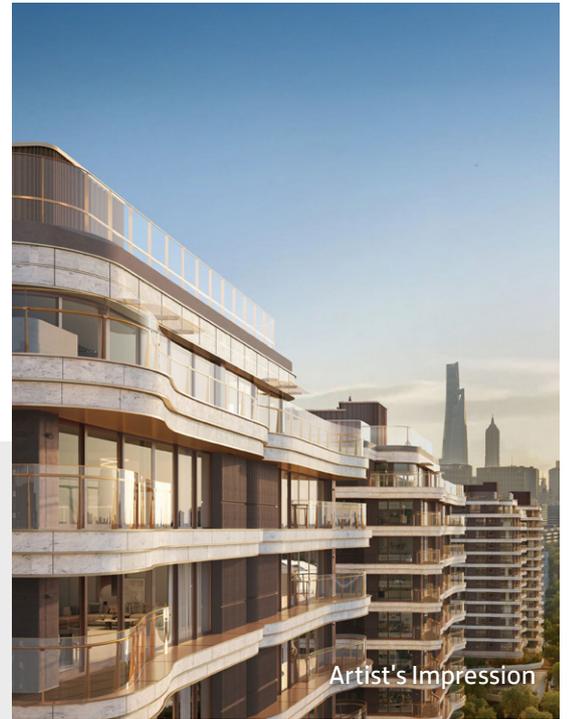




PERFORMANCE (ECONOMIC)

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





PERFORMANCE (ECONOMIC)

2024 Progress

Green Financing

Corporate Governance

Investor Relations

Risk Management

Swire Properties aims to deliver 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

2024 Progress

This year, our Performance (Economic) Working Group, made up of 10 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.

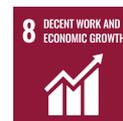
Swire Properties believes that communication is crucial to success. As such, we continued to engage with our investors at various events to keep them informed about our SD journey and our performance.

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 2024

- Details of our financial performance for the year ended 31 December 2024 are available in the [Swire Properties Annual Report 2024](#).



PERFORMANCE (ECONOMIC)

2024 Progress

Green Financing

Corporate Governance

Investor Relations

Risk Management



Green Financing

Green Bonds

2025 KPI

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

Progress Updates in 2024

- By the end of 2024, approximately **70%** of our current bond and loan facilities came from green financing.
- For more details, see our latest [Green Finance Report 2024](#), published in March 2025.



Corporate Governance

Anti-bribery and Anti-corruption

2025 KPI

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

Progress Updates in 2024

- An anti-bribery questionnaire covering the 2024 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’s and the relevant strategic leaders’ variable compensation

Progress Updates in 2024

- The Chief Executive’s and the relevant strategic leaders’ 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 2024

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



PERFORMANCE (ECONOMIC)

2024 Progress

Green Financing

Corporate Governance

Investor Relations

Risk Management

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 comprises of two other executive directors and six executive officers, is responsible for overseeing the day-to-day operations of the Company.

This year, the Nomination Committee was given overall responsibility for the implementation and monitoring of Swire Properties' Board Diversity Policy. The committee will also review the policy at least annually and recommend any proposed changes. Measurable objectives for policy implementation are published in the corporate governance reports in the Company's annual reports and on the Company's website.

For more information on Corporate Governance, please refer to the [Swire Properties Annual Report 2024](#).

GRI

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

HKEX

Aspect B6



PERFORMANCE (ECONOMIC)

2024 Progress
Green Financing

Corporate Governance
Investor Relations

Risk Management

Ethics

Corporate Code of Conduct

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

- Business ethics
- Conflicts of interest
- Competition and antitrust
- Anti Bribery
- Political contributions
- Gambling
- Procurement
- Record-keeping
- Use of Company information and property
- Whistleblowing
- Health and safety
- Environment
- Equal opportunities and diversity
- 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.

As part of the annual employee performance and development review process, all employees are required to sign a statement on an annual basis whereby they agree to abide by and regularly review the Code.

