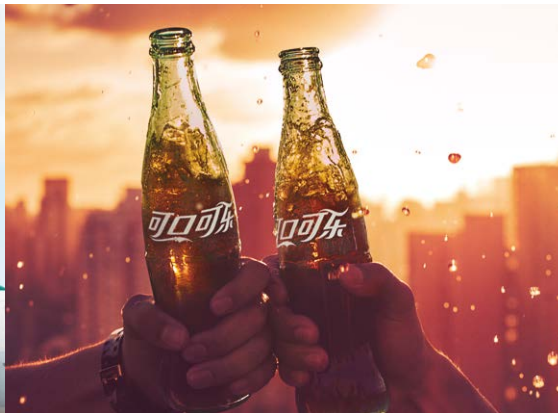




THRIVING TOGETHER

2019 SUSTAINABILITY REPORT



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## INTRODUCTION

# A THRIVING ENVIRONMENT

Swire Pacific is a highly diversified group and one of the leading companies in Hong Kong, with five operating divisions: Property, Aviation, Beverages, Marine Services and Trading & Industrial.

Headquartered in Hong Kong, the Group's operations are predominantly in Greater China where the name Swire or 太古 has been established for more than 150 years. 2020 represents a significant milestone as we celebrate 150 years of doing business in, and contributing to the ongoing success of, Hong Kong.

Our Sustainability Report is about our approach to integrating sustainability into our activities. It follows global standards of sustainability reporting.

The 2019 Sustainability Report is our 13<sup>th</sup> report. It was published in June 2020.





## CHAIRMAN'S STATEMENT

**“We believe that sustainability must be central to what we do for our businesses, and the communities in which they operate, to thrive in the long term.”**

Social unrest in Hong Kong and global trade tensions during 2019, particularly in the second half of the year, created serious challenges for our businesses. Despite these challenges, sustainability remained a strategic objective for Swire Pacific. We believe that sustainability must be central to what we do for our businesses, and the communities in which they operate, to thrive in the long term.

Swire Pacific has always taken, and will continue to take, a long-term perspective on how we run our business. Sustainability is very much part of that way of thinking.

In 2019, we made progress in several important elements of our group sustainable development strategy. We outperformed our carbon reduction target by 1.83%. In addition, Swire Pacific published a climate change policy which highlighted the importance of future climate risk and resilience. We also developed our diversity and inclusion strategic framework with three goals, five diversity focus areas and a five-year plan. At the operating company level, Swire Properties announced a carbon reduction target which was approved by the Science Based Targets initiative. Cathay Pacific improved its fuel efficiency by 2%, compared with an aviation industry commitment of 1.5%.

We also demonstrated our determination to play a full part in the creation of a circular economy in Hong Kong, with Swire Coca-Cola's announcement of the city's first major plastic waste recycling facility, to be operated in joint venture with our partners ALBA and Baguio Waste Management.

We made good progress in 2019, but we must do better and be more resilient in the face of increasing, complex, sustainability challenges. We intend to set ambitious carbon, water, waste and diversity and inclusion targets.

We remain committed to a sustainable approach to business. We need to think deeply and creatively about decarbonisation, water conservation and waste reduction and recycling. We must respond to sustainability challenges in a way which creates value for our shareholders, for our people, for those with whom we engage in business and for the communities in which we operate. I look forward to sharing our progress with you in future reports.

### **Merlin Swire**

Chairman





## HEAD OF SD'S STATEMENT

“We need to look further ahead and do more to integrate sustainable development principles and practices into our businesses, and to ensure that we are increasingly resilient and well prepared for whatever long-term sustainability challenges we may face.”

### What is SwireTHRIVE?

SwireTHRIVE is the Group sustainability strategy, introduced in 2016. The strategy was developed to bring clarity and focus to how we address our biggest environmental challenges.

SwireTHRIVE focuses on environmental sustainability because our success, and that of our people and the communities in which we operate, depends on a thriving natural environment. It acknowledges the important role we play in protecting the natural resources on which our businesses depend. A thriving business needs a thriving environment.

The SwireTHRIVE areas of focus are carbon, waste, water, sustainable materials, biodiversity and climate resilience.

**You had a goal to reduce your carbon emissions and water consumption by 8-10% and 3-4% respectively by 2020, versus a 2015 frozen efficiency baseline. Are you on track to meet that commitment?**

I'm pleased to report that in 2019 we have exceeded our carbon reduction target, set when we introduced SwireTHRIVE in 2016, by 1.83%. However, we have fallen short of our water reduction target by 1.26%. This is largely because Swire Coca-Cola acquired more bottling plants.

These targets should be viewed as only the start of the journey. Looking ahead, as the external environment becomes more complex and challenging, and in the light of the Paris Agreement and other international climate change agreements, we need to be more ambitious. This means setting new, stretching, carbon and water targets and addressing other important environmental challenges.





## HEAD OF SD'S STATEMENT

### Looking back on the last four years of SwireTHRIVE, what are you most proud of?

Developing the strategy itself proved immensely valuable. It was an opportunity to reflect on the past and to consider as a group the impact of our businesses on the world. We recognise the extent to which external factors can affect our ability to plan and manage our businesses, and how we can position ourselves to respond to sustainability challenges.

Climate resilience and biodiversity, which were considered emerging issues for the group at the time, have proved to be risks that we were right to highlight. These areas have become important in our approach to sustainability and, in the case of climate resilience, central to our approach to risk management. We have far more to do in these areas. Environmental, social and governance matters are increasingly important to investors and other stakeholders. This will lead to much greater focus on these issues.

It's also pleasing to see the impact which SwireTHRIVE has had, and the actions which it has stimulated, in the Group. Group companies develop their own sustainability strategies and plans. They recognise the overall direction set at Group level, but tailor their

actions to their own specific sectors and needs. Swire Properties' SD 2030 strategy stands out as recognising the value that sustainable development can bring to a business and how thinking about sustainable development can be integrated into decision making.

Swire Coca-Cola's leadership in water efficiency and management led it to recognise the value of a holistic approach to sustainability. Swire Coca-Cola identified the need to address the use of single use plastics in its own business. It has worked with others in this area through the Drink Without Waste initiative and has formed a plastic waste recycling joint venture in Hong Kong.

### What does the year ahead hold for SwireTHRIVE in particular and sustainable development at Swire Pacific more generally?

2020 will be a pivotal year, both for our strategy and for sustainability generally. We will undertake a thorough review of SwireTHRIVE to ensure that it remains fit for purpose and acknowledges the important progress that we have made in areas including diversity and inclusion. We will need to re-focus our strategy due to the rapidly changing business environment in which we operate and the increasingly uncertain world around us.

We need to increase our strategic ambition for sustainable development. We need to address climate change, key international agreements and changes in governmental policies and regulation. All this indicates a need for more ambitious plans and targets.

We need to look further ahead and do more to integrate sustainable development principles and practices into our businesses, and to ensure that we are increasingly resilient and well prepared for whatever long-term sustainability challenges we may face.

#### Dr. Mark Watson

Head of Sustainable Development



HIGHLIGHTS

2019 PERFORMANCE HIGHLIGHTS

PROPERTY



Carbon reduction target approved by SBTi (First real estate developer in Hong Kong and Mainland China to succeed)



97% of portfolio certified as green buildings (84% achieving the highest ratings)



26%↓ Hong Kong energy intensity (from 2008) and 36%↓ Mainland China energy intensity (from 2010)



First company in Hong Kong to obtain a Sustainability-linked loan (interest rate linked to ESG performance)

AVIATION



Cathay Pacific 2%↑ fuel efficiency (CO2/RTK)



HAECO Group 5%↓ water consumption (from 2018)



HAECO Group 14%↓ lost time injury rate (from 2018)



Cathay Pacific Catering Services purchased 412 tonnes of certified sustainable seafood (58% of the total volume)

BEVERAGES



Reverse vending machines introduced in Hong Kong (HK\$0.20 refunded for each empty plastic bottle inserted)



4%↓ carbon emissions (from 2018)



14.64 million kWh of electricity generated by photovoltaic panel installations



2019 Best Employer of Excellent Workplace – Excellent Organization & Employee Health award (organised by People.cn Shanghai and Yicai)

MARINE SERVICES



Swire Pacific Offshore 31%↓ carbon emissions (from 2015)



Swire Pacific Offshore 40%↓ lost time injury rate (from 2018)



Swire Pacific Offshore to sustainably recycle retired Pacific Falcon vessel



Swire Pacific Offshore awarded Singapore Registry of Ships (SRS) Manpower Recognition Award (by the Maritime and Port Authority of Singapore)

TRADING & INDUSTRIAL



Qinyuan Bakery 7%↓ carbon emissions (from 2018)



Taikoo Sugar 11%↓ water consumption (from 2018)



Taikoo Sugar 26%↓ lost time injury rate (from 2018)



Swire Resources received biennial Social Capital Builder (SCB) Award (2018-2020) (presented by the Community Investment & Inclusion Fund of the Hong Kong Labour and Welfare Bureau)

Disclosure and reporting

MEMBER OF Dow Jones Sustainability Indices In Collaboration with RobecoSAM

Hang Seng Corporate Sustainability Index Series Member 2019-2020



FTSE4Good



2019 Constituent MSCI ESG Leaders Indexes



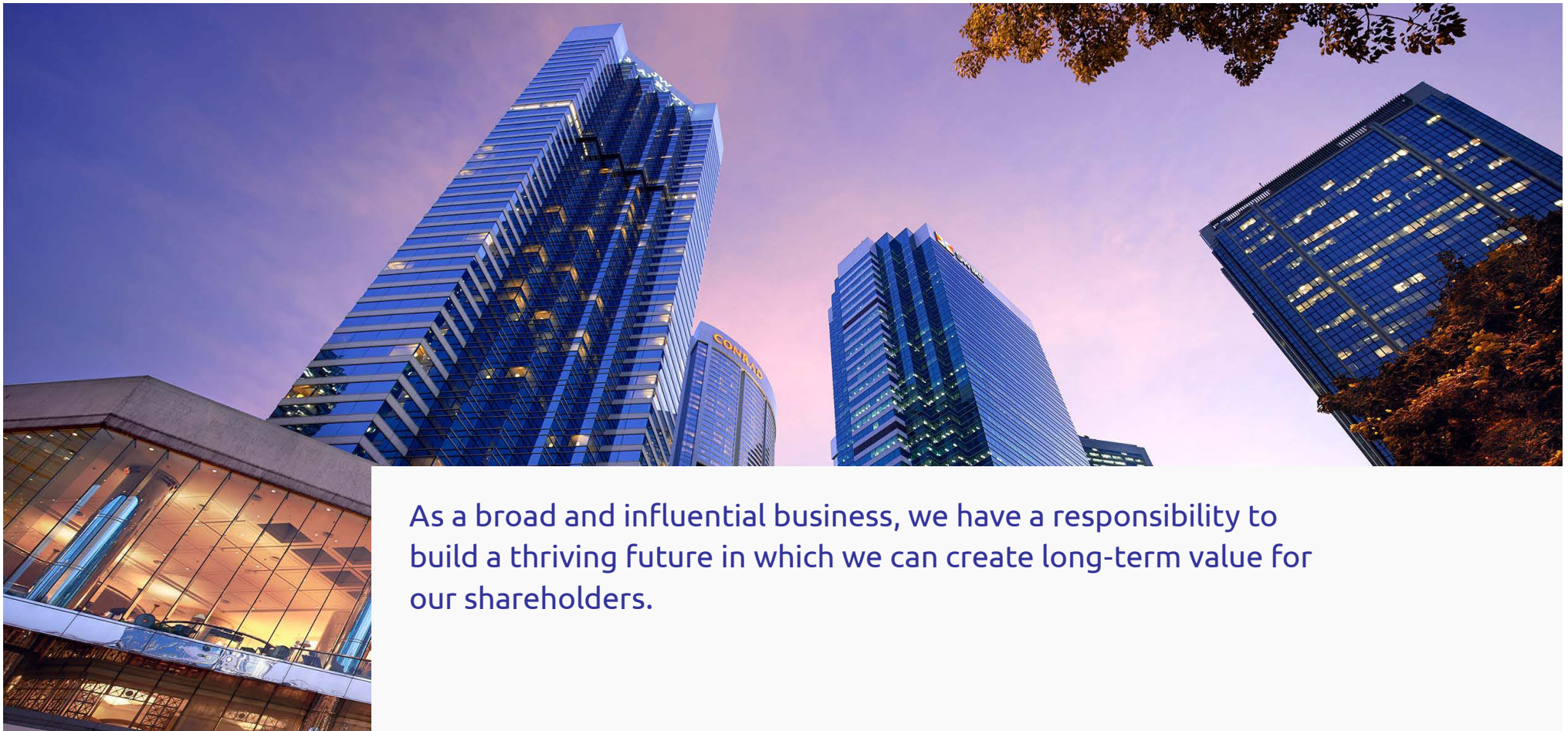
DISCLOSURE INSIGHT ACTION





OUR BUSINESS

# A COMMITMENT TO SUSTAIN LONG-TERM VALUE



As a broad and influential business, we have a responsibility to build a thriving future in which we can create long-term value for our shareholders.





## OUR BUSINESS

Swire Pacific is an international conglomerate headquartered in Hong Kong with a diversified portfolio of market leading businesses. We have five operating divisions: Property, Aviation, Beverages, Marine Services and Trading & Industrial.

As a broad and influential business, we have a responsibility to build a thriving future in which we can create long-term value for our shareholders. Sustainability remains a strategic objective for the Swire Group to secure the future of our business and thereby the prosperity of the businesses with which, and communities in which, we operate.

Everyone faces challenges from climate change, resource scarcity, social unrest, global pandemics and the threat of a diminishing natural environment. Responding to these challenges is critical for our business to thrive.

We aim to safeguard our natural resources, to support the businesses with which, and communities in which, we operate and to invest in the development and wellbeing of our people. We do all this in accordance with high ethical, environmental and social standards.

Our commitment to sustainability goes beyond preservation. It represents an opportunity for innovation, efficiency and establishing systems to secure sustained growth.

We continue to improve and integrate sustainable development and economic, environmental and social sustainability in our business.



## SWIRE PACIFIC

# A BICENTENNIAL ENTERPRISE

Established in 1816, over 200 years ago, the Swire group has grown from a modest import-export company based in Liverpool into a diversified global conglomerate. Our business has stood the test of time because we have always looked ahead and made the right decisions for the long term.

Headquartered in Hong Kong and listed on HKEx, Swire Pacific (SWRAY 00019 and SWRBY 00087) is a key part of the Swire group. Swire Pacific is one of the leading companies in Hong Kong, with five operating divisions: Property, Aviation, Beverages, Marine Services and Trading & Industrial. Swire Pacific has interests in two other listed companies, Swire Properties and Cathay Pacific. The Swire Pacific Group's operations are predominantly in Greater China, where the name Swire 太古 has been established for over 150 years.

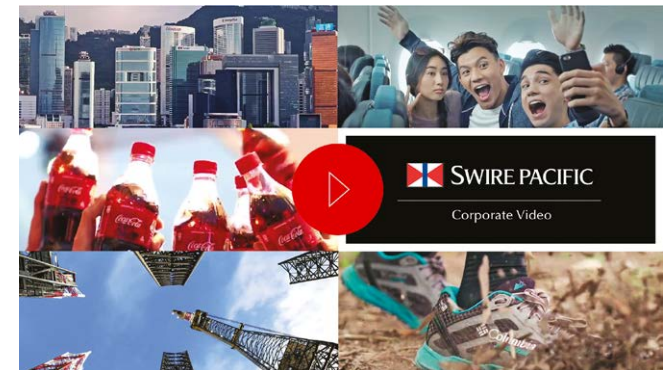
In 2019, Swire Beverages was renamed Swire Coca-Cola and Cathay Pacific completed the acquisition of Hong Kong Express, a low-cost carrier. Relevant data about Hong Kong Express is not included in this report. We only include data relating to acquired companies for the first full financial year after their acquisition.

When formulating strategy we take a long-term perspective. This is reflected in the nature of our investments. We pride ourselves on being forward-looking and innovative, which has helped us grow and set benchmarks in the industries in which we operate.

### 2019 OVERVIEW

After an encouraging first half, in which Swire Pacific delivered a continued recovery in earnings and a solid set of results, 2019 proved ultimately to be a challenging year. Our recurring profit decreased by 4% in 2019, driven by a deterioration in the results of Cathay Pacific. There was also a much smaller increase in the value of our property portfolio than in recent years. This was the main reason for our 2019 return on equity falling to 3.3%, from 9.0% in 2018 and an average of 6.7% over the last five years.

During the year, we completed the disposal of a number of non-core assets at attractive valuations. The total proceeds of such disposals in 2018 and 2019 were around HK\$34 billion, contributing to a significant strengthening of our balance sheet. At the end of



2019, our gearing, excluding lease liabilities, was 14.2%, compared with 19.3% at the end of 2018. Cash and undrawn committed facilities stood at HK\$40 billion.

More information on the group structure and our economic performance can be found on our factsheet and in the 2019 Swire Pacific Annual Report.

### Supplementary information

**SWIRE PACIFIC FACTSHEET**



**2019 SWIRE PACIFIC ANNUAL REPORT**





SWIRE PACIFIC

Swire Pacific Group overview 2019

PROPERTY



Total revenue **HK\$14,222M**

Recurring profit **HK\$6,269M**

Tax paid **HK\$586M**

Total employees **6,465**

Material issues **climate resilience, energy use and GHG emissions**

AVIATION\*



Total revenue **HK\$15,901M**

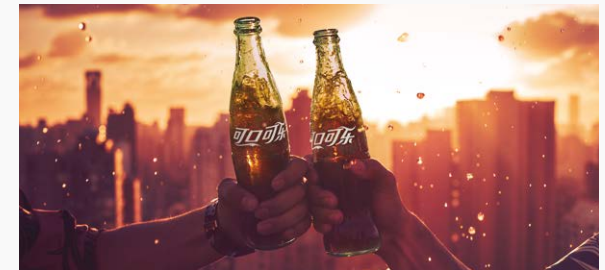
Recurring profit **HK\$1,784M**

Tax paid **HK\$173M**

Total employees **46,965**

Material issues **energy use and GHG emissions, cyber security, diversity and inclusion**

BEVERAGES\*\*



Total revenue **HK\$43,317M**

Recurring profit **HK\$1,584M**

Tax paid **HK\$173M**

Total employees **30,871**

Material issues **energy use and GHG emissions, water management, environmental impact of products and services**

Total employees reported is as at 31<sup>st</sup> December 2019 and comprises permanent employees and both fixed term and temporary contractors. On the same date, there were 38 employees employed directly by Swire Pacific in the Swire Pacific head office.

\*The revenue figures exclude the revenues of associates (for example Cathay Pacific and Hongkong United Dockyards Limited)

\*\*Swire Beverages Limited changed its name in April 2019 to Swire Coca-Cola Limited



SWIRE PACIFIC

MARINE SERVICES\*



Total revenue **HK\$2,452M**

Recurring loss **HK\$1,347M**

Tax paid **HK\$52M**

Total employees **3,066**

Material issues **energy use and GHG emissions, workplace health and safety, diversity and inclusion**

TRADING & INDUSTRIAL



Total revenue **HK\$9,908M**

Recurring profit **HK\$41M**

Tax paid **HK\$404M**

Total employees **6,925**

Material issues **environmental impacts of products and services, product quality and safety**

Total employees reported is as at 31<sup>st</sup> December 2019 and comprises permanent employees and both fixed term and temporary contractors. On the same date, there were 38 employees employed directly by Swire Pacific in the Swire Pacific head office.

\*The revenue figures exclude the revenues of associates (for example Cathay Pacific and Hongkong United Dockyards Limited)

\*\*Swire Beverages Limited changed its name in April 2019 to Swire Coca-Cola Limited



GOVERNANCE

OUR GUIDING PRINCIPLES

Swire Pacific is committed to ensuring that our affairs are conducted in accordance with high ethical standards while upholding our values of integrity, endeavour, excellence, humility, teamwork and continuity.

We believe it is imperative to act with probity, transparency and accountability in striving to achieve our long-term objectives. It is our opinion that this approach will maximise long-term shareholder wealth and be to the benefit of employees, those with whom we do business and the communities in which we operate.

OUR GOVERNANCE APPROACH

Corporate governance is the process by which the Board directs and supervises the Group’s management in conducting its affairs, while promoting operational success. Our approach to corporate governance can be found in the Corporate Governance Code, Memorandum and Articles of Association, Board Diversity Policy, Corporate Governance Code in Appendix 14 and the 2019 Swire Pacific Annual Report.

We are subject to the Corporate Governance Code in Appendix 14 to The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Our governance practices are described in the Corporate Governance Report section of our 2019 Annual Report.

The governance of sustainability matters is an important element of our corporate governance. Our aim is to identify and benefit from sustainability opportunities and to manage sustainability risks, through appropriate policies, standards and systems.

Supplementary information

- CORPORATE GOVERNANCE CODE**
- MEMORANDUM AND ARTICLES OF ASSOCIATION**
- BOARD DIVERSITY POLICY**
- CORPORATE GOVERNANCE CODE IN APPENDIX 14**
- 2019 SWIRE PACIFIC ANNUAL REPORT**



## GOVERNANCE

### CODE OF CONDUCT AND LEGAL COMPLIANCE

Our Corporate Code of Conduct requires employees to maintain the highest standards of business ethics and to deal appropriately with each other, those with whom we do business, and the communities in which we operate. The Code of Conduct includes operating principles covering business ethics, conflicts of interest, bribery, procurement, record keeping, whistleblowing, health and safety, the environment, equal opportunities, diversity and respect in the workforce and privacy.

The Code of Conduct and anti-bribery training is included in the induction programme of all employees. Our conditions of employment require compliance with the Code of Conduct.

It is our policy to comply in full with all applicable laws and regulations, including those governing the environment, employment (including laws prohibiting child or forced labour), health and safety, products (including their advertising and labelling), bribery, privacy and discrimination, whether or not any of these matters could have a significant impact on us. For descriptions, where relevant, of the ways in which such policy is implemented, please refer to the sections of this report: Our environment, Our people and Our communities.

### OUR CORPORATE POLICIES AND SUSTAINABLE DEVELOPMENT

Our Sustainable Development Policy aims to be consistent with the 1987 Brundtland Commission’s definition of sustainable development as meeting “the needs of the present without compromising the ability of future generations to meet their own needs”.

Through the Sustainable Development Policy, we aim to:

- Reduce our carbon footprint by adopting industry best practices to improve energy efficiency and through increased use of renewable energy
- Turn today’s waste into a resource for tomorrow, contributing to the creation of a circular economy where waste materials are no longer simply thrown away, but retained and reused as a future resource
- Use water responsibly and sustainably and protect its watersheds
- Be a good steward of the natural resources and biodiversity under our influence and to identify and manage appropriately the potential adverse impact of our operations on the environment
- Safeguard the health and safety of our employees and others with whom we interact, with the ultimate aim of causing zero harm

- Source materials responsibly and sustainably, including ensuring that our suppliers meet, and preferably exceed, the sustainability standards in our supplier code of conduct
- Bring value to the communities in which we operate and respect their culture and heritage
- Encourage our staff to engage actively in sustainable development matters at work and in the community
- Monitor the company’s performance and report regularly

Our policies on climate change, biodiversity, sustainable supply chains, green buildings and health and safety are covered in the appropriate sections of this report. These can also be found in the Sustainable Development section of the Swire Pacific website.

#### Supplementary information

- CORPORATE CODE OF CONDUCT** [↗](#)
- SUSTAINABLE DEVELOPMENT POLICY** [↗](#)
- SWIRE PACIFIC SUSTAINABLE DEVELOPMENT WEBSITE** [↗](#)

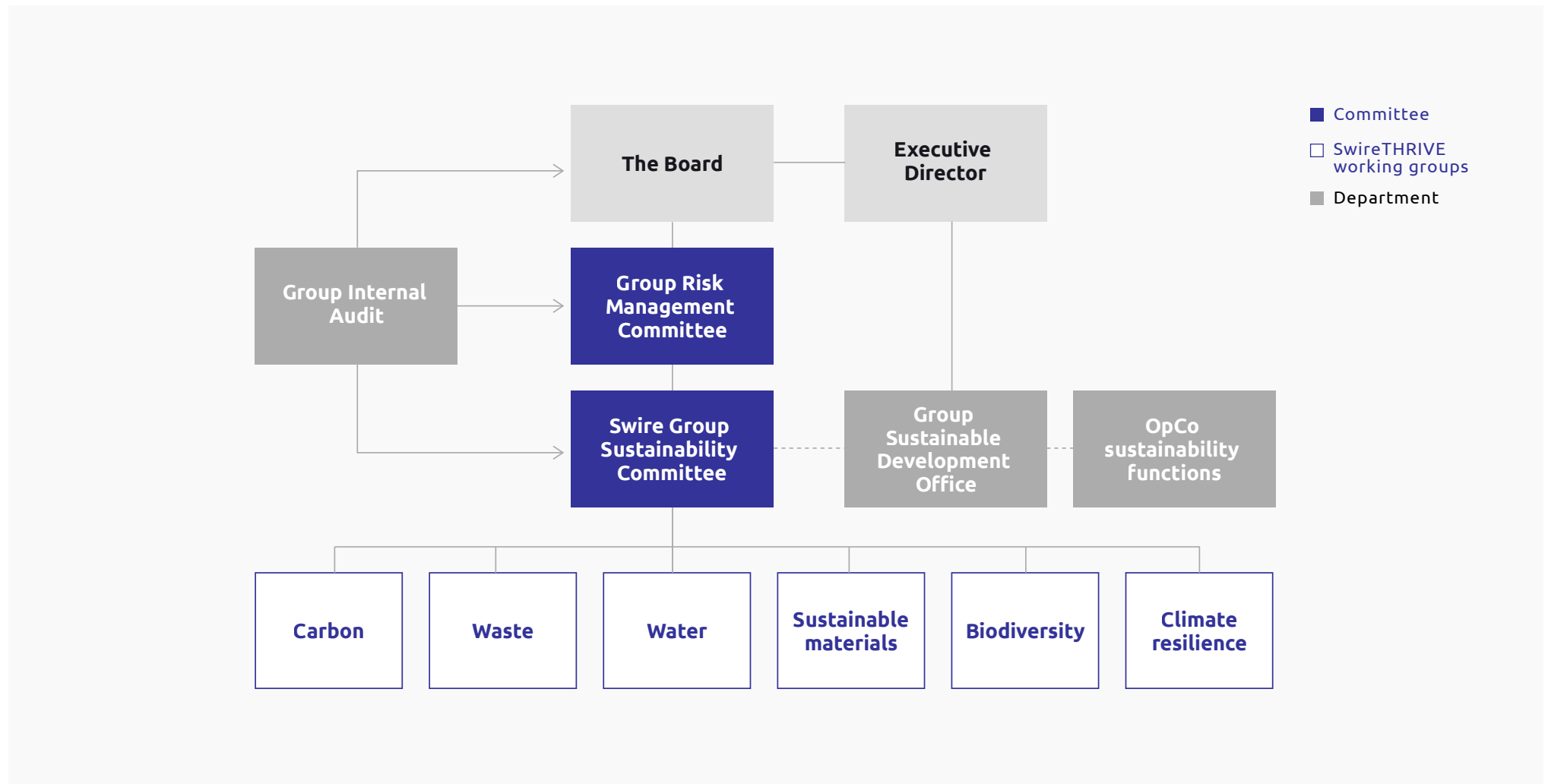
#### Related content

- OUR ENVIRONMENT** [>](#)
- OUR PEOPLE** [>](#)
- OUR COMMUNITIES** [>](#)



GOVERNANCE

SUSTAINABLE DEVELOPMENT GOVERNANCE STRUCTURE OVERVIEW





## GOVERNANCE

### BOARD OVERSIGHT

Swire Pacific's highest governance body is its Board, led by an Executive Chairman. Our corporate governance (including the operations of the Board and its committees, audit and communication with shareholders and investors) is addressed in the Corporate Governance Report in our 2019 annual report.

Our Board is ultimately accountable for sustainability matters. Information on sustainability risks and performance is reported to the Board via the Group Risk Management Committee (GRMC), which has eight members and is chaired by the Finance Director. The GRMC is advised by the Swire Group Sustainability Committee and by six working groups covering each of the six focus areas of SwireTHRIVE. The Swire Group Sustainability Committee meet three times a year to exchange information and best practices, with a view to developing specific policy recommendations, improving efficiency, reducing costs and engaging staff in sustainable development.

To provide additional oversight and direction, the Head of Sustainable Development reports annually to the Board on the Group's sustainability performance. Division heads meet twice a year on sustainability matters under the Chairman of the Board. In 2019, division heads discussed the findings of a materiality assessment, the Group's sustainability performance, revisions to the HKEx listing rules relevant to ESG matters and approaches to carbon target setting.

### GROUP SUSTAINABLE DEVELOPMENT OFFICE

Our Sustainable Development Office, which reports directly to a member of the Board, is responsible for setting policy, monitoring the implementation of policy and for implementing our Group sustainability strategy, SwireTHRIVE. Policies are intended to reflect key sustainability trends and address major risks and opportunities in sustainability. The Sustainable Development Office co-ordinates the sustainable development committees and working groups. These committees and groups enable operating companies to exchange information and best practices with a view to developing specific policy recommendations, improving efficiency, reducing costs and engaging with staff. The SwireTHRIVE working groups met 11 times in 2019.

We work together with our operating companies and those with whom we do business with a view to maintaining an appropriate level of oversight and control over sustainability matters. The management of each operating company is responsible for its own sustainability matters. Each operating company is responsible for:

- Assessing the sustainability issues faced by the company
- Formulating strategy based on this assessment
- Implementing this strategy through an appropriate organisational structure
- Monitoring compliance (to confirm that appropriate action has been taken) and reporting on performance

### PERSONAL DATA

In 2019, we introduced a Group Personal Data Policy. Our policy is to comply with applicable legal requirements relating to the handling of personal data (including its collection, holding, processing, disclosure and use) and to respect the privacy of others and the confidentiality of information received in the course of business.

In 2018, Cathay Pacific discovered unauthorised access to some Cathay Pacific and Cathay Dragon passenger data. Immediate action was taken to contain the event and commence a thorough investigation. There was no evidence that any personal information was misused. The information systems affected were separate from flight operations systems. There was no impact on flight safety.

In 2019, the Hong Kong Privacy Commissioner for Personal Data found that this incident contravened the Personal Data (Privacy) Ordinance and required Cathay Pacific to implement certain measures. Cathay Pacific has provided evidence of compliance with the requirement.

[Supplementary information](#)

**2019 SWIRE PACIFIC ANNUAL REPORT**







## GOVERNANCE

### CYBER SECURITY

Swire Pacific has, and monitors compliance with, a cyber security and information security policy. It has adopted the US National Institute of Standards and Technology Cyber Security Framework.

Regular cyber security reports are provided to the GRMC and to the Audit Committee. Our Information Technology Committee oversees the cyber security programmes of our operating companies. These programmes include the regular testing and monitoring of systems. A working group of cyber security professionals meets regularly to promote the sharing of cyber security best practices and to enhance cyber security awareness.

### EXTERNAL INITIATIVES AND ESG RELATED CHARTERS

#### PROPERTY

- Advancing Net Zero – Hong Kong Green Building Council
- Energy Saving Charter – Environment Bureau and Electrical and Mechanical Services Department, Hong Kong SAR Government
- Green Event Pledge – Environmental Protection Department, Hong Kong SAR Government
- Manifesto for Energy Efficiency in Buildings – World Business Council for Sustainable Development
- Sustainable Procurement Charter – Green Council

#### BEVERAGES

- Drink Without Waste – Single-Use Beverage Package Working Group
- New Plastics Economy Global Commitment – Ellen MacArthur Foundation
- Green Event Pledge – Environmental Protection Department, Hong Kong SAR Government

#### MARINE SERVICES

##### Swire Pacific Offshore

- Sustainable Shipping Initiative
- Ship Recycling Transparency Initiative

#### AVIATION

##### Cathay Pacific

- The Buckingham Palace Declaration – United for Wildlife Transport Taskforce
- Drink Without Waste – Single-Use Beverage Package Working Group
- Global Shark Pledge – WildAid
- The Racial Diversity & Inclusion Charter for Employers – Equal Opportunities Commission

##### HAECO

- The Racial Diversity & Inclusion Charter for Employers – Equal Opportunities Commission

#### TRADING & INDUSTRIAL

##### Swire Waste Management Limited

- Drink Without Waste – Single-Use Beverage Package Working Group
- Green Event Pledge – Environmental Protection Department, Hong Kong SAR Government

##### Swire Resources Limited

- No Fakes Pledge Scheme – Intellectual Property Department, Hong Kong SAR Government



## GOVERNANCE

### PUBLIC POLICY AND POLITICAL CONTRIBUTIONS

Swire Pacific, as a normal business activity, will lobby government entities either directly or through trade associations to promote policies that encourage business and achieve workable legislation. All our public policy work must meet the ethical standards set out in our Code of Conduct and (where relevant) reflect our public sustainability commitments.

### MEMBERSHIP OF TRADE ASSOCIATIONS

Some of our public policy work is conducted via trade associations and industry groups, which can help to increase the impact of our policy messages. We work with these groups because they represent our industries and the wider business community in debates led by governments, and others, and because they help the industries reach consensus on policy issues. We are members of numerous industry and trade groups.

For a list of industry and trade groups of which we and our operating companies are members please see the following pages. The top trade associations and industry groups (on the basis of fees paid by the Group) are highlighted in bold.

#### Supplementary information

**CORPORATE CODE OF CONDUCT**



### PROPERTY



- BEAM Society – Founding Member
- Business Environment Council – Board of Directors and Council Member
- China Green Building Council – Corporate Member and Committee Member
- Council on Tall Buildings and Urban Habitat – 2019 CTBUH Organisational Membership
- Green Cross – Occupational Safety & Health Council – Group Member
- Hong Kong General Chamber of Commerce – Member, Real Estate & Infrastructure Committee
- **Hong Kong Green Building Council – Platinum Patron Member**
- Urban Land Institute – Regional Corporate Sustaining Member
- U.S. Green Building Council – Gold Member
- WWF-Hong Kong – Pearl Member



GOVERNANCE

AVIATION



**Cathay Pacific**

- Association of Asia Pacific Airlines (AAPA) – Environmental Working Group Member
- Sustainable Aviation Fuel User Group – Member
- Roundtable on Sustainable Biomaterials (RSB) – Member
- Commercial Aviation Alternative Fuels Initiative (CAAFI) – Member
- WWF-Hong Kong – Corporate member (Pearl)

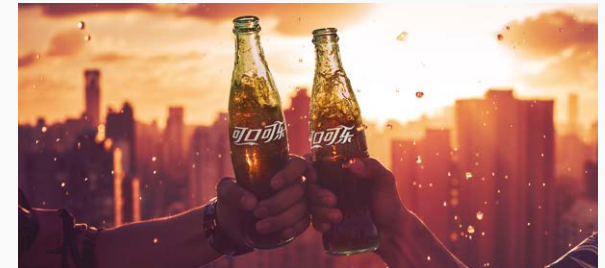
**HAECO**

- **Aeronautical Repair Station Association**
- Business Environment Council – Member
- **International Airline Technical Pool**
- **Piedmont Triad Partnership**
  - 廈門市環境保護產業協會 – Member
  - 廈門市安全生產管理協會 – Member
- Xiamen Energy Conservation Association – Member

**Cathay Pacific Catering Services, Cathay Pacific Services Limited, Hong Kong Airport Services, Vogue Laundry**

- Hong Kong Association for Customer Service Excellence – Member

BEVERAGES



- **Coca-Cola Bottlers Association – Member**
- The Hong Kong Beverages Association – President
- China Beverage Industry Association – Director
- Taiwan Beverage Industry Association – Corporate
- **American Beverage Association – Member**
- **Arizona Restaurant Association**
- **Washington Beverage Association**
- **New Mexico Beverage Association**
- Xiamen Energy Conservation Association – Member
- Utah Safety Council – Member
- Network of Employers for Traffic Safety – Member



## GOVERNANCE

## MARINE SERVICES

**Swire Pacific Offshore**

- WISTA Singapore – Member
- World Ocean Council – Member
- British Chamber of Commerce (Singapore) – Member
- Singapore Shipping Association – Member

**Hongkong United Dockyards**

- Maritime Services Training Board of Vocational Training Council – Member
- Occupational Safety & Health Council – Member
- Marine Department of the Hong Kong Government – Member, Pilotage Advisory Committee

## TRADING &amp; INDUSTRIAL

**Swire Resources Limited**

- WWF-HK – Silver member
- The Hong Kong Management Association – Corporate member
- Hong Kong Institute of Human Resource Management – Corporate member

**Swire Waste Management Limited**

- Hong Kong Waste Management Association – Organisational member

**Taikoo Motors**

- European Chamber of Commerce Taiwan – Member
- British Chamber of Commerce in Taipei – Member

**Taikoo Sugar**

- China Sugar Association – Member
- 廣東省食品安全學會 – Member
- 廣州市黃埔區食品安全協會 – Member
- 上海市食品化妝品質量安全管理協會 – Member



## RISK MANAGEMENT

# SECURING LONG-TERM VIABILITY

Effective risk management is key to ensuring the long-term viability of the Group. It is embedded within all of our operating companies. Everyone at Swire Pacific has a role to play in risk management. It is essential that we all work together to address the risks to which our Group is exposed.

Sustainability issues linked to risk management include climate change, political and regulatory risks and emerging topics such as climate resilience and biodiversity.

The Board and the management of each division are responsible for identifying and analysing the risks to us achieving our business objectives. They assess how to manage and mitigate such threats, including those relating to sustainability.

Two key management committees monitor the risks affecting the Group, the Group Risk Management Committee (GRMC) and the Finance Committee. These committees comprise members of senior management and are both chaired by the Finance Director, who reports significant matters to the Board as they arise.

### ABOUT THE GRMC

The GRMC provides oversight on all the risks to which the Group is exposed, except for those expressly covered by the Finance Committee, including setting risk management policies and strategies. It is made up of divisional chief executives and managing directors, is chaired by the Finance Director, and reports to the Board via the Audit Committee.

The GRMC:

- Reviews divisional risk registers which set out current and emerging risks, including physical and reputational issues that arise from the social and environmental impact of our business decisions and the environmental and social issues which affect our business
- Sets group risk management policies and strategies
- Oversees committees and working groups which cover the following areas: Risk and Insurance, Enterprise Risk Management, Human Resources, Health and Safety, Legal, Information Technology, Cyber Security and Sustainability (including the six SwireTHRIVE areas of focus)

In 2019, the GRMC met three times and its functional committees and working groups met 27 times.

The members of the functional committees and working groups are specialists in their respective areas. Each committee is chaired by an individual with relevant experience. The role of the functional committees and working groups is to identify risks and opportunities which fall within their respective functional areas and to draw up policy recommendations for GRMC review and approval.

The policies approved by the GRMC apply to all companies in which Swire Pacific has a controlling interest. The boards of these operating companies are required to adopt these policies and to establish procedures to ensure compliance. Joint venture and associated companies are encouraged to adopt Group policies.

The management of risks is subject to audit by the Group's Internal Audit department, with support from specialist external consultants where necessary.

#### Related content

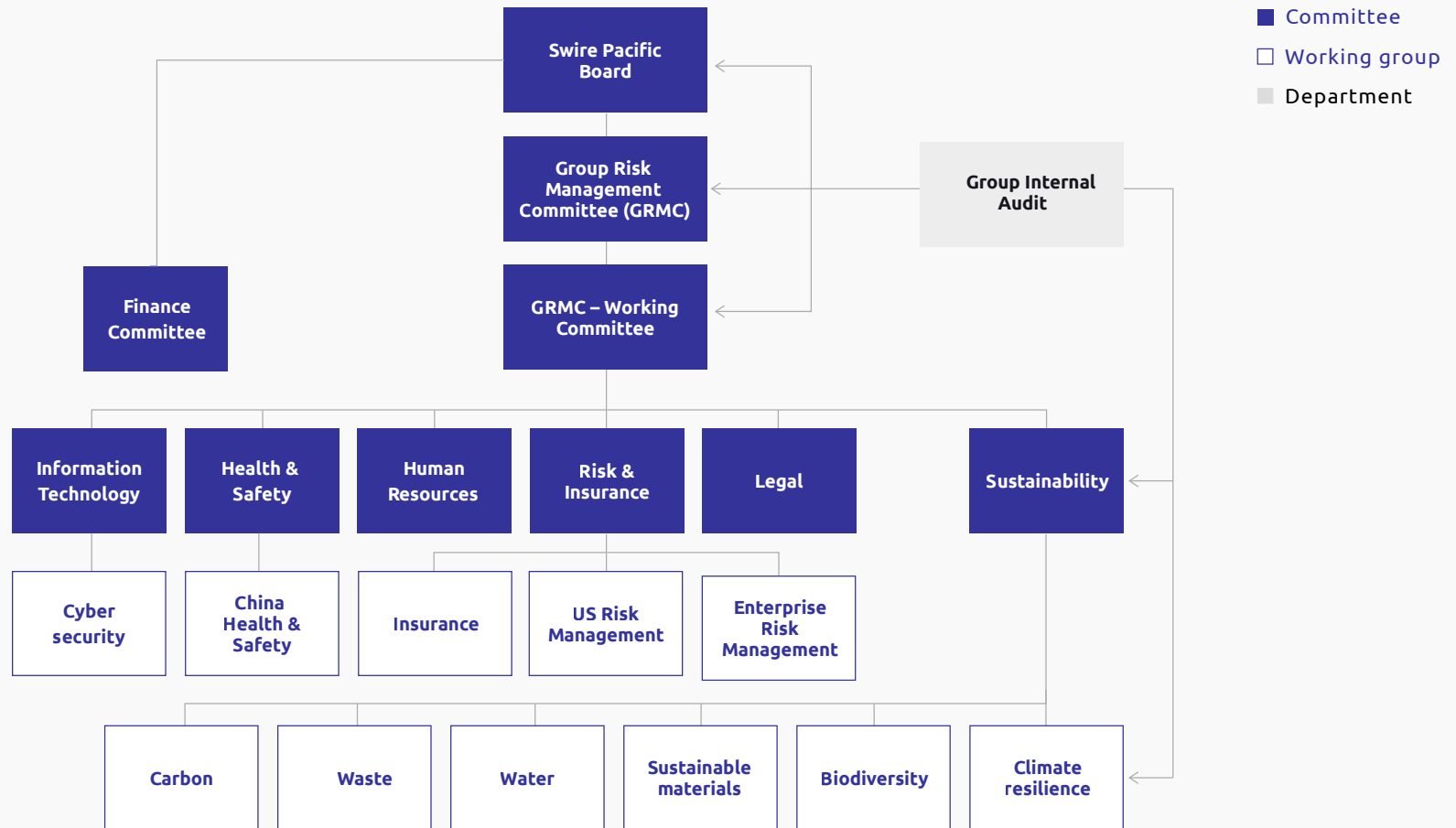
**A THRIVING STRATEGY**





RISK MANAGEMENT

Risk governance structure



Note: The GRMC and Finance Committee report via the Audit Committee to the Board



## RISK MANAGEMENT

### ENTERPRISE RISK MANAGEMENT

We use an enterprise risk management (ERM) process to identify, assess, monitor and manage risks. The ERM process is aimed at ensuring robust and effective risk management by the Group and at fostering a risk aware culture. The implementation and execution of the ERM process follows our Enterprise Risk Management Policy. The objective of the policy is to ensure that robust and effective risk management systems are in place to enable management to identify, prioritise and mitigate the risks to which our operating companies are and will be exposed. Each division and major operating company is required to implement the ERM process.

As part of this policy, operating companies must regularly submit corporate risk registers and changes in risk profiles to Swire Pacific. To ensure consistency of approach, these registers are prepared using a standard methodology, format and standard risk ranking criteria.

In 2019, Swire Properties identified new risk areas and evaluated their impact on its business. Existing risks were analysed from a different perspective.

### Enterprise risk management framework

The ERM process involves:

1. Identification of new and emerging risks, through inputs from divisional risk registers and risk workshops, and the review of functional risks identified by functional committees and working groups
2. Risk evaluation and prioritisation using standardised tools and risk matrices
3. Devising mitigation plans
4. Divisional reporting of key risks and mitigations to the GRMC and the Audit Committee, via the GRMC
5. Continuous monitoring and appraisal of risks, including a review of the group corporate risk register at least annually



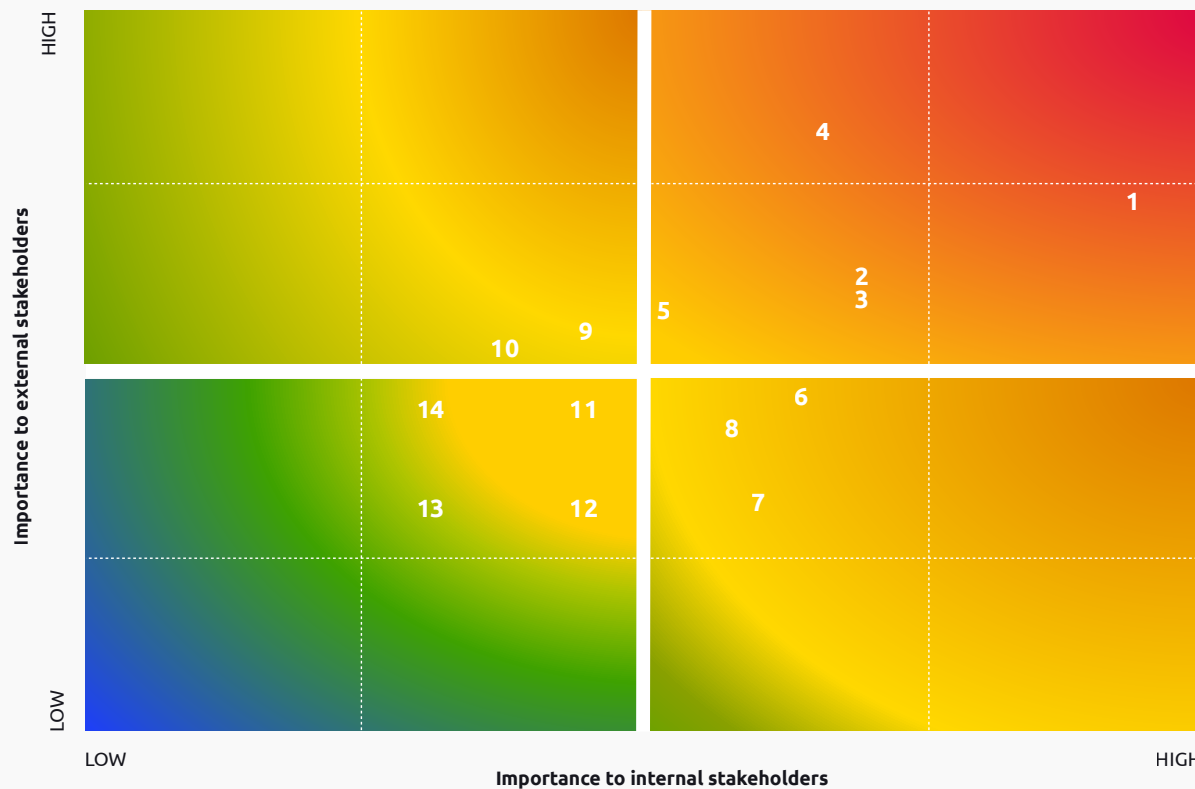


### RISK MANAGEMENT

#### — SIGNIFICANT SUSTAINABILITY RISKS

For our company to continue to grow, we must try to anticipate the risks threatening us and our customers, whilst capitalising on new opportunities. We monitor key emerging issues through which early detection helps to protect our business.

Every year, Swire Pacific engages with people inside and outside the organisation to assess the material risks that might have an impact on our business. The output from that engagement in 2019 is presented below.



#### SOCIAL

- 1 Unstable local and geopolitical context >
- 7 Talent recruitment and retention >
- 8 Workplace health and safety >
- 9 Sustainable consumption >
- 12 Product quality and safety
- 13 Trade barriers
- 14 Human rights >

#### ENVIRONMENTAL

- 2 Climate resilience >
- 3 Environmental impact of products and services >
- 4 Energy use and GHG emissions >

#### ECONOMIC

- 5 Governance >
- 6 Cyber security >
- 10 Global regulatory compliance >
- 11 Privacy and data protection >





## RISK MANAGEMENT

In 2019, we highlighted four potential emerging risks.

