

GREEN FINANCE REPORT 2023



Swire Properties Limited

Green Finance Portfolio

Swire Properties Limited 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 for the period from 1st January 2023 to 31st December 2023. At 31st December 2023, a total of fourteen green bonds in HKD, RMB and USD, including our inaugural public Renminbi (RMB) green bonds, and one HKD green loan were raised.

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
2023	Swire Properties MTN Financing Limited	HK0000899200	RMB	350,000,000	3.40%	18th January 2026
2023	Swire Properties MTN Financing Limited	HK0000899218	RMB	300,000,000	3.20%	18th January 2025
2023	Swire Properties MTN Financing Limited	HK0000905064	HKD	200,000,000	3.80%	31st January 2028
2023	Swire Properties MTN Financing Limited	HK0000905072	HKD	200,000,000	3.80%	31st January 2028
2023	Swire Properties MTN Financing Limited	HK0000917093	RMB	350,000,000	3.40%	10th March 2026
2023	Swire Properties MTN Financing Limited	HK0000920519	RMB	320,000,000	3.40%	30th March 2026
2023	Swire Properties MTN Financing Limited	HK0000932811	RMB	600,000,000	3.00%	6th June 2026
2023	Swire Properties MTN Financing Limited	HK0000938867	RMB	2,500,000,000	3.30%	25th July 2025
2023	Swire Properties MTN Financing Limited	HK0000938859	RMB	700,000,000	3.55%	25th July 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					
	Green Buildings	Energy Efficiency	Renewable Energy	Sustainable Water and Wastewater Management	Climate Change Adaptation	Total Allocated Proceeds ¹
Green Bonds²						
Issued In:						
2018	HKD3,720 m	HKD147 m	HKD13 m	HKD11 m	-	HKD3,891 m
2020	HKD1,880 m	HKD36 m	HKD4 m	HKD1 m	-	HKD1,921 m
2023	HKD5,992 m	HKD38 m	HKD5 m	HKD9 m	HKD6 m	HKD6,050 m
Total	HKD11,592 m	HKD 221 m	HKD22 m	HKD21 m	HKD6 m	HKD11,862 m
Green Loan						
Executed In:						
2020	HKD291 m	-	-	-	-	HKD291 m
Grand Total	HKD11,883 m	HKD221 m	HKD22 m	HKD21 m	HKD6 m	HKD12,153 m³
	97.78%	1.82%	0.18%	0.17%	0.05%	100.0%

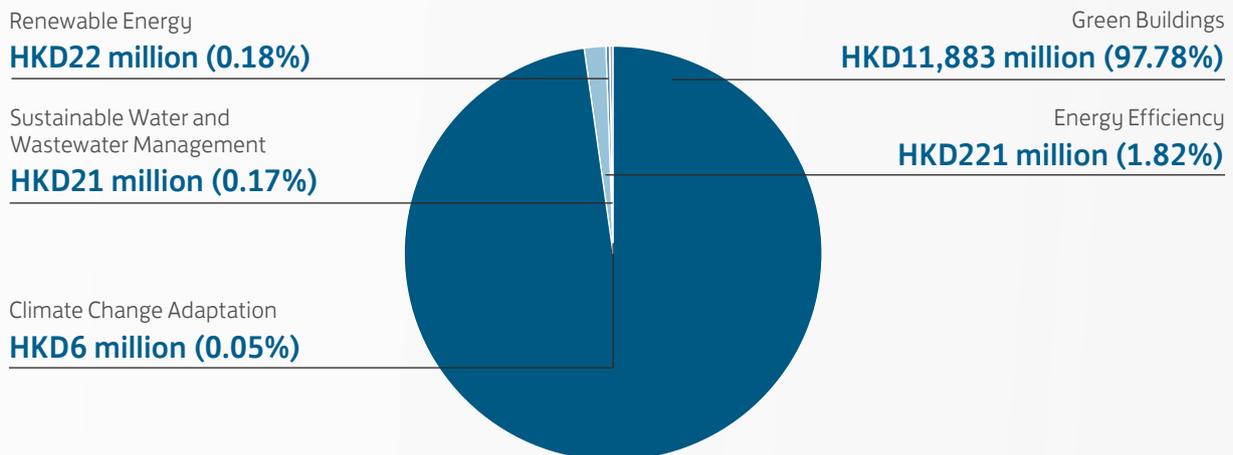
¹ As at 31st December 2023

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

³ An independent assurance provider, PricewaterhouseCoopers has issued a limited assurance report. Please refer to page 9 of Swire Properties Green Finance Report 2023 for further details.

