



# PERFORMANCE (ECONOMIC)

Swire Properties aims to deliver a sustainable economic performance coupled with good corporate governance and high ethical standards.





## PERFORMANCE (ECONOMIC)

**2023 Progress**  
Green Financing

Corporate Governance  
Investor Relations

Risk Management and Internal Controls

Swire Properties aims to deliver a sustainable economic performance coupled with good corporate governance and high ethical standards.

### Top Material Issues



Corporate governance



Long-term financial performance and value



Risk management



Cyber security



Data governance

## 2023 Progress

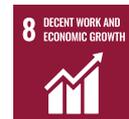
This year, our Performance (Economic) Working Group, made up of 11 representatives from distinct functions within the Company, worked towards achieving our 2025 and 2030 KPIs in the focus areas under this Pillar: Financial Performance, Green Financing, Corporate Governance, Risk Management, and Disclosure and Communications. Swire Properties believes that communication is crucial to success; as such, we continued to engage with our investors at various events to keep them informed about our SD journey and our performance.

Our progress this year is summarised in the table below.

### Progress Summary Table



#### Financial Performance



#### Underlying Profit | Dividends | Gearing Ratio and Credit Rating

##### Progress Updates in 2023

- Details of our financial performance for the year ended 31 December 2023 are available in the [Swire Properties Annual Report 2023](#).



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### Green Financing

#### Green Bonds

##### 2025 KPI

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

##### Progress Updates in 2023

- By the end of 2023, approximately **60%** of our current bond and loan facilities came from green financing.
- For more details, see our latest [Green Finance Report](#).



### Corporate Governance

#### Anti-bribery and Anti-corruption

##### 2025 KPI

- Annual bribery and corruption risk review by the Executive Committee (“EXCOM”)

##### Progress Updates in 2023

- An anti-bribery questionnaire covering the 2023 reporting period has been submitted to EXCOM for review.

#### Executive Compensation

##### 2025 KPI

- Establish corporate SD performance metrics and goals that are linked to the Chief Executive and senior executive’s variable compensation

##### Progress Updates in 2023

- The Chief Executive and senior executive’s variable compensation is linked to SD performance metrics and targets.

#### Board Diversity

##### 2025 KPI

- Maintain no less than **30%** female representation on the Board

##### Progress Updates in 2023

- **35.7%** of our Board positions are held by female members.



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## Corporate Governance

Swire Properties is committed to conducting our affairs in accordance with high ethical standards. This reflects our belief that it is imperative to act with probity, transparency and accountability in order to achieve our long-term objectives of maximising shareholder value, while focusing on sustainable development to preserve the environment and promote the interests of our employees, those with whom we do business and the communities in which we operate.

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

- Satisfactory and sustainable returns to our shareholders.
- That the interests of those who deal with the Company are safeguarded.
- That we operate in an environmentally, socially and economically responsible manner across all aspects of our business.
- That overall business risks are understood and managed appropriately.
- The delivery of high-quality products and services to the satisfaction of our customers.
- 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 two Independent Non-Executive Directors and one Non-Executive Director, is responsible for assisting the Board in discharging its corporate governance responsibilities.

Our Executive Committee chaired by the Chief Executive (also acting in the capacity of Executive Director) comprises two other Executive Directors and seven senior executives, is responsible for overseeing the day-to-day operations of the Company.

For more information on Corporate Governance, please refer to the [Swire Properties Annual Report 2023](#).

### GRI

2-9, 2-11, 2-12,  
2-13, 2-16,  
2-19, 2-20,  
2-23, 2-24

### HKEX

Aspect B6



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Ethics

Corporate Code of Conduct

Our [Corporate Code of Conduct](#) applies to every employee of the Company and its subsidiaries. It sets out the operating principles underpinning our management approaches to a range of issues, including:

- Business ethics
- Conflicts of interest
- Competition and antitrust
- Anti-Bribery
- Political activities and contributions
- Gambling
- Procurement
- Keeping of records
- Use of information/company property
- Whistleblowing
- Health and safety
- Environment
- Diversity and inclusion and respect
- Use of social media
- Privacy

Under the Code, all our employees have a responsibility to report concerns about any suspected or actual improprieties relating to the Company and/or its subsidiaries. Employees found to be in breach of the Code will be subject to disciplinary action.

In 2023, there were no confirmed cases of breach of the Code. In 2023, Swire Properties began obtaining third-party assurance regarding the number of confirmed cases of breach of our Corporate Code of Conduct, in accordance with the International Standard on Assurance Engagement (“ISAE”) 3000. This assurance covers our operations in Hong Kong, the Chinese Mainland and the U.S.A., further demonstrating our commitment to upholding integrity and ethical conduct throughout our organisation.