### Unstable local and geopolitical context

#### Possible impact

International and local political stability is critical to business success. The Organisation for Economic Co-operation and Development (OECD) has warned, “escalating trade conflicts are taking an increasing toll on confidence and investment, adding to policy uncertainty, aggravating risks in financial markets and endangering already weak growth prospects worldwide<sup>1</sup>”. Continued social unrest in Hong Kong could lead to a decline in business confidence, reduced retail and investment spending and disruption to operations. This could affect our Hong Kong businesses.

#### Mitigation measures

- Close monitoring of economic and political developments in Mainland China
- Strategic relationships with Mainland Chinese companies
- Regular updating and testing of our business continuity plans
- Maintaining financial strength and flexibility

1. OECD (Organisation for Economic Co-operation and Development). 2019. “OECD Sees Rising Trade Tensions and Policy Uncertainty Further Weakening Global Growth”. 19 September 2019. Organisation for Economic Co-operation and Development. <https://www.oecd.org/economy/oecd-sees-rising-trade-tensions-and-policy-uncertainty-further-weakening-global-growth.htm>

### Climate change

#### Possible impact

Climate change gives rise to significant risks to our business. The risks include the impact of extreme weather events on our physical assets, the financial costs of changing to new sources of energy and the environmental and social impact of greenhouse gas emissions.

#### Mitigation measures

- Our climate change policy is in place
- We have targets for the reduction of our carbon emissions for 2020 and 2030
- We are using more renewable energy in our buildings, by self-generation and purchasing (16.2 million kWh of electricity was generated from renewable energy sources at Swire Properties, Swire Coca-Cola and HAECO Xiamen in 2019)
- We encourage the use of alternative fuels, with Cathay Pacific having a minority stake in Fulcrum BioEnergy Inc., a company which converts municipal solid waste into sustainable aviation fuel
- We assess the risk to our buildings from extreme weather events and put in place mitigants and resiliency measures, intended to ensure the viability of our operations, the safety of our employees and visitors to our facilities and uninterrupted service for our customers
- Swire Properties has included sustainable development, including climate related risks, in its corporate risk register
- For further details, please refer to the Carbon and Climate resilience sections of this report

### Environmental impact of products and services

#### Possible impact

Regulations affecting, and public scrutiny of, our products and services and their uses could have an adverse impact on our operations, finances and reputation.

#### Mitigation measures

- Waste and water policies are being developed
- Carbon emissions and water targets are in place for 2020 and the same plus waste targets are being developed for 2030
- We want to implement circular economic principles and to use alternative materials and techniques, with a view to reducing our reliance on primary natural resources
- Swire Coca-Cola has formed a joint venture to operate Hong Kong’s first plastics recycling facility
- Swire Coca-Cola is introducing 300 bring-your-own-bottle refillable Bonaqua water stations in Hong Kong
- For further details, please refer to the Waste and Sustainable materials sections of this report

#### Related content

- CARBON** >
- CLIMATE RESILIENCE** >
- WASTE** >
- SUSTAINABLE MATERIALS** >



## RISK MANAGEMENT

### Infectious diseases and pandemics

#### Possible impact

Global pandemics are a new material issue. The risk was identified during the validation process and so does not appear in the risk matrix but is included in the Risk management section of our annual report. COVID-19 is having a material adverse effect on economic conditions, including industries in which we operate.

#### Mitigation measures

- Regular updating and testing of business continuity plans
- Close communication with government and medical authorities
- Regular health and safety reporting to the Board

### POLICY REVIEW PROCESS

We regularly review our policies relating to sustainability. Where we identify policy gaps, we try to create new policies to guide the Group’s approach. In 2020, we are introducing policies on waste, water and parental leave plus guidelines on renewable energy procurement. We are reviewing and updating our sustainable food policy, our supplier corporate social responsibility code of conduct and our green procurement policy.

Policies are developed at the working group level, before review by the Swire Group Sustainability Committee (SGSC) and the GRMC and final approval by senior management including the Chairman. The management of risks and the implementation of sustainability policies are subject to scrutiny by our internal audit department as part of the standard internal audit processes, with support from specialist external consultants where necessary.

Please refer also to the Risk management section of the Corporate Governance Report in the Swire Pacific Annual Report 2019.

#### Supplementary information

2019 SWIRE PACIFIC ANNUAL REPORT





TCFD

# TASK FORCE ON CLIMATE RELATED FINANCIAL DISCLOSURES

At Swire Pacific, we communicate our approach to climate change mitigation, adaptation and resilience in accordance with our Climate Change Policy.

In 2018, we started to align our disclosures with those recommended by the TCFD of the Financial Stability Board. There are four categories: governance, strategy, risk management and metrics and targets. We aim to ensure information consistency and utility for users.

[Supplementary information](#)

**CLIMATE CHANGE POLICY**



Governance	Strategy	Risk management	Metrics and targets
<ul style="list-style-type: none"> <li>The Board oversees the management of risk, including sustainability risk. We use an enterprise risk management system. The Audit Committee identifies, analyses and reviews risks. We have corporate risk registers, in which climate change has been identified as an emerging risk.</li> <li>The Group Head of Sustainable Development reports annually to the Board on our sustainability risks and performance.</li> <li>The Chairman, divisional chief executives and the Finance Director meet twice a year to consider SwireTHRIVE and sustainability risks, opportunities and targets. These meetings provide direction and oversight to the Swire Group Sustainability Committee (SGSC), which comprises divisional sustainability heads and is chaired by an executive director of Swire Pacific. The SGSC meets three times a year. In accordance with its terms of reference, it has the following responsibilities related to climate change:               <ul style="list-style-type: none"> <li>To oversee, amend and implement SwireTHRIVE (including in relation to carbon and climate resilience) and sustainability policies</li> </ul> </li> </ul>		<ul style="list-style-type: none"> <li>To report on sustainability to the Group Risk Management Committee (including about emissions and energy use)</li> <li>To report to the Audit Committee on compliance with sustainability policies and on the Group’s sustainability work (including in relation to climate change)</li> <li>To review legislative, regulatory and other public sustainability developments and to report them to relevant committees of the Board</li> </ul>	<ul style="list-style-type: none"> <li>We have adopted a Climate Change Policy to guide our management approach and strategy on climate change mitigation, adaptation and resilience.</li> <li>Greenhouse gas emissions, climate resilience and the management of waste and water resources are the sustainability issues most material to our business. SwireTHRIVE focuses on these issues.</li> </ul>



TCFD

Governance	Strategy	Risk management	Metrics and targets
<ul style="list-style-type: none"> <li>Climate change carries risks for our business. Flooding, extreme weather events and increasing temperatures can adversely affect our assets, operations, employees and suppliers. There are also regulatory, market and reputational risks.</li> <li>Climate Change appears on the Group Risk Register and was highlighted in the Risk Management section of the Group’s Annual Report. It also was highlighted as a key sustainability risk to the Group in a separate stakeholder engagement risk identification exercise.</li> <li>Climate change is an opportunity to develop low carbon and climate-resilient businesses. Demand exists for climate resilient products and services. By addressing climate change the costs of extreme weather conditions, such as maintenance and insurance premiums, can be mitigated. Climate change stimulates business innovation and experimentation and facilitates the transition to a lower carbon economy.</li> <li>To make our businesses more resilient to climate change:               <ul style="list-style-type: none"> <li>Swire Properties’ new buildings are energy efficient, low users of carbon and certified as green. In 2019, 97% of all existing buildings were certified green buildings and over 95% of 2019 gross rental income was from certified green buildings.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>In 2019, Swire Properties introduced UrbanLab in Mainland China. UrbanLab focuses on innovative technology solutions relevant to the real estate sector.</li> <li>Cathay Pacific is a member of the Roundtable on Sustainable Biomaterials and of the Sustainable Aviation Fuel Users Group Asia. It has a minority stake in Fulcrum BioEnergy Inc., which converts municipal solid waste into sustainable aviation fuel.</li> <li>Swire Coca-Cola uses independent third parties to assess water risk for each of its bottling plants, so as to form source vulnerability assessments. The findings are integrated into source water protection plans and are regularly reviewed.</li> <li>Swire Pacific Offshore wants to decarbonise by using marine versions of alternative fuels. With Nanyang Technological University, it is researching the viability of hydrogen fuel cell technology</li> </ul>	<ul style="list-style-type: none"> <li>We are starting a study intended to identify the key risks and opportunities posed by climate change to our assets and business operations.</li> <li>As part of SwireTHRIVE, we have targets for the reduction of our carbon use. Swire Properties has developed a science-based target for carbon reduction.</li> </ul>	<ul style="list-style-type: none"> <li>With Tsinghua University’s Joint Research Centre for Building Energy Efficiency and Sustainability, we have developed and tested methods to increase energy efficiency and improve environmental performance in our businesses. The collaboration began with Swire Properties and now includes Swire Coca-Cola. It generates substantial energy savings.</li> <li>In 2018, Swire Properties issued a 10-year US\$500 million green bond. The proceeds are intended to fund projects relating to renewable energy, energy efficiency and climate change adaptation. The environmental impact of the green projects funded by the bond proceeds have been described in Swire Properties’ second Green Bond Report.</li> <li>In July 2019, Swire Properties secured its first sustainability-linked loan, with the interest rate being linked to ESG performance.</li> </ul>
<p><a href="#">Supplementary information</a></p> <ul style="list-style-type: none"> <li><a href="#">2019 SWIRE PACIFIC ANNUAL REPORT</a> </li> <li><a href="#">ROUNDTABLE ON SUSTAINABLE BIOMATERIALS</a> </li> <li><a href="#">SWIRE PROPERTIES GREEN BOND REPORT 2019</a> </li> </ul> <p><a href="#">Related content</a></p> <ul style="list-style-type: none"> <li><a href="#">RISK MANAGEMENT</a> </li> </ul>			



TCFD

Governance	Strategy	Risk management	Metrics and targets
<ul style="list-style-type: none"> <li>In accordance with TCFD recommendations, we are assessing how vulnerable our businesses are to flood, heat stress, water stress and extreme weather events. The findings will be incorporated into our ERM process.</li> <li>We will start to identify the physical risks posed by climate change to our key assets and business operations, under two climate change scenarios (RCP 4.5 and 8.5).</li> <li>Swire Properties is conducting asset-level modelling of acute and chronic physical risks associated with the four Representative Concentration Pathways (RCP 2.6, 4.5, 6 and 8.5) used by the Intergovernmental Panel on Climate Change.</li> </ul> <p>Global climate models are being used in order to evaluate the exposure of specific assets and operations in 2025, 2030, 2050 and 2100. The vulnerability of individual assets and business and operating areas to flooding, heat stress, water stress and extreme wind is being assessed.</p> <p>The climate related effects of government policies and regulatory, technological and market trends are being considered, with a view to identifying their financial impact.</p> <p>Swire Properties will use their findings to develop a plan to mitigate risks and build resilience which will be incorporated into their Enterprise Risk Management system.</p>		<ul style="list-style-type: none"> <li>Our business continuity plans cover extreme weather events. Swire Properties has specific crisis response plans for its buildings.</li> <li>Through the ISO 14001 Environmental Management System and ISO 50001 Energy Management System, we manage our daily operational risks related to climate change, carbon and energy management.</li> <li>We support the efforts of the Hong Kong Business Environment Council to promote awareness of climate change in the business community.</li> <li>Swire Properties consider sustainability development criteria, including climate adaptation and resilience, energy efficiency and carbon emissions, when assessing acquisitions.</li> </ul>	



## TCFD

Governance	Strategy	Risk management	Metrics and targets
<ul style="list-style-type: none"> <li>• Since 2006, we have been measuring and reporting our energy consumption and our Scope 1 and 2 carbon emissions from our operations in accordance with global standards, including the GHG Protocol.</li> <li>• Our aviation and property businesses have had reduction targets for a number of years:               <ul style="list-style-type: none"> <li>– Cathay Pacific has set a target to improve its fuel efficiency by an average of 2% per annum by 2020 and to achieve carbon neutral growth thereafter. This exceeds the 1.5% agreed industry target.                   <ul style="list-style-type: none"> <li>◦ In 2019, Cathay Pacific increased fuel efficiency by 2%, as measured by tonnes of CO<sub>2</sub> per available tonne kilometre</li> </ul> </li> <li>– Swire Properties has set targets to reduce (i) the annual energy consumption of its Hong Kong and Mainland China properties by 64 million kWh and 23 million kWh respectively and (ii) the carbon intensity of its Hong Kong and Mainland China properties by 27% and 21% respectively, in each case by 2020 and by reference to relevant baselines.</li> </ul> </li> </ul>		<ul style="list-style-type: none"> <li>– In 2019, Swire Properties' science based target was approved by the SBTi.               <ul style="list-style-type: none"> <li>◦ Reduce Scope 1 and 2 GHG emissions by 35% per sqm by 2025 and by 52% per sqm by 2030 (compared to the baseline year of 2018)</li> <li>◦ Reduce Scope 3 GHG emissions from downstream leased assets by 28% per sqm by 2030 (compared to the baseline year of 2018)</li> <li>◦ Reduce Scope 3 GHG emissions from capital goods by 25% per sqm by 2030 (compared to the baseline years of 2016-2018)</li> </ul> </li> <li>• Swire Coca-Cola has developed a science-based target for the reduction of its carbon emissions in accordance with SBTi criteria:               <ul style="list-style-type: none"> <li>– The SBT is for a 30% reduction in absolute Scope 1, 2 and 3 emissions by 2030 (compared to the baseline year of 2018)</li> <li>– They will be submitting this target to the SBTi later in 2020 for approval</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• In 2017, our operating companies set targets to reduce carbon intensity by 8-10% by 2020, in each case by reference to a 2015 frozen efficiency baseline (from which performance is projected with the assumption of no improvement in current efficiencies). In 2019, the Group outperformed this target by 1.83%.</li> <li>• We report on progress towards these targets in our annual sustainability reports.</li> </ul> <p>To help us meet our targets we encourage the use of renewable energy in our operations. 16.2 million kWh of electricity was generated from renewable energy sources at Swire Properties, Swire Coca-Cola and HAECO Xiamen in 2019. The Swire Pacific Sustainable Development Fund is available to support suitable renewables projects.</p>



SUPPLY CHAIN

# THRIVING SUPPLY CHAINS

We aim to promote inclusive, ethical and sustainable procurement practices.

With our substantial purchasing power, we expect to create long-term value for those with whom we do business, the communities in which we operate and, therefore, our shareholders.

We have thousands of suppliers globally. They provide goods and services including ships, aircraft, fuel, sugarcane, auditing, office supplies and uniforms. We use our purchasing power and our close relationships with suppliers in ways designed to meet the needs of our businesses and customers.

Sustainable procurement helps to manage risks, improve efficiencies and reduce costs. We aim to procure goods in a way that does not degrade the environment and to only engage service providers who are accountable for their workplace practices.

It is our policy to comply with all applicable laws and regulations relating to procurement. Our own general code of conduct covers procurement and includes relevant provisions about bribery and competition.

## OUR SUPPLY CHAIN BY DIVISION

### PROPERTY



Swire Properties' principal suppliers perform or assist in the planning, design, construction, marketing, sale, leasing, management, maintenance and demolition of properties.

### AVIATION

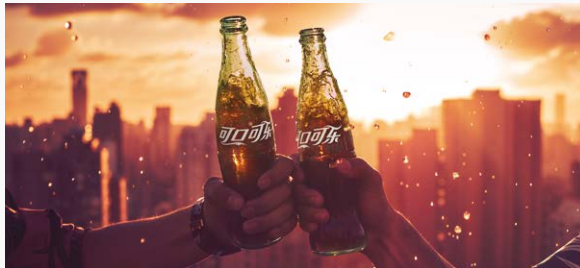


The principal suppliers to our airlines are manufacturers of aircraft and engines and suppliers of fuel and engineering services.



## SUPPLY CHAIN

### BEVERAGES



Supplies obtained by the beverages division directly from The Coca-Cola Company include juices, concentrates and other ingredients, fountain packaging and advertising materials. Goods which The Coca-Cola Company authorises third parties to supply to the beverages division include packaging, speciality merchandise, sales and marketing equipment, sweeteners and carbon dioxide.

### MARINE SERVICES



The principal suppliers to Swire Pacific Offshore and Hongkong United Dockyards are shipyards, engine manufacturers and suppliers of fuel.

### TRADING & INDUSTRIAL



The principal suppliers of footwear and apparel to Swire Resources and of vehicles to Taikoo Motors are international brand-owning companies, with their own sustainability policies and standards.





## SUPPLY CHAIN

### OUR HUMAN RIGHTS POLICY

We respect internationally recognised human rights in line with the principles and guidance contained in the United Nations Guiding Principles on Business and Human Rights. In 2019, we introduced the Swire Pacific Limited Human Rights Policy, which is informed by the International Bill of Human Rights and by the International Labour Organisation’s Declaration on Fundamental Principles and Rights at Work. We comply with national laws where they conflict with human rights standards but still do our best to respect the latter. The policy addresses:

- Diversity and inclusion
- Suppliers and contractors
- Labour practices (including child and forced labour)
- Health and safety
- Employment (including flexible working and the right to join or not join unions)

We seek to include, in our agreements with suppliers and contractors, provisions which encourage them to adhere to the principles in our policy.

[Supplementary information](#)

HUMAN RIGHTS POLICY



### CASE STUDY

#### CATHAY PACIFIC – HUMAN RIGHTS



Cathay Pacific adopts business practices that respect international human rights and strive to keep its global operations free from human rights abuse in any form. Their commitment to operating with respect for human rights applies to all aspects of their business operations globally and is integrated across all of their company policies and processes. They assess, identify, monitor and manage the human rights impact of their business activities on an on-going basis.

Cathay Pacific has a modern slavery and human trafficking policy. Cathay Pacific’s [Modern Slavery and Human Trafficking Statement](#) is a public document which describes what Cathay Pacific does to fight human trafficking. There is a second internal document which deals with training, collaboration with third parties and supplier due diligence. Frontline staff training in how to recognise and respond to potential human trafficking cases has commenced. Staff learn what signs and behaviour to look out for, what questions to ask to assess the situation and how to safely report suspected cases to authorities.

## SUPPLY CHAIN

### OUR CODE OF CONDUCT

Our Supplier Corporate Social Responsibility Code of Conduct has been adopted by all our operating companies.

It sets out minimum standards with respect to:

- Legal and regulatory compliance
- Forced labour
- Child labour
- Health and safety
- Environmental protection
- Compensation and working hours
- Human rights
- Subcontractor management
- Ethics and reporting

Our SwireTHRIVE Sustainable Materials Working Group encourages consistent implementation of the Supplier Corporate Social Responsibility Code of Conduct by our operating companies.

#### Supplementary information

**SUPPLIER CORPORATE RESPONSIBILITY CODE OF CONDUCT**



### CASE STUDY

#### SWIRE COCA-COLA – COOPERATING WITH SUPPLIERS



Swire Coca-Cola works with suppliers to enhance their awareness of the value of sustainability beyond compliance. Its procurement team works closely with suppliers to develop new technologies, processes and approaches to achieve its sustainable development objectives. Projects underway include:

- Redesigning aluminium can ends to reduce the material required by 8%, to be rolled out at selected sites in 2020

- Not using solvents when printing to reduce the release of volatile organic compounds
- Obtaining PET resin with 10% recycled content in Mainland China, currently only for export
- Testing a material made from used agricultural film in Mainland China, for use in secondary packaging

Under Swire Coca-Cola's World Class Operations (WCO) programme, suppliers are encouraged to improve supply risk and continuity, finance, sustainability, capability and productivity, quality and customer service, innovation and regulatory and social responsibility. By the end of 2019, 11 suppliers had participated in the programme. There were 25 improvement projects in relation to carbon emissions, water and waste. Supplier carbon emissions and water consumption was reduced by 490 and 11,000 tonnes respectively in 2019.



## SUPPLY CHAIN

### OUR CODE IN PRACTICE

We need to purchase goods on competitive terms, but we must also take due account of labour standards, health and safety and the environment.

**Swire Properties** collects information from its suppliers about their social, environmental and governance practices and performance. New suppliers must complete self-assessment questionnaires to confirm that they have appropriate policies and systems in place to comply with the Code. Due diligence is performed to verify the responses and sites in Hong Kong and Mainland China may be visited. Independent certification in accordance with internationally recognised standards, and the submission of environmental and health and safety management plans, may be requested for internal review.

In 2019, Swire Properties refined its performance management system for technical services providers. Non-compliance or malpractice in the areas of health and safety, environment, procurement, quality and site management are required to be recorded and may result in disciplinary action. A risk assessment was carried out in 2019 on Swire Properties' 25 key suppliers in Hong Kong, Mainland China and the USA, by highest procurement spending. None of them exhibited a high risk of non-compliance.

**Swire Coca-Cola** follows the supplier guiding principles of The Coca-Cola Company. These principles cover workplace policies, health and safety, human rights, environmental protection and business integrity. Swire Coca-Cola's own major suppliers are audited. Knowledge is shared with other Coca-Cola bottlers in Mainland China in order to better manage procurement. This facilitates the identification and selection of suppliers who follow appropriate procurement principles.

**Cathay Pacific** requires all suppliers to declare that their products and services comply with the Code. It evaluates suppliers using a scorecard which measures performance in six different areas: cost, innovation, satisfaction, quality, assurance of supply and sustainability.

**Cathay Pacific Catering Services** has stringent procedures for supplier selection and ingredient procurement, conducting regular audits of its food suppliers' food safety systems.

### CASE STUDY

#### HAECO – SUPPLIER COMPLIANCE MONITORING



HAECO group has a four-step process in place to identify, address and mitigate risks in relation to supplier compliance with the Code. It identifies its critical suppliers based on volume of supply and distributes self-assessment surveys to them. It assesses compliance based on their responses and develops an engagement plan using the results. This is performed every three years.

In 2019, self-assessment surveys were sent to 117 suppliers. Questions covered environmental performance, subcontractor management, documentation and inspection. All the suppliers were assessed as exhibiting low or no risks and demonstrated an improvement in their compliance level.



LOOKING AHEAD

# BUILDING A THRIVING FUTURE



“Swire Pacific has always taken, and will continue to take, a long-term perspective on how we run our business. Sustainability is very much part of that way of thinking.”

**Merlin Swire**  
Chairman



## LOOKING AHEAD

In 2019, our businesses continued to use SwireTHRIVE to facilitate consistent sustainability policy implementation and reporting. SwireTHRIVE enables our businesses to do more together for sustainability than they can do separately. As part of a mid-term review of SwireTHRIVE we are continuing the extension of SwireTHRIVE to social elements of sustainability, for example health and safety and diversity and inclusion.

As planned, we have developed data protocols intended to improve the accuracy and consistency of our carbon, waste and water data. This year we will be checking compliance with these protocols.

We are developing 2030 carbon, waste and water targets. Swire Properties' carbon target has been approved by the Science Based Target Initiative. Swire Coca-Cola will be submitting its target for approval later this year.

In 2020, we will start to identify the physical risks posed by climate change to our key assets and business operations, under a couple of climate change scenarios.

To track our progress in creating a more inclusive workplace, we are adding diversity and inclusion questions to our operating companies' staff engagement surveys.

Our maternity and paternity leave policies will be reviewed, with the aim of proposing a parental leave policy that recognises different family make-ups.

As part of our new Group Senior Management Health & Safety Policy, senior management will receive industry specific and general health and safety training.



OUR ENVIRONMENT

COMMITTED TO THRIVING TOGETHER



Efficient use of environmental resources such as energy and water contributes to our operational efficiency and long-term sustainability.



## OUR ENVIRONMENT

We depend on our environment. Our planet provides us with an abundance of natural resources, but global demands are rapidly outstripping supply. If our business is to thrive in the long term, we must protect our environment. Over the years, we have made progress in water management, waste recycling and reduction of carbon emissions.

Each of our divisions has operations which comply with ISO 14001 standards. In 2019, the environmental management systems at Cathay City, HAECO Xiamen, HAECO Composite Services, Taikoo Engine Services (Xiamen) and HAECO Landing Gear Services received the latest ISO 14001:2015 certification.

The Swire Pacific Sustainable Development Fund earmarks HK\$100 million per annum to invest in projects to improve our performance in sustainable development. This funding is available to support projects that would not otherwise meet our financial targets. Later in 2020, the Fund will be authorised to spend money on trials intended to reduce our environmental footprint.

Monitoring the impact we have on the environment is integral to our business operations. Efficient use of environmental resources such as energy and water contributes to our operational efficiency and long-term sustainability. In 2019, we introduced protocols intended to improve the accuracy and consistency of the data we collect about carbon, waste and water.

Green finance options have been used within our business to fund building development and other projects. In 2019, Swire Properties was the first company in Hong Kong to obtain a sustainability-linked loan, the interest rate being linked to Swire Properties' ESG performance. New Life Plastics Limited, a joint venture company of Swire Coca-Cola, also obtained a sustainability-linked loan.

### A THRIVING STRATEGY

SwireTHRIVE aims to mitigate operational risk and build long-term resilience by improving standards and efficiency and through innovation. Carbon, waste, water, sustainable materials, biodiversity and climate resilience are the focus. This provides a framework for our operating companies to co-ordinate their sustainability efforts. Our success, and that of the communities in which we operate, depends on a thriving natural environment.

Our sustainable development office and representatives from our operating companies developed SwireTHRIVE and selected its areas of focus. They did so following best practice and under the review of internal subject matter experts. Our board endorses SwireTHRIVE.



In this section, we discuss the relationship of Swire Pacific to the physical world. We want to minimise our carbon footprint, manage our waste, use less water and apply innovative solutions to our environmental challenges.



CARBON

# WHY DECARBONISATION MATTERS



PURSUE A LONG-TERM  
GOAL OF DECARBONISATION

The next decade will be crucial in determining whether the global temperature rise this century can be kept below 2°C, the central aim of the Paris Agreement.





## CARBON

According to the latest climate science, global greenhouse gas emissions must be halved by 2030 to avoid the worst impacts of climate change.

We must act quickly and decisively to progressively decarbonise our business. Our ambition is to be a leader in improving energy efficiency and reducing greenhouse gas emissions in the industries in which we operate. We will set ambitious targets in line with international carbon reduction goals. Innovation and new technologies will help us achieve these targets and reduce our operating costs.

### WHY IS CARBON MATERIAL TO US?

We have businesses in several carbon intensive industries. As the world transitions to a low carbon economy, these businesses are subject to increasing scrutiny and stricter regulations, which may have financial implications. Ambitious industry-wide decarbonisation targets are being set in the aviation and shipping industries.

We recognise that the extreme weather that climate change brings is a material risk to our businesses. Mitigating its effects is a business imperative. Addressing our climate impacts can also present business opportunities, for example, access to a rapidly growing global green finance market. Please see Swire Properties' Green Bond Report 2019 for more information.

### GROUP PERFORMANCE

Our target is to reduce greenhouse gas emissions by 8-10% by 2020, compared with a 2015 frozen efficiency baseline from which performance is projected, assuming no improvement in current efficiencies.

In 2019, our businesses generated 19.3 million tonnes of greenhouse gas emissions and consumed 264.3 million gigajoules of energy. This represents no change compared to 2018. We outperformed our target by 1.8%.

Jet fuel consumption accounted for over 95% of our greenhouse gas emissions in 2019. Electricity consumption is our second largest source.

Our Aviation division accounted for 96.3% of our total emissions in 2019. If we exclude the emissions associated with jet fuel, the biggest divisional contributors to our emissions are Beverages (37%) and Property (25%). Our Aviation division recorded a slight increase of 0.1% in absolute greenhouse gas emissions, compared with 2018, despite Cathay Pacific improving fuel efficiency by 2%.

[Supplementary information](#)

**SWIRE PROPERTIES GREEN BOND REPORT 2019**



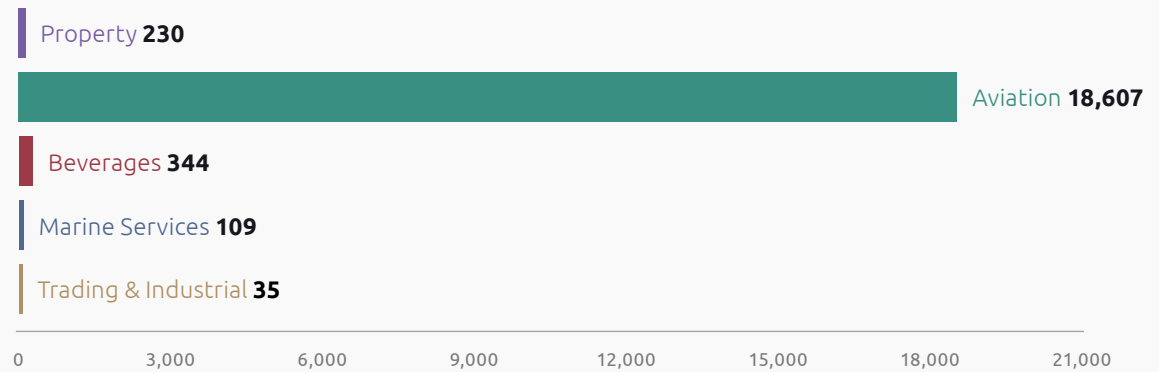


### CARBON

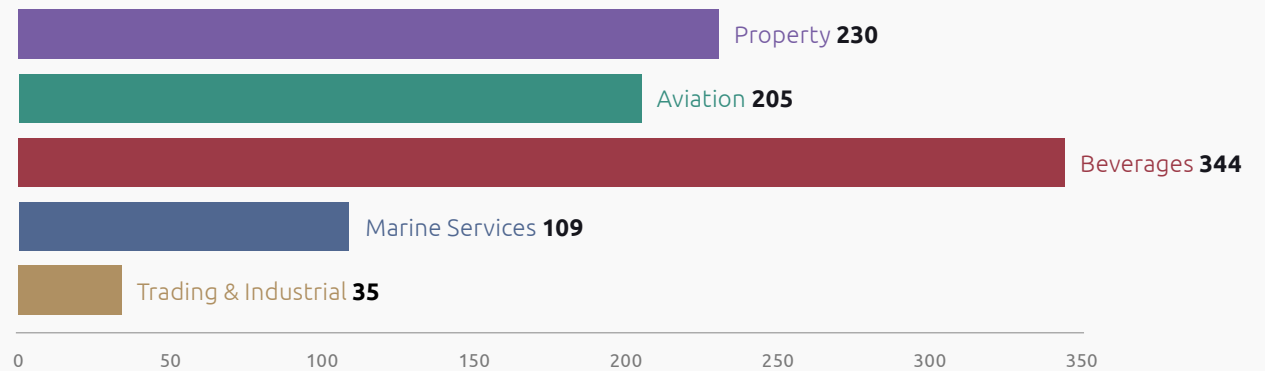
Swire Properties reduced the carbon intensity of its Hong Kong and Mainland China portfolios by 28% and 19.9% respectively in 2019, from its 2015 baseline. However, a 7% increase in total greenhouse gas emissions was recorded versus 2018.

Our Trading & Industrial, Marine Services and Beverages divisions recorded decreases in absolute greenhouse gas emissions of 19%, 12% and 3% respectively.

TOTAL GREENHOUSE GAS EMISSIONS (SCOPE 1 + SCOPE 2) BY DIVISION (thousand tonnes of CO<sub>2</sub>e)



TOTAL GREENHOUSE GAS EMISSIONS BY DIVISION WITHOUT JET FUEL (thousand tonnes of CO<sub>2</sub>e)

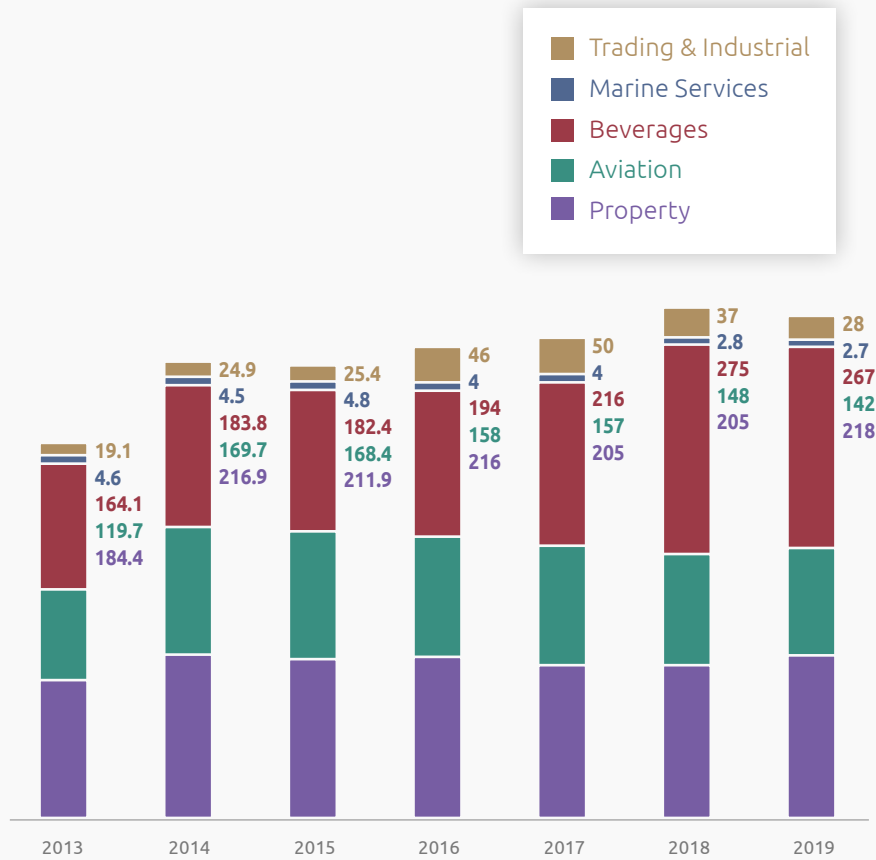


Greenhouse gas emissions from jet fuel consumption accounted for 95.2% of our total emissions in 2019, compared to 95.1% in 2018.

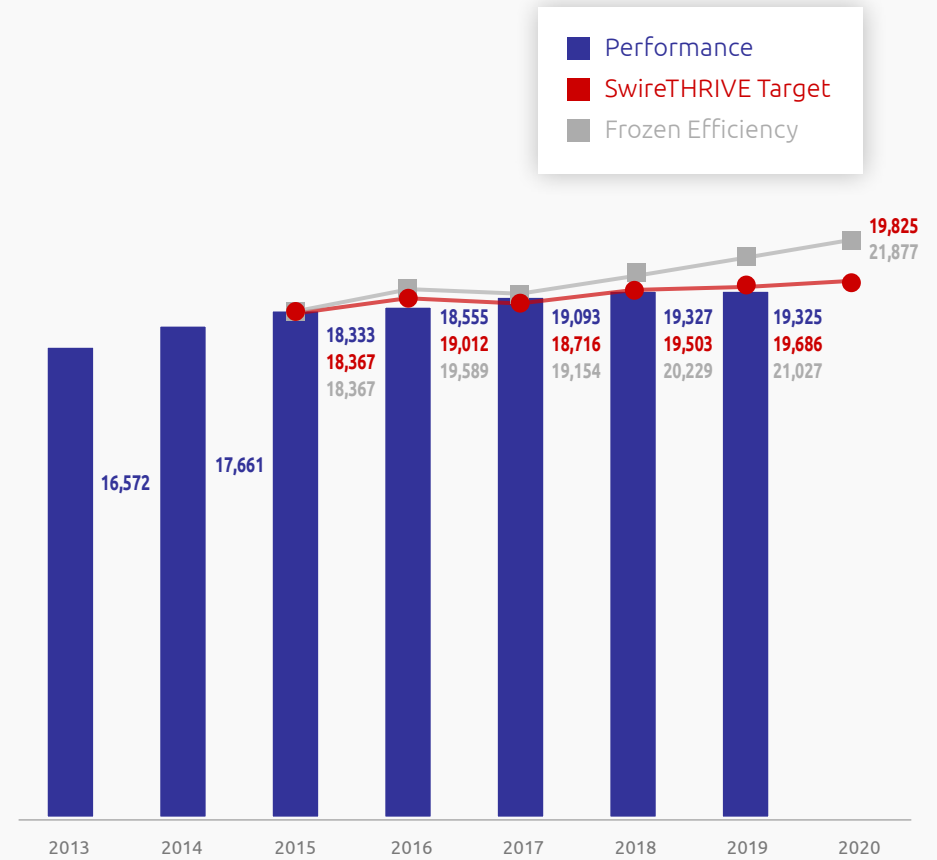


### CARBON

#### INDIRECT GREENHOUSE GAS EMISSIONS BY DIVISION (thousand tonnes of CO<sub>2</sub>e)



#### PERFORMANCE AGAINST SWIRETHRIVE TARGET (thousand tonnes of CO<sub>2</sub>e)



In 2019, we outperformed our SwireTHRIVE carbon target by 1.8%.



## CARBON

### GROUP ACTIVITY ON DECARBONISATION

Our carbon working group helps our operating companies to implement carbon reduction policies and climate change mitigation measures under our Climate Change Policy.

In 2019, we developed a data protocol in accordance with international reporting standards, designed to improve the collection and monitoring of our greenhouse gas emissions data. Our working group is focusing on renewing our decarbonisation commitments and on ambitious carbon targets for 2030.

### GREENHOUSE GASES

**Cathay Pacific** has a target to improve fuel efficiency by 2% per annum by 2020, compared with the agreed industry target of 1.5%. The ambition is carbon-neutral growth thereafter. It follows the International Air Transport Association's four-pillar strategy.

In 2019, Cathay Pacific improved its fuel efficiency, as measured by tonnes of CO<sub>2</sub> per revenue tonne kilometre (CO<sub>2</sub>/RTK), by 2% versus 2018. New technology is key to reducing carbon emissions from aviation. Cathay Pacific continues to upgrade its fleet. In 2019, it added six new Airbus A350-1000 aircraft, which are up to 25% more fuel efficient than existing wide-bodied aircraft.

### New fuel-efficient aircraft joining Cathay Pacific fleets

#### A 350-900/1000



New aircraft joining fleet from 2018 onwards **18**

Engine **Rolls-Royce Trent XWB**

Fuel efficiency **25% more fuel-efficient than its current long-range competitor**

#### A321NEO



New aircraft joining fleet from 2018 onwards **32**

Engine **LEAP-1A-32**

Fuel efficiency **20% more fuel-efficient than current model of A321**

#### BOEING 777-9X



New aircraft joining fleet from 2018 onwards **21**

Engine **GE9X-105B**

Fuel efficiency **21% more fuel-efficient per seat than Boeing 777-300ERs**

### Supplementary information

**CLIMATE CHANGE POLICY**



**INTERNATIONAL AIR TRANSPORT ASSOCIATION'S FOUR-PILLAR STRATEGY**





## CARBON

### CASE STUDY

#### CATHAY PACIFIC – ELECTRONIC FLIGHT FOLDER



In 2019, Cathay Pacific introduced an electronic flight folder, a digital repository for flight deck manuals, charts, maps and pre-flight paperwork. 75kg of paper per flight can be replaced with one tablet computer, reducing greenhouse gas emissions by more than 4,000 tonnes per year based on current flight routes.

Cathay Pacific’s Fuel Steering Committee explores opportunities to improve fuel efficiency through enhancing aircraft operation, airspace and route optimisation and use of ground equipment, such as auxiliary power units, that are not powered by jet fuel.

Cathay Pacific has a fuel monitoring system, uses data analytics and performs frequent core engine washing to improve fuel efficiency. More information can be found in Cathay Pacific’s sustainable development report.

**Swire Coca-Cola** will be submitting a science-based carbon reduction target to the Science Based Targets initiative later this year. In 2019, Swire Coca-Cola mapped its major sources of emissions, established a baseline for its science-based target and identified reduction opportunities.

Greenhouse gas emissions from packaging, including its extraction, processing, manufacturing, transportation and disposal, and the electricity consumed by its cold drink equipment accounted for 60% of emissions. The aim is to reduce emissions from packaging by increasing its recycled content and promoting more post consumption recovery and recycling. All new purchases of cold drink equipment will have high energy efficiency ratings and use natural refrigerants.

**Swire Properties** has a science-based carbon reduction target, which was approved by the Science Based Targets initiative in 2019. With the Hong Kong University of Science and Technology’s Department of Civil and Environmental Engineering, it has evaluated the cradle to site carbon footprint of One Taikoo Place. It is cost-effective to manage carbon emissions from construction, including emissions from carbon embodied in construction materials. In 2019, Swire Properties developed a carbon accounting tool to measure embodied carbon in new development projects.

**Swire Pacific Offshore** is committed to reducing its greenhouse gas emissions in line with International Maritime Organisation targets. It assesses low or zero carbon fuels, consults with clients over fuel and has fuel management software on its vessels. Please see the Climate resilience section of this report for further information.

### Supplementary information

**CATHAY PACIFIC SUSTAINABLE DEVELOPMENT REPORT**



### Related content

**CLIMATE RESILIENCE**



## CARBON

All of Swire Pacific Offshore's vessels use Marine Gas Oil, a low-sulphur (<1.5%) and low particulate matter fuel, in accordance with the latest fuel standard, ISO 8217:2017, as a minimum.

The fleet is constantly upgraded using the latest technology and emission control equipment. New generations of vessels are certified by DNV GL for Clean or Clean Design notation, resulting in lower emissions.

**Vogue Laundry** replaced nine Euro III vehicles with the more environmentally friendly Euro VI model.

**Cathay Pacific Catering Services** replaced seven Euro II vehicles with six Euro VI vehicles.

**Hong Kong Airport Services** replaced nine GSE diesel tractors with Euro IIIA vehicles and four Euro IV buses with Euro VI buses.

### CASE STUDY

#### SWIRE PROPERTIES – SCIENCE-BASED TARGETS



In 2019, Swire Properties' science-based targets were approved by the Science Based Targets initiative, making it the first real estate developer from Hong Kong and Mainland China to establish decarbonisation goals consistent with the Paris Agreement.

Swire Properties' approved targets are to:

- Reduce scope 1 and 2 emissions by 35% per square metre (sqm) by 2025 and 52% per sqm by 2030, compared to a 2018 baseline
- Reduce scope 3 emissions from downstream leased assets by 28% per sqm by 2030, compared to a 2018 baseline

- Reduce scope 3 emissions from capital goods by 25% per sqm by 2030, compared to the baseline years 2016-2018

To reduce scope 1 and 2 emissions, Swire Properties will:

- Continue to adopt innovative low-carbon technologies and management practices
- Enhance data tracking and optimisation through its cloud-based smart energy management platform and application of artificial intelligence and machine learning
- Invest in on-site and off-site renewable and clean energy equipment
- Invest in research and development with Tsinghua University

To reduce scope 3 emissions from downstream leased assets, Swire Properties will engage and support tenants in reducing their energy consumption and carbon footprints with free energy audits, its Green Kitchen Initiative and smart metering.

To reduce scope 3 emissions from capital goods, Swire Properties will engage its suppliers with a view to reducing the energy consumption and carbon footprints of its buildings during their lifecycle. Building materials with reduced embodied carbon will be used. Building design will be optimised and site management will be improved.



## CARBON

### CARBON OFFSETS

**Cathay Pacific** is involved in the International Civil Aviation Organization’s (ICAO) Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA), the first global carbon offsetting mechanism covering an entire sector.

In 2016, CORSIA was adopted by 191 ICAO member states. By April 2020, 83 states, representing about 77% of international aviation activity, had voluntarily agreed to participate in CORSIA. Cathay Pacific has been involved in CORSIA since 2008 and participates in ICAO task forces focussed on market-based solutions and alternative fuel.

In 2019, Cathay Pacific began collecting data on fuel use and greenhouse gas emissions, submitting the data to the relevant authorities in April 2020.

Cathay Pacific encourages passengers to offset emissions from air travel through its Fly Greener programme. In 2019, the programme offset 32,321 tonnes of CO<sub>2</sub>. This was achieved by investing in offsets generated by gold standard certified offset projects, including biogas digesters in India and fuel-saving cooking stoves in Bangladesh.

In September and October 2019, Cathay Pacific tripled the carbon offsets purchased through Fly Greener, in support of the United Nations Climate Action Summit 2019. The programme, the first of its kind developed by an Asian airline and on which Cathay Pacific makes no profit, has offset over 200,000 tonnes of CO<sub>2</sub> since it started in 2007.

**Swire Pacific Offshore** has been investing in a REDD+ Paraguay Forest Conservation Project in South America since 2010. The project is designed to generate 10,000 carbon credits per year for 20 years. The credits are certified by the Climate, Community & Biodiversity Alliance and by Verra, and are used as voluntary offsets to Swire Pacific Offshore’s projected scope 1 and 2 emissions for the 20-year period.

Swire Pacific Offshore selects projects with regard to their expected environmental, economic and social benefits.

### ELECTRICITY

In 2019, our indirect emissions, primarily derived from electricity usage, our second largest greenhouse gas emission source, were 657.7 thousand tonnes of CO<sub>2</sub>e, a 1.5% decrease compared with 2018.

As the cost of electricity rises, making our buildings and operations more energy efficient is a priority. Our operating companies exchange energy efficiency information through our carbon working group. Our Sustainable Building Design Policy requires new and substantially renovated buildings to try to obtain the highest or, as a minimum, second highest international or local building environmental certification.

At the end of 2019, 97% of **Swire Properties’** existing properties, by gross floor area, were certified green buildings, of which 84% achieved the highest ratings.

100% of its projects under development have achieved the highest ratings.

**Swire Coca-Cola** has five Leadership in Energy and Environmental Design (LEED) certified bottling plants in Mainland China and the USA.

Swire Properties uses cloud-based smart energy management platforms and adopts technology to maximise energy efficiency. In 2019, Swire Properties reduced annual energy consumption by nearly 5 million kWh by replacing chillers. Retrofitting 98 conventional fans with energy efficient electronically-commutated motor plug fans is expected to reduce energy consumption by nearly 600,000 kWh.

With Tsinghua University, Swire Properties develops and tests methods of increasing energy efficiency in its properties in Mainland China. The partnership was extended for three years in 2019.

Swire Properties’ energy intensity in Hong Kong decreased by 26% between 2008 and 2019. Its energy consumption in Hong Kong decreased by 62.7 million kWh over the same period. The comparable figures for Mainland China are 36% and 23.2 million kWh, on a business as usual basis.

[Supplementary information](#)

**SUSTAINABLE BUILDING DESIGN POLICY**





### CARBON

Swire Properties has the following 2020 targets:

Swire Properties offers free energy audits to tenants. Since 2008, audits have covered 5.5 million square feet of commercial space, identifying potential annual energy savings of 9 million kWh.

ISO 50001:2011 certifications have been obtained for Swire Properties' energy management systems in all of its Hong Kong properties and in its Taikoo Hui, Guangzhou, and Taikoo Li Sanlitun, Beijing, properties in Mainland China.

#### CARBON INTENSITY

2019 progress

2020 target

Hong Kong portfolio

↓ 28%

↓ 27%

Mainland China portfolio

↓ 19.9%

↓ 21%

#### ENERGY CONSUMPTION

2019 progress

2020 target

Hong Kong portfolio

↓ 62.7 million kWh/year  
(↓ 26.9%)

↓ 64 million kWh/year  
(↓ 26%)

Mainland China portfolio

↓ 23.2 million kWh/year  
(↓ 19.4%)

↓ 23 million kWh/year  
(↓ 20%)





## CARBON

### CASE STUDY

#### SWIRE COCA-COLA – TSINGHUA UNIVERSITY



With Tsinghua University, Swire Coca-Cola is investigating opportunities to improve energy efficiency at five of its bottling plants in Mainland China. In 2019, the University studied Swire Coca-Cola's steam and refrigeration systems to identify opportunities to improve efficiency and reduce costs. Huge variations in steam pressure were identified. The higher the pressure the higher the heat loss. Automatic metering was recommended, with a view to optimising steam pressure.

Upgrades to refrigeration systems at two bottling plants in Mainland China in 2019 are expected to improve energy efficiency by 49%. Pressure gauges, temperature gauges and air flow meters installed on production lines are expected to save over 310,000 kWh of electricity annually.

