



Sustainable
Development
Report
2013

Contents

02	Chief Executive's Message
04	About This Report
10	Our Business
14	Our Commitment
22	Our Environment
42	Our People
58	Our Community
68	Sustainability in Action
77	Membership and Awards
81	Performance Data Summary
83	Verification Statement
84	Global Reporting Initiative Index

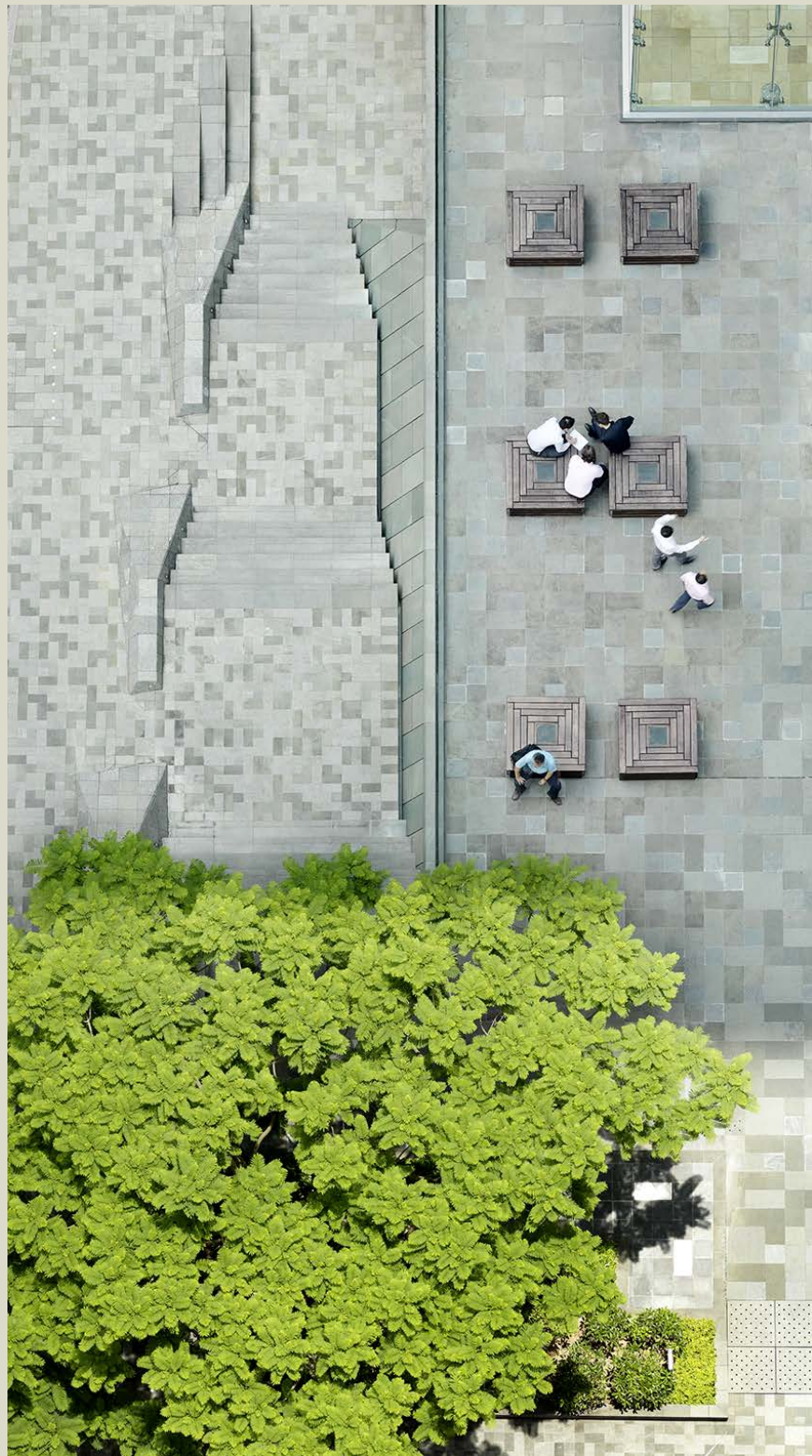


CHIEF EXECUTIVE'S MESSAGE

At Swire Properties, we seek to develop and manage properties in a manner that maximises value for our shareholders. Pursuing this unambiguous objective, however, takes on a wealth of dimensions that stem from our core philosophy of “building communities”. While we certainly endeavour to create economic value, we believe equally in the importance of creating social value that has a positive effect on the people who live and work in our communities.

To gain an understanding of what this means, I invite you to read through this report, which provides a comprehensive account of our sustainable development activities and performance during 2013. Better yet, I invite you to walk through one of our communities, and experience first-hand how we have successfully created liveable, integrated spaces that complement the vitality of the distinct neighbourhoods where we operate.

Our communities are the best testament to what we have achieved over the last 40 years, and as we continue to expand the successful large-scale mixed-use development model we have perfected in Hong Kong to select markets around the world, we will judge our performance on the depth and breadth of the communities we build and nurture.



A new chapter in Miami, United States

We have been active in the US real estate market since 1979, having developed a range of projects on Brickell Key in Miami, Florida. In 2012, we announced and broke ground on Brickell City Centre, our first mixed-use development in Miami and the city's largest ever single construction project. This US\$1.05 billion project builds on our strong reputation in Miami, which is based on our more than 30 years of operational experience in the city and our deeply rooted relationships with the community.

Brickell City Centre represents a unique opportunity to bring our experience in developing world-class mixed-use properties in Hong Kong and Mainland China to the US. We take pride in creating places where people can live, work and enjoy life, and we are thrilled to apply this approach in Miami, where we hope to transform the Brickell neighbourhood into the city's most vibrant commercial destination.

As with all our projects, we have planned and designed Brickell City Centre to meet the needs of a broad community of residents, tenants and customers in environmentally, socially and economically responsible ways. To learn more about this new project, including our cutting-edge architectural feature, the CLIMATE RIBBON™, I encourage you to read the Sustainability in Action section of this report, which focuses on Brickell City Centre's innovative and wide-reaching sustainability features.

Leading by example in environmental initiatives

As an established and experienced property developer and manager, we have the opportunity to influence behaviour widely and effect positive change wherever we do business. One area in particular where we aim to lead by example is in the environmental performance of our buildings.

In 2013, we launched our 2020 Energy Reduction Pledge to reduce our annual energy consumption by 52 million kWh by 2020. This pledge is undertaken via a myriad of our other initiatives, including strict adherence to energy targets and

goals, investments in energy performance upgrades, support of energy research, and the provision of free energy audits for tenants and NGOs.

We also continued implementing waste management solutions across our properties in 2013, including comprehensive recycling schemes, in an effort to optimise our waste management practices.

Engagement and accountability

Whether through our stakeholder engagement initiatives, community volunteer programmes, employee training and development activities, support of the arts and education, or philanthropy, we aim to build and maintain inclusive communities wherever we do business. This philosophy is at the core of the Swire Properties business model.

In 2013, we extended our stakeholder engagement activities to include the development of a tangible action plan that will allow us to further incorporate sustainable development into our business. This has allowed us to pinpoint areas of greater importance to our stakeholders so that we can effectively align our business goals with those of the people in our communities or along our value chain.

Along these lines, I encourage you to send us your suggestions and ideas after reading through this report. By providing a summary of our sustainable development activities, performance and targets, we aspire to honour our commitment to integrity, originality and quality – a commitment that has served us well in building transformative developments that give rise to and sustain living, breathing communities.



Martin Cubbon
Chief Executive

ABOUT THIS REPORT

Our Sustainable Development Report provides an overview of the economic, environmental and social performance of the assets and activities operated by Swire Properties in 2013. We published an annual Environmental, Health & Safety Report from 2003 to 2007, and we have published a Sustainable Development Report annually since 2008.



Stakeholder Engagement and Materiality

This report focuses on the environmental, workplace, community, value chain and governance issues that matter most to our company and stakeholders.

Swire Properties' stakeholders are defined as those internal or external groups who have a significant impact on our business or who experience significant impact from our operations.



Evolution of Our Stakeholder Engagement Strategy

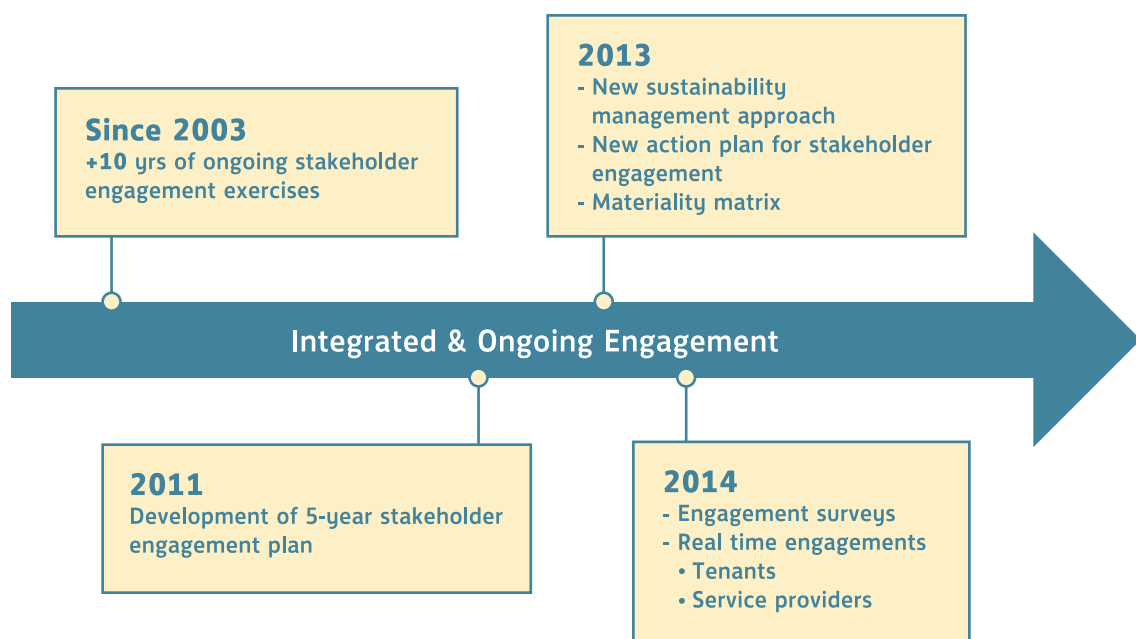
For more than 10 years, we have actively developed our stakeholder engagement strategy with a series of refinements that have allowed us to effectively respond to stakeholder needs and desires.

Since 2004, we have conducted ongoing stakeholder engagement exercises that have given us a good understanding of stakeholders' priorities, expectations and perceptions of sustainable development at Swire Properties. This understanding has helped shape our overall sustainability strategy and how to best communicate our sustainable development performance.

In 2011, we developed a 5-year stakeholder engagement plan to ensure we systematically engage with a range of interest groups at least once every year. In 2013, using focus groups, surveys, review panels, online forums, meetings and seminars, joint projects and partnerships, we developed a tangible action plan on how to effectively embed sustainable development across our business to create shared value for all stakeholders.

Following a review of our stakeholder engagement practices and the feedback we have received over the years, we noted areas for improvement and identified opportunities for more effective implementation and communication.

Stakeholder Engagement Timeline



In 2013 we modified our approach to focus on integrated, ongoing stakeholder engagement, allowing us to stay up to date on a real-time basis over the longer term. In addition, we have adopted a new sustainability management approach that empowers all business units to take ownership for setting measurable sustainable development targets. This allows us to better integrate our sustainability vision across our operations, and it enables us to set more focused and specific objectives (see [Our Commitment](#)).

As part of our 2014 engagement plan, we will conduct several engagement surveys targeting various stakeholders, including a brand survey and an alignment and engagement survey.

The brand survey will gauge the views and perceptions of office and frontline staff and external stakeholders in Hong Kong and Mainland China of Swire Properties and its brand values, including its sustainability vision.

The alignment and engagement survey will compare Swire Properties with a database of other high-performing organisations to assess our relative strengths and weaknesses across a wide range of factors, including brand perception. The survey will be run in Hong Kong first, after which we will deploy it in Mainland China and the US.

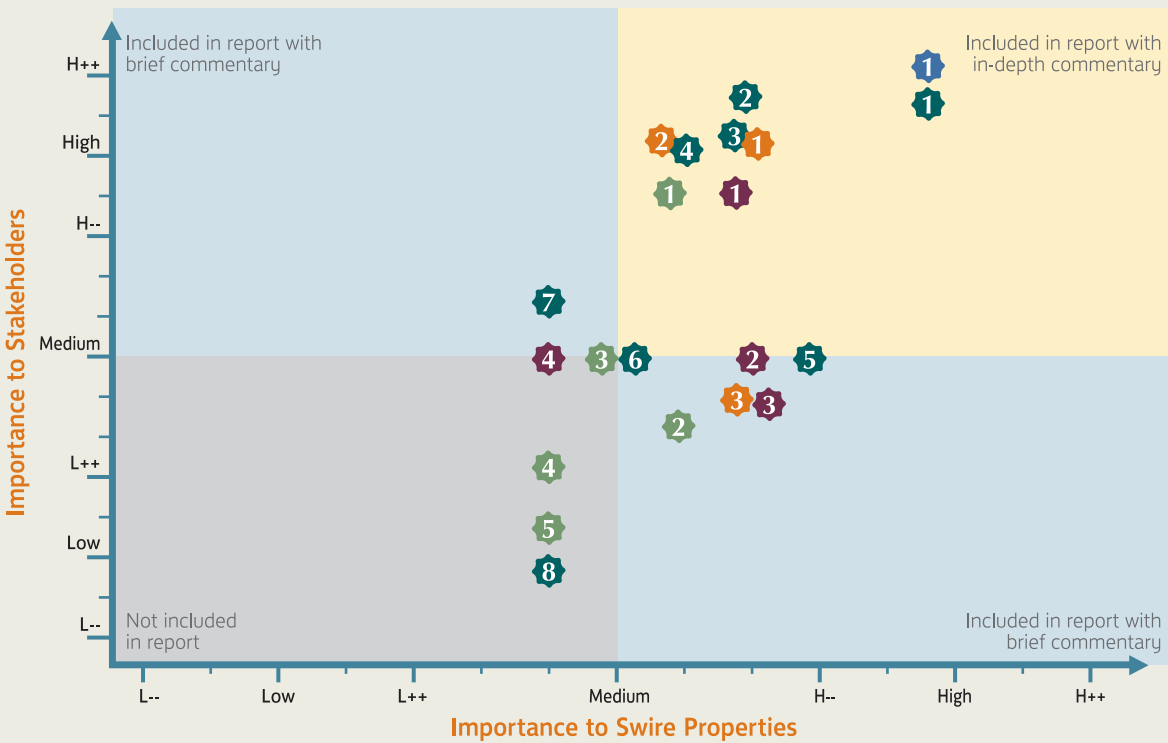
Materiality Matrix

Our evolving stakeholder engagement strategy has allowed us to develop a materiality matrix, which gauges the material aspects that most strongly affect our stakeholders. The materiality matrix also measures the importance, as perceived by our management team, of material aspects based on these aspects' environmental and social impacts, their perceived importance to stakeholders and their impact on our business.

The matrix combines the Swire Group approach on identifying the risk concerns of our stakeholders and our

own materiality scoring methodology, which follows the principles outlined in international standards such as the Global Reporting Initiative (GRI), the official reporting standard of the United Nations Global Compact. The most significant aspects are included in this report with in-depth commentary, while issues of less concern to the company and stakeholders are included with brief commentary and those with low materiality are omitted.

In line with our commitment to accountability and transparency, we will build upon the findings of our materiality matrix and continually adapt to keep up to date with our evolving sustainable development priorities and those of our stakeholders. In this regard, the matrix presented below is a snapshot view that will be reviewed regularly. Going forth, we will use the evolving matrix to continue reporting on our progress and achievements, but also on challenges and areas for improvement.



Our Corporate Governance	Our Value Chain	Our Environment	Our People	Our Community
<ol style="list-style-type: none"> Governance 	<ol style="list-style-type: none"> Customer/tenant satisfaction Customer/tenant engagement on sustainability Green procurement 	<ol style="list-style-type: none"> Energy Waste Indoor air quality Noise Building life cycle management Sustainable urban planning Water Biodiversity 	<ol style="list-style-type: none"> Internal alignment on sustainability Staff recruitment, training, development, and retention Staff occupational health & safety Diversity & equal opportunities 	<ol style="list-style-type: none"> Contribution to the local community Old culture & heritage preservation Arts & culture Employee volunteering Poverty gap

Reporting Standard and Scope

This report focuses on Swire Properties' businesses, joint ventures and subsidiaries in the commercial properties, hotels and services divisions where the company has management control. Unless otherwise stated, all figures related to asset valuations, gross floor area (GFA) and hotel rooms are on an attributable basis as at 31 December 2013¹. Since 90% of the GFA of our assets and activities in the UK and the US are either under or held for future development, data from these regions has not been included in the performance data summary.

We prepared this report in accordance with the Core option of the G4 Sustainability Reporting Guidelines of the GRI and with reference to the sector disclosures for construction and real estate. Swire Properties has been reporting with reference to the GRI Guidelines since 2007.



¹ Our reporting boundary is set by the percentage of asset ownership.

Assurance

While this report offers a forthcoming and transparent account of our sustainable development performance in 2013, we believe in the importance of third-party assurance to offer an objective evaluation of the content of the report and to add credibility to our reporting processes. Hong Kong Quality Assurance Agency (HKQAA) was commissioned to conduct assurance of this report in accordance with the International Standard on Assurance Engagements 3000 (ISAE 3000) and to provide an independent reasonable assurance opinion on whether the reported information complies with GRI G4 as detailed on pages 81. The report from HKQAA is set out on page 89.

The assurance and verification processes for our Sustainable Development reports are conducted at various levels both internally and by independent third parties. At the facility level, operations submit their data regularly to our robust Environment, Health & Safety (EHS) system, which is overseen and maintained by our Technical Services and Sustainability Department and subject to internal audit by the Swire Group (see [Our Environment](#)). Our comprehensive EHS database was established in 2002, and it tracks 46 different metrics per building monthly and annually. The database will be upgraded in 2014 to integrate our greenhouse gas emission calculations from our operations (see [Carbon Emissions](#)).





OUR BUSINESS

We are a Hong Kong-headquartered developer and manager of commercial, retail, hotel and residential properties, typically large-scale mixed-use developments. We take pride in the success of our developments around the world, which have created vibrant neighbourhoods, transformed communities and positively affected people's lives.

We were incorporated in 1972 and listed on the Main Board of the Stock Exchange of Hong Kong in January 2012. Our operations span Hong Kong, Mainland China, the UK and the US, and have a total asset value of HK\$251,957 million.



FAST FACTS



Our Strategy

Our strategy is to create long-term value by developing, owning and managing diverse properties at prime locations, mainly in Hong Kong and Mainland China. We nurture and improve our portfolio through continuous exemplary service, maintenance and enhancements, which allow us to maximise the occupancy and earnings potential of our properties for the economic benefit of our shareholders and for the social benefit of the communities where we operate.

For more than 40 years, we have conceived, designed, developed and managed commercial and residential projects that have led to the creation of lively neighbourhoods and the revitalisation of existing areas where people can live, work and thrive. We employ our strong sense of heritage to incorporate historical areas into modern residential and commercial hubs that mesh old and new.



We understand that by its very nature property development has a long time horizon that encapsulates both the present and the future. This is why our business decision-making continually factors in sustainable economic, environmental and social practices to benefit both our company and our communities.

Our Portfolio

Swire Properties' property portfolio comprises office, retail and residential developments, supported in many cases by serviced apartments and hotels. Approximately 20.8 million sq ft of our portfolio is now complete, with 4.4 million sq ft currently under development or held for future development.

In Hong Kong, our portfolio comprises approximately 14.5 million sq ft of primarily Grade A office and retail premises, hotels, serviced apartments and other luxury residential accommodation. In Mainland China, we have interests in five major commercial mixed-use developments in Beijing, Chengdu, Guangzhou and Shanghai. Outside Hong Kong and Mainland China, our investment property portfolio comprises the Brickell City Centre project in Miami and interests in hotels in the US and the UK.

Further information about our portfolio can be found in our 2013 Annual Report.

² Investment properties on an attributable basis.

³ Hong Kong, Mainland China, US, UK, Singapore and Indonesia.

⁴ These include rooms in hotels wholly owned by Swire Properties.

Operational Overview

In 2013, we marked a number of operational milestones.

January

- Guangzhou's first Mandarin Oriental hotel opened in TaiKoo Hui.
- DUNBAR PLACE and MOUNT PARKER RESIDENCES, two luxury residential projects, were officially announced to the public.
- We announced an agreement to co-develop Brickell City Centre's retail component with Bal Harbour Shops, the creator of the world's top performing shopping centre. Bal Harbour Shops will contribute meaningful equity and its brand recognition and luxury retail expertise to the project (see *Sustainability in Action*).

March

- We celebrated the completion of the Old Wan Chai Revitalisation Initiatives, our public-private partnership with the Hong Kong government (see *Our Community in Sustainable Development Report 2012*).

May

- Following the successful launches of The Opposite House in Beijing and The Upper House in Hong Kong, Swire Hotels announced the opening of its third House, The Temple House, which will open within the Chengdu Daci Temple Cultural and Commercial Complex in the fourth quarter of 2014. The new hotel will integrate a restored Qing dynasty courtyard building into its design.

June

- Together with our partner Sino-Ocean Land, we announced the name of our Chengdu joint-venture retail project as Sino-Ocean Taikoo Li Chengdu, which will open in phases from 2014 onwards.
- We announced the decision to launch EAST, Miami at Brickell City Centre, part of Swire Hotels' iconic hotel brand. The hotel flagship augments existing EAST locations in Beijing and Hong Kong and marks Swire Hotels' first North American venture (see *Sustainability in Action*).

September

- We unveiled plans to build One Brickell City Centre, an 80-storey mixed-use tower, on a site at 700 Brickell Avenue that we acquired in August. The project, which will be completed in 2015, will include retail, Grade A office space, condominiums and a hotel (see *Sustainability in Action*).

- AREZZO, our residential project at 33 Seymour Road in the Mid-Levels, was unveiled to the public. The 47-storey building, which is the first Swire Properties project to achieve the Provisional Platinum rating under BEAM Plus Version 1.1 for New Buildings, is scheduled to open in the second half of 2014.

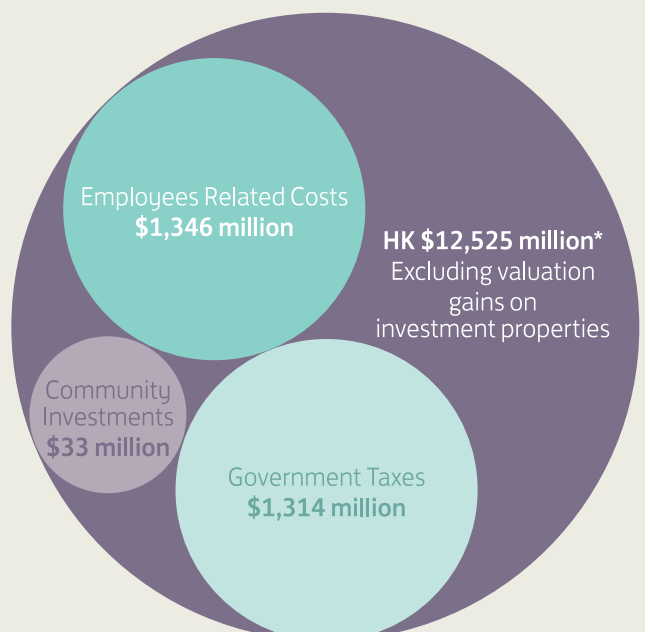
December

- As part of our expansion of Island East we acquired DCH Commercial Centre, an office building with a GFA of approximately 389,000 sq ft located at 25 Westlands Road in Quarry Bay. The acquisition enables us to further grow our core investment office portfolio in Island East.