Our adherence to the principles and requirements of ISAE 3000 covers the accuracy and integrity of the number of confirmed cases of breach of the Code, and the effectiveness of our internal processes in terms of managing and reporting any breaches. The assurance provider reviews the structure and design of these processes and examines the Company’s incident reporting mechanisms to ensure that they are well-established, clearly communicated and accessible to employees.

Additionally, the assurance process reviews the monitoring and investigation procedures that the Company has in place and evaluates the corrective and disciplinary actions taken in response to breaches. By evaluating the effectiveness of our internal processes, we hope to gain insights that will further strengthen our compliance mechanisms and reinforce a culture of ethical behaviour within the Company.

GRI  
2-15, 406

HKEX  
KPI B7.2



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### Whistleblowing Policy

Our [Whistleblowing Policy](#) sets out our policy on whistleblowing, including the protection of whistleblowers from reprisal or disadvantage.

If an employee wishes to report concerns, they contact either our Human Resources and Administration department, their immediate supervisor, or the Swire Group Internal Audit department, or make a report through our whistleblowing platform which is hosted by a third-party service provider and includes a 24-hour hotline service. Third parties that deal with Swire Properties, such as customers and suppliers, are also encouraged to report their concerns either directly to GIAD or through the whistleblowing platform. Anonymous reports may be submitted.

We also ensure that our contractors are aware of our Whistleblowing Policy and the different reporting platforms that are available to them.

In 2023, we received a total of 13 whistleblowing reports. All whistleblowing cases have been evaluated and fully resolved. There were no reports of human rights violations and breaches of Corporate Code of Conduct in the reporting period.

We are committed to the fair treatment of any person who makes a genuine and appropriate report. In addition to making every effort to keep the identity of whistleblowers confidential, all reported information is treated in confidence, except where Swire Properties is required by law or regulation to disclose it, for legal or audit purposes, or where the Company refers the matter to the relevant regulators or law enforcement authorities.

### Anti-Bribery and Corruption Policy and Practices

In late 2022, Swire Properties issued a new standalone [Anti-Bribery and Corruption Policy](#), setting out the standards of behaviour expected from Swire Properties staff and the compliance procedures adopted by the Company, and reaffirming our commitment to providing guidance to all relevant parties about compliance with global anti-bribery laws. Our Corporate Code of Conduct was also updated to reflect the new policy.

According to the policy, all employees of the company must comply 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 2023, there were no concluded legal cases regarding corrupt practices brought against the Company or its employees.

GRI  
2-26

HKEX  
KPI B7.2

GRI  
205

HKEX  
Aspect B7  
KPI B7.1, B7.2,  
B7.3



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All our employees are required to confirm on an annual basis that they have read and have agreed to be bound by our Corporate Code of Conduct, which includes our anti-bribery practices. It is compulsory for our employees in Hong Kong and the Chinese Mainland (including those who have been seconded to other offices) to receive anti-bribery refresher training on an annual basis as a minimum.

In 2023, in light of the new policy, our Training team devised and launched a new anti-bribery e-training course to replace the existing course. This training was mandatory for all staff in all our locations across the globe, translating to approximately 11,660 hours of anti-bribery-related training provided to employees across the Company in 2023. Additionally, anti-bribery and anti-corruption training materials were provided to Board of Directors over the past two years.

### Remuneration Policy

**HKEX**  
Aspect B1

Swire Properties is committed to providing fair and competitive staff compensation programmes that will attract, motivate, retain and reward employees at all levels, including our Executive Directors and senior management. Our [Remuneration Policy](#) documents key remuneration principles developed to support the Company's strategy and is aligned with the Company's corporate values. This policy ensures that the Company has a consistent, transparent and clear approach to remuneration considerations.

The policy is founded on the following key principles:

- That compensation is competitive in the market.
- That pay is based on individual performance.
- Equity and fairness in pay.
- Transparency of employee performance.
- The Company's affordability.
- The Company's financial and individual performance.
- Options for pension schemes are provided as part of retirement benefits.

The Remuneration Committee reviews and approves remuneration proposals that concern our Executive Directors and senior management, making reference to the Remuneration Policy and the Board's corporate goals and objectives. The remuneration proposals of our Executive Directors and senior management are reviewed annually based on market data and peer comparison prepared by independent external consultants. No Executive Director or senior manager takes part in any discussion about his or her own remuneration. The remuneration of individual Executive Directors and senior managers by band is disclosed in the Annual Report of the Company.



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**Human Rights Policy**

We conduct our businesses in a manner which respects the human rights and dignity of our employees, those employed in our supply chains and the communities in which we operate, in line with the principles and guidance contained in the United Nations Guiding Principles on Business and Human Rights.

Our [Human Rights Policy](#), is informed by the International Bill of Human Rights and by the International Labour Organisation’s Declaration of Fundamental Principles and Rights at Work. The policy sets out the expectations for which our operations and supply chains should operate. The policy addresses diversity and inclusion practices, labour standards, health and safety, and employment conditions. Well-established channels are provided to our employees and stakeholders to report human rights-related issues.