**HAECO Hong Kong** replaced three freshwater-cooled chiller plants with one new ultra-high efficiency hybrid power chiller plant. A new phase change material thermal storage system is being introduced. The estimated annual electricity savings are up to 5.4 million kWh, equivalent to a 2,754 tonne CO<sub>2</sub> reduction.

In 2019, **Swire Resources** replaced conventional bulbs at its Fo Tan Warehouse in Hong Kong with LED lighting. This reduced electricity consumption by 8%.

**Taikoo Motors** is upgrading to LED lighting, installing energy efficient air conditioning and refrigerators and promoting energy saving behaviour to staff.



## CARBON

### RENEWABLE ENERGY

We encourage the use of renewable energy in our operations. In 2019, **Swire Properties**, **Swire Coca-Cola** and **HAECO Xiamen** generated 16.2 million kWh of electricity from renewable energy sources.

Swire Coca-Cola has committed to using 100% renewable electricity for its core operations by 2026. In 2019, solar photovoltaic (PV) systems were installed at its Nanjing and Shanghai bottling plants. Eight of its bottling plants in Mainland China have solar PV systems. These PV systems generate around 14.6 million kWh of electricity per year, 3.5% of overall electricity consumption, saving HK\$1.2 million.

In 2020, solar PV systems will be installed at plants in Yuma, Arizona, and Taiwan. Swire Coca-Cola is considering entering into a virtual power purchase agreement, to match one third of the electricity usage of its USA facilities.

Swire Properties has installed solar PV panels and a waste-to-energy tri-generation system at One Taikoo Place. These are estimated to supply renewable energy equivalent to approximately 4% of the energy used by Swire Properties as a landlord. In 2019, more than 268,000 kWh of renewable energy was generated at INDIGO, Beijing, Taikoo Hui, Guangzhou, Taikoo Li Sanlitun, Beijing, and One Taikoo Place, Hong Kong.

**Hong Kong Aero Engine Services** is installing a 200kW solar PV array on the roof of one of its buildings, which will be connected to the local energy grid.

**Cathay Pacific** has committed to buying 1.1 million tonnes of sustainable aviation fuel over 10 years, enough for approximately 2% of its operations. Since 2016, all 34 of its new Airbus A350-900 and A350-1000 aircraft have been delivered from Toulouse to Hong Kong using a blend of biofuels made from sustainable sugar feedstock. 6.4 tonnes of biofuel were used in 2019.

Cathay Pacific has an investment in Fulcrum BioEnergy, a USA based sustainable biofuel developer and pioneer in the development and commercialisation of sustainable aviation fuel, made from municipal solid waste. When its plant begins operations later this year, Fulcrum will be able to convert 175,000 tonnes of waste into more than 10 million gallons of fuel per annum.

### LOOKING AHEAD

With the expiry of our 2020 carbon targets, our carbon working group will focus on renewing our decarbonisation commitments, with an emphasis on increasing the level of our ambition to respond appropriately to the latest climate science.

The goal is for all of our operating companies to have individual, ambitious, 2030 decarbonisation targets in place, and to build data consistency through data protocols.



WASTE

TODAY'S WASTE IS TOMORROW'S RESOURCE



TURN TODAY'S  
WASTE INTO TOMORROW'S  
RESOURCE

Reducing pollution and protecting natural resources helps us thrive. Recovering and reusing materials at the end of their lives is one way of us achieving this.



## WASTE

Our intention is to minimise waste and treat it as a resource to improve efficiency, lower cost and reduce our impact on the environment. We aim to recycle and reuse waste, converting it into energy or safely returning it to the environment, as much as possible.

We are committed to turning today’s waste into a resource for tomorrow, contributing to the creation of a circular economy, based on recovery and reuse.

### WHY IS WASTE MATERIAL TO US?

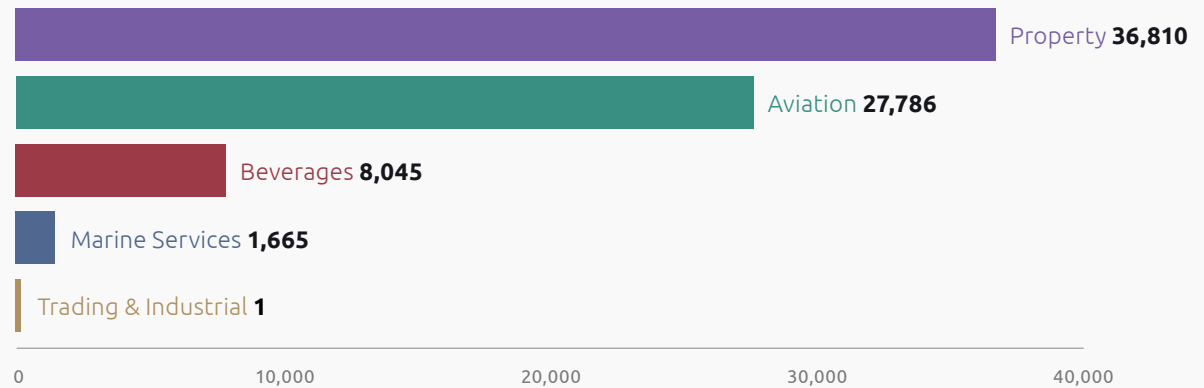
As the world’s population and affluence increases, so does waste. Landfills are reaching capacity. Governments are taxing waste and therefore increasing business costs. We operate across geographies that are at different stages of development in recovering and recycling waste.

By reducing waste we lower the cost of packaging, waste management and disposal. The circular economy is creating new markets. There is increasing awareness of waste recycling, particularly of plastics and post-consumer waste. Recycling waste could become a valuable revenue stream for us.

### GROUP PERFORMANCE

In 2019, Swire Pacific sent 74,307 tonnes of waste to landfills, 12.5% more than in 2018. Swire Properties, including its tenants, contributed almost 50% of this. The 2019 increase is driven by the inclusion of cargo waste at Cathay Pacific Services and waste from the HKRI Taikoo Hui and Middle House developments in Shanghai.

WASTE DISPOSED BY DIVISION (tonnes)





## WASTE

Swire Pacific recycled 14.5% more waste in 2019 than in 2018. Swire Coca-Cola accounted for 54% of the waste recycled in 2019, up from 50% in 2018. Waste separation at its bottling plants, using standard labelling, has begun. Its recycling rate increased from 57% in 2018 to 72% in 2019.

### WASTE MANAGEMENT IN PRACTICE

Our waste working group helps our operating companies to reduce waste, including by reference to our Sustainable Development Policy. In 2019, a data protocol was introduced to improve the collection and monitoring of information about waste. We intend to set a 2030 target for the percentage of our waste sent to landfills.

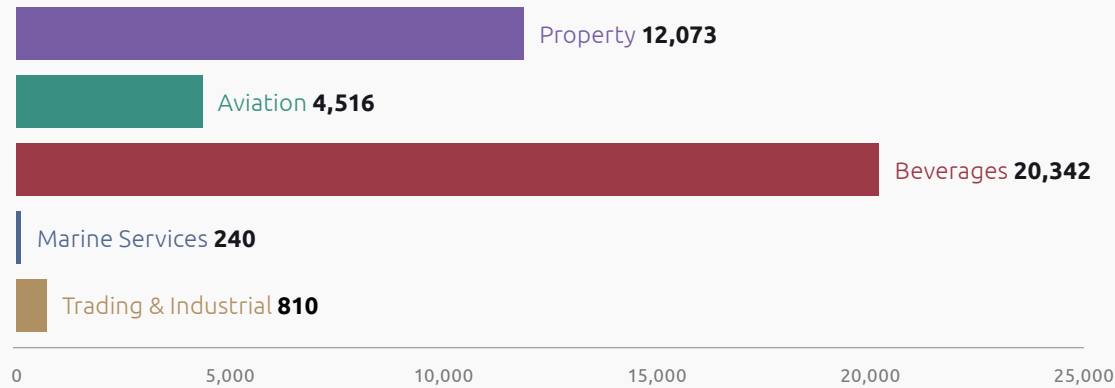
Our businesses must understand local policies and collaborate with others to facilitate efficient waste management. We have three guiding principles for waste management: REDUCE, RECYCLE and RECOVER.

[Supplementary information](#)

[SUSTAINABLE DEVELOPMENT POLICY](#)



WASTE RECYCLED BY DIVISION (tonnes)





## WASTE

### REDUCE

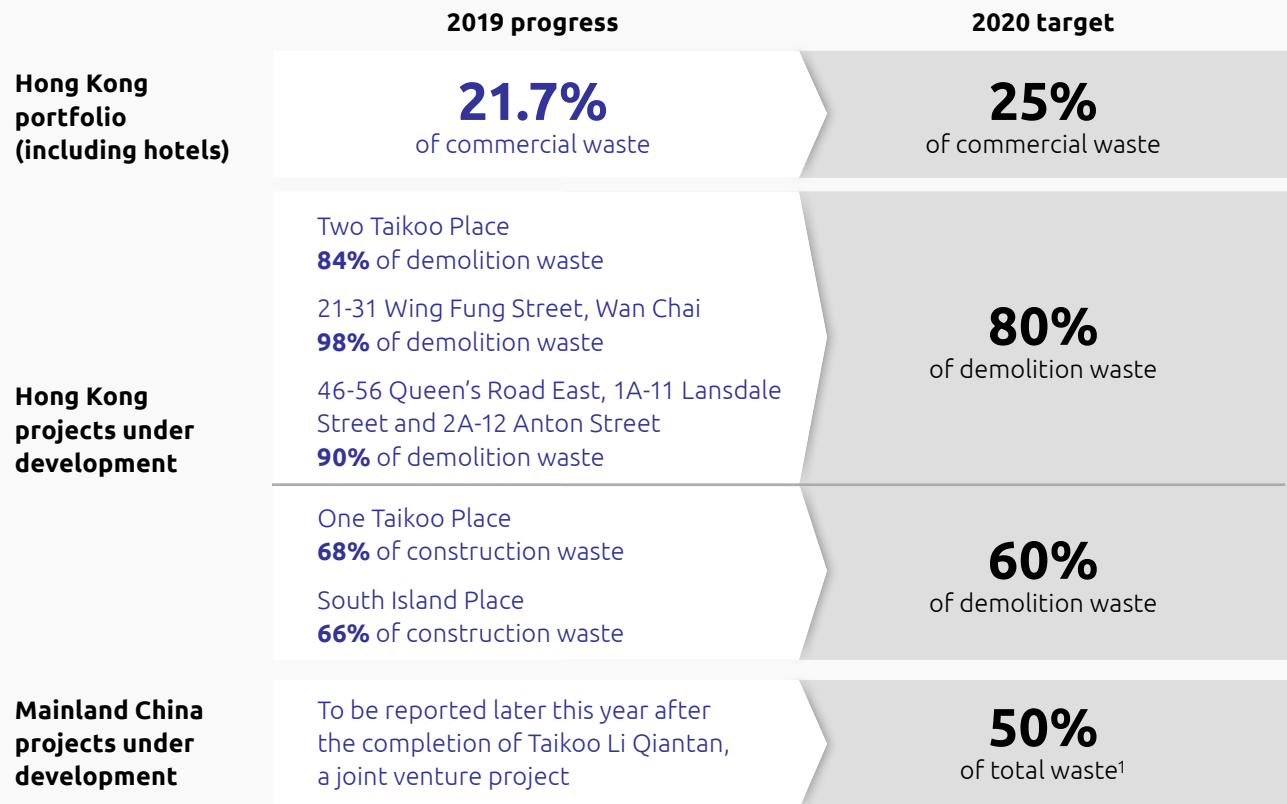
We encourage our operating companies to improve procurement and operations by using less packaging and more sustainable materials.

#### Swire Properties

Swire Properties' waste management policy deals with the design, planning, construction and operations of its buildings. Through meetings and training, tenants are advised on waste management.

Swire Properties aims to identify the impact of its waste disposal, to set targets to improve its waste management and to take account of waste prevention in procurement.

### WASTE DIVERSION FROM LANDFILLS



1. The waste diversion rate from landfill for Mainland China projects under development is calculated in accordance with LEED requirements. Flexibility will be allowed for projects not wholly owned by the Company, and for projects with major contractor(s) already on board.



## WASTE

Waste management taskforces from Swire Properties' Hong Kong, Mainland China and hotel businesses analyse waste data and coordinate waste reduction and diversion initiatives.

The Green Kitchen Initiative provides a platform for Swire Properties' portfolio management teams and its tenants to have sustainability conversations before fit-out and renovation projects. The Citygate mall food waste recycling scheme, conducted under the Green Kitchen Initiative, facilitated the collection of 20 tonnes of food waste monthly.

In preparation for the introduction of municipal solid waste charging in Hong Kong, Swire Properties conducted a six-month trial of volume and weight-based charging with 131 tenants at its Cityplaza and East developments. Findings were shared with the Environmental Protection Department of the Hong Kong government. Participating tenants reduced waste by 18% and increased recycling by 15%. The trial was later extended to include food and beverage tenants at Pacific Place, Citygate Outlets and Island Place. Green guidelines were introduced for event management and the production of collaterals.

In 2019, local governments in Shanghai and other major cities in Mainland China made garbage sorting compulsory accordance started to monitor waste separation more closely. Swire Properties and its tenants worked together to prepare for these changes in a number of ways, such as adding new recycling bins.

### CASE STUDY

#### SWIRE PROPERTIES – FOOD WASTE INITIATIVES



Food waste is a significant component of the waste sent to landfill in Hong Kong. Since 2005, when Swire Properties installed its first food decomposer at one of its Hong Kong shopping malls, it has been working with its hotels, restaurants and tenants to deepen its food waste reduction and recycling efforts. In 2019, Swire Properties collected more than 8,000 tonnes of food waste from its Hong Kong and Mainland China properties and hotels, 78% more than in 2018.

In Hong Kong, Swire Properties joined the Environment and Conservation Fund's Source Separation Programme of Food Waste for the Food & Beverage Trade scheme, by introducing food waste recycling to Island Place and the Citygate extension. 34% more tenants at Citygate, Cityplaza, Taikoo Place, Pacific Place and Island Place recycled waste in 2019 than in 2018. The majority of food waste collected goes to an organic resources recovery centre for conversion into compost and biogas.

19 food and beverage tenants at Citygate, Pacific Place and Island Place participated in the municipal solid waste charging trial scheme between March and July 2019. They disposed of 11% less waste and collected 57% more food waste and 43% more recyclable material. 14 tenants collected new types of recyclable material.

EAST, in both Hong Kong and Miami, and The Temple House have installed smarter and more efficient food waste digestors. Installed in kitchens, so reducing transportation, 33 tonnes of waste have been treated with this technology.



## WASTE

### Cathay Pacific Group

Cathay Pacific Catering Services provides flight catering services to 50 international airlines in Hong Kong. The company produced over 30 million meals, representing an average of 83,000 meals per day.

The number of passengers booked on any particular flight changes frequently due to last-minute additions or cancellations, or passengers missing their flights. Without sufficient procedures in place, the unneeded meals can lead to food waste and squandered energy and water from meal preparation. By bringing the meal delivery cut-off time as close to the flight departure time as possible they are able to more precisely gauge how many meals are required on board.

Cathay Pacific sorts, reuses and recycles inflight waste on inbound flights to Hong Kong. This cannot be done on outbound flights due to regulatory constraints. Outbound waste cannot be carried on return flights for storage and hygiene reasons. In 2018, Cathay Pacific conducted inflight waste audits for two long haul inbound flights to better understand its waste stream and help devise feasible solutions.

### Swire Coca-Cola

Swire Coca-Cola is committed to building a circular economy where its primary and other packaging never becomes waste. In line with the Ellen MacArthur New Plastics Economy Global Commitment and The Coca-Cola Company's World Without Waste goals, it is working to:

- Reduce single use packaging as much as possible by cutting its amount and weight and by using package-free delivery models such as refill stations
- Redesign packaging so that it is easy to recycle, has value when recycled and itself includes recycled materials
- Facilitate better recovery of packaging by clear labelling and disposal instructions
- Collaborate with government, industry, waste management companies and non-profit organisations

Since 2010, Swire Coca-Cola has been working to reduce, as far as possible, the amount of material used to produce its single-use primary and secondary packaging, a process known as lightweighting.

Lightweighting has been successfully applied to three of its water brands, Bonaqua in Hong Kong, Ice Dew in Mainland China and Dasani in the USA, where it has reduced the plastic needed to produce its bottles by as much as 39%. The weight of packaging used for sparkling drinks has also been reduced. Reducing the weight of packaging for drinks that are filled hot, such as teas, is more difficult.

#### PACKAGING WEIGHT REDUCTION RESULTS

Packaging and product type	Packaging weight reduction
PET water	23% - 39%
PET sparkling soft drinks	3% - 12%
PET still products	5% - 12%
Closures of all PET bottles	46%
Aluminium cans	8%

In 2019, Swire Coca-Cola installed 84 package-free Bonaqua refill stations in Hong Kong.





## WASTE

### Other areas

At **Swire Hotels**, retired bed linens are used by housekeeping as cleaning cloths or donated to design students for upcycling. Lightly used linens and towels, along with unused or partially used soap, body washes, lotions and hair products, are recycled and donated to disaster-relief and humanitarian aid organisations. Swire Hotels uses reusable laundry bags at the Opposite House in Beijing. There are recycling bins at EAST, Hong Kong.

**Swire Resources** is a signatory of the Hong Kong Green Building Council's Green Shop Alliance Programme. Excessive promotional decoration and packaging is avoided and waste reduction programmes are joined.

Vessels recently built for **Swire Pacific Offshore** have been fitted with Low-NOx engines, sewage treatment plants, waste macerators and garbage compactors.

### RECYCLE

We aim to recycle more paper, plastic, metal, glass, construction materials, food and electronic items.

### Swire Properties

Swire Properties aimed to recycle 25% of its commercial waste in Mainland China. In 2019, it recycled 32.5%.

Swire Properties encourages its employees, tenants, suppliers and others with whom they do business to minimise waste, working closely with tenants on waste reduction and recycling initiatives. Data on more than 20 types of waste produced by tenants, hotel guests and serviced apartment occupants is tracked and collected. They strive to understand the downstream processes of each waste stream and work closely with recycling partners to provide secured outlets for the recyclables.

### CASE STUDY

#### PLASTIC FREE PRECINCT



In October and November 2019, at Star Street Precinct in Hong Kong, a plastic waste awareness campaign was held where visitors could drop off cleaned plastics at a recycling station in return for offers from tenants. Over 700 people participated, receiving in return over 1,000 complimentary food and beverage offers and shopping discounts. More than 26,000 plastic items were collected and sorted for recycling.

At a reverse vending machine at Three Pacific Place, nearby residents and tenants can exchange plastic bottles for tokens and rewards. Around 10,000 bottles have been collected.



## WASTE

### Cathay Pacific

Cathay Pacific bring in new aircraft to make its fleet more fuel-efficient and technologically advanced and to better meet its customers' rising expectations. They work with aircraft manufacturers, the Aircraft Fleet Recycling Association's accredited companies and other end-of-life specialists to salvage spare parts and recycle or reuse parts and materials. A large proportion of components can be re-certified, reused or sold.

Under PAMELA (Airbus' Process for Advanced Management of End-of-Life Aircraft), up to 90% of the components from retired Airbus A340 aircraft have been recycled. Lubrication oil is sent to specialised waste handlers for proper disposal. In 2019, retired Boeing aircraft were sent to a facility approved by the Aircraft Fleet Recycling Association for processing.

Cathay Pacific is part of an International Air Transport Association cabin waste working group. In 2019, the airline recycled 290 tonnes of plastic, 1,539 tonnes of paper and cardboard and 486 tonnes of glass.

With 3E Planet, a member of the JS Education Group, Cathay Pacific Catering Services helps to turns old rice packaging into book bags, providing employment opportunities for the homeless, people with disabilities and those from low income groups.

### Swire Coca-Cola



The Coca-Cola Company's 2030 World Without Waste commitment is to collect and recycle one bottle or can for every one sold. Swire Coca-Cola does not control what happens to its packaging after consumption. That is why its strategy is to partner with key stakeholders in the packaging lifecycle with the aim of transforming the entire system. In Hong Kong, it has approached this from two angles through:

1. Co-founding an alliance of partners who formed the initiative #drinkwithoutwaste
2. A joint venture partnership with ALBA Group Asia Limited and Baguio Waste Management & Recycling Limited to build and run a polyethylene terephthalate (PET) and high-density polyethylene (HDPE) recycling facility, New Life Plastics

Swire Coca-Cola's goal is to make 100% of its primary packaging technically recyclable by 2025. In Hong Kong, it is going to stop producing Aquarius powder in aluminium pouches. As coloured PET has a lower market value, it will switch to colourless Sprite and Schweppes bottles by the end of 2020. It is also exploring the use of PET (type 1) for carboys to replace type 7 plastic, which is not widely recyclable. The launch of its joint venture recycling facility will enable more PET to be recycled locally.

In Mainland China, Swire Coca-Cola is working with suppliers to develop a new source of PET resin that contains up to 10% recycled content. In 2019, tests were conducted on the physical properties and performance of the end product. Whilst rPET is not used in food grade packaging in the Chinese Mainland at present, it is helping its supply chain partners explore alternative markets overseas.

Aseptic fibre packs, bag in box and ancillary items to drinks fountains, including cups and straws, are difficult to redesign and so will present a challenge in the coming years.

In the USA, 25% rPET is used for carbonated soft drinks bottled in PET. The sale of Styrofoam cups has ceased and alternative materials for straws and lids are being explored.



## WASTE

### Other areas

**HAECO** Hong Kong and **HAESL** implemented waste segregation programmes and better contractor controls to ensure waste wood is sent to an appropriate recycler. At HAECO Hong Kong, 224 tonnes of wood were recycled in 2019.

In Hong Kong in 2019, HAECO and Swire Coca-Cola sent 6,695kg of used lead acid batteries to a battery recycling centre to be recycled in a safe, sustainable and environmentally responsible manner. With NGOs, **Swire Resources** has recycled Chinese New Year red packets, old books, clothes and electronic waste.

### CASE STUDY

#### SWIRE PACIFIC OFFSHORE – SUSTAINABLE SHIP RECYCLING



Swire Pacific Offshore has a sustainable ship recycling policy. It states that all vessels at the end of their working lives will be recycled at shipyards certified by a reputable independent third party. This is in compliance with the Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships. This policy ensures that Swire Pacific Offshore recycles its assets in a sustainable, safe and environmentally responsible way.

All new Swire Pacific Offshore vessels are delivered with a 'green passport' or Inventory of Hazardous Materials, for more efficient recycling at the end of the economic life of the vessel. This is in accordance with the 2009 Hong Kong Convention for the Safe and Environmentally Sound Recycling of Ships and is in advance of its ratification and enforcement.



## WASTE

### RECOVER

The management and use of waste can provide business opportunities. Our investments in Swire Waste Management and Fulcrum Bioenergy are good examples.

#### Swire Properties

As part of the Tap, Return, Earn campaign initiated by Swire Coca-Cola Hong Kong, a smart plastic beverage bottle deposit machine was set up at The Loop at Taikoo Place and the Town Square at Citygate Outlets. They offer rebates of HK\$0.2 per bottle via Octopus cards. More than 140,000 bottles have been collected.

#### Cathay Pacific

Cathay Pacific works with Food Angel and Feeding Hong Kong. Food Angel collects fresh food and ingredients and prepares meals for senior citizens in Hong Kong.

In 2019, Cathay Pacific donated over 2.9 tonnes of ingredients to Food Angel. Feeding Hong Kong recovers and redistributes packaged food collected from Cathay Pacific's inbound flights. In 2019, the food collection effort was expanded to cover more flights, including both Cathay Pacific and Cathay Dragon operations. As a result, total food recovered and donated was increased by another 31% to over 563 tonnes.

Cooked and perishable waste is sent to Southern China, where it is recycled into animal feed, or to an organic resources recovery centre in Hong Kong for conversion into energy. The latter received 1,175 tonnes from Cathay Pacific Catering Services in 2019.

With a biodiesel company, Cathay Pacific Catering Services converts used cooking oil, 15,889 litres in 2019, into vehicle biodiesel.

Staff at Cathay Pacific Catering Services can drop plastic beverage bottles into a reverse vending machine. Via the Carbon Coin mobile app, the machine will calculate the amount of CO<sub>2</sub> reduced and reward the users with electronic Carbon Coins. Users can then redeem rewards and benefits from a network of affiliated merchants.

#### Swire Coca-Cola

Swire Coca-Cola hopes to increase packaging collection and recovery rates in its markets by giving consumers the information they need to correctly separate and dispose of its packaging. Recovery through public engagement is encouraged.

In Hong Kong, Swire Coca-Cola raises public awareness of recovery programmes through community groups and green groups at universities.

HK\$2 million is being invested in improving packaging collection and a further HK\$10 million is expected to be spent over five years, promoting waste sorting, clean recycling and other recovery initiatives. The aim is to send zero waste to landfills from core operations by 2025, and to help co-packers to do the same by 2030. In 2019, 51% of waste from its plants went to landfill.

In Mainland China, Swire Coca-Cola's Tackle Waste to Win initiative has set an interim target of increasing recycling and recovery rates to 95%, across all of its bottling plants, by 2023. It is on track to send zero waste to landfill in Mainland China by the end of 2025.



## WASTE

In Hong Kong, Swire-Coca Cola has government approval to send organic by-products from its bottling plant to an organic resources recovery centre for conversion to compost and biogas. Wastewater sludge and damaged wooden pallets are sent to a recycler in Hong Kong, to be used as biomass fuel. All this reduces the proportion of waste going to landfill. In 2019, 51% of the waste from its plants went to landfill.

### Other areas

As part of a collaboration, **HAECO Hong Kong** is helping to divert 3,000 inflight entertainment monitors from landfill to a recycling facility.

### PLASTICS

Plastics are versatile, cost-effective and lighter than most materials. They are important for our operations, such as in aviation where their lightweight nature helps to reduce emissions from fuel burn.

But, if their waste is not handled responsibly, they can harm the environment. We are conscious of increasing global concerns about plastic waste and the environmental damage which it causes, particularly to the oceans. We aim to play our part in reducing the environmental impact of plastic waste.

### CASE STUDY

#### SWIRE COCA-COLA – HEATING HOMES IN UTAH



Swire Coca-Cola USA is sending expired and damaged products to Utah’s first anaerobic digester, which opened earlier this year in Salt Lake City.

The biodigester accepts organic matter, such as solid food waste and liquefied organic waste, and breaks it down to produce biogas which is converted into biomethane and used to power local households. The residual, nutrient-rich, solid matter is used as fertiliser by local farmers. This initiative outsources waste recycling at little cost, producing a win-win result for both the business and the environment.

### Swire Properties

In 2019, Swire Properties participated in a number of campaigns and activities to raise public awareness about plastic recycling and to promote the reduction of single-use plastics.

Swire Hotels is retrofitting rooms with a water filtration system to phase out plastic water bottles and is providing amenity pouches on request only at EAST, Hong Kong. Bamboo and rice straws are being tested at The Upper House, Hong Kong. Swire Restaurants is eliminating plastic straws and is replacing plastic with wooden cutlery, whilst offering bring your own discounts at its PUBLIC restaurants.

Swire Properties has installed recycling bins for umbrella bags and umbrella dryers in its Hong Kong malls and offices. A water refill station is in place at Citygate.



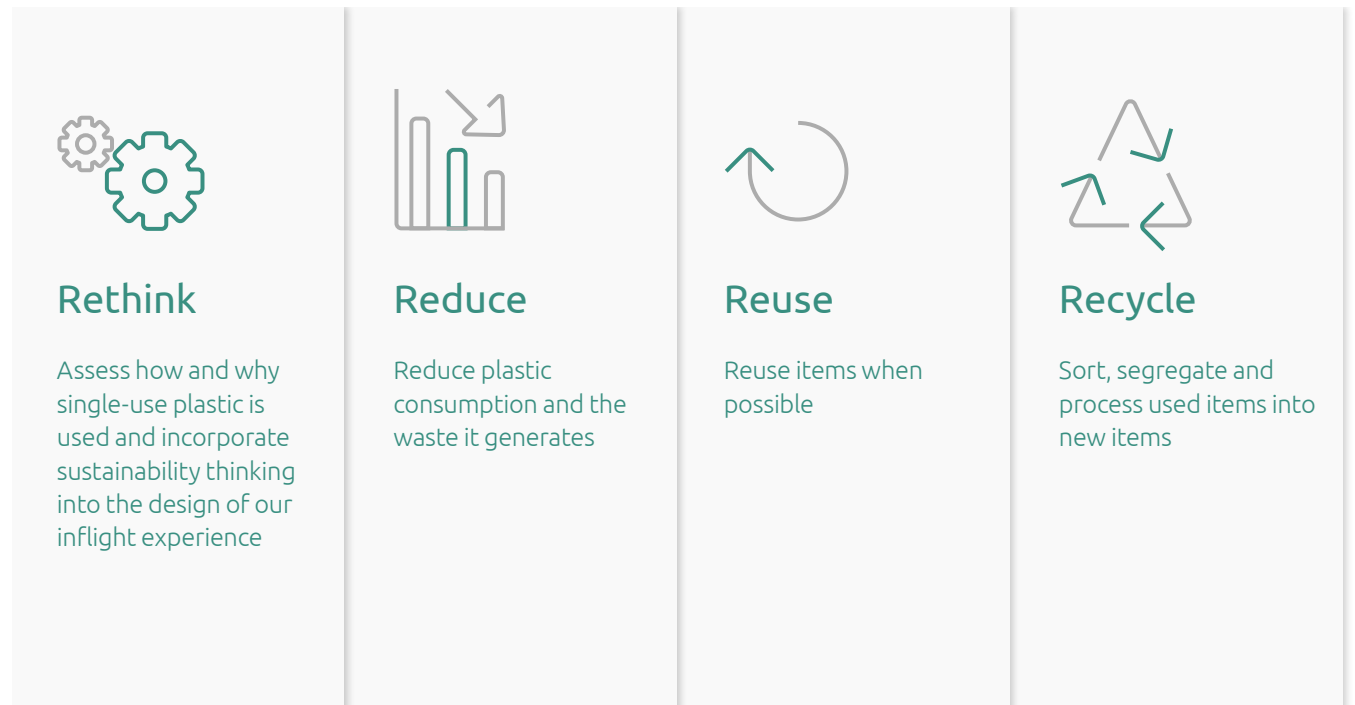
## WASTE

### Cathay Pacific

Cathay Pacific aims to stop using single-use plastics where possible. In 2018, a new single-use plastic strategy was adopted named the 4Rs: Rethink, Reduce, Reuse and Recycle. They are going beyond reducing, reusing and recycling to fundamentally rethink how and why they use single-use plastics. At every stage, every location and every business unit within their operations, they aim to remove and replace disposable plastic as much as possible.

By 2022, Cathay Pacific aims to have halved, from a 2019 baseline, its consumption of single use plastics, a reduction of 387 million pieces per year. In 2020, it is replacing plastic cups for non-alcoholic drinks with paper ones. No single-use plastic packaging will be used in Cathay Pacific branded merchandise, for example, water bottles, notebooks, passport holders or luggage, produced from this year.

### The 4Rs – Cathay Pacific’s single-use plastic strategy





WASTE

PLASTIC REDUCTION HIGHLIGHTS



2019

Established a single-use plastic reduction target of 50%, or 387 million pieces a year, by the end of 2022. Cotton bags used for business class duvets and blankets. Plastic straws and stirrers removed, saving over 32 million pieces of plastic waste a year.



2018

No single-use plastic cutlery, bags, straws or stirrers in the employee canteen



2016

Paper instead of plastic bags for duty-free purchases



2014

33% lighter, recyclable, economy class plastic cups  
Cargo terminal collection of plastic stretch wrap for recycling



2013

200,000 economy class plastic cups phased out and sent for recycling  
Reusable cooler bags instead of Styrofoam boxes for inflight ice cream storage, reducing usage by 44%



2012

Biodegradable plastic bags used for blankets, cutlery, duty-free purchases (since 2011) and inflight magazines



2011

Corn-starch and cellulose toothbrushes and shoehorns in first and business class



2007

Plastic cups and bottles collected inflight for recycling



2002

Rebates for returning plastic hangers to Vogue Laundry



2001

Economy class cutlery washed and re-used

## WASTE

### Swire Coca-Cola

Swire Coca-Cola has aligned its primary packaging goals with The Coca-Cola Company's World Without Waste with the following objectives:

- By 2025, 100% of primary packaging will be recyclable
- By 2030, 50% of all primary packaging will comprise 50% recycled content
- By 2030, for every bottle placed in the environment, one will be removed

This is covered in detail earlier in this section and in Swire Coca-Cola's 2019 sustainability report.

### LOOKING AHEAD

Later this year, we will introduce a group waste management policy that will guide our approach to reducing waste.

As part of SwireTHRIVE, we are developing 2030 targets for the percentage of our waste diverted from landfills, considering our recycling, reuse and recovery commitments.

[Supplementary information](#)

SWIRE COCA-COLA SUSTAINABLE  
DEVELOPMENT REPORT



### CASE STUDY

#### SWIRE COCA-COLA – NEW RECYCLING INITIATIVES



September 2019 saw the launch of two major projects as part of Swire Coca-Cola's commitment to Drink Without Waste, a multi-stakeholder initiative that focuses on reducing waste from beverage consumption.

Firstly, a ground-breaking ceremony was held for Hong Kong's first food grade plastics recycling facility. The facility is a joint venture between Swire Coca-Cola, ALBA Group Asia and Baguio Waste Management & Recycling, named New Life Plastics. It will have the capacity to process around 35,000 metric tonnes of PET and HDPE plastic annually, 'closing the loop', by turning the waste into reusable raw materials for high quality consumer and industrial products.

Secondly, Swire Coca-Cola introduced 10 reverse vending machines in Hong Kong, enabling people to dispose of plastic bottles and receive in return HK\$0.2 per bottle, via Octopus awards. 814,000 bottles were collected from September to December 2019.

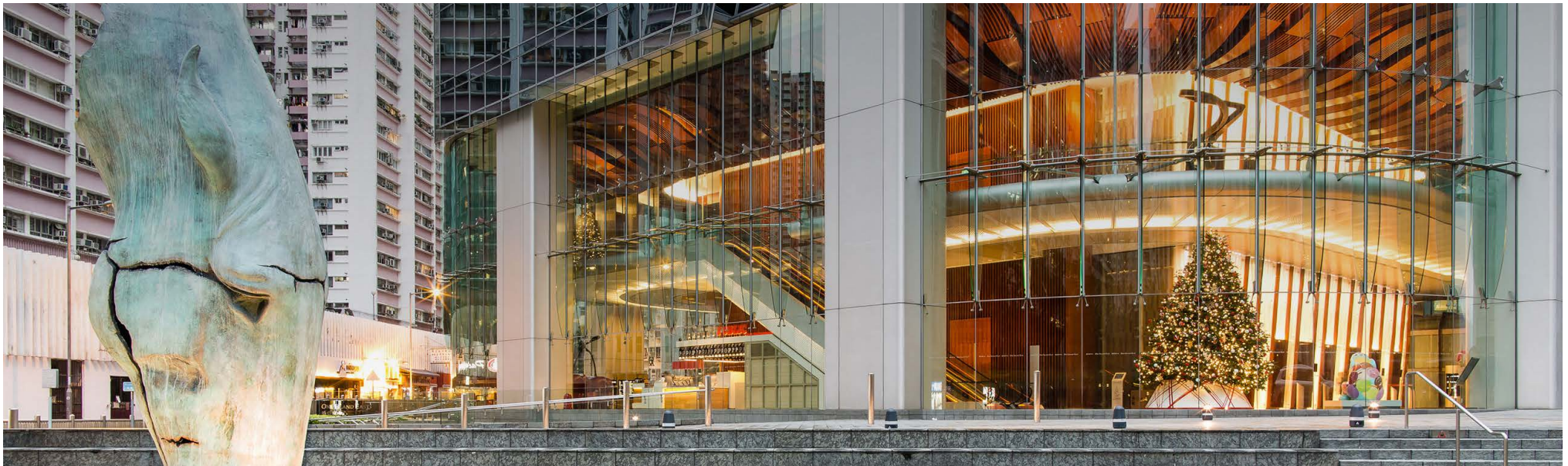
Information stored in the bottle's barcode is scanned for identification and data analysis before it is compressed and deposited into a receptacle for collection by authorised recyclers. In addition to raising public awareness about municipal waste management, the scheme is expected to help identify the right parameters for a viable beverage packaging recovery, reduction and recycling regime for Hong Kong.





WATER

# RESPONSIBLE WATER MANAGEMENT



USE AND MANAGE  
WATER RESPONSIBLY

Water is one of the world's most precious and vital resources. As populations grow, so does the significant pressure on its availability.



## WATER

We are committed to ensuring that we use water responsibly and, ultimately, sustainably.

The demand for drinkable water is increasing. Climate change and increased agricultural and industrial use of water threaten supply.

The United Nations expects two-thirds of the world population to be short of water by 2025. The World Economic Forum has identified water crises as one of the risks that will have the biggest impact on the world over the next decade. Businesses that use a lot of water will need to address this and will come under scrutiny. Our businesses understand that long-term access to water depends on the responsible use of water now.

### WHY IS WATER MATERIAL TO US?

Our businesses depend on and affect water. Some of our businesses use a lot of water in production, including where it is scarce and non-availability is a risk. Water stress can affect our suppliers, our communities and the biodiversity of the areas in which we operate.

We aim to use water responsibly and sustainably and to protect our water sources. We abide by all local wastewater treatment laws, and in many cases exceed them. By doing this, we protect our own resources and help the communities in which we operate to have access to safe, good quality, water.

For Swire Coca-Cola, this is already a priority. More information on its approach to water management can be found in its Sustainable Development Report.

Using water efficiently and in accordance with best practice will reduce costs and contribute to global efforts to protect the availability of clean, safe and affordable water.

### WATER RISK

The Intergovernmental Panel on Climate Change estimates that for every 1°C increase in global temperature, 7% of the world's population face decreased freshwater availability. Water availability is dependent on climate conditions in watersheds. Climate change can disrupt the natural water cycle. We must understand our exposure to water-related risks.

We have started to map our businesses by reference to areas of water stress. This will help us to strengthen our water security and to build capacity, adaptability and resilience for the future planning and management of water resources. Some of our businesses have reviewed their exposure to water risks.

Swire Properties has assessed its exposure to the following water risks in Hong Kong, Mainland China and Miami:

- physical risks associated with water stress and low groundwater availability
- regulatory risks from new rules on water use
- operational risks associated with water efficiency in its buildings
- economic risks from higher water tariffs

The assessment has been incorporated into Swire Properties' climate risk assessment.

#### Supplementary information

**SWIRE COCA-COLA SUSTAINABLE DEVELOPMENT REPORT**





# WATER

## CASE STUDY

### SWIRE COCA-COLA – UNDERSTANDING OUR WATER RISKS



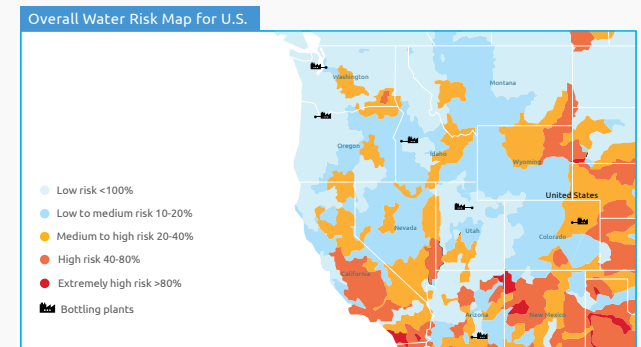
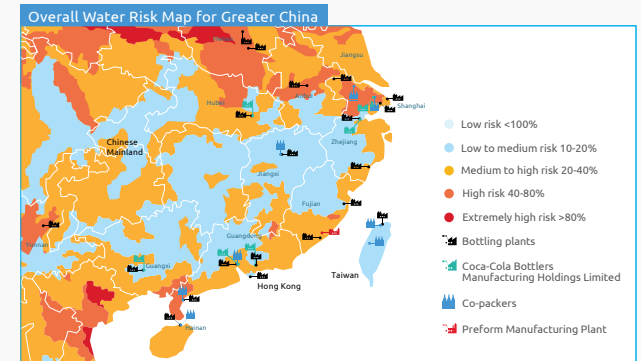
Managing water resources requires a local approach, including understanding local policies and collaboration with others. To understand the local water situation, each Swire Coca-Cola bottling plant has evaluated its local water risks, including quality and availability, using a The Coca-Cola Company source vulnerability assessment. This evaluates water supply, water infrastructure, land use and long-term demand for water.

All source vulnerability assessments are conducted by water resources experts who have a minimum of five years of professional experience. Following assessment, each plant prepares a source water protection plan, which is updated every five years or as required by The Coca-Cola Company. Swire Coca-Cola aims to have its assessments and plans verified by third parties by 2025.

Swire Coca-Cola also refers to geospatial water risk data from the World Resources Institute.

The maps show the extent to which the bottling plants of Swire Coca-Cola and its co-packers are exposed to water risks.

Water supply is a material risk in the USA, given the desert locations of bottling plants. Water quality is a material risk in Southern China due to its proximity to industry and high population density. This mix of geographical and social factors mean that Swire Coca-Cola needs a diversified and thorough water stewardship strategy. A broad approach to water risk is necessary.



Source: AQUEDUCT World Resources Institute (2019)



## WATER

### GROUP PERFORMANCE

In 2019, we used 18.4 million m<sup>3</sup> of water, an 8% increase from 2018. This mainly reflects a higher demand for water at Swire Coca-Cola and Swire Properties. Swire Coca-Cola accounted for 78.4% of our water use.

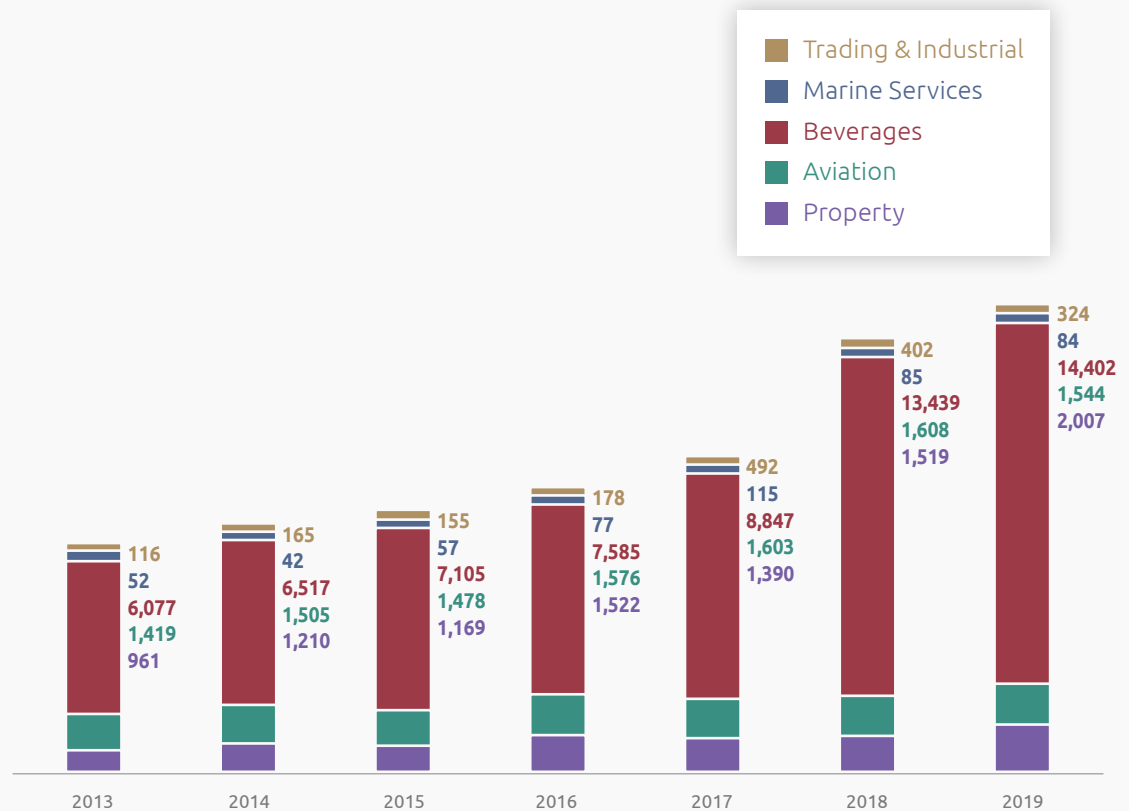
Swire Coca-Cola used 7.2% more water in 2019, mostly due to the inclusion of water used at branches of Coca-Cola Bottlers Manufacturing Holdings in Mainland China and at a water production line in Xiamen.

Swire Properties saw a 32% increase in water consumption due to the inclusion of HKRI Taikoo Hui and the Middle House in Shanghai. The temporary shift to freshwater instead of salt water for toilet flushing at Cityplaza mall and Cityplaza One in Hong Kong also contributed.

The Trading & Industrial division used less water, reflecting the sale of Swire Pacific Cold Storage in August 2018 and decreased production at Qinyuan Bakery.

Water consumption at Swire Pacific Offshore is immaterial and is not included in the report.

### WATER CONSUMPTION BY DIVISION (thousand cubic metres)

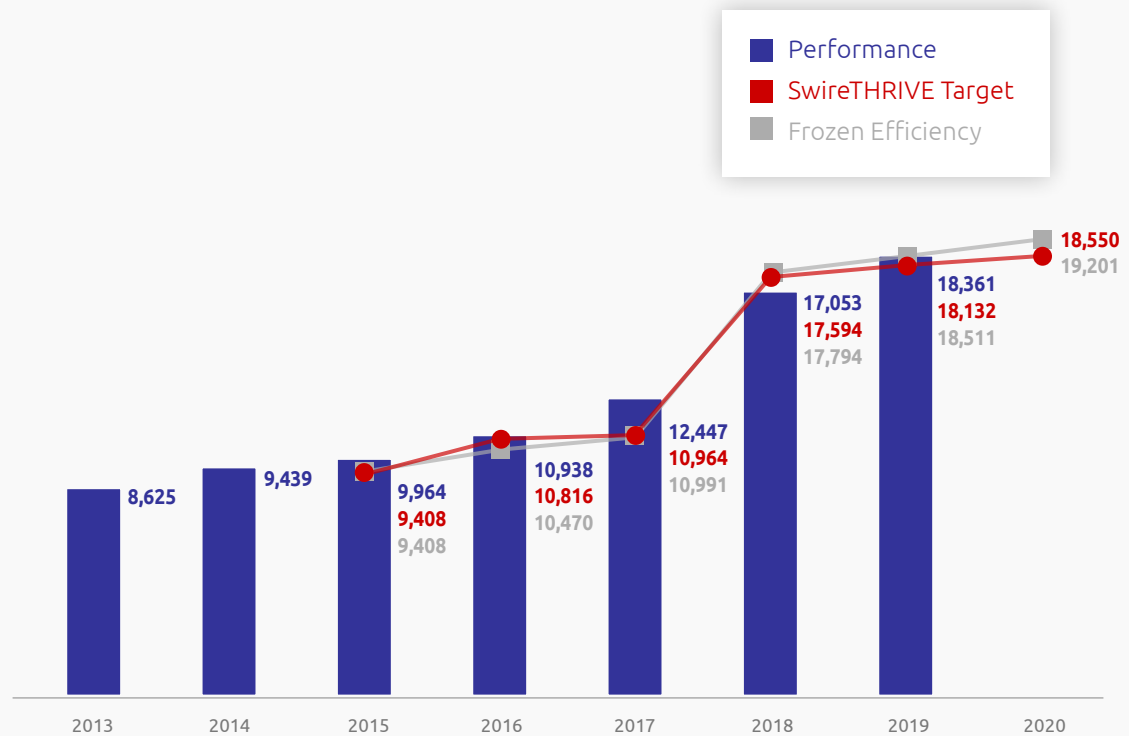




### WATER

We set water intensity targets and encourage operating companies to use water more efficiently. We aim to reduce our water consumption by 3-4% from the 2015 frozen efficiency baseline from which performance is projected, with the assumption of no improvement in current efficiencies. In 2019 we missed the target by 1.26%.

