

Carbon Neutrality Partnership

The scope of the below responses cover Swire Properties’ businesses, joint ventures, and subsidiaries in property investment as well as hotel management. (i.e. Swire Hotels).

The gross floor area distribution of our property investment and hotel investment in 2021 are as follows: Hong Kong office and retail portfolio (47%), Chinese Mainland office and retail portfolio (42%), U.S.A retail portfolio (2%) and hotels (9%).

Aspects of Decarbonisation	How Your Organisation Could Help (Examples for Reference)	Your Organisation’s Target / Plan / Action (for Input)
Overall: Decarbonisation Target		
Setting a target for total carbon emissions	<ul style="list-style-type: none"> - set a carbon neutrality target with a timeline - set carbon emissions reduction target with a timeline 	<p>Long-term decarbonisation target:</p> <ul style="list-style-type: none"> ● Achieve net zero emissions before 2050 <p>1.5°C–aligned Science-based Reduction Targets (SBT) for Scope 1+2 emissions:</p> <ul style="list-style-type: none"> ● Reduce absolute scope 1 and 2 GHG emissions by 25% and 46% by 2025 and 2030 respectively, from a 2019 base year <p>Science-based Reduction Targets for Scope 3 emissions:</p> <ul style="list-style-type: none"> ● Reduce scope 3 GHG emissions from (the tenant-controlled portion of) downstream leased assets by 28% per square metre (lettable floor area)

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		<p>by 2030 from a 2018 base year</p> <ul style="list-style-type: none"> ● Reduce scope 3 GHG emissions (from capital goods) embodied carbon intensity from new major developments by 25% per square metre (construction floor area) by 2030 from a 2016-2018 base year
Green Economy		
Green procurement	<ul style="list-style-type: none"> - set green procurement policy and standards - procure energy efficient appliances (such as those with Grade 1 energy labels under the Mandatory Energy Efficiency Labelling Scheme) 	<ul style="list-style-type: none"> ● Target for 2025: 25% of products and services purchased for wholly owned new and existing investment portfolios shall be sustainable ● We have established performance-based targets on embodied carbon for major building materials such as concrete, rebar and structural steel for new project development ● We have also established low-carbon procurement specifications for construction materials such as concrete with pulverized fuel ash or ground granulated blast furnace slag, rebar and structural steel with recycled content. ● In 2021, our total sustainable procurement spent was HK\$946 million.
Green finance	<ul style="list-style-type: none"> - utilise green financing instrument to raise fund 	<ul style="list-style-type: none"> ● Target for 2025: achieve a minimum of 50% of bond and loan facilities from green financing

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		<ul style="list-style-type: none"> ● Target for 2030: achieve a minimum of 80% of bond and loan facilities from green financing ● As at the end of 2021, approximately 30% of our current bond and loan facilities came from green financing (green bonds, green loan and sustainability-linked loans).
Net-Zero Electricity Generation		
Developing renewable energy	<ul style="list-style-type: none"> - set a renewable energy adoption target with a timeline - install renewable energy generating equipment (e.g. solar panel, solar hot water system) where possible - participate in the Feed-in Tariff Scheme - purchase Renewable Energy Certificates 	<ul style="list-style-type: none"> ● Target for 2025: Generate 4-6% of landlord's building energy from renewable or clean energy sources for selected newly completed office projects ● Approximately 6% of landlord's building energy will be supplied by on-site renewable sources at Two Taikoo Place ● In 2021, an approximately 19% of the electricity consumption of our global portfolio were from on-site and off-site renewable sources combined. <p>Offsite Renewable Electricity:</p> <ul style="list-style-type: none"> ● Our Taikoo Hui, Guangzhou and Sino-Ocean Taikoo Li Chengdu development became powered by 100% renewable electricity since 2021 and 2020 respectively, making Swire Properties one of the first