Economic Performance

For Swire Properties, delivering competitive returns for our shareholders comprises only a portion of our conception of economic value. Equally important to creating and adding economic value is our ability to provide rewarding jobs, create valuable products and services, pay taxes and contribute to the community through volunteering, sponsorship and philanthropy.

During 2013, we created HK\$12,525 million of value for our stakeholders. For more information on our economic performance, please refer to our 2013 Annual Report.

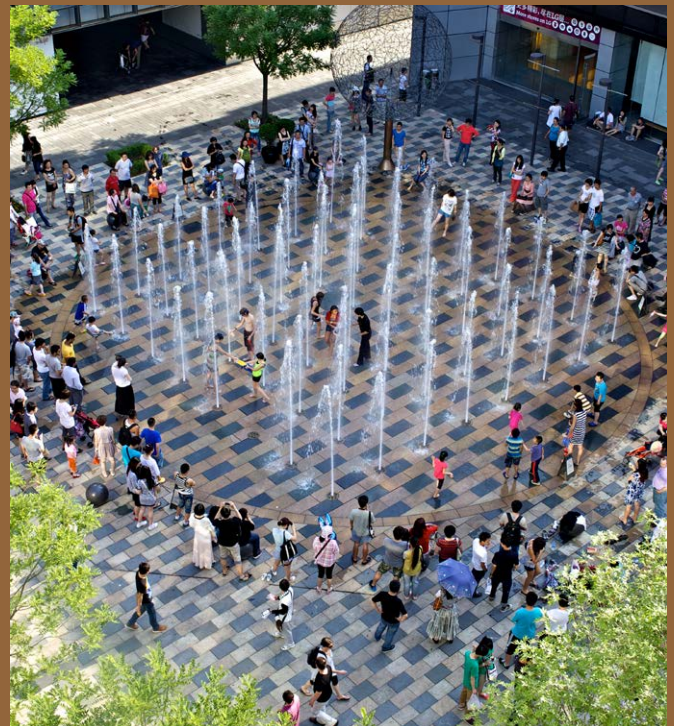




OUR COMMITMENT

Our commitment to our communities, tenants and customers encompasses meeting their property needs in environmentally, socially and economically responsible ways

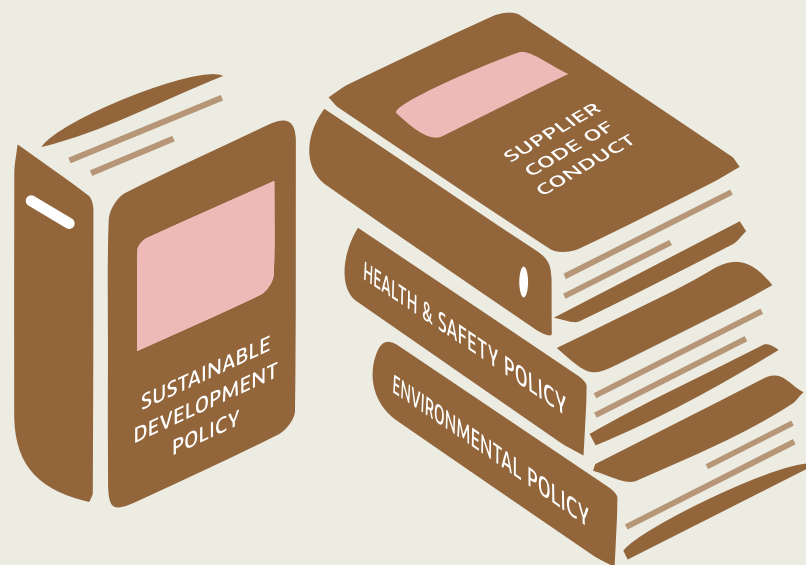
Our approach to sustainable development takes into account both the well-being of our business and our communities. This approach is guided primarily by our Sustainable Development Policy, which we use to manage the environmental, social and economic risks and opportunities of our business decisions, and is supported by our [Environmental Policy](#), [Energy Management Policy](#), [Health & Safety Policy](#) and [Supplier Code of Conduct](#). We also contribute to Hong Kong policy development on sustainability in a number of ways, including responding to government consultation requests and public forums and participating in various institutions and membership organisations (see [Membership and Awards](#)).



We have a strong track record of success, but like any organisation, we are facing new and more complex challenges in our business and operating environment. We continually monitor our sustainable development approach and engage our stakeholders to better understand their desires and needs. In 2013, based on our findings (see [Stakeholder Engagement and Materiality](#)) and due to changes in the operating environment, we refined our sustainable development focus through a new sustainability management approach which was endorsed by members of our Board of Directors. This three-part approach will allow us to streamline our business decision-making and will pave the way for long-term success by allowing us to more thoroughly integrate our sustainability vision across our operations and set and achieve specific objectives. This approach comprises the following:

- Building up core competencies by empowering each business unit, with the help of our Technical Services and Sustainability Department, to assume sustainable development responsibilities, establish clear goals and integrate sustainable development into their business decisions
- Creating sustainability differentiators that position Swire Properties as a clear industry leader
- Designing and maintaining internal and external communication plans that clearly convey our goals and achievements, and that enable us to continually communicate with stakeholders

THE POLICIES THAT GUIDE AND SUPPORT OUR CORPORATE SUSTAINABILITY



Sustainable Development Structure

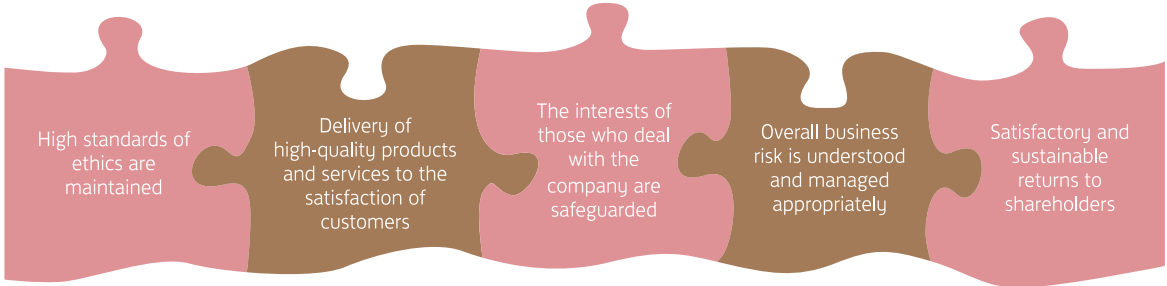
Our Sustainable Development Steering Committee oversees our performance and assesses social, economic and environmental risks and benefits in our business decision-making process. The Sustainable Development Steering Committee is convened by the General Manager of Technical

Services and Sustainability and includes our Director of Development – Hong Kong, representatives from Human Resources & Administration, Development & Valuations, Projects, Portfolio Management departments and Swire Hotels. In order to facilitate the sharing of best practices with the remainder of the Swire group, the head of the sustainable development office of John Swire & Sons (H.K.) Ltd. is also a member of the Committee.

Corporate Governance and Risk Management

We adhere to the highest levels of corporate governance, transparency and accountability, and we conduct our business with honesty and integrity.

CORPORATE GOVERNANCE PRACTICES



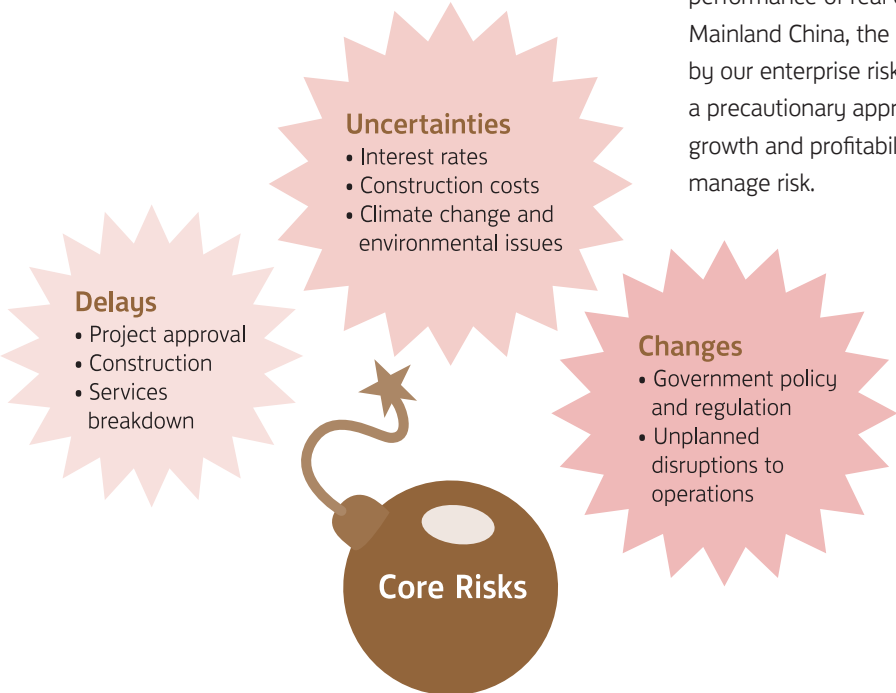
Swire Properties is governed by a Board of Directors, which has responsibility for the strategic leadership and control of Swire Properties and its subsidiaries in the effort to maximise shareholder value, while taking due account of the broad range of stakeholder interests.

We are committed to ensuring that our affairs are conducted in accordance with high ethical standards. This reflects our belief that, in the achievement of our long-term objectives, we must act with probity, transparency and accountability. We do so with the intention of maximising shareholder wealth in the long term and

benefitting our employees, business partners and communities.

Corporate governance is the process by which the Board of Directors instructs management of Swire Properties and its subsidiaries to conduct its affairs with a view to making certain that its strategies are fulfilled. The Board is committed to maintaining and developing robust corporate governance practices.

The nature of our business means our decisions are accompanied by a degree of risk in relation to the performance of real estate markets in Hong Kong, Mainland China, the US and UK. Our decisions are guided by our enterprise risk management framework. We take a precautionary approach, recognising that our continued growth and profitability relies on our ability to effectively manage risk.



Fair Operating Practices

Our Company Code of Conduct establishes a set of principles that we adhere to in all our commercial dealings. We practise integrity and fairness in our business relationships, abstain from making political contributions, require employees to disclose gifts received from vendors and clients, respect property rights (including intellectual property rights) and ensure all personal data we process is protected according to the provisions of the relevant data privacy ordinances that exist wherever we do business. No confirmed corruption-related incidents were recorded in our operations in 2013.

We are open to scrutiny and we have channels for feedback available to all shareholders, customers, suppliers, contractors and employees.

Our Value Chain

As a leading real estate developer, owner and operator, our extensive value chain comprises a wide range of suppliers and customers. We leverage these relationships to integrate our sustainable practices across our entire supply chain through managing and overseeing the ethical conduct of our business partners, labour standards and human rights of our suppliers, product responsibility and environmental impacts.

Supply Chain

We strive to take advantage of our wide-ranging industry influence to work together with our suppliers to reduce social and environmental impacts. Our Supply Chain Sustainability Committee, which is chaired by the General Manager of Technical Services and Sustainability, helps us meet this objective by overseeing supplier relationships and enabling us to address sustainability issues and manage risk in our supply chain. In addition, Swire Pacific has a Supply Chain Sustainability Working Group that helps operating companies develop sustainability policies and guidelines for our suppliers.



Little Engineers Get a Lift from Recycling

The 16 state-of-the-art energy efficient double-decker lifts in One Island East were supplied by the Otis Elevator Company, one of our valued office tenants. In July, staff from Otis launched a programme with our Community Ambassador volunteers to host 30 primary school students from The Boys' & Girls' Clubs Association of Hong Kong at One Island East, where Otis lift technicians gave these "Little Engineers" a behind-the-scenes look at how these lifts manage to seamlessly carry 2 million people annually.

Following this visit, the group made their way to view the newly revamped Recycling Centre at Warwick House (see [Waste Management](#)), which handles the waste generated daily by the 20,000 people who work in the 10 commercial buildings in TaiKoo Place. Using various recyclables, the children created miniature lift models to apply what they had just learned about lift technology, and various awards were handed out to celebrate teamwork, creativity and environmental awareness.

Our Supply Chain Sustainability Programme offers a framework to address sustainability issues and manage risk in our supply chain. Our [Supplier Code of Conduct](#), which forms the basis of this programme, is included in contracts with our most significant suppliers in Hong Kong and Mainland China. The Code of Conduct compels each of our suppliers to comply with our sustainable development standards or risk termination of the contract.

Our commitment to sustainable procurement has enabled us to enhance our supply chain management by identifying and procuring from sustainably aware suppliers.

To further meet our commitment, we:

- Obtained membership recognition in the [Hong Kong Green Purchasing Charter](#), an initiative of the Green Council
- Developed our own set of green procurement procedures
- Incorporated our Environmental Procurement Guidelines into our Environmental Management System to support their implementation
- Adhere to and endorse [Swire Pacific's Sustainable Procurement Policy](#), and we have our own Procurement Policy and Green Procurement Guidelines relating to this commitment

Customer Focus

As a provider of products and services, we continually work to ensure the well-being and interests of our customers. In addition to protecting their health & safety on our premises, we strive to communicate clearly and responsibly, protect customer privacy, provide exemplary service, ensure that our contracting processes are fair and transparent, and engage customers in our sustainable development activities.

We ensure that our marketing and communications materials adhere to government regulations and industry guidelines, including the Residential Properties (First-hand Sales) Ordinance, the Consent Scheme of the Hong Kong Lands Department and the self-regulatory regime of the Real Estate Developers Association of Hong Kong (REDA). To ensure that we do not mislead our customers or misrepresent our products, marketing materials that include development floor plans, technical specifications and facilities are reviewed and checked for accuracy internally and externally, if required.



The Launch of DUNBAR PLACE

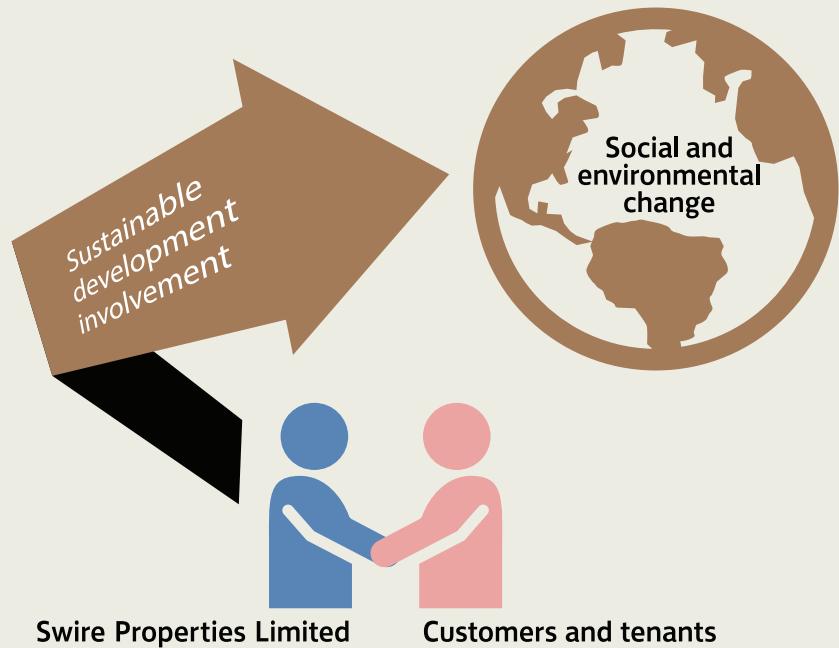
As the first new residential property launched for sale in Hong Kong following the implementation of the Residential Properties (First-hand Sales) Ordinance, DUNBAR PLACE (see [Sustainable Design](#)) posed a special challenge for us. The new ordinance was without precedent, so we devoted significant effort to studying all relevant materials and making the necessary adjustments to all marketing materials from the moment the ordinance was announced by the government. This ensured that we placed the interests of our customers first while operating with complete transparency and in line with government regulations.

Using reputable third-party green building labelling schemes such as the Building Environmental Assessment Method (HK-BEAM), BEAM Plus and Leadership in Energy and Environmental Design (LEED), we build our developments to high environmental standards so that occupiers can also live green.

We empower and direct our staff to deliver the highest standards of customer service to help us deliver exceptional service with dignity, empathy, accountability and respect.

Partnering with Customers and Tenants

Through partnering with our customers and tenants and encouraging them to participate in our array of community activities and sustainable practices and initiatives, we are able to effect environmental and social change while building a sense of community.



We organise and implement waste management programmes to help tenants and customers effectively manage and reduce waste. These include comprehensive recycling and reuse schemes, and seasonal and special campaigns, such as a mooncake tin box recycling programme following Mid-Autumn Festival and an e-waste recycling campaign (see [Waste Management](#)). Additionally, our Waste Management Taskforce, which includes our Technical Services and Sustainability

Department, building management and members of our portfolio leasing and management team, began meeting with office and retail tenants in November 2013 to gain a better understanding of their sustainable development expectations and needs. This has allowed us to formulate ways to work together with tenants to achieve improvements in energy use (see [Energy & Climate Change](#)) and waste management.



Green TaiKoo Hui, Happy Tenants

In July, TaiKoo Hui organised “Green Building, Green Office”, a media event held together with the Guangzhou branch of Canon (China) Co., Ltd., one of its tenants. The event showcased TaiKoo Hui’s green development initiatives, including its excellent power management system and a series of energy-saving measures, which combined to lower the Canon office’s power consumption in 2012 by 19% compared to the previous year. These achievements helped TaiKoo Hui become the first project in Guangzhou to be awarded LEED Gold certification under the v2009 Core & Shell scheme.



White Christmas Street Fair 2013

With the help of these partners, we raised over HK\$1 million for Operation Santa Claus, an annual fundraising campaign which supports local and regional non-profit organisations (see “Innovations in Public Space: Tong Chong Street”)

“ A festive street fair spanning 2 days combining community involvement and fundraising ”

“ Donations and volunteers from more than 100 Swire Group companies, tenants and business partners ”

Public Health

We safeguard public health at our premises using systems and procedures that ensure our rapid and effective response to outbreaks of disease. Our Pandemic Disease Action Plan (PDAP) guides our level of response and course of action, depending on the severity of the outbreak⁵, and our Pandemic Disease Action Team helps us mitigate and contain the outbreak. The PDAP contains procedures to monitor

disease outbreaks, communications systems for tenants and residents, contingency measures for operating our properties and business continuity planning.

In addition, we monitor the quality of indoor air and the quantity of fresh air delivered to our tenanted areas as part of our commitment to maintaining high standards of indoor air quality (see [Indoor Air Quality](#)).

⁵ Actions required may vary in different affected cities in accordance with local requirements



OUR ENVIRONMENT

We lead by example by mitigating our environmental impacts and incorporating sustainable practices into our business decisions.

The environmental considerations that we incorporate into our decision-making, management processes and company culture are guided by the [Swire Pacific Sustainable Development Policy](#), key environmental principles and the environmental impacts we contend with through our role as a property developer.



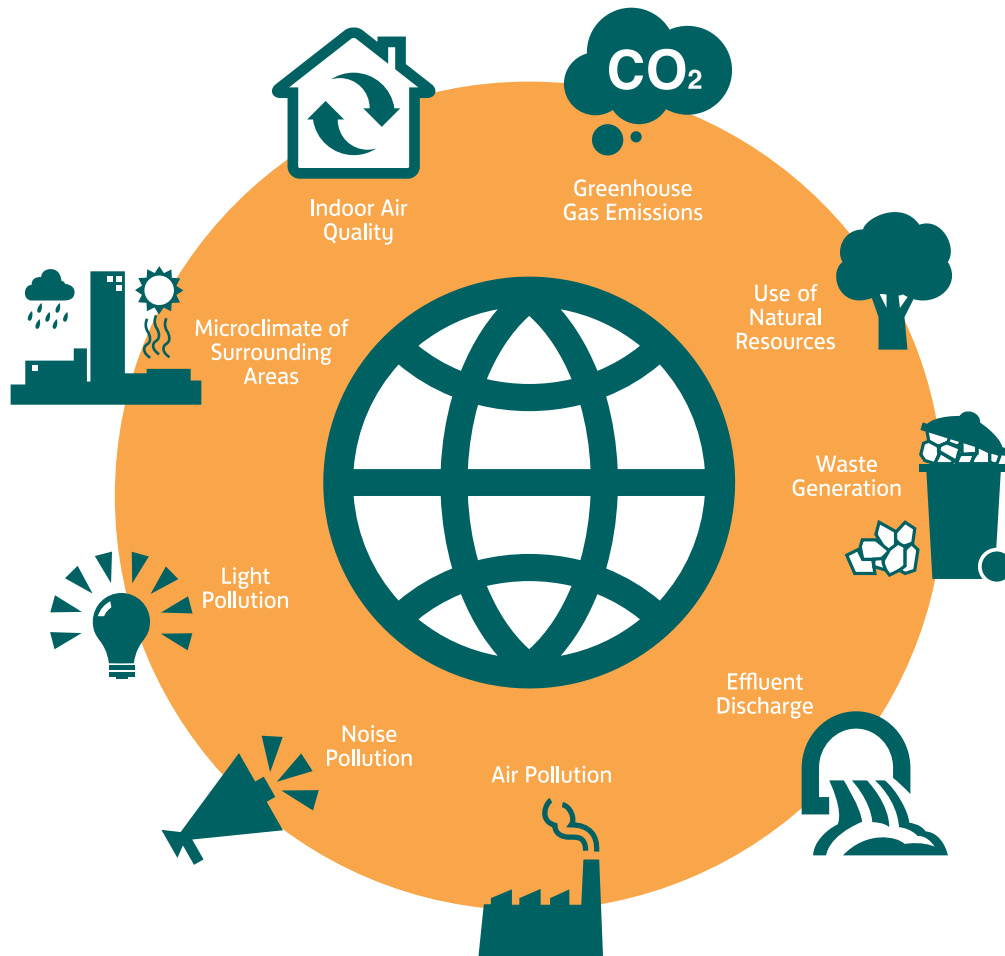
PERFORMANCE OVERVIEW

1ST DEVELOPER IN HONG KONG TO PROVIDE FREE ENERGY AUDITS FOR OFFICE TENANTS	IN PAST 10 YEARS TOTAL HK GFA INCREASED 16.7% ENERGY USE REDUCED 13.1%	RANKED HK's #1 ENERGY EFFICIENT DEVELOPER BY GREENPEACE
24 HK-BEAM, BEAM PLUS & 5 LEED PLATINUM & GOLD CERTIFIED PROJECTS⁶	1ST IN REDA/HKCA SAFETY PARTNERING PROGRAMMES SAFETY INSPECTION	\$341 MILLION IN ENERGY SAVINGS
TARGET TO REDUCE 52 MILLION kWh/YR BY 2020	TARGET TO ACHIEVE ISO 50001 & ISO 14001 (2014)	DIVERTED +3,156 TONES OF WASTE FROM LANDFILL (2013)

To assess and mitigate our environmental impacts, we monitor them through our Environment, Health & Safety (EHS) system, which is managed by our Technical Services and Sustainability Department. Our Sustainable Development Steering Committee and the Swire Group Sustainability Committee keep our senior management updated on related progress and incidents.