PERFORMANCE AGAINST SWIRETHRIVE TARGET  
(thousand cubic metres)





## WATER

### OUR WATER POLICY

The Swire Water Working Group includes members from across our operating companies and supports the implementation of our Water Policy, introduced in 2019. It is our policy to:

- Reduce our water consumption by annual improvements in water use efficiency
- Return 100% of wastewater from our operations to the environment safely
- In our businesses which consume significant quantities of water, assess water risks regularly
- Where necessary, pursue integrated watershed management
- As much as possible, put back into water stressed areas amounts of water equivalent to the amounts which we use, by reforestation, wetland recovery and better farming techniques
- Have available transparent water data, with a view to setting, monitoring and regularly reviewing water targets
- Have appropriate access to safe and potable water, sanitation and hygiene for those on our work sites

- Protect salt and freshwater ecosystems from over extraction or contamination because of what we do
- With others, help to provide community access to safe and potable water
- Give tools to our immediate suppliers to enable them to protect water resources in water stressed areas
- Engage in water advocacy

### SUSTAINABLE WATER RESOURCE MANAGEMENT

Our businesses must understand local policies and collaborate with others to facilitate water management. We have three guiding principles for water resource management: REDUCE through water efficiency, RECYCLE by reusing wastewater where possible and REPLENISH water through community and watershed projects.

[Supplementary information](#)

**SUSTAINABLE WATER POLICY**



**Reduce**

Reduce through water efficiency



**Recycle**

Recycle by reusing wastewater where possible



**Replenish**

Replenish water through community and watershed projects

## WATER

### REDUCE

In 2019, **Swire Coca-Cola's** water use ratio (WUR), which reflects the amount of water needed to produce one litre of beverage, increased to 1.77 from 1.74 in 2018. The WUR varies by market.

More water is used, because of the need for cleaning, if there is switching from the manufacture of one product to another. There is more such switching, and therefore a higher WUR, in Hong Kong and Taiwan than in Mainland China and the USA.

Swire Coca-Cola's bottling plants minimise water consumption during the manufacturing process by implementing several measures.

- To more accurately monitor its water consumption, Swire Coca-Cola has installed water sub-meters in most of its bottling plants in Mainland China.
- Dry lubricants have replaced soapy water to help conveyor belts move cans and bottles along production lines. Ionised air is used for rinsing instead of water when switching a production line from one beverage type to another.
- Pulses of water instead of continuous sprays rinse equipment when switching production lines from one beverage type to another.

- Ultraviolet light is used for disinfection.
- In Taiwan, sensors ensure that water is only used for washing tanks when they are present. This saved approximately 300,000 litres of water in 2019.
- In Utah, filtration is being replaced by reverse osmosis. This is expected to reduce the WUR by 10%.

**HAECO Group** companies use automatic taps and water-saving nozzles. HAECO Hong Kong uses rainwater to flush toilets. HAECO Xiamen and HAECO Americas have modified their toilet flushing systems to use less water. Taikoo Engine Services modified its chemical cleaning process to reduce the use of solvents and water. Better control over spraying for aircraft washing has the potential to save 8,400 m<sup>3</sup> of water annually.

### CASE STUDY

#### HAECO – DRY AIRCRAFT WASHING



HAECO Hong Kong offers dry instead of wet aircraft washing. Using biodegradable, non-toxic and non-flammable chemicals, the dry wash process removes dirt, including oil and carbon, from the aircraft exterior with minimal water usage. A dry wash uses ten times less water than a wet wash. Over the course of a year, this environmentally friendly cleaning process can amount to a saving of more than 860,000 litres of water.

The chemicals used in a dry wash are also more effective cleaning agents, which means fewer washes per year for the Cathay Pacific fleet. In addition, a shorter tow is required to take aircraft to the bays used for dry washes and therefore less fuel is used. HAECO sees the dry wash as a multiple win for its service offering: reduced carbon footprint and water use, more efficient aircraft rotation and increased revenue for the customer.



## WATER

**Swire Properties** has guidelines for fresh and flush water to aid its compliance with the Hong Kong government's Quality Water Supply Scheme for Buildings, so as to encourage employees and tenants to save water. Water flow restrictors have been installed in some of its shopping malls and office buildings. Consumption is monitored using water meters, water flow restrictors, automatic taps and automatic flush water basins and urinals.

At Devon House in Taikoo Place, Swire Properties is testing automated window cleaning. This service aims to reduce water usage and increase efficiency by lowering the time required to clean windows.

At Taikoo Hui in Guangzhou, Swire Properties is projecting to save around 1,900 m<sup>3</sup> of water per year by making urinals waterless, installing new low flush toilets and introducing energy efficient hand dryers.

## RECYCLE

We discharge water into nature in a clean and pure condition, that meets or exceeds legal requirements in almost every territory in which we operate. We are committed to wastewater treatment standards which require returning all water used in our manufacturing processes to the environment at a level that supports healthy aquatic life.

To further reduce our demand for freshwater, **Swire Coca-Cola** uses recycled wastewater. Bottling plants in Mainland China and Hong Kong have their own wastewater treatment systems. Treated wastewater is reused in cooling towers, cleaning, irrigation and toilet flushing. Backwash water from pump seal cooling lines and ozone generator cooling systems is reused in condensing towers.

In 2019, Swire Coca-Cola recycled 883.6 million litres of water, 192 million litres more than in 2017. Wastewater discharged from its bottling plants meets the water quality requirements of The Coca-Cola Company and the World Health Organisation. Performance is monitored and verified to ensure compliance with regulations. Internal wastewater is sampled daily and external wastewater annually. Swire Coca-Cola does not use recycled water in its drinks. In Mainland China, an online monitoring system to track wastewater compliance has been installed.

The bottling plant in Jinqiao, Shanghai, has upgraded their wastewater treatment facility, which has enabled them to reuse treated water. This is expected to save around 60 million litres of water annually.

At the Hangzhou bottling plant, final rinse water has been reused for cleaning since early 2019. In Yunnan, water metering has been installed to monitor and optimise water use.

The principal companies in the **HAECO Group** have wastewater treatment plants. HAECO Xiamen uses heavy metal monitoring equipment and detectors to check effluents before discharge. HAECO Xiamen uses treated wastewater for irrigation, vehicle cleaning, toilet flushing and apron watering. Taikoo Engine Services (Xiamen) uses treated water for toilet flushing. HAECO Group has 8% of water withdrawn being reused.

Cathay Pacific Catering Services collects condensate water from air handling units for use by chillers. This recovers 730 tonnes of water annually, representing 0.15% of its total water consumption, generates 9,000 kw/yr of electricity, and reduces CO<sub>2</sub> by 4.6 tonne/yr.

At **Swire Properties'** Brickell City Centre development, an elevated trellis provides shade from the sun, creates air flow and collects rainwater. At INDIGO, wastewater and rainwater are used for toilet flushing and irrigation. Recycling of sewage is planned, with a view to saving 85,000 tonnes of water annually. Recycled rainwater is used for irrigation at One Taikoo Place.





WATER

CASE STUDY

SWIRE COCA-COLA – REDUCING FRESHWATER DEMAND



Swire Coca-Cola's water efficiency initiatives in Mainland China are expected to reduce water consumption by more than 160,000 cubic metres. This includes reusing final rinse water and reverse osmosis in cooling towers at plants in Guangdong, Shanghai and Hefei and repairing leaks at the Fuzhou plant.

Shanghai Shenmei Beverage Co., Ltd. sells reclaimed water to neighbouring electronics and machinery manufacturing plants for cooling, irrigation, car washing and toilet flushing. This reduces the buyers' freshwater costs and generates income for Shanghai Shenmei from reclaimed water sales and reductions in the sewage discharge fee. Approximately 40.1 million litres of reclaimed water were sold in 2019.

Twelve Swire Coca-Cola bottling plants were recognised for their outstanding efforts in water and energy saving at the 2019 China Beverages Industry Association Annual Conference held in Shanghai.

REPLENISH

We support programmes that ensure healthy watersheds and sustainable water supplies for the communities in which we operate, with the goal of balancing water used in our finished beverages.

**Swire Coca-Cola** has collaborated with The Coca-Cola Company on water replenishment projects in Mainland China and the USA. Its goal is to return the same amount of clean water to natural water systems as it uses in its beverages. The projects helped Swire Coca-Cola to fulfill this objective, with the additional benefits of local community engagement, water and soil erosion control, greater support for sustainable agriculture and wetland protection and rehabilitation.

The Coca-Cola System replenished 160% of the water used in all its beverages in 2019. The Coca-Cola Company's water replenishment data is independently reviewed by LimnoTech and verified by Deloitte Touche Tohmatsu. Swire Coca-Cola has contributed to this achievement but has not yet itself replenished 100% of the water which it uses.



## WATER

In Taiwan, Swire Coca-Cola has contributed to two of The Coca-Cola Company’s wetland conservation programmes. Wetlands provide a vital habitat for an abundance of diverse birds and other species. At Guandu Nature Park, water gates are opened twice a month to allow saltwater to enter the wetland. At Kaohsiung Chouchai Wetland, a floating island was constructed and wetland vegetation was improved.

Swire Coca-Cola supports the ecological recovery of Willamette watershed in Oregon, USA, by contributing to the costs of habitat management for the Bonneville Environmental Foundation. This replenishes the Willamette River with 121 million litres of treated water annually.

Since 2004, **Cathay Dragon** has raised over HK\$10 million for conservation projects in Mainland China, including protecting watersheds.

### LOOKING AHEAD

We are improving the collection and monitoring of our water consumption data. Data protocols set operational boundaries and preferred calculation methods. We are mapping water stress for our physical assets. This will help us to better align our water disclosures with the revised GRI water standard. Water intensity targets for 2030 are being developed.

### CASE STUDY

#### SWIRE COCA-COLA – SUPPORTING WATER REPLENISHMENT PROGRAMMES

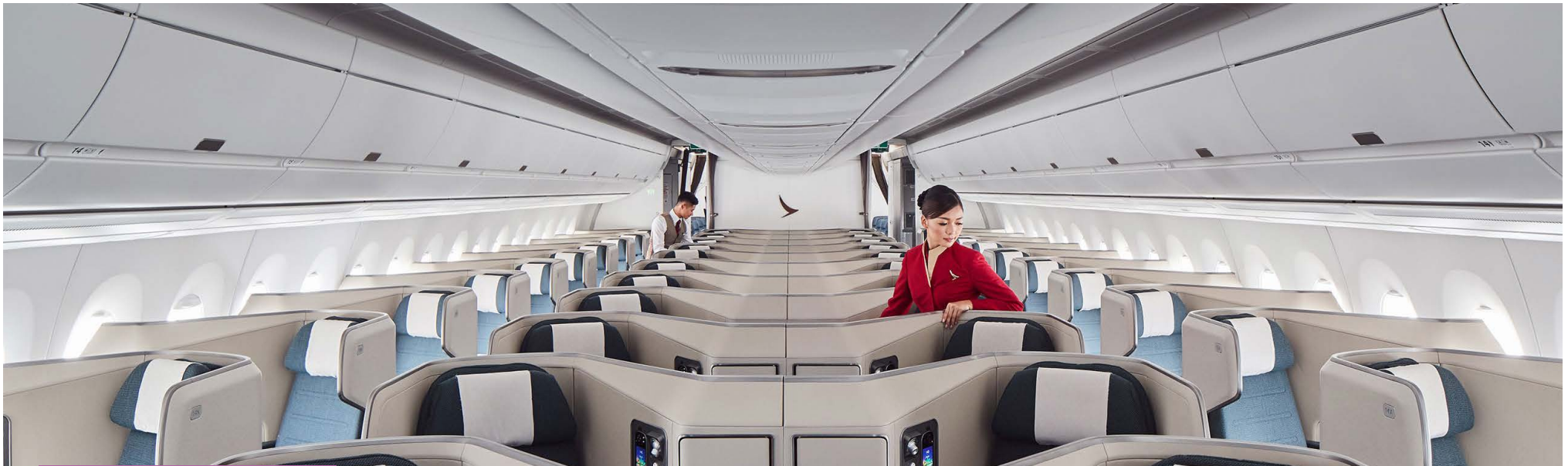


Arizona’s Verde River is an important source of freshwater for Phoenix, USA. Its flow is adversely affected by dams and diversions and is insufficient to support native fish and wildlife habitats adequately. Swire Coca-Cola has donated US\$10,000 to a water replenishment project that will reduce leakage and water loss from the Eureka Ditch, an eight-mile-long irrigation ditch in the Verde River valley. This replenishment project will install piping on the leakiest section of the ditch to reduce water lost to seepage and evaporation, replenishing 10.9 million litres of water annually.



SUSTAINABLE MATERIALS

# WHY SUSTAINABLE MATERIALS MATTER



SOURCE MATERIALS  
SUSTAINABLY

We rely on natural materials to create our products and services. The choices we make have an impact both upstream and downstream of our operations.



## SUSTAINABLE MATERIALS

By 2030, we aim to source all key materials responsibly and sustainably, in a way that does not degrade nature and ensures that the people who produce them are treated with dignity and respect. This is what our investors, those with whom we do business and the communities in which we operate expect. Consumers are demanding responsible products and looking for supply chain transparency.

### WHY ARE SUSTAINABLE MATERIALS MATERIAL TO US?

It is in our business interests to promote sustainable, fair and transparent supply chains. This includes obtaining evidence of compliance with relevant legislation and other regulatory requirements.

As supply chains become longer and more complex, sustainable sourcing limits the risk of disruption, protects our reputation and helps to ensure the continued availability of natural resources, on which our businesses depend.

We do not have a centralised procurement function. Each operating company is responsible for its own sourcing and for its own plans to meet our 2030 aim of sourcing all materials responsibly and sustainably.

### SUSTAINABLE PROCUREMENT IN PRACTICE

Our operating companies are supported by a group level Sustainable Materials Working Group, which shares best practices and develops sustainability policies and guidelines for suppliers. The working group is made up of senior procurement managers from our operating companies. The seniority of its members demonstrates the seriousness of the issue to the Swire Pacific Group.

The working group believes that sustainable procurement will give our operating companies a competitive advantage. It will strengthen our security of supply, enhance the quality of our goods and services, enhance our corporate reputation, strengthen and protect the perception of our brands and limit our impact on the environment. Businesses in our supply chains will also benefit.

The working group aims to identify opportunities for joint procurement. In using our combined purchasing power, our aim is to encourage sustainable procurement and reduce the cost of switching to green alternatives.

In 2019, the working group started to consider how to align the ways in which our operating companies evaluate sustainability risks and opportunities in supply chains.

**Our guidelines reflect international standards. Our businesses include sustainability criteria in procurement decisions where possible.**

Our operating companies are bound by our Supplier Corporate Social Responsibility Code of Conduct. It deals with regulatory compliance, forced and child labour, health and safety, environmental issues, compensation and working hours, human rights, subcontractor management, ethics and reporting.

Suppliers' compliance with the code is assessed. Our operating companies use a risk matrix based on the Code, with a view to managing and mitigating risks. The results determine which suppliers need to be audited to ensure compliance, with focus on those deemed high risk.

#### Supplementary information

**SUPPLIER CORPORATE SOCIAL RESPONSIBILITY CODE OF CONDUCT**



## SUSTAINABLE MATERIALS

### CASE STUDY

#### SWIRE PROPERTIES – EXPANDING SUSTAINABLE SOURCING



In its offices, Swire Properties uses toilet paper certified by the Forest Stewardship Council, office paper which is 100% recycled in content, biodegradable tea bags and organic tea. At Two Taikoo Place, timber certified by the Forest Stewardship Council and concrete, reinforcement bars and structural steel containing recycled content is used. At EDEN in Singapore, 80% of the bathrooms are prefabricated, reducing waste and construction time.

In its hotels, Swire Properties uses sustainable seafood that meets the WWF-Hong Kong Seafood Guide or the Aquaculture Stewardship Council guidelines. It offers plant-based meat alternatives and vegan, organic and biodynamic wines on its menus. Its toilet paper contains 90-100% recycled content.

Under our Sustainable Procurement Policy, our operating companies are required to purchase, where possible, products which do not adversely affect the environment, specifically:

- Minimal use of virgin material
- Replacement of disposables with reusables or recyclables
- Minimal environmental impact over the life of the relevant product or service
- Minimal packaging or elimination of packaging
- Reduced energy or water consumption
- Reduced or eliminated toxicity
- Avoidance of single-use disposable items
- Using things which can be recycled

Our guidelines reflect international standards. Our businesses include sustainability criteria in procurement decisions where possible.

[Supplementary information](#)

**SUSTAINABLE PROCUREMENT POLICY**





## SUSTAINABLE MATERIALS

At **Swire Properties**, a green procurement monitoring system has been in place since 2015. The system tracks consumption of office supplies, building services equipment and building materials which have been certified or accredited by independent third parties. The data is used to evaluate its green procurement performance and to identify opportunities for sourcing more sustainable products. In 2019, HK\$48 million of green products were procured.

Swire Properties tracks consumption of timber, concrete and reinforcement bars. It selects construction materials with lower embodied carbon to reduce its emissions across the lifecycle of its buildings. Earlier this year, it held a green construction materials forum for suppliers. New materials and government policies were considered. Suppliers were informed about Swire Properties' science-based carbon reduction targets.

Swire Properties subscribes to the Green Purchasing and Sustainable Purchasing Charters of the Green Council in Hong Kong.

**Cathay Pacific** is making progress in finding sustainable options for materials sourced, for example, roasted peanuts made using palm oil certified by the Roundtable on Sustainable Palm Oil. Carpets in some aircraft are made from discarded fishing nets. Pillowcases and duvet covers in business and first class are made from 100% sustainably sourced cotton.

### Related content

**BIODIVERSITY**



### CASE STUDY

#### CATHAY PACIFIC – OMNIPORK



Cathay Pacific serves OmniPork, a plant-based pork alternative developed by Green Monday, a Hong Kong company, on flights. It is made from pea protein, non-genetically modified soy, shiitake mushrooms and rice.

Pork is the most consumed meat in the world, accounting for nearly 40% of global meat production. Meat substitutes like OmniPork have smaller carbon footprints than meat and produce less waste. In October, OmniPork pasta was available for dinner in business class, on long-haul flights departing from Hong Kong.

Cathay Pacific has also served Beyond Meat, a beef alternative, in first class lounges in Hong Kong International Airport since October 2018. Experimentation with plant-based inflight meals and collecting passenger feedback will continue.



## SUSTAINABLE MATERIALS

In 2019, **Cathay Pacific Catering Services** purchased 412 tonnes of certified sustainable, traceable seafood, representing 58% of the total volume of seafood purchased, and 33 tonnes of hydroponic vegetables grown in Hong Kong, representing 18% of its total purchases of salad greens. For more information please see the Biodiversity section of this report. All of Cathay Pacific’s hygiene-related paper products and stationery is eco-friendly (FSC certified and recycled material).

**Swire Coca-Cola** has set a target to source its key agricultural ingredients from sustainable sources by 2025. This is in-line with The Coca-Cola Company’s Sustainable Agriculture Guiding Principles. These principles deal with water, energy, waste, soil management and conservation of natural habitats and ecosystems, as well as worker’s rights. Supplier compliance will be verified by a third party.

### LOOKING AHEAD

The Sustainable Materials Working Group will be:

- Reviewing our Sustainable Procurement Policy and our Supplier Corporate Social Responsibility Code of Conduct, considering the publication of the sustainable procurement standard ISO20400:2017
- Identifying critical suppliers and evaluating material sustainability risks in our supply chains
- Working with procurement teams to introduce the Swire Pacific Human Rights Policy to our suppliers
- Developing single use plastic guidelines with the SwireTHRIVE Waste Working Group

#### Supplementary information

**SUSTAINABLE PROCUREMENT POLICY**



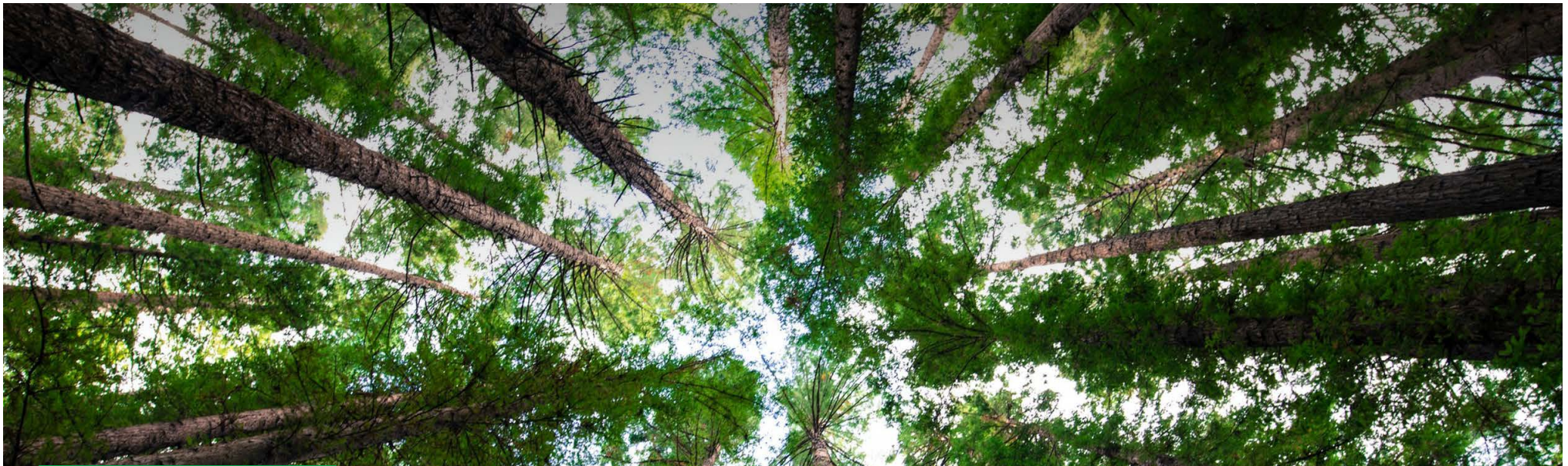
**SUPPLIER CORPORATE SOCIAL RESPONSIBILITY CODE OF CONDUCT**





BIODIVERSITY

PROTECTING AND ENHANCING BIODIVERSITY



PROTECT AND ENHANCE  
BIODIVERSITY

Biodiversity is key to a resilient natural environment. If managed well and sustainably, nature holds the key to global prosperity.





## BIODIVERSITY

However, warning after warning in major intergovernmental scientific reports (IPCC, IPBES and others) have shown a crisis of accelerating nature loss. The United Nations has estimated that human activities cause the extinction of three animal or plant species every hour – or 30,000 species a year. The science has never been clearer about the impact of human activities on nature and the consequences we will face.

### WHY IS BIODIVERSITY MATERIAL TO US?

Nature underpins our prosperity and wellbeing by providing economic value and security, supporting human development and increasing our resilience in the face of climate change. Up to 40% of the global economy is based on biological products and services. Each year, around US\$125 trillion worth of ecosystem services are provided to the global economy through drinkable water, water for industrial processes, food, fresh air, heat absorption, productive soil and forests and oceans that soak up carbon.

To help nature flourish, we need to protect and enhance the ecosystems which we affect and in which we operate.

Our businesses rely on ecosystem services provided by nature (waste decomposition, carbon sequestration and climate regulation) and on the healthy and prosperous societies that provide our customers and workforces. Our property business depends on nature for fibre, minerals, timber and building materials. Our food and beverage businesses require food and water and depend on crop pollination and water filtration. To help nature flourish, we need to protect and enhance the ecosystems which we affect and in which we operate.

### GROUP ACTIVITY ON BIODIVERSITY

Biodiversity is a key element of SwireTHRIVE because its loss affects our business. It is our policy that our operating companies pay due regard to biodiversity. We ask them to identify key biodiversity risks and to take steps to mitigate them.

Swire Pacific Offshore's vessels have ballast water treatment systems. Swire Properties uses sustainably certified timber. Cathay Pacific does not carry ivory or shark fin and serves sustainable seafood on flights.

We can always do more. We can design buildings that use sustainably sourced materials (see Sustainable materials section) and that better support wildlife. We can help to combat the trade of endangered species.

The Swire Biodiversity Working Group includes members from across our operating companies and supports the implementation of our Biodiversity Policy. It is our policy to:

- Ensure that all companies in which we have a controlling interest undertake biodiversity assessments where relevant to their operations
- Minimise the adverse impact of operations on biodiversity and ecosystems, including protecting endangered species and promoting the sustainable use of natural resources important to biological diversity
- Encourage operating companies to support relevant and appropriate biodiversity and conservation initiatives and participate in industry-specific working groups on this matter
- Promote awareness of biodiversity and conservation issues among our employees and those with whom we do business
- Promote the restoration of ecosystems important to the areas in which our businesses operate

[Supplementary information](#)

**BIODIVERSITY POLICY**



[Related content](#)

**SUSTAINABLE MATERIALS**





## BIODIVERSITY

### SWIRETHRIVE APPROACH

It will take time to develop a group plan for protecting and enhancing biodiversity, given the broad geographical spread of our operations. Here is how we propose to achieve it:

#### 1 Biodiversity assessments

In order to develop mitigation plans we want to understand how our businesses affect biodiversity. We expect our businesses to have conducted biodiversity risk assessments so as to identify biodiversity issues relevant to their facilities, operations and value chains.

#### 2 Project planning

Following risk assessments, our businesses will make plans and set targets. Planned projects may be carried out alone or with others. The projects may be small or large but must be thorough and have a positive impact.

One of the easiest ways to protect and enhance biodiversity is to consider such issues at the beginning of a major project. Swire Properties is performing an urban biodiversity study of its Taikoo Place redevelopment. The results will help to establish guidelines for other developments. The roof gardens at Swire Properties' INDIGO, Beijing and Taikoo Hui, Guangzhou, developments show how underused rooftop spaces can be used to grow edible plants and crops.

#### 3 Guided philanthropy

Philanthropy can have a major positive impact on biodiversity. As part of SwireTHRIVE we will request businesses to include biodiversity protection and enhancement in their philanthropic activities.



## BIODIVERSITY

### SUPPORTING BIODIVERSITY THROUGH SUSTAINABLE PROCUREMENT

We have catering, food manufacturing and hospitality businesses. Our food procurement practices need to be sustainable. We can conserve biodiversity by not purchasing unsustainable food items.

Our Sustainable Food Policy gives guidance about foods that should not be served at our own events or to customers. We do not serve shark fin, blue fin tuna or black moss. The policy is in line with the WWF Seafood Guide and the Convention on International Trade in Endangered Species of Wildlife Fauna and Flora (CITES). Our Sustainable Procurement Policy suggests that consideration should be given to selecting products and services that have minimal environmental impacts over their life cycles.

Cathay Pacific Group favours the use of waste as feedstock for producing biofuel, instead of other natural resources that may further burden the ecosystem. Fulcrum, a biofuel manufacturer in which Cathay Pacific has an investment, uses municipal solid waste as its biofuel feedstock. Cathay Pacific is committed to purchase 1.1 million tonnes of sustainable aviation fuel over 10 years from Fulcrum, once production has started.

#### Supplementary information

**SUSTAINABLE FOOD POLICY**



**SUSTAINABLE PROCUREMENT POLICY**



### CASE STUDY

#### CATHAY PACIFIC – SOURCING WITH CARE AND RESPECT



According to [WWF Hong Kong](#), about 90% of commercially important fisheries are either fully or over-exploited globally. While awareness about choosing sustainable seafood has increased over the years, fish stocks remain threatened and some are on the verge of collapse. As a company that regularly serves fish to our customers and staff, Cathay Pacific have been proactively addressing this challenge through responsible sourcing for almost a decade.

Cathay Pacific is a corporate member of WWF. It shares the same values, and sources and serves certified sustainable seafood on selected routes. Economy class food on flights from Europe comes from sustainable sources. Under the Cathay Pacific sustainable food policy, specific unsustainable food items are not purchased and information about where food items come from is requested.

In 2019, Cathay Pacific Catering Services purchased 412 tonnes of certified sustainable and traceable seafood. This represented 58% of its total seafood purchases. It purchased cod, lobster and scallops approved by the Marine Stewardship Council and shrimp and sea bass certified by Best Aquaculture Practices, Global Good Agricultural Practice and the Aquaculture Stewardship Council.



## BIODIVERSITY

### SUPPORTING BIODIVERSITY THROUGH SUSTAINABLE TRANSPORT

Many animals and plants are threatened with extinction because of the international trade in rare or endangered wildlife and associated products. Airlines can help combat these threats.

Over the years, Cathay Pacific has worked closely with industry associations, conservation organisations, academia and various stakeholder groups and experts to develop guidelines for its carriage practices, so that it will not knowingly facilitate the trade of any flora or fauna, or their produce, that may threaten the sustainability of any species. Its sustainable development cargo carriage policy was developed with input from these subject matter experts and references international regulations and initiatives (CITES, IATA's live animal and perishable cargo regulations and IATA's wildlife transport taskforce initiatives). The Society for the Prevention of Cruelty to Animals in Hong Kong helped to develop its greyhound carriage policy. TRAFFIC, the wildlife trade monitoring body, helped to develop its shark and shark-related carriage policy.

Cathay Pacific reviewed its Sustainable Development Cargo Carriage Policy in 2019, having regard to CITES and the policies and practices of other airlines. There will continue to be engagement with customers and others, with a view to the policy being understood and implemented. The aim is to develop the policy further to ensure its practicability and enforceability in response to major changes in the environment.

### EMBARGOES

Cathay Pacific has an Embargo List aimed at stopping animal cruelty and biodiversity loss. It does not carry hunting trophies, shark fin, ivory, cetaceans, racing greyhounds, fighting dogs, snub nosed dogs and cats and animals intended for testing purposes. Any person or organisation wishing to transport live animals using their services must sign a Shipper's Declaration Letter, certifying their compliance with Cathay Pacific or Cathay Dragon's shipping requirements. Failure to comply can result in legal penalties.

#### Supplementary information

- CITES** [↗](#)
- CATHAY PACIFIC EMBARGO LIST** [↗](#)



## BIODIVERSITY

### INTERNATIONAL DECLARATION

#### United for Wildlife Declaration



Cathay Pacific is a signatory of the United for Wildlife Transport Taskforce Buckingham Palace Declaration. The declaration requires Cathay Pacific not to facilitate or tolerate the carriage of wildlife products trade which contravenes CITES, to train employees and to share information and resources.

[Supplementary information](#)

UNITED FOR WILDLIFE



#### CASE STUDY

#### CATHAY PACIFIC – BIG CAT CONSERVATION



In January 2019, Yakalla, a Sri Lankan leopard, stopped over for six hours at the Cathay Pacific cargo terminal in Hong Kong, enroute to Canberra from Paris. Sri Lankan leopards are at risk from poaching and habitat destruction in their native land. Yakalla will be the first of several big cats to be received by zoos in Australia as part of an international breeding programme, aimed at reducing interbreeding and keeping the species' gene pool as strong as possible.



## BIODIVERSITY

### SUPPORTING BIODIVERSITY THROUGH PHILANTHROPY

In 2019, the Swire Trust contributed nearly HK\$1 million to academic institutions and NGOs to fund projects that support marine life and biodiversity. The Trust supports World Wide Fund for Nature Hong Kong's Sea for Future project. The project aims to safeguard Hong Kong's marine life and to restore fisheries by increasing marine protection areas to at least 10% of Hong Kong's waters. 31 hotspots have been identified and assessed. Please see the Community investment section for more information.

A number of our operating companies have also conducted CSR activities related to biodiversity. Swire Properties Community Ambassadors cleaned up coastlines in Hong Kong and Miami, USA. They collected over 30kg of garbage at Bill Baggs Cape Florida State Park. In Hong Kong, they collected 95.5kg of coastal trash at the Shui Hau Wan mudflats and 250kg of garbage at the Chi Ma Wan Peninsula. Swire Resources employees visited Tai O, a biodiversity rich fisherman's village in Hong Kong. They learnt about the ecological value of mangrove forests that are native to Hong Kong.

[Related content](#)

OUR COMMUNITY



### CASE STUDY

#### SWIRE GROUP CHARITABLE TRUST – EAT SUSTAINABLY



One of the key missions of The Swire Group Charitable Trust is to help safeguard fragile marine ecosystems and restore fisheries in Hong Kong and Mainland China. Asia is home to some of the richest, most diverse and productive fisheries in the world. But resources are declining fast due to excessive and destructive fishing practices, pollution and coastal development.

The Trust has been supporting the NGO ADM Capital Foundation, which encourages the growth of a sustainable seafood market in Hong Kong. Hong Kong's seafood consumption per capita is

one of the highest in the world. It is the tenth largest seafood importer in the world, importing 90% of what it consumes. The vast majority of seafood consumed in Hong Kong is not sustainably sourced.

In its [Choose Right Today](#) website, ADM Capital Foundation advises on what it means to buy sustainably, understanding eco labels, species to avoid and where to eat seafood that has been caught or farmed responsibly. Swire Trust helped to fund Safeguarding Seafood for our Future, a Hong Kong seafood industry symposium co-organised by the Foundation. Following this the Hong Kong Sustainable Seafood Coalition was formed. The Coalition has drawn up a code of conduct on responsible fish and seafood sourcing, setting minimum standards and using common, unambiguous language about seafood marketing. It wants consumers to be able to trust that seafood in restaurants and supermarkets in Hong Kong is legal, traceable and sustainable. Swire Trust supports the coalition, with a view to creating a sustainable seafood market in Hong Kong that can serve as a model the whole of China.

For further information, please contact [swiretrust@jsshk.com](mailto:swiretrust@jsshk.com).



## BIODIVERSITY

### LOOKING AHEAD

We are updating our Sustainable Food Policy and our green procurement guidelines. We are trialing, and intend to implement, a biodiversity risk assessment and reporting process for our operating companies. We are designing the process to help our businesses identify key biodiversity concerns and opportunities, to develop mitigation plans and to report on their activities.

Our Head of Sustainable Development is the Chair of the Asia Pacific Transport Taskforce of United for Wildlife (U4W). In 2019, he addressed the first global meeting of the combined U4W taskforces on transport and finance in London, with over 150 participants, in the presence of HRH the Duke of Cambridge. He outlined the progress and challenges of tackling illegal wildlife trade in the Asia Pacific region. There is a 3-year goal to embed tackling illegal wildlife trade in the business as usual operations of the members of the taskforces. The taskforces aim to increase membership, particularly among shipping lines and freight forwarders, to increase engagement with customs authorities and law enforcement agencies and to use technological advances to identify suspicious cargos and organisations.



CLIMATE RESILIENCE

# SUSTAINING CLIMATE RESILIENCE



**BUILD LASTING  
CLIMATE RESILIENCE**

Building climate resilience is a challenge we must overcome to thrive in the long term. If our businesses are to survive the next 200 or more years, we need to look to the future and be ready to adapt to change.





## CLIMATE RESILIENCE

We need to design buildings capable of withstanding extreme weather events. Seaports and airports where we have businesses must be prepared to deal with the consequences of rising sea levels.

Our operating companies are developing climate resilience strategies. By the end of this year, they expect to have identified the physical and transitional risks posed by climate change. They will then plan how best to mitigate the identified risks.

We aim to ensure that our operating companies are prepared for, and have the capacity to withstand, the negative impacts of climate change.

### WHY IS CLIMATE RESILIENCE MATERIAL TO US?

Climate change affects us and our suppliers by its impact on water, weather, sea levels, carbon regulation and taxation and energy availability and affordability.

The World Economic Forum identified failure of climate change mitigation and adaptation, extreme weather events and natural disasters amongst the top five global risks in its 2019 Global Risk Registry.

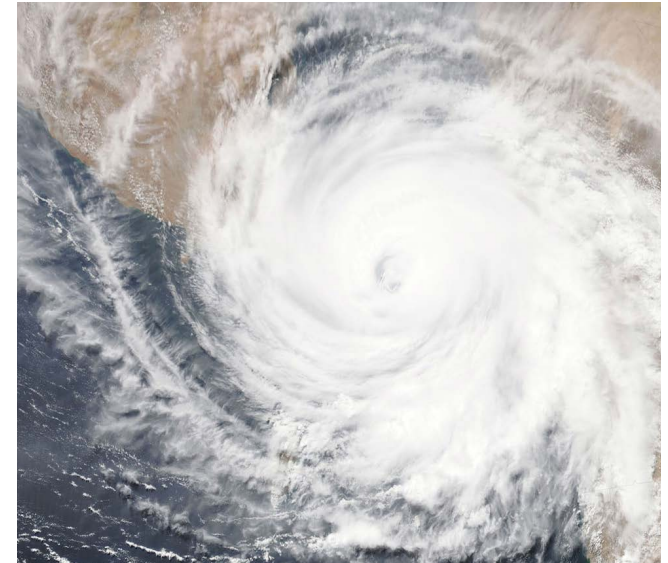
The 2018 Intergovernmental Panel on Climate Change report states that the lower the emissions generated by 2030, the lower the challenge in limiting global warming to a 1.5°C increase in average global temperature above

pre-industrial levels. It also states that global warming is likely to reach 1.5°C between 2030 and 2052, if it continues at the current rate.

These reports underline the urgency to act sooner rather than later in building climate resilience.

Stabilising the temperature increase at 1.5°C will require drastic action far beyond business as usual. Businesses will be expected to reduce emissions and to limit and adapt to climate change. Investors increasingly require climate related financial disclosures in order to understand an organisation's risks.

We are committed to reducing emissions and our exposure to climate related risks. Increasing energy self-sufficiency saves money and increases energy security.



### Supplementary information

**2019 GLOBAL RISK REGISTRY** [↗](#)

**2018 INTERGOVERNMENTAL PANEL ON CLIMATE CHANGE REPORT** [↗](#)



## CLIMATE RESILIENCE

### CLIMATE RESILIENCE IN PRACTICE

Our businesses need to identify and manage the physical risks of climate change to operations and supply chains. Regulatory risks also need to be considered, in particular those related to the transition to a low carbon economy.

Climate resilience is the ability of our businesses to prepare for, mitigate and recover from the costs and other effects of climate change. We have made climate change a core element of SwireTHRIVE because it is central to our ability to create long-term value for our shareholders.

We require our operating companies to consider climate change risks when compiling their risk registers, and to take appropriate precautionary measures. Some of our operating companies are already building climate resilience into their operations.

The Swire Climate Resilience Working Group includes members from across our operating companies and supports the implementation of our climate change policy. The policy covers climate change mitigation, adaptation and building the adaptive capacity of our businesses, our employees and the communities in which we operate. The policy requires that we:

- Reduce our carbon footprint through the establishment and implementation of long-term carbon emissions reduction targets
- Adopt industry best practices to improve energy efficiency in our operations
- Increase the use of renewable energy in our buildings through on-site energy generation, purchase of renewable energy and other methods where applicable
- Assess climate change and any associated financial and other risks and opportunities, in order to enhance our understanding of the impact of climate change on our operations
- Put in place appropriate processes and measures intended to prevent or minimise the damage that climate change may cause, and to take advantage of the opportunities that may arise
- Consider climate change in the location and design of new projects and facilities
- Address climate change risks as part of our corporate risk management
- Incorporate climate change and extreme weather events into our business continuity plans

In 2019, we reviewed available online climate risk assessment platforms. In 2020, we are starting to assess the chronic and acute physical risks posed to our assets by climate change.

### Supplementary information

#### CLIMATE CHANGE POLICY





## CLIMATE RESILIENCE

### OUR CLIMATE CHANGE MITIGATION EFFORTS

Under the Paris Agreement, national emission reduction targets are set. Businesses must do the same and so reducing our greenhouse gas emissions is a priority under SwireTHRIVE. We plan to reduce our carbon emissions, in line with long-term targets, and to achieve international decarbonisation objectives.



In 2018, Swire Properties committed to the Science Based Targets initiative, which was developed by the United Nations Global Compact, the World Resources Institute, the CDP and the WWF. The Science Based Targets initiative encourages corporations to play a substantial role in reducing global greenhouse gas emissions and aims to make science-based target setting a standard business practice by the end of this year.

In 2019, Swire Properties' science-based targets were officially approved. Swire Properties is the first real estate developer in Hong Kong and Mainland China to establish long-term decarbonisation goals in-line with the Paris Agreement.

Swire Coca-Cola will be submitting science-based targets for approval this year. Please see the Carbon section of this report and Swire Coca-Cola's own sustainability report for details. Swire Coca-Cola has committed to use 100% renewable electricity in its core operations by 2026.

Shipping and aviation were not included in the Paris climate accord because operations cross borders. However, the industries themselves have agreed emission reduction targets. Our shipping and aviation businesses are preparing for this by becoming more efficient in their use of carbon, by investing in the development of sustainable biofuels and by purchasing carbon offsets.

From 2021, international aviation emissions will be covered by the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA), which was agreed in 2016 to address carbon neutral growth for aviation. Hong Kong and Mainland China do not yet participate.

Cathay Pacific is ready to fulfill the CORSIA reporting requirements and is assessing and preparing for the impact of CORSIA when Hong Kong and Mainland China join. Accurate data is a key requirement. All necessary infrastructure and flight operation systems have been assessed to support data collection on metrics such as fuel use. In 2019, monitoring, reporting and verification of 2019 baseline emissions data began. Emissions reports were submitted to authorities in April 2020.

The International Maritime Organisation aims to reduce annual greenhouse gas emissions from international shipping by at least 50% by 2050, compared to 2008, and to try to phase them out entirely.

With Nanyang Technological University, Swire Pacific Offshore is working on Project Hafnium to assess the viability of alternative fuels for the marine sector and the feasibility of hydrogen-powered support vessels.

We are gaining experience in green technologies. We are investing in biofuels through equity interests in Fulcrum BioEnergy, Inc., Avantium N.V. and NanoSpun Technologies Limited. Swire Blue Ocean installs, maintains and decommissions offshore wind turbines. Its vessels have contributed to the installation of 2.97 GW of offshore wind energy in European waters. This figure is expected to increase to 3-3.5 GW on completion of work on the Beatrice Offshore Wind Farm off Scotland's northeast coast. More information on Swire Blue Ocean can be found on their website.

#### Supplementary information

**SWIRE COCA-COLA SUSTAINABLE DEVELOPMENT REPORT**



**SWIRE BLUE OCEAN**



#### Related content

**CARBON**





## CLIMATE RESILIENCE

These newer investments are in addition to our efforts to reduce our emissions in our established business portfolio, which stretches across Property, Aviation, Beverages, Marine Services and Trading & Industrial.

We want to reduce our overall emissions in line with international carbon reduction goals. Decarbonisation is a key challenge. Please see the Carbon section of this report for more information.

### CASE STUDY

#### SWIRE COCA-COLA – ACCELERATED WRITE-OFF OF COLD DRINKS EQUIPMENT CONTAINING CFCS AND HFCS



In May 2019, Swire Coca-Cola USA had 177,000 units of cold drinks equipment (CDE). 125,000 of them used chlorofluorocarbon (CFC) or hydrofluorocarbon (HFC) refrigerants. These refrigerants have high global warming potential (GWP) and high ozone depletion potential (ODP).

Swire Coca-Cola USA intends to eliminate the R12 units within two years and to phase out the R134a units. Hydrocarbon coolers have been purchased as replacements.

In Hong Kong, Swire Coca-Cola stopped buying CDE units using HFC at the end of 2019. It intends to retire all CDE units using CFC and HFC by the end of 2025. New CDE units will use natural refrigerants approved by The Coca-Cola Company. We currently have models of vending machine, post-mix dispenser, carboy dispenser and water station that use natural refrigerants.

Refrigerant name	GWP	ODP	Total number of units	Proportion of US CDE units
R12 (CFC)	High	High	9,592	5%
R134a (HFC)	Moderate to High	Negligible	115,428	65%



## CLIMATE RESILIENCE

### CLIMATE ADAPTATION STRATEGIES

Including climate adaptation in our business decisions will make us more resilient. Our operating companies consider climate change risks when they compile their risk registers and take appropriate measures in response.

**HAECO** is incorporating climate considerations into the design of new facilities. At the new facility in Xiamen there will be solar panels on buildings with flat roofs. Solar films on hangar roofs are being evaluated. Combined, this could generate up to 30% of the power required by the facility. The facility will have intelligent lighting control, a chilled-water air conditioning system and onsite treatment of wastewater, gas and volatile organic compounds. The facility aims to attain Gold Leadership in Energy and Environmental Design certification.

Climate change threatens access to water and its availability and quality. At **Swire Coca-Cola**, selecting the right location for new bottling plants is critical to water stewardship. For all new bottling plants, Swire Coca-Cola assesses water access, quality and quantity risks. The risks, to its own bottling operations, the environment and local communities, are assessed by independent third parties who make source vulnerability assessments. The findings are reflected in source water protection plans.

**Swire Properties** has assessed water risks to its properties in Hong Kong, Mainland China and the USA. Please see the Water section of this report for more information.

### CASE STUDY

#### SWIRE PROPERTIES – CLIMATE RISK ASSESSMENT



Swire Properties is assessing the key risks posed by climate change to its business operations and the business opportunities arising from new climatic conditions. Asset-level modelling of acute and chronic physical risks, associated with the four Representative Concentration Pathways (RCP 2.6, 4.5, 6 & 8.5) used by the Intergovernmental Panel on Climate Change, is being conducted.

The vulnerability of individual assets to flooding, heat stress, water stress and extreme wind is being considered. Global and local government policies and regulatory, technological and market trends are being reviewed on the basis of different climate scenarios, such as the International Energy Agency 2-Degree Celsius Scenario (IEA 2DS), and in consideration of the expected transition to a low carbon economy. Swire Properties intends to identify the financial impact on its business of climate change risks and opportunities. The findings will be used to mitigate climate change risks and to build climate resilience. Swire Properties' acquisition due diligence covers climate adaptation and resilience.

### Related content

**WATER**





## CLIMATE RESILIENCE

### CASE STUDY

#### SWIRE PACIFIC OFFSHORE – WINDS OF CHANGE



Three Swire Pacific Offshore vessels are assisting with the installation of foundations for 20 wind turbines off the coast of Western Taiwan, where construction of a 120-megawatt offshore wind farm kicked off in May 2019 and has been completed by the end of that year. Pacific Warlock and Pacific Valkyrie have been chartered by Seaway 7 to carry out anchor handling duties for the heavy-lift vessel, Seaway Yudin. Pacific Liberty deployed a bubble curtain at the construction site to mitigate underwater noises induced by the construction activities. Special consideration has been given to the noise abatement in lieu of the presence of species such as the Chinese White Dolphins.

### BUILDING ADAPTIVE CAPACITY

We want to improve the capacity of our businesses, our employees and the communities in which we operate to adapt to climate change. This involves having, and helping to provide access to, information, skills and physical resources. Swire Properties supports the Business Environment Council’s Low Carbon Charter for the property and construction sector in Hong Kong.

Swire Coca-Cola provides bottled water to citizens affected by natural disasters as part of The Coca-Cola Company’s Clean Water 24 emergency plan. Within 24 hours of a natural disaster, Swire Coca-Cola will identify the nearest warehouse and arrange delivery, in collaboration with local governments, supporting organisations and NGOs. During its five year involvement, Swire Coca-Cola has delivered 6.5 million bottles of water to more than 1.7 million people, with an average response time of 10.5 hours. In 2019, Swire Coca-Cola delivered 1.15 million bottles of water to 90,000 people.