Since 2023, Swire Properties has obtained third-party assurance regarding the number of breaches 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. In 2024, there were three confirmed cases of breaches of the Code, concerning business ethics, conflicts of interest, procurement and use of company information and property.

Our adherence to the principles and requirements of ISAE 3000 covers the accuracy and integrity of the number of breaches 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



PERFORMANCE (ECONOMIC)

2024 Progress
Green Financing

Corporate Governance
Investor Relations

Risk Management

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 should contact either our Human Resources and Administration department, their immediate supervisor, or the Swire Group Internal Audit department (“GIAD”); 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 2024, we received a total of 21 whistleblowing reports. Fifteen cases were related to operational issues, and the rest were related to the Corporate Code of Conduct. All whistleblowing cases were evaluated and fully resolved.

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 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 2024, 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



PERFORMANCE (ECONOMIC)

2024 Progress

Green Financing

Corporate Governance

Investor Relations

Risk Management

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 at a minimum.

In September 2024, we launched a refresher anti-bribery and corruption (“ABC”) e-training course. This training is compulsory for all Hong Kong staff, both frontline and office, and for all Chinese Mainland staff. This translated to approximately 10,400 hours of anti-bribery-related training provided to employees across the Company in 2024. Additionally, anti-bribery and anti-corruption training materials were provided to the Board of Directors.

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. 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 relevant senior management (including Executive Directors), making reference to the Remuneration Policy and the Board’s corporate goals and objectives. The remuneration proposals of our relevant senior management (including Executive Directors) are reviewed annually based on market data and peer comparison prepared by independent external consultants. No Executive Director or strategic leader takes part in any discussion about his or her own remuneration. The remuneration of individual Executive Directors and strategic leaders by band is disclosed in the Annual Report of the Company.



PERFORMANCE (ECONOMIC)

2024 Progress

Green Financing

Corporate Governance

Investor Relations

Risk Management

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. We comply with national laws where they conflict with human rights standards but still do our best to respect the latter. The policy sets out the expectations we have for how 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 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.

In 2024, we initiated a human rights assessment to enhance our understanding of the general human rights issues. The assessment evaluates our potential exposure and impact across our business activities and operating regions, and identify the associated risks to our business. The assessment gathers insights from international sustainability and human rights-related frameworks, sustainability indices, and peers' best practices to develop a list of human rights risks, further leveraging a dataset with machine learning and extensive civil society research to provide insights on country-level and operational level human rights issues.

Under the human rights assessment, we conducted:

1. Human Rights Landscape Review
 - Conduct an in-depth review, identification, and benchmarking of human rights issues, referencing global standards, sustainability indices, and peer organisations.
2. Human Rights Exposure Mapping
 - Analysis of potential key human rights issues' exposure across different business operations and countries to understand the context of adverse impacts on affected stakeholders.
3. Prioritisation of Human Rights Issues
 - Prioritise human rights issues with reference to the UN Guiding Principles on Business and Human Rights' criteria on severity (scale, scope and irremediability) and likelihood to understand the issues.

The study will inform future regular reviews of our Human Rights Policy, providing insights on how we can enhance the implementation, monitoring and communication of the Policy across our operations going forward.

HKEX

 Aspect B4
 KPI B4.1, B4.2



PERFORMANCE (ECONOMIC)

2024 Progress

Green Financing

Corporate Governance

Investor Relations

Risk Management

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 that our employees comply with applicable legal requirements relating to the collection, holding, processing, disclosure and use of personal data, and that they respect the privacy of others and the confidentiality of information received during 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, 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 2024, there were no legal actions related to anti-competitive behaviour brought against Swire Properties.

GRI
206



PERFORMANCE (ECONOMIC)

2024 Progress
Green Financing

Corporate Governance
Investor Relations

Risk Management

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 have successfully achieved our NIST cybersecurity maturity assessment target. Coupled with our ISO 27001 certification, which ensures the maintenance of a robust information security management system, we are well-equipped to protect our information assets and uphold the highest standards of cybersecurity.