Allocation of Green Bonds and Green Loan Proceeds

(As at 31st December 2023)



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

Occupation Permit (OP) date
September 2018



Project Name	One Taikoo Place	
Location	Quarry Bay, Hong Kong	
Certification	<ul style="list-style-type: none"> Final Platinum for BEAM Plus New Buildings Version 1.2 Final Platinum for LEED BD+C: Core and Shell Version 2009 Final Platinum for WELL v2 Core and Shell Certification Scheme 	Certification Date
		<ul style="list-style-type: none"> March 2020 June 2020 August 2023
Net Proceeds Allocated	HKD3,630 million	
Highlights of Green Elements	<p>Renewable Energy</p> <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 <p>Energy Efficiency⁵</p> <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 <p>Sustainable Water and Wastewater Management</p> <ul style="list-style-type: none"> Harvest rainwater for irrigation and recycle grey water for flushing Low-flow sanitary fittings 	Estimated Environmental Impact
		<ul style="list-style-type: none"> Total renewable energy generated annually: 468,300 kWh, which is equivalent to an annual carbon emissions avoidance⁴ of 375 tonnes of CO₂e Annual energy savings exceeding BEAM Plus⁶ and LEED⁷ baseline performance by 33% and 28% respectively Freshwater savings exceeding BEAM Plus baseline performance by >40%

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	
Certification	<ul style="list-style-type: none"> • Final Platinum for LEED BD+C: Core and Shell Version 2009 • Final Platinum for WELL v1 Core and Shell Certification Scheme • Final Platinum for BEAM Plus New Buildings Version 1.2 	Certification Date
		<ul style="list-style-type: none"> July 2023 October 2023 February 2024
Net Proceeds Allocated	HKD3,040 million	
Highlights of Green Elements	<p>Renewable Energy</p> <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 <p>Energy Efficiency⁹</p> <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 <p>Sustainable Water and Wastewater Management</p> <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 	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%

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

Occupation Permit (OP) date
February 2024



Project Name	Six Pacific Place	
Location	Wan Chai, Hong Kong	
Certification	<ul style="list-style-type: none"> • Pre-certified Platinum for LEED v4 BD+C: Core and Shell • Pre-certified Platinum for WELL v1 Core • Provisional Platinum for BEAM Plus New Buildings Version 2 	Certification Date
		September 2020
		September 2020
		November 2020
Net Proceeds Allocated	HKD641 million	
Highlights of Green Elements	<p>Renewable Energy</p> <ul style="list-style-type: none"> • High efficiency solar photovoltaics (PV) system on top roof and main roof <p>Energy Efficiency¹³</p> <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 <p>Sustainable Water and Wastewater Management</p> <ul style="list-style-type: none"> • Harvest rainwater for irrigation • Low-flow sanitary fittings 	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 Li Chengdu



Taikoo Square and Taikoo Garden

Project Name	Acquisition of interest of Taikoo Li Chengdu	
Certification	<ul style="list-style-type: none"> Final Platinum for LEED v4.1 for Operations and Maintenance: Existing Buildings - the first open-plan mall in the world, and the first commercial project in Sichuan province to achieve the certification 	Certification Date August 2023
Net Proceeds Allocated	HKD4,613 million	
Highlights of Green Elements	<ul style="list-style-type: none"> Powered by offsite renewable energy since 2020. In 2023, over 60% of the electricity demand from landlord and tenant operations is powered by off-site renewable energy Variable-frequency motor was installed in a 2,000TR chiller Modifications to the variable frequency drives of cooling water pumps Optimised controls strategy for the chilled water supply temperature and fresh air handling unit 	Estimated Environmental Impact <ul style="list-style-type: none"> Carbon emissions avoided in 2023¹⁶: 2,617 tonnes of CO₂e Annual energy savings: 237,000 kWh Annual energy savings: 720,000 kWh Annual energy savings: 1.31 million kWh

Project Name	Climate Change Adaptation projects - Taikoo Square and Taikoo Garden	
Net Proceeds Allocated	HKD6 million	
Highlights of Green Elements	<p>Climate Resilience</p> <ul style="list-style-type: none"> Approximately 70,000 sq ft of additional landscape area offering lush greenery and water features that serve as a nature-based solution by reducing heat island effect, improving rainwater retention and district level air quality <p>Support Urban Biodiversity</p> <ul style="list-style-type: none"> Selection of native “fung shui woodland” tree species and vegetation, forming “green corridors” that facilitates movement of birds, butterflies and other wildlife between urban greenspaces 	

¹⁶ Calculated by using the 2023 emission factor of International Energy Agency (IEA)



Taikoo Place



Pacific Place



Cityplaza

Project Name Energy Efficiency projects – Taikoo Place, Pacific Place and Cityplaza