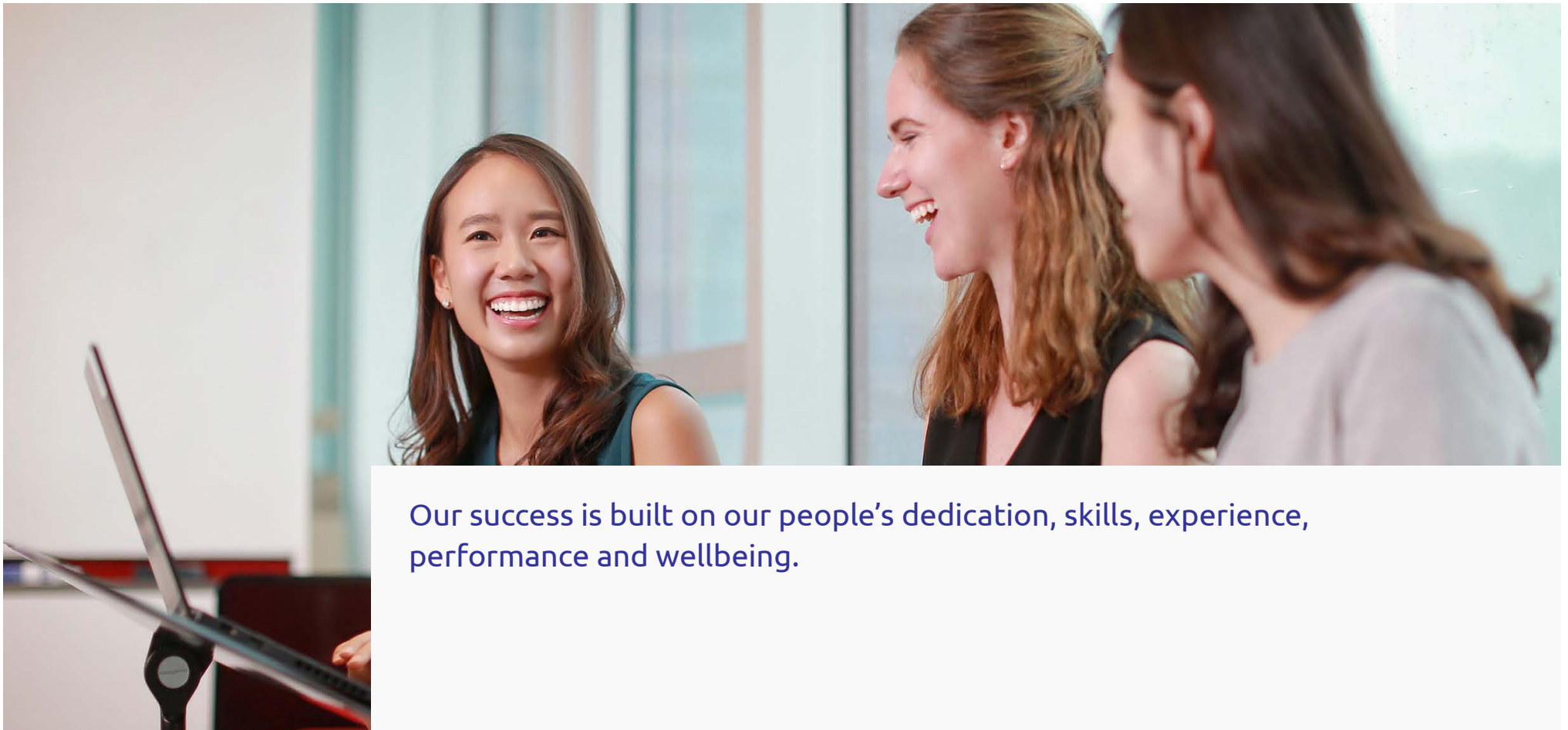
### LOOKING AHEAD

We are assessing the acute and chronic physical risks posed by climate change to our key assets and business operations under different climate change scenarios. We will also start looking at a number of drivers of change, including trend and emerging issues, which can be incorporated alongside the climate risk mapping data into our future scenario modelling. We are considering how to further incorporate climate change and sustainability more generally into our enterprise risk management and reporting, and how best to address climate change as part of our business continuity planning.



OUR PEOPLE

WHERE EVERYONE CAN THRIVE



Our success is built on our people's dedication, skills, experience, performance and wellbeing.



## OUR PEOPLE

With around 94,000 employees<sup>1</sup>, we want to be an employer of choice. Our success is built on our people's dedication, skills, experience, performance and wellbeing.

By providing an environment where everyone is treated fairly and with respect, we aim to create a diverse workforce representative of our local communities. The safety of our employees, visitors, and others with whom we interact, is a priority. So too is the health and wellbeing of our workforce.

We aim to attract the most talented people by offering competitive remuneration and benefits and providing inspiring opportunities for personal and professional development. We want to enable our employees to realise their potential.

This section describes the challenges and opportunities that we face in achieving these aims.



1. Includes permanent employees and both fixed term and temporary contractors.





EMPLOYMENT

# THRIVING EMPLOYEES



“We have a very strong set of values and stand by them in bad times as well as good.”

**Ron Mathison**  
Staff Director



## EMPLOYMENT

### **What makes Swire Pacific a top employer in the region?**

At Swire Pacific, we aim to provide rewarding and fulfilling careers. We are committed to offering fair and competitive staff compensation that will attract, motivate, retain and reward high-performing employees at all levels.

We have a very strong set of values and stand by them in bad times as well as good. We recognise the importance of providing personal and professional growth in a supportive and motivating work environment. We believe that a healthy work-life balance contributes to the overall wellbeing of our employees and helps to sustain high levels of performance.

### **What does success look like for a top-rated employer?**

High levels of job satisfaction married with high performance. High levels of staff commitment and loyalty, resulting in low defection rates. One of our core values is teamwork. The working culture is highly collaborative and there is a strong sense of community and common endeavour.

### **How important is talent attraction and retention to Swire Pacific?**

Very important. People are our greatest asset and a source of competitive advantage. It is a business imperative that we remain able to attract and retain the right sort of talent, that is required to conceive and deliver the Company's business strategy. The role of Human Resources is to equip our businesses with the requisite skills and capabilities.

### **Are you seeing any shifts in workplace expectations? How is Swire Pacific preparing for these shifts?**

We are seeing a greater importance being attached to diversity and inclusion in the workplace. Another shift in expectations is that employees want to work for a company that has a strong sense of social purpose.

There is a trend towards total rewards, where there is greater emphasis on intrinsic or experiential returns. We have always had a strong sense of social purpose, with our long-standing commitments to sustainability, our communities and our people. Our reward structure has always contained a good mix of extrinsic and intrinsic elements.



In recent years, great strides have been taken in developing greater diversity and inclusion. We have set up a Diversity and Inclusion department and published a diversity and inclusion policy and five-year plan, with clear targets and metrics. A steering group has been established and many of our human resource policies have been revamped to take account of our commitments in this area.

**Ron Mathison**  
Staff Director



## EMPLOYMENT

### WHY IS BEING A GOOD EMPLOYER MATERIAL TO US?

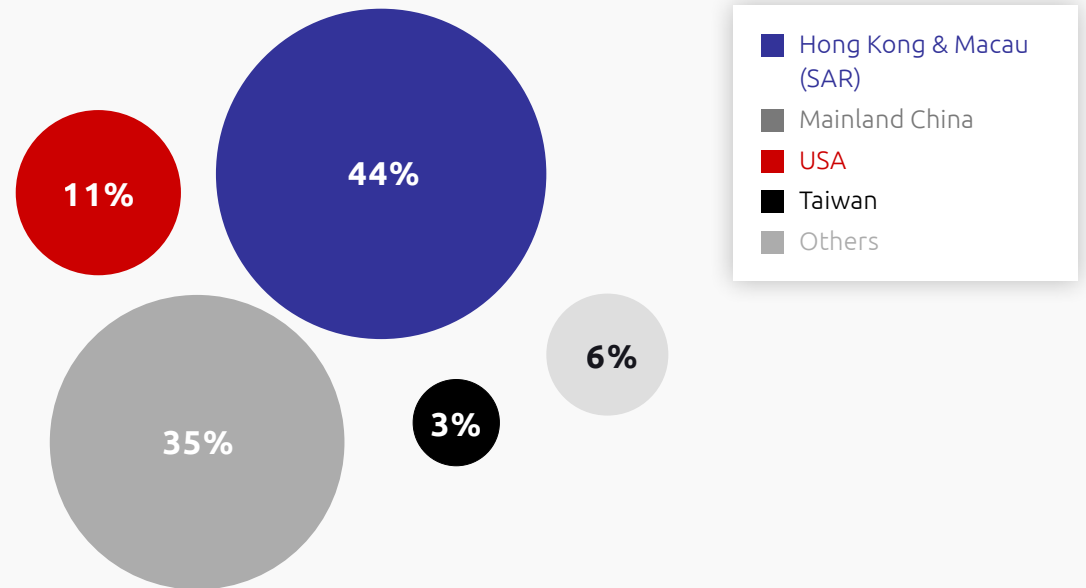
Our people are integral to our business. Our success depends on them.

We aim to attract the most talented employees by providing an environment where everyone is treated fairly and with respect. We strive to recruit the best people, to offer competitive remuneration and benefits, to provide training which enables staff to realise their potential and to have a workforce that reflects the diversity of the communities in which we operate.

### STAFF PROFILE

At the end of 2019, the Swire Pacific Group, including joint venture and associated companies, employed over 94,000 staff, an increase of 1.7% from the end of 2018. Most of our staff are based in Hong Kong and Mainland China.

#### WORKFORCE BY REGION (%)



Totals may not be the exact sum of numbers shown here due to rounding.

## EMPLOYMENT

### ATTRACTING AND RETAINING TALENT

We offer competitive remuneration and employee benefits, including medical benefits, retirement schemes, bonuses, up to 14 weeks maternity leave and five days paternity leave. The Group provides staff access to recreational facilities such as holiday homes and leisure boats.

Remuneration decisions are based on job size, roles and responsibilities, individual and business performance and conditions in the employment markets and economies in which we operate.

We try to recruit locally, searching the local market before looking internationally. Vacancies are open first to our own people, then locally and finally overseas. Cathay Pacific aims to increase the proportion of local pilot cadets to 50%.

We continue to refine our people recruitment strategies, so we can continue to attract the best talent in the market. In 2019, Swire Properties and Cathay Pacific introduced digitalised recruitment platforms.

But, it is not just about recruiting the best talent, it is about retaining them.

New staff receive presentations on the organisational structure and history of the Group and its principal operations, as well as briefings on our Corporate Code of Conduct, our SwireLIVE group intranet and our staff association. Familiarisation visits to other group businesses are made.

We do our best to ensure that employees receive regular, objective, fair and open assessments of their performance and are rewarded accordingly.

In 2019, Swire Properties started to ask its office employees to align their performance goals with Swire Properties' SD 2030 business and sustainability strategy. It reviewed the remuneration of its employees in Mainland China with a view to ensuring it is both internally fair and externally competitive.

Cathay Pacific's new brand values, thoughtful, progressive and can-do spirit, are linked to its Work Well Done employee recognition programme, helping to bring these values to life. Senior leaders at Cathay Pacific give thank you cards, lounge passes and upgrade vouchers to recognise staff for doing something exceptional and being excellent role models.

### Supplementary information

**CORPORATE CODE OF CONDUCT**



### CASE STUDY

#### CATHAY PACIFIC – NIKI AND BETSY AWARDS



Every year, Cathay Pacific holds its Niki and Betsy awards. In the 1940s, Niki and Betsy were Cathay Pacific's first two aircraft. In 2019, 15 Niki and 15 Betsy winners were chosen from hundreds of submissions and celebrated at an awards ceremony in Hong Kong. The Niki award winners work behind the scenes and are rewarded for their exceptional efforts and behaviour. The Betsy awards are presented for exceptional customer service. The winners embody the Cathay Pacific brand and have shown what it takes to deliver world leading service.

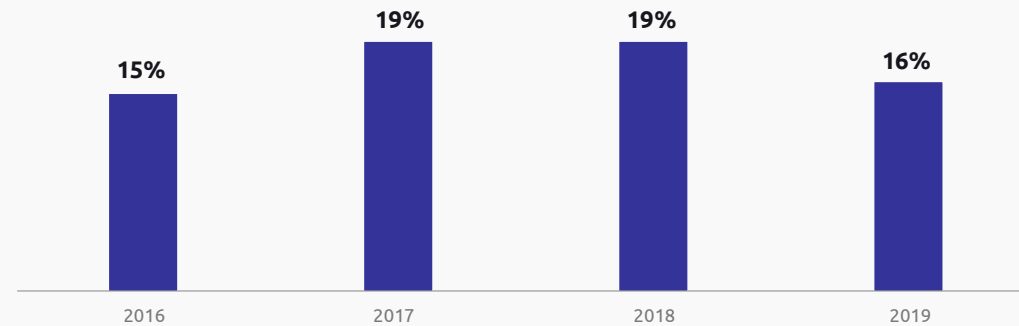


## EMPLOYMENT

In 2019, for the fourth consecutive year, Swire Properties was named one of the top three companies to work for in Hong Kong by the Randstad Employer Brand Awards. 75 of Hong Kong's largest companies competed in the awards. The results reflected the opinions of 3,700 local employees and job seekers. Swire Properties was cited for its career progression opportunities, its pleasant working atmosphere and its use of the latest technologies.

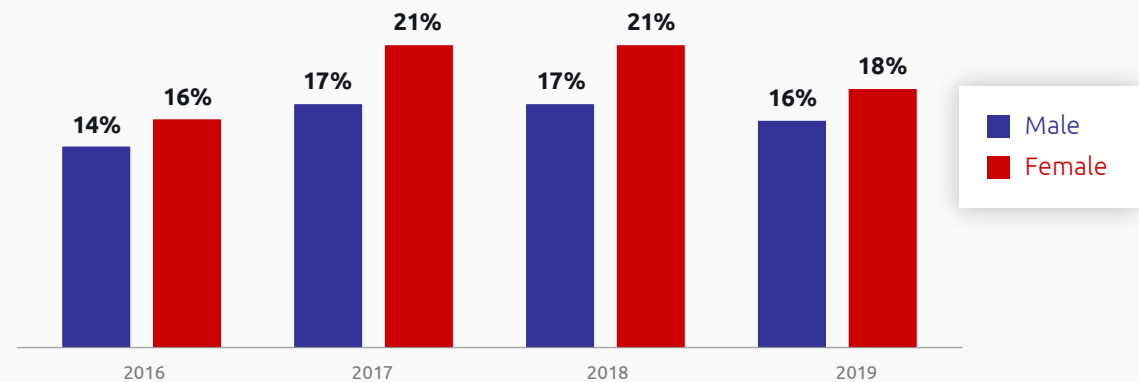
Staff turnover is monitored with a view to identifying and managing problems as they arise, and to retaining our talented employees. The staff turnover rate fell from 19% in 2018 to 16% in 2019.

### TOTAL VOLUNTARY TURNOVER RATE OF PERMANENT EMPLOYEES (%)



\*Permanent employees only

### TURNOVER BY GENDER (%)



\*Permanent employees only



## EMPLOYMENT

### THRIVING EMPLOYEES

Our Code of Conduct demonstrates our commitment to treat all employees fairly and equally, to be an equal opportunity employer and to make ethical decisions on matters which affect our employees, those with whom we do business and the communities in which we operate. The code provides our employees with guidance on how to conduct themselves in an ethical manner.

In accordance with our Code of Conduct, we do not tolerate unlawful discrimination or harassment in the workplace. Employees must comply with applicable employment and other laws. We provide staff with training on their rights and obligations under Hong Kong anti-discrimination legislation. More information can be found in the Diversity and inclusion section of this report.

We focus on the employee journey, from arrival to departure, including training, performance management and engagement. Our goal is to enable our employees to flourish, encouraging them to take pride in our culture and to give them an experience which inspires them to do their best for our businesses.

The Group has a flexible working policy. Introduced in 2019, it covers compressed and staggered working hours, part time working, remote working and sabbaticals.

We believe in open and timely communication with our employees on matters affecting them. We aim to enhance communication and understanding and to enable views to be heard and considered appropriately. For our businesses with trade unions, we work to continue to build constructive and productive relations with employee representatives.

Employees can use our 24-hour counselling and consultation services. Our Employee Assistance Programme offers in-person counselling and a 24-hour support hotline. We arrange talks and training sessions on mental and emotional wellness and the balance between work and non-work elements of life.

Under our employee assistance programme, employees can receive counselling about concerns or difficulties at work and in their personal and family lives. Individual professional advice and coaching is provided.

Through our personal assistance and outplacement service, we provide professional counselling for employees who have received notice of termination of their employment, until up to six months after termination. The service is designed to help them in searching for new jobs and to adjust to their change of circumstances.

Our wellness promotion programmes organise talks and seminars aimed at increasing awareness of, and promoting, the mental, emotional and psychological wellbeing of our employees, with a view to improving their personal and professional effectiveness. More information can be found in the Health and safety section of this report.

### Supplementary information

**CORPORATE CODE OF CONDUCT**



**FLEXIBLE WORKING POLICY**



### Related content

**DIVERSITY AND INCLUSION**



**HEALTH AND SAFETY**





## EMPLOYMENT

### CASE STUDY

#### SWIRE HONG KONG STAFF ASSOCIATION



As a way of building community and a sense of belonging, Hong Kong based employees can choose to join the Swire Hong Kong Staff Association. The Swire Hong Kong Staff Association organises and sponsors sports and recreational activities, classes for interest groups and community services. It obtains discounts for events and products, hand sanitiser for example. In 2019, it organised over 60 activities. There were more than 6,000 participants at its annual event at Ocean Park.

### CASE STUDY

#### GROUP PRE-RETIREMENT WORKSHOPS



To help employees understand and prepare for their retirement, we organise pre-retirement workshops. The aim is to give participants an understanding of what changes will happen when they retire, and how to cope with these changes, providing them with skills and knowledge intended to enable them to have a meaningful life in retirement.

Counsellors, a financial planner and insurance brokers run the workshops. Nutrition and health, financial planning and medical insurance are covered.

### ENGAGING WITH OUR EMPLOYEES

We communicate with our people through our intranet, social media, newsletters, surveys, informal gatherings and staff forums. By doing so, we tell people what is happening in the Group.

Cathay Pacific has a bi-monthly magazine called The Journey and face to face forums for employees to hear from senior leaders. In 2019, an intranet called The Hub was launched, which contains company news, events, up-to-date documents and quick access to systems and platforms. They also have an annual online employee engagement survey. 40% of employees completed the survey in 2019. Shorter, twice-yearly, pulse surveys also take place to keep up with their people's sentiments.

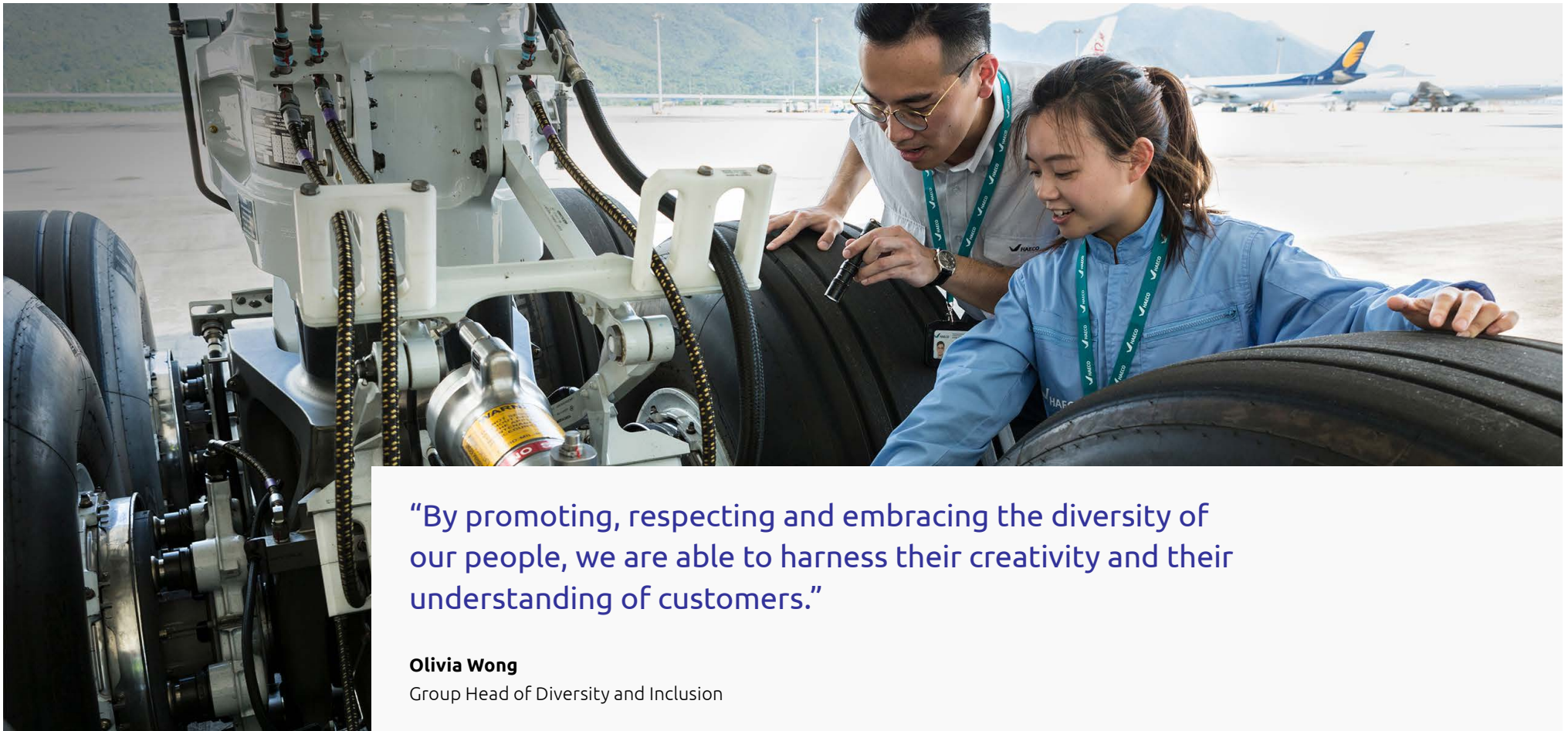
### LOOKING AHEAD

In 2020, the staff department is reviewing our parental leave policy and will perform an employee engagement survey.



DIVERSITY AND INCLUSION

CREATING A VALUABLE CULTURE



“By promoting, respecting and embracing the diversity of our people, we are able to harness their creativity and their understanding of customers.”

**Olivia Wong**  
Group Head of Diversity and Inclusion





## DIVERSITY AND INCLUSION

### What does diversity and inclusion mean to Swire Pacific?

Being a conglomerate with businesses in different industries and geographical areas makes us naturally diverse.

We believe in equal opportunities for all our employees and that our businesses will benefit from the diversity of our people.

We understand that inclusion is a choice. We are committed to creating an inclusive and supportive working environment for all our people, regardless of their age, gender and gender identity, sexual orientation, relationships, family status, disability, race, ethnicity, nationality or religious or political beliefs.

### How does building a diverse and inclusive culture at Swire Pacific create value?

We need to ensure that our people reflect our customers and the communities in which we operate. By promoting, respecting and embracing the diversity of our people, we are able to harness their creativity and their understanding of customers. This enables our

businesses to provide products and services that meet our customers' needs and supports the communities in which we operate, by employing and developing a pool of talented people.

### The Swire Pacific diversity and inclusion strategy focuses on five key areas of diversity. Why were these specific areas chosen?

We have developed a diversity and inclusion strategic framework with three goals, five diversity focus areas and a five-year plan.

The three goals are to build a diverse and inclusive workplace environment, to be recognised and ranked as a diversity and inclusion leader in the areas where we operate and to use our influence to promote diversity and inclusion in our supply chains.

We have five diversity focus areas: gender and gender identity, ethnicity, age, disability and sexual orientation. These are considered to be primary diversity areas. They are tangible attributes or characteristics that everyone can identify with. In order to create an inclusive workplace, we need to ensure that we embrace, respect and encourage the differences that they represent.



**Olivia Wong**  
Group Head of Diversity and Inclusion



## DIVERSITY AND INCLUSION

### WHY IS DIVERSITY AND INCLUSION MATERIAL TO US?

We want to create an inclusive and supportive working environment for all our people, regardless of their age, gender and gender identity, sexual orientation, relationships, family status, disability, race, ethnicity, nationality or religious or political beliefs. We believe in creating an environment where people feel comfortable at work and are able to realise their full potential.

Our people are diverse in age, gender, ethnicity, sexual orientation, disability and cultural and socio-economic background. Being inclusive is to accept differences. We need to make conscious decisions to embrace and respect people who might not be the same as us.

Innovation and creativity happen when people from diverse backgrounds work together. By promoting diversity and inclusion, we will be able to attract and retain people who can further our organisation. This benefits the individual, the communities in which we operate and society as a whole. These are the rewards of inclusion.

Our aim is for our workforce to be inclusive and to reflect the diversity of the communities in which we operate. This is to benefit our businesses, those with whom we engage and the aforementioned communities.

### PROMOTING DIVERSITY AND INCLUSION

We want to be a responsible, respected and preferred employer. We aim to do this by promoting inclusion, diversity and respect. We safeguard health and safety, endeavour to offer equal opportunities and support an appropriate work-life balance. Our Code of Conduct supports these aims.

We are geographically diverse. Our approach to inclusion must take account of the different societies and cultures in the countries in which we operate. We must be sensitive to differences in values, traditions and religions and must respect local approaches to diversity and inclusion. Individual operating companies are encouraged to develop specific approaches to diversity and inclusion for local implementation.

In 2019, we introduced our diversity and inclusion strategic framework. It has three goals, five diversity focus areas and a five-year plan.

The three goals are to build a diverse and inclusive workplace environment, to be recognised and ranked as a diversity and inclusion leader in the areas where we operate and to use our influence to promote diversity and inclusion in our supply chains.

### Supplementary information

**CORPORATE CODE OF CONDUCT**





## DIVERSITY AND INCLUSION

The five diversity focus areas are:



### Age

We pledge to create an age-neutral and multi-generational workplace.



### Gender

We pledge to narrow the gender gap at all levels and to ensure that gender barriers and biases are eliminated.



### Sexual orientation

We pledge to create an inclusive environment where individuals are able to bring their full selves to work without fear of discrimination or reprimand.



### Disability

We pledge to increase the accessibility of the workplace to create a comfortable environment for everyone.



### Ethnicity

We pledge to build a workplace where people of all ethnic and cultural backgrounds are respected and encouraged to collaborate and contribute.

Swire Pacific has set a target to have 30% of senior management roles held by women within five years. Following the launch, each operating company is looking at how they can support the Group in reaching this target. Swire Coca-Cola and Swire Properties are focusing on improving gender ratios in frontline roles.

Swire Coca-Cola has set a target to have 50% of leadership positions, manager level and above, and 30% of senior management positions, general manager level and above, held by women by 2030. Progress is monitored bi-monthly. Each bottling plant has its own steering committee which pursues these targets.

Cathay Pacific has joined the IATA's 25by2025 campaign, which aims to improve female representation in the airline industry by 25%, or up to a minimum of 25%, by 2025. Cathay Pacific has set a target for women to account for 10% of pilots by 2023.



## DIVERSITY AND INCLUSION

### GOVERNANCE STRUCTURES

In 2018, we established a Diversity and Inclusion Development department and appointed a Head of Diversity and Inclusion Development, reporting to our Staff Director. Following this appointment, we formed the Swire Pacific Diversity and Inclusion Steering Committee (DISC), which replaced our equal opportunities and diversity council and our gender diversity committee.

The Swire Women’s Network continues in existence and aims to enhance our ability to retain potential future female leaders, by supporting the advancement of women’s careers. It organises events, creates development opportunities, researches and develops policies and builds relationships with male allies and NGOs.

DISC reports to the Chairman and is jointly chaired by the Swire Pacific Finance Director and the John Swire & Sons (H.K.) Limited (JS&SHK) Staff Director. The other members of DISC are the staff department directors of Swire Properties, Cathay Pacific, HAECO, Swire Coca-Cola and Swire Pacific Offshore, a director in our Trading & Industrial division, the head of the JS&SHK staff department and the Group Head of Diversity and Inclusion.

DISC’s responsibilities are as follows:

- to provide Group guidelines about diversity and inclusion
- to formulate policies designed to promote a diverse workforce and an inclusive working environment for all our employees, with a view to ensuring that our companies are regarded as employers of choice
- to recommend policies designed to deal with specific diversity and inclusion difficulties in the places we operate
- to research and provide examples of international best practice on diversity and inclusion
- to share best practices and raise awareness of diversity and inclusion issues within the Group
- to coordinate consistent diversity and inclusion communications
- to monitor, measure and communicate our diversity and inclusion achievements
- to encourage and advocate sound diversity and inclusion practices

Swire Properties, Cathay Pacific, HAECO, Swire Coca-Cola, Swire Pacific Offshore and our Trading & Industrial division have their own diversity and inclusion committees. HAESL has a women’s network. Cathay Pacific has women’s and LGBT+ networks.

The responsibilities of the committees include ensuring equal opportunities, advocating fair and bias-free processes for recruiting, developing and promoting employees and monitoring and reporting successes.





## DIVERSITY AND INCLUSION

### EQUAL OPPORTUNITIES FOR A DIVERSE AND INCLUSIVE WORKFORCE

We have a Group Diversity and Inclusion Policy. The policy represents our commitment to creating an inclusive and supportive working environment for all our people, regardless of their age, gender and gender identity, sexual orientation, relationships, family status, disability, race, ethnicity, nationality or religious or political beliefs. Under the policy, spousal employee benefits, such as medical, insurance and travel, have been extended to same sex spouses with valid marriage certificates.

We are an equal opportunities employer. We aim to treat people with dignity and respect to enable them to be themselves and work at their best. Individuals are unique and deserve respect for their individual abilities. We do not tolerate harassment, unlawful discrimination or other breaches of employment law. We have an equal opportunities policy. We provide training to help staff to understand their rights and obligations under Hong Kong anti-discrimination legislation.

To cope with the diverse challenges we face, our leaders must be diverse. This strengthens decision-making and makes us more agile and resilient. Our Board Diversity Policy is available here on our website. At the end of 2019, the percentage of women on our Board was 18%.

### CHANNELS FOR REPORTING HARASSMENT OR DISCRIMINATION

Everyone at Swire Pacific has a responsibility to raise concerns about harassment and discrimination. Such concerns can be raised by staff with their immediate superiors, their department heads and internal audit or staff departments.

If a substantive complaint is received, an impartial and prompt investigation is held. If the issue remains unresolved, it is raised to the head of the relevant business unit. Any material concerns raised through the head of the relevant business unit are reported to the Audit Committee, which ensures that appropriate investigative steps are taken.

We do our best to keep the identity of reporting members of staff confidential. Information received is used only for the purposes of investigating and resolving the complaint or concern raised. Swire Pacific Offshore has a confidential harassment and discrimination hotline.

#### Supplementary information

[DIVERSITY AND INCLUSION POLICY](#)



[BOARD DIVERSITY POLICY](#)



### CASE STUDY ACCESSIBILITY ASSESSMENT



In 2019, the NGO CareER conducted an assessment in offices at Taikoo Place and Pacific Place to evaluate their accessibility and ease of use. This was performed from the perspective of a wide range of potential users, including people with disabilities. CareER concluded that the office facilities provided reasonable accommodation for people with different needs and suggested some minor improvements. It was reported that Swire Properties' building management team provided excellent support for differently abled people.

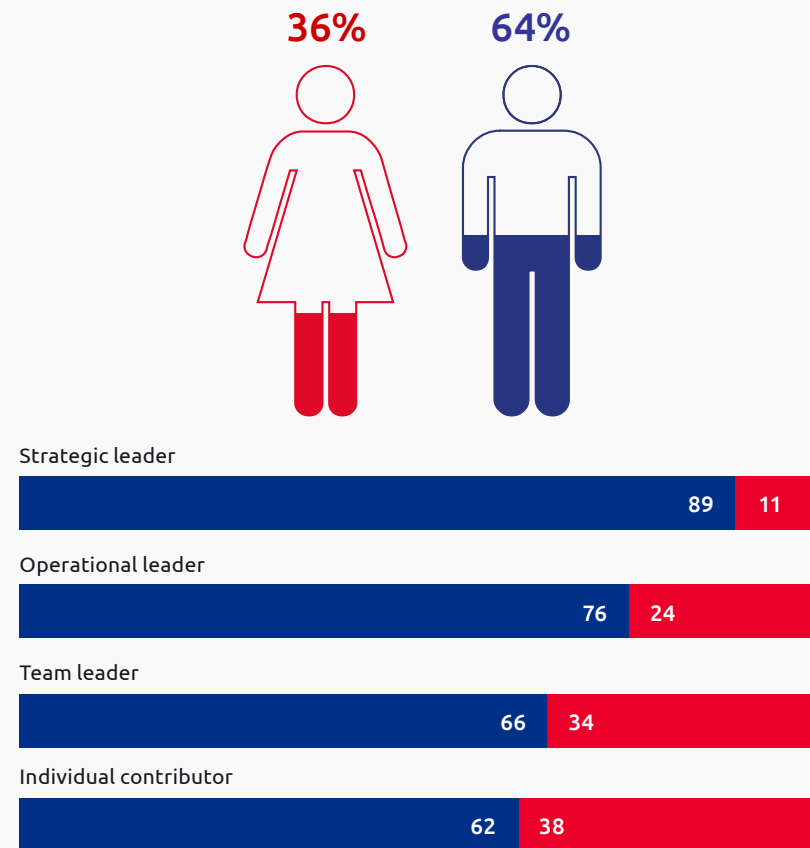


DIVERSITY AND INCLUSION

INCREASING GENDER DIVERSITY

In 2019, women represented 36% of our workforce. Our gender diversity gap is widest at the most senior level. We must do more to build a pipeline of and support future female leaders.

EMPLOYEE BY GENDER AND EMPLOYEE CATEGORY IN 2019 (%)



Cathay Dragon's cabin and cockpit crew are not included in this analysis because they categorise their employees differently from Swire Pacific.

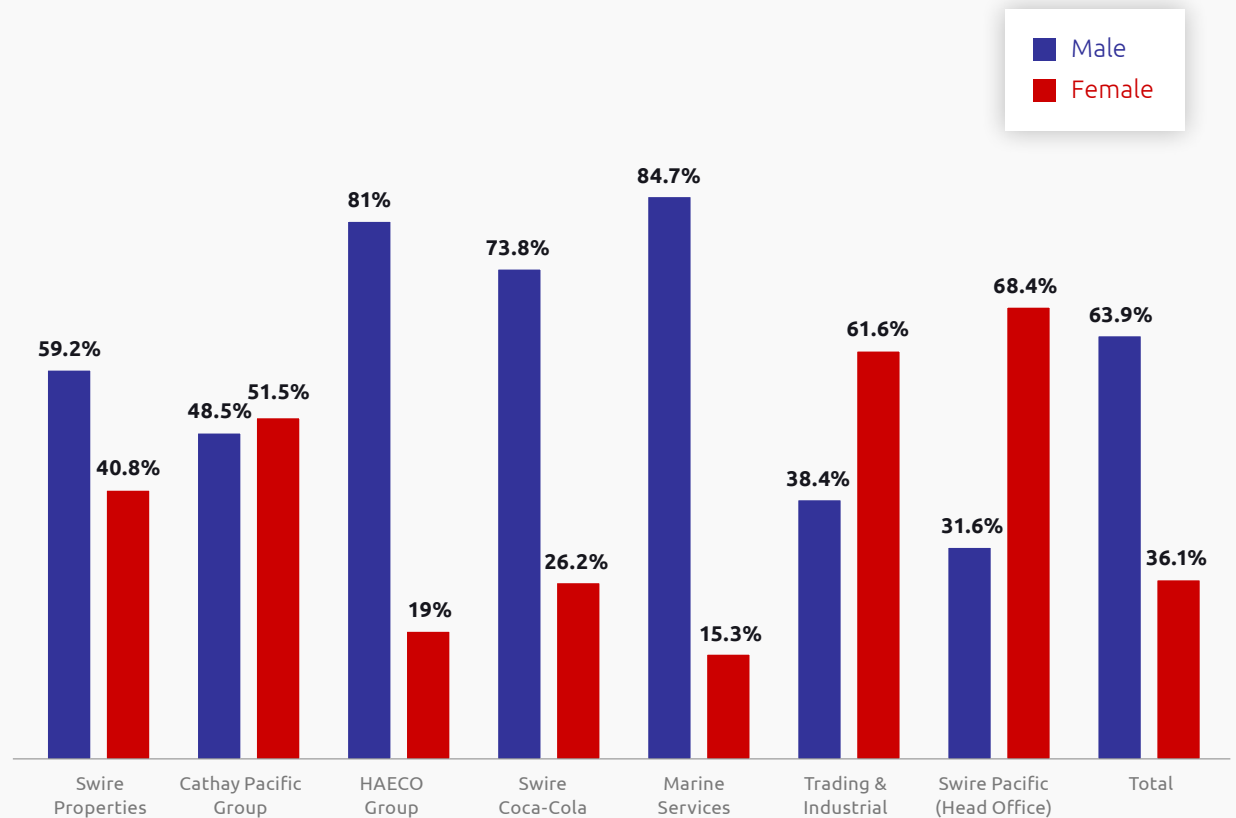


### DIVERSITY AND INCLUSION

We operate in some business sectors in which female participation in the workforce is low. Only 15.3% of employees in our Marine Services division are women.

We publish our gender pay gap annually and report on what we are doing to improve diversity and inclusion in our businesses.

EMPLOYEE BREAKDOWN BY GENDER BY OPERATING COMPANY (%)



Cathay Dragon's cabin and cockpit crew are not included in this analysis because they categorise their employees differently from Swire Pacific.



## DIVERSITY AND INCLUSION

### UNCONSCIOUS BIAS TRAINING

Deeply ingrained stereotypes can give rise to unconscious biases and so unintentionally affect our behaviour toward others. Unconscious bias training is an important step towards eliminating discrimination by exposing these unconscious biases.

At Swire Pacific, unconscious bias training has been given to those recruiting group management trainees.

Swire Coca-Cola is conducting unconscious bias training for managers in Mainland China, Taiwan and the USA. 715 managers in Mainland China and Taiwan have received this training. All 1,431 managers in Mainland China and Taiwan are expected to have received this training by the end of 2020. Supervisors and frontline sales representatives are starting to be trained.

At Cathay Pacific, nearly 700 employees involved in recruitment and promotion have received unconscious bias training.

Swire Properties has conducted unconscious bias training for all directors. The Trading & Industrial division will shortly hold unconscious bias training workshops.

### FLEXIBLE WORKING

We believe that flexible working can contribute to a more inclusive work environment, improved productivity and a better balance between work and personal life. In so doing, it improves the engagement of our employees and their ability to reach their full potential. This in turn benefits our businesses.

In 2019, Swire introduced a Group Flexible Working Policy. Flexible working practices within the scope of this policy are compressed working hours, part-time

work, staggered working hours, sabbaticals and remote working. Swire Properties, Cathay Pacific, HAECO, Swire Coca-Cola, Swire Pacific Offshore and some companies in our Trading & Industrial division have flexible working arrangements.

[Supplementary information](#)

**GROUP FLEXIBLE WORKING POLICY**



### CASE STUDY

#### INTRODUCING THE TAIKOO WOMEN'S INSPIRE NETWORK, TAIKOO WIN



Taikoo WIN is a business network established by Swire Properties and two of its Taikoo Place tenants. It aims to connect and create a community in support of women working for professional firms and companies based in the Taikoo Place area. It has more than 200 individual and 47 corporate members.

Taikoo WIN's first events were named, 'She Inspires'. Fireside chats were led by inspiring and pioneering women who shared their unique professional journeys. Taikoo WIN aims to invite role models to explain how gender stereotypes can be broken. Simone Storey, a captain at Cathay Pacific, was welcomed to talk about her career experiences.



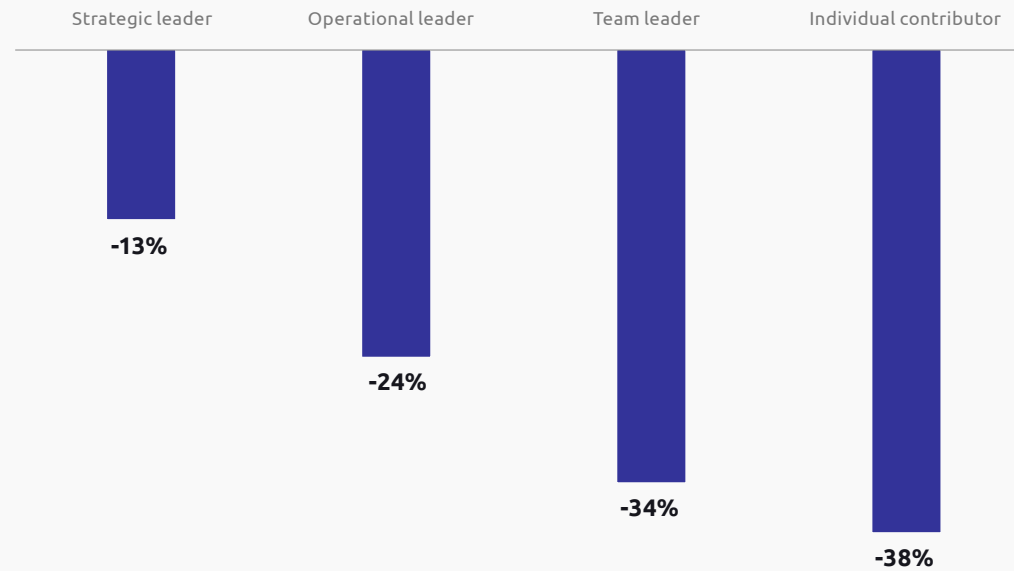


## DIVERSITY AND INCLUSION

### THE GENDER PAY GAP

UK employers with more than 250 employees have to report their gender pay gap. We performed a preliminary study of our gender pay gap, defined as the difference between mean male pay and mean female pay expressed as a percentage of the former. This is not the same as equal pay, which is when men and women are paid the same for the same work.

### GENDER PAY GAP BY EMPLOYEE CATEGORY (basic salary)



## DIVERSITY AND INCLUSION

In 2019, women in strategic leadership positions were paid 87% of the average pay of men. Women in operational management positions were paid 76% of the average pay of men. The corresponding percentages for team leaders and individual contributors (non-management) positions were 66% and 62% respectively.

We pay men and women the same for doing the same jobs, but the gender pay gap indicates that we need to do more to enable women to progress. Women are over-represented in junior and lower paid roles. We emphasize diversity and inclusion in the recruitment, management and promotion of our talented people.

### CASE STUDY

#### INTERNATIONAL WOMEN'S DAY



The 2019 International Women's Day took the theme, 'Balance for Better', launching a year-long campaign aimed at building a gender-balanced world.

To mark the occasion, the Swire Women's Network hosted their biggest and most successful event to date at ArtisTree in Taikoo Place. Attended by representatives from across Swire Pacific, the event was a great opportunity for staff to come together to discuss the topic of gender balance and to understand how we can influence positive change, as a group and individually.

On the day, attendees heard from a range of speakers who talked about what 'Balance for Better' means to them on a personal and professional level. Guest speakers included Jane Morgan, Managing Director of PR agency, Golin, Lindsey McAlister, founder of the Hong Kong Youth Arts Foundation, Kerry Peirse, Cathay Pacific's General Manager, IT Infrastructure and Operations, and sponsor of the 'Fly with Pride' campaign and Clarence Yang, Chief of Staff and Head of Strategic Partner Programme at BlackRock.

Three talented female leaders, Candy Cheng, Chairperson of the Gai Wu Rugby Football Club, Theresa Chong, Swire Coca-Cola HK's Human Resources Director and Carrie Lau, HAECO Strategic Procurement General Manager, then led a panel discussion on what it is like to work in a predominantly male environment.

Later, Swire Pacific operating company CEOs took to the stage to share their views on creating greater balance in the workplace and how they, as leaders, are focusing on diversity and inclusion. The event received overwhelmingly positive feedback from staff, with the take-home message from the day echoing the theme of International Women's Day 2019 that 'Balance drives a better working world'.

## DIVERSITY AND INCLUSION

### OTHER DEVELOPMENTS

We are making progress in diversity, but we need to do better, and plan to do so. In 2019, we took the following actions:

- JS&SHK, Cathay Pacific, Swire Properties, Swire Coca-Cola and HAECO became signatories to the Racial Diversity & Inclusion Charter for Employers, drawn up by the Hong Kong Equal Opportunities Commission. The Charter promotes equal opportunities in employment for racial minorities and encourages racial diversity in the workplace.
- Led by senior management, staff from JS&SHK, Cathay Pacific, Swire Coca-Cola and Swire Pacific Offshore dressed in pink on Pink Friday, to show their support for our LGBT+ colleagues. Pink cupcakes and cookies were served.
- We supported the Women's Foundation's Girls Go Tech Programme, its 30% Club, its 15<sup>th</sup> anniversary Gender Equality Summit as well as its International Women's Day event.
- We sponsored FLEXImums' Gender Equity Conference and the She Loves Tech startup competition to showcase and fund technologies for and by women.

- Cathay Pacific will sponsor the Hong Kong 2022 Gay Games. Cathay Dragon formalised its female pilot advisory group. A Cathay women's network was established. Cathay Pacific was included in the community business LGBT+ index. At the anniversary celebrations of its FlyWithPride network, the FlyWithPride Allies Programme was launched.
- Swire Coca-Cola introduced its Male Allies initiative, encouraging men in leadership positions to advocate for and sponsor the women around them.

- Swire Coca-Cola's Be the Best You Can Be training programme helped female managers to be more aware of gender equality issues and of the need to empower and support other women. Over 1,000 managers from Mainland China and Taiwan have participated in the programme. In Mainland China, Swire Coca-Cola introduced the LEAN IN – Sisterhood Programme to connect women in different functions and bottlers in small support groups.

### CASE STUDY

#### SWIRE COCA-COLA – MALE ALLIES NETWORK



Men play a crucial role in advancing gender equality. Men who embrace the need for gender equality see improvements in their own work and family lives as well as at the workplace. The positive impact of engaging male allies as supporters and drivers of change is indisputable.

In 2019, Swire Coca-Cola introduced its Male Allies initiative. Male Allies are male staff who use their influence and engage personally to advance and advocate gender equality. 14 bottling plants have Male Allies. Over 700 men have signed up to the role.



## DIVERSITY AND INCLUSION

- Swire Coca-Cola China won the Excellent Organisation & Employee Health Award at the 2019 Best Employer of Excellent Workplaces Awards. Swire Coca-Cola China was recognised amongst more than 1,000 entrants for its efforts to provide a nurturing work environment and particularly for its promotion of gender equality in the business.
- Swire Pacific Offshore is a member of the Women's International Shipping & Trading Association (WISTA) Singapore chapter. WISTA's objective is to attract and support female managers in the maritime, trading and logistics sectors.
- Our Trading & Industrial division started a male allies network on International Men's Day.

### LOOKING FORWARD

With our diversity and inclusion strategic framework in place, our 2020 goal is to work on an action plan.

Operating companies will treat diversity and inclusion as a priority and establish their own diversity and inclusion committees where they do not yet exist. Diversity and inclusion questions will be included in staff engagement surveys.

We will introduce a third-party platform for whistleblowing. We will review flexible working data and try to improve the way in which we operate flexible working. We will review our maternity and paternity leave policies and propose a parental leave policy that recognises different family make-ups. We are reviewing our staff policies to ensure they are inclusive in language and practice.

We will continue to support NGOs and events that promote diversity and inclusion.



## TRAINING AND DEVELOPMENT

# THRIVING PEOPLE FOR A THRIVING ORGANISATION



“We believe we need to invest in our people assets just like any other asset class. We have our own in-house training business called Ethos International. We have invested in state of the art training facilities at One Taikoo Place and at the Lantau Leadership Centre.”

**Ron Mathison**  
Staff Director



## TRAINING AND DEVELOPMENT

### **Why is training and development important to an organisation like Swire Pacific?**

We believe we need to invest in our people assets just like any other asset class. We have our own in-house training business called Ethos International. We have invested in state of the art training facilities at One Taikoo Place and at the Lantau Leadership Centre. In addition to in-house training, we send our business leaders to attend specially tailored courses at INSEAD business school and Stanford University.

### **Beyond simply providing training, what is Swire Pacific doing to develop its people and prepare the managers of the future?**

In addition to training, we provide our management with coaching, mentoring, career development centres, 360-degree feedback, psychometric evaluation and on-the-job learning. One of the key features of our approach to developing our people is the use of job rotations across different functions, businesses and geographies. We offer a broad range of career development options which helps to nurture talent, making us a more attractive employer.

#### **Ron Mathison**

Staff Director





## TRAINING AND DEVELOPMENT

### WHY IS TRAINING AND DEVELOPMENT MATERIAL TO US?

There is an expectation that businesses will contribute to employment, skills and technical capacity in the markets where they operate. Today's socially conscious employees want purposeful, rewarding careers that contribute social, economic and environmental value. Creating meaningful employment is one of the most significant ways that a business contributes to the livelihoods of individuals and communities.