We have appointed a Managed Security Operation Centre (“MSOC”) that offers 24/7 cybersecurity monitoring and response services to safeguard our information assets. Additionally, we conduct regular phishing email drills and regular e-training to foster awareness among our staff and provide accessible channels for reporting phishing incidents.

We also maintain a comprehensive cyber incident response plan that outlines clear procedures and guidance for managing and addressing potential threats from cyber-attacks that could disrupt our business operations. To ensure continuous awareness, we conduct scenario-based drills annually.

In alignment with our Threat Vulnerability Management Policy, we actively gather threat intelligence, perform regular scans for internal vulnerabilities, and promptly address any identified issues.

Our Digital Project Governance (“DPG”) Policy 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 2024, we offered approximately 9,670 hours of such training. We also held personal data refresher training for our departmental leaders and strategic leaders in Hong Kong and the Chinese Mainland. This training is conducted every two years.

Recognising the growing significance of data privacy and security management, Swire Properties has extended its ISO 27001 certification to include ISO 27701. These certifications encompass all managed sites in Hong Kong, the Chinese Mainland, and the U.S.A. We are committed to robust governance and control over personal data and sensitive information, minimising risk exposure through our comprehensive data privacy governance framework. This framework allows us to remain vigilant regarding the evolving landscape of data privacy regulations in the regions where we operate, ensuring compliance with both regulatory requirements and our internal policies.

In 2024, there were no confirmed information security breaches.



PERFORMANCE (ECONOMIC)

2024 Progress
Green Financing

Corporate Governance
Investor Relations

Risk Management

Risk Management

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, thereby striking a balance between threats and opportunities. 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.

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, whilst exploring and capturing opportunities where appropriate. 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 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.



PERFORMANCE (ECONOMIC)

