Committee

- A completed anti-bribery questionnaire has been submitted to the Executive Committee for its review.

Responsible Investment

Incorporate SD criteria into our investment assessment process

- Preliminary analysis has been undertaken.

Executive Compensation

Continually review executive compensation through the Remuneration Committee

- The Remuneration Committee continually reviews executive compensation.

Risk Management



ERM System

Review ERM system, including corporate risk identification, review and mitigation processes

Integrate SD factors into corporate risk analysis

- Having reviewed our ERM system, we consider that the key area for enhancement is integration of SD factors into our corporate risk analysis. We have started to critically review our corporate risks to identify additional SD-related risks.

Business Recovery Plan ("BRP")

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

- A BRP drill was conducted in Hong Kong in 2017.
- We have completed a new cyber risk response plan intended for implementation in 2018.

Disclosure & Reporting



Integrated Reporting

Review International Integrated Reporting Council ("IIRC") framework and assess applicability for future adoption by the Company

- We plan to commence work on this initiative in 2018.

Disclosure Benchmarks and SD Indices

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

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

PERFORMANCE (ECONOMIC)



Governance Culture | Ethics
Progress | Green Financing | Risk Management

Performance Categories

2020 KPI

Progress Updates

Investor Relations



Direct

Meet regularly with investors specialising in ESG investments

- We have created a register of investors'/ analysts' interest in SD criteria and prepared new SD presentation materials for investors/analysts at our Annual Investor Day.

Indirect

Actively participate in investor-led ESG platforms

- In 2017, we participated in GRESB and have obtained a 5-star rating.

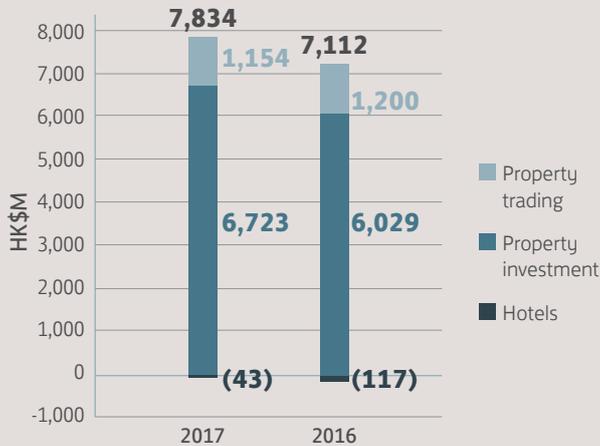
Financial Highlights for 2017

GRI 201

Underlying profit attributable to shareholders

HK\$ **\$7,834** million | 2016: HK\$ **\$7,112** million

Underlying profit/(loss) by segment



SDG 8

Decent Work & Economic Growth

Our focus area on Financial Performance aligns with **SDG 8**: promote sustainable economic growth, employment and decent work for all

Aggregate GFA attributable to the group*

~29.2 million sq. ft.

Credit rating*

Fitch: **A**
 Moody's: **A2**

Gearing ratio*

13.6%

* At 31st December 2017

PERFORMANCE (ECONOMIC)



Governance Culture | Ethics
Progress | Green Financing | Risk Management

Green Financing

Green Bond

The issuance of Swire Properties' first green bond in January 2018 reaffirms our on-going commitment to sustainable development, and designing and developing sustainable projects that improve the wellbeing of building occupants and local communities. We are among the first to support the government's initiative to promote the development of green financing in Hong Kong's capital market.

The 10-year green bond, which is due in 2028 and listed on the Hong Kong Stock Exchange, has raised US\$500 million at a coupon rate of 3.5%. It is the first green bond in Hong Kong to obtain pre-issuance stage certification from the HKQAA under its Green Finance Certification Scheme. It has also received an A2 rating by Moody's and an A rating by Fitch. A substantial portion of the bond was placed with institutional investors that have a strong commitment to sustainable financing initiatives.



Pre-issuance Stage Certificate No.: CC 6394

This important achievement will help to further enhance our environmental performance. Proceeds from the green bond will be used to finance our newest Grade-A office development, One Taikoo Place, as well as other new and existing projects relating to energy efficiency, renewable energy, sustainable water and wastewater management, green building and climate change adaptation.



Artist impression only



Our Green Bond Framework is available online. Net proceeds will be used to fund green projects meeting the following categories of eligibility recognised in the Green Bond Principles 2017.

-  Renewable Energy
-  Energy Efficiency
-  Sustainable Water and Wastewater Management
-  Climate Change Adaptation
-  Green Buildings

PERFORMANCE (ECONOMIC)



Governance Culture | Ethics
Progress | Green Financing | Risk Management

Swire Properties Hosts Investor Day in Shanghai

In September 2017, we hosted Swire Properties' Investor Day to allow investors and analysts to meet with members of our senior management. Chief Executive Guy Bradley and other members of the team presented updates on the latest developments of the Company and future growth opportunities, as well as our SD 2030 Strategy.



Internal Funding

The Swire Pacific Sustainable Development Fund is an annual HK\$100 million fund, available to all Swire Pacific operating companies, to help accelerate and expand projects that will have an impact on the Swire group's sustainability performance, but that would not otherwise receive funding through regular channels. Swire Properties has identified two potential projects and worked with Swire Pacific's Sustainable Development Office to develop the concepts into funding applications for review by the Swire Pacific SD Fund Committee.

The first project involves the pilot testing of advanced electrically commutated plug fans, commonly known as EC plug fans, to retrofit the air handling units used in the ventilation systems of our existing office buildings. In the second project, we intend to develop an artificial intelligence platform to optimise the operating efficiency of our heating, ventilating, and air conditioning systems by using data analysis of energy consumption and self-diagnostics for continuous improvement. When implemented, we expect both projects to result in substantial energy savings.



Pilot testing of EC plug fans

Estimated reduction of fan energy use: up to **30%**

Estimated annual electricity savings: **650,000 kWh**

PERFORMANCE (ECONOMIC)



Governance Culture | Ethics
Progress | Green Financing | Risk Management

New Ventures Innovation Pipeline

Following the positive response of the first experimental Blueprint accelerator, we have introduced New Ventures, a technology pipeline and innovation fund, to target and attract cutting-edge technology from around the world.

The New Ventures team works with investors, accelerators and experts from around the globe to source products and solutions that add strategic value to Swire Properties' operations, including areas such as data analytics, smart buildings, sustainability, customer engagement and human resources. In addition to facilitating and funding paid pilot tests, New Ventures can provide travel funding, workspace and subsidised professional services to start-ups on a case-by-case basis.

NEW VENTURES introduces RADAR

In 2017, we introduced RADAR, a company-wide engagement study to identify real-world needs and opportunities for innovation. The New Ventures team holds workshops and focus groups with Swire Properties' various departments to discuss business challenges and help to identify creative technological solutions.



STUDY



SOURCE



TRIAL



ADOPT

Partnerships for NEW VENTURES

NEW VENTURES has worked with over 35 venture capital firms, accelerators, and other organisations. As of January 2018, the team has conducted 11 technology pilot tests, including:

- Collaborative construction drawing software
- Automated legal document preparation software
- Air-purifying paint that extracts harmful pollutants
- Online-to-offline retail platform that allows shoppers to search a physical mall
- Cloud-based adaptable music playlist software for food and beverage or retail
- Digital wardrobe inventory, storage, and delivery service for residences

PERFORMANCE (ECONOMIC)



Governance Culture | Ethics
Progress | Green Financing | Risk Management

Blueprint Co-founder Earns RICS Young Surveyor of the Year Award

In March 2017, Henry Bott, Head of our digital marketing department, was named Young Surveyor of the Year at the sixth annual Royal Institution of Chartered Surveyors (RICS) Awards, in recognition of his contributions to the Company and the wider industry. Prior to assuming his current role, he was a co-founder of Blueprint, our coworking space. Throughout his tenure at Swire Properties, Henry Bott has taken on leadership roles and developed new ideas to help us strive to be at the forefront of our industry.



Risk Management

GRI 102-30

Review of our ERM System

In 2017, we reviewed our ERM system and identified that the key area for its enhancement is integration of SD factors into our corporate risk analysis. Consequently, we started to critically review our corporate risks in order to identify additional SD-related risks.

Business Recovery Plan

The Company has had a Business Recovery Plan since 1997 to help ensure that we maintain critical crisis planning and execution capabilities in the event of major incidents. We aim to put in place local crisis response plans for all portfolios. In 2017, we completed local crisis response plans for TaiKoo Hui Guangzhou, Sino-Ocean Taikoo Li Chengdu, INDIGO and Taikoo Li Sanlitun, Beijing. Individualised plans for other properties in our Mainland China portfolio are being finalised.

In 2017, we finalised a new information technology response plan to help address cyber risks. Our senior management also took part in a separate BRP simulation exercise for our Hong Kong and Mainland China portfolios. During the exercise, our Business Recovery team performed well. They demonstrated their ability to manage the simulated crisis in a controlled manner by continuing to deliver acceptable levels of key services and recovered from the disruptive event in an orderly way. Following this exercise, we are planning to implement additional measures to enhance our BRP, such as incorporating a new social media management policy.

GRI AND HKEX ESG REPORTING



GRI and HKEX ESG Reporting

Reporting Standards

GRI
102-51, 102-52,
102-54

This report has been prepared in accordance with the Global Reporting Initiative (“GRI”) Standards: Core option, and with reference to the GRI G4 Construction and Real Estate Sector Disclosures. We have used GRI Guidelines to report our SD performance on an annual basis since 2007. Prior to this report, our most recent report, for 2016, was prepared in accordance with the Core option of the GRI G4 Guidelines.

We have also prepared this report in compliance with all applicable provisions set out in the Environmental, Social and Governance Reporting Guide (“HKEX ESG 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 2017.

Scope of Report

GRI
102-46, 102-49,
102-50, 103-1

Our approach to SD reporting reflects the scale of our operations, the complexity of our business and the significance of our various economic, environmental and social impacts.

In the Performance (Economic) section of this report, the scope of disclosures aligns with the Company’s financial reporting. We extract selected corporate governance and financial performance information from our Swire Properties Annual Report 2017 to help us illustrate progress on relevant focus areas of our SD 2030 Strategy. More information is available in the [Swire Properties Annual Report 2017](#).

The sections on Places, People, Partners and Performance (Environment) cover our management approaches to [material issues](#) arising from Swire Properties’ businesses, joint ventures and subsidiaries in property investment, property trading and hotel investment. The scope of disclosures in these sections reflects the boundaries of our management control, and therefore excludes certain business areas such as non-managed hotels and estate management services.

For the purpose of disclosing quantitative data on our SD performance, we collect and report KPIs on a 100% basis for our Hong Kong portfolio, Mainland China portfolio and Hotel operations. Notes accompanying our [Performance Data Summary](#) provide additional details about the basis of calculation for specific KPIs.

The scope of some KPIs, for example green procurement and waste diversion, also includes properties under construction.