The Swire Group Internal Audit department (“GIAD”) conducts regular assessments of the Company's adherence to the principles of the policy. Our business units are required to provide annual self-declarations on any non-compliance with human rights-related issues, including but not limited to child and forced labour, workplace discrimination and workplace health and safety within our operations and along our supply chain.

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

**Product Responsibility**

We are committed to ensuring that our marketing and communications materials comply with the relevant government regulations and industry guidelines, including the Residential Properties (First-hand Sales) Ordinance in Hong Kong 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 our business operations.

Please refer to the [Partners](#) section of this report for information about our Data Management and Protection Policy.

**HKEX**  
Aspect B6  
KPI B6.3, B6.5

**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 guidelines in place on conducting dealings with competitors and third parties, avoiding the abuse of market power, and participating in trade associations and industry bodies. We have also developed and implemented a Competition Law e-training programme for our relevant Hong Kong and Chinese Mainland employees.

In 2023, there were no legal actions related to anti-competitive behaviour brought against Swire Properties.

**GRI**  
206



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**Information and Cyber Security**

GRI  
418

Under our risk management framework, the Board and management are responsible for identifying and analysing the risks related to information and cyber security, and for determining how such risks should be managed and mitigated.

We are committed to complying with our Information Security Policy and Guidelines. We have adopted the National Institute of Standards and Technology (“NIST”) cyber security framework, and we regularly conduct independent information security governance assessments to identify opportunities for improvement. This year, we set our NIST cyber security maturity assessment target and made progress towards achieving it.

We also have a cyber incident response plan in place that outlines clear procedures and guidance for handling cyber security incidents and addresses potential threats from cyber-attacks that may disrupt our business. Scenario-based paper drills are conducted every year for continuous awareness training purposes.

This year, we also began developing and implementing our Digital Project Governance (“DPG”) policy, which applies to digital and information technology projects. The policy ensures that these projects comply with our applications and cloud architecture, cyber security, data privacy and operational standards by design and by default.

We regularly implement security and cyber security awareness training for our employees. In 2023, we offered approximately 8,690 hours of such training. We also offered an awareness programme to ensure that staff understand key concepts relating to information security.

In terms of compliance certification, in view of the increasing importance of and demand for privacy data security management, Swire Properties obtained an ISO 27701 certification extension, on top of our existing ISO 27001 Information Security Management System certification, covering all managed sites in Hong Kong, the Chinese Mainland and the U.S.A. We also continued to prioritise continuous governance and control over the handling of personal data and sensitive information to minimise our risk exposure.



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**Risk Management and Internal Controls**

**Risk Management and Internal Controls**

GRI  
2-12, 201, 403

The Board is responsible for determining the Risk Appetite and maintaining the Risk Governance Structure that facilitate the Risk Management Process to identify and analyse the Risk Profile underlying for the achievement of business objectives of the Company, and to determine 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 confirmations to the Board on the effectiveness of these systems.

The effectiveness of the risk management process and internal control systems is subject to audit by internal audit, with support from external specialists where necessary.

Further discussion of risk management is set out in the sections of the Corporate Governance Report headed “Accountability and Audit – Risk Management and Internal Control”, “Audit Committee – Assessing the Effectiveness of Risk Management and Internal Control Systems” and “Internal Audit Department – Scope of Work” in Annual Report 2023 respectively.

**Risk Appetite**

The Board acknowledges its responsibility to determine the nature and extent of the risks the Company is willing to take in achieving the Company’s strategic objectives whilst not exposing the Company to excessive risk of financial losses, business disruption, negative reputation, regulatory non-compliance and people’s health and safety. The Company has established and maintains an appropriate and effective risk management process and internal control systems to retain only risks that are manageable and at a reasonable level. In alignment with our risk appetite, the Company has established a risk assessment matrix and corporate risk register to evaluate and prioritise the key risks by taking into account of both financial and non-financial impact, as well as impact to our Sustainability Development 2030 (“SD 2030”) strategy. Moreover, the Company’s vulnerability and exposure to the key risks are assessed regularly to ensure that the appropriate internal controls and mitigating measures are in place for preventing and responding to any major incidents.