We continually work to ensure that our operations and developments meet or surpass environmental regulations and requirements, and we encourage our key stakeholders to take ownership of their environmental responsibilities. We conduct Lifecycle Analysis and Lifecycle Cost studies for our environmental initiatives and improvement works by considering financial and social costs (see Sustainable Design).

ENVIRONMENTAL IMPACTS



⁶ Including all versions under the Building Environmental Assessment Method (HK-BEAM), BEAM Plus and Leadership in Energy & Environmental Design (LEED) schemes

Energy & Climate Change

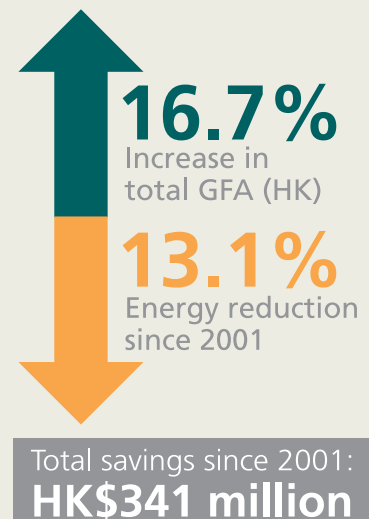
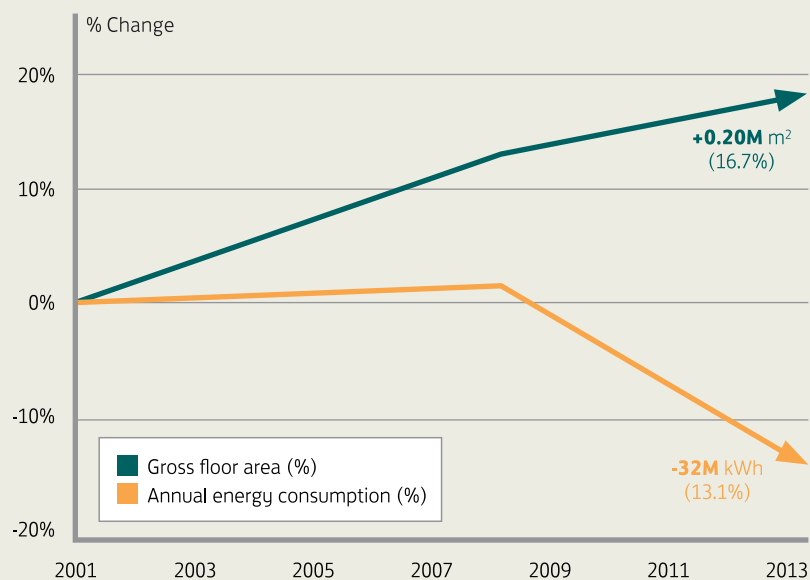
Energy Consumption

We design and operate our properties with the goal of reducing the use of electricity across our operating portfolio, which comprises our largest contributor to greenhouse gas emissions. To tackle this, Swire Properties has long developed a comprehensive Energy Management Plan to enable our sustainable growth. Throughout the years, we have been setting challenging energy reduction targets, strategising

means for their achievement and maintaining an energy database for continuous monitoring and data analyses.

Despite increasing our total GFA in Hong Kong by 16.7% since 2001, we have achieved a simultaneous 13.1% reduction in energy consumption. Our long-term efforts to reduce energy consumption are reflected in the fact that a total accumulated savings of HK\$341 million was attained from 2001 to 2013.

ENERGY CONSUMPTION (HONG KONG)



2014 Target



We made preparations to achieve ISO 14001 (Environmental Management) and ISO 50001 (Energy Management) system certifications (see [2020 Energy Reduction Pledge](#)) in 2014. These certifications will allow us to align our environmental and energy management systems with international standards and guide continuous improvement of our overall performance

across our core environmental focus on key areas of energy conservation, water conservation and waste management. We will adopt BEAM requirements into our environmental management system, demonstrating how Swire Properties continues to integrate more stringent practices and higher standards into our daily operations, setting yet another leading example to the industry.

Swire Properties Ranked Hong Kong's Number One Energy Efficient Developer by Greenpeace

Swire Properties outperformed its peers in an investigation conducted by Greenpeace covering the power usage of 236 commercial buildings and using information from energy efficiency audit results under the Buildings Energy Efficiency Ordinance. The investigation uncovered that only five of the 14 major developers in Hong Kong have developed energy saving objectives, which makes our 2020 Energy Reduction Pledge an especially meaningful endeavour.

Energy Saving Charters on “No Incandescent Light Bulbs” and “Indoor Temperature”

To help reduce energy consumption and carbon emissions, we signed two charters organised by the Environment Bureau and the Electrical and Mechanical Services Department: the Energy Saving Charter on No Incandescent Light Bulbs, which commits us to adopt more energy efficient lighting, and the Energy Saving Charter on Indoor Temperature, which commits us to maintain an average indoor temperature of between 24 and 26 degrees Celsius in our buildings from June to September. Our shopping malls have participated in the Energy Saving Charter on Indoor Temperature since 2012, and we plan to continue encouraging our tenants to sign the charter in 2014.

Swire Properties Wins International Technology Award for Energy Saving Solution

Swire Properties won the Honourable Mention Award at the 2013 ASHRAE Technology Awards, organised by the American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE). The award recognised the innovative fault detection and diagnosis system developed by our Technical Services and Sustainability Department for Cambridge House in TaiKoo Place, which provides early identification of problems in the nearly 1,200 ceiling air distribution terminals that help regulate internal air temperature in office areas. Our early detection tool not only ensures the comfort of our tenants, but also helps us avoid energy wastage.



“

The new tool helps us achieve an energy saving of 13%, or 980,000 kWh, per year, as our technical personnel can quickly and easily fix problems causing energy wastage,” said Cary Chan, General Manager, Technical Services and Sustainability Department. “We are proud of our achievement, which is the second international technology award we have received from ASHRAE; the first was in 2006. This tool was developed under our energy research fund with universities, and this award affirms the value of our collaborative effort and synergy.

”

Carbon Emissions

In 2013, the electricity we used in our Hong Kong operating portfolio accounted for 171,670 tonnes of carbon dioxide equivalent (CO₂e).⁷

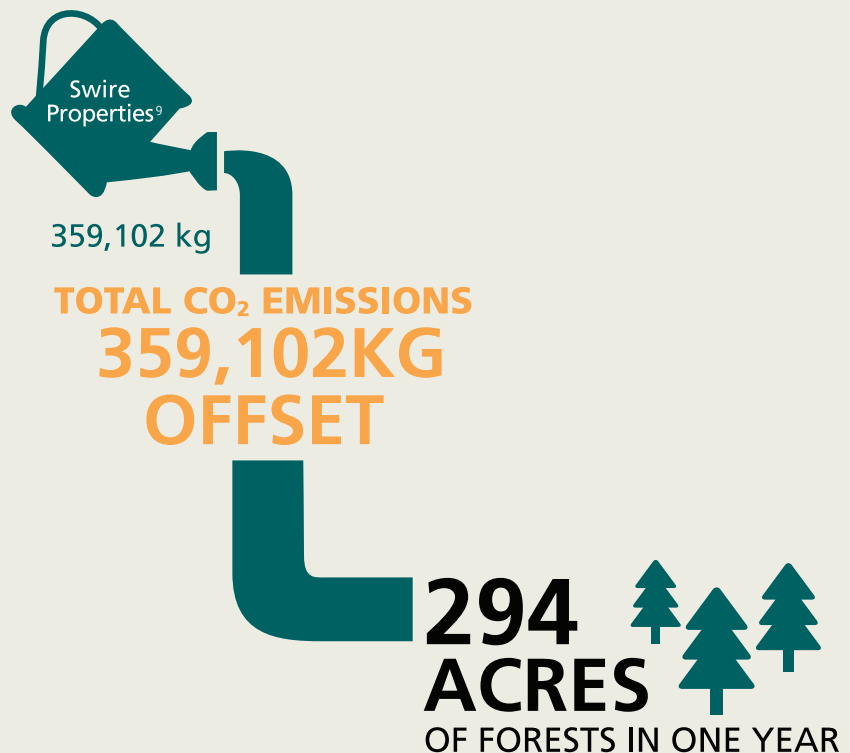
Carbon Audits and Disclosure

We have participated in Carbon Audit • Green Partner, a voluntary initiative organised by Hong Kong's Environmental Protection Department (EPD), since 2011.

In 2014, we will target to complete the "Summary of Carbon Footprint for Listed Companies" and supplementary information (where appropriate) for the purpose of disclosure through the "Carbon Footprint Repository for Listed Companies in Hong Kong".

In addition, through Swire Pacific, we provide the Carbon Disclosure Project, a UK-based NGO, with a detailed annual analysis of our climate change strategy, as well as risks and opportunities emerging from our greenhouse gas emissions. In addition, Swire Hotels has continued its support of Cathay Pacific's FLY *greener* programme, offsetting the carbon emissions from the inbound journeys of guests who travel on either Cathay Pacific or Dragonair and are members of the airline's loyalty programme. In 2013, we offset over a total of 359,000 kg of carbon emissions, equivalent to carbon sequestered by 290 acres of forests in one year.⁸

CARBON EMISSIONS OFFSET



⁷ Calculation based on carbon emission factor derived from information in the 2013 Sustainability Reports published by CLP Holdings and the Hongkong Electric carbon calculator

⁸ <http://www.epa.gov/cleanenergy/energy-resources/calculator.html#results>

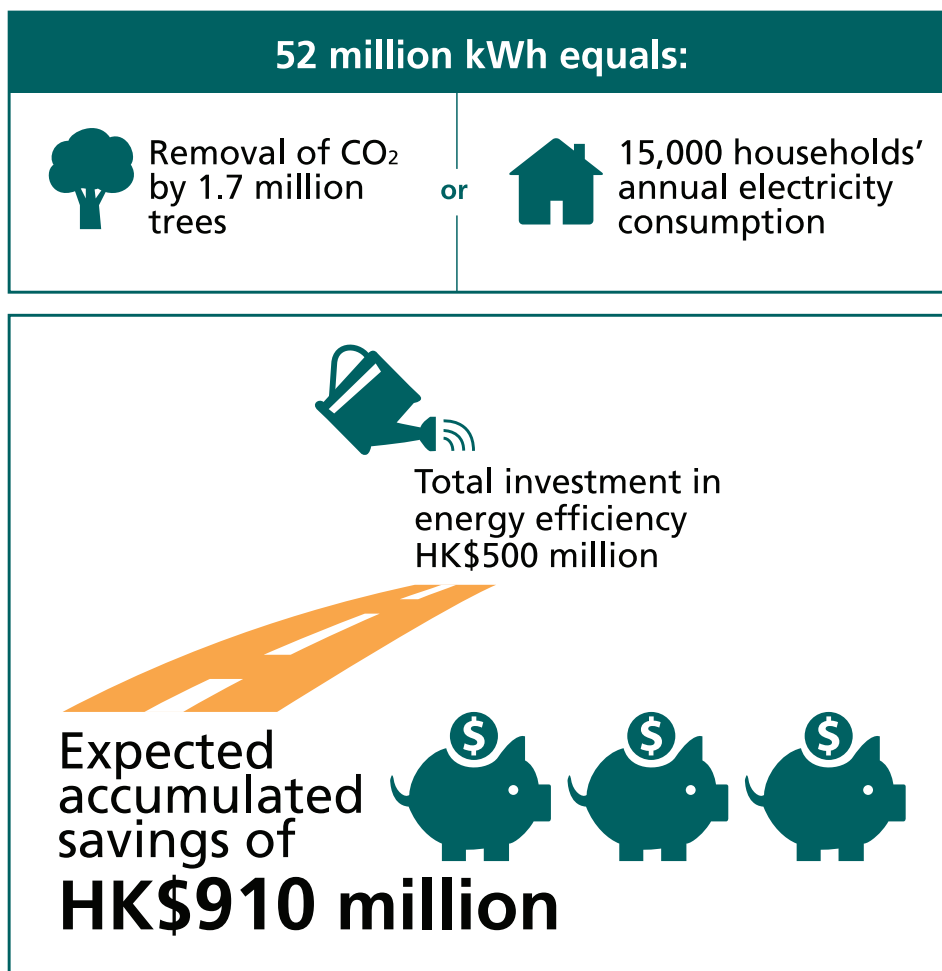
⁹ Including Swire Hotels

2020 Energy Reduction Pledge

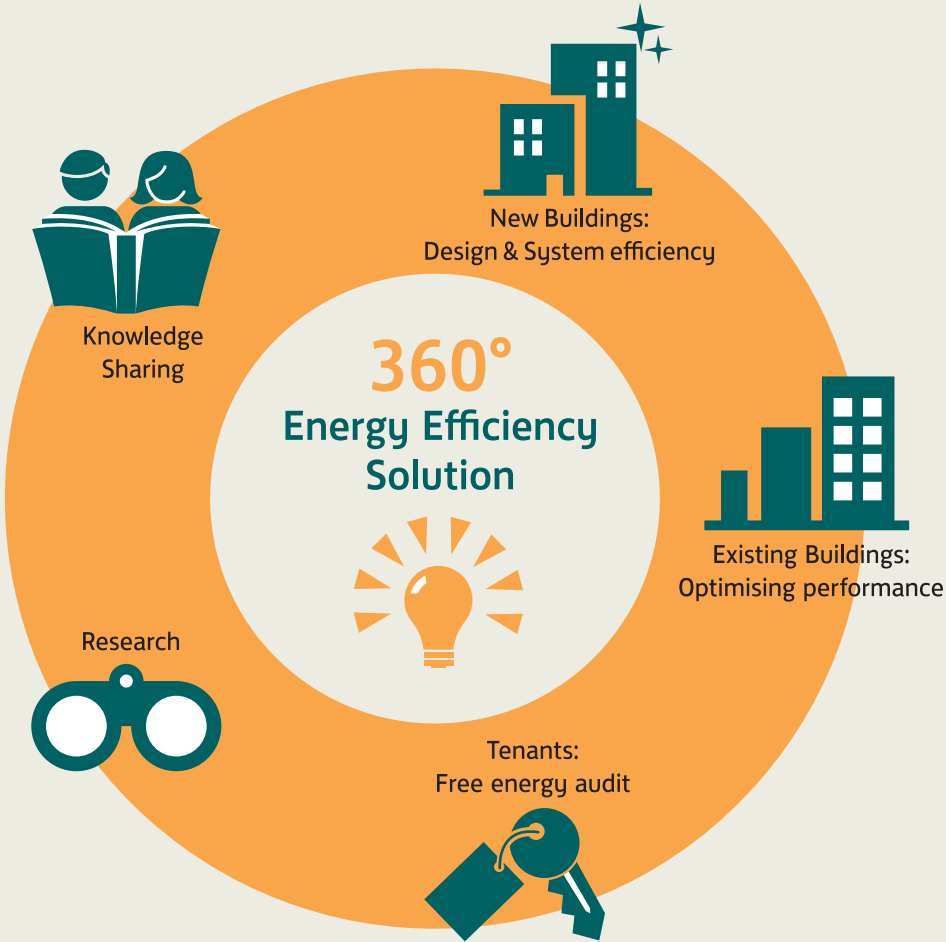
In 2013, as part of our company-wide efforts to steadily reduce our energy consumption, we launched our 2020 Energy Reduction Pledge to reduce our energy consumption in Hong Kong by an ambitious target of 52 million kWh per year by 2020.

The 2020 Energy Reduction Pledge involves a cumulative investment of about HK\$500 million in energy-saving measures, resulting in expected accumulated savings of HK\$910 million. To engage staff in understanding the pledge, we produced a [video](#) that is shown to all incoming staff members as part of their sustainable development induction training and is available to all staff members on the company intranet.

ENERGY REDUCTION PLEDGE



The 2020 Energy Reduction Pledge comprises the 360° Energy Efficiency Solution, which includes five key areas.



For our new buildings, beginning from the conceptual design stage, we adopt the Integrated Design Approach (IDA), an all-encompassing environmental design methodology. This involves collaborating with professionals of various disciplines, from designers to engineers, to help us with achieving a targeted energy use and cost. We utilise computer modelling techniques such as computational fluid dynamics (CFD) and daylight modelling to facilitate the design process, with the intention of optimising designs and reducing the environmental impacts of our developments.

In our existing buildings, we have been optimising the performance of equipment, replacing older chiller systems in our air-conditioning plants with newer models and replacing our lighting equipment with some of the most energy efficient lighting systems available in the market. We have also conducted life cycle cost (LCC) studies for the energy saving initiatives and improvement works to facilitate our decision-making process as well as rolling out our improvement strategy in phases.

We strive to excel in energy conservation, and we encourage our stakeholders to do the same. Swire Properties was the first developer in Hong Kong to provide free energy audits for office tenants to help them identify energy-saving opportunities and reduce their energy usage. Our free energy audits have covered 2.9 million sq ft of commercial office space since 2008.

ENERGY AUDIT TIMELINE

2008



First property developer in HK to provide free energy audits for office tenants to help them reduce their energy consumption and identify energy-saving opportunities

2010



Service extended to non-profit making organisations

2013



Free energy audit coverage +2.90 million sq ft of cumulative office space equivalent to



2014

While aiming to complete the remaining energy audits, we will participate in international research on the influence of occupants' behavior on building energy use to widen our scope

We also offer the following technical support services to tenants:

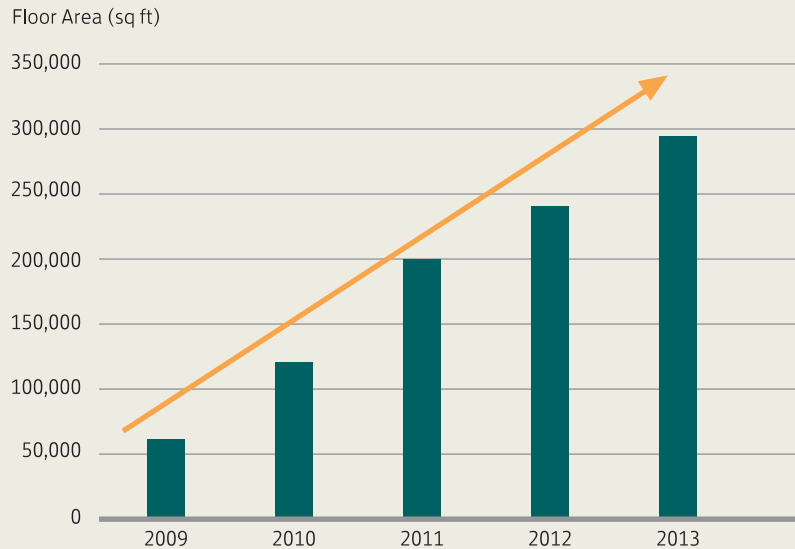
- Testing and commissioning services
- Applying for green building labels such as LEED, BEAM Plus and BESTO¹⁰
- Conducting preliminary energy checks on mechanical engineering design upon moving in

¹⁰ Benchmarking & Energy Saving Tool for Office Occupants under the Building Energy Performance Recognition Scheme

The research and knowledge sharing areas of the 360° Energy Efficiency Solution are being realised through the partnership we established with Tsinghua University in 2007 as well as the Joint Research Centre for Building Energy Efficiency

and Sustainability we set up with the university's Building Energy Research Centre in 2011 to discover new methods of improving our energy performance.

PROGRESS OF FREE ENERGY AUDITS PROVIDED TO TENANTS



TIMELINE OF COLLABORATION WITH TSINGHUA UNIVERSITY



2007

Est. partnership with Tsinghua University



2011

Set up Building Energy Research Centre



2011-2014

Donated US\$1 million annually to the Research Centre

Achievements to Date



Contributed HK\$18.7 million



Identified 5.8 million kWh of annual potential energy savings



Produced over 20 technical papers

As part of our overall energy reduction plan, we positioned ourselves to achieve ISO 50001 accreditation in early 2014, which will allow us to align our energy management system against international best practices. Our various sustainability measures, including the systematic setting of energy targets and planning of long-term goals, effective monitoring and continuing improvement of our energy performance,

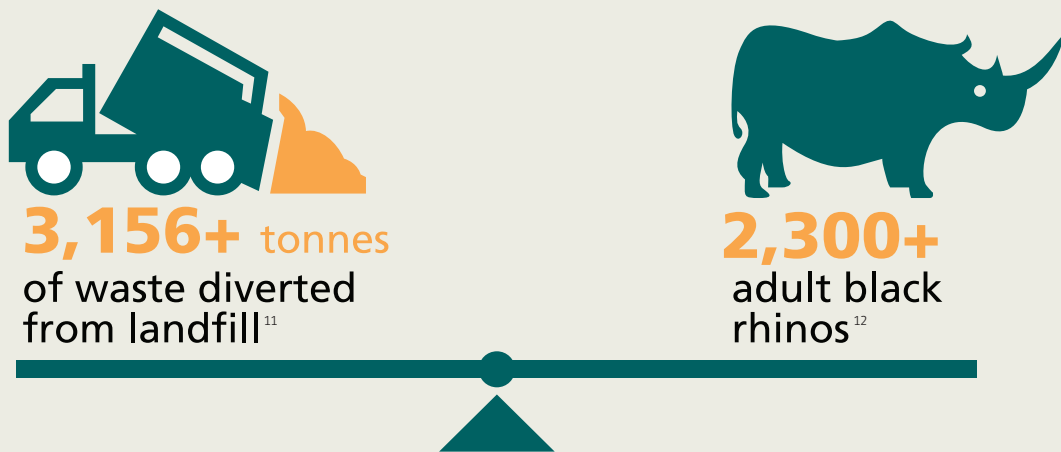
collaboration with universities in energy research, and the free energy audits we offer tenants, have allowed us to exceed ISO 50001's stringent requirements.

Waste Management

In 2013, the Hong Kong government published a blueprint for the sustainable use of resources. Given that Hong Kong's limited landfill space will reach capacity in 2020, we have channelled the needs of the community and prioritised waste reduction across our portfolio and at all stages of our business operations, from design to construction to daily management and operation.

Throughout our design, material selection and construction processes, we take waste management considerations into account and work with our contractors to minimise waste generation. Our contracts stipulate waste disposal methods and sites, and we require our contractors to submit and adhere to waste management plans as well as keep disposal and recycling records during construction.

SPL WASTE DIVERSION 2013



As part of our long-term sustainability strategy, we take waste management seriously and established a Waste Management Taskforce in 2012. Our Waste Management Taskforce is charged with developing and overseeing operational best practices, cooperative strategies and action plans. In 2013, we set waste reduction targets through the Hong Kong Awards for Environmental Excellence's Wastewi\$e Scheme, standardised environmental requirements of our tenders with cleaning contractors and increased engagement with key tenants to enhance and streamline waste management practices.

We organise and implement waste management programmes to help tenants and customers effectively manage and reduce waste. All operations report their waste management performances on a monthly and seasonal basis, and we monitor over 20 waste types collected daily. Since 2005, this information has been recorded in our EHS system and regularly monitored and analysed, helping us improve our understanding of the nature and quantities of the waste generated.

¹¹ Including Hong Kong, Mainland China and Swire Hotels.