Compared to the Swire Properties SD Report 2016, the scope of reporting on KPIs in this report has been expanded to include Taikoo Place Apartments and Swire Restaurants, namely PUBLIC, Ground PUBLIC, Mr & Mrs Fox, Plat du Jour, Tong Bar & Café, The Continental and SHARK. Since Cornwall House, Taikoo Place was demolished in 2017, its data has been excluded.

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 it has opened and reached a significant level of occupancy. Properties in this category include STAR STUDIOS, Hong Kong (opened in late 2016), Brickell City Centre, Miami U.S.A (opened in late 2016), and HKRI Taikoo Hui, Shanghai (opened in late 2017).

The scope of reporting for KPIs also excludes completed developments for sale.

Scope of SD KPI Data Collection and Reporting in 2017

Hong Kong Portfolio	Pacific Place (3 office towers, mall and Pacific Place Apartments) Cityplaza (3 office towers ¹ and mall) Taikoo Place (8 office towers including One Island East, and Taikoo Place Apartments ²) Citygate ³ (office and outlets) Other offices and mall (625 King's Road, Generali Tower, 28 Hennessy Road and Island Place)
Mainland China Portfolio	TaiKoo Hui, Guangzhou Hui Fang, Guangzhou Taikoo Li Sanlitun, Beijing INDIGO, Beijing Sino-Ocean Taikoo Li Chengdu
Hotels	Swire Hotels: The Upper House, Hong Kong; EAST, Hong Kong; The Opposite House, Beijing; EAST, Beijing; The Temple House, Chengdu Swire Restaurants ² : PUBLIC, Ground PUBLIC, Mr & Mrs Fox, Plat du Jour, Tong Bar & Café, The Continental and SHARK

¹ Excludes ten floors, which were assigned to the Government on 30th December 2016

² Newly added to scope of KPI data collection and reporting in 2017

³ Approximately 120,000 square feet has been removed from the scope for 2017 due to major renovation

External Assurance

GRI
102-56

It is our practice to obtain external independent assurance for the content of our sustainable development report. PricewaterhouseCoopers (“PwC”) was engaged to provide limited assurance on selected sustainability information contained in this report in accordance with International Standard on Assurance Engagements 3000 (Revised) and, in respect of greenhouse gas emissions, International Standard on Assurance Engagements 3410.

The scope of work carried out by PwC is set out in the [assurance report](#) from PwC.

External Charters and Membership

External Charters and Initiatives

Name of Charter / Initiative	Sponsoring Organisation(s)
Building Energy Pledge	Business Environment Council - Climate Change Business Forum Advisory Group
Carbon Reduction Charter	Environmental Protection Department, Hong Kong Special Administrative Region ("SAR") Government
Charter on External Lighting	Environment Bureau, Hong Kong SAR Government
Clean Air Charter	Hong Kong General Chamber of Commerce and Hong Kong Business Coalition on the Environment
Dim It Charter	Friends of the Earth (HK)
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
Food Wise Charter	Environment Bureau, Hong Kong SAR Government
Friends of EcoPark	Environmental Protection Department, Hong Kong SAR Government
Greening Partner Charter	Development Bureau, Hong Kong SAR Government
Hong Kong Green Purchasing Charter	Green Council
Manifesto for Energy Efficiency in Buildings	World Business Council for Sustainable Development
Waste Check Charter	Environmental Protection Department, Hong Kong SAR Government

External Charters and Membership

Membership

Name of Association	Nature of Membership
BEAM Society Limited	Founding Member
Business Environment Council	Board of Director and Council Member
Green Cross - Occupational Safety & Health Council	Group Member
Harbour Business Forum	Patron Member (through the Swire group)
Hong Kong General Chamber of Commerce	Member
Hong Kong Green Building Council	Corporate Member and Platinum Patron Member
The Hong Kong Management Association	Charter Member
The Lighthouse Club Hong Kong	Corporate Member
The Real Estate Developers Association of Hong Kong	Board of Director and Corporate Member
Urban Land Institute	Regional Corporate Sustaining Member
World Wide Fund For Nature Hong Kong	Pearl Member

Awards and Certifications

Architectural Digest

9 Most Beautifully Designed Malls in the World – Pacific Place and Brickell City Centre, Miami

BCI Asia

BCI Asia Awards – Top Ten Developers 2017 – Swire Properties Limited

British Chamber of Commerce in China and AmCham China

The China CSR Awards 2017 – ‘Integration’ Category – Sichuan Community Centre

Chartered Institute of Building Services Engineers

CIBSE Building Performance Award 2017 – Energy Management Initiative Award – Swire Properties Limited

China Quality Certification Centre

ISO 14001:2004 Environmental Management System (EMS) Certification

- TaiKoo Hui, Guangzhou
- Taikoo Li Sanlitun, Beijing

ISO 50001:2011 Energy Management System (EnMS) Certification

- TaiKoo Hui, Guangzhou
- Taikoo Li Sanlitun, Beijing

OHSAS 18001:2007 Safety Management System (SMS) Certification

- TaiKoo Hui, Guangzhou
- Taikoo Li Sanlitun, Beijing

Condé Nast Traveler

Best New Hotels in the World: Hot List 2017 – EAST, Miami

The 10 Best Rooftop Bars in the US – Ranked Number 1 – Sugar

Development Bureau (Hong Kong SAR Government)

Considerate Contractors Site Award Scheme – Bronze – One Island East (Swire Properties Management Limited)

Electrical and Mechanical Services Department

Energy Saving Championship Scheme – Hanson Excellent Award – Devon House and Cambridge House

Outstanding Registered Electrical Worker Awards Scheme 2017

- Gold (Team Category) – Liu Chun Man, Building Engineer
- Gold (Team Category) – Yun Chun Hung, Senior Technician

Environment Bureau

Charter on External Lighting – Platinum Award – Swire Properties Limited

Environmental Campaign Committee

Hong Kong Green Organisation

- Citygate
- Cityplaza
- Pacific Place
- Taikoo Place

Environmental Protection Department (Hong Kong SAR Government) and Hong Kong Productivity Council

Waste Check Charter

- Excellence Class – Cityplaza
- Excellence Class – EAST, Hong Kong
- Good Class – Pacific Place
- Good Class – Citygate

Environmental Protection Department (Hong Kong SAR Government)

Commendation Scheme on Source Separation of Commercial and Industrial Waste Awards 2016/2017

- Gold Award (Mixed Office) – Taikoo Place
- Certification of Merit (Mixed Office) – Pacific Place
- Certification of Merit (Mixed Office) – Cityplaza
- Certification of Merit (Mixed Office) – Citygate
- Certification of Merit (Pure Office) – One Island East

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 (Public Areas of Office Building) – PCCW Tower

- Good Class (Public Areas of Shopping Mall) – Cityplaza
- Good Class (Public Areas of the Shopping Mall) – Pacific Place Mall
- Good Class (Lift Lobbies on LG1 and LG2) – Two Pacific Place

Fullness Social Enterprises Society

2016 SE Supporter + – Swire Properties Limited

Hong Kong Environmental Protection Association

Wood Recycling & Tree Conservation Scheme

- Certificate – 28 Hennessy Road
- Certificate – 625 King's Road
- Certificate – Citygate
- Certificate – Cityplaza
- Certificate – Generali Tower
- Certificate – Pacific Place
- Certificate – Taikoo Place
- Certificate – Oriental Landscapes Limited
- Certificate – Swire Properties Limited

Hong Kong Green Building Council

BEAM Plus New Building (Version 1.2) – Provisional Platinum – One Taikoo Place

BEAM Plus Existing Buildings (Version 2.0 - Comprehensive Scheme) – Final Platinum Rating

- One Pacific Place, Two Pacific Place, Pacific Place (Shopping Mall)
- Lincoln House

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 – Public Areas of Office Building – Oxford House
- Excellence level – Public Areas of Office Building – PCCW Tower

Wastewise 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 Institute of Certified Public Accountants

HKICPA's 2017 Best Corporate Governance Awards

- Special Mention – Non-Hang Seng Index (Large Market Capitalisation) Category – Swire Properties Limited
- Sustainability and Social Responsibility Award – [Special Mention - Non-Hang Seng Index (Large Market Capitalisation) Category] – Swire Properties Limited

Hong Kong Public Relations Professional's Association

The 3rd Hong Kong Public Relations Awards (2016) – [Silver Award – Event Management Category] – Swire Properties Limited White Christmas Street Fair 2016

Hong Kong Quality Assurance Agency (HKQAA)

ISO 14001:2015 Environmental Management System (EMS) Certification – Hong Kong portfolio

ISO 50001:2011 Energy Management System (EnMS) Certification – Hong Kong portfolio

OHSAS 18001:2007 Safety Management System (SMS) Certification – Hong Kong portfolio

Labour Department (Hong Kong SAR Government) and Occupational Safety and Health Council

The 9th Outstanding Occupational Safety and Health Employees Award Scheme

- [Meritorious Award – Frontline Employee Category] – Cheung Chi Tak (IPML)
- [Meritorious Award – Supervisor Category] – Leung Cheuk Hei (TSSD)

MIPIM Asia Awards 2017

Best Residential Development Category – Silver – WHITESANDS

Occupational Safety & Health Council

16th Hong Kong Occupational Safety & Health Award

- Occupational Safety and Health (OSH) Annual Report Award – Bronze – Swire Properties Limited

Randstad

Randstad Employer Brand Awards 2017 – Second Most Attractive Employer in Hong Kong – Swire Properties Limited

Royal Institution of Chartered Surveyors

Royal Institution of Chartered Surveyors (RICS) Awards – RICS Young Surveyor of the Year Award – Henry Bott (Head of Digital)

The Hong Kong Council of Social Service

15 Years Plus Caring Company – Swire Properties Limited

The HK Institution of Engineers and The Institution of Structural Engineers, UK

Structural Excellence Award 2017 – Merit in Residential Category – ALASSIO

The Hong Kong Institute of Surveyors

Building Surveyor Awards 2017

- Grand Award – DUNBAR PLACE
- New Building Winner (Client/Client's Representative) – DUNBAR PLACE

The Hong Kong Management Association

2017 Best Annual Reports Awards – [Honourable Mention – General Category] – Swire Properties Limited

Travel + Leisure (T+L)

T+L's 2017 World's Best Awards – "10 Best City Hotels in Asia" Category – The Temple House

UNESCO Asia-Pacific Awards for Cultural Heritage Conservation

Award for New Design in Heritage Contexts – Macha Village Project, Gansu Province, China

Urban Land Institute

2017 Vision Awards – Project of the Year – Brickell City Centre, Miami

U.S. Green Building Council

LEED 2009 for Existing Buildings

- Platinum – TaiKoo Hui Mall, Guangzhou
- Platinum – TaiKoo Hui Office Tower 1, Guangzhou
- Platinum – TaiKoo Hui Office Tower 2, Guangzhou
- Gold – Taikoo Li Sanlitun North, Beijing
- Gold – Taikoo Li Sanlitun South, Beijing

Water Supplies Department (Hong Kong SAR Government)