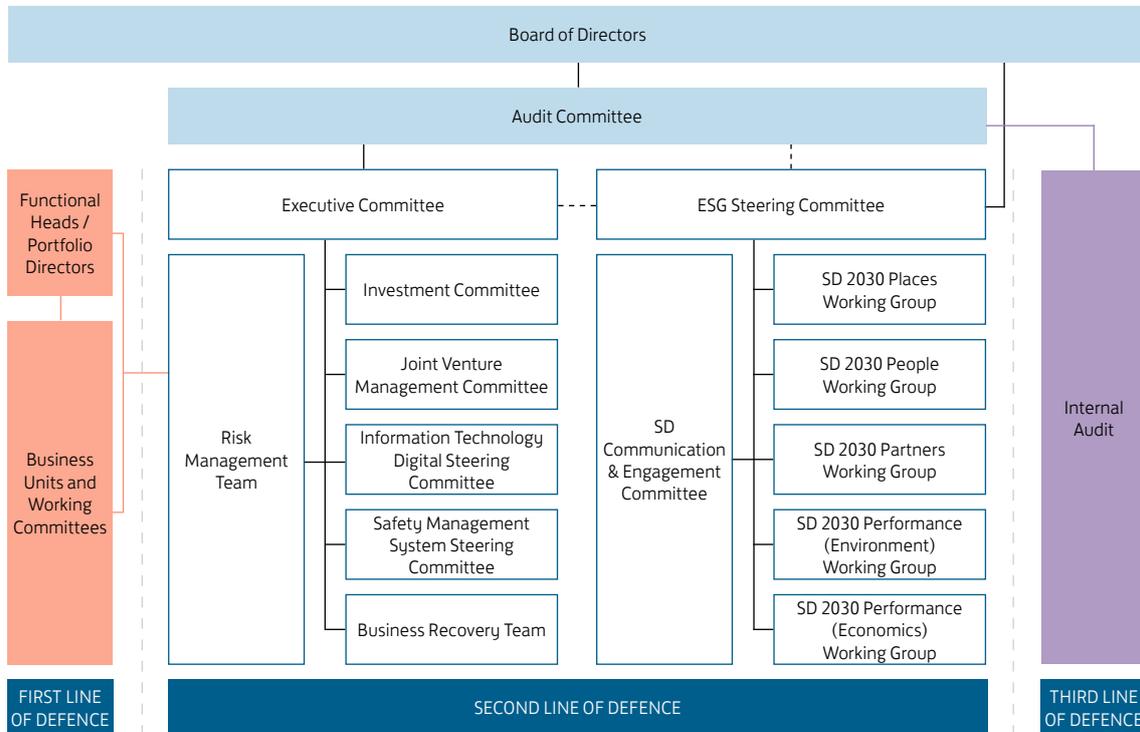
2024 Progress
Green Financing

Corporate Governance
Investor Relations

Risk Management

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 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 and to balance threats against opportunities. 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 six executive officers. It manages 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 each ExCom meetings in general, review of the corporate risk register will be conducted to evaluate the Company’s risk profile and exposure, to oversee the management of major risks, to identify emerging and potential 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, economic or operational 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.



PERFORMANCE (ECONOMIC)

2024 Progress
Green Financing

Corporate Governance
Investor Relations

Risk Management

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 ESG Steering Committee has been set up and reports to the Board. The ESG Steering Committee is supported by working groups to manage the ESG risks and opportunities, including climate-related and nature-related ones with respect to the five SD pillars: Places, People, Partners, Performance (Environment) and Performance (Economic). It is also supported by the SD Communication & Engagement Committee to oversee the implementation of communication and engagement initiatives. The ESG Steering Committee reports material SD and ESG issues (including climate-related and nature-related risks and opportunities) and the progress made towards key performance indicators to the Board. 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 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 controls. Details of the scope of work is set out in Annual Report 2024.

Risk Management Process

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





PERFORMANCE (ECONOMIC)

2024 Progress
Green Financing

Corporate Governance
Investor Relations

Risk Management

Risk Profile

The Company has established a risk assessment matrix to evaluate and prioritise its risks in terms of the impact and vulnerability. The following table provides a profile of our key risks (listed in alphabetical order), including what we consider to be Swire Properties’ principal existing and emerging risks, their possible impacts, risk trend and mitigating measures that are in place or under development.

Existing Risks and Possible Impacts	Risk Trend	Mitigation Measures
<p>Brand and Image</p> <p>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"> • 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. • Closely monitor social media in order to evaluate and provide responses to negative social media content. • 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.
<p>Business Disruption</p> <p>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 to the Company.</p>		<ul style="list-style-type: none"> • 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. • Strategic plans are regularly reviewed to maintain business resilience and sustainability. • 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. • Purchase insurance to the extent practicable to cover financial loss due to property damage, business interruption and third-party liabilities.
<p>Business Risks</p> <p>Economic slowdown and uncertainties in the cities we operate may lead to substantial decline in business activities, revenue and profit. Disruptive business models and technologies as well as 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"> • Pace new projects with market demands. • Expand the Company’s presence in other markets, and explore other commercial opportunities in the longer run. • Monitor and evaluate disruptive business models, with a view to making our operations more robust. • Continue to carry out improvements to our retail trade mix alongside with experiential shopping, innovative and customer-focused campaigns, loyalty programme initiatives and premium lounges, and crossover promotions between Hong Kong and the Chinese Mainland from helping to broaden our reach to customers.



PERFORMANCE (ECONOMIC)

2024 Progress
Green Financing

Corporate Governance
Investor Relations

Risk Management

Existing Risks and Possible Impacts	Risk Trend	Mitigation Measures
<p>Climate Change</p> <p>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"> A Climate Change Policy is in place and is updated regularly. Conduct climate risk assessments at all portfolios to manage the risks and to explore the opportunities arising from the transition to a target of net-zero carbon emission. Science-based targets and net-zero vision have been established to achieve long-term decarbonisation, supported by investment in energy efficiency and renewable energy adoption. Monitor and reduce carbon emissions from construction activities and embodied carbon from major building and construction materials with the use of innovative technologies. 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.
<p>Cybersecurity and Data Protection</p> <p>Threats to customers, tenants and staff from cyber-attacks on our websites, applications, internet services, data and emails result in business interruption, financial loss and reputational damage.</p>		<ul style="list-style-type: none"> Policies on information and cyber security are in place with regular updates. Staff trainings, incident response drills and simulation tests are conducted regularly to raise the awareness of data security across the Company. Regular evaluation and upgrading of the latest technologies on information security. Insurance policy for cyber and crime are in place to transfer the risk and to reduce financial losses.
<p>Development Risks</p> <p>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"> Closely work with contractors to monitor and manage construction progress to avoid delays in case of changing design and unexpected circumstances. Stringent contractor prequalification requirements including financial position, manpower resources, and resilience against geopolitical impact. Build in contingencies for statutory approvals and communicate with government authorities on a timely basis.



