

GREEN FINANCE REPORT 2022



Swire Properties' Green Finance Portfolio

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

We established our [Green Bond Framework](#) and launched our first green bond in January 2018. The net proceeds of the green bond(s) are used to fund or refinance, in whole or in part, new or existing eligible green projects that relate to green building, energy efficiency, renewable energy, sustainable water and wastewater management, or climate change adaptation.

As part of our ongoing commitment to furthering the development of green financing in Hong Kong, the [Green Finance Framework](#) was created to extend the scope of our Green Bond Framework to cover green loans in July 2020. This Green Finance Framework has taken into account the core components recommended in the Green Loan Principles issued by the Loan Market Association, Asia Pacific Loan Market Association and Loan Syndications & Trading Association in December 2018 ("2018 GLP") and the 2018 Green Bond Principles issued by the International Capital Market Association ("ICMA").

This report provides information during the period from 1st October 2021 to 31st December 2022. At 31st December 2022, a total of five green bonds in HKD and USD and one HKD green loan were raised. No green bond and green loan were raised from 1st October 2021 to 31st December 2022.

Green Bonds

Year Issued	Issuer	ISIN Number	Currency	Principal Amount	Coupon	Maturity Date
2018	Swire Properties MTN Financing Limited	XS1743657683	USD	500,000,000	3.50%	10th January 2028
2020	Swire Properties MTN Financing Limited	HK0000596020	HKD	604,000,000	2.55%	2nd April 2030
2020	Swire Properties MTN Financing Limited	HK0000596301	HKD	200,000,000	2.55%	14th April 2030
2020	Swire Properties MTN Financing Limited	HK0000611761	HKD	750,000,000	2.40%	18th June 2027
2020	Swire Properties MTN Financing Limited	HK0000611902	HKD	380,000,000	2.45%	22nd June 2028

Green Loan

Year Executed	Borrower	Currency	Facility Amount	Drawn Amount	Maturity Date
2020	Swire Properties (Finance) Limited	HKD	1,000,000,000	300,000,000	4th August 2025

Use of Proceeds

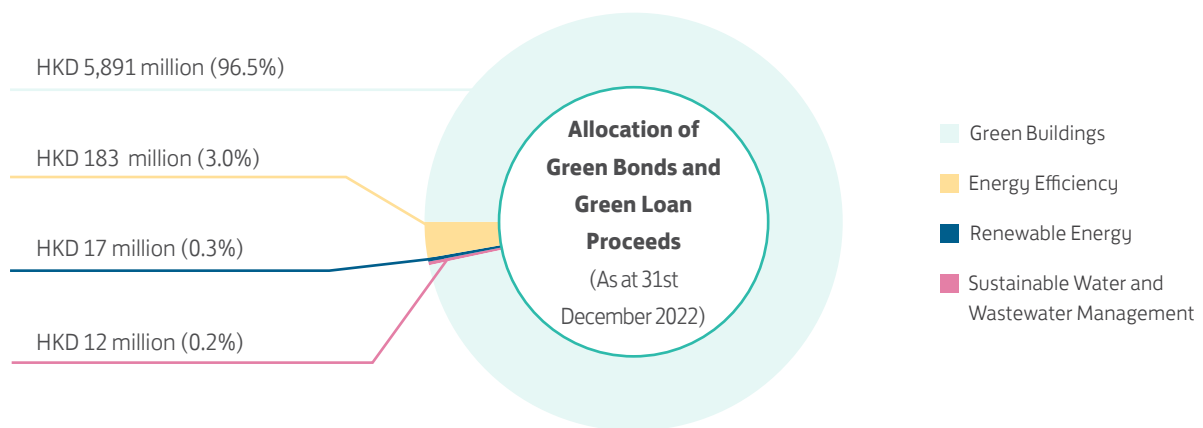
	Allocated Proceeds				Total Allocated Proceeds ¹
	Green Buildings	Energy Efficiency	Renewable Energy	Sustainable Water and Wastewater Management	
Green Bonds ² Issued In:					
2018	HKD 3,720 m	HKD 147 m	HKD 13 m	HKD 11 m	HKD 3,891 m
2020	HKD 1,880 m	HKD 36 m	HKD 4 m	HKD 1 m	HKD 1,921 m
Grand Total	HKD 5,600 m	HKD 183 m	HKD 17 m	HKD 12 m	HKD 5,812 m
Green Loan Executed In:					
2020	HKD 291 m	-	-	-	HKD 291 m
Grand Total	HKD 5,891 m 96.5%	HKD 183 m 3.0%	HKD 17 m 0.3%	HKD 12 m 0.2%	HKD 6,103 m ³ 100.0%

¹ As at 31st December 2022

² The proceeds from issue of green bonds have been fully utilised.

³ An independent assurance provider, PricewaterhouseCoopers has issued a limited assurance report on 21st December 2021. Please refer to pages 8 to 11 of Swire Properties Green Finance Report 2021 for further details.