Quality Water Supply Scheme for Buildings – Flushing Water

- 625 King's Road
- 28 Hennessy Road
- Generali Tower
- Pacific Place
- Three Pacific Place
- Citygate Outlets & One Citygate
- Cityplaza One
- Cityplaza Three
- Cityplaza Four
- Berkshire House
- Cambridge House
- Devon House
- Dorset House
- Lincoln House
- One Island East
- Oxford House
- PCCW Tower

Quality Water Supply Scheme for Buildings – Fresh Water (Plus)

- 28 Hennessy Road
- Generali Tower
- Pacific Place
- Three Pacific Place
- Pacific Place Apartments
- Citygate Outlets & One Citygate
- Cityplaza One
- Cityplaza Three
- Cityplaza Four
- Cityplaza North
- Cityplaza South
- Berkshire House
- Cambridge House
- Devon House
- Dorset House
- Lincoln House
- One Island East
- Oxford House
- PCCW Tower
- Taikoo Place Apartments

World Sustainable Built Environment Conference 2017

- Organisation with the most BEAM Plus FINAL PLATINUM Projects Award – Swire Properties Limited
- Highest Score for Residential Projects of BEAM Plus New Buildings Award –AREZZO

PERFORMANCE DATA SUMMARY

	Unit	Hong Kong Portfolio					Mainland China Portfolio					Hotels					Total
		2017*	2016	2015	2014	2013	2017	2016	2015	2014	2013	2017#	2016	2015	2014	2013	2017
Energy consumption																	
Purchased electricity	MWh	165,100	181,180 ⁽⁵⁾	189,360	192,617	179,780	70,556	73,965	59,659	59,213	42,468	33,856	28,174	23,638	23,846	16,067	269,512
	GJ	594,360	652,249 ⁽⁵⁾	681,696	693,420	647,208	254,002	266,273	214,773	213,168	152,884	121,882	101,425	85,097	85,845	57,841	970,244
Industrial diesel ⁽⁴⁾	Litres	0	17,320	19,292	18,776	15,941	5,272	5,272	4,460	7,908	7,668	60	401	425	917	713	5,332
Petrol	Litres	16,905	18,487	22,627	24,090	23,851	67,449	70,662	54,840	41,971	28,979	44,400	41,063	36,834	37,804	42,392	128,754
Ultra-low sulphur diesel (ULSD) ⁽⁴⁾	Litres	60,677	44,883	48,276	49,118	49,759	-	-	-	-	-	347	-	-	-	-	61,024
Town gas	Unit	-	-	-	-	-	-	-	-	-	-	198,192	210,208	185,276	183,846	203,129	198,192
Natural gas	GJ	-	-	-	-	-	75,991	86,762	51,964	14,187	-	50,431	49,790	35,487	34,507	16,568	126,422
Liquefied petroleum gas	Kilograms	-	-	-	-	-	-	-	-	-	-	17,368	6,524	-	-	-	17,368
Direct energy consumption (Industrial diesel + petrol + ULSD + town gas + natural gas + liquefied petroleum gas)	GJ	2,737	2,844	3,168	3,228	3,141	78,386	89,263	53,929	15,852	1,229	62,210	61,537	45,604	44,620	11,213	143,333
Total energy consumption	GJ	597,097	655,093⁽⁵⁾	684,864	696,648	650,349	332,388	355,536	268,702	229,020	154,113	184,092	162,962	130,701	130,465	69,054	1,113,577^R
Carbon emissions																	
Direct carbon emissions (Scope 1) ⁽²⁾	Tonnes of CO ₂ e	2,778	4,894	749	3,290	1,053	4,585	5,074	2,805	3,338	88	3,430	3,497	2,424	2,727	659	10,793
Indirect carbon emissions (Scope 2) ⁽³⁾	Tonnes of CO ₂ e	127,749	138,457 ⁽⁵⁾	147,571	148,116	139,120	53,090	55,658	45,818	45,476	32,550	26,210	21,639	18,518	18,564	12,705	207,049
Total carbon emissions (Scopes 1 & 2)	Tonnes of CO ₂ e	130,527	143,351⁽⁵⁾	148,320	151,406	140,173	57,675	60,732	48,623	48,814	32,638	29,640	25,136	20,942	21,291	13,364	217,842^R
Materials used																	
Refrigerants containing HCFCs refilled	Kilograms	590	897	93	908	1,206	20	100	0	120	-	-	-	-	-	-	610
Refrigerants containing HFCs refilled	Kilograms	1,982	3,602	387	2,321	622	408	354	0	1,800	-	75	112	23	13	21	2,465
Paper products	Kilograms	30,905	32,876	31,242	34,994	31,670	7,602	7,365	5,571	4,058	3,687	18,677	20,863	16,470	24,385	21,487	57,184
Water consumption																	
Total water consumption - municipal	000 m ³	354	368 ⁽⁵⁾	342	334	360	709	767	602	595	450	327	386	236	239	143	1,390 ^R
Wastewater reuse and discharge																	
Wastewater discharged	000 m ³	47,753	48,810	47,956	37,841	48,315	668	706	457	341	182	260	349	197	238	135	48,681
Seawater reused for flushing	m ³	402,109	349,057	404,242	385,493	387,142	-	-	-	-	-	-	-	-	-	-	402,109
Waste potable water reused for flushing	m ³	6,663	7,039	6,538	6,194	7,466	112,408	112,605	49,849	124,413	-	0	0	-	-	-	119,071
Waste disposal (Hazardous)																	
Oils and lubricants	Litres	1,018	292	1,826	-	1,488	-	-	-	-	-	-	-	-	-	-	1,018
Waste disposal (Non-hazardous)																	
Construction and demolition waste	Tonnes	2,489 ^R	3,107	1,795	11,006	3,321	8,371	4,720	1,728	481	4,199	0	3	-	-	-	10,860
Commercial waste ⁽⁴⁾	Tonnes	12,576 ^R	13,194	12,834	12,992	13,113	12,717	16,905	15,384	13,659	7,056	1,539	1,554	1,287	1,273	1,101	26,832
Residential / domestic waste	Tonnes	388	360	345	359	140	-	-	-	-	-	-	-	-	-	-	388
Grease trap waste	Tonnes	5,004	4,743	5,397	5,420	5,190	-	-	-	2	8,052	18	235	202	-	541	5,022
Garden waste	Tonnes	38	365	426	589	250	-	-	-	-	-	-	-	-	-	-	38
Waste recycling (Hazardous)																	
Battery electrolyte	Litres	0	0	0	-	-	-	-	-	-	-	0	0	200	-	-	0
Oils and liquids	Litres	0	750	0	846	1,488	-	-	-	-	-	-	-	-	-	-	0
Waste recycling (Non-hazardous)																	
Construction and demolition waste	Tonnes	106,390	441	2,254	-	167	-	-	-	-	-	-	-	-	-	-	106,390
Paper	Tonnes	2,837	2,750	2,640	2,655	2,811	302	278	289	205	145	54	65	51	51	57	3,193
Metal	Tonnes	12,188	4,230	2,202	1,023	158	22	4	3	0	4,743	7	7	6	0	2	12,217
Plastics	Tonnes	10	10	10	13	19	30	11	12	11	12	12	11	7	7	7	52
Glass	Tonnes	22	23	-	-	-	53	32	-	-	-	62	74	-	-	-	137
Food waste	Tonnes	433	352	-	-	-	3,052	639	-	-	-	320	55	-	-	-	3,805
Grease trap waste	Tonnes	-	-	-	-	-	336,119	269,141	117,200	-	-	78	-	-	-	-	336,197

Scope:

- (a) Hong Kong Portfolio refers to office and retail portfolio in Hong Kong, excluding hotels.
- (b) Mainland China Portfolio refers to office and retail portfolio in Mainland China, excluding hotels.
- (c) Hotels refer to (i) The Upper House, Hong Kong, (ii) EAST, Hong Kong, (iii) Swire Restaurants, (iv) The Opposite House, Beijing, (v) EAST, Beijing, and (vi) The Temple House, Chengdu.

* Taikoo Place Apartments is newly included in 2017. As Cornwall House was demolished in 2017, no data was available.

Swire Restaurants is newly included in 2017.

Notes:

R - Denotes sustainability data that has been reported on by PricewaterhouseCoopers. Please refer to the Independent Limited Assurance Report for further details.

- (1) The fuel used in emergency generator testing switched from industrial diesel to ULSD in Hong Kong Portfolio and Hong Kong hotels.
- (2) Direct carbon emissions included industrial diesel, petrol, ULSD, town gas, natural gas, liquefied petroleum gas and refrigerant containing HFCs refilled.
- (3) Indirect carbon emissions included purchased electricity and town gas.
- (4) "Commercial and industrial waste" disposal has been renamed as "Commercial waste" disposal.
- (5) The data has been adjusted to reflect actual situation in 2016.

PERFORMANCE DATA SUMMARY

	Unit	2017			2016			2015		
		Hong Kong Portfolio*	Mainland China Portfolio	Hotels#	Hong Kong Portfolio	Mainland China Portfolio	Hotels	Hong Kong Portfolio	Mainland China Portfolio	Hotels
Carbon intensity	Tonnes of CO ₂ e/m ² /year (for Hong Kong and Mainland China Portfolios) Tonnes of CO ₂ e/guest night/year (for Hotels)	0.116	0.084	0.061	0.118 ⁽³⁾	0.089	0.053	0.120	0.085 ⁽³⁾	0.064 ⁽³⁾
Direct energy intensity	GJ/m ² /year (for Hong Kong and Mainland China Portfolios) GJ/guest night/year (for Hotels)	0.002	0.115	0.127	0.002	0.130 ⁽³⁾	0.131	0.003	0.095 ⁽³⁾	0.140 ⁽³⁾
Indirect energy intensity	kWh/m ² /year (for Hong Kong and Mainland China Portfolios) kWh/guest night/year (for Hotels)	146	103	69	149 ⁽³⁾	108	60	153	105 ⁽³⁾	73 ⁽³⁾
Water intensity	m ³ /m ² /year (for Hong Kong and Mainland China Portfolios) m ³ /guest night/year (for Hotels)	0.313	1.036	0.668	0.302 ⁽³⁾	1.119 ⁽³⁾	0.819	0.276	1.058 ⁽³⁾	0.725 ⁽³⁾
		Swire Properties			Swire Properties			Swire Properties		
Total hazardous waste disposal⁽¹⁾	Litres		1,018			292			1,826	
Total hazardous waste recycling⁽¹⁾	Litres		0			750			200	
Total non-hazardous waste disposal⁽²⁾	Tonnes		43,140			45,186			39,398	
Total non-hazardous waste recycling⁽²⁾	Tonnes		461,991			278,123			124,674	

Scope:

- (a) Hong Kong Portfolio refers to office and retail portfolio in Hong Kong, excluding hotels.
 - (b) Mainland China Portfolio refers to office and retail portfolio in Mainland China, excluding hotels.
 - (c) Hotels refer to (i) The Upper House, Hong Kong, (ii) EAST, Hong Kong, (iii) Swire Restaurants, (iv) The Opposite House, Beijing, (v) EAST, Beijing, and (vi) The Temple House, Chengdu.
- * Taikoo Place Apartments is newly included in 2017.
Swire Restaurants is newly included in 2017.