Engaging and inspiring our workforce boosts productivity and increases our appeal to those who seek purposeful careers. An agile and well trained workforce can respond to changes in the business environment and increased competition.

We need to attract and retain talented people. We aim to provide training to enable our employees to realise their full potential. By enhancing the skills of our people, we support them in achieving their career goals while meeting our business needs. Personal development and training enables our employees to be accountable to our standards, principles and policies.

[Supplementary information](#)

**BUSINESS IN THE COMMUNITY**

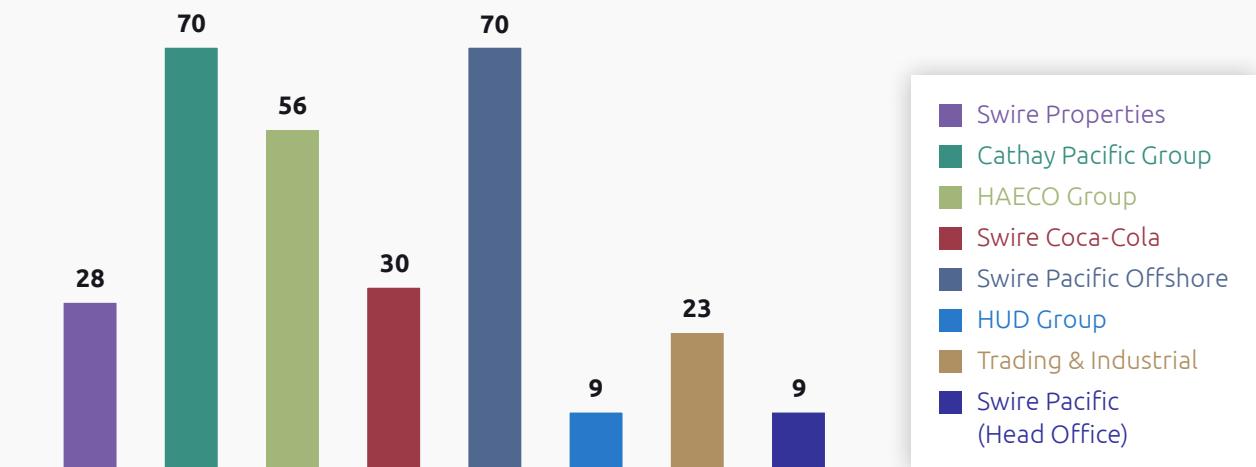


### TRAINING AND EDUCATION

We develop our people by on-the-job learning, mentoring, coaching, classroom training and online learning. In 2019, the average number of hours of training per employee was 47, a 15.4% increase from the previous year. This does not include informal and on-the-job learning, where much of our employee training happens.

The 2019 increase largely reflects a 30% increase in training hours at Cathay Pacific. There were 20% more induction training classes for cabin crew and more leadership training for general office staff and management. The increase also reflects the inclusion of an additional category of training for the first time.

AVERAGE HOURS OF TRAINING PER EMPLOYEE (2019)



**Remarks:** Cathay Dragon's cabin crew and cockpit staff have a different employee categorisation system and do not fall into the employee categories developed by Swire Pacific. They were therefore not included as part of this disclosure for 2019.



## TRAINING AND DEVELOPMENT

### CASE STUDY

#### SWIRE LEADERSHIP CENTRE



The Swire Leadership Centre on Lantau Island, Hong Kong, is a residential training and development facility for Swire staff development programmes. It is available for use by all of our operating companies. Managed by Swire Hotels, it has three lecture rooms, a canteen and 26 individual guestrooms.

A number of eco-friendly features have been integrated into the building design, including rainwater harvesting and grey-water recycling systems, as well as photovoltaic panels to generate electricity. Display panels around the Centre have drawn on the Group's rich archives to tell the story of the development of Swire's businesses over two centuries.

### THRIVING PEOPLE FOR A THRIVING ORGANISATION

We invest heavily in the development and management of our talented people. Induction training covers our business, our strategy, our products and services and our approach to sustainable development.

Examples of some of the training and leadership development programmes include:

- **Swire Properties'** two year Achieving Excellence programme helps managers to develop their careers and to understand Swire Properties' commitment to sustainable development. There are workshops on leadership development, presentation skills, strategic thinking, fostering teamwork and performance management. Participants meet senior executives on a one-to-one basis.
- **Swire Properties'** DISC (dominance, influence, steadiness, conscientiousness) one-day workshops help employees to improve their communication skills and to understand others and how to influence them positively. There were 15 DISC workshops in 2019, attended by more than 300 employees and accounting for more than 2,500 training hours.
- **Cathay Pacific's** Serve to Lead programme puts leaders in customer service roles for one to two days. It helps them to understand the challenges faced by front line employees.





## TRAINING AND DEVELOPMENT

- **Swire Coca-Cola Taiwan** has a leadership development programme. The programme leverages six core competencies from the talent review process as the basis for a 360° evaluation, which is used to identify participants' development needs and establish relevant development plans. There are evaluations, class training and external coaching. 90% of participants saw an improvement in their review performance because of the programme.
- **Swire Pacific Offshore's** annual leadership programmes, for their operational and team leaders, deal with building networks across organisations, securing support for projects, coaching skills and how to negotiate with vendors. In order to reduce food waste and improve standards of service delivery and quality, cook trainers visit Swire Pacific Offshore's vessels to instruct the fleet's cooks. The cook trainers organise professional upskilling courses to increase competence levels in order to provide better quality meals to our employees and our clients.
- The supervisory training programme at **Hong Kong Airport Services** helps to develop teamwork, communications, motivational and time management skills. Management concepts are taught using games, exercises and group discussions. Around 200 supervisors have participated.
- **Cathay Pacific Catering Services** has a four-level leadership programme to suit talent with different levels of experience and those at different stages of their career. To help drive an innovation culture there are courses on big data, design thinking, change awareness and change management. There were 150 participants in the 2019 programme.

A number of our operating companies have also developed their online learning capabilities as a means of increasing their staff's accessibility to their learning and development programmes, this includes:

- **Swire Properties'** Taikoo Hui micro college offers online courses designed to enhance the professional skills and personal and management capabilities of its employees in Guangzhou. They have access to information and learning materials in a regularly updated e-library.
- **Swire Properties'** e-learning training platform for employees in Mainland China provides more

than 1,000 training modules accessible via personal computers and mobile phones.

- **Cathay Pacific's** learning academy gives employees the confidence, knowledge and skills necessary to create the best possible customer experience. There is e-learning, classroom and on the job training available.
- In 2019, **Swire Pacific Offshore** implemented Percipio, a convenient eLearning portal, to enable employees to drive their own learning, with a plethora of programmes at their fingertips.

### CASE STUDY

#### SWIRE PROPERTIES – KEEPING UP WITH THE LATEST TRENDS



In 2019, Swire Properties held six workshops for their marketing teams dealing principally with digital marketing trends, social media and data analysis. There were 195 participants with internal speakers and contributions from external experts. Topics covered included search engine optimisation, programmatic advertising, data analytics, optimising digital strategy with Google Analytics, what's on in social media and digital trends in Mainland China.



## TRAINING AND DEVELOPMENT

### BUILDING FOR THE FUTURE

Many of our businesses have their own apprenticeships, traineeships and internship programmes.

Swire Properties has multi-year training programmes in building surveying, engineering and general management. Swire Hotels' 18-month, international, Operations Management Trainee Programme deals with hotel operations in Hong Kong, Mainland China and Miami, USA.

In 2019, Swire Properties improved its trainee on-boarding programme by making it more user centric. Previous trainees suggested how the programme could be altered to facilitate a smoother transition from university to work. Other recommendations that were adopted include the use of a story telling approach and changes to job shadowing. A trainee shadowing guidance booklet was produced to improve understanding, by trainees and host departments, of their respective roles.

Cathay Pacific Group also offers a range of programmes to build employee competencies and develop careers. Cathay Pacific Catering Services runs a nine-month aviation catering programme for young people.

These are the other Cathay Pacific training programmes:

### CAREER CHOICES



#### Graduate Engineer

A two-year development programme for graduate engineers. Participants receive classroom training and on the job experience across different sections. Eight-week internships are offered twice a year.



#### Cadet Pilot

A sponsored, world-class, 55-week programme at a specialised facility in Australia, aimed at training and qualifying participants as commercial pilots.



#### Cabin Crew

Safety and service induction training for cabin crew, followed by a three-year contract.



#### Customer Services Officer

A 12-month programme designed to equip customer service officers with the skills to work at Hong Kong International Airport and look after customers at check-in, boarding and disembarkation.



#### IT Graduate Trainee

A two-year programme designed to teach IT graduate trainees technical disciplines.



#### Operational Leaders

A five-year programme for future leaders, providing different job experiences within the Cathay Pacific Group.



## TRAINING AND DEVELOPMENT

The Swire Summer Internship Programme gives exceptional penultimate year students, who want to join the Swire Management Trainee Programme, the opportunity to gain experience of working at Swire. High performing interns are fast tracked through the management trainee application process.

Following a comprehensive induction into the Swire Group, interns work for seven weeks in an operating company in Hong Kong or Mainland China. They are given opportunities to lead and implement business related projects. They learn about what we do and our values.

*“Prior to starting my career as a group staff management trainee, I had a wonderful experience as a Swire summer intern. The experience not only strengthened my belief that Swire was the right place for me, but it also helped me transition into the management trainee programme.”*  
Kira Li, current management trainee and former summer intern.

### MANAGING FOR THE FUTURE

Our in-house leadership development company, Ethos International, designs and delivers learning and development programmes for Swire Group management staff. High potential managers are enrolled in business management and executive programmes at INSEAD and Stanford University. Ethos International’s training programmes emphasise sustainability and develop a strong corporate culture and leadership style that is consistent with our values.

Every year, we recruit high-calibre graduates for a long-term career. Over the next 15 years, graduates are coached, mentored and guided, and the next steps of their careers are planned. Sustainable development and the business opportunities it creates is integrated into this training.

There are specific human resources and finance streams within our leadership programme. Future human resources and finance leaders are given different roles in their fields as their careers develop. They benefit from targeted training and development opportunities.

In 2019, there were 74 programmes, with 1,102 places on them, and 246 days of training (including at INSEAD).

## TRAINING AND DEVELOPMENT

### CASE STUDY

#### SWIRE LEADERSHIP PROGRAMMES



Within the management trainee programme, there are sub-programmes for group staff and house staff. Both offer the same, highly competitive, compensation and benefits package. Broad experience in different commercial, operational and customer focused roles, and exposure to the skills required to be a business leader, is provided. House staff get experience in all our businesses. Group staff get experience principally in Hong Kong and Mainland China.

*“The Group Staff Programme, with early responsibilities, mentoring and training, through workshops and business schools, provides just the required practice, guidance and inspiration for me to discover what type of leader I am, what type of leader I want to be and how I can get there.”* Lance Kwong, operational leader, who joined the programme in 2009

After three years, participants typically move to management roles. After eight years, they can become heads of functions. They continue to change roles during their careers. Each new role is intended to sharpen and improve participants’ leadership skills and understanding of how to run a business.



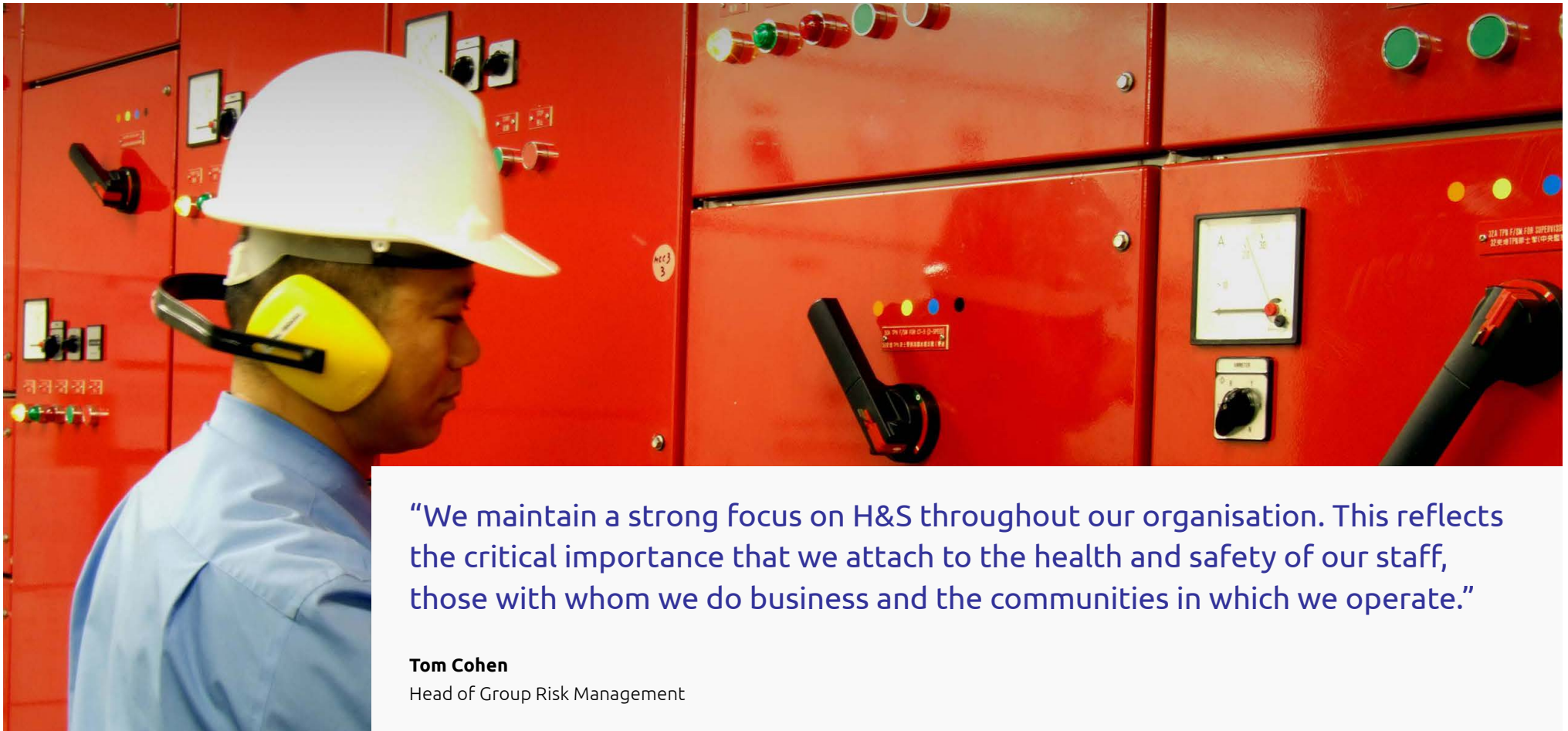
*“Early exposure to the frontline and senior leadership is a prominent feature of the Leadership Programme. It has really helped shape my understanding of our operations as well as what it takes to be a business leader. ... I thoroughly enjoy the access to various management styles, projects and colleagues as a Management Trainee - there’s always something new to learn!”* Michelle Lim, individual contributor, who joined the programme in 2017.

As well as practical experience, participants receive functional and leadership training, internally from Ethos International and externally from INSEAD and Stanford University.



HEALTH AND SAFETY

SAFETY IS A FUNDAMENTAL RESPONSIBILITY



“We maintain a strong focus on H&S throughout our organisation. This reflects the critical importance that we attach to the health and safety of our staff, those with whom we do business and the communities in which we operate.”

**Tom Cohen**  
Head of Group Risk Management

## HEALTH AND SAFETY

### Why is health and safety (H&S) important at Swire?

We maintain a strong focus on H&S throughout our organisation. This reflects the critical importance that we attach to the health and safety of our staff, those with whom we do business and the communities in which we operate. We believe that H&S is an integral element of overall business performance and that our commitment to its continuous H&S improvement is essential to our success.

### How do you see Swire Pacific's role and performance in this area?

Through its risk governance process, Swire Pacific's role is to oversee the Group's overall H&S performance, to encourage sharing of best practices, to identify relevant H&S risks and to develop policies to address them. We believe that we have been successful in performing these roles, in particular in engaging safety professionals from different parts of the Group. Sharing of best practices is particularly strong in Mainland China.

### How has the concept of H&S changed over time?

I do not think that the concept of H&S has changed substantially over time. However, there is now a greater awareness that H&S extends beyond a company's employees and premises, extending to those with whom the company does business and the communities in which it operates. There is also a growing awareness that health covers mental health and wellbeing, not just physical health. This is part of an increased focus on the 'health' in H&S and a greater general openness in society about mental health. We recognise both these points in our group H&S policy.

#### Tom Cohen

Head of Group Risk Management





## HEALTH AND SAFETY

### WHY IS HEALTH AND SAFETY MATERIAL TO US?

The human cost of workplace accidents, industrial disasters and occupational disease has a major global human and economic impact. The International Labour Organisation estimates that more than 2.78 million people die each year as a result of workplace accidents and occupational diseases, resulting in an economic burden estimated at around 4% of global GDP each year.

Many of our operations involve high-risk activities that could affect people’s safety and health. We are expected to apply robust risk management controls and procedures as protection.

It is imperative that we do everything we can to conduct our operations in a manner which safeguards the health and safety of our employees, contractors, suppliers and customers, the visitors to our business premises and the communities in which we operate. Safer operations are more efficient, profitable and successful. People are more likely to want to work for us than for companies with poor safety performance or sub-standard working conditions.

### OUR RESPONSIBILITY

Protecting our workforce is fundamental to our businesses achieving long-term success and sustainability.

We focus on five areas:

- Management commitment
- A healthy and safe workplace
- Safe behaviour
- Continuous improvement of management systems
- Effective injury management

### A HEALTHY AND SAFE WORKPLACE

We believe all incidents are preventable. While all operations involve risk, our first priority is to safeguard. We aim to achieve the ultimate goal of zero harm to our employees, customers, visitors and contractors. Under our Health and Safety Policy, all our employees and contractors are expected to:

- Take reasonable care of their own health and safety and consider the safety of others who may be affected by their actions
- Follow established safety rules and procedures

- Only operate plant, equipment and machinery that they are trained and authorised to operate
- Report all identified hazards to their immediate supervisor or manager
- Report all incidents and injuries to their immediate supervisor or manager

Each operating company has an Occupational Health and Safety (OH&S) policy, which is monitored by our Internal Audit department.

#### Supplementary information

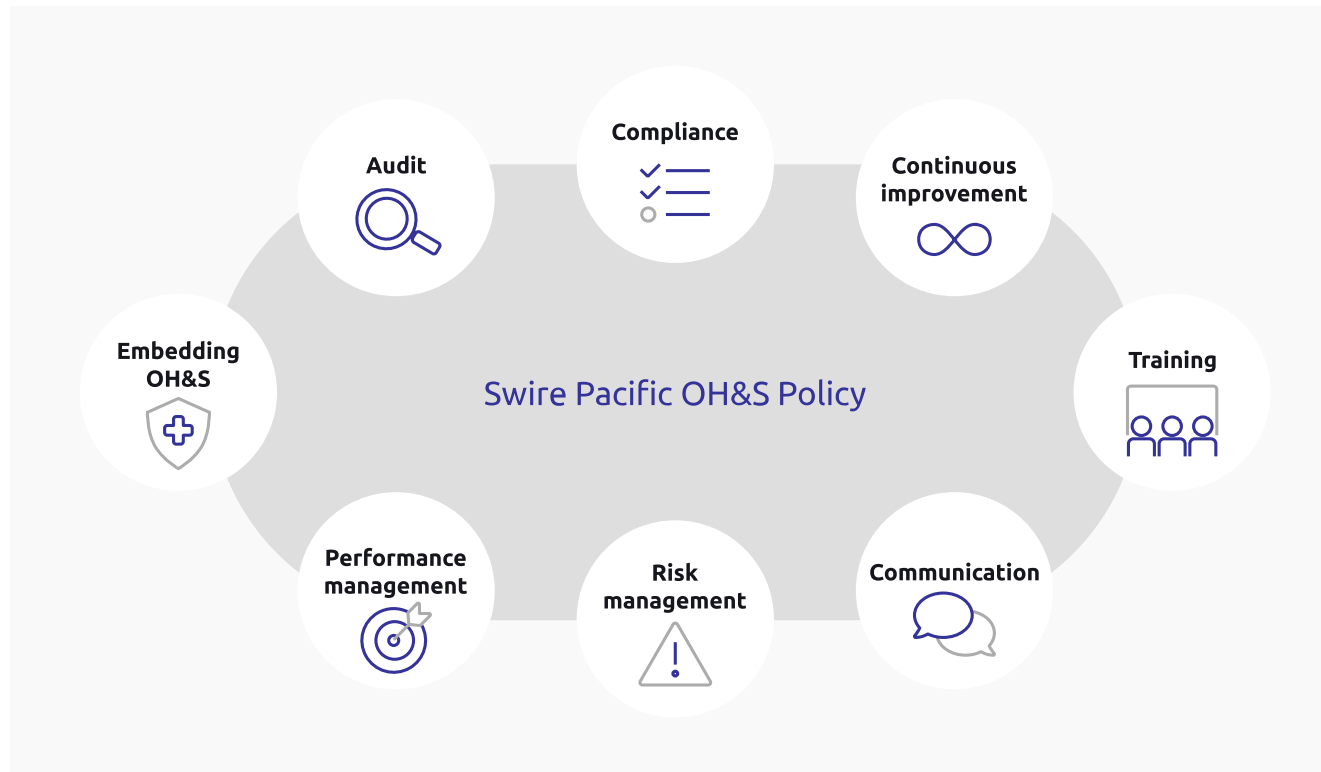
**SAFETY AND HEALTH AT WORK – ILO**



**HEALTH AND SAFETY POLICY**



## HEALTH AND SAFETY



Achievement of zero harm depends on a strong safety culture where employees are responsible for the safety of others and themselves. We aim to identify and manage potential hazards by conducting regular safety audits and reporting all incidents, including those considered to be minor. We encourage reporting of near misses.

The Swire Pacific Health and Safety Committee reports to the Group Risk Management Committee (GRMC). The GRMC reports to the Board via the Audit Committee. Members of the Health and Safety Committee are senior representatives from our five divisions. The Committee is responsible for developing group-wide health and safety policies and guidelines, monitoring

divisional performance, promoting education and training, sharing best practices and developing internal health and safety capabilities.

**Achievement of zero harm depends on a strong safety culture where employees are responsible for the safety of others and themselves.**

We evaluate performance by recording lost time injury rates (LTIR) and lost day rates (LDR) and by setting targets for improvement. LTIR is the number of injuries per 100 full-time equivalent employees. LDR is the number of work days lost to injuries per 100 full-time equivalent employees. The divisions report every quarter on health and safety to Swire Pacific. Both the GRMC and the Board receive health and safety updates at each of their meetings. A separate Mainland China Health and Safety Working Group deals with health and safety in Mainland China, where regulations frequently change and vary among provinces.



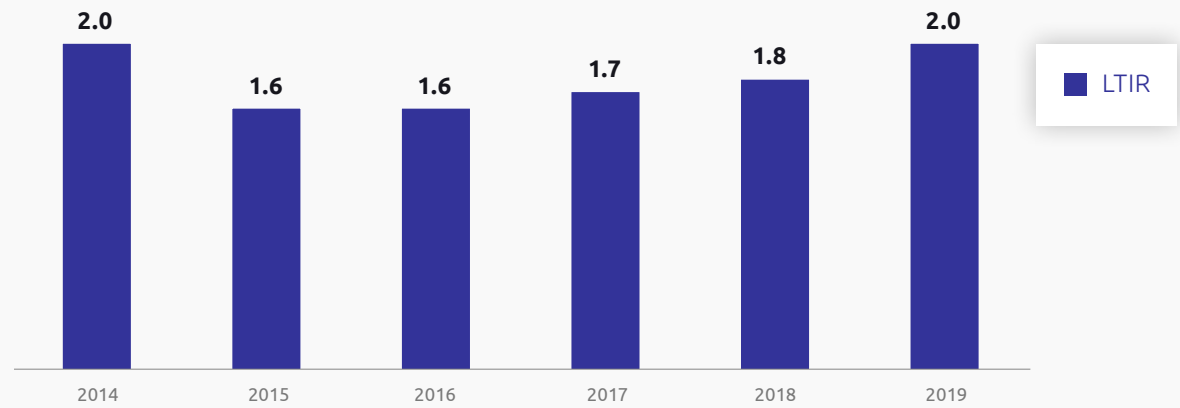


## HEALTH AND SAFETY

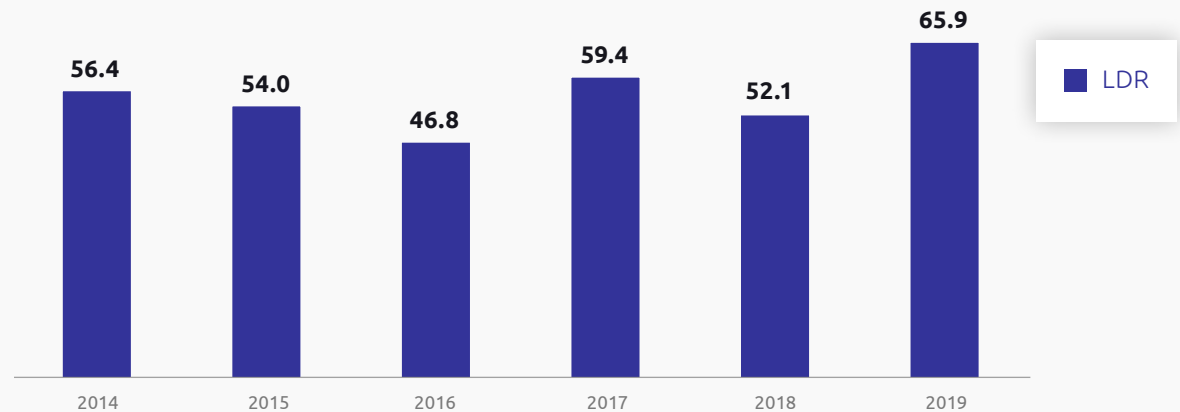
### ———— TOWARDS ZERO HARM

At Swire Pacific, we track our safety performance by measuring our LTIR and LDR.

LTIR AT SWIRE PACIFIC (number of injuries per 100 FTE)



LDR AT SWIRE PACIFIC (days lost per 100 FTE)



## HEALTH AND SAFETY

In 2019, our LTIR increased by 12.3% to 2.01 from 1.79 in 2018. This reflects increased LTIR at Cathay Pacific, Swire Properties, Swire Coca-Cola and Hongkong United Dockyards. Over the last five years, our LTIR has decreased by 0.99%. The LTIR trend largely reflects what happens at Cathay Pacific, which accounted for 64% of 2019 LTIRs. The LTIR at Cathay Pacific has increased by 18% from 2018 and by 24% from 2014. Injuries to cabin crew are the most significant factor. Common injuries are trips and falls, strains from pulling and pushing equipment, being struck by falling objects and scalding.

Our LDR has increased by 26.5% from 2018 and by 16.8% from 2014. The LDR at Cathay Pacific has increased by 48% from 2018 and by 30% from 2014, reflecting the increase in LTIR and, in 2019, a change in the method of calculating pilot and cabin crew hours.

Regrettably there were two fatalities among our employees in 2019. One occurred in Hong Kong when a Vogue Laundry delivery worker was in a company truck when it collided with a parked vehicle. The other occurred in Mainland China when an employee was in a road accident when returning home from work.

### CASE STUDY

#### SWIRE COCA-COLA – DRIVING SAFETY



The majority of Swire Coca-Cola's health and safety incidents are traffic incidents. This includes employee travel during customer visits and product deliveries. Swire Coca-Cola takes the following actions to manage the risks:

- Defensive driving training is provided
- Professional driving institutions review incidents with drivers
- Records are kept of the status of the road and the behaviour of drivers
- A feasibility study has been conducted on telematics devices that can alert drivers to road conditions
- Delivery truck accelerators have been modified to prevent the trucks from going faster than 70km/hr
- Safety helmets are given to two-wheel vehicle drivers in Mainland China

This programme is already starting to show positive results. In Mainland China, the number of two-wheel vehicle accidents decreased by 33% in 2019. In Hong Kong and Taiwan, traffic accidents decreased by 50% in 2019.



## HEALTH AND SAFETY

### — A THRIVING SAFETY CULTURE

We aim through systems improvements, training, learning and transparent reporting to continuously improve our health and safety performance and culture. Since March 2019, in order to enhance Board governance of H&S matters it was decided that a H&S report would to be submitted at each Board meeting. These reports are reviewed by the Audit Committee before submission to the Board.

In 2019, our operating companies did the following:

#### Safety awareness and training

- Swire Properties introduced online occupational health and safety training for senior management and for frontline and office staff.
- Cathay Pacific developed online safety training, including safety learning and a self-assessment questionnaire. All existing employees who met the requirement of a 'user', as defined by the local regulation, are required to be enrolled and complete the training within one month.
- Swire Coca-Cola provided defensive driving training and promoted safe driving behaviour in Mainland China.
- Swire Pacific Offshore produced "Get Home Safe" safety videos for circulation to staff.
- Hongkong United Dockyards had a safety promotion day and operated a Safety Model Worker Award scheme.

#### CASE STUDY MANUAL HANDLING



Manual handling incidents account for a significant percentage of our workplace accidents. Cathay Pacific Catering Services, HAECO Hong Kong, Swire Coca-Cola, and Hong Kong Airport Services train staff for manual handling using Pristine Condition, a programme that aims to reduce injuries from manual handling through specialist training.

As a result of the nature of their operations, the number of staff injuries from manual handling at Hong Kong Airport Services is relatively high. Hong Kong Airport Services have adopted essential manual handling principles which employees receive training on. Safety promotions and talks are held, and new joiners are shown instructional videos. A train the trainer course has been provided in order to strengthen the company's training capability and monitoring of the programme.

At Swire Coca-Cola in the USA, warehouse loaders, driver merchandisers, merchandisers, field service technicians and cooler movers are vulnerable to manual handling injuries. Frontline leaders monitor and coach employees on proper manual handling techniques. In 2019, there were 40 boot camps in 17 locations for frontline leaders. The bootcamps concentrated on essential techniques, effective observations and engagement with associates. LTIs and injury costs reduced by 35% and 50% respectively in 2019.



## HEALTH AND SAFETY

- Qinyuan Bakery had a Safety Above All Else month, when factory safety risks and controls were identified and assessed.
- Swire Resources had a zero-work injury competition, with prizes given to shops that accumulated the longest number of zero work injury days and the highest safety inspection scores. Shop managers nominate members of staff to be safety ambassadors.

### Hazard assessment

- Swire Coca-Cola implemented behaviour based safety programmes in Hong Kong, Mainland China and Taiwan.
- HAECO and Cathay Pacific Catering Services assessed wearable technology intended to improve workplace safety, manual handling techniques and workplace design.

### Awards and certification schemes

- Cathay Pacific Catering Services received a Hong Kong International Airport Safety Excellence Silver Award and six of its employees received Accident Prevention Measures and Good Safety Suggestion awards.
- Vogue Laundry migrated from OHSAS 18001 to ISO 45001:2018 OHS standard.

## CRISIS MANAGEMENT

We have a crisis reporting policy and crisis management guidelines, both approved by the GRMC. Our objective is to protect our businesses by limiting the impact of unpredictable events on our people, our assets, our reputation and the environment. The policy and the guidelines help to build business resilience through crisis preparedness, business continuity and disaster recovery planning.

The guidelines require improved reporting and escalation in order to share lessons learnt, enable more effective responses, facilitate quicker recovery and provide additional central support.

The policies and guidelines came into effect before, and have been applied in relation to, social unrest in Hong Kong in 2019 and COVID-19 in 2020. Swire Pacific has monitored the situation closely through its head office Crisis Management Team and regular updates have been provided to all staff by the respective heads of our businesses.

## HEALTH AND WELLNESS

We care about the mental and physical health and wellbeing of our people. Under our Employee Assistance Programme, we offer a 24-hour Professional Personal Counselling and Consultation (PPCC) hotline to help employees deal with stress management, relationships, parenting, coping with trauma or grief, and preparing for retirement. Employees approaching retirement are invited to pre-retirement workshops. The following are seminar topics:

- Chinese Herbal Cuisine and Physical Health
- Diet Wise – Spring and Summer Series
- Have a Good Night Sleep
- Say Goodbye to Sub-health
- Low Pressure Relaxation Through Drama
- The Power of Positive Thinking
- Back and Neck Care

A sustainable work-life balance is important for wellbeing. Swire Pacific encourages an approach to work which fits with this aim. We provide a coaching service, where we advise employees on how to cope with the challenges they may encounter within and outside Swire. We have a flexible working policy.

## HEALTH AND SAFETY

The PPCC and the coaching service are led by experienced counsellors, social workers and clinical psychologists. All information is kept confidential. We encourage employees to lead active lifestyles by participating in our staff association's physical wellbeing programmes. There are family outings to Ocean Park and Disneyland in Hong Kong and inter-company sporting competitions. We sponsor Hong Kong's King of the Hills Mountain Marathon Series.

In 2019, **Swire Pacific Offshore** launched a health and wellness campaign in conjunction with World Mental Health Day. Talks on stress management techniques, empathic listening and peer counselling were held to impart knowledge and support employees.

### LOOKING AHEAD

Industry specific and general health and safety training will be given to senior management as per the new Group Senior Management Health and Safety Policy. We are considering a more strategic approach to wellbeing and how different parts of the Group can work together towards its improvement.

### CASE STUDY

#### SWIRE PROPERTIES – WELLNESS PROGRAMMES



Swire Properties has wellness programmes for employees in Hong Kong and Mainland China. Financial support is given to sports and other interest clubs. The 2019 theme was “Embrace, Engage, Enjoy”.

#### Hong Kong

- There were 15 wellness events, attracting 1,315 employees and family members
- At a health fiesta, fresh organic produce was sold and there were health assessments and a talk on how to enhance wellbeing
- Employees can wear casual clothes on Fridays
- There were less is more and outdoor fitness sessions during a work life balance week

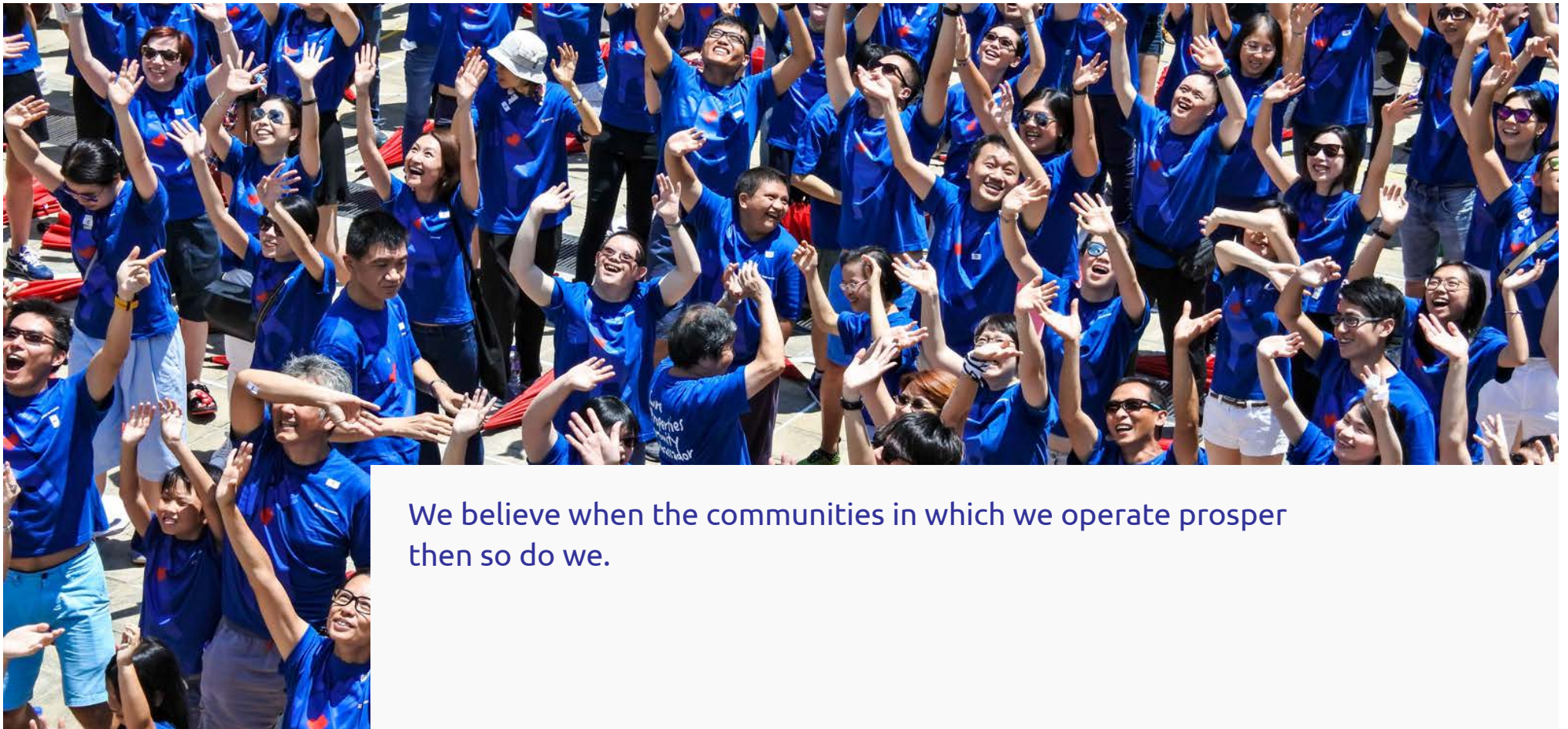
#### Mainland China

- On Fridays, fresh and seasonal fruits are offered to employees
- There are work-break exercises, Zumba sessions, body fat reduction lectures, yoga classes and Chinese medicine activities, for example, neck and shoulder massages and cupping therapy
- At INDIGO, health check-ups were made available to employees
- Talks about alleviating neck, shoulder and back pain, personal growth and teamworking and self-discovery were given at Taikoo Hui in Guangzhou



OUR COMMUNITIES

# THRIVING COMMUNITIES



We believe when the communities in which we operate prosper then so do we.



## OUR COMMUNITIES

The success of our business is inextricably linked to the economic, social and environmental health of the communities in which we operate. These communities provide resources, infrastructure and markets on which we rely. It is essential that they benefit from our presence. As neighbours and employers we aim to be responsible and involved community members.

We believe when the communities in which we operate prosper then so do we. We concentrate on doing things where we believe we can make a difference. We emphasise education, arts and culture and the environment. We support our communities with money, products and services and the time and energy of our staff.

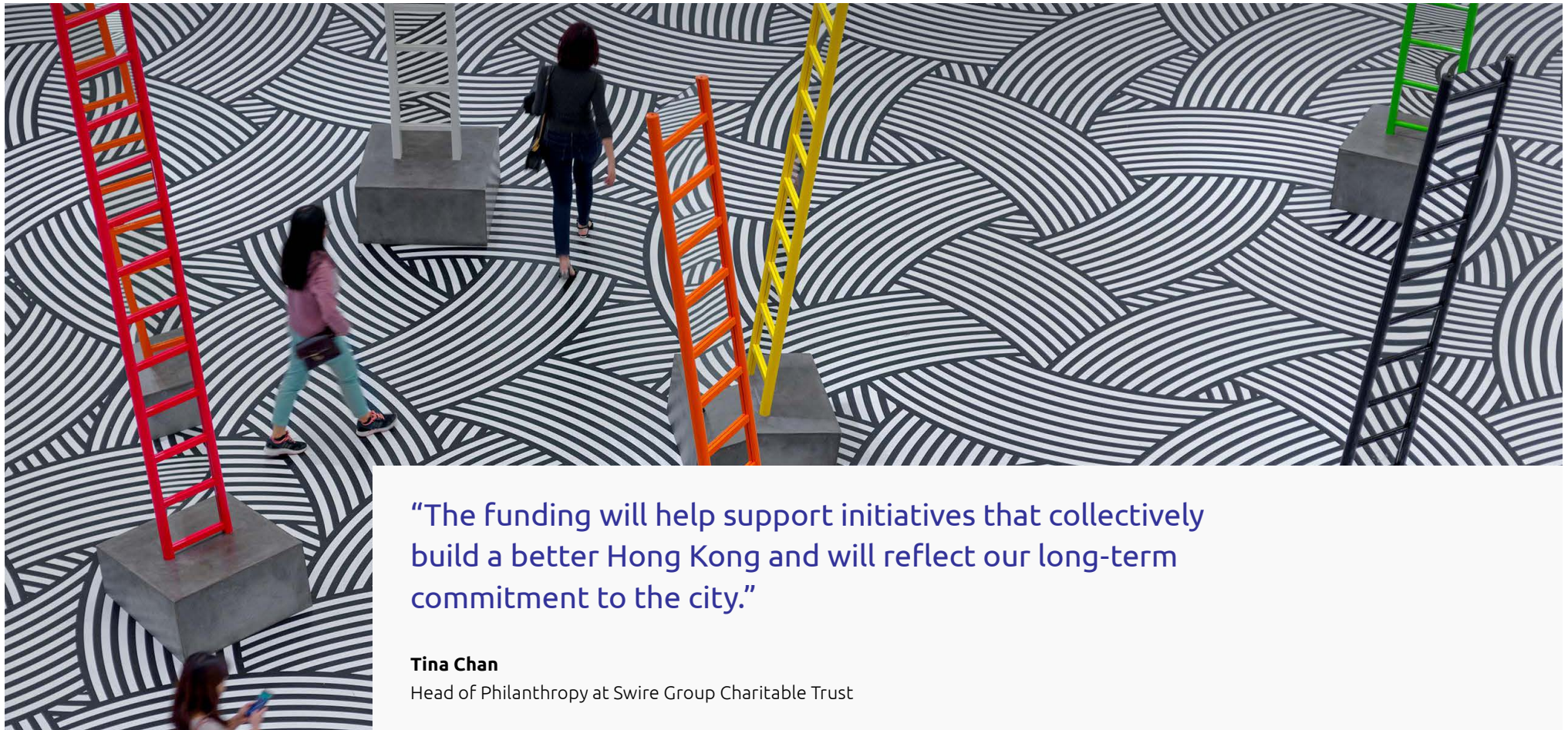
This section describes our approach to community investment and the work done by The Swire Trust and staff at our operating companies.





COMMUNITY INVOLVEMENT

HELPING OUR COMMUNITIES THRIVE



“The funding will help support initiatives that collectively build a better Hong Kong and will reflect our long-term commitment to the city.”

**Tina Chan**

Head of Philanthropy at Swire Group Charitable Trust





## COMMUNITY INVOLVEMENT

### **Why was the Swire Group Charitable Trust (the Trust) established?**

Swire Pacific has a long history of philanthropic giving. The Trust was established in 1983 to make our charitable work more structured and well managed.

### **The Trust focuses on three areas – arts, marine conservation and education. Why were these areas selected?**

The areas were chosen on the basis of Swire's history, culture and beliefs. We started as a shipping company, so marine was an obvious choice to conserve our oceans. Education and arts were chosen based on our beliefs in opportunity, diversity and creativity, as well as our wish to help underprivileged groups.

### **2020 is Swire's 150<sup>th</sup> anniversary in Hong Kong. What does the Trust intend to do to mark 150-year anniversary?**

We have a special budget set aside to give back to Hong Kong through the Trust's three pillars of education, marine and arts. The funding will help support initiatives that collectively build a better Hong Kong and will reflect our long-term commitment to the city.

#### **Tina Chan**

Head of Philanthropy at Swire Group Charitable Trust





## COMMUNITY INVOLVEMENT

### HELPING OUR COMMUNITIES THRIVE

We believe that when our communities thrive, so do our businesses. We give grants to non-profit organisations in Hong Kong to benefit the people and communities in the city through our three pillars of education, marine conservation and the arts. In 2019, the Trust funded 23 programmes and distributed over HK\$35 million.

In addition to funding community initiatives through the Swire Trust, we also contribute to the community directly through our operating companies. For example, Swire Properties has a Community Caring Fund which sponsors smaller non-profit organisations in Hong Kong nominated by its employees. The objective is to help these organisations plan and implement community-based initiatives and outreach projects. Since 2013, this fund has supported 112 community-based initiatives and outreach projects and has donated HK\$12.7 million.

In 2019, through the Trust and the programmes of our operating companies, Swire Pacific spent HK\$79 million on community activities (including the equivalent of HK\$23 million in donations in-kind). Our volunteers contributed over 32,600 hours of voluntary service.

	Swire Group Charitable Trust	Property	Aviation	Beverages	Marine Services	Trading & Industrial
Total value of cash contributions	HK\$35,195,423	HK\$10,454,043	HK\$2,220,316	HK\$6,728,122	HK\$1,334,673	HK\$12,695
Value of in-kind contributions	N/A	HK\$8,791,353	HK\$7,395,514	HK\$7,101,69	HK\$0	HK\$190,372
Volunteer man-hours	N/A	4,568	2,082	25,767	214	0

### CASE STUDY

#### SWIRE PROPERTIES – COMMUNITY AMBASSADORS CHANGING LIVES



In June 2019, Swire Properties community ambassadors from Hong Kong teamed up with colleagues from Beijing, Chengdu and Guangzhou for a five-day volunteering trip to Sichuan Province. During the trip, the Ambassadors assisted with a village house building project in Lezhi County, in partnership with NGO Habitat for Humanity. They visited

the Sichuan Community Centre at Shuanghong Village in Guihua Township, Pengzhou City, where they donated more than 600 children’s books and took part in fun extra-curricular activities with children from the Fengle Nine-Year School. The ambassadors helped teach English to the school children through interactive games and singing English songs.

Head of Group Public Affairs, Cindy Cheung, who joined the trip, said about her house building experiences, “I have participated in community ambassador projects before, but building a house was quite a different experience as it is such a tangible way of giving service to the community... I think the project has not only transformed the farmer’s life, but mine as well, as I have come to realise that a little effort can have such a direct impact on another person’s life”.



## COMMUNITY INVOLVEMENT

### RECOGNITION

In 2019, Swire Pacific was awarded the 15+ Caring Company Award by the Hong Kong Council of Social Service for good corporate citizenship. Cathay Pacific, Cathay Pacific Catering Services, Swire Properties and Swire Coca-Cola also received recognition.



### THE SWIRE GROUP CHARITABLE TRUST

The Trust is overseen by the Philanthropy Council, which is chaired by a member of senior management. It receives annual income from companies in the Swire Pacific group based on a percentage of Swire Pacific's profit. The Trust is a Hong Kong charity exempt from tax under section 88 of the Inland Revenue Ordinance.

Guided by the Swire family motto - *Esse Quam Videri* - the Trust is motivated by altruism and acts for the direct benefit of society and the greater good.



### CASE STUDY

#### CATHAY PACIFIC – EMPOWERING CHANGE-MAKERS



Since 2018, Cathay Pacific has introduced Cathay ChangeMakers and World As One, in collaboration with Social Ventures Hong Kong.

Cathay ChangeMakers recognises those who have made a positive contribution to the community and the environment. The 2019 awards went to Gigi Tung, founder of food rescue and assistance programme, Food Angel, Jeffrey Andrews, a registered social worker who is committed to helping ethnic minorities thrive, and Craig Leeson, director of the award-winning documentary "A Plastic Ocean".

World As One offers young people an unconventional travel experience, including voluntary service and exchanges with local communities. It aims to promote understanding of social issues and to nurture empathy among the younger generation. It works with Voltra, a non-profit organization in Hong Kong, to make volunteering experiences available to the Hong Kong public.



## COMMUNITY INVOLVEMENT

### OUR VALUES

#### Vision

A flourishing world of diversity, equal opportunity and sustainable growth.

Value in Diversity: As a 200-year-old company, Swire's diverse businesses are part of the long-term development of the communities and societies in which we operate. The Trust envisions a flourishing world of diversity where all members of society have opportunities for a meaningful life, and where growth and resources are sustained for future generations.

#### Mission

We aim to create positive change in education, marine and the arts through supporting non-profit organisations, primarily in Hong Kong and Mainland China.