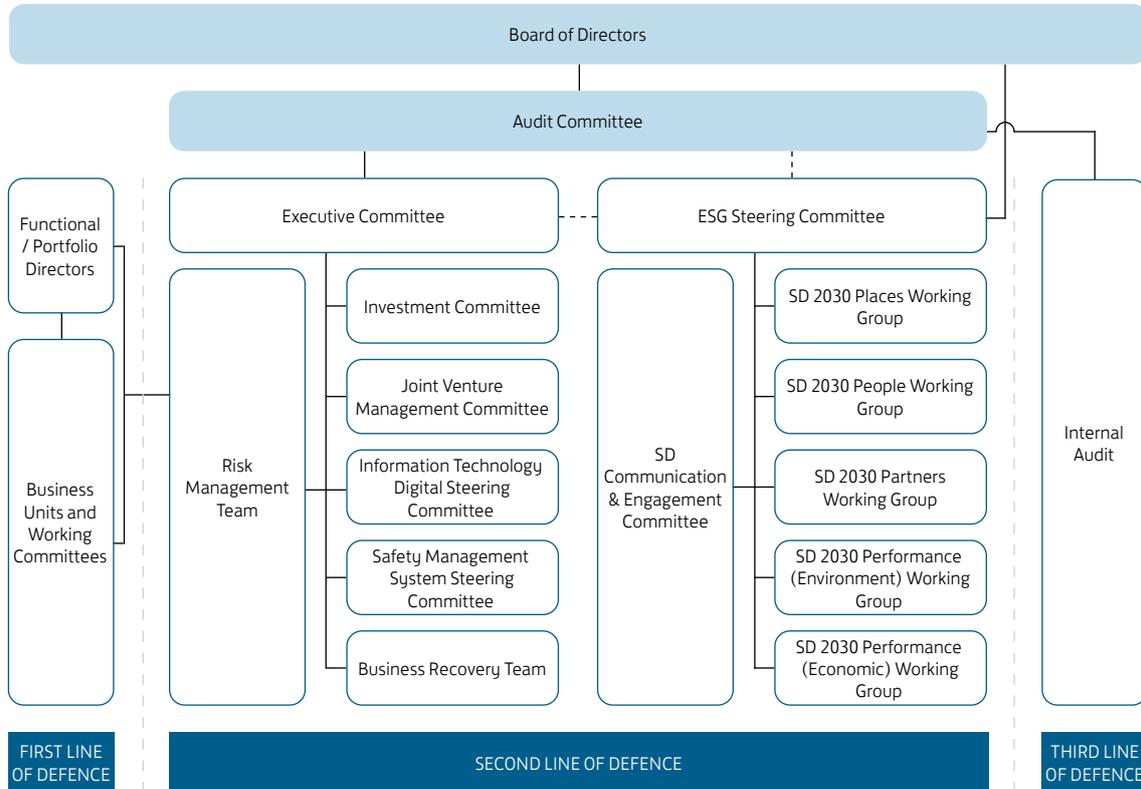
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### Risk Governance Structure



GRI  
2-12, 201, 403

The Board has ultimate responsibility for risk management, overseeing its design and implementation. The Board is supported by the Audit Committee.

The Company has implemented the three lines of defence model of risk governance. The model is designed to minimise conflicts of interest and ensure independent oversight of risk management.

In the first line of defence, the management of each business and operating unit identifies, analyses and reports on the risks for which it is responsible. Risks are mitigated, minimised and eliminated, where practicable and economically viable. Where risk cannot be eliminated, the related economic returns are required to reflect the level of risk retained. The first line of defence is supervised by the functional heads and portfolio directors.

The second line of defence led by the Executive Committee (“EXCOM”) supports the first line and provides assurance to the Board that risk is being managed effectively. The EXCOM chaired by the Chief Executive (also acting in the capacity of Executive Director) comprises two other Executive Directors and seven senior executives. It oversees all the risks to which the Company is subject and is responsible for the design, implementation and monitoring of the relevant risk management processes and internal control systems of the Company. Among the EXCOM meetings, review of the corporate risk register will be periodically conducted to evaluate the Company’s risk profile and exposure, to oversee the management of major risks, to identify emerging risks and to analyse risk events which materialise, with a view to their resolution and to learning from them. Sensitivity analysis or deep dive sessions on contemporary risk area such as geopolitical issues are conducted by EXCOM as appropriate. Matters of significance that arise are reported as appropriate to the Audit Committee and ultimately to the Board of Directors.