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								Hotels				Total									
	2017 ⁽⁵⁾		2016 ⁽⁶⁾		2015 ⁽⁶⁾		2014 ⁽⁶⁾		2017		2016		2015		2014		2017		2016		2015		2014		2017					
Workforce Profile																														
Total workforce	2,425		2,382		2,301		2,264		1,227		1,274		1,232		1,202		1,667		1,758		1,831		1,522		5,319					
By gender																														
Male	1,564	64.5%	1,568	65.8%	1,531	66.5%	1,540	68.0%	776	63.2%	812	63.7%	812	65.9%	798	66.4%	867	52.0%	929	52.8%	992	54.2%	829	54.5%	829	54.5%	3,207	60.3%		
Female	861	35.5%	814	34.2%	770	33.5%	724	32.0%	451	36.8%	462	36.3%	420	34.1%	404	33.6%	800	48.0%	829	47.2%	839	45.8%	693	45.5%	693	45.5%	2,112	39.7%		
By age group																														
Under 30 years old	365	15.1%	367	15.4%	361	15.7%	369	16.3%	340	27.7%	379	29.7%	414	33.6%	404	33.6%	710	42.6%	795	45.2%	808 ⁽⁷⁾	46.7%	792 ⁽⁷⁾	53.8%	792 ⁽⁷⁾	53.8%	1,415	26.6%		
30 to 50 years old	1,154	47.6%	1,159	48.7%	1,117	48.5%	1,099	48.5%	822	67.0%	830	65.1%	758	61.5%	732	60.9%	826	49.6%	809	46.0%	823 ⁽⁷⁾	47.6%	602 ⁽⁷⁾	40.9%	602 ⁽⁷⁾	40.9%	2,802	52.7%		
Over 50 years old	906	37.4%	856	35.9%	823	35.8%	796	35.2%	65	5.3%	65	5.1%	60	4.9%	66	5.5%	131	7.9%	154	8.8%	98 ⁽⁷⁾	5.7%	77 ⁽⁷⁾	5.2%	77 ⁽⁷⁾	5.2%	1,102	20.7%		
By employment contract⁽¹⁾																														
Permanent	2,191	90.4%	2,162	90.8%	2,086	90.7%	2,055	90.8%	1,226	99.9%	1,273	99.9%	1,231	99.9%	1,201	99.9%	1,577	94.6%	1,667	94.8%	1,712	93.5%	1,467	96.4%	1,467	96.4%	4,994	93.9%		
Fixed term/ temporary	234	9.6%	220	9.2%	215	9.3%	209	9.2%	1	0.1%	1	0.1%	1	0.1%	1	0.1%	90	5.4%	30	1.7%	17	0.9%	4	0.3%	4	0.3%	325	6.1%		
Supervised worker	-	-	0	0%	0	0%	0	0%	-	-	0	0%	0	0%	0	0%	-	-	61	3.5%	102	5.6%	51	3.4%	51	3.4%	-	-		
Permanent employees by employment type																														
Full-time	2,147	98.0%	2,127	98.4%	2,040	97.8%	2,008	97.7%	1,226	100%	1,273	100%	1,231	100%	1,201	100%	1,572	99.7%	1,665	99.9%	1,709	99.8%	1,464	99.8%	1,464	99.8%	4,945	99.0%		
Part-time	44	2.0%	35	1.6%	46	2.2%	47	2.3%	0	0%	0	0%	0	0%	0	0%	5	0.3%	2	0.1%	3	0.2%	3	0.2%	3	0.2%	49	1.0%		
By geographical region																														
Hong Kong	2,416	99.6%	2,376	99.7%	2,296	99.8%	2,262	99.9%	0	0%	0	0%	0	0%	0	0%	801	48.1%	899	51.1%	902	49.3%	741	48.7%	741	48.7%	3,217	60.5%		
Mainland China	0	0%	0	0%	0	0%	0	0%	1,227	100%	1,274	100%	1,232	100%	1,202	100%	866	51.9%	858	48.8%	928	50.7%	781	51.3%	781	51.3%	2,093	39.3%		
Beijing	-	-	-	-	-	-	-	-	523	42.6%	535	42.0%	-	-	-	-	542	32.5%	525	29.9%	-	-	-	-	-	-	-	-	1,065	20.0%
Shanghai	-	-	-	-	-	-	-	-	21	1.7%	22	1.7%	-	-	-	-	0	0%	1	0.1%	-	-	-	-	-	-	-	-	21	0.4%
Guangdong province	-	-	-	-	-	-	-	-	354	28.9%	360	28.3%	-	-	-	-	0	0%	0	0%	-	-	-	-	-	-	-	-	354	6.7%
Sichuan province	-	-	-	-	-	-	-	-	329	26.8%	338	26.8%	-	-	-	-	324	19.4%	332	18.9%	-	-	-	-	-	-	-	-	653	12.3%
Other provinces	-	-	-	-	-	-	-	-	0	0%	19	1.5%	-	-	-	-	0	0%	0	0%	-	-	-	-	-	-	-	-	0	0%
Others	9 ⁽⁵⁾	0.4%	6 ⁽⁶⁾	0.3%	5	0.2%	2	0.1%	0	0%	0	0%	-	-	-	-	0	0%	1	0.1%	1	0.1%	-	-	-	-	-	-	9	0.2%
New Hires																														
Total number and rate of new hires⁽²⁾	507		503		421		488		229		291		339		370		481		496		758		711		1,217		24.4%			
By gender																														
Male	301	21.7%	318	22.7%	243	17.8%	304	22.0%	132	17.0%	162	20.0%	225	27.7%	265	33.2%	233	27.9%	264	29.9%	376	40.5%	375	46.7%	375	46.7%	666	22.2%		
Female	206	25.6%	185	24.3%	178	24.7%	184	27.4%	97	21.5%	129	27.9%	114	27.2%	105	26.1%	248	33.4%	232	29.6%	382	48.8%	336	50.3%	336	50.3%	551	27.6%		
By age group																														
Under 30 years old	189	54.9%	200	58.7%	159	46.4%	200	61.8%	132	38.8%	126	33.2%	172	41.5%	203	50.2%	309	48.1%	322	41.7%	441	55.3%	425	53.7%	425	53.7%	630	47.5%		
30 to 50 years old	215	19.0%	209	18.3%	188	17.0%	215	19.8%	95	11.6%	156	18.8%	159	21.0%	163	22.3%	162	19.6%	147	18.8%	285	34.6%	254	42.2%	254	42.2%	472	17.0%		
Over 50 years old	103	14.4%	94	13.8%	74	11.3%	73	11.4%	2	3.1%	9	14.1%	8	13.6%	4	6.2%	10	9.2%	27	23.5%	32	34.8%	32	41.6%	32	41.6%	115	13.0%		
By geographical region																														
Hong Kong	507	23.2%	503	23.3%	420	20.2%	488	23.8%	0	0%	0	0%	0	0%	0	0%	215	27.4%	237	28.7%	330	39.4%	337	54.6%	337	54.6%	722	24.3%		
Mainland China	0	0%	0	0%	0	0%	0	0%	229	18.7%	291	22.9%	339	27.5%	370	30.8%	266	33.5%	258	30.6%	428	49.0%	374	47.9%	374	47.9%	495	24.5%		
Others	0	0%	0	0%	1	20.0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	1	100%	0	0%	0	0%	0	0%	0	0%		
Turnover																														
Total number and rate of voluntary turnover⁽³⁾	411		357		319		335		195		208		194		227		508		505		492		460		1,114		22.3%			
By gender																														
Male	252	18.3%	225	16.1%	201	14.7%	200	14.5%	128	37.6%	130	16.0%	127	15.6%	145	18.2%	244	29.2%	281	31.8%	248	26.7%	252	31.4%	252	31.4%	624	20.5%		
Female	159	19.9%	132	17.3%	118	16.4%	135	20.1%	67	14.9%	78	16.9%	67	16.0%	82	20.3%	264	35.6%	224	28.6%	244	31.2%	208	31.1%	208	31.1%	490	21.6%		
By age group																														
Under 30 years old	127	36.9%	127	37.2%	88	27.2%	113	34.8%	92	27.1%	109	28.8%	97	23.4%	119	29.5%	308	47.9%	299	38.7%	316	39.6%	321	40.6%	321	40.6%	527	35.9%		
30 to 50 years old	202	17.8%	159	13.9%	150	13.6%	175	16.1%	99	12.0%	97	11.7%	93	12.3%	105	14.3%	188	22.8%	188	24.1%	159	19.3%	128	21.3%	128	21.3%	489	16.1%		
Over 50 years old	82	11.5%	71	10.4%	81	12.3%	47	7.3%	4	6.3%	2	3.1%	4	6.8%	3	4.6%	12	11.0%	18	15.7%	17	18.5%	11	15.1%	11	15.1%	98	10.6%		
By geographical region																														
Hong Kong	411	18.8%	357	16.6%	319	15.3%	335	16.3%	0	0%	0	0%	0	0%	0	0%	245	31.3%	231	28.0%	176	21.0%	186	27.0%	186	27.0%	656	19.7%		
Mainland China	0	0%	0	0%	0	0%	0	0%	195	15.9%	208	16.3%	194	15.8%	227	18.9%	262	33.0%	274	32.6%	316	36.2%	274	35.1%	274	35.1%	457	22.8%		
Others	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	1	100%	0	0%	0	0%	0	0%	0	0%	0	0%		
Parental Leave																														
Total number of employees entitled to parental leave	2,356		2,314		2,222		661		1,200		1,260		1,221		1,197		1,621		1,697		-		-		5,177					
By gender																														
Male	1,548		1,550		1,509		0		764		804		806		796		853		900		-		-		-		3,165			
Female	808		764		713		661		436		456		415		401		768		797		-		-		-		2,012			
Total number of employees took parental leave																														
By gender																														
Male	21		27		20		0		22		20		17		10		37		36		-		-		-		80			
Female	23		23		28		21		30		34		25		26		46		31		20		14		14		99			
Return to work rate (%)⁽⁴⁾																														
By gender																														
Male	100%		100%		100%		-		100%		100%		100%		100%		100%		100%		-		-		-		100%			
Female	100%		100%		100%		100%		96.7%		94.1%		96.0%		96.2%		91.3%		87.1%		90.0%		92.9%		92.9%		94.9%			
Performance Review																														
Total number and percentage of employees receiving regular performance review	2,356		2,314		2,222		2,175		1,227		1,264		1,229		1,198		1,596		1,697		1,729		1,471		5,179		97.4%			
By gender																														
Male	1,548	99.0%	1,550	98.9%	1,509	98.6%	1,514	98.3%	776	100.0%	804	99.0%	810	99.8%	797															