¹² Average adult male black rhino weighs 1,350 kg (www.savetherhino.org)

Our comprehensive recycling scheme enables us to reduce waste generation at source through investing in waste equipment and facilities, providing recycling bins and facilities on our premises and conducting public awareness campaigns. In Guangzhou, a branch of the local government recognised TaiKoo Hui’s innovative waste separation programme, which is part of a host of sustainability practices the development has adopted throughout its lifecycle. In Hong Kong, we operate a Recycling Zone at Warwick House in TaiKoo Place, which enables us to centralise and streamline the recycling efforts of our tenants.



Wastewi\$e Scheme

In 2013, all our commercial centres¹³ joined the Hong Kong Awards for Environmental Excellence’s Wastewi\$e Scheme, pledging to achieve over 40 waste recovery and reduction goals across our commercial centres with the aim of achieving “Class of Excellence” by mid-2014. Additionally, we have been actively encouraging key tenants in each of our commercial centres to also join the Wastewi\$e Scheme as part of a greater effort to improve waste management results throughout our Hong Kong commercial portfolio (See [Partnering with Tenants and Customers](#)).

This comes on the heels of the long-term success several of our residential buildings have had through the Wastewi\$e Scheme in reducing waste, with five receiving “Class of Excellence” labels and one receiving a “Class of Good” label.¹⁴

We intend to continue setting new waste reduction goals annually to uphold our Wastewi\$e Scheme labels across our commercial and residential properties. In 2014, our new residential development AZURA will join the Wastewi\$e Scheme, and our hotels also plan to join in the future.

“Go Green” Programme at EAST, Hong Kong

EAST, Hong Kong, our lifestyle business hotel in Island East, made a significant commitment to waste management during 2013. Its “Go Green” Programme, which debuted in April, empowers guests to contribute to water and energy savings by reusing their linen.

In October, EAST, Hong Kong began a recycling programme that encourages guests and staff to recycle plastic bottles, cans, glass bottles, batteries, electronic waste, paper and cooking oil. This builds on the kitchen staff’s initiative to reuse materials in creative ways, including making all the 2013 Christmas decorations out of old corks and wine boxes.

In addition, in September 2013 the hotel also established a partnership with the Foodlink Foundation, Hong Kong’s leading hunger relief charity, to donate excess fresh food for delivery to 47 beneficiary organisations. The partnership resulted in average monthly food donations of 25 kg, for a total of 100 kg by the end of the year.



¹³ Excluding 625 King’s Road, 28 Hennessy Road, Island Place and Generali.

¹⁴ The Florian, Harbour Heights, Island Lodge, Parkvale, Robinson Place, StarCrest.

Recycling Stories

Throughout 2013, we conducted a number of awareness campaigns including a wide range of recycling activities. We believe in positive change behaviour, and we encourage the active participation of our tenants and staff.



E-waste

- This annual recycling campaign has taken place since 2007 for tenants and staff at our Hong Kong commercial buildings
- In 2013, over 90 tenants participated, achieving a 50% increase in collected e-waste from 2012
- The financial returns were donated to the "Electrical Appliances for the Elderly Program" at St. James' Settlement

Organic Waste *(see picture 1)*

- Participated in the inaugural Wood Recycling & Tree Conservation Scheme organised by the Hong Kong Environmental Protection Association
- Recycled over 50 tonnes of wood, 39 Christmas trees and 52 peach blossom trees to be reprocessed into sawdust, wood pellets and fertiliser

Glass *(see picture 2)*

- All commercial portfolios participate in a glass recycling programme organised by the Hong Chi Association, which results in the manufacture of eco-bricks

Mooncake Tin Boxes *(see picture 3)*

- Organised our annual Project Green Moon following Mid-Autumn Festival, which encouraged the recycling of mooncake tins among the public, our tenants and Swire Group companies.
- Over 1,300 kg of mooncake tins were collected

Food Waste *(see picture 4)*

- Partnered with tenants to collect coffee grounds, food waste and horticulture waste, which was processed into compost at Dorset House Refuse and Food Waste Handling Room in TaiKoo Place and used by our subsidiary landscape company as soil conditioner at our developments in Hong Kong

Office Furniture

- Donated over 910 pieces of furniture, including office chairs, cabinets, work stations and benches to more than 30 NGOs across Hong Kong

Textiles

- As part of Project Green Moon, we extended our textile recycling campaign to our tenants, who were encouraged to donate items
- A total of 1,200 kg was collected and donated to the Salvation Army

Air Quality

To ensure that we continue to maintain high standards of indoor air quality (IAQ) in our buildings, we have guidelines and a management plan in place to monitor the quality of indoor air and the quantity of fresh air delivered to our tenanted areas.

During construction, we work with our contractors to ensure that their activities do not negatively affect local air quality, and for our BEAM Plus projects, we require that they submit an environmental management plan which often contains air quality control measures to manage emissions, including regular collection and monitoring of air samples and reporting of any emission levels that exceed government guidelines.

2013 Achievement

Public areas in 14 of our buildings received Excellent Class certifications as part of the Hong Kong Government's IAQ Certification Scheme for Offices and Public Places, which recognises good management practices (see [Awards & Memberships](#)).

2014 Target

As part of our effort to achieve even higher IAQ standards, we intend to join the IAQwi\$e Label recognition scheme.¹⁵

¹⁵ Encourages and recognises participants who implement or achieve IAQ standards beyond certification requirements of the IAQ Certification Scheme in order to further enhance indoor air quality in offices and public areas in Hong Kong

Sustainable Design

Our new developments and redevelopment projects give us the chance to incorporate sustainable design throughout their lifecycles, by embodying sustainability, from their design through construction and operation.

NEW PROJECTS

In 2013, we launched several premium residential projects in Hong Kong. Each includes sustainability features and adheres to our sustainable development philosophy and approach, which encapsulate the idea that green architecture does not mean a compromise in design.



AZURA

AZURA, our 53-storey residential development in Mid-Levels West, was designed using computational fluid dynamics demonstration to take the microclimate of the surrounding area into account. Furthermore, the building design minimises external light pollution at night and ensures sufficient natural ventilation within residential units and in typical corridors. Water usage is mitigated through the use of recycled rainwater for irrigation and through the installation of dual flush systems. Finally, 10% of AZURA's car park is dedicated to electric car charging stations.





DUNBAR PLACE

Nestled in the heart of Ho Man Tin in Kowloon, DUNBAR PLACE is a 23-storey tower that integrates a host of sustainable design features to optimise energy efficiency and minimise environmental impacts:

- Recyclable aluminium cladding
- A high solid-to-glass ratio
- Specially positioned windows which capture daylight and maximise ventilation
- Photo sensors that regulate artificial light in the lift lobbies
- A green wall and green roof
- Paving stones that reduce surface runoff to alleviate pressure to the public storm water system



MOUNT PARKER RESIDENCES

Located in Island East, MOUNT PARKER RESIDENCES¹⁶ is a distinctive 24-storey development featuring a silver curvilinear façade. The building has adopted several sustainable design features.

To reduce heat gain:

- Low emissivity double glazing
- A green roof and vertical greening

To encourage energy conservation:

- Daylight sensors and occupancy sensors throughout the building and in the car park

- Electric vehicle charging facilities
- Apartments equipped with low energy consumption appliances and smart energy use monitoring systems
- High efficiency variable refrigerant flow (VRF) systems installed

To encourage waste recycling:

- Waste sorting bins provided for each residential unit¹⁷
- Dedicated facilities for waste collection, sorting, storage and disposal

To reduce water wastage:

- Water-saving sanitary fittings, including dual flush and rainwater recycling systems

¹⁶ Mount Parker achieved Platinum rating of BEAM 4/04 (Provisional) in 2011

¹⁷ Waste sorting bins are included within domestic units for all new developments attaining BEAM certification

As the majority of our developments are in dense, urban areas, we are mindful of the urban heat island phenomenon that results from the heat energy released from building facades and hard landscapes. Since every new development affects the urban microclimate, we aim to design our buildings and outdoor spaces to mitigate the heat island effect through the use of landscape planning and greenery. By conducting in-house microclimate studies and a Lifecycle Analysis, we located additional greenery at low levels of our portfolios to mitigate the urban heat island effect.



Oxford House New Green Roof

The Magdalen Chapter: A Case Study of Sustainable Preservation

The 2013 debut of The Magdalen Chapter in Exeter, UK, Swire Hotels' newest property, marked the resurrection of the 19th-century building that was originally home to The West of England Eye Hospital. This quirky and character-laden building needed a general updating to modernise it while retaining all its period charm and features. We approached the project carefully, preserving the building's high ceilings and long corridors while making tasteful renovations and additions, including 59 bedrooms, a reception room, library, bar and snug, restaurant and swimming pool. Interiors were styled with an eye towards the building's rich history, creating a one-of-a-kind hotel with a genuine sense of time and place.



In addition to this exercise in sustainable preservation, we also designed The Magdalen Chapter to embrace a number of environmental sustainability measures. We increased the insulation value of the existing building to mitigate heat gain and loss, used natural building materials wherever possible, installed dual flush toilets in the guest rooms and installed energy efficient lighting and hot water systems throughout the hotel. In addition, the restaurant uses locally grown organic produce, and the hotel employs a comprehensive waste management solution that minimises waste sent to landfill, including the adoption of a food waste recycling programme.¹⁸



Finally, several hotel staff members comprise a volunteer "green team", which oversees the environmental impact of the hotel along with researching and implementing ways to reduce the hotel's carbon footprint through energy efficiency. The "green team" will ensure that all staff members are trained to understand the impact they have on the environment.

¹⁸ 77 tonnes of food waste recycled in 2013

Building Rating Schemes

We recognise the importance of building rating schemes such as the Building Environment Assessment Method (HK-BEAM), BEAM Plus and the Leadership in Energy and Environmental Design (LEED) in serving as a benchmark of comparison for commercial tenants, buyers, investors and employees as well as encouraging sustainable development in the building industry. We therefore continually strive to achieve the highest LEED certification or BEAM Plus rating for our new projects. We also facilitate our tenants in applying for LEED, BEAM Plus and BESTOO certification.

2013 Achievements

Mainland China	
Dazhongli (DZL), Shanghai	LEED Gold pre-certification
EAST, Beijing	LEED Gold accreditation
Hong Kong	
AREZZO	BEAM Plus Version 1.1 for New Buildings, Platinum rating (Provisional Assessment)
160 South Lantau Road, Cheung Sha Residential Development Project	BEAM Plus Version 1.1 for New Buildings, Silver rating (Provisional Assessment)
AZURA	BEAM 4/04, Platinum rating (Final Assessment)
OPUS HONG KONG	BEAM 4/04, Platinum rating (Final Assessment)
23 Tong Chong Street	BEAM Plus Version 1.1 for New Buildings, Gold rating (Provisional Assessment)

2014 Targets

Mainland China	
Sino-Ocean Taikoo Li Chengdu	LEED ND Gold Certificate (Stage 2)
DZL, Shanghai (T1 & T2)	LEED Platinum Pre-certificate
DZL Mall, Shanghai	LEED Gold pre-certification
Hong Kong	
2 Castle Road	BEAM Plus Version 1.1 for New Buildings, Gold rating (Provisional Assessment) – Target rating
ARGENTA	BEAM 4/04, Platinum rating (Final Assessment)
DUNBAR PLACE	BEAM Plus Version 1.1 for New Buildings, Gold rating (Final Assessment) – Target rating

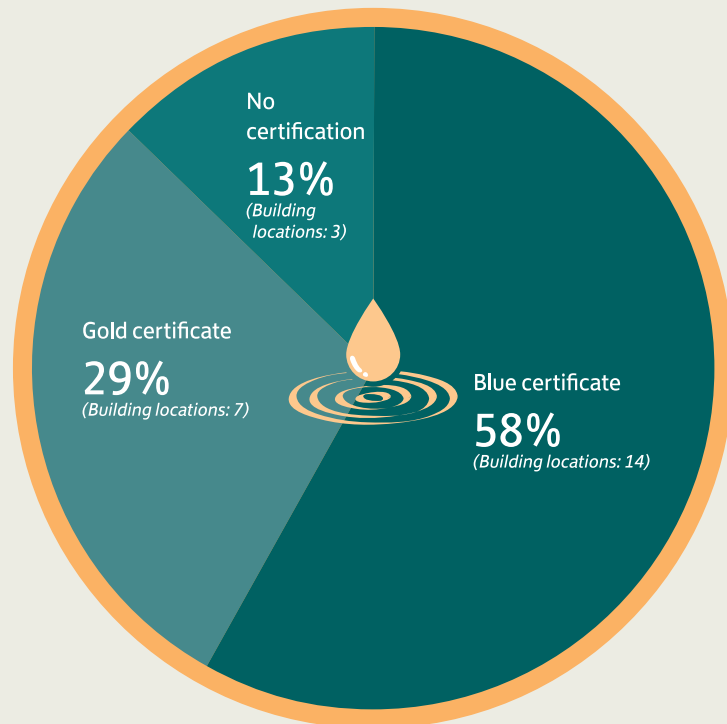
Water

As part of our overall effort to minimise our use of natural resources, we promote water conservation among our stakeholders and apply a variety of water conservation measures across our portfolio. These include automatic taps, upgraded water basins and urinals with infrared sensors to automatically activate flushing and the provision of accurate water metering facilities in all our buildings to monitor our water consumption. Together with our robust EHS Database System, this monitoring ability helps us identify ways to improve our operational water efficiency.

Majority of Commercial Buildings Certified by Quality Water Recognition Scheme

Since 2002, the Hong Kong Water Supplies Department has organised the Quality Water Recognition Scheme for Buildings to ensure quality tap water and to recognise building owners and managers who maintain their plumbing systems properly. The majority of our commercial buildings in Hong Kong¹⁹ have been awarded certificates, as summarised in the below chart²⁰. We will continue our participation in the scheme and 28 Hennessy Road will also join in 2014.

QUALITY WATER CERTIFICATION 2013



- No. of building locations: 24
- Total no. with certification: 21
- No. with certification (Silver): 0

¹⁹ Excepting 8 Queen's Road East and Cityplaza mall

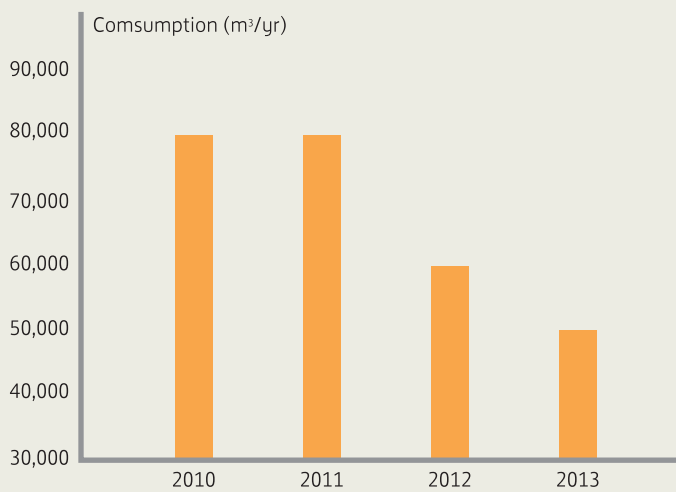
²⁰ There are 3 types of certificates:

1. Blue Certificate: New participation or continuous participation with less than 3 years
2. Silver Certificate: Continuous participation with 3 years or more but less than 5 years
3. Gold Certificate: Continuous participation with 5 years or more

In 2013, we experienced a 42% increase in the total amount of water used across our Hong Kong and Mainland China portfolios. While total water usage in our Hong Kong properties actually decreased by 2% as we have been using less fresh water for cooling towers over the past few years, water usage at our properties in Mainland China increased

by 124%. This was partially due to a 40% increase in GFA, and we are working on identifying factors that potentially may have affected our water usage, including user behaviour, leakages and year-round use of a cooling tower system at TaiKoo Hui.

FRESH WATER CONSUMPTION FOR COOLING TOWER (HONG KONG)



2014 TARGET 

We plan for the delivery of a strategic water management system that will address water wastage, devise remedies and explore

Noise and Acoustics

As part of our commitment to the community, we take a proactive approach to noise pollution. We work to comply with noise regulations, and we require our contractors to monitor and control noise at construction sites as part of the environmental management plans they file with us.

Being a Good Neighbour

In order to improve pedestrian flow between Castle Road and Caine Road near our future residential project 2 Castle Road in Hong Kong, we are working on upgrading and widening the pavements along these two streets, which abut the project site. Since this is occurring in a densely settled residential neighbourhood, we have taken all conceivable measures to minimise noise disturbances to the community.



書出愛心 十二元義賣
BOOKS For LOVE @ \$10
太古地產
SWIRE PROPERTIES



書出愛心 十二元義賣
BOOKS For LOVE @ \$10
太古地產
SWIRE PROPERTIES



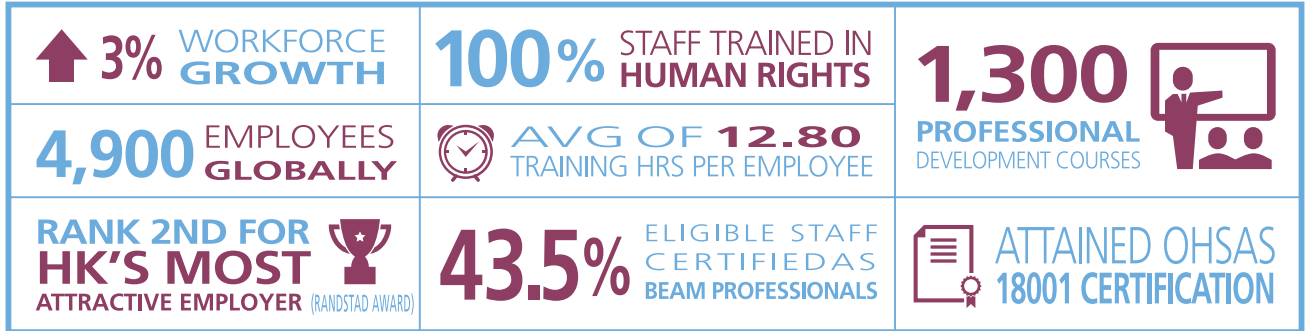
OUR PEOPLE

Our people are our greatest asset, and our success is the result of their talent, passion, creativity and dedication.

Our continued leadership relies on our ability to attract and nurture talent, and our approach is supported by policies covering training and development, labour practices, human rights and workplace health & safety. These policies are outlined in our Company Code of Conduct and our Employee Handbook, which is administered by our Human Resources & Administration Department. We value and encourage open and responsive communication channels for the successful implementation of these policies.



PERFORMANCE OVERVIEW

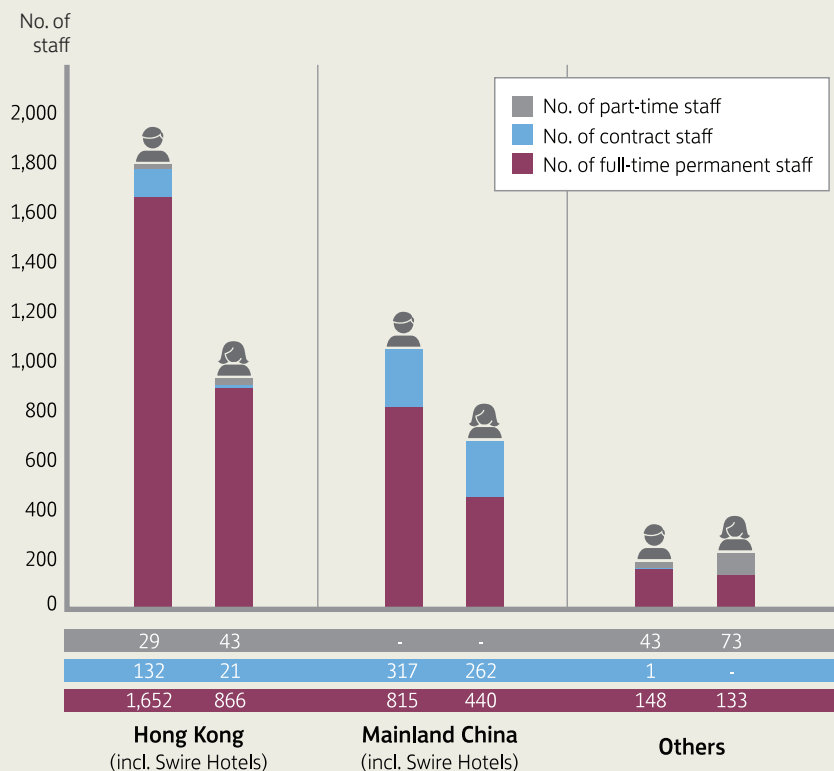


Employee Profile

Swire Properties, including Swire Hotels, employs more than 4,900 people globally.²¹ The majority of our employees are hired locally, with 50% based in Hong Kong on a full-time permanent basis.²²

Our workforce grew by approximately 3% between 2012 and 2013.

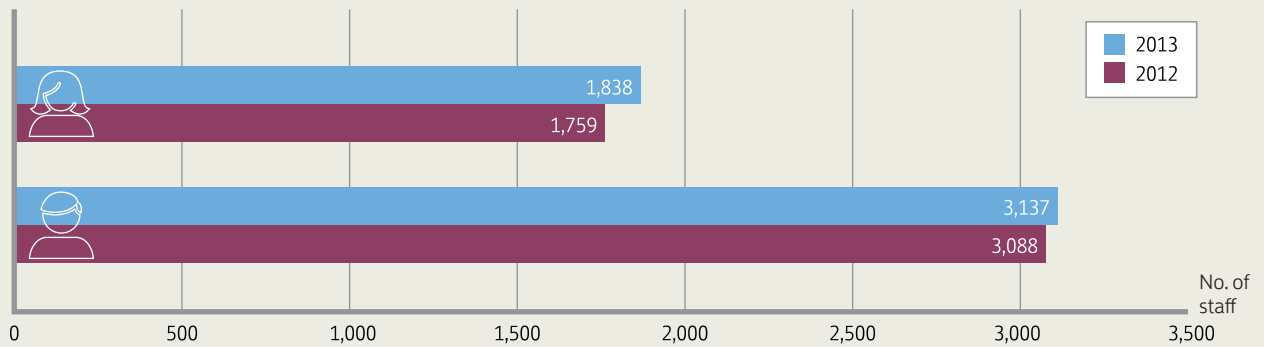
WORKFORCE BY GENDER, EMPLOYMENT, REGION



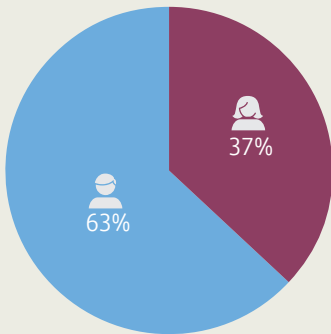
²¹ Across Hong Kong, Mainland China, the UK and the US. We have established offices in Singapore and Jakarta

²² Mainland China: Employees including local staff and secondees Swire Hotels: Employees working in Hong Kong, Mainland China, and UK
Others: Employees working in USA, Jakarta and Singapore

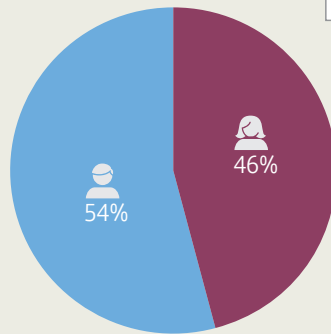
WORKFORCE BREAKDOWN BY GENDER



Global Workforce

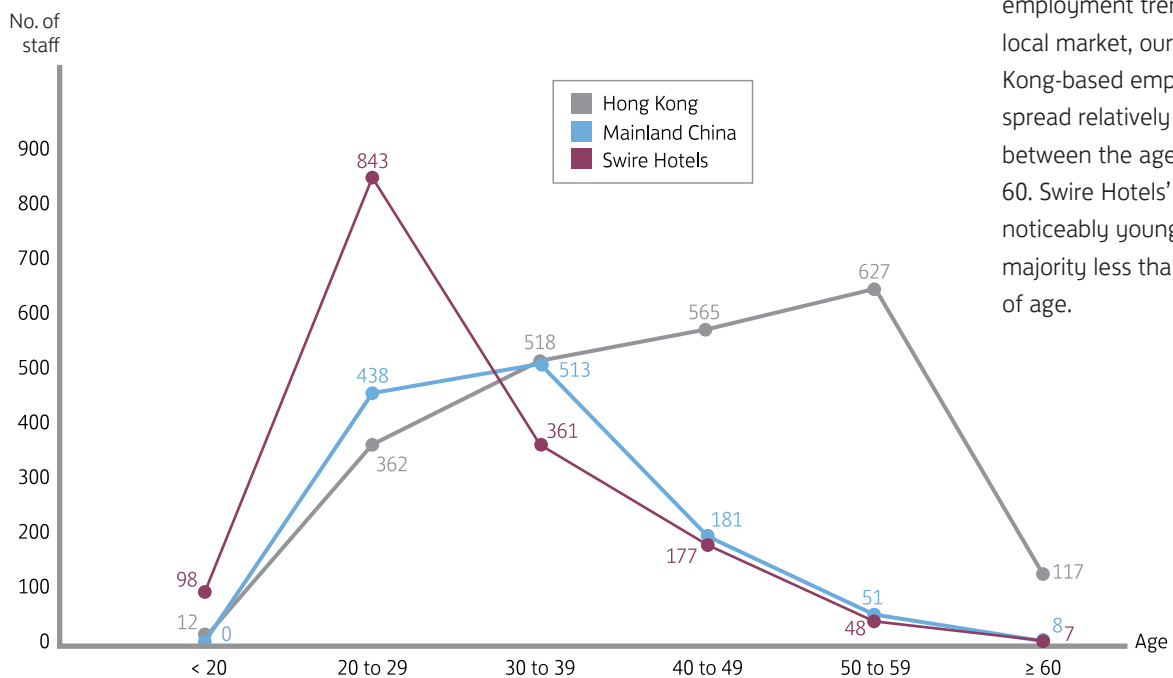


Swire Hotels



In total, our global workforce is 63% male, while at Swire Hotels, the workforce is 54% male.

