

Carbon Offsetting Policy

It is the policy of Swire Pacific to reduce its carbon emissions in accordance with near and medium-term targets that are aligned with science or industry best practice and aligned to its long-term commitment to achieve net zero carbon emissions by 2050.

Counterbalancing measures, including Beyond Value Chain Mitigation (BVCM) through carbon offsetting, will form part of our strategy to help us reach a state of net zero.

The executive management of each company in which Swire Pacific has a controlling interest should apply this policy in a way which is relevant to their business. Associated and joint venture companies are encouraged to follow this policy, as are our business partners and suppliers.

Given the diversity of the Group's business portfolio, implementation of this policy is handled on a company-by-company basis and is a core responsibility of each company's management team.

Swire Pacific and its operating companies will:

- Ensure a clearly articulated decarbonisation roadmap to achieve targets is in place, and reductions in scope 1, 2 and 3 GHG emissions have been made to the greatest extent possible, in line with international best practice, before employing carbon offsets at scale (outside of regulatory requirements and to offset business travel through Fly Greener, if Corporate SAF Programme was not used to avoid emissions).
- Exercise due diligence when sourcing carbon offsets to ensure the certified credits align with the Core Carbon Principles of the Integrity Council for Voluntary Carbon Market, and the principles outlined in Appendix I.
- Give preference to carbon offsets that remove carbon from the atmosphere and permanently store it within or beyond the value chain (removal offsets) over avoidance offsets whereby emissions reductions projects reduce emissions compared with the most likely course of action.
- Give preference, as far as practicable, to quality, cost effective carbon offsets associated with projects in the Group's locations of operation.
- Report amounts spent on carbon offsets as part of the Group's financial reporting system.
- Avoid making claims about being net zero until emissions are reduced to the greatest extent possible, and residual emissions are offset.

Review

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

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

Appendix I

Swire Pacific and its operating companies should opt for credits associated with the following principles:

Criteria	Description
Climate Affected Location	Purchasing projects in climate-affected locations relevant to our operations (as far as practicable cost and other critical criteria dependent) to help bolster local communities, build climate resilience, and restore the natural environment. This may be a type of co-benefit for stakeholders and the environment.
Free, Prior, Informed Consent	FPIC is a specific right of Indigenous Peoples which allows them to give or withhold consent for a project that will affect them and is recognised by the UN declaration on the rights of indigenous peoples.
Grievance Mechanism	Availability of an anonymous grievance mechanism which can help standards understand what projects are negatively affecting stakeholders providing integrity to their principles, guidance, or framework.
Monitoring	On-going monitoring to ensure that carbon is not leaking, and a project is delivering on its intended purpose. It also increases the integrity of claims while reducing the possibility of greenwashing and reputational harm.