PERFORMANCE DATA SUMMARY

	Hong Kong Portfolio								Mainland China Portfolio								Hotels				Total					
	2017 ⁽⁷⁾		2016 ⁽⁸⁾		2015 ⁽⁹⁾		2014 ⁽⁹⁾		2017		2016		2015		2014		2017		2016		2015		2014		2017	
Training																										
Total number and percentage of employees received training	1,663	68.6%	2,224	93.4%	1,498	65.1%	1,870	82.6%	1,212	98.8%	1,251	98.2%	1,218	98.9%	861	71.6%	1,667	100%	1,697	100%	-	-	-	-	4,542	85.4%
By gender																										
Male	1,006	64.3%	1,509	96.2%	918	60.0%	1,330	86.4%	771	99.4%	798	98.3%	806	99.3%	563	70.6%	867	100%	900	100%	-	-	-	-	2,644	82.4%
Female	657	76.3%	715	87.8%	580	75.3%	540	74.6%	441	97.8%	453	98.1%	412	98.1%	298	73.8%	800	100%	797	100%	-	-	-	-	1,898	89.9%
By management role																										
Management	471	85.0%	453	96.6%	409	96.2%	364	91.9%	396	97.1%	395	95.4%	394	97.0%	236	61.6%	332	100%	330	100%	-	-	-	-	1,199	92.7%
Non-management	1,192	63.7%	1,771	92.6%	1,089	58.0%	1,506	80.6%	816	99.6%	856	99.5%	824	99.8%	625	76.3%	1,335	100%	1,367	100%	-	-	-	-	3,343	83.1%
Total training hours	26,339		24,434		19,508		19,495		27,403		25,597		28,409		10,966		21,197		15,024		33,852 ⁽¹⁰⁾		17,682		74,939	
Average training hours																										
By employee	10.9		10.3		8.5		8.6		22.3		20.1		23.1		9.1		12.7		8.9		19.1 ⁽¹⁰⁾		12.0		14.1	
By gender																										
Male	9.6		9.5		8.2		7.9		22.8		20.8		26.3		9.0		12.1		8.8		15.3 ⁽¹⁰⁾		10.5		13.5	
Female	13.2		11.8		9.0		10.2		21.5		18.8		16.9		9.3		13.3		8.9		23.7 ⁽¹⁰⁾		13.9		15.0	
By management role																										
Management	25.8		19.7		19.5		20.0		22.7		18.7		16.9		9.4		19.6		10.5		19.9 ⁽¹⁰⁾		12.3		23.2	
Non-management	6.4		7.9		6.0		6.2		22.1		20.9		26.1		9.0		11.0		8.4		18.9 ⁽¹⁰⁾		11.9		11.2	
Total training spend (million HK\$)	4.3		3.1		2.8		3.4		2.5		2.0		1.5		0.8		2.6		1.5		-		-		9.4	
Training by related-topics																										
Corporate social responsibility related training																										
Total training hours for employees	1,364.0		382.3		433.3		371.8		1,998.5		3,111.5		696.0		353.5		1,768.2		266.0		479.0		923.0		5,120.7	
Total training hours for new hires (SD training in induction programme)	277.0		333.5		240.3		291.8		529.7		247.0		210.0		169.5		632.5		138.0		223.0		589.0		1,439.2	
Health and safety related training																										
Total training hours on health and safety	5,475.0		5,445.3		7,198.5 ⁽⁹⁾		3,531.3 ⁽⁹⁾		10,498.3		9,918.1		15,442.0		5,504.0		4,637.0		798.8		979.0		895.0		20,610.3	
Average training hours on health and safety per employee	2.3		2.3		3.1 ⁽⁹⁾		1.6 ⁽⁹⁾		8.6		7.8		12.5		4.6		2.8		0.5		0.6		0.6		3.9	
Human rights related training																										
Total training hours on human rights related topics	1,027.5		1,845.0		652.5 ⁽⁹⁾		991.0 ⁽⁹⁾		951.5		356.9		75.0		381.0		1,799.5		430.2		1,989.0		3,358.3		3,778.5	
Percentage of employees received human rights related training	1,053	43.4%	2,269	95.3%	2,242 ⁽⁹⁾	97.6%	2,227 ⁽⁹⁾	98.5%	574	46.8%	570	44.7%	-	-	-	-	1,667	100%	1,205	71.0%	-	-	-	-	3,294	61.9%
Anti-corruption related training																										
Total training hours on anti-corruption related topics	709.3		-		-		-		754.0		-		-		-		1,466.5		-		-		-		2,929.8	
Percentage of employees received anti-corruption related training	1,169	48.2%	2,228	93.5%	2,263 ⁽⁹⁾	98.6%	2,218 ⁽⁹⁾	98.1%	540	44.0%	908	71.3%	-	-	-	-	1,667	100%	1,337	78.8%	-	-	-	-	3,376	63.5%
By management role																										
Management	471	85.0%	451	96.2%	399 ⁽⁹⁾	99.0%	383 ⁽⁹⁾	97.7%	120	29.4%	293	70.8%	-	-	-	-	332	100%	207	62.7%	-	-	-	-	923	71.3%
Non-management	698	37.3%	1,777	92.9%	1,864 ⁽⁹⁾	98.5%	1,835 ⁽⁹⁾	98.2%	420	51.3%	615	71.5%	-	-	-	-	1,335	100%	1,130	82.7%	-	-	-	-	2,453	60.9%
Occupational Health and Safety																										
Number of reportable injuries (sick leave > 3 days)	25		31		37		26		5		5		3		6		23		33		21		26		63	
Number of lost time injuries (sick leave > 0 days)	38		43		48		36		6		6		5		12		39		56		38		43		83	
Lost time injury rate (LTIR) ⁽¹⁾	1.40		1.61		1.85		1.40		0.48		0.48		0.56		1.36		2.12		2.93		2.81		3.54		1.43	
Lost days due to injuries	1,753		1,144		1,970		1,382.5		335		222		235		115		720		746		754		1,012		2,808	
Lost day rate (LDR) ⁽²⁾	64.38		42.78		75.78		53.83		26.69		17.74		26.28		12.99		39.13		39.02		55.82		83.38		48.36 ⁸	
Absentee rate ⁽³⁾	2.15%		2.40%		1.96%		1.78%		0.85%		1.15%		1.28%		1.16%		1.59%		0.61%		0.42%		0.87%		1.68%	
Occupational disease rate (ODR) ⁽⁴⁾	0%		-		-		-		0%		-		-		-		0%		-		-		-		0%	
Number of fatalities	0		0		0		0		0		0		0		0		0		0		0		0		0 ⁸	
Rate of fatalities ⁽⁵⁾	0%		0%		0%		0%		0%		0%		0%		0%		0%		0%		0%		0%		0%	
Percentage of the organisation operating in verified compliance with an internationally recognised occupational health and safety management system (OHSAS 18001) ⁽⁶⁾	100%		100%		100%		100%		48%		48%		66%		0%		/		/		/		/		-	

Scope:

- (a) Hong Kong Portfolio refers to office and retail portfolio in Hong Kong, excluding hotels.
- (b) Mainland China Portfolio refers to office and retail portfolio in Mainland China, excluding hotels.
- (c) Hotels refer to (i) The Upper House, Hong Kong, (ii) EAST, Hong Kong, (iii) Swire Restaurants, (iv) The Opposite House, Beijing, (v) EAST, Beijing, and (vi) The Temple House, Chengdu.

Notes:

R - Denotes sustainability data that has been reported on by PricewaterhouseCoopers. Please refer to the Independent Limited Assurance Report for further details.

- Lost time injury rate ("LTIR") represents the number of injuries per 100 employees per year. It is calculated as "total injuries multiplied by 200,000 and then divided by total hours worked". The factor 200,000 is the annual hours worked by 100 employees, based on 40 hours per week for 50 weeks a year.
- Lost day rate ("LDR") represents the number of lost scheduled working days per 100 employees per year. It is calculated as the total days lost multiplied by 200,000 and then divided by total hours worked. The factor 200,000 is the annual hours worked by 100 employees, based on 40 hours per week for 50 weeks a year.
- Absentee rate is calculated as number of actual days lost divided by number of scheduled work days in the reporting year.
- Occupational disease rate ("ODR") represents the frequency of occupational diseases per 100 employees per year. It is calculated as "total occupational diseases multiplied by 200,000 and then divided by total hours worked". The factor 200,000 is the annual hours worked by 100 employees, based on 40 hours per week for 50 weeks a year.
- Rate of fatalities is calculated as number of fatalities divided by number of workers employed.
- Calculated base on percentage of employees.
- Included Hong Kong secondees working in Singapore, Jakarta and U.S.A.
- Included Hong Kong secondees working in Singapore and Jakarta.
- Excluded Hong Kong secondees working in Singapore and Jakarta.
- Included EAST, Miami, U.S.A. employees.

INDEPENDENT PRACTITIONER'S LIMITED ASSURANCE REPORT



To the board of directors of Swire Properties Limited

We have undertaken a limited assurance engagement in respect of the selected sustainability information of Swire Properties Limited (the "Company") listed below and identified with the symbol [R] in the Sustainable Development Report for the year ended 31st December 2017 ("the Sustainable Development Report 2017") (the "Identified Sustainability Information").

Identified Sustainability Information

The Identified Sustainability Information for the year ended 31st December 2017 is summarised below:

- Total energy consumption
- Total carbon emissions (Scopes 1 & 2)
- Total water consumption – municipal
- Construction and demolition waste
- Commercial waste
- Total number of fatalities
- Total lost day rate
- Total convicted cases of corruption

Our assurance was with respect to the year ended 31st December 2017 information only and we have not performed any procedures for the purposes of this engagement with respect to earlier periods or any other elements included in the Sustainable Development Report 2017 and, therefore, do not express any conclusion thereon.

Criteria

The criteria used by the Company to prepare the Identified Sustainability Information is set out in the GRI and HKEX ESG Reporting chapter under the heading Reporting Standards and Scope of Report in the Sustainable Development Report 2017 (the "Criteria") for the year ended 31st December 2017.

The Company's Responsibility for the Identified Sustainability Information

The Company is responsible for the preparation of the Identified Sustainability Information in accordance with the Criteria. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of Identified Sustainability Information that is free from material misstatement, whether due to fraud or error.

Inherent limitations

The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measures and measurement techniques and can affect comparability between entities. In addition, greenhouse gas quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

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 for Accountants, which is founded on fundamental

principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Identified Sustainability Information based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements other than Audits or Reviews of Historical Financial Information, and, in respect of greenhouse gas emissions, International Standard on Assurance Engagements 3410, Assurance Engagements on Greenhouse Gas Statements, issued by the International Auditing and Assurance Standards Board. These standards require that we plan and perform this engagement to obtain limited assurance about whether the Identified Sustainability Information is free from material misstatement.

A limited assurance engagement involves assessing the suitability in the circumstances of the Company's use of the Criteria as the basis for the preparation of the Identified Sustainability Information, assessing the risks of material misstatement of the Identified Sustainability Information whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the Identified Sustainability Information. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above we:

- made inquiries of the persons responsible for the Identified Sustainability Information;
- understood the process for collecting and reporting the Identified Sustainability Information;
- performed limited substantive testing on a selective basis of the Identified Sustainability Information; and
- considered the disclosure and presentation of the Identified Sustainability Information.

