

Carbon Offsetting Policy

The executive management of each company in which Swire Pacific has a controlling interest will arrange to offset the carbon dioxide emissions of all business air travel undertaken by its staff (other than seafarers travelling to/from the place they operate ships). This may be through:

1. Offsets purchased through the [“Fly Greener” programme](#).
2. Offsets purchased from other schemes specifically approved by the Swire Group Sustainability Committee (SGSC). These schemes should meet the [Verified Carbon Standard](#), [the Gold Standard](#) or better. One reason for using schemes other than Fly Greener may be important local relevance for non-Hong Kong based companies. Operating companies are encouraged to select carbon credit programme that have an additionally verified social aspect, such as those certified under the [Climate, Community & Biodiversity Alliance](#) standard.

The amounts spent on offsets will be reported as part of the Group’s financial reporting system.

Associated and Jointly Controlled companies are encouraged to follow this policy.

Swire Pacific will review this carbon offsetting policy from time to time as appropriate and, in any event, once every three years.

EXPLANATORY NOTES

Carbon offsetting involves financing reductions of emissions in other entities to balance one’s own carbon dioxide emissions. It can be an environmentally and cost effective option for sectors where potential for further reductions is currently technically limited or the abatement costs are currently unduly high.