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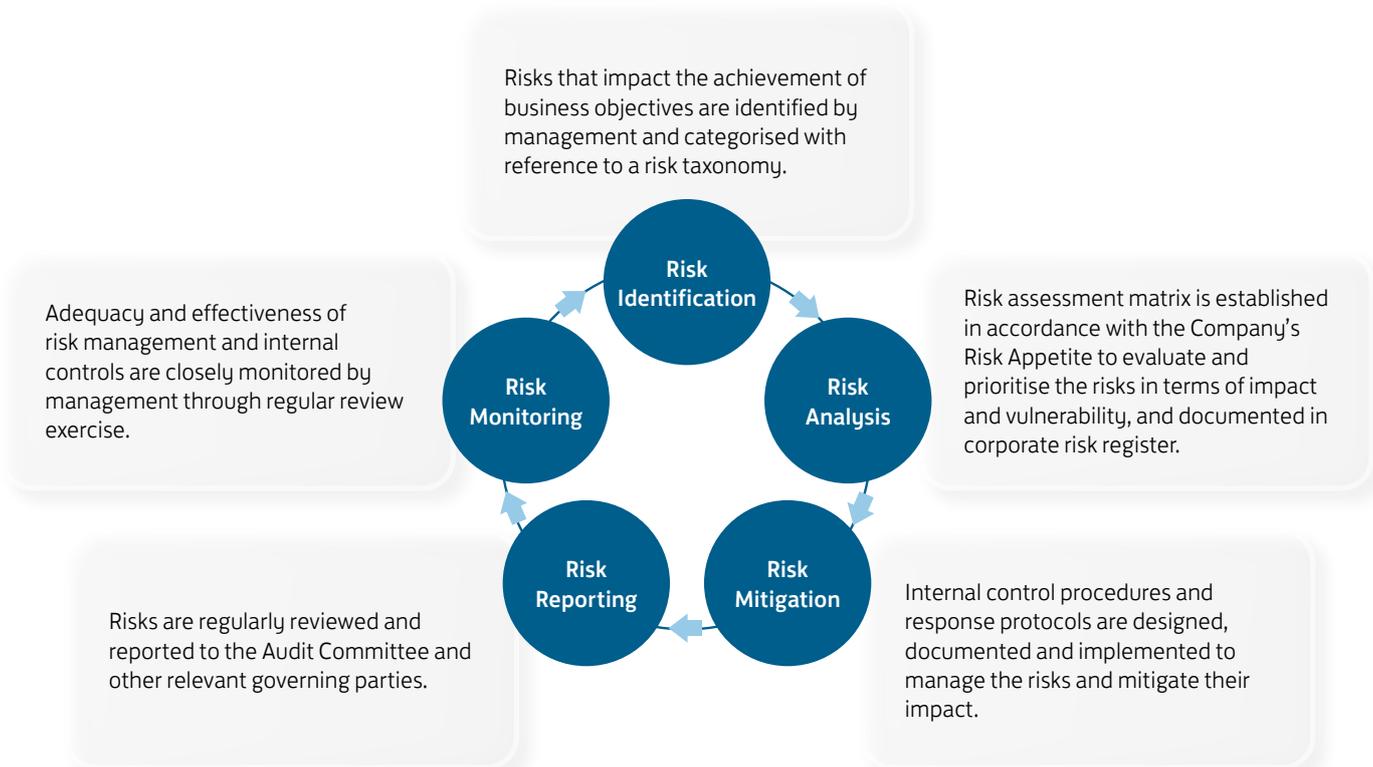
**Risk Management and Internal Controls**

EXCOM is supported by committees with specialisation in respective corporate and operating functions across the Company including investment appraisal, joint venture management, health and safety, crisis management, information security and data protection. EXCOM is also supported by the risk management team headed by the Finance Director. In relation to the Company’s SD 2030 Strategy, the Environmental, Social and Governance (“ESG”) Steering Committee has been set up and reports to the Board. ESG Steering Committee is supported by working groups to manage the ESG risks with respect to the five SD pillars: places, people, partners, environmental and economic performances; and the SD Communication & Engagement Committee to oversee the implementation of communication and engagement initiatives. The Chairman of the Audit Committee, who is also an independent non-executive director of the Company and reports to the Board, is a member of the ESG Steering Committee. Details of the responsibilities of each SD 2030 Working Groups are documented in the [SD Governance](#) section.

The third line of defence is provided by the Swire Group Internal Audit Department to assist the Audit Committee in carrying out analysis and independent assessment of the adequacy and effectiveness of the risk management and the internal control systems through a systematic review of the processes and internal control. Details of the scope of work is set out in Annual Report 2023.

### Risk Management Process

The following diagram illustrates the key risk management processes of the Company.





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**Risk Management and Internal Controls**

**Risk Profile**

The following table provides an overview of our key risk profile (listed in alphabetical order), including what we consider to be Swire Properties' principal existing and emerging risks, possible impacts, risk trend and mitigating measures that are in place or under development.