#### Education

To enhance education equity, quality and innovation for disadvantaged children and youth

##### EDUCATION EQUITY

Provide access for the disadvantaged to achieve inclusive education

##### EDUCATION QUALITY

Provide resources for educators and parents to improve learning environments

##### EDUCATION INNOVATION

Support relevant, learner-focused and experiential learning programmes

#### Marine

To help create sustainable marine ecosystems in Hong Kong and Mainland China through policy change, public engagement and scientific research

##### POLICY CHANGE

Appropriate industry and government policies and management for marine protection

##### PUBLIC ENGAGEMENT

Educate and engage the public for wider support for marine issues

##### SCIENTIFIC RESEARCH

Support marine science research to strengthen science-based information

#### Arts

To promote an inclusive arts sector and to use arts to address social issues

##### ARTS EDUCATION

Provide arts education for the disadvantaged and disabled

##### ARTS ACCESSIBILITY

Provide access for the disabled and disadvantaged to enjoy art

##### ARTS AS A SOLUTION

Address social issues through art therapy and activities



## COMMUNITY INVOLVEMENT

### CASE STUDY

#### SWIRE TRUST – SEA FOR FUTURE PROJECT



The Trust is supporting a push by World-Wide Fund for Nature in Hong Kong (WWF-HK) for 30% of Hong Kong's waters to be designated as Marine Protected Areas (MPAs) by 2030.

As a partner in the charity's Sea for Future project, which aims to safeguard marine life in Hong Kong, the Trust has helped WWF-HK to identify 31 areas, to date, of Hong Kong's waters which merit special protection. MPAs are areas of the sea where human activity is restricted for the purposes of conservation. The idea is to give marine life the opportunity to rest and replenish itself. Only 2% of Hong Kong's waters are protected in this way. 40% of Hong Kong's land area comprises country parks or reserves.

Hong Kong waters are home to some 6,000 marine species, including critically endangered Chinese white dolphins, green turtles, horseshoe crabs, Chinese Bahaba (giant yellow croakers) and a rich diversity of coral types. Many of these species are under threat from over-fishing, marine traffic, land reclamation, major infrastructure projects and plastic pollution. As few as 47 Chinese white dolphins are believed to remain in Hong Kong waters.

Sea for Future conducts historical research at key sites. By measuring what has been lost, it is hoped to establish what needs to be done to protect marine ecosystems.

### GROUP RESPONSE TO COVID-19

The Trust has donated over HK\$ 12.8 million to support disadvantaged groups in Hong Kong to fight COVID-19. Working with St. James' Settlement, over 5,000 individuals received hot meals and food support. The programme has received matching grant from HKSAR Gov to extend the service to 14 more districts in HK, benefitting 5,000 more people in need and doubling our impact. The Trust also provided hand sanitisers to disadvantaged groups through Hong Kong Council of Social Service and set up a \$3 million fund for non-profits to continue supporting people in need.

RMB10 million has been donated by Swire Pacific to the Red Cross Society of China.

RMB1.5 million was donated by Swire Coca-Cola to the Hubei relief effort. Beverage products were delivered to frontline medical workers in hospitals in Wuhan, and other Mainland China cities, and to quarantine centres in Hong Kong.

Cathay Pacific flew essential medical and other supplies into Hong Kong and Mainland China and arranged evacuation flights to bring Hong Kong citizens back home.

Swire Properties provided frontline workers in Mainland China with sanitising products, hot drinks and lunch boxes. In Hong Kong, its volunteers call on and support elderly members of the community. Concessions have been offered to retail tenants.









## COMMUNITY INVOLVEMENT

## GRANTS

The following grants were made or renewed during 2019:

## EDUCATION

Project name	Partner organisation	Project details	Total grant	Funds distributed in 2019	Project name	Partner organisation	Project details	Total grant	Funds distributed in 2019
Supporting Unit for Special Education Needs (SuSEN) Phase 2	 The Education University of Hong Kong	Continued support to SuSEN to enable it to develop into a regional special educational needs (SEN) knowledge transfer centre	HK\$2,990,000 <sup>+</sup>	–	Brain Box	 Changing Young Lives Foundation	Strengthening the learning capacity of children with learning difficulties at an early stage through diversified services and enhanced parental support	HK\$3,680,000	HK\$1,680,000
N/A (General Funding)	 Life Education Activity Programme (LEAP)	Continued support for LEAP's mission to prevent substance abuse by providing health-based education programmes for primary and secondary students	HK\$5,000,000	HK\$5,000,000	SuSEN	 The Education University of Hong Kong	Putting SuSEN in a position to provide comprehensive clinical support to students with SEN and their families and training for student teachers	HK\$10,000,000	HK\$2,500,000
DreamStarter	 Growth Foundation Limited	Promoting an experiential learning journey to foster students' ability to be creative for social good	HK\$2,700,000	HK\$840,000	N/A (General Funding)	 Taikoo Primary School	Continued support to strengthen the school's English and Mandarin language teaching and for special projects	HK\$2,000,000 annually	HK\$1,454,204

<sup>+</sup> New project approved in 2019, commencing in January 2020

<sup>\*</sup> 2019 active projects, but with the last payments made in previous years










<sup>~</sup> 2019 active project but payment deferred due to a change in the reporting timeline to 2020

<sup>^</sup> Deferred payment of remaining balance of HK\$5m for SWIMS expansion project, subject to construction work



## COMMUNITY INVOLVEMENT

## MARINE

Project name	Partner organisation	Project details	Total grant	Funds distributed in 2019	Project name	Partner organisation	Project details	Total grant	Funds distributed in 2019
Hong Kong Sustainable Seafood Coalition (HKSSC)	The ADM Capital Foundation Limited 	Support for HKSSC's promotion of responsible seafood sourcing in Hong Kong	HK\$2,250,000 <sup>+</sup>	–	Juvenile Horseshoe Crab Rearing Programme	Ocean Park Conservation Foundation Hong Kong 	Raising awareness of and encouraging participation in biodiversity and habitat conservation	HK\$1,572,000*	–
Sea for Future Phase II	World Wide Fund for Nature Hong Kong 	Engaging local experts and communities to conserve and revitalise marine habitats	HK\$2,998,802 <sup>~</sup>	–	SWIMS Expansion	The University of Hong Kong 	Expanding and upgrading SWIMS facilities	HK\$30,000,000 <sup>^</sup>	–
Hong Kong Reef Fish Survey	Bloom Association Hong Kong Limited 	Establishing baseline knowledge of reef fish in Hong Kong through scientific underwater surveys by citizen scientists	HK\$2,700,000	HK\$655,750	Dongshan Swire Marine Station (D-SMART)	Xiamen University 	Supporting the design and construction of a marine station	RMB5,600,000 =HK\$7,031,380*	–
Waterbird Census and Wetland Conservation in China	The Hong Kong Bird Watching Society 	Enabling local conservation groups to help to conserve intertidal wetlands in Mainland China through a bird census and public education	HK\$2,159,000	HK\$816,500	Ocean Asia Project II	The ADM Capital Foundation Limited 	Promoting sustainable fisheries in Hong Kong and Mainland China with a focus on fostering a sustainable seafood market in Hong Kong	HK\$2,860,000*	–
SWIMS-Fishbase	The University of Hong Kong 	Improving the databases of fish and non-fish marine animals	HK\$1,004,000	HK\$351,000					

<sup>+</sup> New project approved in 2019, commencing in January 2020

\* 2019 active projects, but with the last payments made in previous years





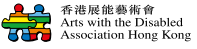


<sup>~</sup> 2019 active project but payment deferred due to a change in the reporting timeline to 2020

<sup>^</sup> Deferred payment of remaining balance of HK\$5m for SWIMS expansion project, subject to construction work



## COMMUNITY INVOLVEMENT

## ARTS

Project name	Partner organisation	Project details	Total grant	Funds distributed in 2019	Project name	Partner organisation	Project details	Total grant	Funds distributed in 2019
Art in Your Life / Yoga in Your Heart	The Joshua Hellmann Foundation for Orphan Disease 	Providing arts and yoga therapy sessions to children with rare diseases and special needs to address their physical, social and emotional needs	HK\$1,999,000	HK\$999,500	Spark! Arts Programme for Children at Small Group Homes	Hong Kong Youth Arts Foundation 	Providing free, high-quality visual and performing arts activities for children in small group homes	HK\$2,306,000	HK\$656,000
N/A (General Funding)	The Hong Kong Philharmonic Society Limited (Grant 5) 	Supporting the orchestra's mission, development and activities, so as to inspire and expand musical appreciation in Hong Kong	HK\$46,377,000	HK\$15,349,750	N/A (General Funding)	Hong Kong Maritime Museum Limited 	Providing transport costs for pupils at disadvantaged schools to participate in the museum's education programme	HK\$1,000,000	HK\$157,875
N/A (General Funding)	Arts with the Disabled Association Hong Kong 	Continued support to promote the arts and artistic talent among persons with disabilities, so as to create equal opportunities for them in the arts sector and to foster social integration	HK\$1,500,000 annually	HK\$1,500,000	Arts Access Fund	Various NGOs	Providing financial resources for disadvantaged persons to access arts and cultural events in Hong Kong	HK\$250,000 annually	HK\$143,950
The Magic of Audio Description	The Hong Kong Society for the Blind 	Enhancing cultural experiences for the visually impaired through specialised audio description	HK\$3,074,000	HK\$1,074,000	Drum Fun	Music Children Foundation Limited 	Providing free Chinese drum classes to low-income primary students in Sham Shui Po, Hong Kong	HK\$809,000*	–

+ New project approved in 2019, commencing in January 2020

\* 2019 active projects, but with the last payments made in previous years

~ 2019 active project but payment deferred due to a change in the reporting timeline to 2020

^ Deferred payment of remaining balance of HK\$5m for SWIMS expansion project, subject to construction work





## COMMUNITY INVOLVEMENT

### CASE STUDY

#### SWIRE TRUST – ART IN YOUR LIFE | YOGA IN YOUR HEART (AIYL) PROGRAMME



The Joshua Hellmann Foundation (JHF) assists children aged 0-19 years with rare diseases and special needs, regardless of their socioeconomic background. JHF's mission is to advance the awareness, diagnosis, treatment and research of orphan diseases, and to improve the welfare of children with orphan diseases in Hong Kong. In 2019, the Trust started to fund a two-year project to provide an arts therapy and yoga therapy programme, to improve the quality of life of children with rare diseases and special needs.

Arts therapy provides a means for the children to express themselves through therapeutically designed activities that stimulate intellectual and creative functions. Yoga therapy helps to improve gross motor planning, boosts circulation and digestion, reduces stress-inducing hormones and enhances mood and self-confidence. Mindfulness and meditation help with emotional regulation and resilience.

The funding will support between 24-30 beneficiaries.



## ABOUT OUR REPORT

# THE APPROACH

This report sets out our approach to sustainability, ethics and good governance. We report as part of our commitment to an open and honest dialogue with stakeholders.

This is our 13<sup>th</sup> annual sustainability report prepared as an interactive website, available in English and Traditional Chinese. It can also be downloaded as a PDF – whole or in parts. This report has been written with reference to the core level of the GRI Standards and the comply or explain provisions of the HKEx ESG reporting guide. It also has reference to the UN SDGs and the TCFD.

The four HKEx ESG reporting principles (materiality, quantitative, balance and consistency) have been applied in preparing this report.

Details of how we apply the materiality principle can be found in the Assessing Materiality section.

We apply the quantitative and consistency principles through our reporting boundaries and data calculation methodology, this can be viewed in our methodology.

We try to apply the balance principle throughout this report.

This report relates to our sustainability performance during the year ended 31 December 2019. It covers SwireTHRIVE (our group environmental sustainability strategy), progress towards our 2020 goals, other material topics identified through our materiality assessments as well as relevant financial and sustainability performance.

This report describes Swire Pacific’s corporate governance relevant to sustainability and how we integrate sustainability into identifying and managing risks and opportunities. A GRI Standards and HKEx content index is included. To assist analysts and researchers, data from this report can be downloaded directly into a CSV file. This report follows our previous report, published in July 2019.

This report has been endorsed by our chairman and approved by our board.

### Supplementary information

**REPORTING METHODOLOGY**



### Related content

**UN SDGS**



**TCFD**



**ASSESSING MATERIALITY**



**OUR ENVIRONMENT**



**PERFORMANCE DATA**



**GOVERNANCE**



**RISK MANAGEMENT**



**GRI TABLE**





## ABOUT OUR REPORT

### ON OUR ANNUAL REPORT

Our 2019 annual report gives details of our financial and operational performance and of our corporate governance.

We respond to enquiries from investors and provide information to the CDP, the DJSI, FTSE4Good, MSCI and organisations which assess the economic, environmental and social performance of companies. They help us to identify the specific issues most relevant to the industries in which we operate.

### WE VALUE YOUR FEEDBACK

We welcome views and feedback on our report. Please send your comments and other sustainability related enquiries to:

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(852) 2840 8888  
[www.swirepacific.com](http://www.swirepacific.com)  
Swire Pacific Limited  
33rd Floor, One Pacific Place,  
88 Queensway, Hong Kong



### Dow Jones Sustainability Index

In 2019, Swire Pacific was included in the DJSI Asia Pacific Index. Swire Pacific has been included in DJSI indices since 2001.



### FTSE4Good

### FTSE4Good

In 2019, Swire Pacific was listed as a constituent stock in the FTSE4Good Index Series.



### Hang Seng Corporate Sustainability Index

In 2019, Swire Pacific received a AA rating from the Hang Seng Corporate Sustainability Index. Swire Pacific is included in the Hang Seng Corporate Sustainability and Hang Seng Corporate Sustainability Benchmark indices.



### MSCI Constituent MSCI Global SRI Indexes

In 2019, Swire Pacific received a AAA rating from MSCI ESG Research, making us one of the top performers in our sector.



### CDP

Swire Pacific supports the CDP as a respondent. Swire Pacific has responded to CDP since 2007. In 2019, we achieved a B rating.



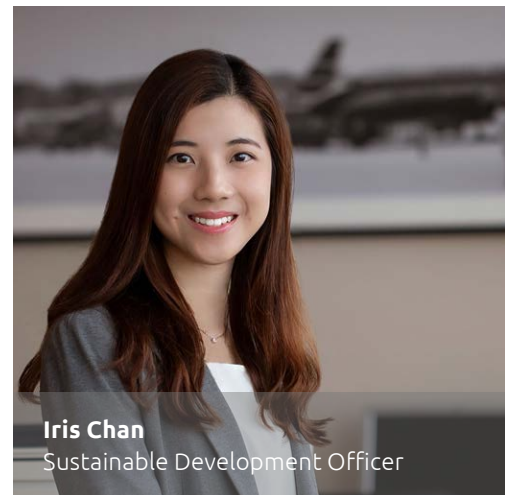
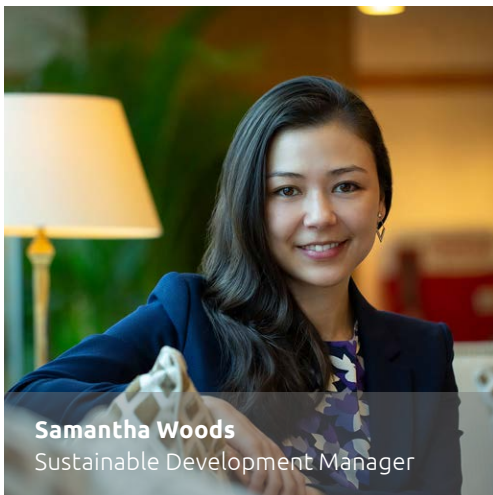
### ISS- oekom

In 2019, Swire Pacific attained prime status.



ABOUT OUR REPORT

THE SUSTAINABLE DEVELOPMENT OFFICE TEAM





ASSESSING MATERIALITY

ALIGNING WITH THE GLOBAL REPORTING INITIATIVE

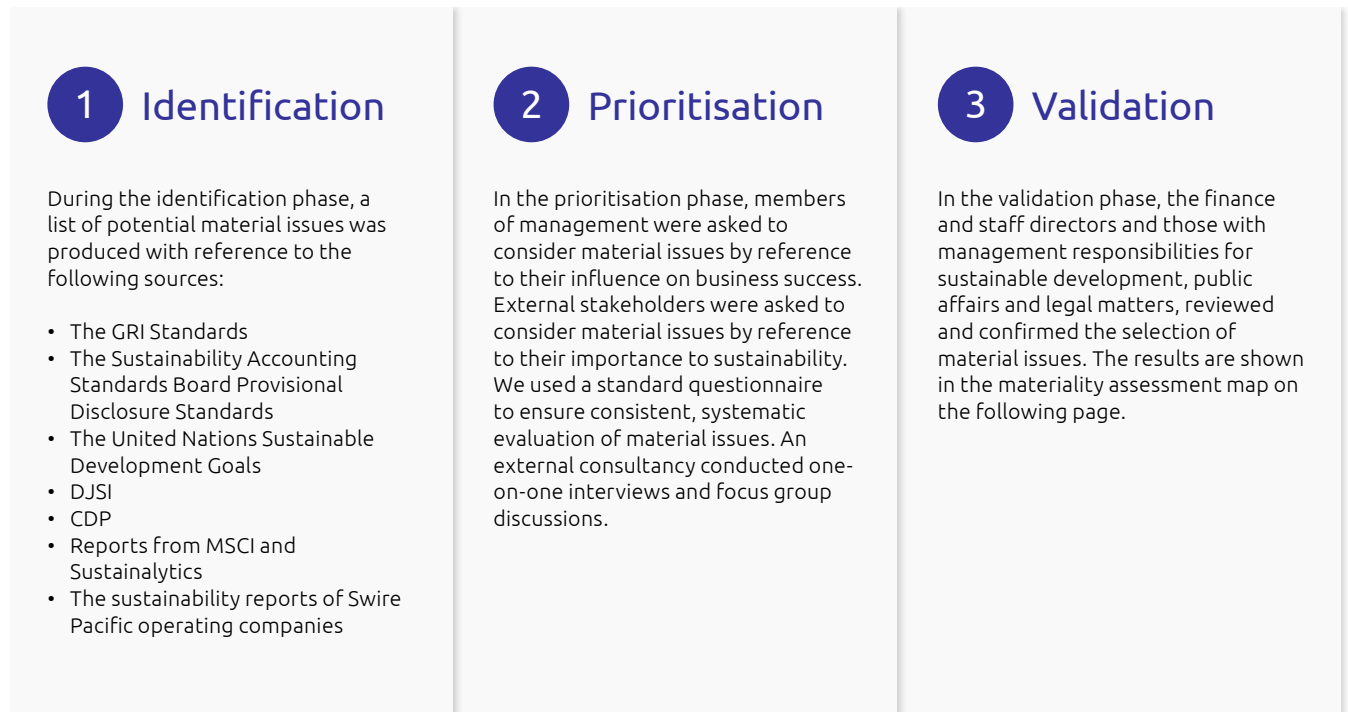
The coverage of our annual sustainable development report is determined by reference to a detailed materiality assessment. The assessment identifies and evaluates the sustainability issues most important to our businesses and stakeholders, for the year under review and in the near future. We follow guidance from the GRI and adhere to external reporting requirements (GRI Standards and the HKEx ESG Guide).

The GRI requires us to identify and assess material issues and to report with reference to GRI standards. We define a material issue as an issue that could have significant economic, environmental or social impact on our businesses, or that substantively influences the assessments and decisions of our stakeholders.

Through the materiality assessment we aim to evaluate our sustainability performance in consideration of the expectations of those inside and outside our businesses, with whom we engage.

IN-DEPTH ASSESSMENT

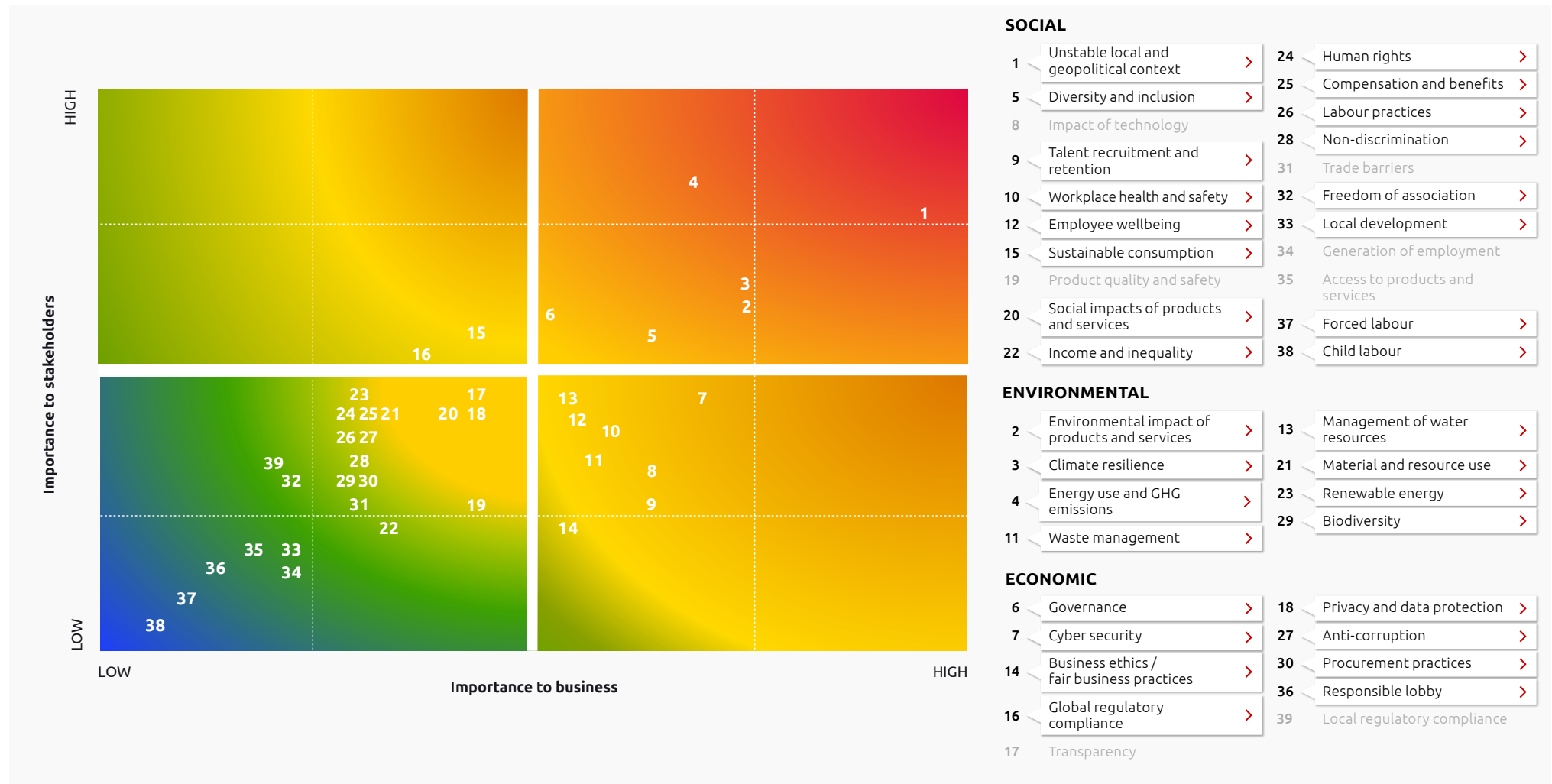
Our materiality assessment has three steps: identification, prioritisation and validation.





ASSESSING MATERIALITY

IMPORTANCE OF SUSTAINABILITY FACTORS TO THE BUSINESS AND EXTERNAL STAKEHOLDERS





## ASSESSING MATERIALITY

## MATERIAL ISSUES AND ASPECTS

The table below shows:

1. The GRI indicators which correspond to the material issues identified for 2019
2. Whether they have an impact inside our organisation, outside our organisation or both
3. The Swire Group businesses where they have a material impact

For each of the 27 material topics, we have provided a section in this report which indicates why the topic was material in 2019, our approach to managing the risks and opportunities associated with the topic and our performance in relation to the topic.

Material issue	GRI indicator	Boundary		Swire Group business
		Impact inside	Impact outside	
Economic performance	GRI 201	●		All
Indirect economic impact	GRI 203		●	All
Procurement practices	GRI 204		●	All
Anti-corruption	GRI 205		●	All
Anti-competitive behaviour	GRI 206	●	●	All
Materials	GRI 301	●	●	Swire Properties and Swire Coca-Cola
Energy	GRI 302	●	●	Cathay Pacific, Swire Properties and Swire Coca-Cola
Water	GRI 303	●	●	Swire Coca-Cola
Biodiversity	GRI 304		●	Cathay Pacific and Swire Properties
Emissions	GRI 305	●	●	Cathay Pacific
Effluents and Waste	GRI 306	●	●	Swire Properties, Cathay Pacific and Swire Coca-Cola
Environmental Compliance	GRI 307	●	●	All
Supplier Environmental Assessment	GRI 308		●	All
Employment	GRI 401	●		All
Occupational Health and Safety	GRI 403	●		All
Training and Education	GRI 404	●		All
Diversity and Equal Opportunity	GRI 405	●		All
Non-discrimination	GRI 406	●		All
Freedom of Association and Collective Bargaining	GRI 407	●		All
Child Labour	GRI 408	●		Swire Coca-Cola, Swire Resources, Qinyuan Bakery, Taikoo Sugar
Forced or Compulsory Labour	GRI 409	●		Swire Properties, Swire Coca-Cola, Swire Pacific Offshore, Swire Resources, Qinyuan Bakery, Taikoo Sugar
Human Rights Assessment	GRI 412		●	All
Local Community	GRI 413		●	All
Supplier Social Assessment	GRI 414		●	All
Public Policy	GRI 415	●		All
Customer Privacy	GRI 418		●	All
Socio-economic Compliance	GRI 419		●	All



## ASSESSING MATERIALITY

Against a background of global trade tensions and social unrest in Hong Kong, an unstable local and geopolitical context was identified as a new material issue in 2019.

Global pandemics were identified as a material issue during the validation phase. They are not included in the matrix because COVID-19 had not had a material effect during the identification and prioritisation phases. Because of the impact of COVID-19 on public health and economic activity, we have discussed pandemics in the Risk Management section of this report.

Our stakeholders did not rank the materiality of cyber security, workplace health and safety, management of water resources and waste management as highly as in previous years. These issues remain important to us. We have continued to report on them.

Talent recruitment and retention, employee wellbeing and non-discrimination did not score as highly as in previous years. However, we consider it important to report on these matters in order to demonstrate our commitment to remaining an employer of choice.

Our stakeholders did not consider human rights and biodiversity of material importance. However, they are reported on as they are considered to be emerging issues of material importance to the future sustainability of our businesses.

## SCOPE OF OUR REPORTING

Lists of companies and parts of companies which have and have not provided information for this report can be found in our methodology document.

Performance indicators are reported on a 100% basis and therefore do not make reference to Swire Pacific's shareholdings in operating companies.

### Supplementary information

#### REPORTING METHODOLOGY







STAKEHOLDER ENGAGEMENT

FOSTERING DIALOGUE

Understanding the needs and concerns of our stakeholders informs our approach to sustainability and our future activity. We must also understand global trends and their impact on us so we can respond effectively to the diverse challenges we face through our sustainability strategy.

Since 2007, we have regularly engaged with stakeholders in order to understand their priorities and expectations and their perceptions of our performance, particularly in relation to sustainable development. Fostering dialogue is essential as it maintains trust, gains support for our activities and occasionally reconciles diverging interests. It also helps us to focus on areas for improvement so that we can take corrective action.

We define stakeholders as internal and external interest groups who have a significant impact on our business or who are significantly affected by our operations.

ENGAGEMENT

In 2017, we updated our stakeholder map and five-year stakeholder engagement plan to liaise with relevant interest groups at least once per year.

In 2019, we engaged with investors, employees, policymakers, NGOs, shareholders, local communities and those in other industries. Our primary aim was to develop our sustainable development materiality analysis. Stakeholders were selected to participate based on their expertise in issues material to us, how influential they are and their willingness to collaborate.

The sustainability report is intended to provide an honest and transparent record of our sustainability performance to our stakeholders, with whom we maintain mutually beneficial relationships.

Related content

ASSESSING MATERIALITY





## STAKEHOLDER ENGAGEMENT

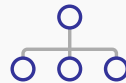
We show below how we worked with groups of stakeholders in 2019.



### Board members

**Mode of engagement**  
One to one interviews

**Sustainability challenges**  
Energy use and GHG emissions, the environmental impact of products and services and unstable local and geopolitical conditions.



### Senior leadership

**Mode of engagement**  
One to one interviews and focus group

**Sustainability challenges**  
Climate resilience, energy use and GHG emissions, the environmental impact of products and services, unstable local and geopolitical conditions, governance and diversity and inclusion.



### NGOs and activists

**Mode of engagement**  
Focus group

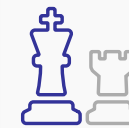
**Sustainability challenges**  
Climate resilience, energy use and GHG emissions, the environmental impact of products and services, unstable local and geopolitical conditions and diversity and inclusion.



### Investors

**Mode of engagement**  
One to one interviews

**Sustainability challenges**  
Climate resilience, energy use and GHG emissions, the environmental impact of products and services, unstable local and geopolitical conditions and governance.



### Peer companies and competitors

**Mode of engagement**  
Focus group

**Sustainability challenges**  
Climate resilience, energy use and GHG emissions, the environmental impact of products and services, unstable local and geopolitical conditions and governance.



OUR PERFORMANCE

ON OUR DATA

We support transparency and provide information and data in this report and on our website. Only data that was provided before the end of March 2020 is included in this report. If data or incidents are reclassified or confirmed after preparation of this report they will be updated in future reports. Information about how we set our reporting boundaries and our data calculation methodology can be viewed in our methodology.

ON ASSURANCE

We have established clear standards and reporting requirements for our sustainability data. These standards are supported by internal audits and statistical checks.

Deloitte Touche Tohmatsu has provided limited assurance in relation to the selected sustainability data for 2019, listed below and identified with the symbol [R] in the relevant data table(s).

- Total energy consumption
- Total greenhouse gas emissions by weight
- Total water used
- Total employee fatalities
- Total employee lost time injuries

The full assurance statement from Deloitte Touche Tohmatsu can be found on our website.

Supplementary information

REPORTING METHODOLOGY



ASSURANCE STATEMENT





## PERFORMANCE DATA

# BUILDING PERFORMANCE OVER THE YEARS

This table presents a quantitative overview of our 2019 sustainable development performance. The 2019 data presented in these tables that has been identified with the symbol [R] has been independently assured by Deloitte Touche Tohmatsu. Further details of our scope, boundary setting process and calculation methodology can be found in our reporting methodology.

[Supplementary information](#)

**REPORTING METHODOLOGY**





## PERFORMANCE DATA

Statistics		Note	Property				Cathay Pacific group				HAECO group				Swire Coca-Cola (Note 6)				Swire Pacific Offshore (Note 4)				HUD group				Trading & Industrial				Swire Pacific (Head Office)				Total (Note 1)										
Environmental			2019	2018	2017	2016	2019	2018	2017	2016	2019	2018	2017	2016	2019	2018	2017	2016	2019	2018	2017	2016	2019	2018	2017	2016	2019	2018	2017	2016	2019	2018	2017	2016											
Total Energy Consumption (thousand GJ)	Direct energy consumption		204	166	143	154	256,974	256,677	252,729	245,730	446	427	(5)	384	349	1,149	1,130	846	781	1,037	1,259	(5)	1,417	1,337	342	345	341	329	82	84	69	51	-	-	-	-	260,234	260,088	(5)	255,929	248,730				
	Indirect energy consumption		1,109	1,035	959	1,023	471	500	506	682	498	490	471	481	1,837	1,807	1,273	1,170	5	5	5	5	16	15	17	19	160	210	(5)	265	244	-	-	-	-	4,096	4,062	(5)	3,496	3,624					
	Total	1	1,313	1,201	-6%	1,177	257,445	257,177	253,235	246,412	944	917	(5)	855	830	2,986	2,937	2,119	1,951	1,042	1,264	(5)	1,422	1,342	358	360	358	348	242	294	(5)	334	295	-	-	-	-	264,330	264,150	(5)	259,425	252,354			
	% Change year-on-year		9%	9%	-6%		0.1%	2%	3%		3%	7%	3%			2%	39%	9%		-18%	-11%	6%		-1%	1%	3%		-18%	-12%	13%					0%	2%	3%								
Total Greenhouse Gas Emissions by Weight (Scope 2) (thousand tonnes CO2e)	Direct (Scope 1)	2	12	10	11	13	18,430	18,406	18,220	17,702	35	33	29	27	77	83	(5)	59	55	79	93	106	108	28	28	28	27	7	6	8	6	-	-	-	-	18,668	18,659	(5)	18,461	17,938					
	Indirect (Scope 2)		218	205	205	216	70	75	80	80	72	73	77	78	267	275	216	194	0.4	0.5	1	1	2.3	2.3	3	3	28	37	50	46	-	-	-	-	658	668		632	618						
	Total	1	230	215	216	229	18,500	18,481	18,300	17,782	107	106	106	105	344	358	(5)	275	249	79	94	107	109	30	30	31	30	35	43	58	51	-	-	-	-	19,326	19,327	(5)	19,093	18,556					
	% Change year-on-year		7%	0%	-6%		0.1%	1%	3%		1%	0%	1%		-4%	30%			-15%	-13%	-1%		0%	-2%	4%		-19%	-26%	14%					0%	1%	3%									
Total Water Used (thousands cbm)	Water Used	3	2,007	1,519	(5)	1,390	1,522	944	975	950	866	600	633	653	710	14,402	13,439	8,847	7,585	-	-	-	-	84	85	115	77	324	402	(5)	492	178	-	-	-	-	18,361	17,053	(5)	12,447	10,938				
	% Change year-on-year		32%	9%	-9%		-3%	3%	10%		-5%	-3%	-8%			7%	52%	17%		-	-	-	-	-1%	-26%	49%		-19%	-18%	176%					8%	37%	14%								
Total Waste by Type and Disposal Method (tonnes)	<b>Waste Disposed</b>																																												
	Hazardous		0.4	0.4	1	0	0	0.4	0	1	1,406	1,470	1,442	1,135	261	51	64	110	1,665	1,581	1,424	1,973	0	0	0	0	1	2	2	1	-	-	-	-	3,333	3,105	2,933	3,220							
	Non-Hazardous		36,810	30,800	32,316	38,377	21,946	15,206	14,218	13,794	4,434	4,176	4,291	4,921	7,784	12,752	5,024	722	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	70,974	62,934	55,849	57,814				
	<b>Waste Recycled</b>																																												
	Hazardous		0.0	0.4	0	1	0	0	0	0	0	0	0	148	12	43	59	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	12	43	59	149
	Non-Hazardous		12,073	10,642	7,272	4,350	3,545	3,491	4,268	4,414	971	1,330	1,341	717	20,330	16,668	10,354	10,342	4	2	1	16	236	208	84	184	810	782	1,353	457	-	-	-	-	37,969	33,123	24,673	20,480							
<b>Total</b>		48,883	41,443	39,589	42,728	25,491	18,697	18,486	18,209	6,811	6,976	7,074	6,921	28,387	29,514	15,501	11,174	1,669	1,583	1,425	1,989	236	208	84	184	810	784	1,355	458	-	-	-	-	112,288	99,205	83,514	81,663								
% Change year-on-year		18%	5%	-7%		36%	1%	2%		-2%	-1%	2%		-4%	90%	39%		5%	11%	-28%		14%	148%	-54%		3%	-42%	196%					13%	19%	2%										
<b>Health &amp; Safety</b>																																													
Thousand hours worked			13,741	12,406	11,614	11,674	68,757	66,886	67,712	69,059	34,962	33,914	34,209	39,415	67,816	64,149	(5)	46,245	45,304	11,381	11,961	11,647	12,194	2,052	2,271	2,332	1,995	15,347	16,256	17,608	17,767	75	76	82	84	214,131	207,920	(5)	191,269	197,492					
Total lost time injuries			112	91	83	105	1560	1288	1112	970	198	222	249	299	200	174	(5)	118	113	5	9	4	4	10	5	10	12	65	75	81	96	0	0	0	0	2,150	1,864	(5)	1657	1599					
Lost time injury rate (LTIR)			1.63	1.47	1.43	1.80	4.54	3.85	3.28	2.81	1.13	1.31	1.46	1.52	0.59	0.54	0.51	0.50	0.09	0.15	0.07	0.07	0.97	0.44	0.86	1.20	0.85	0.92	0.92	1.08	0.00	0.00	0.00	0.00	2.01	1.79	1.73	1.62							
% Change year-on-year (LTIR)			11%	3%	-21%		18%	17%	17%		-14%	-10%	-4%		9%	6%	2%		-40%	114%	7%		120%	-49%	-29%		-8%	0%	-15%					-	-	-	-	12%	3%	7%					
Lost days due to injuries			2,977	3,379	2,808	2,112	44,196	28,964	34,178	24,304	7,573	8,237	12,566	11,650	10,784	8,883	3,130	3,396	1,074	1,030	149	52	750	1,168	979	1,314	1,792	2,519	2,983	3,357	-	-	-	-	69,146	54,180	56,793	46,184							
Lost day rate (LDR)			43.33	54.47	48.36	36.18	128.57	86.61	100.95	70.38	46.25	48.57	73.85	59.11	31.8	27.69	(5)	13.54	14.99	23.17	17.22	2.56	0.85	73.09	102.84	83.95	131.71	23.35	30.99	33.88	37.78	0	0	0	0	65.92	52.11	(5)	59.4	46.77					
% Change year-on-year (LDR)			-20%	13%	34%		48%	-14%	4%		-5%	-34%	25%		15%	105%	-10%		35%	573%	201%		-29%	23%	-36%		-25%	-9%	-10%					27%	-12%	27%									
Total fatalities (employee)			0	0	0	0	1	2	1	0	0	0	0	0	1	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2	R	2	4	1			
<b>Staff</b>																																													
Workforce	Permanent and fixed term employees		6,465	5,880	5,319	5,353	31,778	31,108	31,394	32,253	15,187	14,708	14,573	14,858	30,871	29,857	29,101	20,416	2,544	2,398	2,221	2,264	522	656	709	650	6,925	8,102	8,672	9,098	38	38	41	45	94,330	92,747	92,014	84,937							
	Supervised employees		-	-	-	61	-	-	-	3,823	-	-	-	254	-	-	-	755	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
	Male		3,827	3,490	3,207	3,309	14,235	13,951	14,122	17,058	12,414	12,026	11,903	12,241	22,809	22,472	22,145	16,573	2,313	2,187	2,008	2,013	471	595	652	592	2,714	3,222	3,468	3,593	12	11	13	14	58,795	57,954	57,463	53,993							
	Female		2,638	2,390	2,112	2,105	17,543	17,157	17,272	19,018	2,773	2,682	2,670	2,871	8,062	7,385	6,956	4,598	231	211	213	251	51	61	57	58	4,211	4,880	5,204	5,505	26	27	28	31	35,535	34,793	34,551	34,437							
	Total		6,465	5,880	5,319	5,414	31,778	31,108	31,394	36,076	15,187	14,708	14,573	15,112	30,871	29,857	29,101	21,171	2,544	2,398	2,221	2,264	522	656	709	650	6,925	8,102	8,672	9,098	38	38	41	45	94,330	92,747	92,014	88,930							
	Employees who are on Permanent Terms (%)		94%	93%	94%	95%	85%	88%	90%	86%	95%	96%	96%	96%	99%	100%	100%	99%		99%	94%	95%	94%	92%	94%	94%	94%	95%	94%	94%	100%	100%	100%	100%	100%	92%	93%	93%	94%	96%					
	Permanent employees who work Full-time (%)		98%	98%	99%	99%	99%	98%	98%	98%	99%	99%	99%	99%	100%	99%	99%	99%		100%	100%	100%	100%	100%	100%	100%	100%	92%	88%	92%	93%	100%	100%	100%	100%	99%	98%								



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Statistics		Note	Property				Cathay Pacific group				HAECO group				Swire Coca-Cola (Note 6)				Swire Pacific Offshore (Note 4)				HUD group				Trading & Industrial				Swire Pacific (Head Office)				Total (Note 1)				
Staff			2019	2018	2017	2016	2019	2018	2017	2016	2019	2018	2017	2016	2019	2018	2017	2016	2019	2018	2017	2016	2019	2018	2017	2016	2019	2018	2017	2016	2019	2018	2017	2016					
Workforce by employee category (%)	Strategic Leader or Top /Senior Management	7, 9	1%	2%	2%	-	5%	1%	1%	-	1%	1%	1%	-	1%	1%	1%	-	0%	1%	1%	-	0%	5%	3%	-	0%	1%	1%	-	18%	29%	27%	-	2%	1%	1%	-	
	Operational Leader or Middle / Junior management and supervisory	7, 9	8%	24%	23%	-	9%	8%	8%	-	3%	12%	11%	-	10%	9%	13%	-	1%	14%	17%	-	0%	12%	8%	-	1%	5%	6%	-	13%	26%	29%	-	7%	10%	11%	-	
	Team Leader or Customer facing staff	7, 9	16%	53%	53%	-	15%	51%	51%	-	18%	9%	10%	-	12%	54%	51%	-	52%	0%	0%	-	4%	0%	0%	-	5%	59%	57%	-	58%	0%	0%	-	15%	45%	44%	-	
	Individual Contributor or Non-customer facing operational / technical staff	7, 9	75%	11%	11%	-	71%	31%	31%	-	79%	67%	67%	-	77%	31%	30%	-	48%	85%	0%	-	95%	83%	89%	-	94%	21%	24%	-	11%	0%	0%	-	76%	36%	35%	-	
	Others		-	10%	11%	-	-	8%	8%	-	-	12%	12%	-	-	6%	6%	-	-	0%	82%	-	-	0%	0%	-	-	13%	12%	-	-	45%	44%	-	-	8%	10%	-	
Workforce by employee category and age group (%)	<b>Strategic Leader or Top /Senior Management</b>	7, 8, 9																																					
	under 30 years old	7, 8, 9	0%	1%	0%	-	0%	1%	0%	-	6%	0%	0%	-	0%	0%	0%	-	0%	0%	0%	-	0%	0%	0%	-	0%	0%	1%	-	0%	0%	0%	-	1%	0%	0%	-	
	30 to 50 years old	7, 8, 9	57%	72%	77%	-	57%	64%	68%	-	67%	43%	54%	-	57%	60%	62%	-	50%	63%	53%	-	53%	63%	71%	-	43%	36%	27%	-	58%	61%	65%	-	58%	61%	65%	-	
	Over 50 years old	7, 8, 9	43%	27%	23%	-	43%	36%	32%	-	27%	57%	46%	-	43%	40%	38%	-	50%	38%	47%	-	100%	61%	47%	-	47%	37%	27%	-	57%	64%	73%	-	42%	39%	35%	-	
	<b>Operational Leader or Middle / Junior management and supervisory</b>	7, 8, 9																																					
	under 30 years old	7, 8, 9	2%	16%	20%	-	5%	10%	10%	-	1%	6%	6%	-	10%	6%	10%	-	0%	6%	11%	-	0%	2%	9%	-	0%	1%	5%	-	0%	0%	8%	-	7%	8%	10%	-	
	30 to 50 years old	7, 8, 9	82%	76%	72%	-	76%	63%	62%	-	63%	66%	67%	-	75%	80%	75%	-	75%	75%	69%	-	50%	76%	65%	-	64%	82%	82%	-	60%	91%	83%	-	75%	72%	70%	-	
	Over 50 years old	7, 8, 9	16%	8%	8%	-	19%	27%	27%	-	36%	28%	28%	-	15%	15%	15%	-	25%	19%	21%	-	50%	21%	26%	-	36%	17%	12%	-	40%	9%	8%	-	18%	20%	19%	-	
	<b>Team Leader or Customer facing staff</b>	7, 8, 9																																					
	under 30 years old	7, 8, 9	23%	27%	29%	-	17%	23%	27%	-	9%	8%	13%	-	10%	30%	34%	-	5%	0%	0%	-	0%	0%	0%	-	1%	50%	55%	-	9%	0%	0%	-	13%	29%	32%	-	
	30 to 50 years old	7, 8, 9	72%	48%	47%	-	54%	67%	65%	-	64%	59%	56%	-	82%	65%	62%	-	72%	0%	0%	-	59%	0%	0%	-	80%	48%	44%	-	64%	0%	0%	-	68%	62%	60%	-	
	Over 50 years old	7, 8, 9	6%	25%	24%	-	28%	10%	9%	-	26%	34%	31%	-	8%	5%	5%	-	23%	0%	0%	-	41%	0%	0%	-	18%	2%	1%	-	27%	0%	0%	-	19%	9%	8%	-	
	<b>Individual Contributor or Non-customer facing operational / technical staff</b>	7, 8, 9																																					
	under 30 years old	7, 8, 9	29%	33%	32%	-	19%	13%	15%	-	29%	28%	29%	-	26%	21%	21%	-	13%	11%	0%	-	24%	23%	18%	-	36%	25%	38%	-	0%	0%	0%	-	26%	21%	23%	-	
	30 to 50 years old	7, 8, 9	50%	57%	60%	-	64%	58%	58%	-	54%	53%	52%	-	65%	66%	66%	-	68%	68%	0%	-	45%	38%	33%	-	58%	60%	53%	-	50%	0%	0%	-	61%	59%	58%	-	
	Over 50 years old	7, 8, 9	21%	9%	8%	-	16%	29%	28%	-	18%	19%	18%	-	9%	14%	13%	-	19%	21%	0%	-	31%	39%	50%	-	6%	15%	9%	-	50%	0%	0%	-	13%	20%	19%	-	
	<b>Others</b>	7, 8, 9																																					
	under 30 years old	7, 8, 9	-	32%	30%	-	-	17%	18%	-	-	34%	38%	-	-	28%	27%	-	-	0%	18%	-	-	0%	0%	-	-	33%	35%	-	-	6%	17%	-	-	27%	27%	-	
	30 to 50 years old	7, 8, 9	-	50%	52%	-	-	63%	63%	-	-	61%	58%	-	-	66%	65%	-	-	0%	67%	-	-	0%	0%	-	-	61%	59%	-	-	63%	50%	-	-	62%	62%	-	
	Over 50 years old	7, 8, 9	-	18%	18%	-	-	20%	19%	-	-	5%	5%	-	-	7%	7%	-	-	0%	15%	-	-	0%	0%	-	-	6%	5%	-	-	31%	33%	-	-	11%	11%	-	