PERFORMANCE (ECONOMIC)

2024 Progress
Green Financing

Corporate Governance
Investor Relations

Risk Management

Existing Risks and Possible Impacts	Risk Trend	Mitigation Measures
<p>Political Risks</p> <p>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"> • Regular review of investment strategy, business model and capital allocation in response to any impact of international tensions and geopolitical risk. • Maintain high level of sensitivities to political and social issues by closely monitoring social media and government policies with a timely response. • Engagement with government authorities to anticipate political developments in order to plan appropriate responses and to ensure compliance with applicable laws and regulations. • Maintain robust corporate governance practice through oversight functions (internal audit, risk management, the company secretary, legal counsel and independent non-executive directors). • Conduct regular screening and monitoring on key business partners with reference to international sanctions.
<p>Third-party Risks</p> <p>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"> • Conduct proper due diligence for potential joint venture partners and perform regular assessment as to credit rating and business performance. • Ensure a robust drafting of legal documents to include dispute resolution mechanism and exit strategy. • Ensure joint venture to adopt or to develop corporate codes with the same standard as that of Swire Properties. • 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.



PERFORMANCE (ECONOMIC)

2024 Progress
Green Financing

Corporate Governance
Investor Relations

Risk Management

Emerging Risks and Possible Impacts	Risk Trend	Mitigation Measures
<p>Nature and Biodiversity Risks</p> <p>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"> • A Biodiversity policy is in place and is updated regularly. • 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. • 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. • 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. • Explore opportunities to integrate nature-based solutions in future new development projects to further enhance urban biodiversity, increase climate resilience and promote tenant wellbeing.
<p>Supply Chain Resilience</p> <p>Possible supply chain interruptions arising from incidents including geopolitical events, resource outages and natural catastrophes (due to extreme weather events and climate change) that would significantly disrupt the operations and construction activities, potentially leading to increased costs, reduced productivity, and loss of customer trust.</p>		<ul style="list-style-type: none"> • Close monitoring of geopolitical trends and events through news media reports, and prevailing public and government opinion. • Having crisis management and business continuity plans in place. • Managing relationships with key third parties. • Review of contract terms and conditions to ensure viable alternatives upon disruptions, and close management of product lifecycles in operating companies. • Perform supplier ESG screening (including climate resilience) and improvement recommendations for major suppliers via international ESG assessment and ratings provider.



Risk level increased during the year 2024



Risk level decreased during the year 2024



Risk level remained broadly the same



PERFORMANCE (ECONOMIC)

2024 Progress

Green Financing

Corporate Governance

Investor Relations

Risk Management

Corporate Risk Register Bottom-up Pilot at Citygate



Swire Properties' new digitalised CRR platform offers a standard corporate-level template for updating risk details, risk scores and risk mitigation measures, making it easier to benchmark risks across the Swire Group. In early 2024, we extended the digitalised CRR to the business unit level, with a pilot run at Citygate in Hong Kong that has now been completed.

We are planning to further roll out this business unit-level digitalised risk register to other business units in phases. A second pilot is now being conducted at Taikoo Hui Guangzhou.

Geopolitical Risk Workshop

In 2023, a geopolitical risk workshop was organised for our Executive Committee members and strategic leaders focusing on 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.

In late 2023, leveraging the insights from this workshop, we performed initial sanctions screenings in batches for existing vendors and tenants, while in 2024, we conducted quarterly screenings for newly on-boarded vendors and tenants and half-yearly monitoring for existing vendors and tenants. No exceptions were discovered.