Allocation of Green Bonds and Green Loan Proceeds (As at 31st December 2022)



Reporting Criteria

- A green bond/green loan is added to the Use of Proceeds section when it was raised and drawn during the reporting period.
- A green bond/green loan is removed from the Use of Proceeds section when it has been fully repaid.
- Allocation and use of proceeds for each eligible green project are made according to the approval of the Environmental, Social and Governance Steering Committee or the Executive Committee of Swire Properties Limited.

Green Project Updates



One Taikoo Place

Gross floor area
1,013,368 sq. ft.

Storeys
48

Occupancy rate*
100%

Occupation Permit (OP) date
September 2018

*As at 31st December 2022

Project Name	One Taikoo Place		
Location	Quarry Bay, Hong Kong		
GFA	1,013,368 sq.ft.		
Certification	<ul style="list-style-type: none"> • Final Platinum for LEED BD+C: Core and Shell Version 2009 • Final Platinum for BEAM Plus New Buildings Version 1.2 • Final Platinum for WELL v1 Core and Shell Certification Scheme 		Certification Date June 2020 March 2020 November 2019
Net Proceeds Allocated	HKD 3,505 million		
Highlights of Green Elements	<div> Estimated Environmental Impact </div>		
	<div> Renewable Energy <ul style="list-style-type: none"> • Dual-level roof fitted with an integrated solar photovoltaics (PV) system and green roof • Bio-diesel tri-generation system to supply heating, cooling and electricity. Used cooking oil from tenants is converted into biodiesel by third-party recyclers to power this system </div>		
	<div> Energy Efficiency⁵ <ul style="list-style-type: none"> • Air handling units with electronically commutated (EC) plug fans to enhance efficiency • Highly optimised chiller control system with powerful data analytics • Energy efficient lighting and control system </div>		
	<div> Sustainable Water and Wastewater Management <ul style="list-style-type: none"> • Harvest rainwater for irrigation and recycle grey water for flushing • Low-flow sanitary fittings </div>		

⁴ Calculated by using the 2017 emission factor of Hong Kong Electric

⁵ Expenditures relating to energy efficiency element of One Taikoo Place are included in "Green Buildings" Category

⁶ Based on Building Energy Code 2012 Edition as baseline

⁷ Based on ASHRAE 90.1-2007 as baseline (LEED 2009 for Core and Shell Development)



Two Taikoo Place

Gross floor area
994,545 sq. ft.

Storeys
42

Occupation Permit (OP) date
September 2022

Project Name	Two Taikoo Place	
Location	Quarry Bay, Hong Kong	
GFA	Approximately 1 million sq.ft.	
Certification	<ul style="list-style-type: none"> • Pre-certified Platinum for WELL v1 Core and Shell Certification Scheme • Provisional Platinum for BEAM Plus New Buildings Version 1.2 • Pre-certified Platinum for LEED BD+C: Core and Shell Version 2009 	Certification Date
		March 2019
		February 2019
		December 2018
Net Proceeds Allocated	HKD 2,213 million	
Highlights of Green Elements	<div> <div> Renewable Energy <ul style="list-style-type: none"> • Dual-level roof fitted with an integrated solar photovoltaics (PV) system and green roof • Bio-diesel tri-generation system to supply heating, cooling and electricity. Used cooking oil from tenants is converted into biodiesel by third-party recyclers to power this system • Vertical axis wind turbine installed at roof </div> <div> Energy Efficiency⁹ <ul style="list-style-type: none"> • Air handling units with electronically commutated (EC) plug fans to enhance efficiency • Highly optimised chiller control system with powerful data analytics • Energy efficient lighting and control system • Innovative energy efficient ventilation device at sky garden </div> <div> Sustainable Water and Wastewater Management <ul style="list-style-type: none"> • Harvest rainwater for irrigation and recycle grey water for flushing • Recycle process water from central cooling tower to reduce make-up water consumption • Low-flow sanitary fittings </div> </div>	
	<div> Estimated Environmental Impact <ul style="list-style-type: none"> • Total renewable energy generated annually: 522,250 kWh, which is equivalent to an annual carbon emissions avoidance⁸ of 418 tonnes of CO₂e • Annual energy savings exceeding BEAM Plus¹⁰ and LEED¹¹ baseline performance by 27% • Freshwater savings exceeding BEAM Plus baseline performance by >46% </div>	

⁸ Calculated by using the 2018 emission factor of Hong Kong Electric

⁹ Expenditures relating to energy efficiency element of Two Taikoo Place are included in "Green Buildings" Category

¹⁰ Based on Building Energy Code 2015 Edition as baseline

¹¹ Based on ASHRAE 90.1-2007 as baseline (LEED 2009 for Core and Shell Development)



Six Pacific Place

Gross floor area
223,303 sq. ft.