| Existing Risks and Possible Impacts   | Risk Trend  | Mitigation Measures  |
|---|---|--|
| <p><b>Brand and image</b><br/>The failure to maintain brand position and perception may make us less competitive. Social media, in particular, is considered as a high velocity risk which, if not properly managed, may cause disproportionate negative impact on the Company's brand, image and reputation.</p> |    | <ul style="list-style-type: none"> <li>• Crisis communication and social media policies are in place and are updated and tested regularly to ensure consistent, responsible and responsive communication (including when handling major incidents) in order to safeguard the Company's reputation.</li> <li>• Closely monitor social media in order to evaluate and provide responses to negative social media content.</li> <li>• Engagement with third parties to understand their perceptions of the Company and to anticipate current and potential economic, political, social or environmental issues that may adversely affect our reputation.</li> </ul>   |
| <p><b>Business disruption</b><br/>Severe disruption to the business caused by acts of man or acts of nature such as extreme weather and pandemics may have adverse financial effects on the Company.</p>  |  | <ul style="list-style-type: none"> <li>• A business recovery plan for major incidents, and other business compliance measures for specific scenarios, operational emergencies and health and safety, are in place and are regularly updated and tested.</li> <li>• Strategic plans are regularly reviewed to maintain business resilience and sustainability.</li> <li>• Conduct site surveys and consult professional advisors to ensure properties in earthquake and hurricane zones are built to meet the relevant building codes and safety standards.</li> <li>• Purchase insurance to the extent practicable to cover financial loss due to property damage, business interruption and third-party liabilities.</li> </ul> |
| <p><b>Business risks</b><br/>The lack of compelling development projects may lead to a slowdown in business. Disruptive business models, technologies and demographic factors are changing the behaviour and needs of tenant rapidly, leading to a new form of demand and space design.</p>                       |  | <ul style="list-style-type: none"> <li>• Obtain suitable reserves of land, reinforce existing assets and actively explore investment opportunities especially to focus on strategic locations which will bring synergy with the existing portfolios and prime locations with strong growth prospect.</li> <li>• Monitor and evaluate disruptive business models, with a view to making our operations more robust.</li> <li>• Enhance competitiveness by increasing efficiency, using appropriate technology for customer proposition and operational procedures.</li> </ul>   |
| <p><b>Cybersecurity and data protection</b><br/>Delay in the compliance of fast changing regulatory requirements, insufficient data security protection system and policies may expose the Company to cyber-attack with potential financial and reputational consequences.</p>                                    |  | <ul style="list-style-type: none"> <li>• Policies on information and cyber security are in place with regular updates.</li> <li>• Staff trainings, incident response drills and simulation tests are conducted regularly to raise the awareness of data security across the Company.</li> <li>• Regular evaluation and upgrading of the latest technologies on information security.</li> <li>• Insurance policy for cyber and crime are in place to transfer the risk and to reduce financial losses.</li> </ul>  |



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### Risk Management and Internal Controls

| Existing Risks and Possible Impacts   | Risk Trend | Mitigation Measures  |
|---|------------|--|
| <p><b>Development risks</b><br/>Delay in the completion of developments may have an adverse financial effect by delaying the timing of property sales and leasing. Cost inflation may also lead to significant financial impact due to economic volatilities, supply chain issues and labour shortage.</p>  |            | <ul style="list-style-type: none"> <li>• Closely work with contractors to monitor and manage construction progress to avoid delays in case of changing design and unexpected circumstances.</li> <li>• Stringent contractor prequalification requirements including financial position, manpower resources, resilience against geopolitical impact.</li> <li>• Build in contingencies for statutory approvals and communicate with government authorities on a timely basis.</li> </ul>  |
| <p><b>Political risks</b><br/>Changes in the global and local political landscape, policies and priorities may have significant impact on the business environment. Geopolitical risk and international tensions may impact the maintenance of the optimal portfolio mix. Any trade restrictions and international sanctions may adversely affect operating costs and tenant portfolio.</p>                         |            | <ul style="list-style-type: none"> <li>• Regular review of investment strategy, business model and capital allocation in response to any impact of international tensions and geopolitical risk.</li> <li>• Maintain high level of sensitivities to political and social issues by closely monitoring social media and government policies with a timely response.</li> <li>• Senior management engagement with government authorities to anticipate political developments in order to plan appropriate responses and to ensure compliance with applicable laws and regulations.</li> <li>• Maintain robust corporate governance practice through oversight functions (internal audit, risk management, the company secretary, legal counsel and independent non-executive directors).</li> <li>• Conduct regular screening and monitoring on key business partners with reference to international sanctions.</li> </ul> |
| <p><b>Third-party risks</b><br/>Misaligned interests, cultural fit and renegeing on commitments of joint venture partners may lead to project delays, financial and reputational impact. Changes in financial position resulting in liquidity problems, changes in leadership and stance of joint venture partners resulting in a withdrawal or reduction of their shareholdings, contribution and commitments.</p> |            | <ul style="list-style-type: none"> <li>• Conduct proper due diligence for potential joint venture partners and perform regular assessment as to credit rating and business performance.</li> <li>• Ensure a robust drafting of legal documents to include dispute resolution mechanism and exit strategy.</li> <li>• Ensure joint venture to adopt or to develop corporate codes with the same standard as that of Swire Properties.</li> <li>• Maintain robust governance structure to ensure open and timely discussions with joint venture partners by means of regular board meetings with proper agendas, maintenance of financial budgets, proper documentation of actions and responsibilities, pro-active partnership management and engagement to minimise miscommunication or disputes.</li> </ul>   |