EMPLOYEES BY OPERATIONS AND AGE²³



Reflecting general employment trends in the local market, our Hong Kong-based employees are spread relatively evenly between the ages of 30 and 60. Swire Hotels' workforce is noticeably younger, with the majority less than 30 years of age.

²³ The 49 employees working in the US, Jakarta and Singapore were excluded from this table as their number is minor compared to the number of total employees.

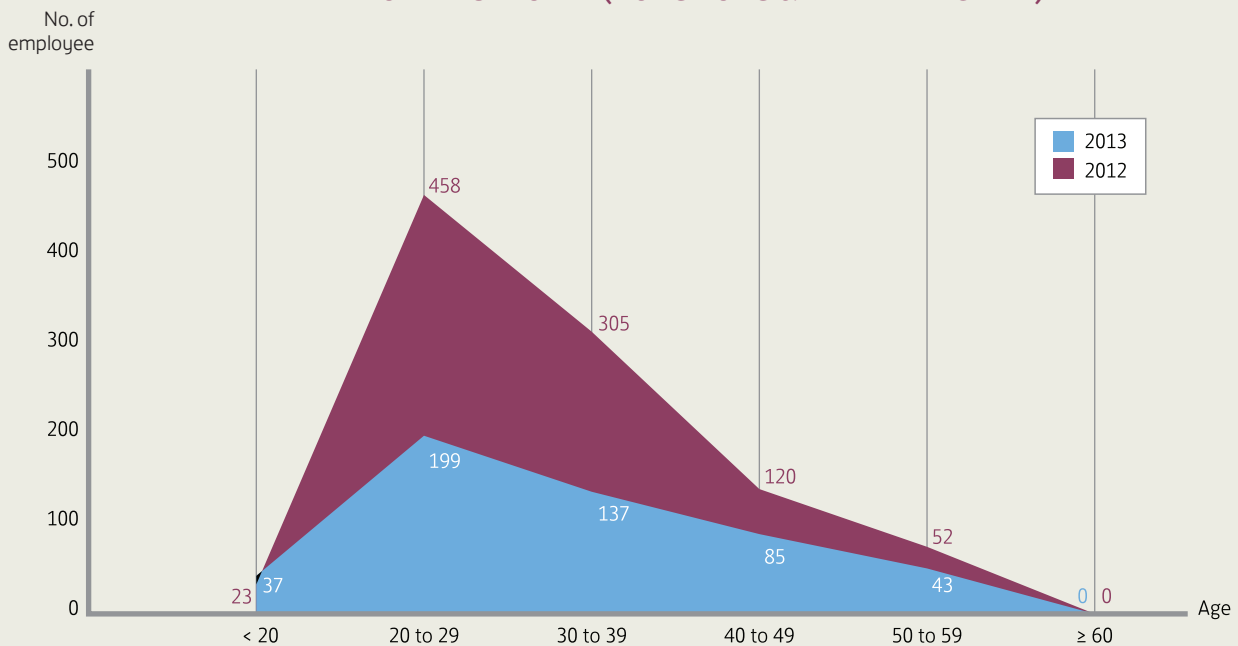
Employee Turnover & Unplanned Absenteeism

We experienced a decrease in unplanned absenteeism in 2013, with 4.5 days per full-time employee across our operations, down from 4.9 days in 2012*. We also saw a decrease in our employee turnover rate, which lowered by 15.8%, compared to 22.3% the previous year. This

decrease can be partly attributed to a significant reduction in the turnover rate among employees in Mainland China. To address turnover, we continually work to identify ways to recruit and retain talent (see [Recruiting and Retaining Employees](#))**.



EMPLOYEE TURNOVER (HONG KONG & MAINLAND CHINA)



*Excludes UK-based employees

**Excludes Swire Hotels and UK-based employees

Developing Our People

We rely on the skills, knowledge and capabilities of our employees to excel, innovate and lead as an organisation. To provide our people with the tools to reach their potential, we offer a variety of training and development opportunities, including trainee programmes for fresh graduates, external educational courses, on-the-job training, internal job rotations, mentoring and overseas secondments.

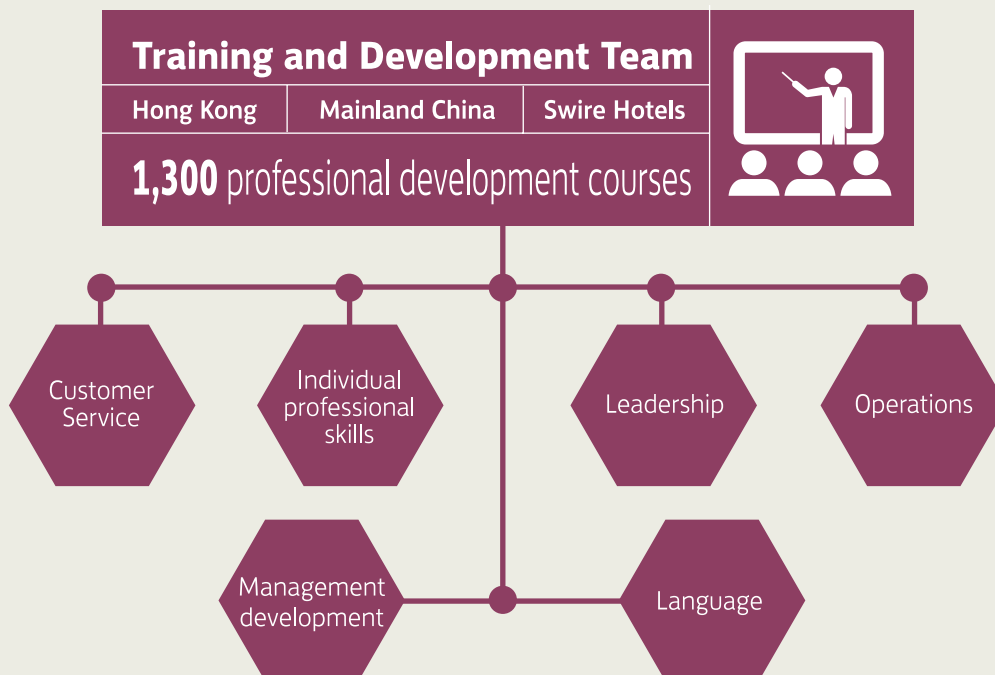
We organise two- to three-year training programmes for our trainees in building surveying, engineering and management, and Swire Hotels runs the Swire Hotels' International Management Trainee Programme. Upon completion, we offer trainees specially designed career paths to help them transition to regular employment. In 2013, five new trainees joined our training programmes.



In 2013, our Training and Development Team organised over 1,300 professional development courses in Hong Kong, Mainland China and at Swire Hotels, covering a wide range of disciplines. Among these were tailor-made training courses for individual departments that were specifically designed to enhance the on-the-job skills and knowledge of employees.

We encourage our employees to develop their skills and abilities by:

- Providing financial assistance
- Granting examination and study leave to take relevant external courses or professional qualifications
- Reimbursing membership fees for employees who join professional organisations recognised by Swire Properties



BEAM Professionals

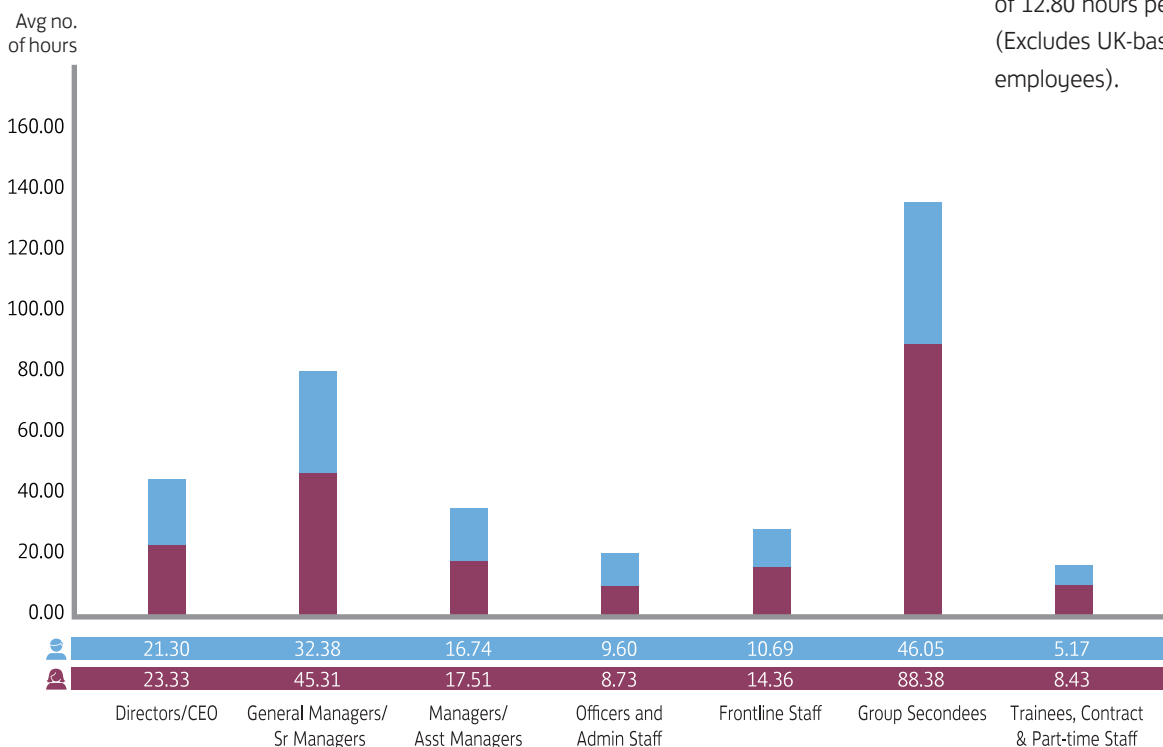
Recognising the importance of green building certification (see [Building Rating Schemes](#)), we encourage our staff to become trained green building professionals. By doing so, we not only help ourselves attain high environmental standards for our buildings, but we also equip our staff with the expertise to provide technical support and advice to our tenants in order to enhance the environmental performance of their premises.

BEAM PROFESSIONALS



EDUCATION & TRAINING (BY GRADE AND GENDER)

Our employees attended 58,647 recorded hours of training in 2013, an average of 12.80 hours per employee (Excludes UK-based employees).



The Swire Leadership and Management Development Programme nurtures future leaders at each stage of their careers, equipping them with the latest management tools and helping them develop strong leadership traits based on our values. Programme participants, including management trainees, also attend business management programmes at international institutions such as INSEAD, Stanford University and the Richard Ivey School of Business.

Our performance appraisal system, which consists of an annual self-assessment by each employee and a subsequent discussion with their manager, is designed to help employees set development goals and keep track of their progress. In addition, it assists management staff in making succession planning decisions and identifying additional staff development opportunities. Annual performance appraisal training sessions are also provided to clarify the evaluation process.

Leading at SPL Roadmap

The “Leading at SPL Roadmap” was launched in 2013, enabling our Training and Development Team to plan and execute training programmes more methodically, taking business and specific departmental needs as well as

employees’ improving competencies into account. The roadmap includes a range of trainings, including induction, compliance, customer service, individual effectiveness, people management, leadership development, IT skills and language.



Recruiting and Retaining Employees

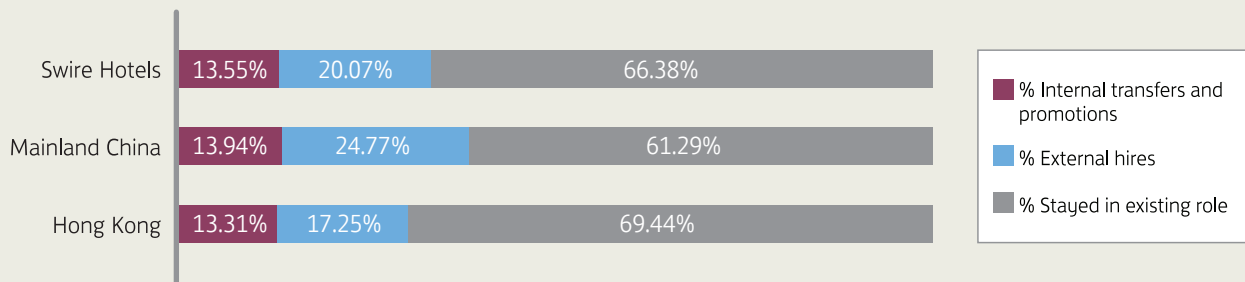
We conduct a rigorous recruitment process to add to our workforce of talented, motivated and experienced employees, and we foster our employees' growth by providing career development opportunities and helping them achieve wellness in their personal and professional lives. In recognition of these efforts, we were chosen in 2013 as the second most attractive employer in Hong Kong by the Randstad Award, which is based on a perception survey of 4,000 jobseekers and organised by Randstad, a Netherlands-based human resources agency.

We offer two-month summer internships to penultimate-year undergraduates interested in a career in property and hotel development and management so that they can gain a

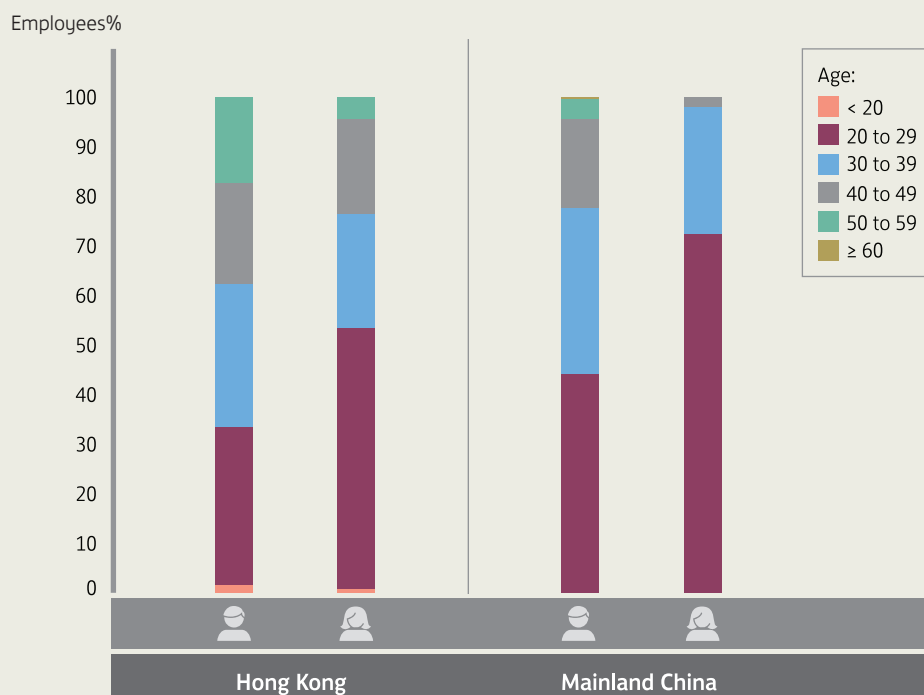
better understanding of our company and industry, and we encourage those who perform well to apply to our trainee programmes.

In 2013, we also participated in the Apprentice Scheme organised by the Vocational Training Council, the largest vocational education, training and professional development group in Hong Kong. The scheme provides apprentices and trainees with systematic on-the-job training to equip them with both theoretical knowledge and practical skills. We invited six apprentices to join our technical teams, where they will rotate through for a four-year training period to learn a wide spectrum of technical knowledge. During their apprenticeships, we will sponsor our apprentices for certificate courses that will allow them to acquire an electrical licence and relevant qualifications.

EMPLOYEE RECRUITMENT



NEW HIRES BY AGE, GENDER AND REGION



Equal Opportunities

We are an equal opportunities employer and strive to provide a professional environment that is respectful, challenging, rewarding and safe. We respect human rights and do not tolerate harassment or discrimination of any kind. Our Human Resources & Administration Department organises training sessions and seminars on human rights and equal opportunities, with 100% of our staff undergoing human rights training in 2013. We also hold Code of

Conduct (see [Code of Conduct](#)) training and refresher sessions. Every staff member is required to observe the legislation on equal opportunities and may face disciplinary or legal action if they fail to comply.

We recruit, remunerate and promote people based solely on their experience, skills and job performance, without regard to age, gender, race, national origin, disability, sexual orientation or family or marital status

Code of Conduct

Our Company Code of Conduct delineates how we expect employees to conduct themselves at work. The Code covers matters including competitive tendering, conflicts of interest, use of child and forced labour, workplace bullying and harassment, privacy and confidentiality of information, intellectual property rights, non-discrimination, equal opportunities and bribery and corruption.

We maintain feedback channels open to all shareholders, customers, suppliers, contractors and employees. All employees have a responsibility to report potential violations of the Code, including possible improprieties in financial reporting and internal controls. Employees who violate the Code are subject to disciplinary action, including termination of employment or, in the case of possible criminal offences, legal action.



Employee Engagement

We strive to create a sense of community and cooperation within our workforce by engaging our employees in a variety of social and environmental initiatives:

- Community Ambassador Programme (see [Working Together to Make a Difference](#))
- Sporting groups (see [picture 1](#))
- Competitions and pledges (see [picture 2](#))
- Staff Outings (see [picture 3](#))

We also publish *CornerStone*, a bimonthly employee newsletter that provides coverage of Swire Properties' latest news in addition to the professional achievements and personal milestones of our employees. *CornerStone* is distributed internally, with an adapted [web version](#) produced for external audiences.

In order to strengthen internal communication across our growing global operations, in May we launched our revamped and enhanced company intranet, which improves user-friendliness and provides easier access to timely and relevant information. The launch was followed by an



intranet-naming competition for staff, which resulted in the new name of SPLinks (pronounced "SP-Links"), signifying the linkages forged by our enhanced intranet across our global operations.

Superheroes Abound at Our Annual Dinner

Our Annual Dinner is a spirited and inclusive event that is anticipated and enjoyed by all. From our trainees to our senior management team, the festive occasion offers the chance for everyone to step out of their professional roles to enjoy a themed night of fun.

In November at the Hong Kong Convention and Exhibition Centre, we celebrated SuperheroNight, which included

eye-catching superhero costumes and a range of themed games and activities for everyone to enjoy. The evening also saw a superhero dance battle performed by colleagues from different portfolios in Hong Kong and Mainland China, best costume awards, and a special 'Swire Properties Superhero Award' which was presented to five frontline colleagues for helping save the life of a customer in Cityplaza. To top it all off, the dinner itself featured a green menu, with the seafood dishes chosen according to recommendations from WWF Hong Kong's Sustainable Seafood Guide, which we have followed for our catered events since 2007.



New Brand Guidelines Roadshow

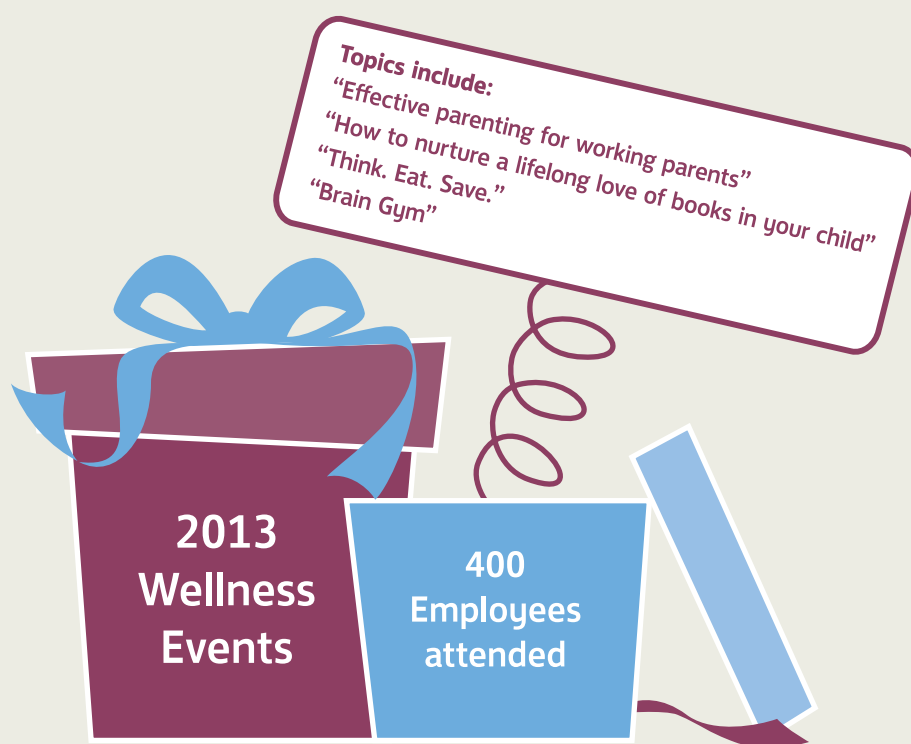
In November, we launched a set of new brand guidelines that refine and update Swire Properties' brand identity as well as our values and positioning. Understanding that each of our employees is an important brand ambassador for the company, we organised a series of staff presentations in Beijing, Chengdu, Guangzhou and Hong Kong during December to reiterate our core values of integrity, originality,

long-term focus and quality, and to introduce the branding project and the tenets of our brand personality: creative, meticulous, confident and reliable.