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		<p>companies in Guangdong and Sichuan Provinces to achieve “net zero carbon” in its annual electricity consumption for landlord and tenant operations.</p> <ul style="list-style-type: none"> ● The Temple House (hotel) also became powered by 100% renewable electricity since 2021. <p>Onsite Renewable Electricity:</p> <ul style="list-style-type: none"> ● In Hong Kong, we have installed solar PV panels and waste-to-energy tri-generation system at One Taikoo Place, generating 179,600 kWh of renewable energy in 2021. We have also participated in the Feed-in Tariff Scheme and have purchased 60,724 kWh of Renewable Energy Certificates, which is equivalent to all the renewable energy generated by the solar PV panels of One Taikoo Place in 2021. ● In China, we have installed solar PV panels in three portfolios, generating 238,900 kWh in 2021.
Energy Saving and Green Buildings		
Energy saving targets	- set electricity usage reduction target with a timeline	<ul style="list-style-type: none"> ● Target for 2025: Reduce annual electricity use intensity by 20% and 13% compared to a 2019 baseline for our Hong Kong and Chinese Mainland portfolio (including hotels) respectively

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		<ul style="list-style-type: none"> ● Target for 2030: Reduce annual electricity use intensity by 40% and 35% compared to a 2019 baseline for our Hong Kong and Chinese Mainland portfolio (including hotels) respectively
Enhancing energy efficiency performance of buildings	<ul style="list-style-type: none"> - target for green building certification (e.g. BEAM Plus) at Platinum level - conduct green building certification for all new buildings - select existing buildings for green building certification - achieve energy efficiency performance above the statutory requirements - procure energy efficient equipment and switch them off when not in use - adopt smart building technologies to reduce electricity consumption and enhance energy efficiency (e.g. smart technology to enhance energy efficiency in air-conditioning system) 	<p>Green Building Certification</p> <ul style="list-style-type: none"> ● Target for 2025: (i) 100% wholly owned new development projects to achieve the highest environmental building assessment scheme rating; (ii) 90% of all wholly owned existing developments to achieve the highest environmental building assessment scheme rating ● Target for 2030: 100% wholly owned new and existing developments to achieve the highest environmental building assessment scheme rating ● In 2021, 100% wholly-owned projects under development achieved the highest ratings of green building certification (i.e. Platinum); while 96% of all existing buildings are certified green buildings, of which 82% have achieved the highest ratings (i.e. Platinum). <p>Energy Efficiency</p> <ul style="list-style-type: none"> ● In 2021, we have reduced our energy use intensity by 35%, from 194 kWh/m² per year to 126 kWh/m² per year across our global portfolios (including hotels), as compared to our 2008 baseline year. ● In addition to adopting a wide variety of technologies and strategies to achieve this reduction target, we continue to work with Tsinghua

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		<p>University through the Joint Research Centre for Building Energy Efficiency and Sustainability, as well as other local universities to develop and test new methods to increase energy efficiency and improve environmental performance in our developments.</p> <p>Tenant Engagement – Green Performance Pledge (“GPP”)</p> <ul style="list-style-type: none"> ● In 2021, we piloted the GPP, a performance-based agreement that provides a roadmap and various tools to work with tenants to reduce their energy and water consumption and waste generation. ● To expand the coverage of the GPP, we have set a 2025 KPI to have 50% of our office tenants sign the GPP.
Greater use of energy management tools	<ul style="list-style-type: none"> - conduct energy audit and implement identified energy management opportunities - conduct retro-commissioning 	<p>Target for 2025:</p> <ul style="list-style-type: none"> ● Implement cloud-based smart energy management platform for 100% of our Hong Kong and Chinese Mainland portfolios for continuous monitoring and optimization via AI and big data analysis ● Implement retro-commissioning in 100% of our Hong Kong and Chinese Mainland portfolios
Construction / Work sites	<ul style="list-style-type: none"> - adopt Modular Integrated Construction (MiC) as appropriate 	<p>Science-based Reduction Targets for Scope 3 emissions:</p> <ul style="list-style-type: none"> ● Reduce scope 3 GHG emissions (from capital goods) embodied carbon intensity from new major developments by 25% per square metre