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 we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the Company's Identified Sustainability Information has been prepared, in all material respects, in accordance with the Criteria.

Limited Assurance 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 Company's Identified Sustainability Information for the year ended 31st December 2017 is not prepared, in all material respects, in accordance with the Criteria.

Our report has been prepared for and only for the board of directors of Swire Properties Limited and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the content of this report.



PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 15th March 2018

GLOBAL REPORTING INITIATIVE CONTENT INDEX

GRI 102: General Disclosures

GRI Indicator	Description	References and Remarks
Organisational Profile		
102 – 1	Name of the organisation	Cover Page
102 – 2	Activities, brands, products, and services	Profile of Swire Properties Limited (P.6 – 7) Places (P.33 – 47) Annual Report 2017 – Company Profile Corporate website – About Us http://www.swireproperties.com/en/about-us.aspx
102 – 3	Location of headquarters	Profile of Swire Properties Limited (P.6 – 7)
102 – 4	Location of operations	Profile of Swire Properties Limited (P.6 – 7) Places (P.33 – 47) Annual Report 2017 – Company Profile
102 – 5	Ownership and legal form	Profile of Swire Properties Limited (P.6 – 7) Annual Report 2017 – Company Profile
102 – 6	Markets served	Profile of Swire Properties Limited (P.6 – 7) Places (P.33 – 47) Annual Report 2017 – Company Profile Corporate website – About Us http://www.swireproperties.com/en/about-us.aspx
102 – 7	Scale of the organisation	Profile of Swire Properties Limited (P.6 – 7)
G4 – CRE	Gross lettable area for assets under construction and management and vacancy rate	Annual Report 2017 – Management Discussion & Analysis – Review of Operations – Portfolio Overview
102 – 8	Information on employees and other workers	People (P.48 – 67) Performance Data Summary (P.132 – 139)
102 – 9	Supply chain	Partners (P.68 – 80) Corporate website – Partners http://www.swireproperties.com/en/sustainable-development/partners.aspx Corporate website – Supplier Code of Conduct http://www.swireproperties.com/en/sustainable-development/policies/supplier-code-of-conduct.aspx
102 – 10	Significant changes to the organisation and its supply chain	Partners (P.68 – 80) GRI & HKEX ESG Reporting (P.121 – 123) Annual Report 2017 – 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 (P.15 – 16) Annual Report 2017 – Risk Management
102 – 12	External initiatives	External Charters and Membership (P.124 – 125)
102 – 13	Memberships of associations	External Charters and Membership (P.124 – 125)
Strategy		
102 – 14	Statement from senior decision – maker	Chief Executive's Message (P.3 – 4)

GRI Indicator	Description	References and Remarks
Ethics and Integrity		
102 – 16	Values, principles, standards and norms of behaviour	Performance (Economic) (P.109 – 120) Corporate website – Our Vision and Values http://www.swireproperties.com/en/about-us/our-vision-and-values.aspx Corporate website – Corporate Code of Conduct http://ir.swireproperties.com/en/cg/pdf/conduct.pdf Corporate website – Sustainable Development http://www.swireproperties.com/en/sustainable-development.aspx
102 – 17	Mechanisms for advice and concerns about ethics	Performance (Economic) (P.109 – 120)
Governance		
102 – 18	Governance structure	SD Governance (P.15 – 16) Performance (Economic) (P.109 – 120) Annual Report 2017 – Corporate Governance – The Board of Directors
102 – 19	Delegating authority	SD Governance (P.15 – 16) Annual Report 2017 – Corporate Governance – Delegation by the Board
102 – 20	Executive – level responsibility for economic, environmental, and social topics	SD Governance (P.15 – 16)
102 – 22	Composition of the highest governance body and its committees	Annual Report 2017 – Corporate Governance
102 – 23	Chair of the highest governance body	Performance (Economic) (P.109 – 120) Annual Report 2017 – Corporate Governance
102 – 24	Nominating and selecting and highest governance body	Annual Report 2017 – Corporate Governance – Appointment and Re-election
102 – 25	Conflicts of interest	Performance (Economic) (P.109 – 120) Annual Report 2017 – Corporate Governance – Conflicts of Interest
102 – 26	Role of highest governance body in setting purpose, values and strategy	Annual Report 2017 – Corporate Governance – The Board of Directors
102 – 27	Collective knowledge of highest governance body	Annual Report 2017 – Corporate Governance – Board Processes and Continuous Professional Development
102 – 30	Effectiveness of risk management processes	Performance (Economic) (P.109 – 120) Annual Report 2017 – Corporate Governance – Accountability and Audit Annual Report 2017 – Risk Management
102 – 32	Highest governance body's role in sustainability reporting	SD Governance (P.15 – 16)
102 – 35	Remuneration policies	Annual Report 2017 – Corporate Governance – Remuneration Committee
102 – 36	Process for determining remuneration	Annual Report 2017 – Notes to the Financial Statements – Note 9 Directors' and Executive Officers' Emoluments
102 – 37	Stakeholders' involvement in remuneration	Corporate Website – Corporate Governance – Terms of Reference http://ir.swireproperties.com/en/cg/terms-of-reference.php
Stakeholder Engagement		
102 – 40	List of stakeholder groups	Materiality (P.17 – 23)
102 – 41	Collective bargaining agreements	People (P.48 – 67)
102 – 42	Identifying and selecting stakeholders	Materiality (P.17 – 23)
102 – 43	Approach to stakeholder engagement	Materiality (P.17 – 23)
102 – 44	Key topics and concerns raised	Materiality (P.17 – 23)

GRI Indicator	Description	References and Remarks
Reporting practice		
102 – 45	Entities included in the consolidated financial statements	Annual Report 2017 – Schedule of Principal Group Properties
102 – 46	Defining report content and topic Boundaries	Materiality (P.17 – 23) GRI and HKEX ESG Reporting (P.121 – 123)
102 – 47	List of material topics	Materiality (P.17 – 23)
102 – 48	Restatements of information	Performance Data Summary (P.132 – 139)
102 – 49	Changes in reporting	About this Report (P.5) GRI and HKEX ESG Reporting (P.121 – 123) Performance Data Summary (P.132 – 139)
102 – 50	Reporting period	About this Report (P.5) GRI and HKEX ESG Reporting (P.121 – 123)
102 – 51	Date of most recent report	GRI and HKEX ESG Reporting (P.121 – 123)
102 – 52	Reporting cycle	About this Report (P.5) GRI and HKEX ESG Reporting (P.121 – 123)
102 – 53	Contact point for questions regarding the report	Table of Contents Back Cover
102 – 54	Claims of reporting in accordance with GRI Standards	GRI and HKEX ESG Reporting (P.121 – 123) Global Reporting Initiative Content Index (P.142 – 149)
102 – 55	GRI Content Index	Global Reporting Initiative Content Index (P.142 – 149)
102 – 56	External assurance	GRI and HKEX ESG Reporting (P.121 – 123) Assurance Report (P.140 – 141)

GRI 103: Management Approach & Material Topics (Economic)

GRI Indicator	Description	References and Remarks
GRI 201: Economic Performance 2016		
103 – 1	Explanation of the material topic and its Boundary	Materiality (P.17 – 23) GRI and HKEX ESG Reporting (P.121 – 123)
103 – 2	The management approach and its components	Performance (Economic) (P.109 – 120) Annual Report 2017 – Key Business Strategies
103 – 3	Evaluation of the management approach	Annual Report 2017 – Management Discussion & Analysis – Review of Operations – Review of Operations
201 – 1	Direct economic value generated and distributed	Performance (Economic) (P.109 – 120) Annual Report 2017 – Management Discussion & Analysis – Review of Operations – Portfolio Overview Annual Report 2017 – Financial Review
201 – 4	Financial assistance received from government	We did not receive significant financial assistance from any government.
GRI 203: Indirect Economic Impacts 2016		
103 – 1	Explanation of the material topic and its Boundary	Materiality (P.17 – 23) GRI and HKEX ESG Reporting (P.121 – 123)
103 – 2	The management approach and its components	Places (P.33 – 47) Annual Report 2017 – Management Discussion & Analysis – Review of Operations – Portfolio Overview
103 – 3	Evaluation of the management approach	Annual Report 2017 – Management Discussion & Analysis – Review of Operations – Portfolio Overview
203 – 1	Infrastructure investments and services supported	Places (P.33 – 47)
203 – 2	Significant indirect economic impacts	Places (P.33 – 47) Annual Report 2017 – Management Discussion & Analysis – Review of Operations – Portfolio Overview

GRI Indicator	Description	References and Remarks
GRI 205: Anti – corruption 2016		
103 – 1	Explanation of the material topic and its Boundary	Materiality (P.17 – 23) GRI and HKEX ESG Reporting (P.121 – 123)
103 – 2	The management approach and its components	Performance (Economic) (P.109 – 120)
103 – 3	Evaluation of the management approach	Corporate website – Corporate Code of Conduct http://ir.swireproperties.com/en/cg/pdf/conduct.pdf
205 – 2	Communication and training on anti – corruption policies and procedures	Performance (Economic) (P.109 – 120) Performance Data Summary (P.132 – 139)
205 – 3	Confirmed incidents of corruption and actions taken	Performance (Economic) (P.109 – 120) Performance Data Summary (P.132 – 139)

GRI 103: Management Approach & Material Topics (Environmental)

GRI Indicator	Description	References and Remarks
GRI 301: Materials 2016		
103 – 1	Explanation of the material topic and its Boundary	Materiality (P.17 – 23) GRI and HKEX ESG Reporting (P.121 – 123)
103 – 2	The management approach and its components	Partners (P.68 – 80)
103 – 3	Evaluation of the management approach	Performance (Environment) (P.81 – 108) Corporate website – Environmental Policy http://www.swireproperties.com/en/sustainable-development/policies/environmental-policy.aspx Swire group website – Swire Pacific Sustainable Procurement Policy http://www.swirepacific.com/en/sd/policy/procurement.pdf
301 – 1	Materials used by weight or volume	Partners (P.68 – 80) Performance (Environment) (P.81 – 108) Performance Data Summary (P.132 – 139) Data is available on use of timber (renewable): 1,169 m ³ and concrete (non – renewable): 85,316 m ³ for construction of all Hong Kong projects under development only, and use of packaging materials (mix of renewable and non – renewable): 31 tonnes by Swire Restaurants. Information on data for other materials use is not available. As explained in the management approach disclosures for this topic, we are in the process of developing a more robust tracking system for construction materials.
GRI 302: Energy 2016		
103 – 1	Explanation of the material topic and its Boundary	Materiality (P.17 – 23) GRI and HKEX ESG Reporting (P.121 – 123)
103 – 2	The management approach and its components	Performance (Environment) (P.81 – 108)
103 – 3	Evaluation of the management approach	Corporate website – Energy Policy http://www.swireproperties.com/en/sustainable-development/policies/energy-policy.aspx
302 – 1	Energy consumption within the organisation	Performance (Environment) (P.81 – 108) Performance Data Summary (P.132 – 139)
302 – 3	Energy intensity	Performance (Environment) (P.81 – 108) Performance Data Summary (P.132 – 139)
G4 – CRE1	Building energy intensity	Performance (Environment) (P.81 – 108) Performance Data Summary (P.132 – 139)
302 – 4	Reduction of energy consumption	Performance (Environment) (P.81 – 108) Performance Data Summary (P.132 – 139)