The presentations also emphasised the essence of our brand positioning – creative transformation – and offered advice on how every employee can more effectively communicate and differentiate our brand to forge stronger connections with stakeholders.

A Dose of Wellness

As part of our holistic approach to employee benefits, in 2013 we organised an array of luncheon talks, training sessions and group sharing sessions covering a wide range of topics related to wellness.



Inaugural Service Excellence Awards

We launched our Service Excellence Awards in 2013 to showcase our staff's outstanding achievements in customer service, highlighting their professionalism and exceptional job performance throughout the year. The inaugural Service Excellence Awards recognised the efforts of 29 frontline employees from our Building Management Team and security staff.

The awards involved a strict selection process made up of three parts – an election voted on by frontline employees, an internal panel review and an individual performance appraisal. The detailed selection criteria illustrate the high standards achieved by the awardees, as well as the company's own commitment to excellence.

Employee Benefits

In addition to competitive remuneration, we offer our employees a comprehensive benefits package, including medical care, retirement benefits and a discretionary performance bonus for all full-time permanent employees, commensurate with their job grade. We compensate employees with overtime pay, as defined in their employment contract, although we try to minimise overtime work whenever possible.

In Hong Kong, we operate a retirement benefit scheme under the Occupational Retirement Schemes Ordinance (ORSO), which is exempt from the Mandatory Provident

Fund (MPF) Scheme, and we allow all new full-time permanent employees in Hong Kong to choose between the two schemes.

To help colleagues cope with issues in their work and personal lives, we partner with an external consulting firm to provide an Employee Assistance Programme (EAP) to our staff in Hong Kong, which offers in-person or round-the-clock telephone support from social work, counselling, management and clinical psychology professionals. In addition, our EAP offers regular events, such as luncheon talks and training sessions, to help colleagues achieve mental and emotional balance and to educate them about the importance of employee wellness.

Health & Safety

Safety Management System

We protect the safety of our employees, tenants, contractors and the communities that use our facilities under the direction of our Health & Safety Team using an approach guided by

our Health & Safety Policy²⁴. Our Safety Management System (SMS) in Hong Kong and Mainland China ensures that safety requirements and procedures are standardised across our portfolios²⁵.



²⁴ Our Health & Safety Policy is available on the internet, on the company intranet and on bulletin boards in common rooms throughout our portfolios

²⁵ In Mainland China, our SMS is in place at TaiKoo Hui, INDIGO and Taikoo Li Sanlitun, where it is implemented and monitored by two working groups

Swire Properties Achieves OHSAS 18001 Certification

In 2013, we attained OHSAS 18001 certification, which covers our Hong Kong operating portfolios. By aligning our SMS with this leading occupational health & safety management systems standard and by implementing an auditing process, we can more effectively control and benchmark our health & safety performance. More than 780 employees have attended OHSAS 18001 awareness training, and 25 supervisory staff members have been trained and qualified as OHSAS 18001 internal auditors.

The benefits of the certification include reduced lost-time injury frequency, improved productivity, reduced claims against the company, and an improved insurance liability rating.

We will continue our planning and development process through 2014 and target to obtain OHSAS 18001 certification for TaiKoo Li Sanlitun and Taikoo Hui in the second quarter of 2015.

Our SMS Steering Committee is chaired by our Fire & Safety Manager and includes representatives from our technical and building management teams from different portfolios in Hong Kong as well as representatives from our Human Resources & Administration Department. There is also a SMS Sub-Committee comprising building management and frontline staff, which provides a channel for frontline staff to offer input on improving health & safety. The role of these committees, each of which meets quarterly, is to monitor health & safety performance, alert management to the existence of workplace hazards or unsafe practices and respond to any safety concerns from our employees, tenants and the general public.

Our health & safety team provides training and technical support to our employees to help them meet their health & safety obligations. In addition, when accidents or incidents occur, the health & safety team conducts an investigation and issues a report, including an examination of the root causes and recommendations for improvement.

Our concern for safety extends throughout our entire value chain (see [Our Value Chain](#)), including oversight and monitoring of the health & safety of our employees, contractors, tenants, suppliers or customers. We continually assess our health & safety procedures and have made the provisions necessary for planning, organising, monitoring and reviewing health & safety precautions that are required by law.

Valuing the Safety of Our Contractors

2013 Considerate Contractors Site Award Scheme

Our 160 South Lantau Road, Cheung Sha Residential Development Project was commended by the Considerate Contractors Site Award Scheme, organised by the Hong Kong Government's Development Bureau and the Construction Industry Council. The scheme aims to promote a considerate attitude and good site safety, health and environmental practices for works sites.

Our contractor was commended for the benefits and care provided to workers, including on-site medical check-ups and vaccinations, as well as the provision of site shelter, drinking water facilities, shower facilities, helmet cages and lockers. In addition, we provided workers with transport to the site.

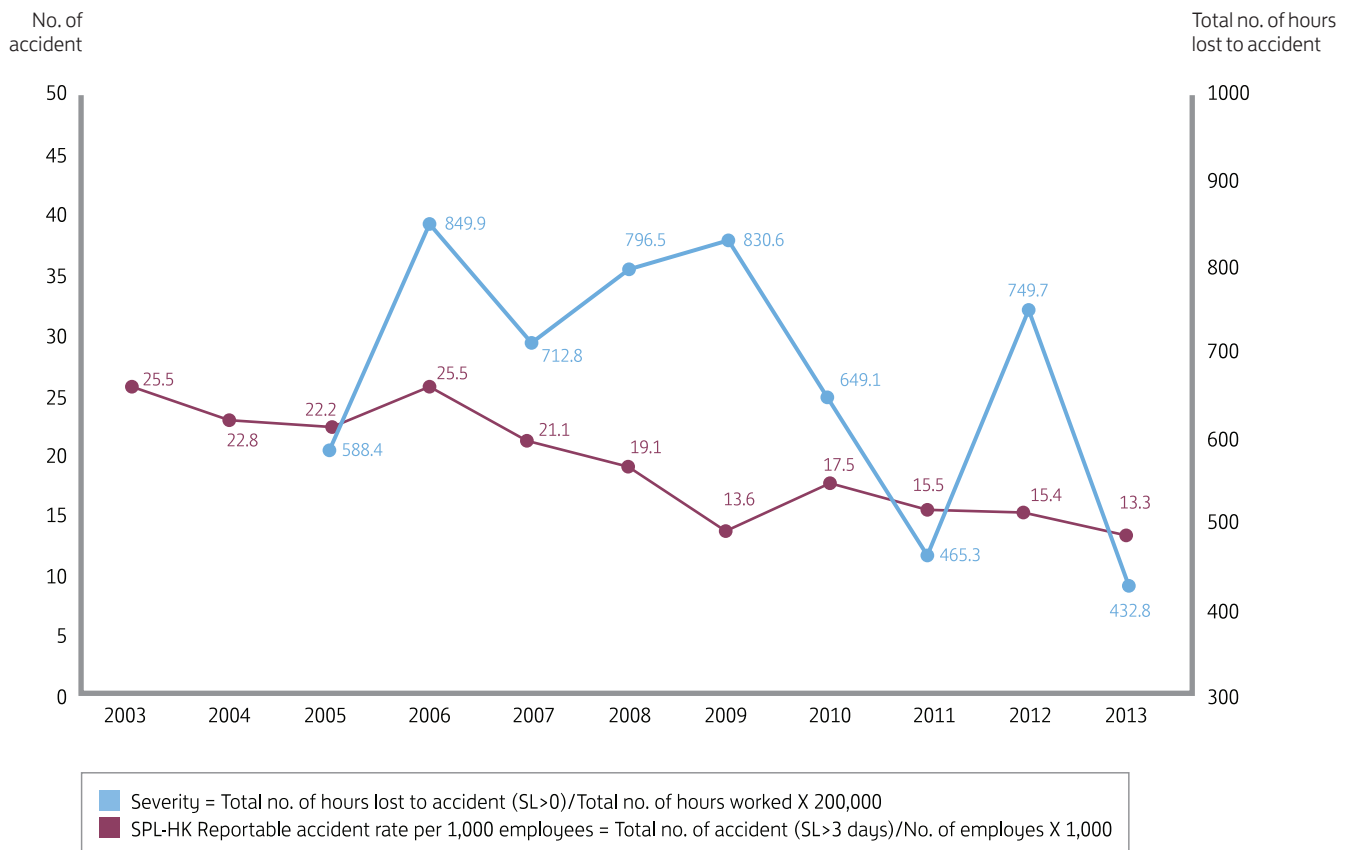
REDA/HKCA Safety Partnering Programme Safety Inspection

Our DUNBAR PLACE development ranked first in the fourth safety inspection conducted by the Safety Partnering Programme of the Real Estate Developers Association of Hong Kong (REDA) and the Hong Kong Construction Association (HKCA). The goal of the programme is to raise the Hong Kong construction industry's standard of safety and health to a level that is comparable to the world's best performers. Every Swire Properties project joins the REDA/HKCA Safety Partnering Programme

We continue to strive for zero major injuries throughout our Hong Kong and Mainland China portfolios. Rigorous health & safety protocols are integrated into our risk management system. As our portfolio continues to grow, we have a

responsibility to conduct risk assessment of our health & safety operations in order to ensure that the best possible measures are in place.

STAFF ACCIDENT STATISTICS OF OPERATING PORTFOLIOS (HONG KONG)



2013 Achievements

Hong Kong

- Achieved OHSAS 18001 certification
- Conducted more than 200 health & safety inspections to assess performance and identify areas for improvement
- Published new Staff Safety Handbook – more than 1,800 handbooks distributed to frontline staff

Mainland China

- All operating portfolios conducted job-related risk assessments
- Taikoo Li Sanlitun and INDIGO obtained a safety standardisation certification as recommended by the local government

2014 Targets



- We aim for zero major injuries
- Continue our OHSAS 18001 planning and development to cover Mainland China

Health & Safety Training and Awareness

To equip our employees with the necessary knowledge to identify and report perceived hazards, our induction training for frontline employees includes a health & safety component that must be completed within 30 days of commencing employment. On a continuing basis, we communicate our health & safety approach to all frontline employees through safety handbooks, the company intranet and our staff newsletter.

New Staff Safety Handbook

In August, we published an updated version of our Staff Safety Handbook for frontline staff, which raises their awareness of safety issues in the workplace and outlines new internal health & safety guidelines. For ease of reference, the contents of the new

handbook are categorised according to different teams, including the technical, building management and landscape teams. More than 1,800 handbooks were distributed to frontline staff in 2013.

Fostering a Culture of Safety

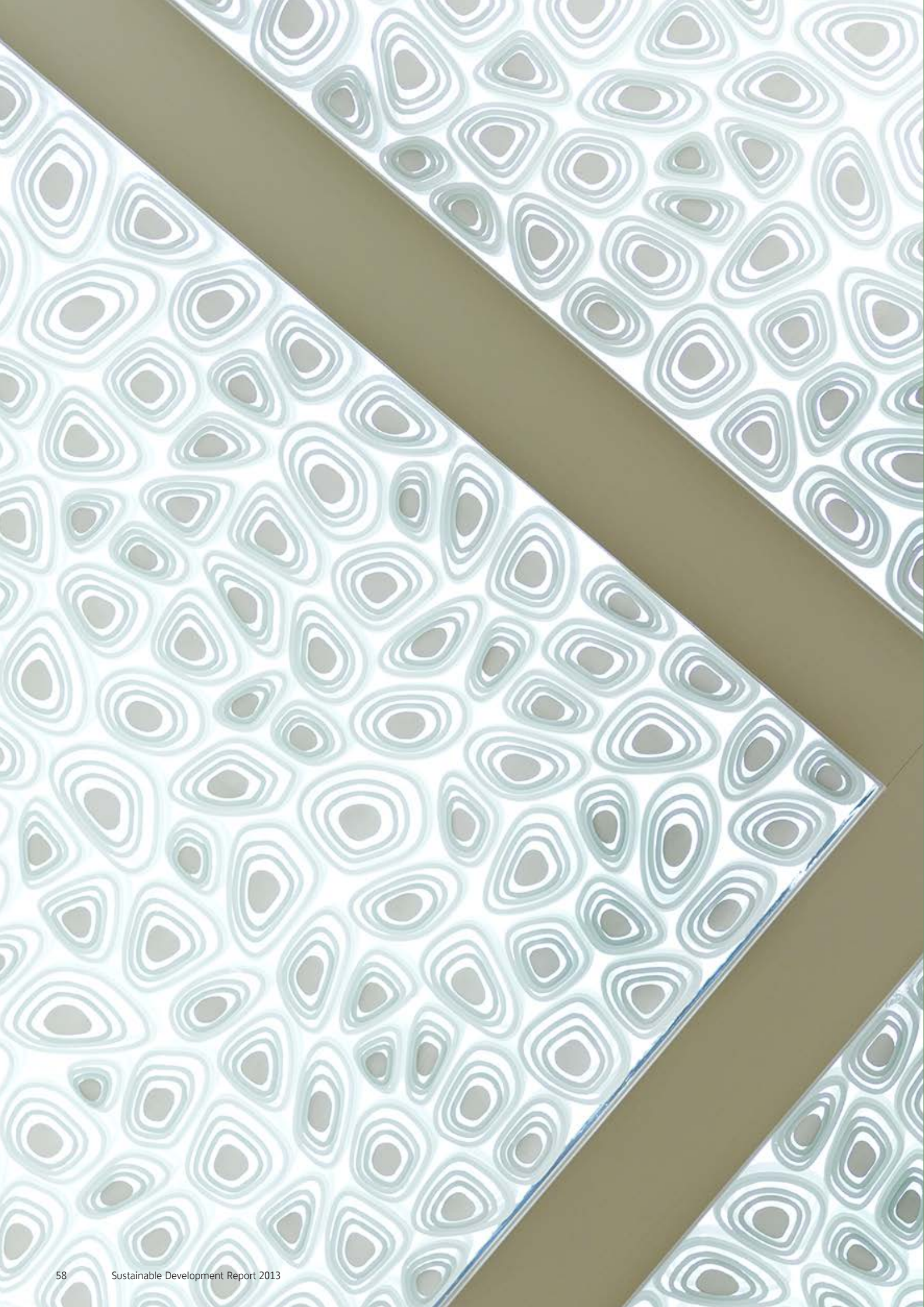
To raise awareness of important safety issues among staff at our properties in Mainland China, our Technical Services and Sustainability Department organised a series of interactive activities during 2013. These included a safety drawing competition, a fire safety quiz and a safety knowledge contest.

We have installed EHS bulletin boards at all our properties in Mainland China to keep staff up to date on all EHS-related information. Additionally, we have increased the number of safety warning signs in potentially hazardous areas, and we engaged qualified testing agencies to measure and evaluate noise levels in noisy work areas.

Slip, Trip and Fall & Manual Handling Accident Prevention Programme

In October, our Hong Kong hotels – The Upper House and EAST, Hong Kong – launched a Slip, Trip and Fall & Manual Handling Accident Prevention Programme for 400 frontline employees. The programme aims to

reduce accidents by identifying risk factors and developing mitigation measures through accident data analysis, questionnaires, site surveys and specific training. The programme is targeted for completion by 2014.



OUR COMMUNITY

Our commitment to creating and sustaining vibrant communities is evident in every aspect of our business, echoing our belief that the social value of our investments is as important as their economic value.

We believe the physical completion of a project only marks the first stage of its value to the people who live and work there. This is why we devote significant resources throughout the lifecycle of our projects in kindling community cohesion through investments in arts and culture, educational and environmental programmes and volunteer opportunities.

Additionally, to maximise the positive impact of our projects on the communities in which they are located, we continually invest in enhancing both their physical and social aspects. Beginning during the acquisition, design, development and construction stages, we solicit ideas and advice from the people who live in the surrounding community to ensure that we take their needs and desires into account as we plan and build.



Working Together to Make a Difference

Our Community Ambassador Programme is an employee-led volunteer initiative that designs, organises and participates in activities to help the elderly, the disabled, children and disadvantaged families in communities throughout Hong Kong and Mainland China. The programme works together with NGOs and service organisations in the community on short- and long-term projects that focus on environmental protection, education initiatives and the promotion of arts and culture.

Our Community Ambassadors are a diverse group comprising our employees and Swire group peers as well as a growing network of family members, friends, business partners, tenants and customers. To encourage the participation of our employees, we offer incentives through our Community Ambassador Service Leave Policy, which awards one day of leave for every 10 hours of service, capped at two days a year.

During 2013, nearly 1,300 Community Ambassadors dedicated more than 5,500 hours of service time to 48 activities. The Community Ambassador Programme has been strengthened by increasing participation in Beijing and Shanghai as well as its launch in Guangzhou in April.

PERFORMANCE OVERVIEW



New “Welcome Home” Project Provides Home Makeovers for Families in Need

Mr Fix it, a signature project of our Community Ambassador Programme, features volunteers from our various technical teams who offer home maintenance and repair services to underprivileged families in the community.

In 2013, our Community Ambassadors took the idea behind Mr Fix it and spun it off into the new “Welcome Home” project, which aims to provide complete home makeovers for families in need. In addition to the inspiration provided by Mr Fix it, the team was inspired by IDEA Project Hong Kong, an NGO whose mission includes the idea that all people should have equal access to the design of a human environment.

Together with IDEA Project and Caritas Hong Kong, which helped find beneficiary families, our Ambassadors launched a pilot of “Welcome Home” from June to October.

The debut of the project benefited a family comprising a 62-year-old father and his teenage daughter who were preparing to move into a 210-sq-ft public housing apartment but lacked the means to fix up their new home.

Throughout the course of the project, our Ambassadors worked tirelessly to help the family design and realise their dream home. From building custom bookshelves to painting the walls, our Ambassador team took a literal hands-on approach to volunteering. In addition, they leveraged the resources of Swire Properties to source donations of necessary household items, including a range hood donated by Swire Properties’ tenant Towngas.

The pilot was a great success and points to a bright future for “Welcome Home”, which has the continued support of IDEA Project, Caritas Hong Kong and Towngas.

Springtime is for Lovers...of Books!

At Swire Properties, spring has become synonymous with books, books and more books. In 2013, we launched the fifth annual Books for Love charity book drive in January, which culminated with a three-day book sale at ArtisTree in TaiKoo Place in April. From January to March, special drop boxes were placed in some of our residential and commercial properties as well as at five centres of The Boys' and Girls' Clubs Association of Hong Kong, which received all proceeds from the book sale to support underprivileged children in Hong Kong with food, daily necessities, and educational, arts and sports activities.

More than 100 Community Ambassadors worked alongside young beneficiaries from The Boys' and Girls' Clubs Association of Hong Kong to sort through all the donated books, and more than 200 Ambassadors volunteered their time at the book sale, which included a record-breaking 50,000 books priced at HK\$10 each. All told, Books for Love raised more than HK\$400,000.



Weaving a Rich Historical Tapestry of Island East

Be My Friend is another of our Community Ambassador Programme's long-running projects. Together with volunteers from local partner organisations, Be My Friend coordinates visits to the homes of elderly residents in the neighbourhood to provide companionship and engage in conversation.

In 2013, Be My Friend embarked on a new initiative titled "Stories from Island East", which matched volunteers with elderly residents of the area – some of whom had once worked at Swire's old TaiKoo Dockyards and TaiKoo Sugar Refinery – to collect their stories through oral interviews. More than 70 volunteers, drawn from TaiKoo Primary School, The Boys' & Girls' Clubs Association of Hong Kong, the Ming Yue District Elderly Community Centre and our Community Ambassador team, took part in workshops to brush up on their interviewing and reporting skills before heading into the field to hear from elderly residents what life in Island East was like in the past.

In gathering these "Stories from Island East", volunteers were not only able to enrich their own knowledge of this area that has housed so much of our company's history, but they also gave elderly residents the chance to reminisce and reflect on their own experiences.

Community Ambassadors in Mainland China

With the April launch of our Community Ambassador Programme in Guangzhou and the growing number of Ambassadors in Beijing and Shanghai, the programme continues to forge a strong presence in Mainland China. A selection of activities from 2013 follows:

Green classes in Guangzhou



At TaiKoo Hui, we have implemented an innovative waste separation programme, which was recently recognised by the local government (see [Waste Management](#)). To help spread

awareness of environmental protection and effective waste management, our Guangzhou Community Ambassadors visited Qiao Tou Primary School to deliver two green classes to students. Using real-life examples, our Ambassadors staged interactive activities with the students to educate them about how each of us can contribute to environmental protection through our everyday actions and decisions.

Sharing art with autistic children at INDIGO

In October, our Community Ambassadors worked with Beijing Golden Wings Art Rehabilitation Service Centre for Disabled Children to invite 12 autistic children and their families for a sketching activity at INDIGO. Our Ambassadors were able to bond with the children during a tour of the INDIGO mall and a visit to the outdoor garden, where the young artists drew sketches, some of which were later purchased by our Ambassador team to support the centre and the families.



Books and fairy tales at Lv Yuan School

In August, our Beijing Community Ambassadors revisited Lv Yuan School to donate more than 400 illustrated books to the reading room they had helped build in 2011. In addition to making this donation, our Ambassadors worked together with the migrant students to perform their favourite fairy tales in front of the group.



Arts and Culture

Swire Properties believes art should be present in public venues for community enrichment rather than being restricted to museums and concert halls. We support arts and culture to enhance the quality of life in our communities, taking advantage of our facilities to support and host arts and cultural events, performances, exhibitions and artwork commissions. In this way, we offer people in our communities the chance to interact directly with art and practising artists on an ongoing basis, weaving cultural enrichment into the very fabric of our communities.

“WORK IN PROGRESS” at TaiKoo Place

During June and July, building exteriors, loading bays and office interiors across TaiKoo Place were transformed into venues for cutting-edge street art as part of the “WORK IN PROGRESS” project. Featuring murals, sculptures and mixed-media installations by nine internationally renowned street artists and nine Hong Kong-based artists, this innovative art event also included a series of public workshops, film screenings, live demonstrations and guided tours to engage the community in the creative process and to give them a better understanding of the diverse forms of street art.



The Beijing Music Festival Energises Taikoo Li Sanlitun and INDIGO

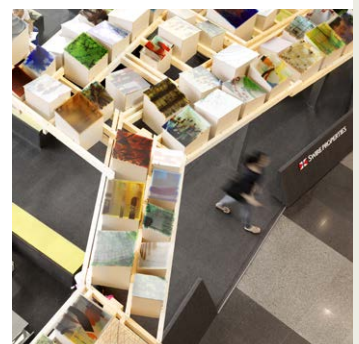
In October, Swire Properties presented the “Taiwan Original Pop & Rock” concert as the Urban Series concert for the 16th Beijing Music Festival (BMF). Taking place at The Orange, Taikoo Li Sanlitun’s multi-function event space, the concert featured an electrifying mix of Taiwanese pop and rock music with a classical edge. This marked the third consecutive year that Taikoo Li Sanlitun played host to the BMF’s Urban Series concert. In addition to this concert, five other BMF concerts were held at Taikoo Li Sanlitun, and a number of master classes by renowned musicians and educational programmes were hosted at INDIGO.



Swire Properties Sponsors Inaugural Art Basel in Hong Kong

Hong Kong’s growing clout as a global art destination was cemented in May, when the inaugural Art Basel Hong Kong was staged at the Hong Kong Convention and Exhibition Centre. The Hong Kong premiere of the iconic art show featured works by more than 3,000 artists from Asia and around the globe, as well as more than 150 ancillary activities, including discussions and presentations.