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	<ul style="list-style-type: none"> - recycle construction wastes - electrify diesel-run equipment in construction sites or other works areas <p>adopt low carbon construction (e.g. prefabricated construction methods, low carbon construction materials)</p>	<p>(construction floor area) by 2030 from a 2016-2018 base year</p> <p>Decarbonisation Measures:</p> <ul style="list-style-type: none"> ● We were the first real estate developer in Hong Kong to introduce low-carbon specifications for new developments, detailing such specifications for concrete, reinforcement bar and structural steel. ● These specifications have now been adopted into the main contracts for development projects in Hong Kong: <ul style="list-style-type: none"> - All concrete used is Platinum-certified under the Construction Industry Council Green Product Certification and contains approximately 25% pulverised fuel ash in the cementitious content. - A certain amount of the rebar is produced through the electric arc furnace process, a production method proven to have a smaller carbon footprint. Recycled steel is also used for the rebar. ● Additionally, the traditional diesel generator power supply is not being used at the construction site. Instead, the project team ensured sufficient grid electricity connection for the entire site from the earliest construction stage, helping to eliminate air and noise pollution in and around the site, and improving the wellbeing of the workers.

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		<p>Waste Diversion Targets (For Projects in Hong Kong under development):</p> <ul style="list-style-type: none"> ● Targets: <ul style="list-style-type: none"> - Target for 2025: 85% of demolition waste ; 70% of construction waste - Target for 2030: 90% of demolition waste ; 75% of construction waste - Target for 2050: zero waste to landfill ● Swire Properties has also incorporated EHS requirements including waste diversion targets, as standard contract terms in our agreement with main contractors. ● In 2021, we achieved 95% of demolition waste for 6 Deep Water Bay Road and 85% of construction waste (foundation stage) for Commercial Building Development at 46-56 Queen's Road East.
Development of district cooling system	- adopt high efficiency chillers	<ul style="list-style-type: none"> ● Continue to conduct retro-commissioning of HVAC systems and energy audits to improve heating and cooling efficiency. ● Continue to upgrade chillers and air handling units; replacement of conventional fans with electronically commutated motor plug fans to increase efficiency and reliability. ● In 2021, we continued to convert the decentralised heat pump systems

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		to a centralised cooling and heating energy plant at Taikoo Li Sanlitun, Guangzhou.
Green Transport		
Zero carbon emissions from transport	- equip parking spaces with electric vehicle charging provision, preferably with a target and a timeline	<ul style="list-style-type: none"> ● Around 6% of car parking spaces equipped with EV charging provision (including quick, medium and standard chargers) in Hong Kong Portfolios: e.g. In One Taikoo Place, each park space is equipped with medium chargers while each park space in South Island Place is equipped with standard charger. ● New commercial building in Hong Kong will be equipped with EV charging facilities. ● In 2021, equipped with 168 low speed, 38 medium speed and 24 high speed EV chargers in our Hong Kong portfolio.
Phasing out of fuel-propelled and hybrid vehicles progressively	<ul style="list-style-type: none"> - electrify the corporate fleet, preferably with a target and a timeline - adopt low carbon logistics planning and delivery with technology to reduce carbon footprint 	<ul style="list-style-type: none"> ● Select EV for new corporate cars (except use of EVs is technically infeasible).

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Maintaining a public transport system with railway as the backbone	- encourage employees to use public transport	<ul style="list-style-type: none"> ● 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. ● Employees, tenants and customer can easily access our office buildings and shopping malls through public transport. ● We continue to improve the walkability and connectivity within our portfolio to promote green commuting.
Waste Reduction		
Promoting waste reduction and recycling	<ul style="list-style-type: none"> - support the implementation of municipal solid waste charging (e.g. not to allow bulk-purchasing “designated garbage bags” and distributing them to tenants) - promote waste separation and recycling in commercial premises and residential estates with the set-up of centralised “recycling corners” 	<p>Waste Diversion Targets (for investment properties and hotels in Hong Kong):</p> <ul style="list-style-type: none"> ● Targets: <ul style="list-style-type: none"> - Target for 2025: 30% of commercial waste - Target for 2030: 50% of commercial waste - Target for 2050: zero waste to landfill <p>Support Implementation of Municipal Solid Waste (MSW) Charging:</p> <ul style="list-style-type: none"> ● Supported MSW Charging Trials with our residential estates, tenants (office, retail & F&B) and hotels since 2016.