GRI Indicator	Description	References and Remarks
GRI 303: Water 2016		
103 – 1	Explanation of the material topic and its Boundary	Materiality (P.17 – 23) GRI and HKEX ESG Reporting (P.121 – 123)
103 – 2	The management approach and its components	SD in Action: Sustainable Bathrooms at TaiKoo Hui (P.29 – 30)
103 – 3	Evaluation of the management approach	Performance (Environment) (P.81 – 108)
303 – 1	Water withdrawal by source	Performance Data Summary (P.132 – 139) 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 – 3	Water recycled and reused	Performance Data Summary (P.132 – 139)
G4 – CRE2	Building water intensity	Performance (Environment) (P.81 – 108) Performance Data Summary (P.132 – 139)
GRI 305: Emissions 2016		
103 – 1	Explanation of the material topic and its Boundary	Materiality (P.17 – 23) GRI and HKEX ESG Reporting (P.121 – 123)
103 – 2	The management approach and its components	Performance (Environment) (P.81 – 108) Performance Data Summary (P.132 – 139)
103 – 3	Evaluation of the management approach	
305 – 1	Direct (Scope 1) GHG emissions	Performance (Environment) (P.81 – 108) Performance Data Summary (P.132 – 139)
305 – 2	Energy Indirect (Scope 2) GHG emissions	Performance (Environment) (P.81 – 108) Performance Data Summary (P.132 – 139)
305 – 4 G4 – CRE3	GHG emissions intensity Greenhouse gas (GHG) emissions intensity from buildings	Performance (Environment) (P.81 – 108) Performance Data Summary (P.132 – 139)
305 – 5	Reduction of GHG emissions	Performance (Environment) (P.81 – 108) Performance Data Summary (P.132 – 139)
GRI 306: Effluents and Waste 2016		
103 – 1	Explanation of the material topic and its Boundary	Materiality (P.17 – 23) GRI and HKEX ESG Reporting (P.121 – 123)
103 – 2	The management approach and its components	Performance (Environment) (P.81 – 108)
103 – 3	Evaluation of the management approach	Corporate website – Waste Management Policy http://www.swireproperties.com/en/sustainable-development/policies/waste-management-policy.aspx
306 – 1	Water discharge by quality and destination	Performance Data Summary (P.81 – 108) 100% of water discharged from our operations was transported to municipal wastewater systems in the cities where we operate. Apart from recycled water reported under GRI 303 – 3, water discharge from our operations has not received any treatment.
306 – 2	Waste by type and disposal method	Performance (Environment) (P.81 – 108) Performance Data Summary (P.132 – 139)
GRI 307: Environmental Compliance 2016		
103 – 1	Explanation of the material topic and its Boundary	Materiality (P.17 – 23) GRI and HKEX ESG Reporting (P.121 – 123)
103 – 2	The management approach and its components	Performance (Environment) (P.81 – 108)
103 – 3	Evaluation of the management approach	Performance (Economic) (P.109 – 120)
307 – 1	Non – compliance with environmental laws and regulations	In 2017, we were not subject to significant fines or non – monetary sanctions for non – compliance with such laws or regulations.

GRI Indicator	Description	References and Remarks
GRI 308: Supplier Environmental Assessment 2016		
103 – 1	Explanation of the material topic and its Boundary	Materiality (P.17 – 23) GRI and HKEX ESG Reporting (P.121 – 123)
103 – 2	The management approach and its components	Partners (P.68 – 80)
103 – 3	Evaluation of the management approach	Corporate website – Partners http://www.swireproperties.com/en/sustainability/partners.aspx Corporate website – Supplier Code of Conduct http://www.swireproperties.com/en/sustainable-development/policies/supplier-code-of-conduct.aspx Swire Group website – Swire Pacific Sustainable Procurement Policy http://www.swirepacific.com/en/sd/policy/procurement.pdf
308 – 1	New suppliers that were screened using environmental criteria	Partners (P.68 – 80)

GRI 103: Management Approach & Material Topics (Social)

GRI Indicator	Description	References and Remarks
GRI 401: Employment 2016		
103 – 1	Explanation of the material topic and its Boundary	Materiality (P.17 – 23) GRI and HKEX ESG Reporting (P.121 – 123)
103 – 2	The management approach and its components	People (P.48 – 67)
103 – 3	Evaluation of the management approach	Corporate website – People http://www.swireproperties.com/en/sustainable-development/people.aspx Corporate website – Working with us http://www.swireproperties.com/en/careers/working-with-us.aspx
401 – 1	New employee hires and employee turnover	People (P.48 – 67) Performance Data Summary (P.132 – 139)
401 – 3	Parental leave	Performance Data Summary (P.132 – 139)
GRI 403: Occupational Health and Safety 2016		
103 – 1	Explanation of the material topic and its Boundary	Materiality (P.17 – 23) GRI and HKEX ESG Reporting (P.121 – 123)
103 – 2	The management approach and its components	People (P.48 – 67)
103 – 3	Evaluation of the management approach	Partners (P.68 – 80) Corporate website – Health & Safety Policy http://www.swireproperties.com/en/sustainable-development/policies/health-and-safety-policy.aspx
403 – 2	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work – related fatalities	People (P.48 – 67) Performance Data Summary (P.132 – 139) Data is available on types of injury, injury rate (IR), occupational disease rate (ODR), lost day rate (LDR), absentee rate (AR), and work – related fatalities, for all employees, with a breakdown by region. We currently do not have information on the breakdown by gender for employees and any data for all workers (excluding employees) whose work or workplace is controlled by the Company. We are in the process of developing a more robust tracking system for collection and reporting of this data.
G4 – CRE6	Percentage of the organisation operating in verified compliance with an internationally recognised occupational health and safety management system (OHSAS 18001)	Performance Data Summary (P.132 – 139)

GRI Indicator	Description	References and Remarks
GRI 404: Training and Education 2016		
103 – 1	Explanation of the material topic and its Boundary	Materiality (P.17 – 23) GRI and HKEX ESG Reporting (P.121 – 123)
103 – 2	The management approach and its components	People (P.48 – 67)
103 – 3	Evaluation of the management approach	
404 – 1	Average hours of training per year per employee	People (P.48 – 67) Performance Data Summary (P.132 – 139)
404 – 3	Percentage of employees receiving regular performance and career development reviews	Performance Data Summary (P.132 – 139)
GRI 405: Diversity and Equal Opportunity 2016		
103 – 1	Explanation of the material topic and its Boundary	Materiality (P.17 – 23) GRI and HKEX ESG Reporting (P.121 – 123)
103 – 2	The management approach and its components	People (P.48 – 67)
103 – 3	Evaluation of the management approach	Corporate Website – Board Diversity Policy http://ir.swireproperties.com/en/cg/pdf/diversity.pdf
405 – 1	Diversity of governance bodies and employees	People (P.48 – 67) Performance Data Summary (P.132 – 139) Annual Report 2017 – Corporate Governance & Sustainability – Directors and Officers Corporate website – Directors http://ir.swireproperties.com/en/cg/directors.php
GRI 413: Local Communities 2016		
103 – 1	Explanation of the material topic and its Boundary	Materiality (P.17 – 23) GRI and HKEX ESG Reporting (P.121 – 123)
103 – 2	The management approach and its components	Places (P.33 – 47)
103 – 3	Evaluation of the management approach	People (P.48 – 67)
413 – 1	Operations with local community engagement, impact assessments, and development programmes	Places (P.33 – 47)
GRI 414: Supplier Social Assessment 2016		
103 – 1	Explanation of the material topic and its Boundary	Materiality (P.17 – 23) GRI and HKEX ESG Reporting (P.121 – 123)
103 – 2	The management approach and its components	Partners (P.68 – 80)
103 – 3	Evaluation of the management approach	Corporate website – Partners http://www.swireproperties.com/en/sustainability/partners.aspx Corporate website – Supplier Code of Conduct http://www.swireproperties.com/en/sustainable-development/policies/supplier-code-of-conduct.aspx
414 – 1	New suppliers that were screened using social criteria	Partners (P.68 – 80)
GRI 416: Customer Health and Safety 2016		
103 – 1	Explanation of the material topic and its Boundary	Materiality (P.17 – 23) GRI and HKEX ESG Reporting (P.121 – 123)
103 – 2	The management approach and its components	Performance (Environment) (P.81 – 108)
103 – 3	Evaluation of the management approach	
416 – 1	Assessment of the health and safety impacts of product and service categories	Performance (Environment) (P.81 – 108) This disclosure has been made with respect to Indoor Air Quality.

GRI Indicator	Description	References and Remarks
GRI 417: Marketing and Labelling 2016		
103-1	Explanation of the material topic and its Boundary	Materiality (P.17 – 23) GRI and HKEX ESG Reporting (P.121 – 123)
103-2	The management approach and its components	Performance (Environment) (P.81 – 108)
103-3	Evaluation of the management approach	
417-1	Requirements for product and service information and labelling	Performance (Environment) (P.81 – 108) 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) (P.81 – 108)
GRI 419: Socioeconomic Compliance 2016		
103-1	Explanation of the material topic and its Boundary	Materiality (P.17 – 23) GRI and HKEX ESG Reporting (P.121 – 123)
103-2	The management approach and its components	Performance (Economic) (P.109 – 120)
103-3	Evaluation of the management approach	Corporate website – Corporate Code of Conduct http://ir.swireproperties.com/en/cg/pdf/conduct.pdf
419-1	Non – compliance with laws and regulations in the social and economic area	In 2017, we were not subject to significant fines or non – monetary sanctions for non – compliance with such laws or regulations.