In November 2024, we issued our Guidelines on Sanctions Screening, to provide guidance on pre-onboarding sanctions screening and ongoing monitoring as part of our KYP ("know your partner") procedures.



PERFORMANCE (ECONOMIC)

2024 Progress

Green Financing

Corporate Governance

Investor Relations

Risk Management

Full-scale Business Recovery Plan Drill

Every two years, Swire Properties conducts a full-scale Business Recovery Plan (“BRP”) drill exercise. The latest exercise, held in November 2023, saw our Business Recovery Team (“BRT”) members and their alternates successfully conduct a BRP crisis simulation.

Throughout 2024, we conducted various activities to further enhance BRT member education and raise the awareness level of new BRT members, alternates and other strategic leaders to improve their crisis management knowledge and experience.

We also ensure that we have portfolio crisis response plans in place and that these are up to date and effective. During the year, we aligned our Chinese Mainland portfolio crisis response plans with our Hong Kong BRP to ensure consistency.

A BRP exercise for the alternate BRT members was held in mid-November 2024, facilitated by an external consultant.



PERFORMANCE (ECONOMIC)

2024 Progress

Green Financing

Corporate Governance

Investor Relations

Risk Management

Green Financing

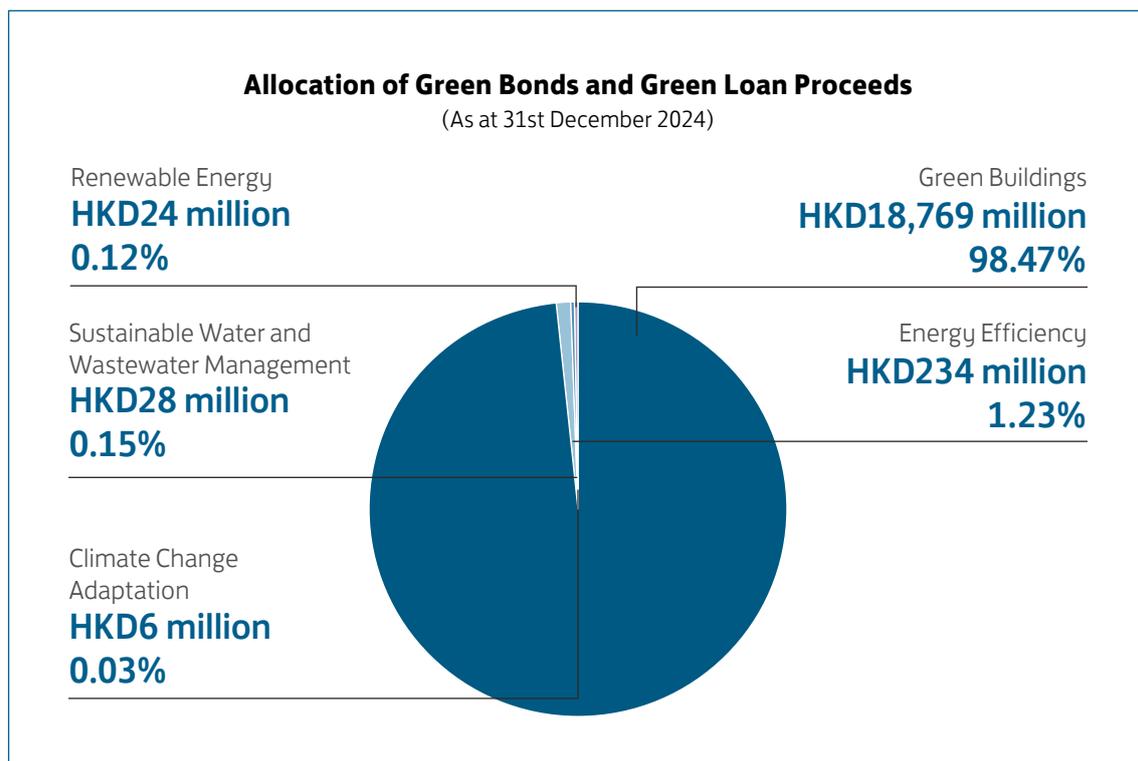
We are committed to integrating sustainability considerations into our financing mechanisms. By obtaining green financing through green bonds, green loans and sustainability-linked loans, not only do we support the transition to a low-carbon, more resource-efficient and sustainable economy, we also reaffirm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

We target to achieve a minimum of 50% of bond and loan facilities from green financing by 2025 and 80% by 2030. By the end of 2024, approximately 70% of our current bond and loan facilities came from green financing.

