Sustainable Building Design Policy

All companies in which Swire Pacific has a controlling interest should adopt an appropriate sustainable design standard for new and existing buildings developed, owned or used by the company unless this is technically not feasible[1], is determined to be economically unviable compared with the overall project cost, or if the building is under a short-term lease (e.g.: less than two years).

Associated and joint venture companies are encouraged to follow this policy, as are our business partners and supplier.

ADMINISTRATION PROCEDURE

- All new residential and commercial buildings with construction floor area (CFA) of more than 5,000 m^2 should obtain a minimum of the second highest relevant grade or above under an internationally or locally recognised building environmental assessment standard equivalent to the Leadership in Energy and Environmental Design (LEED) or Building Environmental Assessment Method (BEAM Plus) or WELL Certification. Best efforts should be made for buildings with CFA of less than 5,000 m^2, or that are constructed for alternative uses, to obtain the same minimum grade. Companies are encouraged to strive to obtain the highest grade under such assessment systems when practicable.

- All existing buildings with CFA of more than 5,000 m^2 should obtain a minimum of the second highest relevant grade under a recognized standard equivalent to BEAM Plus or LEED or WELL whenever there are major renovations or refurbishments. Best efforts should be made for buildings with CFA of less than 5,000 m^2 to obtain the same minimum grade.

- All existing buildings without major renovations or refurbishments are also encouraged to obtain similar standard as above where practicable.

- Major retrofitting on commercial premises to be occupied by the Companies should also be certified under a recognised standard equivalent to BEAM Plus Interiors or LEED Commercial Interiors or WELL Certification, where practicable.

[1] "Technically not feasible" projects are encouraged to obtain the second highest feasible grade or above under an internationally or locally recognised building environmental assessment standard equivalent to the Leadership in Energy and Environmental Design (LEED) or Building Environmental Assessment Method (BEAM Plus). Divisions/Operating Companies must check with Sustainable Development Office where "technical not feasible" option can be applied.

- Preference should be given to choosing rental premises whose base shell and core have been assessed under a recognised standard equivalent to BEAM Plus or LEED or WELL where practicable.
- Reassessment should be carried out regularly in accordance with the requirements of the adopted standard.
- All new buildings should incorporate climate resilience design and measures to mitigate climate-related physical risks (such as flooding, heat stress, water stress and extreme wind impact) via a climate scenario analysis. Existing buildings should also be assessed and incorporate adaptation measures wherever appropriate.
- Companies are encouraged to seek technical assistance from the Sustainable Development Office.

REVIEW

We will review this policy as appropriate and, in any event, once every 3 years.

This policy has been endorsed by the Group Risk Management Committee (GRMC), which is delegated with the responsibility to provide oversight of the Group's risks through the setting of risk management policies and strategies by the Swire Pacific Board.

EXPLANATORY NOTES

Sustainable buildings are designed, built, renovated, operated, and reused in an ecological and resource-efficient manner to meet certain objectives such as protecting occupant health, using energy, water and other resources more efficiently, and reducing the overall impact to the environment. The benefits of implementing a sustainable design strategy range from improving air and water quality to reducing energy, water, and waste usage, and minimising waste generation. This benefits owners, occupiers, and society generally. Although the cost of the initial design and construction may be slightly higher for sustainable buildings, it is anticipated that these higher initial costs should be offset over time by the savings accrued due to greater operational efficiency. Moreover, other benefits may be achieved such as productivity gains due to healthier working environments.

REFERENCES

Some commonly used and respected building rating standards include BEAM Plus (HK), LEED (US), WELL (US), BREEAM (Building Research Establishment Environmental Assessment Method, UK), Green Mark (Singapore) and Green Building Label (China).