Storeys
24

Expected completion date
2023

Project Name	Six Pacific Place		
Location	Wan Chai, Hong Kong		
GFA	218,000 sq. ft.		
Certification	<ul style="list-style-type: none"> • Provisional Platinum for BEAM Plus New Buildings Version 2 • Pre-certified Platinum for LEED v4 BD+C: Core and Shell • Pre-certified Platinum for WELL v1 Core 		Certification Date November 2020 September 2020 September 2020
Net Proceeds Allocated	HKD 201 million		
Highlights of Green Elements	<div> Renewable Energy <ul style="list-style-type: none"> • High efficiency solar photovoltaics (PV) system on top roof and main roof </div> <div> Energy Efficiency¹³ <ul style="list-style-type: none"> • Air handling units with electronically commutated (EC) plug fans to enhance efficiency • Highly optimised chiller control system with powerful data analytics • Energy efficient lighting and control system </div> <div> Sustainable Water and Wastewater Management <ul style="list-style-type: none"> • Harvest rainwater for irrigation • Low-flow sanitary fittings </div>		
	Estimated Environmental Impact <ul style="list-style-type: none"> • Total renewable energy generated annually: 45,250 kWh, which is equivalent to an annual carbon emissions avoidance¹² of 37 tonnes of CO₂e • Annual energy savings exceeding BEAM Plus¹⁴ and LEED¹⁵ baseline performance by 22% and 19% respectively • Freshwater savings exceeding BEAM Plus baseline performance by >40% 		

¹² Calculated by using the 2019 emission factor of Hong Kong Electric

¹³ Expenditures relating to energy efficiency element of the project are included in "Green Buildings" Category

¹⁴ Based on Building Energy Code 2018 Edition as baseline

¹⁵ Based on ASHRAE 90.1-2010 as baseline (LEED v4 for Core and Shell Development)



Taikoo Place



Pacific Place



Cityplaza

Project Name	Energy Efficiency projects – Taikoo Place, Pacific Place and Cityplaza																		
Net Proceeds Allocated	HKD 183 million																		
Highlights of Green Elements	Estimated Environmental Impact																		
	<ul style="list-style-type: none">• High efficiency chiller systems at Taikoo Place, Pacific Place and Cityplaza• EC motor plug fans in air handling units at Taikoo Place and Pacific Place, which can reduce the estimated use of fan energy by up to 30%• Carpark ventilation system optimization at Pacific Place• Enhanced chiller plant optimization control systems at Pacific Place• Energy efficient lightings including LED lights at Taikoo Place, Pacific Place and Cityplaza• Variable speed drives (VSD) for condensing water pumps at Taikoo Place and Cityplaza	<ul style="list-style-type: none">• Annual energy savings:<table><tr><td>Taikoo Place:</td><td>5,673,870 kWh</td></tr><tr><td>Pacific Place:</td><td>5,647,300 kWh</td></tr><tr><td>Cityplaza:</td><td>471,600 kWh</td></tr><tr><td>Total:</td><td>11,792,770 kWh</td></tr></table>• Annual carbon emissions avoided¹⁶:<table><tr><td>Taikoo Place:</td><td>4,028 tonnes of CO₂e</td></tr><tr><td>Pacific Place:</td><td>4,010 tonnes of CO₂e</td></tr><tr><td>Cityplaza:</td><td>335 tonnes of CO₂e</td></tr><tr><td>Total:</td><td>8,373 tonnes of CO₂e</td></tr></table>		Taikoo Place:	5,673,870 kWh	Pacific Place:	5,647,300 kWh	Cityplaza:	471,600 kWh	Total:	11,792,770 kWh	Taikoo Place:	4,028 tonnes of CO ₂ e	Pacific Place:	4,010 tonnes of CO ₂ e	Cityplaza:	335 tonnes of CO ₂ e	Total:	8,373 tonnes of CO ₂ e
Taikoo Place:	5,673,870 kWh																		
Pacific Place:	5,647,300 kWh																		
Cityplaza:	471,600 kWh																		
Total:	11,792,770 kWh																		
Taikoo Place:	4,028 tonnes of CO ₂ e																		
Pacific Place:	4,010 tonnes of CO ₂ e																		
Cityplaza:	335 tonnes of CO ₂ e																		
Total:	8,373 tonnes of CO ₂ e																		

Project Name	Sustainable Water and Wastewater Management projects – Taikoo Place and Pacific Place	
Green Bond Proceeds Allocated	HKD 1 million	
Highlights of Green Elements	<ul style="list-style-type: none"> • Grey water treatment and recycling system at Oxford House, Taikoo Place, which collects, treats and reuses pantry wastewater from office tenants for cleaning purposes • Optimise cooling tower water use in Three Pacific Place, SPACES, 8QRE and 28 Hennessy Road • Water flow regulators on faucets in tenants' pantries in Taikoo Place and Pacific Place • Smart water meters to monitor water consumption 	Estimated Environmental Impact <ul style="list-style-type: none"> • Annual recycling volume: 300 m³ • Annual water savings: 6,000 m³

¹⁶ Calculated by using the 2020 emission factor of Hong Kong Electric