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| Emerging Risks and Possible Impacts   | Risk Trend | Mitigation Measures  |
|---|------------|--|
| <p><b>Climate change</b><br/>Extreme weather conditions and climate change may increase the risks of physical damage to properties and adversely affect their valuation.</p>  |            | <ul style="list-style-type: none"> <li>A <a href="#">Climate Change Policy</a> is in place and is updated regularly.</li> <li>Conduct <a href="#">climate risk assessments</a> at all portfolios to manage the risks and to explore the opportunities arising from the transition to a target of net-zero carbon emission.</li> <li>Science-based targets have been established to achieve long-term decarbonisation.</li> <li><a href="#">Monitor and reduce carbon emissions</a> from construction activities and embodied carbon from major building and construction materials with the use of innovative technologies.</li> <li>Piloting the use of internal carbon pricing (“ICP”) to determine the potential impacts of carbon emissions for our investments, quantify carbon risks to our business operations and better reallocate capital towards low-carbon investment and opportunities.</li> </ul>  |
| <p><b>Nature and biodiversity risks</b><br/>Deteriorating natural environment and biodiversity loss may impact material availability and adversely affect construction costs. Delay in response to growing market demand for nature-inclusive design in properties may have adverse financial effects on the Company.</p> |            | <ul style="list-style-type: none"> <li>A Biodiversity policy is in place and is updated regularly.</li> <li>Participate in the Taskforce on Nature-related Financial Disclosures (TNFD) to formulate a global risk management and disclosure framework and contribute to collective nature-positive goals.</li> <li>Partner with university to conduct a biodiversity assessment at our Hong Kong office portfolio to evaluate the state of urban biodiversity after the completion of the redevelopment and propose measures to further enhance urban biodiversity in future developments.</li> <li>Conduct screening study of our global portfolio with biodiversity indicators to define a priority list and nature profile, and to identify the dependencies and impacts on natural assets and ecosystem services.</li> <li>Explore opportunities to integrate nature-based solutions in future new development projects to further enhance urban biodiversity, increase climate resilience and promote tenant wellbeing.</li> </ul> |



Risk level increased during the year 2023



Risk level decreased during the year 2023



Risk level remained broadly the same



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**Geopolitical Risk Workshop**



In June 2023, a geopolitical risk workshop was organised for Executive Committee members and senior management regarding key geopolitical risk scenarios that may affect the Company. Participants were divided into groups to identify and prioritise specific risk scenarios for our retail, office, residential, and hotels portfolios, and to propose, review and design mitigation controls and plans. As part of the workshop, a global sanctions

training session was conducted, providing an overview of the latest global sanction regimes and an analysis of their impacts on the Company.



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**Green Financing**

We are committed to integrating sustainability considerations into our financing mechanisms. By obtaining green financing through green bonds, green loans and sustainability-linked loans, we not only support the transition to a low-carbon, more resource-efficient and sustainable economy, we also reaffirm our commitment to sustainable development and to designing and developing sustainable projects that improve the wellbeing of building occupants and local communities.

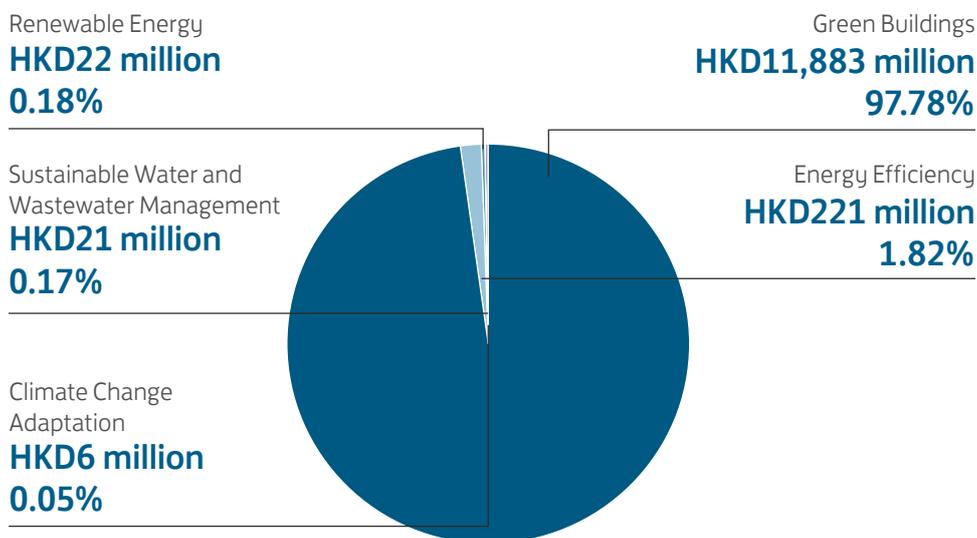
We have targeted achieving a minimum of 50% of bond and loan facilities from green financing by 2025 and 80% by 2030.