As part of our longstanding patronage of the arts, Swire Properties was a sponsor of Art Basel’s first edition in Hong Kong, serving as a Lounge Host. At our lively lounge, which featured a connection-themed design inspired by Hong Kong’s dense urban fabric and hidden corridors, we hosted events for special guests and art professionals and aficionados that spotlighted the burgeoning art scene in Hong Kong and Asia.



The Bard Comes Alive at “Pop Up! Shakespeare”

As a founding patron of Shakespeare4All, Swire Properties was especially proud to see this unique arts education organisation celebrate its 10th anniversary in 2013. In March 2013, we partnered with Shakespeare4All to present “Pop Up! Shakespeare”, a free series of workshops for children aged 6 and above. The two-day event at ArtisTree featured workshops on creative writing, voice and acting, costume design and stage makeup, and it promoted English language learning through the appreciation of Shakespeare’s plays. As part of this effort, a 30-minute modern classic comedy adapted from Shakespeare’s *Much Ado About Nothing* was performed four times a day during the event by students and professional actors.



Educational Programmes

We strive to provide enriching learning experiences for children and teens in our communities by organising and sponsoring educational programmes that develop their sense of initiative and creativity. In addition, we have a number of active partnerships with several schools and youth-focused organisations.



Swire Carbonell Scholarship Fund Supports Art Students in Need

Brickell Key, our fully realised island city within Miami, is a showcase of masterful planning and design. Central to this is its extensive collection of public art installations, including many by Cuban master sculptor Manuel Carbonell, whose work bears special importance in Miami. To honour his legacy, we established the Swire Carbonell Scholarship Fund and began awarding undergraduate art and art history scholarships to students at Florida International University in 2009 (see [Sustainability in Action](#)).

Leveraging Our Resources

As a property developer and landlord, our business operations intersect on a daily basis with the lives of people in our communities, from the physical breadth of our facilities to the wide-ranging services provided by our employees.

To ensure that we continue to make positive contributions to our communities, we look for ways to leverage our resources to benefit others. One way we do this is by providing physical venues to community organisations and events free of charge or for a nominal fee.



Innovations in Public Space: Tong Chong Street

Over the past few years, Tong Chong Street, which cuts through the heart of TaiKoo Place, has gone from a nondescript urban street to one of Hong Kong's leading public spaces. In fact, Tong Chong Street won the Hong Kong Public Space Award 2013 in the Street category, with the jury commenting,



“ Most successful combination of design and management of a streetscape. ”

“ Interaction between traffic and pedestrians should serve as a paradigm of multi-use street that supports a wide range of uses. ”

“ Different functions are observed at different times – as a car road, as a pedestrian walkway and as the venue for various activities and markets. Its high degree of flexibility demonstrates the fact that streets are not single-use spaces as passageways. ”

Owing to our approach to sustainable development, which values the well-being of our communities, as well as our commitment to creating and sustaining vibrant places to live and work, we began the gradual transformation of Tong Chong Street as early as 2011, when we used it to host a charity bazaar.

However, it was in 2012 that Tong Chong Street assumed its mantle as one of Hong Kong's most dynamic public places when we began hosting Island East Markets, a weekly farmers and crafts market coordinated by the Hong Kong Markets Organisation and sponsored by Swire Properties. As part of this recurring event, we worked to pedestrianise Tong Chong Street on selected Sundays throughout the year to house stalls and a live music venue. This experiment in creating a vibrant public space proved to be so successful that we used Tong Chong Street to host a festive public street party with a charitable aim in celebration of Swire Properties' 40th anniversary.

In 2013, we continued our sponsorship of Island East Markets, helping oversee its growth and development. We also used Tong Chong Street to host our White Christmas Street Fair 2013, a community celebration that helped raise over HK\$1 million for Operation Santa Claus (see Partnering with Customers and Tenants).

Going forth, we hope to continue leveraging Tong Chong Street's strengths as a centrally located, walkable public space to add value to the neighbourhood for the benefit of visitors, residents and tenants.



Embracing Our Green Thumb

Although we operate predominately in urban areas, we continually try to bridge the gap between farm and table for the benefit and health of our communities. With this in mind, we extended Island East Markets for the entire year and renewed our sponsorship into 2014. In addition, at INDIGO in Beijing, we organised a recurring organic market comprising 40 vendors selling more than 100 different types of organic vegetables and other food. Finally, in Shanghai, our Dazhongli project sponsored the Organic Garden Project, an initiative of Jane Goodall's Roots & Shoots programme, which involved the planting of an organic garden at a middle school.



In 2008, we opened ArtisTree, our 20,000 sq ft multi-purpose venue located at Cornwall House, TaiKoo Place, as a cultural resource for Hong Kong. In 2013 alone, we have used it to stage more than 12 events for the benefit of over 101,000 visitors.

In 2013, ArtisTree hosted a variety of events:

- > Hong Kong Sinfonietta ArtisTree Residency: Right Partners Real Partners
- > KNITerature – the Art of Movana Chen (*see picture 1*)
- > [Basketball Challenge](#)
- > [Breathe Life Art Exhibition – A New Vision to Environmental Protection](#) (*see picture 2*)
- > [Football Challenge](#)
- > Pop-Up! Shakespeare – Family Fun Weekend: Shakespeare Our Contemporary
- > “AFTER HOUR CLASSICS” by the Hong Kong Philharmonic (*see picture 3*)
- > Song Dong: 36 Calendars Exhibition
- > REVEAL – The Artworks Exhibition by HKIA Members (*see picture 4*)

The Orange, our 500-person multi-function event space located in Taikoo Li Sanlitun in Beijing, is a unique venue in the heart of the city that we have made available for a variety of cultural and community events since its opening in 2008. In 2013, The Orange hosted “Taiwan Original Pop & Rock”, the Urban Series concert for the 16th Beijing Music Festival (*see [Arts and Culture](#)*).

We also leverage our resources through sponsoring activities and organisations that benefit our communities in some way. We plan to set up the Community Care Fund in 2014, which will focus on nascent local charities that lack the resources to achieve their mission. This fund will allow us to expand our philanthropic scope beyond our existing focus on the environment, arts and culture, and education, and it encourages the engagement of staff, since we solicit their ideas and suggestions on causes and organisations that they feel warrant support from Swire Properties. The Community Care Fund will be able to support several projects each year, with a maximum budget of HK\$200,000 each.

Finally, by sharing our business expertise and the skills of our valued employees with the community, we contribute to its well-being in numerous intangible ways. For instance, our new Welcome Home programme (*see [Working Together to Make a Difference](#)*) uses the technical and practical skills of our employee volunteers to provide home makeovers for families in need. Additionally, we offer free energy audits to our office tenants and non-profit making organisations to help them analyse their energy usage to identify energy-saving opportunities (*see [Energy & Climate Change](#)*).

SUSTAINABILITY IN ACTION

Brickell City Centre brings our international
connected by the CLIMATE RIBBON™, and
climate management.



inally recognised mixed-use development model to Miami, unified and
n innovative architectural feature that provides an environmental solution to



MIAMI BRICKELL CITY CENTRE



In 1979 Swire Properties purchased Brickell Key and developed a masterfully planned community in what is recognised as an oasis in the centre of Miami. With over 30 years' experience in the renowned Brickell neighbourhood, our vision of the area has solidified and expanded. In 2012, we broke ground on the Brickell City Centre site, our new large-scale mixed-use project.

TRANSPORTATION NETWORK OF DOWNTOWN, MIAMI



US\$1.05 Billion Transformational Project

Total GFA 5.4 million sq ft (4 city blocks)

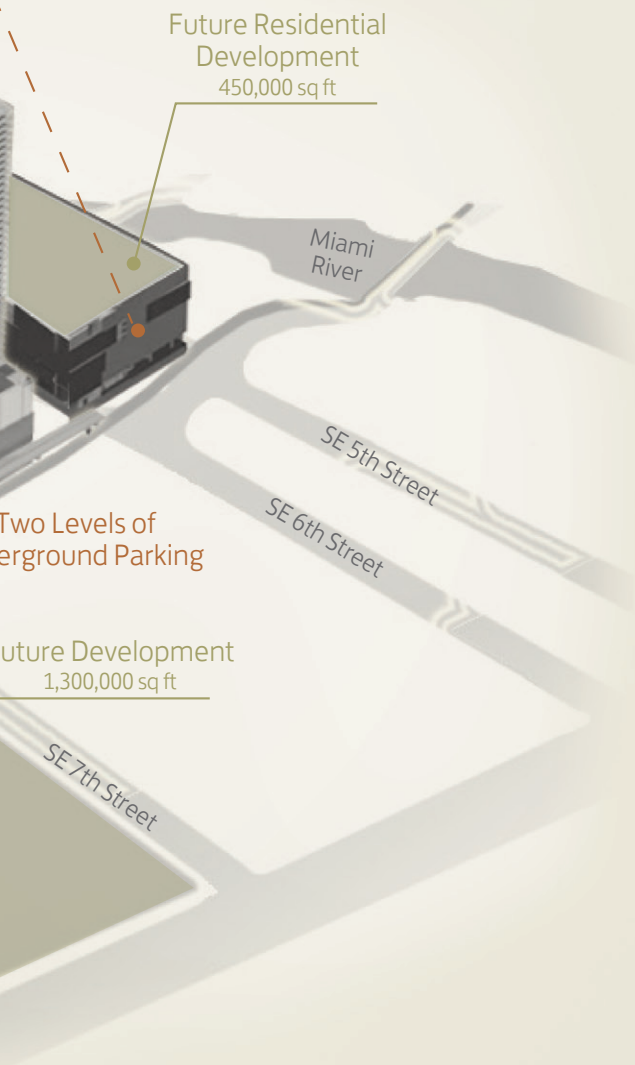


Brickell City Centre is an impactful US\$1.05 billion project located on South Miami Avenue between Eighth Street and Sixth Street. Sp...
Brickell City Centre is possibly the largest private sector venture



- Phase One (To begin completion end of 2015)
- Phase Two (Scheduled 2019 completion)

located in the heart of the city's Brickell neighbourhood along
 spanning 5.4 million sq ft of GFA across four city blocks,
 of its kind in Miami's history.



Sustainability Features

LEED® - registered for Neighbourhood Development

Connectivity



- Two levels of underground parking alleviates on-street parking congestion
- Rebuilding the Metromover station
- Facilities for cyclists
- Pedestrian footbridges and walkways

Environment



Recycling

- Minimise construction waste
- Use recycled, sustainably sourced, low-emitting building materials where possible



Construction

- Noise and dust impact reduction plan
- Scheduling during non-peak hours



Water

- Conservation features to recycle water for irrigation and air-conditioning
- Reduce potable water use estimate by 20%

CLIMATE RIBBON™ features



Energy & Ventilation

- Natural lighting
- Harnesses air flow for optimal temperature regulation (maintain 6-9 knots)
- Sunshading - optimise temperature
- Storing harvested water above ground eliminating the need for electrical pumping



Water Conservation

- Rainwater harvesting
- Capture 5 million gallons annually for reuse



Environment

Brickell City Centre features the 150,000 sq ft CLIMATE RIBBON™, a US\$20 million steel, glass and fabric elevated trellis that forms a shelter to improve the microclimate for pedestrians in the development's shopping centre and walkways using energy-saving design strategies. This innovative, first-of-its-kind architectural feature gives the project a distinct architectural identity while underlining our commitment to sustainability.

The CLIMATE RIBBON is a multipurpose structure that enhances the visitor experience at Brickell City Centre by allowing open air, naturally lit shopping. It acts as a shade for walkways, shops, restaurants, café areas, escalators and terraces to protect visitors from rain and direct sunlight.

Using virtual simulations of air flow and sun paths, physical wind tunnel tests and independent fluid dynamic simulations, architects designed and positioned the CLIMATE RIBBON so it is able to maximise passive energy opportunities. "Scoops" at the eastern end of the development collect the southwest trade winds, which are guided through the public streetscape by the low pressure created at the western and northern ends through the use of "spoilers", creating a breeze and eliminating the need for air-conditioning in the shopping centre's open areas.

During the construction process, we are working to minimise construction waste sent to landfill, and we are using recycled, sustainably sourced and low-emitting building materials to the maximum extent possible. Additionally, we are minimising daily vehicle traffic to the



site by providing passes for construction workers to use the Miami Metromover light rail system to reach the project site. Similarly, we have implemented a plan to reduce the impact of noise, dust and other construction effects on the surrounding neighbourhood by scheduling disruptive jobs during non-peak hours.

Upon completion, Brickell City Centre will incorporate a Metromover station following our customary practice of connecting our properties to mass transit networks whenever possible. Combined with the availability of facilities for cyclists and the addition of pedestrian footbridges, Brickell City Centre is one of the most pedestrian-friendly projects in the US as well as one of the largest urban mixed-use LEED® neighbourhood projects in the Southeast US.



Socioeconomic

Brickell City Centre will have a significant impact on both the City of Miami and Miami-Dade County, accounting for over US\$1 billion in overall economic benefits, generating more than US\$15 million in ad valorem taxes per year, providing 1,700 jobs per year during construction and directly creating 3,700 jobs after completion, and a further 2,500 indirectly.



Frank Nero, President of the Beacon Council (Master of Ceremonies), District Commissioner Marc Sarnoff, Commissioner Michelle Spence-Jones, Steve Owens, President, Swire Properties Inc. (also in attendance City of Miami Mayor Tomas Regalado, and Miami Dade County Deputy Mayor Russell Benford, along with US Department of Labor officials Paulette Lewis and Millie Herrera)

At the beginning of 2013, we established a partnership with CareerSource South Florida (formerly South Florida Workforce) to create an online virtual job fair which aims to promote broad, community-based hiring in connection with Brickell City Centre's personnel needs. A web portal accessible via CareerSource South Florida's website was created to post job openings and receive job applications. Brickell City Centre's consultants, including Turner Construction Company and Arquitectonica, also agreed to support the broad-based recruitment effort by posting job openings ranging from professional positions to manual labour.

“ We are pleased to be working with South Florida Work Force to ensure that job availabilities created by Brickell City Centre are widely promoted and filled within our Miami market. As a company with more than 30 years in Miami, we are truly invested in helping our economy prosper. ”

Chris Gandolfo, Senior Vice President, Development, Swire Properties

“ We know that web-based recruitment is an effective means to promote community hiring and we are delighted to work with Swire Properties on making this platform available to Brickell City Centre. ”

Rick Beasley, Executive Director of South Florida Workforce

With its range of shopping, dining, entertainment and hospitality options, Brickell City Centre addresses the needs of the neighbourhood and is designed to appeal to both Miami residents and domestic and international tourists. Given the relative population density of the surrounding area and the range of available transport linkages, Brickell City Centre is well positioned to become a key destination in Miami.

Corporate Membership



建築環保評估協會

BEAM Society

Founding Member, Board of Director



BUSINESS ENVIRONMENT COUNCIL
商界環保協會

Business Environment Council

Director and Council Member



CCBF
氣候變化 商界論壇

Climate Change Advisory Group

Signatory to Building Energy Pledge



發展局
Development Bureau

Development Bureau (Hong Kong SAR Government)

Signatory to Greening Partner Charter



環境局
Environment Bureau

Environment Bureau (Hong Kong SAR Government)

Energy Advisory Committee - Member



ENVIRONMENTAL CAMPAIGN COMMITTEE
環境保護運動委員會

Environmental Campaign Committee (Hong Kong SAR Government)

Member



ENVIRONMENTAL CAMPAIGN COMMITTEE
環境保護運動委員會

Environmental Education and Community Action Projects Vetting Sub-committee

Chairman



環境保護署
Environmental Protection Department

Environmental Protection Department (Hong Kong SAR Government)

Signatory to Carbon Reduction Charter

Signatory to Energy Saving Charter – No ILB

Signatory to Energy Saving Charter – Indoor Temperature

Signatory to Food Wise Charter



職業安全健康局
OCCUPATIONAL SAFETY & HEALTH COUNCIL

Green Cross - Occupational Safety & Health Council

Group Member – Residential



Harbour Business Forum
海港商界論壇

Harbour Business Forum

Patron Member



HKGCC
Hong Kong General Chamber of Commerce
MEMBER

Hong Kong General Chamber of Commerce

Chairman of Environment and Sustainability Committee



HKGBC
香港綠色建築議會

Hong Kong Green Building Council

Chairman of Policy and Research Committee Meeting

Patron Sponsor

Corporate Member



HKGPC

Hong Kong Green Purchasing Charter

Member



REDA
THE REAL ESTATE DEVELOPERS ASSOCIATION OF HONG KONG
香港地產發展商會

The Real Estate Developers Association of Hong Kong

Corporate Member

Executive Committee Member



WWF

Gold Member

Awards



ASHRAE

Honourable Mention – 2013 ASHRAE Technology Award Competition
Category I – Commercial Buildings – Existing
Cambridge House Fault Detection & Diagnosis for VAV Terminals, Hong Kong, China



建築環保評估協會

BEAM

Platinum Standard – BEAM Plus Version 1.1 for New Buildings – AREZZO
Platinum Standard – BEAM Assessment for New Building (4/04 version) – AZURA
Platinum Standard – AZURA
Platinum Standard – BEAM Assessment for New Building (4/04 version) – OPUS HONG KONG
Gold Standard – BEAM Plus Version 1.1 for New Buildings – 23 Tong Chong Street
Silver Standard – BEAM Plus Version 1.1 for New Buildings – 160 South Lantau Road, Cheung Sha



商界關德

caringcompany

Caring Company

5 year+ - Harbour Heights
5 year+ - Swire Properties Limited



Caring Construction Site
愛心工地

Considerate Contractor Site Award Scheme

Considerate Contractor Site Award Scheme (2013)
Gold Caring Award – Caring Construction Site
160 South Lantau Road, Cheung Sha Residential Development Project



環境保護署
Environmental Protection Department

Environmental Protection Department (Hong Kong SAR Government)

Gold Award – Commendation Scheme on Source Separation of Commercial and Industrial Waste, Pure Office category (One Island East)
Silver Award – Commendation Scheme on Source Separation of Commercial and Industrial Waste, Mixed Office category (TaiKoo Place)
Silver Award – Commendation Scheme on Source Separation of Domestic Waste (Robinson Place)
Bronze Award – Commendation Scheme on Source Separation of Commercial and Industrial Waste, Mixed Office category (Pacific Place)
Bronze Award – Commendation Scheme on Source Separation of Domestic Waste (The Floridian)
Bronze Award – Commendation Scheme on Source Separation of Domestic Waste (Taikoo Shing)



Hong Kong Awards for Environmental Excellence
香港環保卓越計劃

Hong Kong Awards for Environmental Excellence

Class of Excellence, Wastewi\$e Label – The Floridian
Class of Excellence, Wastewi\$e Label – Harbour Heights
Class of Good, Wastewi\$e Label – Island Lodge
Class of Excellence, Wastewi\$e Label – Parkvale
Class of Excellence, Wastewi\$e Label – Robinson Place

Hong Kong Management Association

Best New Entry – Best Annual Reports Awards

Outstanding New Trainer – Award for Excellence in Training and Development



Hong Kong Public Space Award 2013

Tong Chong Street (Street Category)



Indoor Air Quality Certification Scheme

Excellent Class (Common Areas) – Citygate Outlets

Excellent Class (Common Areas of Whole Office Tower) – Cityplaza 1

Excellent Class (Common Areas of Whole Office Tower) – Cityplaza 3

Excellent Class (Common Areas of Whole Office Tower) – Cityplaza 4

Excellent Class (Public Areas of Office Building) – PCCW Tower

Excellent Class (Public Areas of Office Building) – Cambridge House

Excellent Class (Public Areas of Whole Building) – Devon House

Excellent Class (Public Areas of Whole Building) – Dorset House

Excellent Class (Public Areas of Whole Building) – Oxford House

Excellent Class (Public Areas of Whole Building) – Lincoln House

Excellent Class (Public Areas from 4/F to 40/F) – One Pacific Place

Excellent Class (Public Areas from 4/F to 36/F) – Two Pacific Place

Excellent Class (Public Areas from LG/F to 38/F) – Three Pacific Place

Excellent Class (Whole Office Building) – One Citygate

Excellent Class (18/F, 19/F and Public Areas of Whole Building) – One Island East



Labour Department (Hong Kong SAR Government)

Meritorious Prize in the Renovation and Maintenance Works category of Construction

Industry Safety Award Scheme – Pacific Place Mall Contemporisation Queensway

Façade Main



LEED

Pre-certificate of Gold - Shopping Mall (Dazhongli, Shanghai)

Gold accreditation – EAST, Beijing



MIPIM Asia Awards

Silver Award – Best Mixed-Use Development (TaiKoo Hui)

Silver Award – Best Urban Regeneration

(Chengdu Daci Temple Cultural and Commercial Complex)

China Architecture Design in 21st Century Award – Taikoo Li Sanlitun

Randstad Award – one of Hong Kong's "Most Attractive Employers"

Hong Kong's Best Employer Brand



OHSAS 18001 Certification

All Hong Kong operating portfolios



Outstanding Corporate Volunteer Award (by BGCA)

Swire Properties Community Ambassador Programme



Quality Water Recognition Scheme for Buildings

- Robinson Place – Group Estate
- Cambridge House – TPMO
- Citygate Outlets
- Cityplaza Four
- Cityplaza One
- Cityplaza One
- Cityplaza Three
- Cornwall House – TPMO
- Devon House – TPMO
- Dorset House – TPMO
- Lincoln House – TPMO
- One Citygate
- One Island East – TPMO
- Oxford House – TPMO
- Pacific Place
- Three Pacific Place
- Warwick House – TPMO



Safety Inspection of REDA/HKCA Safety Partnering Programme

- Excellent and Rank No. 1 in the 4th Safety Inspection – 148 Argyle Street (Homantin, Kowloon, DUNBAR PLACE)
- Excellent and Rank No. 2 in the 2nd Safety Inspection – 23 Tong Chong Street



Taikoo Li Sanlitun, Beijing

- China Architecture Design in 21st century (commercial real estate sector)
- China Effie Awards – Gold Effie in Real Estate Category (“Let’s Play XXL” advertising campaign)
- Outstanding Culture Community Contribution Award (12th Sanlitun Committee Cultural)