Net Proceeds Allocated HKD221 million

Highlights of Green Elements

- High efficiency chiller systems at Taikoo Place, Pacific Place and Cityplaza
- EC motor plug fans in air handling units at Taikoo Place, Pacific Place and Cityplaza, 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, Pacific Place and Cityplaza
- Installation of Automatic Tube Cleaning System at Taikoo Place
- Fresh air demand controlled ventilation and kitchen exhaust optimization at Pacific Place

Estimated Environmental Impact

- Annual energy savings:

Taikoo Place:	6,421,070 kWh
Pacific Place:	7,266,690 kWh
Cityplaza:	753,440 kWh
Total:	14,441,200 kWh
- Annual carbon emissions avoided¹⁷:

Taikoo Place:	4,366 tonnes of CO ₂ e
Pacific Place:	4,941 tonnes of CO ₂ e
Cityplaza:	512 tonnes of CO ₂ e
Total:	9,820 tonnes of CO₂e

Project Name Sustainable Water and Wastewater Management projects – Taikoo Place, Pacific Place and Cityplaza

Net Proceeds Allocated HKD2 million

Highlights of Green Elements

- 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
- Flow regulator to reduce water consumption

Estimated Environmental Impact

- Annual recycling volume: 250 m³
- Annual water savings: 850 m³
- Annual water savings: 16,700 m³

¹⁷ Calculated by using the 2023 emission factor of Hong Kong Electric



Independent practitioner’s assurance report
To the Board of Directors of Swire Properties Limited

We have been engaged to perform a limited assurance engagement on the accompanying selected information described below and identified by footnote 3 on page 3 of the Green Finance Report of Swire Properties Limited (the “Company”) and its subsidiaries (collectively “the Group”) as at 31 December 2023 (the “Selected Information”).

Selected Information

The scope of our work was limited to assurance over the Selected Information described as “amounts of proceeds allocated to the eligible green projects as at 31 December 2023” set out in footnote 3 on page 3 of the Green Finance Report.

Our assurance does not extend to information in respect of earlier periods or to any other information included in the Green Finance Report as at 31 December 2023.

Reporting Criteria

The criteria used by the Group to prepare the Selected Information is set out in the Appendix of this report (the “Reporting Criteria”).

Directors’ Responsibilities

The directors of the Group are responsible for:

- designing, implementing and maintaining internal controls over information relevant to the preparation of the Selected Information that is free from material misstatement, whether due to fraud or error;
- establishing objective Reporting Criteria for preparing the Selected Information;
- measuring and reporting the Selected Information based on the Reporting Criteria; and
- the content of the Green Finance Report as at 31 December 2023.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Hong Kong Standard on Quality Management 1 issued by the HKICPA, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Independent practitioner’s assurance report
To the Board of Directors of Swire Properties Limited

Practitioner’s Responsibilities

It is our responsibility to express a conclusion on the Selected Information based on our work performed and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our work in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” issued by the HKICPA. This standard requires that we plan and perform our work to form the conclusion.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. The extent of procedures selected depends on the practitioner’s judgment and our assessment of the engagement risk. Within the scope of our work we performed amongst others the following procedures:

- made enquiries of the Group’s management, including those involved in providing information relating to the Green Finance Report as at 31 December 2023;
- checked the approval of allocation of proceeds to the eligible projects by the Environmental, Social and Governance Steering Committee or the Executive Committee of Swire Properties Limited; and
- checked, on a sample basis, the use of proceeds as approved by the Environmental, Social and Governance Steering Committee or the Executive Committee of Swire Properties Limited to capital expenditure supporting payment documents relating to the approved projects.

Our work did not include reviewing the effectiveness of systems, processes and controls that generated the Selected Information. Thus, our work was not performed for the purposes of expressing an opinion on the effectiveness and performance of the Company’s management systems, processes and controls, and not for the purposes of expressing an opinion on any statutory financial statements.

Inherent Limitation

We draw attention to the fact that the Reporting Criteria includes certain inherent limitations that can influence the reliability of the information. The Selected Information needs to be read and understood together with Reporting Criteria, which the Group is solely responsible for selecting and applying. The absence of a significant body of established practice on which to draw to evaluate and measure information allows for different, but acceptable, measurement techniques and can affect comparability between entities and over time. The Reporting Criteria used for the reporting of the Selected Information are as at 31 December 2023.

Independent practitioner's assurance report
To the Board of Directors of Swire Properties Limited

Conclusion

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the Selected Information as at 31 December 2023 is not prepared, in all material respects, in accordance with the Reporting Criteria.

Purpose and Restriction on Use and Distribution

We draw attention to the fact that the Selected Information was prepared for the Green Finance Report using the Reporting Criteria designed for this purpose. As a result, the Selected Information may not be suitable for another purpose. This report is not intended to be, and should not be distributed to any other parties or used for any other purpose. Our conclusion is not modified in respect of this matter.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 15 March 2024

Appendix: 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 the Company.