The issuance of our first green bond in January 2018 symbolised Swire Properties’ profound and ongoing commitment to SD. The bond raised USD500 million at a coupon rate of 3.5% and is due in 2028. In 2020, our commitment deepened further, with the issuance of four more green bonds totalling HKD1,934 million.

In 2023, we secured sustainability-linked loan facilities totalling HKD7.2 billion and green bonds totalling HKD6.0 billion. By the end of December 2023, approximately 60% of our current bond and loan facilities came from green financing. Swire Properties has received a reduction in the interest rates for all our signed sustainability-linked loans by achieving predetermined sustainability-linked performance targets. In July 2023, Swire Properties became the first Hong Kong corporation to issue an RMB-denominated public green bond, known as a “green dim sum bond”. The transaction raised RMB3.2 billion, making it the largest-ever corporate green dim sum bond issuance in Hong Kong. As of the end of 2023, 100% of the net proceeds from these green bonds had been fully utilised. Together with the green loan, the proceeds have been allocated to the following green projects:

**Allocation of Green Bonds and Green Loan Proceeds**

(As at 31st December 2023)





## PERFORMANCE (ECONOMIC)

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Our [Green Finance Report 2023](#) was released in April 2024, providing information on the projects funded by our green bonds and green loans and the estimated quantitative environmental impact, including energy and water saving, renewable energy generation, wastewater management practices, and other impacts.

### Hong Kong’s First Dim Sum Bond Issuance



In July 2023, Swire Properties announced our inaugural public RMB green bond issuance, making us the first Hong Kong corporation to issue an RMB-denominated public green bonds, or green dim sum bonds, and the first Hong Kong corporation to return to the public dim sum bond market since 2019. The transaction was also the largest-ever corporate green dim sum bond issuance in Hong Kong.

The transaction raised RMB3.2 billion – RMB2.5 billion at a coupon rate of 3.30% due in 2025, and RMB700 million at a coupon rate of 3.55% due in 2028. The net proceeds of these bonds will be used to fund or refinance the Company’s existing or new eligible green projects, particularly our retail-led mixed-used developments in the Chinese Mainland under the Taikoo Li and Taikoo Hui brands – developments that have the world’s highest green credentials.

The bonds also support the Hong Kong government’s green financing efforts, which aim to help the city become the world’s leading green technology and green finance centre.



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### Swire Properties' HKD100 Billion Investment Plan



In 2022, Swire Properties announced a HKD100 billion investment plan for developments in the Chinese Mainland, Southeast Asia and Miami, U.S.A. almost 60% of this amount has now been committed to new investments, including:

**Taikoo Li Xi'an, Shaanxi Province** – A retail-led project with retail and cultural facilities in addition to a House Collective hotel and serviced residences. This will be

the Company's seventh large-scale commercial development in the Chinese Mainland.

**Sanya, Hainan Island** – A premium, resort-style, retail-led development in Haitang Bay National Coastal Recreation Park. This will be the Company's eighth large-scale commercial development in the Chinese Mainland.

**Lujiazui Group Partnership, Shanghai** – This partnership will develop two new landmarks in the heart of Shanghai's Pudong New Area. These will be large-scale, mixed-use projects that include retail, office and premium residential components, comprising our ninth and tenth large-scale developments in the Chinese Mainland.

**Six Pacific Place, Hong Kong** – A 24-storey premium triple Grade A office building with a total area of around 218,000 sq ft.

**The Residences at Mandarin Oriental, Miami, U.S.A.** – A two-tower luxury development. The first tower, approximately 800 ft tall, will house 228 luxury branded Mandarin Oriental Residences. The second tower, approximately 400 ft tall, will feature what is destined to be the new North American flagship Mandarin Oriental Hotel, with 66 private residences, and 28 hotel residences.

**Bangkok, Thailand** – Swire Properties' first investment in the Bangkok property market is a 40% interest in a site that will be developed into a luxury condominium project in partnership with a local Thai developer.



**PERFORMANCE (ECONOMIC)**

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**Investor Relations**

Swire Properties believes in keeping our investors properly informed of our operations and plans, and in being transparent and proactively communicating with them about all matters, both sustainability-related and financial.

**Keeping our Investors Updated and Informed**

Since 2019, we have held ESG update sessions specifically for investors and analysts once a year. During the COVID-19 pandemic, these were held virtually. We held our fifth ESG update session in December 2023, part of a broader group meeting with investors.

During the session, our SD team presented the Company’s latest ESG initiatives and achievements, as well as our performance on various SD indices. This was followed by a comprehensive and interactive Q&A session to continue our open and transparent dialogue with our investment community.