HKEX ESG REPORTING GUIDE INDEX

A. Environment

Aspects, General Disclosure, KPIs	Description	References and Remarks
Aspect A1	Emissions	
General Disclosure	<p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</p> <p>relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non – hazardous waste</p>	<p>Performance (Environment) (P.81 – 108)</p> <p>Corporate website – Environmental Policy http://www.swireproperties.com/en/sustainable-development/policies/environmental-policy.aspx</p> <p>In 2017, there were no confirmed incidents of non – compliance with such laws or regulations, which have a significant impact on Swire Properties.</p>
KPI A1.1	The types of emissions and respective emissions data	Emissions of NOx, SOx and other pollutants are considered not significant in our operations.
KPI A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	Performance (Environment) (P.81 – 108) Performance Data Summary (P.132 – 139)
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of product volume, per facility)	Performance Data Summary (P.132 – 139)
		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.
KPI A1.4	Total non – hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	Performance Data Summary (P.132 – 139)
		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.
KPI A1.5	Description of measures to mitigate emissions and results achieved	Performance (Environment) (P.81 – 108) Performance Data Summary (P.132 – 139)
KPI A1.6	Description of how hazardous and non – hazardous wastes are handled, reduction initiatives and results achieved	Performance (Environment) (P.81 – 108) Performance Data Summary (P.132 – 139)
Aspect A2	Use of Resources	
General Disclosure	Policies on efficient use of resources, including energy, water and other raw materials	<p>Partners (P.68 – 80)</p> <p>Performance (Environment) (P.81 – 108)</p> <p>Corporate website – Sustainable Development Policy http://www.swireproperties.com/en/sustainable-development/policies/sustainable-development-policy.aspx</p> <p>Corporate website – Environmental Policy http://www.swireproperties.com/en/sustainable-development/policies/environmental-policy.aspx</p> <p>Corporate website – Energy Policy http://www.swireproperties.com/en/sustainable-development/policies/energy-policy.aspx</p> <p>Swire group website – Swire Pacific Sustainable Procurement Policy http://www.swirepacific.com/en/sd/policy/procurement.pdf</p>
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility)	Performance (Environment) (P.81 – 108) Performance Data Summary (P.132 – 139)

Aspects, General Disclosure, KPIs	Description	References and Remarks
Aspect A2 Use of Resources		
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility)	Performance (Environment) (P.81 – 108) Performance Data Summary (P.132 – 139)
KPI A2.3	Description of energy use efficiency initiatives and results achieved	Performance (Environment) (P.81 – 108) Performance Data Summary (P.132 – 139) Corporate website – Energy Policy http://www.swireproperties.com/en/sustainable-development/policies/energy-policy.aspx
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) (P.81 – 108) Performance Data Summary (P.132 – 139) In 2017, 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	Performance (Environment) (P.81 – 108)
Aspect A3 The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources	Partners (P.68 – 80) Performance (Environment) (P.81 – 108) Corporate website – Sustainable Development Policy http://www.swireproperties.com/en/sustainable-development/policies/sustainable-development-policy.aspx Corporate website – Environmental Policy http://www.swireproperties.com/en/sustainable-development/policies/environmental-policy.aspx Corporate website – Energy Policy http://www.swireproperties.com/en/sustainable-development/policies/energy-policy.aspx Corporate website – Supplier Code of Conduct http://www.swireproperties.com/en/sustainable-development/policies/supplier-code-of-conduct.aspx
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	Partners (P.68 – 80) Performance (Environment) (P.81 – 108)

B. Social

Aspects, General Disclosure, KPIs	Description	References and Remarks
Employment and Labour Practices		
Aspect B1 Employment		
General Disclosure	<p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</p> <p>relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, antidiscrimination, and other benefits and welfare</p>	<p>People (P.48 – 67)</p> <p>Corporate website – People http://www.swireproperties.com/en/sustainable-development/people.aspx</p> <p>Corporate website – Working with us http://www.swireproperties.com/en/careers/working-with-us.aspx</p> <p>Corporate website – Corporate Code of Conduct http://ir.swireproperties.com/en/cg/pdf/conduct.pdf</p> <p>Corporate Website – Board Diversity Policy http://ir.swireproperties.com/en/cg/pdf/diversity.pdf</p> <p>Corporate Website – Equal opportunities and diversity http://ir.swireproperties.com/en/cg/pdf/equal.pdf</p> <p>In 2017, there were no confirmed incidents of non – compliance with such laws or regulations, which have a significant impact on Swire Properties.</p>
KPI B1.1	Total workforce by gender, employment type, age group and geographical region	People (P.48 – 67) Performance Data Summary (P.132 – 139)
KPI B1.2	Employee turnover rate by gender, age group and geographical region	Performance Data Summary (P.132 – 139)
Aspect B2 Health and Safety		
General Disclosure	<p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</p> <p>relating to providing a safe working environment and protecting employees from occupational hazards</p>	<p>People (P.48 – 67)</p> <p>Corporate website – Health & Safety Policy http://www.swireproperties.com/en/sustainable-development/policies/health-and-safety-policy.aspx</p> <p>In 2017, there were no confirmed incidents of non – compliance with such laws or regulations, which have a significant impact on Swire Properties.</p>
KPI B2.1	Number and rate of work – related fatalities	People (P.48 – 67) Performance Data Summary (P.132 – 139)
KPI B2.2	Lost days due to work injury	People (P.48 – 67) Performance Data Summary (P.132 – 139)
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored	People (P.48 – 67)
Aspect B3 Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities	People (P.48 – 67) Corporate website – Working with us http://www.swireproperties.com/en/careers/working-with-us.aspx
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management)	Performance Data Summary (P.132 – 139)
KPI B3.2	The average training hours completed per employee by gender and employee category	People (P.48 – 67) Performance Data Summary (P.132 – 139)

Aspects, General Disclosure, KPIs	Description	References and Remarks
Aspect B4 Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour	Partners (P.68 – 80) Corporate website – Corporate Code of Conduct http://ir.swireproperties.com/en/cg/pdf/conduct.pdf Corporate website – Supplier Code of Conduct http://www.swireproperties.com/en/sustainable-development/policies/supplier-code-of-conduct.aspx In 2017, there were no confirmed incidents of non – compliance with such laws or regulations, which have a significant impact on Swire Properties.
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour	Partners (P.68 – 80) Corporate website – Corporate Code of Conduct http://ir.swireproperties.com/en/cg/pdf/conduct.pdf Corporate website – Supplier Code of Conduct http://www.swireproperties.com/en/sustainable-development/policies/supplier-code-of-conduct.aspx Corporate website – Procedures for reporting of improprieties http://ir.swireproperties.com/en/cg/pdf/improprieties.pdf
KPI B4.2	Description of steps taken to eliminate such practices when discovered	Partners (P.68 – 80) Corporate website – Corporate Code of Conduct http://ir.swireproperties.com/en/cg/pdf/conduct.pdf Corporate website – Supplier Code of Conduct http://www.swireproperties.com/en/sustainable-development/policies/supplier-code-of-conduct.aspx Corporate website – Procedures for reporting of improprieties http://ir.swireproperties.com/en/cg/pdf/improprieties.pdf In 2017, we did not discover any such practices in our operations.
Operating Practices		
Aspect B5 Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain	Partners (P.68 – 80) Corporate website – Partners http://www.swireproperties.com/en/sustainable-development/partners.aspx Corporate website – Supplier Code of Conduct http://www.swireproperties.com/en/sustainable-development/policies/supplier-code-of-conduct.aspx
KPI B5.1	Number of suppliers by geographical region	Partners (P.68 – 80)
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored	Partners (P.68 – 80) Corporate website – Partners http://www.swireproperties.com/en/sustainable-development/partners.aspx Corporate website – Supplier Code of Conduct http://www.swireproperties.com/en/sustainable-development/policies/supplier-code-of-conduct.aspx Corporate website – Procedures for reporting of improprieties http://ir.swireproperties.com/en/cg/pdf/improprieties.pdf

Aspects, General Disclosure, KPIs	Description	References and Remarks
Aspect B6 Product Responsibility		
General Disclosure	<p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</p> <p>relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress</p>	<p>Performance (Environment) (P.81 – 108)</p> <p>Corporate website – Corporate Code of Conduct http://ir.swireproperties.com/en/cg/pdf/conduct.pdf</p> <p>Corporate website – Swire Properties' Data Privacy and Security Policy http://www.swireproperties.com/en/privacy-statement.aspx</p> <p>Corporate website – Procedures for reporting of improprieties http://ir.swireproperties.com/en/cg/pdf/improprieties.pdf</p> <p>In 2017, there were no confirmed incidents of non – compliance with such laws or regulations, which have a significant impact on Swire Properties.</p>
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	In 2017, we were not aware of any recall concerning the provision and use of products and services for safety and health reasons that have a significant impact on Swire Properties.
KPI B6.2	Number of products and service related complaints received and how they are dealt with	In 2017, there were no substantiated complaints received relating to the provision and use of products and services that have a significant impact on Swire Properties.
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights	Performance (Economic) (P.109 – 120) Corporate website – Corporate Code of Conduct http://ir.swireproperties.com/en/cg/pdf/conduct.pdf
KPI B6.4	Description of quality assurance process and recall procedures	Performance (Environment) (P.81 – 108) We did not consider that recall procedures are material to our operations.
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored	Performance (Economic) (P.109 – 120) Corporate website – Corporate Code of Conduct http://ir.swireproperties.com/en/cg/pdf/conduct.pdf Corporate website – Swire Properties' Data Privacy and Security Policy http://www.swireproperties.com/en/privacy-statement.aspx Corporate website – Procedures for reporting of improprieties http://ir.swireproperties.com/en/cg/pdf/improprieties.pdf
Aspect B7 Anti – corruption		
General Disclosure	<p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</p> <p>relating to bribery, extortion, fraud and money laundering</p>	<p>Performance (Economic) (P.109 – 120)</p> <p>Corporate website – Corporate Code of Conduct http://ir.swireproperties.com/en/cg/pdf/conduct.pdf</p> <p>In 2017, there were no confirmed incidents of non – compliance with such laws or regulations, which have a significant impact on Swire Properties.</p>
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases	Performance (Economic) (P.109 – 120) Performance Data Summary (P.132 – 139) In 2017, there were no concluded legal cases regarding corrupt practices brought against Swire Properties or its employees.
KPI B7.2	Description of preventive measures and whistleblowing procedures, how they are implemented and monitored	Corporate website – Corporate Code of Conduct http://ir.swireproperties.com/en/cg/pdf/conduct.pdf Corporate website – Procedures for reporting of improprieties http://ir.swireproperties.com/en/cg/pdf/improprieties.pdf

Aspects, General Disclosure, KPIs	Description	References and Remarks
Community		
Aspect B8	Community Investment	
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities takes into consideration communities' interests	Materiality (P.17 – 23) Places (P.33 – 47) People (P.48 – 67) Corporate website – Community Ambassador Programme http://www.swireproperties.com/en/sustainable-development/people/community-ambassador-programmes.aspx Corporate website – Community Caring Fund http://www.swireproperties.com/en/sustainable-development/people/community-caring-fund.aspx Corporate website – Community Programmes http://www.swireproperties.com/en/sustainable-development/places/community-programmes.aspx
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport)	Places (P.33 – 47) People (P.48 – 67)
KPI B8.2	Resources contributed (e.g. money or time) to the focus areas	Places (P.33 – 47) People (P.48 – 67)

About Swire Properties

Swire Properties develops and manages commercial, retail, hotel and residential properties, with a particular focus on mixed-use developments in prime locations at major mass transportation intersections. Swire Properties is listed on the Main Board of the Stock Exchange of Hong Kong and its investment portfolio in Hong Kong comprises Taikoo Place, Cityplaza and Pacific Place as its core holdings. In addition to Hong Kong, the Company has investments in Mainland China, the United States and Singapore.

We welcome your feedback on our sustainable development performance and reporting. You can contact us by email at sustainabledevelopment@swireproperties.com or write to us:

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