Performance Data Summary

HONG KONG

	UNIT	2013*	2012	2011	2010	2009	2008	2007	2006	2005	2004
Energy use and CO2e emission											
Purchased electricity	MWh	179,780⁽¹⁾	189,413	209,483	229,593	237,306	221,309	223,434	225,564	219,512	209,781
	GJ	647,208	681,887	754,139	826,535	854,302	796,712	804,362	812,030	790,243	755,212
Indirect CO2e emissions	Tonnes	139,120⁽²⁾	146,731	159,827	171,669	187,317	171,809	177,294	190,939	155,590	148,693
Direct CO2e emissions	Tonnes	1,053	943	2,675	5,126	2,179	-	-	-	-	-
Industrial diesel	Litres	15,941	19,218	12,097	16,093	15,810	21,670	21,560	26,284	12,797	18,668
Petrol	Litres	23,851	22,672	22,084	22,055	16,424	17,970	16,467	15,958	16,892	-
Ultra-low sulphur diesel (ULSD)	Litres	49,759	55,453	57,069	50,996	61,722	61,699	38,512	35,625	21,920	-
Direct energy use (Industrial diesel + Petrol + ULSD)	GJ	3,141	3,469	3,249	3,172	3,367	3,630	2,732	2,782	1,822	680
Materials used											
Refrigerants containing HCFCs refilled	Kilograms	1,205.72⁽³⁾	1,965	2,257	4,111	3,979	2,266	2,409	4,779	3,320	-
Refrigerants containing HFCs refilled	Kilograms	622.21	521	1,866	3,756	1,478	1,615	2,265	5,395	3,808	-
Paper and paper products	Kilograms	31,670	30,238	33,315	39,274	37,887	35,570	36,906	33,334	29,859	-
Water use											
Potable water used for cooling	"000 m ³	53⁽⁴⁾	64 ⁽³⁾	127	168	168	138	154	135	108	90
Potable water used for properties and landscaping	"000 m ³	307	305	297	301	342	316	344	332	251	246
Wastewater reuse and discharge											
Wastewater discharged	"000 m ³	48,315	48,682	46,387	48,686	50,746	45,914	47,287	49,252	46,900	67,342
Seawater reused for flushing	m ³	387,142	385,584	250,230	278,509	302,764	213,444	183,130	247,874	144,543	360
Waste potable water reused for flushing	m ³	7,466	11,530	19,932	22,349	15,646	12,376	11,536	7,153	9,836	12,086
Waste disposal											
Construction and demolition waste	Tonnes	3,321	8,208	5,924	14,743	10,749	8,747	11,547	5,637	1,023	18,710
Commercial / industrial waste	Tonnes	13,113	12,995	15,646	19,061	18,776	19,143	19,555	19,004	18,695	15,644
Residential / domestic waste	Tonnes	140	140	149	148	145	168	266	457	454	363
Grease trap waste	Tonnes	5,190	5,264	5,736	6,599	5,914	5,654	5,515	5,521	5,166	5,800
Garden waste	Tonnes	250	468	555	287	353	408	460	268	140	52
Waste recycling											
Concrete waste	Tonnes	169.66⁽⁵⁾	-	1,830	41	-	-	-	210	1,458	1,814
Steel	Tonnes	137.8⁽⁶⁾	301	532	3,098	1,184	285	300	440	412	6,162
Paper	Tonnes	2,811	3,043	3,615	3,202	3,378	3,302	3,463	3,373	3,691	3,602
Aluminium	Tonnes	20	17	9	9	10	10	12	12	14	13
Plastics	Tonnes	19	21	54	69	58	74	86	91	80	28
Waste lubrication oil	Litres	1,488⁽⁷⁾	730	1,403	2,088	3,255	2,843	2,238	3,501	4,122	3,173
Health & safety											
No. of employees		2,180	2,210	2,211	2,495	2,507	1,992	1,892	1,843	1,801	1,758
No. of reportable accidents (sick leave >3 days)		29	34	37	44	34	38	40	47	40	41
No. of hours lost to accidents (sick leave >3 days)		10,865.25	18,759.90	12,482	18,694	23,441	16,936	14,820	17,130	11,631	14,766
No. of fatalities		-	-	-	-	-	-	-	-	-	-
Accident rate		13.3	15.4	16	18	14	19	21	25	22	23
Severity rate		436.75	749.7	445	649	831	760	695	822	567	738

Notes of 2013:

- (1) PCCW Tower was counted in "Purchased Electricity" on 2013 as PCCW Tower of which Swire Properties owns 50%.
- (2) Indirect CO2e emissions include electricity purchased from CLP and HKE.
- (3) Decrease due to the reduced amount of refrigerant use in Island Place.
- (4) The amount of potable water used for cooling in Pacific Place, City Plaza and Island Place Mall were decreased.
- (5) From construction sites of 23 Tong Chong Street and Sai Wan Terrace.
- (6) Projects on Seymour Road are completed.
- (7) Waste lubrication oil recycling in Cityplaza was increased.

Remarks:

*Data collected as of 7 March 2014

Performance Data Summary

	UNIT	MAINLAND CHINA			SWIRE HOTELS		
		2013	2012	2011	2013	2012	2011
Energy use and CO2e emission							
Purchased electricity	MWh	42,468⁽¹⁾	13,847.00	13,908.00	16,067.00	16,803.00	20,739.00
	GJ	152,884.80	49,849.00	50,069.00	57,841.20	60,491.00	74,660.00
Indirect CO2e emissions	Tonnes	32,550⁽¹⁾	10,807.00	10,957.00	12,585.45	13,229.00	16,373.00
Direct CO2e emissions	Tonnes	88⁽¹⁾	52.00	43.00	659.00	1,715.00	1,462.00
Industrial diesel	Litres	7,668⁽¹⁾	16,10.00	1,220.00	713.00	874.60	126.00
Petrol	Litres	28,979.94⁽¹⁾	17,660.56	14,640.00	42,392.31	43,085.18	41,173.00
Town gas	Unit	-	-	-	203,129.00	230,547.00	239,771.00
Natural gas	MJ	-	-	-	16,568,054.13	17,023,652.00	12,946,524.00
Direct energy use (Industrial diesel + Petrol + Town gas / Natural gas)	GJ	1,229.00	641.00	528.00	11,213.00	29,544.00	26,604.00
Materials used							
Refrigerants containing HCFCs refilled	Kilograms	-	-	66.00	-	20.00	-
Refrigerants containing HFCs refilled	Kilograms	-	-	-	21.15	32.00	3.20
Paper and paper products	Kilograms	3,687.11	5,145.00	10,964.00	21,486.62	26,338.00	26,563.00
Water use							
Potable water used for cooling	"000 m ³	150⁽¹⁾	36.00	41.00	-	-	-
Potable water used for properties and landscaping	"000 m ³	300⁽¹⁾	107.00	57.00	143.00	145.00	126.00
Wastewater reuse and discharge							
Wastewater discharged	"000 m ³	182⁽¹⁾	83.00	44.00	135.00	138.00	117.00
Seawater reused for flushing	m ³	-	-	-	-	-	6,339.00
Waste potable water reused for flushing	m ³	-	-	-	-	-	-
Waste disposal							
Construction and demolition waste	Tonnes	4,198.90	327.00	18,548.00	-	-	-
Commercial / industrial waste	Tonnes	7,056⁽¹⁾	4,606.00	5,237.00	1,101.42	1,637.00	1,075.00
Residential / domestic waste	Tonnes	-	-	-	-	-	-
Grease trap waste	Tonnes	8,052.13	8,239.44	13,173.00	540.50	642.26	2,108.00
Garden waste	Tonnes	-	-	-	-	-	-
Waste recycling							
Concrete waste	Tonnes	-	-	11.30	-	-	-
Steel	Tonnes	4,740.03⁽²⁾	139.00	138.00	-	-	-
Paper	Tonnes	144.84	4.40	7.30	57.30	53.00	50.00
Aluminium	Tonnes	3.07	0.05	0.05	1.90	2.00	1.00
Plastics	Tonnes	12.13562⁽³⁾	0.08	0.09	6.68	6.00	4.00
Waste lubrication oil	Litres	-	-	-	-	-	-
Health & safety							
No. of employees		850	852.00	654.00	768.00	755.00	857.00
No. of reportable accidents (sick leave >3 days)		6.00	7.00	1.00	20.00	14.00	3.00
No. of hours lost to accidents (sick leave >3 days)		768.00	1,431.00	160.00	5,724⁽²⁾	990.00	656.00
No. of fatalities		-	-	-	-	-	-
Accident rate		7.10	8.20	7.00	26.00	18.50	7.00
Severity rate		87.20	164.50	106.67	692.6⁽⁴⁾	119.37	158.48

Notes of 2013:

- (1) Electricity consumption of TaiKoo Hui was counted from 2013.
- (2) Increase due to the amount of steel recycled from Project - Chengdu Daci Temple Cultural and Commercial Complex was increased.
- (3) TaiKoo Hui has started operation from 2013.
- (4) Four long sick leave (S.L.) case (S.L. > 30 days) in 2013, contributing 554 days (4570.5 hrs).

Verification Statement



Scope and Objective

Hong Kong Quality Assurance Agency ('HKQAA') was commissioned by Swire Properties Limited (hereinafter referred to as "SPL") to provide independent assurance of the Sustainable Development Report 2013 ('the Report') which was prepared in accordance with the Core option of the G4 Sustainability Reporting Guidelines issued by the Global Reporting Initiative (GRI). The Report states SPL's major activities and achievements on sustainable development from 1 January to 31 December 2013.

Assurance Methodology

The assurance process was undertaken with reference to the AA1000 Assurance Standard ('AA1000AS') aiming to assessing the Report's adherence to the principles of Inclusivity, Materiality, and Responsiveness. In addition, reliability of the selected sustainability information and data was verified against the International Standard on Assurance Engagement 3000 ('ISAE 3000') – "Assurance Engagement Other Than Audits or Reviews of Historical Financial Information" for a reasonable level of assurance.

The assurance process consisted of:

- Identification and classification of statements, figures, charts and data sets to be verified.
- Verification of the selected representative sample of data and information consolidated in the Report, reviewing relevant documentation, interviewing responsible personnel with accountability for preparing the Report and crosschecking the raw data and evidence of the selected samples that support the reporting contents in order to reduce the risk of error or omission to an acceptably low level.
- Provision of recommendations to SPL for improvement of future reporting.

Independence

HKQAA was not involved in collecting and calculating the reporting data, or in the development of the Report. HKQAA's activities are independent from SPL.

Conclusion

The information presented in the Report provided a material and complete representation of the performance of SPL in the context of sustainable development. The verification team confirmed that the Report was prepared based on factual statements and that the data contained within the Report are accurate. It is a fair and honest representation of initiatives, targets, progress and performance on SPL's sustainable development achievements.

Overall speaking, the Report provides an adequate and fair account of SPL's sustainability performance on material aspects and demonstrates satisfactory disclosure of the Core options of the GRI's G4 Sustainability Reporting Guidelines.

Signed on behalf of HKQAA

A handwritten signature in black ink, appearing to read 'Jorine', is positioned below the text 'Signed on behalf of HKQAA'.

Jorine Tam
Assistant Director, Strategic Business 26 September 2014

Global Reporting Initiative Index

GENERAL STANDARD DISCLOSURES

GRI Indicator	Description	References and Remarks	External Assurance
Strategy and Analysis			
G4-1	Statement from the most senior decision-maker of the organization	Chief Executive's Message	
Organizational Profile			
G4-3	Name of the organisation	Contact Us	
G4-4	Primary brands, products, and services	Our Business Annual Report – Company Profile (Pg. 2)	
G4-5	Location of the organisation's headquarters	Contact Us	
G4-6	Number and names of countries where either the organisation has significant operations or that are specifically relevant to the sustainability topics covered in the report	About This Report Our Business	
G4-7	Nature of ownership and legal form	Our Business	
G4-8	Markets served	Our Business Corporate website – Business Overview (www.swireproperties.com/en/about-us/business-overview.aspx)	
G4-9	Scale of the organisation	Our Business – Our Portfolio Our Business – Economic Performance Annual Report – Company Profile (Pg. 2)	
G4-10	Employee statistics	Our People – Employee Profile	
G4-11	Percentage of total employees covered by collective bargaining agreements	There are no formal collective bargaining agreements in place. However, employees can present their grievances through established channels, where they will be dealt in a timely and effective manner	
G4-12	Organisation's supply chain	Our Commitment – Our Value Chain – Supply Chain	
G4-13	Significant changes during the reporting period regarding the organisation's size, structure, ownership, or its supply chain	Our Business - Operational Overview	
G4-14	Explanation of whether and how the precautionary approach or principle is addressed by the organisation	Our Commitment – Corporate Governance and Risk Management	
G4-15	Externally developed economic, environmental and social charters, principles, or other initiatives to which the organisation subscribes or which it endorses	Our Environment – Climate Change Our Environment – Energy Our Environment – Building Rating Schemes Our Environment – Waste Management	
G4-16	Memberships of associations	Memberships and Awards	
Identified Material Aspects and Boundaries			
G4-17	Entities included in the organisation's consolidated financial statements	Annual Report – Consolidated Statements (Pg. 93 – 98) Annual Report – Notes to the Accounts (Pg. 99)	

Global Reporting Initiative Index

GENERAL STANDARD DISCLOSURES

GRI Indicator	Description	References and Remarks	External Assurance
Identified Material Aspects and Boundaries			
G4-18	Process for defining the report content and the aspect boundaries.	About This Report – Stakeholder Engagement and Materiality About This Report – Reporting Standard and Scope	
G4-19	Material Aspects identified in the process	About This Report – for defining report content Stakeholder Engagement and Materiality	
G4-20	Aspect Boundary within the organisation	About This Report – for each material aspect Stakeholder Engagement and Materiality	
G4-21	Aspect Boundary outside the organisation	About This Report – Stakeholder for each material aspect Engagement and Materiality	
G4-22	Effect of any restatements of information provided in previous reports	About This Report – Reporting Standard and Scope	
G4-23	Significant changes from previous reporting periods in the Scope and Aspect Boundaries	About This Report Performance Data Summary	
Stakeholder Engagement			
G4-24	List of stakeholder groups engaged by the organisation	About This Report – Stakeholder Engagement and Materiality	
G4-25	Basis for identification and selection of stakeholders with whom to engage	About This Report – Stakeholder Engagement and Materiality	
G4-26	Organisation's approach to stakeholder engagement	About This Report – Stakeholder Engagement and Materiality	
G4-27	Key topics and concerns raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns, including through its reporting	About This Report – Stakeholder Engagement and Materiality	
Report Profile			
G4-28	Reporting period	About This Report	
G4-29	Date of most recent previous report	About This Report	
G4-30	Reporting cycle	About This Report	
G4-31	Contact point for questions regarding the report or its contents	Contact Us	
G4-32	'In accordance' option the organisation has chosen, GRI Content Index, reference to the External Assurance Report	About This Report – Reporting Standard and Scope About This Report – Assurance Verification Statement	
G4-33	Organisation's policy and current practice with regard to seeking external assurance for the report	About This Report – Assurance Verification Statement	
Governance			
G4-34	Governance structure of the organisation. Committees responsible for decision-making on economic, environmental and social impacts	Our Commitment – Sustainable Development Structure; Corporate Governance and Risk Management Annual Report – The Board of Directors (Pg. 67)	

Global Reporting Initiative Index

GENERAL STANDARD DISCLOSURES

GRI Indicator	Description	References and Remarks	External Assurance
Ethics and Integrity			
G4-56	Organisation's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics	Our Commitment – Fair Operating Practices Our People – Code of Conduct Corporate website – Our Vision and Values (www.swireproperties.com/en/about-us/our-vision-and-values.aspx)	

SPECIFIC STANDARD DISCLOSURES (MATERIAL ASPECTS)

GRI Indicator	Description	References and Remarks	External Assurance
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ECONOMIC

Economic Performance

G4-DMA	Economic performance	Our Business – Economic Performance Annual Report – Review of Operations (Pg. 16) Annual Report – Financial Review (Pg. 48)	
G4-EC1	Direct economic value generated and distributed	Our Business – Economic Performance	
G4-EC4	Financial assistance received from government	We did not receive significant financial assistance from any government	

Market Presence

G4-DMA	Market presence	Our Business	
G4-EC6	Proportion of senior management hired from the local community at significant locations of operation	Our People – Employee Profile Annual Report – Directors and Officer (Pg. 77-78)	

Indirect Economic Impacts

G4-DMA	Indirect economic impacts Generic Disclosures on Management Approach	Our Business - Economic Performance	
G4-EC8	Significant indirect economic impacts, including the extent of impacts	Our Business – Economic performance Our Community	

Procurement Practices

G4-DMA	Procurement practices	Our Commitment – Our Value Chain – Supply Chain	
G4-EC9	Proportion of spending on local suppliers at significant locations of operation	Our Commitment – Our Value Chain – Supply Chain	

ENVIRONMENTAL

Materials

G4-DMA	Materials	Environmental Policy – (www.swireproperties.com/en/sustainability/commitments/Pages/environmental-policy.aspx) Our Environment	
G4-EN1	Materials used by weight or volume	Performance Data Summary	

Global Reporting Initiative Index

SPECIFIC STANDARD DISCLOSURES (MATERIAL ASPECTS)

GRI Indicator	Description	References and Remarks	External Assurance
ENVIRONMENTAL			
Materials			
G4-EN2	Percentage of materials used that are recycled input materials	Our Commitment - Our Value Chain - Supply Chain	
Energy			
G4-DMA	Energy	Our Environment - Climate Change Our Environment - Energy	
G4-EN3	Energy consumption within the organisation	Performance Data Summary Our Environment - Energy - Energy Consumption	
G4-EC4	Financial assistance received from government	We did not receive significant financial assistance from any government	
G4-EN5	Energy intensity	Performance Data Summary	
G4-EN6	Reduction of energy consumption	Our Environment - Climate Change Our Environment - Energy Our Environment - Energy - 2020 Energy Reduction Pledge	
Water			
G4-DMA	Water	Our Environment - Water	
G4-EN10	Percentage and total volume of water recycled and reused	Our Environment - Water Performance Data Summary	
Emissions			
G4-DMA	Emissions	Our Environment - Climate Change	
G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	Our Environment - Climate Change Performance Data Summary	
G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	Our Environment - Climate Change Performance Data Summary	
G4-EN17	Other indirect greenhouse gas (GHG) emissions (Scope 3)	Our Environment - Climate Change Performance Data Summary	
G4-EN18	Greenhouse gas (GHG) emissions intensity	Our Environment - Climate Change Performance Data Summary	
G4-EN19	Reduction of greenhouse gas (GHG) emissions	Our Environment - Climate Change	
Effluents and Waste			
G4-DMA	Effluents and waste	Our Environment - Waste Management	
G4-EN22	Total water discharge by quality and destination	Performance Data Summary	
G4-EN23	Total weight of waste by type and disposal method	Our Environment - Waste Management Performance Data Summary We do not use or dispose of a material amount of hazardous matter in our operations	

Global Reporting Initiative Index

SPECIFIC STANDARD DISCLOSURES (MATERIAL ASPECTS)

GRI Indicator	Description	References and Remarks	External Assurance
ENVIRONMENTAL			
Compliance			
G4-DMA	Compliance	Our Environment	
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	Our Environment	
Supplier Environment Assessment			
G4-DMA	Supplier environmental assessment	Our Commitment - Our Value Chain - Supply Chain Supplier Code of Conduct We are in the process of reviewing, expanding and formally implementing supplier environmental assessment procedures.	
Environment Grievance Mechanisms			
G4-DMA	Environmental grievance mechanisms	Our Commitment - Fair Operating Practices We are open to scrutiny and we have channels for feedback available to all shareholders, customers, suppliers, contractors and employees	
G4-EN34	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms	There were no grievances about environmental impacts filed in 2013	
SOCIAL - LABOR PRACTICES AND DECENT WORK			
Employment			
G4-DMA	Employment	Our People - Employee Profile Our People - Recruiting and Retaining Employees	
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region	Our People - Employee Profile	
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	Our People - Employee Benefits	
Occupational Health and Safety			
G4-DMA	Occupational health and safety	Health & Safety Policy Our People - Health & Safety Our People - Health & Safety - Risk Assessment Our People - Health & Safety - Health & Safety Awareness	
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	Our People - Health & Safety Our People - Employee Profile Two major injuries were recorded in 2013	
Training and Education			
G4-DMA	Training and education	Our People - Developing Our People	

Global Reporting Initiative Index

SPECIFIC STANDARD DISCLOSURES (MATERIAL ASPECTS)

GRI Indicator	Description	References and Remarks	External Assurance
SOCIAL - LABOR PRACTICES AND DECENT WORK			
Training and Education			
G4-LA9	Average hours of training per year per employee by gender, and by employee category	Our People - Developing Our People	
Diversity and Equal Opportunity			
G4-DMA	Diversity and equal opportunity	Our People - Equal Opportunities	
G4-LA12	Composition of governance bodies and breakdown of employees	Our People - Employee Profile Annual Report - Directors and Officer (P.77-78)	
Equal Remuneration for Women and Men			
G4-DMA	Equal remuneration for women and men	Our People - Equal Opportunities	
G4-LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	Not reported as the information is subject to specific confidentiality constraints. We do not use equal remuneration indicators.	
HUMAN RIGHTS			
Investment			
G4-DMA	Investment	Our Value Chain - Supply Chain	
G4-HR2	Total hours and percentage of employee training on human rights policies or procedures	Our People - Developing Our People Our People - Equal Opportunities Our People - Code of Conduct	
Non-Discrimination			
G4-DMA	Non-discrimination	Our People - Equal Opportunities Our People - Code of Conduct	
G4-HR3	Total number of incidents of discrimination and corrective actions taken	We received no complaints of discrimination	
Security Practices			
G4-DMA	Security practices	Our People – Employee Engagement	
G4-HR7	Percentage of security personnel trained in the organisation’s human rights policies or procedures that are relevant to operations	Our People – Equal Opportunities Our People – Code of Conduct	
SOCIETY			
Local Communities			
G4-DMA	Local communities	Our Community	
G4-S01	Percentage of operations with implemented local community engagement, impact assessments, and development programs	Our Community Our Community - Working Together to Make a Difference Our Community - Educational Programmes Our Community - Leveraging Our Resources	
G4-S02	Operations with significant actual and potential negative impacts on local communities	No significant potential or actual negative impacts were identified in 2013	

Global Reporting Initiative Index

SPECIFIC STANDARD DISCLOSURES (MATERIAL ASPECTS)

GRI Indicator	Description	References and Remarks	External Assurance
SOCIETY			
Anti-Corruption			
G4-DMA	Anti-corruption	Our Commitment - Fair Operating Practices	
G4-S04	Communication and training on anti-corruption policies and procedures	Our Commitment - Fair Operating Practices Our People - Code of Conduct	
Public Policy			
G4-DMA	Public policy	Our Commitment - Fair Operating Practices	
G4-S06	Total value of political contributions by country and recipient/beneficiary	Our Commitment - Fair Operating Practices Our People - Code of Conduct	
Anti-Competitive Behavior			
G4-DMA	Anti-competitive behavior	Our Commitment - Fair Operating Practices	
G4-S07	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	None in 2013	
Compliance			
G4-DMA	Compliance	Our Commitment - Fair Operating Practices	
G4-S08	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	No material fines or non-monetary sanctions in 2013	
Grievance Mechanisms for Impacts on Society			
G4-DMA	Grievance mechanisms for impacts on society	Our Commitment - Fair Operating Practices	
G4-S011	Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms	There were no grievances filed in 2013	
PRODUCT RESPONSIBILITY			
Customer Health and Safety			
G4-DMA	Customer health and safety	Our Value Chain - Customer Focus	
G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes	There were no incidents in 2013	
Product and Service Labeling			
G4-DMA	Product and service labeling	Our Value Chain - Customer Focus	
G4-PR3	Type of product and service information required by the organisation's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements	Our Value Chain - Customer Focus	

Global Reporting Initiative Index

SPECIFIC STANDARD DISCLOSURES (MATERIAL ASPECTS)

GRI Indicator	Description	References and Remarks	External Assurance
PRODUCT RESPONSIBILITY			
Product and Service Labeling			
G4-PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes	There were no incidents in 2013	
Marketing Communications			
G4-DMA	Marketing communications	Our Value Chain - Customer Focus	
G4-PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes	There were no incidents in 2013	
Customer Privacy			
G4-DMA	Privacy	Our Value Chain - Customer Focus	
G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	There were no substantiated complaints reported in 2013	
Compliance			
G4-DMA	Compliance	Our Value Chain - Customer Focus	
G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	No material fines or non-monetary sanctions in 2013	