The issuance of our first green bond in January 2018 symbolised Swire Properties' profound and ongoing commitment to sustainability. 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 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. In 2024, we issued green bonds totaling approximately HKD6.9 billion, of which RMB3.5 billion was issued by way of dim sum bond in September 2024, the Company's largest offshore RMB bond issuance to date.

As of the end of 2024, 100% of the net proceeds from these green bonds had been fully utilised.

The proceeds of our green financing, including our green loans, have been allocated to the following projects:





PERFORMANCE (ECONOMIC)

2024 Progress

Green Financing

Corporate Governance

Investor Relations

Risk Management

Our [Green Finance Report 2024](#) was released in March 2025, 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.

Internal Carbon Pricing Updates



In 2023, Swire Properties began piloting the use of internal carbon pricing (“ICP”) to determine the potential impacts of carbon emissions on our investments, quantify carbon risks to our business operations and better reallocate capital towards low-carbon and energy efficient investment and opportunities. ICP also facilitates engagement across departments and teams, allowing them to integrate carbon-reduction strategies with business

objectives and achieve our common decarbonisation goal.

The ICP Committee, consisting of representatives from the FMSD and Finance Department, jointly administers the decarbonisation funds generated by ICP initiatives, which are used to finance innovative solutions to help us achieve our science-based targets. The ESGSC oversees the overall mechanism and project approval to ensure that funds are effectively channelled towards meaningful and impactful projects.

The ICP mechanism is a hybrid model comprising a carbon fee and shadow pricing. The internal carbon fee that has been set is based on the units of emissions generated by Scope 1 and 2 operational emissions and on the Scope 3 business travel emissions generated in the previous financial year. Proceeds collected through the fee are set aside in a decarbonisation fund to support additional decarbonisation projects. A carbon fee of USD22/tCO₂-e was applied for 2023 and 2024, but this will be adjusted to USD40/tCO₂-e in 2025 to bring the fee closer in line with prices forecast by the Asian Development Bank.

The shadow pricing mechanism provides additional information about the impact of emissions associated with our businesses’ capital expenditures and thus aligns the investment decision making process with our carbon reduction goals. It also reveals hidden risks and opportunities present throughout our operations and supports strategic decision making related to future capital investments. The shadow pricing mechanism will be applied to planned projects that exceed a threshold value or projects that meet selected criteria. A shadow carbon price of USD50/tCO₂-e was applied for 2023 and 2024 but this will be adjusted to USD100/tCO₂-e in 2025 to bring the fee into alignment with projections made by the High-Level Commission on Carbon Pricing.



PERFORMANCE (ECONOMIC)

2024 Progress
Green Financing

Corporate Governance
Investor Relations

Risk Management

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. We held our sixth ESG update session in late 2024, part of a broader group meeting with investors.

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

Launch of Hong Kong Financial Reporting Standards – Sustainability Disclosure Standards



In October 2024, the International Capital Market Association published the Hong Kong Voluntary Code of Conduct for ESG Ratings and Data Products Providers. The development of the code was sponsored by the Hong Kong Securities and Futures Commission (“SFC”), with Swire Properties serving as a working group observer over the past year, contributing our views and experience to the code’s development.

The launch of the code is crucial to the development of the ESG market, as there have been growing concerns around the transparency, quality and reliability of ESG ratings and data products that have emerged comparatively rapidly. The code can help to improve trust in these products, especially those relevant to the financial services sector, guide investors in allocating their money to the right assets and help alleviate the risk of greenwashing.