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	<p>- promote food waste recycling and participate in food waste collection programme</p>	<p>Promotion of Waste separation and Recycling:</p> <ul style="list-style-type: none"> ● Facilitate the recycling of more than 20 types of recyclables through various regular or seasonal campaigns. ● Engaging employees and tenants with smart waste technology in 2021, achieved (i) 14% reduction in total waste per employee as compared to the beginning of the challenge and (ii) 41% waste diversion rate. ● Furthermore, through the Green Kitchen Initiative and our newest Green Performance Pledge, we will beef up our efforts to work with tenants and make substantial progress towards joint waste diversion goals. <p>Recycling and Repurposing Food Waste:</p> <ul style="list-style-type: none"> ● In 2021, 70% of our F&B tenants across our Hong Kong portfolios participated in our food waste recycling programme, and number of tenanted office floors recycling food waste increased by over 30% compared to 2020. The majority of the food waste collected is delivered to the government's O PARK for conversion into compost and biogas. ● Our hotel EAST Hong Kong partnered with a local brewery and turned 30kg surplus bread from its restaurant into its own branded craft beer. <p>Working Towards A Zero-Waste Event:</p>

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		<ul style="list-style-type: none"> ● The White Christmas Street Fair 2021, our annual large-scale year-end community celebration, implemented waste reduction measures included: <ul style="list-style-type: none"> - banning of the use of single-use plastic tableware; - use of fully recycling D-Board for most signages instead if foamboard; - setting up recycling bins; and - partnering with local pulp mill to collect and recycle paper cups and containers, etc. ● A waste audit and independent carbon audit were conducted to review the waste generated from the event. ● As a result, the event diverted over 90% of waste from landfill.
Controlling the use of single-use plastics	<ul style="list-style-type: none"> - set a plan for minimising the use of single-use plastics, preferably with a target and a timeline - reduce the use of single-use plastic packaging - request on-site caterers and food business tenants to use reusable and durable cutleries and food containers for eat-in 	<p>In 2021, we continued to expand initiatives to promote reuse and support the recovery of single-use plastics.</p> <p>Promote Reuse – Smart Reusable Cup Programme:</p> <ul style="list-style-type: none"> ● In Nov 2020, we partnered with a start-up company to launch Hong Kong's first smart reusable cup network at Taikoo Place. In 2021, the initiative expanded to a total of eight food and beverage outlets across the portfolio. ● Since its launch, the smart reusable cup system has helped avoid the

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	<p>customers, and avoid distributing disposable plastic tableware for takeaways</p> <ul style="list-style-type: none"> - install filtered water dispensers to reduce the use of plastic water bottles - offer single-use toiletries on request only - avoid the use of disposable plastic umbrella bags and install umbrella drying facilities 	<p>disposal of over 14,000 single-use coffee cups.</p> <p>Use of Umbrella Dryers:</p> <ul style="list-style-type: none"> ● Umbrella dryers are placed at the main entrances across all our portfolios to encourage office workers and the public to avoid the use of disposable plastic umbrella bags. ● In case they need to use them, plastic bag recycling bins are also placed nearby to encourage them to recycle the used umbrella bags. <p>Facilitate the Recovery of Plastic Beverage Bottles:</p> <ul style="list-style-type: none"> ● In 2021, we worked with Drink Without Waste in setting up dedicated plastic beverage bottle recycling bins at Taikoo Place to encourage source separation. Over 690kg of plastic bottles were collected and sent to New Life Plastics for recycling into food-grade raw materials. ● Reserve vending machines placed at Taikoo Place and Three Pacific Place collected more than 255,000 plastic bottles during 2021 for recycling. <p>Hotels:</p> <ul style="list-style-type: none"> ● EAST Hong Kong retrofitted 400 guest rooms with an in-room water filtration system, eliminating the need for plastic bottled water in rooms, saving over 2 tonnes of plastic bottles each year.