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Statistics		Note	Property				Cathay Pacific group				HAECO group				Swire Coca-Cola (Note 6)				Swire Pacific Offshore (Note 4)				HUD group				Trading & Industrial				Swire Pacific (Head Office)				Total (Note 1)			
Staff			2019	2018	2017	2016	2019	2018	2017	2016	2019	2018	2017	2016	2019	2018	2017	2016	2019	2018	2017	2016	2019	2018	2017	2016	2019	2018	2017	2016	2019	2018	2017	2016				
Workforce by employee category and gender (%)	Strategic Leader or Top / Senior Management	7, 8, 9																																				
	Male	7, 8, 9	53%	48%	50%	-	93%	64%	64%	-	82%	85%	83%	-	80%	80%	81%	-	100%	100%	100%	-	100%	89%	79%	-	60%	63%	70%	-	71%	55%	64%	-	89%	69%	70%	-
	Female	7, 8, 9	47%	52%	50%	-	7%	36%	36%	-	18%	15%	18%	-	20%	21%	19%	-	0%	0%	0%	-	0%	11%	21%	-	40%	37%	30%	-	29%	45%	36%	-	11%	31%	30%	-
	Operational Leader or Middle / Junior management and supervisory	7, 8, 9																																				
	Male	7, 8, 9	49%	48%	48%	-	84%	73%	72%	-	79%	83%	83%	-	75%	72%	77%	-	92%	76%	69%	-	100%	69%	78%	-	45%	58%	57%	-	40%	27%	33%	-	76%	70%	72%	-
	Female	7, 8, 9	51%	52%	52%	-	16%	27%	28%	-	21%	17%	17%	-	25%	28%	23%	-	8%	24%	31%	-	0%	31%	22%	-	55%	42%	43%	-	60%	73%	67%	-	24%	30%	28%	-
	Team Leader or Customer facing staff	7, 8, 9																																				
	Male	7, 8, 9	47%	68%	70%	-	53%	22%	22%	-	77%	91%	92%	-	73%	74%	75%	-	97%	0%	0%	-	82%	0%	0%	-	56%	29%	26%	-	18%	0%	0%	-	66%	50%	49%	-
	Female	7, 8, 9	53%	32%	30%	-	47%	78%	78%	-	23%	10%	8%	-	27%	26%	25%	-	3%	0%	0%	-	18%	0%	0%	-	44%	71%	74%	-	82%	0%	0%	-	34%	50%	51%	-
	Individual Contributor or Non-customer facing operational / technical staff	7, 8, 9																																				
	Male	7, 8, 9	63%	62%	63%	-	39%	85%	84%	-	82%	83%	82%	-	74%	84%	85%	-	59%	84%	0%	-	88%	92%	93%	-	37%	64%	68%	-	25%	0%	0%	-	62%	82%	82%	-
	Female	7, 8, 9	37%	38%	37%	-	61%	15%	16%	-	18%	17%	18%	-	26%	16%	15%	-	41%	16%	0%	-	12%	8%	7%	-	63%	36%	32%	-	75%	0%	0%	-	38%	18%	18%	-
	Others	7, 8, 9																																				
	Male	7, 8, 9	-	40%	38%	-	-	31%	31%	-	-	64%	64%	-	-	40%	40%	-	-	0%	85%	-	-	0%	0%	-	-	37%	38%	-	-	13%	11%	-	-	42%	48%	-
Female	7, 8, 9	-	60%	63%	-	-	69%	69%	-	-	36%	36%	-	-	60%	60%	-	-	0%	15%	-	-	0%	0%	-	-	63%	62%	-	-	88%	89%	-	-	58%	52%	-	
Voluntary Permanent Employee Turnover Data																																						
By age group	Under 30 years old	8	34%	41%	37%	35%	17%	24%	18%	15%	17%	19%	16%	14%	37%	39%	34%	29%	17%	25%	6%	12%	35%	27%	20%	10%	96%	98%	99%	67%	0%	40%	29%	0%	36%	40%	37%	30%
	30 to 50 years old	8	17%	20%	18%	16%	7%	7%	6%	5%	6%	8%	9%	9%	14%	15%	14%	12%	5%	3%	6%	5%	9%	22%	15%	12%	24%	28%	31%	33%	0%	9%	4%	0%	11%	12%	12%	10%
	Over 50 years old	8	13%	15%	11%	11%	11%	6%	10%	6%	7%	7%	9%	9%	9%	2%	8%	5%	7%	27%	10%	4%	3%	7%	6%	8%	14%	13%	19%	19%	0%	0%	0%	0%	10%	7%	10%	7%
By gender	Male	8	19%	21%	20%	21%	9%	10%	9%	9%	8%	10%	11%	10%	20%	21%	20%	18%	7%	9%	7%	5%	10%	17%	12%	10%	48%	47%	55%	43%	0%	25%	7%	0%	16%	17%	17%	14%
	Female	8	23%	30%	24%	22%	9%	11%	9%	7%	10%	12%	11%	12%	16%	16%	16%	13%	13%	18%	6%	12%	31%	18%	9%	9%	49%	60%	67%	52%	0%	0%	3%	0%	18%	9%	21%	16%
By region	Hong Kong & Macau	8	20%	22%	22%	20%	9%	11%	10%	8%	8%	11%	10%	10%	28%	27%	26%	19%	0%	0%	0%	0%	12%	17%	12%	10%	83%	93%	90%	59%	0%	8%	5%	0%	15%	18%	17%	13%
	Mainland China	8	21%	24%	22%	23%	7%	8%	7%	11%	5%	7%	7%	8%	15%	17%	17%	14%	0%	0%	0%	0%	0%	0%	0%	0%	36%	42%	56%	49%	0%	0%	0%	0%	16%	19%	22%	18%
	Taiwan	8	0%	0%	0%	0%	6%	7%	4%	4%	0%	0%	0%	0%	8%	10%	14%	7%	0%	0%	0%	0%	0%	0%	0%	0%	15%	12%	26%	22%	0%	0%	0%	0%	11%	16%	17%	13%
	USA	8	26%	0%	67%	0%	9%	12%	2%	10%	18%	19%	22%	17%	31%	26%	25%	29%	0%	50%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	27%	23%	22%	18%
	Others	8	0%	20%	0%	0%	8%	10%	8%	6%	12%	0%	0%	0%	0%	0%	6%	0%	13%	10%	7%	6%	0%	0%	0%	0%	0%	34%	23%	56%	0%	0%	0%	0%	10%	10%	8%	7%
Total Voluntary Turnover Rate of Permanent Employees (%)	8	21%	25%	22%	21%	9%	10%	9%	8%	9%	11%	11%	10%	19%	20%	19%	17%	8%	10%	7%	6%	12%	17%	12%	10%	49%	55%	62%	48%	0%	8%	5%	0%	16%	19%	19%	15%	
Employee New Hire Data																																						
By age group	Under 30 years old	8	52%	54%	47%	48%	28%	25%	21%	20%	32%	30%	29%	22%	44%	55%	57%	47%	17%	23%	7%	17%	45%	30%	31%	50%	107%	116%	105%	80%	50%	100%	25%	0%	46%	52%	50%	39%
	30 to 50 years old	8	21%	21%	17%	24%	5%	5%	4%	5%	7%	7%	7%	11%	16%	17%	47%	19%	5%	2%	6%	6%	19%	14%	34%	45%	25%	33%	36%	39%	5%	4%	5%	7%	12%	13%	23%	14%
	Over 50 years old	8	16%	16%	13%	16%	6%	6%	5%	5%	6%	8%	8%	9%	7%	8%	26%	28%	1%	22%	6%	3%	16%	7%	33%	49%	11%	16%	19%	29%	0%	0%	0%	0%	7%	8%	12%	12%
By gender	Male	8	25%	-	-	-	11%	-	-	-	13%	-	-	-	20%	-	-	-	4%	-	-	-	21%	-	-	-	51%	-	-	-	17%	-	-	-	18%	-	-	-
	Female	8	32%	-	-	-	7%	-	-	-	15%	-	-	-	24%	-	-	-	14%	-	-	-	47%	-	-	-	51%	-	-	-	0%	-	-	-	20%	-	-	-
By region	Hong Kong & Macau	8	24%	25%	24%	25%	7%	10%	8%	10%	13%	11%	11%	16%	35%	34%	24%	27%	0%	0%	0%	0%	24%	15%	33%	48%	78%	101%	91%	61%	5%	5%	5%	5%	15%	17%	17%	16%
	Mainland China	8	29%	30%	25%	36%	8%	7%	4%	1%	8%	9%	7%	4%	21%	23%	55%	19%	0%	0%	0%	0%	0%	0%	0%	0%	45%	51%	61%	64%	0%	0%	0%	0%	21%	45%	45%	25%
	Taiwan	8	0%	0%	0%	0%	1%	1%	2%	1%	0%	0%	0%	0%	13%	17%	12%	10%	100%	0%	0%	0%	0%	0%	0%	0%	19%	20%	36%	25%	0%	0%	0%	0%	13%	20%	20%	14%
	USA	8	45%	47%	0%	1%	10%	2%	3%	4%	25%	27%	30%	26%	21%	32%	35%	64%	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	22%	33%	33%	45%
	Others	8	0%	20%	0%	0%	10%	5%	7%	9%	20%	0%	0%	0%	0%	0%	11%	0%	5%	9%	6%	7%	0%	0%	0%	0%	0%	32%	40%	79%	0%	0%	0%	0%	8%	8%	8%	9%
Total New Hires Rate (%)	8	28%	29%	24%	28%	9%	9%	8%	9%	13%	13%	13%	14%	21%	25%	48%	29%	5%	9%	6%	7%	24%	15%	33%	48%	51%	65%	66%	58%	5%	5%	5%	4%	19%	21%	29%	21%	



PERFORMANCE DATA

Statistics		Note	Property				Cathay Pacific group				HAECO group				Swire Coca-Cola (Note 6)				Swire Pacific Offshore (Note 4)				HUD group				Trading & Industrial				Swire Pacific (Head Office)				Total (Note 1)			
			2019	2018	2017	2016	2019	2018	2017	2016	2019	2018	2017	2016	2019	2018	2017	2016	2019	2018	2017	2016	2019	2018	2017	2016	2019	2018	2017	2016	2019	2018	2017	2016	2019	2018	2017	2016
Average Tenure of Employee	Under 30 years old	8	1.8	-	-	-	2.7	-	-	-	2.9	-	-	-	2.0	-	-	-	3.6	-	-	-	2.8	-	-	-	1.9	-	-	-	0.5	-	-	-	2.3	-	-	-
	30 to 50 years old	8	5.3	-	-	-	10.7	-	-	-	11.6	-	-	-	7.1	-	-	-	7.8	-	-	-	7.8	-	-	-	6.0	-	-	-	9.2	-	-	-	8.7	-	-	-
	Over 50 years old	8	9.6	-	-	-	16.7	-	-	-	17.7	-	-	-	12.4	-	-	-	12.7	-	-	-	15.9	-	-	-	11.7	-	-	-	18.7	-	-	-	15.1	-	-	-
By gender	Male	8	5.6	-	-	-	8.5	-	-	-	10.3	-	-	-	6.7	-	-	-	8.8	-	-	-	9.3	-	-	-	5.9	-	-	-	8.6	-	-	-	7.8	-	-	-
	Female	8	4.5	-	-	-	12.3	-	-	-	12.2	-	-	-	6.1	-	-	-	6.3	-	-	-	8.7	-	-	-	4.6	-	-	-	13.9	-	-	-	8.9	-	-	-
Total Average Tenure of Employee (years)		8	5.2	-	-	-	10.6	-	-	-	10.7	-	-	-	6.5	-	-	-	8.4	-	-	-	9.3	-	-	-	5.1	-	-	-	12.2	-	-	-	8.3	-	-	-
<b>Employee Promotion</b>																																						
By age group	Under 30 years old	8	20%	-	-	-	6%	-	-	-	28%	-	-	-	7%	-	-	-	9%	-	-	-	5%	-	-	-	6%	-	-	-	0%	-	-	-	12%	-	-	-
	30 to 50 years old	8	11%	-	-	-	9%	-	-	-	14%	-	-	-	6%	-	-	-	7%	-	-	-	7%	-	-	-	3%	-	-	-	0%	-	-	-	8%	-	-	-
	Over 50 years old	8	4%	-	-	-	3%	-	-	-	6%	-	-	-	2%	-	-	-	1%	-	-	-	3%	-	-	-	2%	-	-	-	0%	-	-	-	3%	-	-	-
By gender	Male	8	12%	-	-	-	8%	-	-	-	16%	-	-	-	5%	-	-	-	5%	-	-	-	5%	-	-	-	6%	-	-	-	0%	-	-	-	9%	-	-	-
	Female	8	13%	-	-	-	7%	-	-	-	14%	-	-	-	6%	-	-	-	9%	-	-	-	5%	-	-	-	3%	-	-	-	0%	-	-	-	7%	-	-	-
Total Employee Promotion Rate (%)		8	12%	-	-	-	8%	-	-	-	16%	-	-	-	6%	-	-	-	6%	-	-	-	5%	-	-	-	4%	-	-	-	0%	-	-	-	8%	-	-	-
<b>Employee Training Hours</b>																																						
By employee category	Strategic Leader or Top /Senior Management	7, 8, 9	53.2	37.9	34.8	24.9	86.0	6.4	-	2.7	27.6	12.2	16.1	27.4	29.2	38.2	41.4	58.5	0.0	3.7	0.5	1.8	0.0	6.8	7.7	5.1	8.8	13.8	17.3	13.1	14.0	15.6	11.5	14.9	72.4	26.6	51.7	15.5
	Operational Leader or Middle/ Junior management and supervisory	7, 8, 9	38.4	28.3	22.2	15.9	93.8	20.4	-	14.5	20.8	59.5	52.9	83.9	43.9	29.8	23.9	28.6	2.7	6.2	0.0	15.7	0.0	7.7	5.7	6.1	12.1	14.9	14.9	11.2	11.4	24.4	25.6	22.3	60.6	31.4	27.2	39.9
	Team Leader or Customer facing staff	7, 8, 9	24.0	19.5	9.6	10.0	68.9	52.3	-	26.6	33.8	40.7	78.1	40.9	55.7	22.0	16.3	15.1	1.6	0.0	0.0	0.0	9.8	0.0	0.0	0.0	11.3	24.6	5.4	6.5	16.8	0.0	0.0	0.0	48.3	33.9	20.3	23.0
	Individual Contributor or Non-customer facing operational /technical staff	7, 8, 9	27.4	19.3	18.9	13.1	74.1	82.4	-	12.3	62.1	55.3	45.3	62.2	24.2	39.8	26.7	32.9	161.6	66.4	0.0	4.4	8.6	17.1	8.0	8.5	24.1	9.6	15.6	13.2	0.0	0.0	0.0	0.0	45.7	55.2	33.3	26.5
	Others		-	7.6	11.5	6.9	-	8.5	-	1.1	-	81.0	53.9	163.5	-	25.9	18.9	22.3	-	0.0	25.8	155.7	-	0.0	0.0	0.0	-	7.3	7.2	6.1	-	8.3	19.9	1.0	-	29.1	26.5	69.9
By gender	Male	8, 10	24.8	-	-	-	50.8	-	-	-	61.2	-	-	-	29.3	-	-	-	-	-	-	-	8.0	-	-	-	11.3	-	-	-	9.8	-	-	-	40.8	-	-	-
	Female	8, 10	32.7	-	-	-	25.1	-	-	-	33.1	-	-	-	32.3	-	-	-	6.7	-	-	-	12.6	-	-	-	30.8	-	-	-	8.2	-	-	-	28.9	-	-	-
Total Average Hours of Training (per employee)		8, 9	28.0	20.9	14.1	11.6	70.2	30.6	49.1	21.3	55.9	57.4	50.6	65.3	30.0	28.6	20.7	23.7	70.3	57.4	22.9	123.1	8.5	15.5	7.8	7.9	23.3	18.5	8.5	8.3	8.7	14.6	19.3	18.8	46.8	40.7	33.2	30.1
<b>Employee Training Spend</b>																																						
By employee category	Strategic Leader or Top /Senior Management	7, 8, 11, 12, 13	\$16,531	-	-	-	\$-	-	-	-	\$1,242	-	-	-	\$61,620	-	-	-	-	-	-	-	-	-	-	-	\$1,494	-	-	-	\$-	-	-	-	\$50,471	-	-	-
	Operational Leader or Middle/ Junior management and supervisory	7, 8, 11, 12, 13	\$7,913	-	-	-	\$3,594	-	-	-	\$2,076	-	-	-	\$4,787	-	-	-	-	-	-	-	-	-	-	-	\$7,618	-	-	-	\$240	-	-	-	\$5,656	-	-	-
	Team Leader or Customer facing staff	7, 8, 11, 12, 13	\$1,443	-	-	-	\$1,708	-	-	-	\$2,297	-	-	-	\$2,978	-	-	-	-	-	-	-	-	-	-	-	\$501	-	-	-	\$179	-	-	-	\$2,404	-	-	-
	Individual Contributor or Non-customer facing operational /technical staff	7, 8, 11, 12, 13	\$346	-	-	-	\$24	-	-	-	\$4,594	-	-	-	\$516	-	-	-	-	-	-	-	-	-	-	-	\$276	-	-	-	\$-	-	-	-	\$1,361	-	-	-
	Others		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
By gender	Male	7, 8, 11, 12, 13	\$449	-	-	-	\$97	-	-	-	\$4,337	-	-	-	\$1,564	-	-	-	-	-	-	-	-	-	-	-	\$446	-	-	-	-	-	-	-	\$2,042	-	-	-
	Female	7, 8, 11, 12, 13	\$445	-	-	-	\$265	-	-	-	\$3,107	-	-	-	\$1,863	-	-	-	-	-	-	-	-	-	-	-	\$281	-	-	-	-	-	-	-	\$1,409	-	-	-
Total Average Spend on Training (per employee)		8, 11, 13	\$447	-	-	-	\$147	-	-	-	\$4,103	-	-	-	\$1,642	-	-	-	\$28,597	-	-	-	-	-	-	-	\$344	-	-	-	\$135	-	-	-	\$2,347	-	-	-





PERFORMANCE DATA

Statistics		Note	Property				Cathay Pacific group				HAECO group				Swire Coca-Cola (Note 6)				Swire Pacific Offshore (Note 4)				HUD group				Trading & Industrial				Swire Pacific (Head Office)				Total (Note 1)				
Absentee			2019	2018	2017	2016	2019	2018	2017	2016	2019	2018	2017	2016	2019	2018	2017	2016	2019	2018	2017	2016	2019	2018	2017	2016	2019	2018	2017	2016	2019	2018	2017	2016					
By gender	Male	8	2%	-	-	-	4%	-	-	-	3%	-	-	-	1%	-	-	-	1%	-	-	-	2%	-	-	-	1%	-	-	-	0.1%	-	-	-	2%	-	-	-	
	Female	8	2%	-	-	-	4%	-	-	-	3%	-	-	-	1%	-	-	-	3%	-	-	-	3%	-	-	-	1%	-	-	-	0.3%	-	-	-	3%	-	-	-	
Total Absentee Rate (%)		8	2%	-	-	-	4%	-	-	-	3%	-	-	-	1%	-	-	-	1%	-	-	-	2%	-	-	-	1%	-	-	-	0.2%	-	-	-	2%	-	-	-	
<b>Salary Data</b>																																							
<b>Basic Salary</b>																																							
Gender pay gap by employee category (Basic Salary)	Strategic Leader or Top / Senior Management	7, 8, 9, 14	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Operational Leader or Middle / Junior management and supervisory	7, 8, 9	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Team Leader or Customer facing staff	7, 8, 9	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Individual Contributor or Non-customer facing operational / technical staff	7, 8, 9	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Others		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Remuneration</b>																																							
Gender pay gap by employee category (Remuneration)	Strategic Leader or Top / Senior Management	7, 8, 9, 14	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Operational Leader or Middle / Junior management and supervisory	7, 8, 9	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Team Leader or Customer facing staff	7, 8, 9	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Individual Contributor or Non-customer facing operational / technical staff	7, 8, 9	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Others		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-



## PERFORMANCE DATA

### Notes:

1. Totals may not be the exact sum of numbers shown here due to rounding.
2. For the Cathay Pacific group, only CO<sub>2</sub> emissions for aviation turbine fuel are reported as there is no scientific consensus on the global warming effect of other emissions. Cathay Pacific monitors developments in these areas of atmospheric science, including studies from the UKs OMEGA aviation and environment project and the Institute of Atmospheric Physics at the German Aerospace Centre.
3. Virtually all water consumption by the Swire Pacific Group is withdrawn from municipal water supplies provided by local water supply authorities. Swire Properties' buildings have installed rainwater catching facilities but the amount of rainwater caught is insignificant in relation to the Group's total water consumption.
4. This figure excludes on-hire vessel fuel consumption as this belongs to scope 3 as defined by the Greenhouse Gas Protocol.
5. Number included in 2018 report (based on estimates) has been revised to reflect the actual situation.
6. The gender pay gap is calculated based on the average basic salary.
7. Staff have been recategorised in 2019 into the following four categories: Individual Contributor, Team Leader, Operational Leader and Strategic Leader. The revised employee categories makes reference to the career development pathways under the Swire Group's Leadership Development Programme.

Individual Contributor: Entry level and/or first-line employees with no direct reports.

Team Leader: First-line supervisor and junior managers leading teams of individuals.

Operational Leader: Middle managers leading other managers within a function, product line, or region.

Strategic Leader: Managers/leaders leading a function/multiple functions, department, region, or small operating company.

For Data 2018 or before, staff were categorised into the following levels:

- Top/Senior Management
- Middle/Junior management & supervisory
- Customer facing staff
- Non-customer facing operational/technical staff
- Others

8. Staff data presented includes only permanent staff (i.e. Permanent Full Time + Permanent Part Time + Fixed Contract Employment in Mainland China)
9. Cathay Dragon's cabin crew and cockpit staff have a different employee categorisation system and do not fall into the employee categories developed by Swire Pacific. They were not included as part of disclosure for this indicator in 2019.
10. Cathay Pacific Airways and Cathay Dragon did not breakdown their training hours data by gender in 2019. The total Swire Pacific and Cathay Pacific group breakdown did not include contribution from Cathay Pacific Airways and Cathay Dragon. The 2019 data for Cathay Pacific Group included Air Hong Kong, Cathay Pacific Catering Services Limited, Cathay Pacific Services Limited, Hong Kong Airport Services Limited and Vogue Laundry Service Limited.
11. Cathay Pacific Airways, Cathay Dragon, Air Hong Kong and Cathay Pacific Services Limited did not capture employee training spend in 2019. The total Swire Pacific and Cathay Pacific group breakdown did not include contribution from Cathay Pacific Airways, Cathay Dragon, Air Hong Kong and Cathay Pacific Services Limited. The data for Cathay Pacific Group included Cathay Pacific Services Limited, Hong Kong Airport Services Limited and Vogue Laundry Service Limited.
12. Swire Pacific Offshore did not breakdown their employee training spend by employee category and gender in 2019. The total Swire Pacific breakdown did not include contribution from Swire Pacific Offshore.
13. Hongkong United Dockyards Limited (HUD) did not capture data on employee training spend. The total Swire Pacific figure did not include contribution from HUD.
14. Hongkong United Dockyards Limited (HUD) did not provide data on Strategic Leader level staff basic salary and remuneration. The total Swire Pacific Strategic Leader level gender pay gap figures and salary data did not include contribution from HUD.
- R. Denotes sustainability data that has been assured on by Deloitte. Please refer to the independent limited assurance report for further details.



## GRI TABLE

## GRI AND HKEX INDICIES

This content index can be used to find the relevant disclosures made in accordance with the GRI Sustainability Reporting Standards and the ESG Reporting Guide of Appendix 27 of the main board listing rules of the Hong Kong Stock Exchange.

## GRI GENERAL STANDARD DISCLOSURE

GRI standard general disclosures	Description	Report section	Remarks
<b>Organisational profile</b>			
102-1	Name of the organisation	<a href="#">Our business – Swire Pacific</a>	<a href="#">Annual Report 2019 – Corporate Statement</a>
102-2	Activities, brands, products, and services	<a href="#">Our business – Swire Pacific</a>	<a href="#">Annual Report 2019 – Corporate Statement</a> <a href="#">Annual Report 2019 – 2019 Performance Review and Outlook</a>
102-3	Location of headquarters	<a href="#">Our business – Swire Pacific</a>	<a href="#">Annual Report 2019 – Corporate Statement</a>
102-4	Number of countries where the organisation operates	<a href="#">Our business – Swire Pacific</a>	<a href="#">Annual Report 2019 – Corporate Statement</a>
102-5	Nature of ownership and legal form	<a href="#">Our business – Swire Pacific</a>	
102-6	Markets served (including geographic breakdown, sectors served, types of customers, and beneficiaries)	<a href="#">Our business – Swire Pacific</a>	<a href="#">Annual Report 2019 – 2019 Performance Review and Outlook</a>
102-7	Scale of the organisation	<a href="#">Our business – Swire Pacific</a>	
102-8	Information on employees and other workers	<a href="#">Our people – Diversity &amp; inclusion</a> <a href="#">Our performance – Performance Data</a>	
102-9	Supply chain	<a href="#">Our business – Supply chain</a>	
102-10	Significant changes to the organization and its supply chain		<a href="#">Annual Report 2019 – Chairman Statement</a> <a href="#">Annual Report 2019 – 2019 Performance Review and Outlook</a>
102-11	Precautionary Principle or approach	<a href="#">Our business – Risk management</a>	<a href="#">2019 Annual Report – Risk Management</a>
102-12	External initiatives	<a href="#">Our business – Governance</a> <a href="#">Our communities</a>	
102-13	Membership associations	<a href="#">Our business – Governance</a>	



## GRI TABLE

GRI standard general disclosures	Description	Report section	Remarks
<b>Strategy and analysis</b>			
102-14	Statement from senior decision-makers	<a href="#">Introduction – Chairman’s statement</a> <a href="#">Introduction – Head of SD’s statement</a>	
102-15	Key Impacts, risks and opportunities	<a href="#">Our business – Risk management</a>	
<b>Ethics and integrity</b>			
102-16	Values, principles, standards, and norms of behavior	<a href="#">Our business – Governance</a>	
<b>Governance</b>			
102-18	Governance structure	<a href="#">Our business – Governance</a>	<a href="#">2019 Annual Report – Corporate Governance Report</a>
<b>Stakeholder engagement</b>			
102-40	List of stakeholder groups	<a href="#">About our report – Assessing materiality</a>	
102-41	Collective bargaining agreements	<a href="#">Our people – Diversity &amp; inclusion</a>	
102-42	Identifying and selecting stakeholders	<a href="#">About our report – Assessing materiality</a>	
102-43	Approach to stakeholder engagement	<a href="#">About our report – Assessing materiality</a>	
102-44	Key topics and concerns raised	<a href="#">About our report – Assessing materiality</a>	
<b>Report profile</b>			
102-45	Entities included in the consolidated financial statements		<a href="#">2019 Annual Report – Reporting Methodology</a>
102-46	Defining report content and topic Boundaries	<a href="#">About our report – Assessing materiality</a>	<a href="#">2019 Annual Report – Reporting Methodology</a>
102-47	List of material topics	<a href="#">About our report – Assessing materiality</a>	<a href="#">2019 Annual Report – Reporting Methodology</a>
102-48	Restatements of information	<a href="#">Our performance – Performance Data</a>	
102-49	Changes in reporting		<a href="#">2019 Annual Report – Reporting Methodology</a>
102-50	Reporting period	<a href="#">About our report</a>	
102-51	Date of most recent report	<a href="#">About our report</a>	



## GRI TABLE

GRI standard general disclosures	Description	Report section	Remarks
<b>Report profile</b>			
102-52	Reporting cycle	<a href="#">About our report</a>	
102-53	Contact point for questions regarding the report	<a href="#">About our report</a>	
102-54	Claims of reporting in accordance with the GRI Standards	<a href="#">About our report</a>	
102-55	GRI content index	<a href="#">About our report</a>	
102-56	External assurance	<a href="#">About our report</a>	<a href="#">Independent Practitioner's Limited Assurance Report</a>



## GRI STANDARD &amp; HKE X

## GRI STANDARD &amp; HKE X

GRI standard topic specific standard	Topic specific standard disclosure	GRI standard description	Item	HKE X ESG reporting guide reference	Report section	Remarks
<b>Economic</b>						
GRI 201: Economic Performance 2016	103-1	Explanation of the material topic and its boundary			<a href="#">Our business – Swire Pacific</a>	<a href="#">Annual Report 2019 – Financial Review</a>
	103-2	The management approach and its components			<a href="#">Our business – Swire Pacific</a>	<a href="#">Annual Report 2019 – Financial Review</a>
	103-3	Evaluation of the management approach			<a href="#">Our business – Swire Pacific</a>	<a href="#">Annual Report 2019 – Financial Review</a>
	201-1	Direct economic value generated and distributed			<a href="#">Our business – Swire Pacific</a>	<a href="#">Annual Report 2019 – Financial Review</a>
	201-2	Financial implications and other risks and opportunities due to climate change			<a href="#">Our business – TCFD</a>	
GRI 203: Indirect Economic Impacts 2016	103-1	Explanation of the material topic and its boundary				<a href="#">Annual Report 2019 – 2019 Performance Review and Outlook</a>
	103-2	The management approach and its components				
	103-3	Evaluation of the management approach				
	203-2	Significant indirect economic impacts				
GRI 204: Procurement Practices 2016	103-1	Explanation of the material topic and its boundary	General Disclosure B5	Policies on managing environmental and social risks of the supply chain.	<a href="#">Our environment – Sustainable materials</a>	
	103-2	The management approach and its components				
	103-3	Evaluation of the management approach				



## GRI STANDARD &amp; HKEX

GRI standard topic specific standard	Topic specific standard disclosure	GRI standard description	Item	HKEEx ESG reporting guide reference	Report section	Remarks
<b>Economic</b>						
GRI 205: Anti-corruption 2016	103-1	Explanation of the material topic and its boundary	General Disclosure B7	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	<a href="#">Our business - Governance</a>	It is not considered that any individual laws or regulations have a significant impact on the Swire Pacific group.
	103-2	The management approach and its components				
	103-3	Evaluation of the management approach				
	205-2	Communication and training about anti-corruption policies and procedures			<a href="#">Our people - Training and development</a>	
	205-3	Confirmed incidents of corruption and actions taken				
GRI 206: Anti- competitive Behaviour 2016	103-1	Explanation of the material topic and its boundary			<a href="#">Our business - Supply chain</a>	It is not considered that any individual laws or regulations have a significant impact on the Swire Pacific group.
	103-2	The management approach and its components				
	103-3	Evaluation of the management approach				
	206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices				



## GRI STANDARD &amp; HKEX

GRI standard topic specific standard	Topic specific standard disclosure	GRI standard description	Item	HKEx ESG reporting guide reference	Report section	Remarks	
<b>Environmental</b>							
GRI 301: Materials 2016	103-1	Explanation of the material topic and its boundary	General Disclosure A2, A3	Policies on the efficient use of resources, including energy, water and other raw materials.	<a href="#">Our environment – Sustainable materials</a>	It is not considered that any individual laws or regulations have a significant impact on the Swire Pacific group.	
	103-2	The management approach and its components					
	103-3	Evaluation of the management approach					
			KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.		This was deemed to not be material at a Group Level, by our materiality assessment.	
GRI 302: Energy 2016	103-1	Explanation of the material topic and its boundary	General Disclosure A2, A3	Policies on the efficient use of resources, including energy, water and other raw materials.	<a href="#">Our environment – Carbon</a>	It is not considered that any individual laws or regulations have a significant impact on the Swire Pacific group.	
	103-2	The management approach and its components					
	103-3	Evaluation of the management approach					
		302-1	Energy consumption within the organisation	KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	<a href="#">Our performance – Performance data</a>	<a href="#">Annual Report 2019 – Sustainable Development Review</a>
				KPI A2.3	Description of energy use efficiency initiatives and results achieved	<a href="#">Our environment – Carbon</a>	
			KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.			
	302-4	Reduction of energy consumption					





## GRI STANDARD &amp; HKEX

GRI standard topic specific standard	Topic specific standard disclosure	GRI standard description	Item	HKEx ESG reporting guide reference	Report section	Remarks
<b>Environmental</b>						
GRI 303: Water and Effluents 2018	103-1	Explanation of the material topic and its boundary	General Disclosure A2, A3	Policies on the efficient use of resources, including energy, water and other raw materials.	<a href="#">Our environment – Water</a>	It is not considered that any individual laws or regulations have a significant impact on the Swire Pacific group.
	103-2	The management approach and its components				
	103-3	Evaluation of the management approach				
	303-1	Interactions with water as a shared resource			<a href="#">Our environment – Water</a>	
	303-2	Management of water discharge-related impacts			<a href="#">Our environment – Water</a>	
	303-3	Water withdrawal	KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	<a href="#">Our performance – Performance data</a>	<a href="#">Annual Report 2019 – Sustainable Development Review</a>
			KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	<a href="#">Our environment – Water</a>	
KPI A3.1			Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.			
GRI 304: Biodiversity 2016	103-1	Explanation of the material topic and its boundary	General Disclosure A2, A3	Policies on the efficient use of resources, including energy, water and other raw materials.	<a href="#">Our environment – Biodiversity</a>	It is not considered that any individual laws or regulations have a significant impact on the Swire Pacific group.
	103-2	The management approach and its components				
	103-3	Evaluation of the management approach				
	304-2	Significant impacts of activities, products, and services on biodiversity	KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.		



## GRI STANDARD &amp; HKEX

GRI standard topic specific standard	Topic specific standard disclosure	GRI standard description	Item	HKEx ESG reporting guide reference	Report section	Remarks	
<b>Environmental</b>							
GRI 305: Emissions 2016	103-1	Explanation of the material topic and its boundary	General Disclosure	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	<a href="#">Our environment – Carbon</a>	It is not considered that any individual laws or regulations have a significant impact on the Swire Pacific group.	
	103-2	The management approach and its components	A1, A3				
	103-3	Evaluation of the management approach					
					Policies on minimising the issuer's significant impact on the environment and natural resources.		
	305-1	Direct (Scope 1) GHG emissions		KPI A1.1	The types of emissions and respective emissions data.	<a href="#">Our performance – Performance data</a>	<a href="#">Annual Report 2019 – Sustainable Development Review</a>
				KPI A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	<a href="#">Our environment – Carbon</a>	
	305-2	Energy indirect (Scope 2) GHG emissions		KPI A1.5	Description of measures to mitigate emissions and results achieved.		
	KPI A3.1			Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.			



## GRI STANDARD &amp; HKEX

GRI standard topic specific standard	Topic specific standard disclosure	GRI standard description	Item	HKEx ESG reporting guide reference	Report section	Remarks
<b>Environmental</b>						
GRI 306: Effluents and Waste 2016	103-1	Explanation of the material topic and its boundary	General Disclosure A1	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	<a href="#">Our environment – Waste</a>	It is not considered that any individual laws or regulations have a significant impact on the Swire Pacific group.
	103-2	The management approach and its components				
	103-3	Evaluation of the management approach				
	306-2	Waste by type and disposal method	KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	<a href="#">Our performance – Performance data</a>	
			KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	<a href="#">Our environment – Waste</a>	
			KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.		
GRI 307: Environmental Compliance 2016	103-1	Explanation of the material topic and its boundary			<a href="#">Our performance – GRI table</a>	It is not considered that any individual laws or regulations have a significant impact on the Swire Pacific group.
	103-2	The management approach and its components				
	103-3	Evaluation of the management approach				
	307-1	Non-compliance with environmental laws and regulations				



## GRI STANDARD &amp; HKEX

GRI standard topic specific standard	Topic specific standard disclosure	GRI standard description	Item	HKEx ESG reporting guide reference	Report section	Remarks
<b>Environmental</b>						
GRI 308: Supplier Environmental Assessment 2016	103-1	Explanation of the material topic and its boundary			<a href="#">Our performance – GRI table</a>	
	103-2	The management approach and its components			<a href="#">Our business – Supply chain</a>	
	103-3	Evaluation of the management approach			<a href="#">Our environment – Biodiversity</a>	
<b>Social</b>						
GRI 401: Employment 2016	103-1	Explanation of the material topic and its boundary	General Disclosure B1	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	<a href="#">Our people</a>	It is not considered that any individual laws or regulations have a significant impact on the Swire Pacific group.
	103-2	The management approach and its components			<a href="#">Our people – Diversity and inclusion</a>	
	103-3	Evaluation of the management approach				
	401-1	New employee hires and employee turnover	KPI B1.2	Employee turnover rate by gender, age group and geographical region.	<a href="#">Our performance – Performance data</a>	
GRI 403: Occupational Health and Safety 2018	103-1	Explanation of the material topic and its boundary	General Disclosure B2	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	<a href="#">Our people – Health and Safety</a>	It is not considered that any individual laws or regulations have a significant impact on the Swire Pacific group.
	103-2	The management approach and its components				
	103-3	Evaluation of the management approach				
	403-9	Work-related injuries	KPI B2.1 KPI B2.2 KPI B2.3	Number and rate of work-related fatalities. Lost days due to work injury. Description of occupational health and safety measures adopted, how they are implemented and monitored.	<a href="#">About our report – Our performance</a> <a href="#">Our people – Health and Safety</a>	Swire Pacific only reports on the lost day rate, lost time injury rate and fatalities of our employee. We do not disclose occupational health & safety data by gender and region.



## GRI STANDARD &amp; HKEX

GRI standard topic specific standard	Topic specific standard disclosure	GRI standard description	Item	HKEx ESG reporting guide reference	Report section	Remarks
<b>Social</b>						
GRI 404: Training and Education 2016	103-1	Explanation of the material topic and its boundary	General Disclosure B3	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	<a href="#">Our people – Training and development</a>	It is not considered that any individual laws or regulations have a significant impact on the Swire Pacific group.
	103-2	The management approach and its components				
	103-3	Evaluation of the management approach				
	404-1	Average hours of training per year per employee	KPI B3.2	The average training hours completed per employee by gender and employee category.	<a href="#">Our performance – Performance Data</a>  <a href="#">Our people – Training and development</a>	Cathay Dragon's cabin crew and cockpit staff have a different employee categorisation system and do not fall into the employee categories developed by Swire Pacific. They were not included as part of disclosure for this indicator in 2019.  Cathay Pacific Airways and Cathay Dragon did not breakdown their training hours data by gender in 2019. The total Swire Pacific and Cathay Pacific group breakdown did not include contribution from Cathay Pacific Airways and Cathay Dragon. The 2019 data for Cathay Pacific Group included Air Hong Kong, Cathay Pacific Catering Services, Cathay Pacific Services Limited, Hong Kong Airport Services Limited and Vogue Laundry Service Limited.



## GRI STANDARD &amp; HKEX

GRI standard topic specific standard	Topic specific standard disclosure	GRI standard description	Item	HKEx ESG reporting guide reference	Report section	Remarks
<b>Social</b>						
GRI 405: Diversity and Equal Opportunity 2016	103-1	Explanation of the material topic and its boundary	General Disclosure B1	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	<a href="#">Our people – Diversity and inclusion</a>	It is not considered that any individual laws or regulations have a significant impact on the Swire Pacific group.
	103-2	The management approach and its components				
	103-3	Evaluation of the management approach				
	405-1	Diversity of governance bodies and employees	KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	<a href="#">Our performance – Performance Data</a>  <a href="#">Our people – Diversity and inclusion</a>	We currently do not have a definition of minority status in our workforce.
	405-2	Ratio of basic salary and remuneration of women to men			<a href="#">Our performance – Performance Data</a>  <a href="#">Our people – Diversity and inclusion</a>	
GRI 406: Non-discrimination 2016	103-1	Explanation of the material topic and its boundary	General Disclosure B1	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	<a href="#">Our people – Diversity and inclusion</a>	It is not considered that any individual laws or regulations have a significant impact on the Swire Pacific group.
	103-2	The management approach and its components				
	103-3	Evaluation of the management approach				
	406-1	Incidents of discrimination and corrective actions taken				



## GRI STANDARD &amp; HKEX

GRI standard topic specific standard	Topic specific standard disclosure	GRI standard description	Item	HKEx ESG reporting guide reference	Report section	Remarks		
<b>Social</b>								
GRI 407: Freedom of Association and Collective Bargaining 2016	103-1	Explanation of the material topic and its boundary			<a href="#">Our people – Employment</a>	In Hong Kong, there is no legal framework for collective bargaining with trade unions. In Mainland China, we are normally required to liaise with official trade unions. Employees can present grievances and report improprieties and breaches of the Code of Conduct through established channels.		
	103-2	The management approach and its components						
	103-3	Evaluation of the management approach						
	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk						
GRI 408: Child Labor 2016	103-1	Explanation of the material topic and its boundary	General Disclosure B4	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	<a href="#">Our business – Supply chain</a>			
	103-2	The management approach and its components						<a href="#">Our business – Governance</a>
	103-3	Evaluation of the management approach						
	408-1	Operations and suppliers at significant risk for incidents of child labor						
GRI 409: Forced or Compulsory Labor 2016	103-1	Explanation of the material topic and its boundary	General Disclosure B4	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	<a href="#">Our business – Supply chain</a>			
	103-2	The management approach and its components						<a href="#">Our business – Governance</a>
	103-3	Evaluation of the management approach						
	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor						



## GRI STANDARD &amp; HKEX

GRI standard topic specific standard	Topic specific standard disclosure	GRI standard description	Item	HKEx ESG reporting guide reference	Report section	Remarks
<b>Social</b>						
GRI 412: Human Rights Assessment 2016	103-1	Explanation of the material topic and its boundary			<a href="#">Our business – Supply chain</a>	
	103-2	The management approach and its components			<a href="#">Our business – Governance</a>	
	103-3	Evaluation of the management approach			<a href="#">Our people – Employment</a>	
GRI 413: Local Communities 2016	103-1	Explanation of the material topic and its boundary	General Disclosure B8	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	<a href="#">Our communities – Community involvement</a>	It is not considered that any individual laws or regulations have a significant impact on the Swire Pacific group.
	103-2	The management approach and its components				
	103-3	Evaluation of the management approach				
	413-1	Operations with local community engagement, impact assessments, and development programs	KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	<a href="#">Our communities – Community involvement</a>	The specific disclosure required in this GRI Standard is not considered applicable to Swire Pacific as a group.
			KPI B8.2	Resources contributed (e.g. money or time) to the focus area	<a href="#">Our communities – Community involvement</a>	
GRI 414: Supplier Social Assessment 2016	103-1	Explanation of the material topic and its boundary			<a href="#">Our business – Supply chain</a>	
	103-2	The management approach and its components				
	103-3	Evaluation of the management approach				





## GRI STANDARD &amp; HKE X

GRI standard topic specific standard	Topic specific standard disclosure	GRI standard description	Item	HKE X ESG reporting guide reference	Report section	Remarks
<b>Social</b>						
GRI 415: Public Policy 2016	103-1	Explanation of the material topic and its boundary			<a href="#">Our business – Governance</a>	
	103-2	The management approach and its components				
	103-3	Evaluation of the management approach				
GRI 418: Customer Privacy 2016	103-1	Explanation of the material topic and its boundary			<a href="#">Our business – Risk management</a>	
	103-2	The management approach and its components				
	103-3	Evaluation of the management approach				
GRI 419: Socio- Economic Compliance 2016	103-1	Explanation of the material topic and its boundary				It is not considered that any individual laws or regulations have a significant impact on the Swire Pacific group.
	103-2	The management approach and its components				
	103-3	Evaluation of the management approach				
	419-1	Non-compliance in laws and regulations in the social and economic area				
<b>Product Responsibility</b>						
N/A	N/A	N/A	General Disclosure B6	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.		This was deemed to not be material at a Group Level, by our materiality assessment.



## UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

### ABOUT UN SDGS

The United Nations Sustainable Development Goals (SDGs) aim to end poverty, protect the planet and ensure prosperity for all, as part of a new international sustainable development agenda.

When developing SwireTHRIVE in 2016, we started to align the sustainability areas on which we focus, and our key performance indicators, to the SDGs. We have identified eight SDGs relevant to our business. In 2017, we identified 20 SDG targets relevant to SwireTHRIVE.

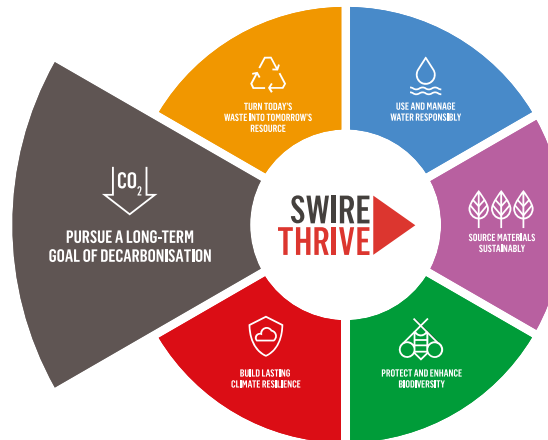


[Supplementary information](#)

[UN SDG KNOWLEDGE PLATFORM](#)



#### SWIRETHRIVE ACTIVITIES LINKED TO SDGS



7.2 Increase the share of renewable energy in the global energy mix

**Renewable energy generation increased by 26% (from 12.9 million kWh in 2018 to 16.2 million kWh in 2019)**

7.3 Increase energy efficiency

**Energy intensity in our Hong Kong and Mainland China property portfolios has decreased by 27% (since 2008) and by 19% (since 2010) respectively**

[SEE RELEVANT SECTION](#)



9.4 Retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean technologies and industrial processes

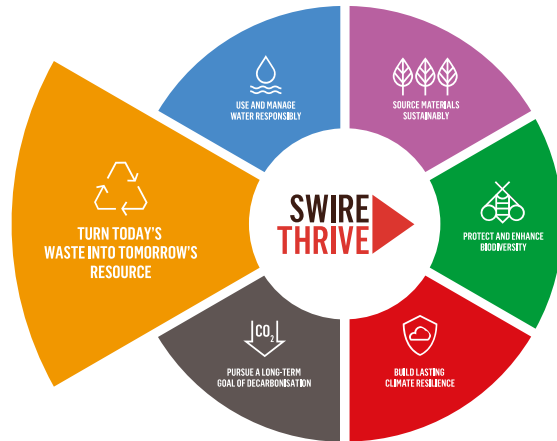
**By the end of 2019, 97% of Swire Properties' existing buildings were certified green buildings, with 84% achieving the highest ratings**

[SEE RELEVANT SECTION](#)





UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS



11.6 Reduce the adverse environmental impact of cities by paying attention to air quality and waste management

**20 of Swire Properties' buildings in Hong Kong received excellent ratings for indoor air quality and four received good ratings**

**In 2019, we recycled 14.5% more waste than in 2018**

**Swire Coca-Cola installed 10 reverse vending machines in Hong Kong, where consumers receive HK\$0.20 on their Octopus cards for each bottle deposited**

SEE RELEVANT SECTION >



12.2 Achieve the sustainable management and efficient use of natural resources

**Since 2010, Swire Coca-Cola have reduced the packaging weight of their PET water bottles by 23-39% and that of their aluminium cans by 8%**

**Swire Coca-Cola will use 100% rPET in their bottled water (except 4.8L and 5.0L) and 25% rPET in HK-produced PET bottles for all sparkling drinks (<600ml) by 2020**

12.3 Reduce per capita global food waste at the retail and consumer levels and along production and supply chains

**Cathay Pacific Catering Services gave 363.42 tonnes of surplus food from inbound flights to people in need through Feeding Hong Kong**

**2.90 tonnes of surplus bakery goods and bottled water was donated to Food Angel, which feeds senior citizens in Hong Kong**

12.5 Reduce waste generation through prevention, reduction, recycling and reuse

**Swire Coca-Cola is a founding member of the Drink Without Waste Initiative and the Ellen MacArthur Foundation's New Plastics Economy**

**Swire Coca-Cola has formed a joint venture to build a plastics recycling facility in Hong Kong**

SEE RELEVANT SECTION >



14.1 Prevent and significantly reduce marine pollution of all kinds, including marine debris and nutrient pollution

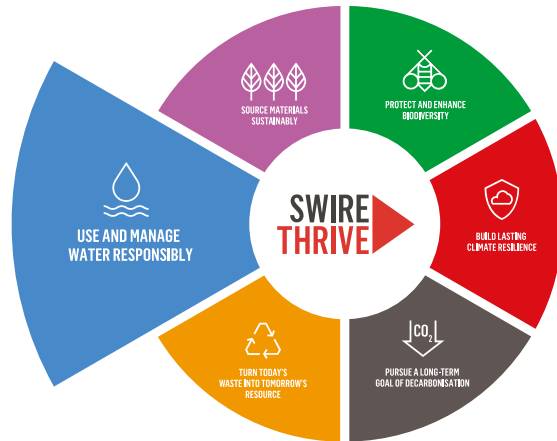
**At Swire Pacific Offshore, all efforts are made to eradicate waste discharge to the sea, with all scrap and engine room waste bagged and all sludge discharged to shore tankers**

**Garbage management plans for each vessel provide detailed instructions for garbage handling and charts showing authorised areas for waste disposal**

SEE RELEVANT SECTION >



UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS



6.1 Achieve universal and equitable access to safe and affordable drinking water for all

**In Hong Kong, Swire Coca-Cola Hong Kong is installing Bonaqua water stations that dispense hot and cold mineralised water with 84 stations installed in 2019**

6.3 Improve water quality by reducing pollution, reducing the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally

**All Swire Coca-Cola's bottling plants in Mainland China, Hong Kong and Taiwan have their own wastewater treatment systems**

6.4 Substantially increase water-use efficiency and ensure sustainable withdrawals

**Swire Coca-Cola uses ionised air to rinse bottles, reducing the use of water**

**In 2019, Swire Coca-Cola recycled 883.6 million litres of water**

**Swire Coca-Cola uses treated wastewater for cleaning, irrigation and toilet flushing**

SEE RELEVANT SECTION >



12.2 Sustainable management and efficient use of natural resources

**In 2019, the Coca-Cola system (which includes Swire Coca-Cola) replenished 160% of the water used in its beverages**

SEE RELEVANT SECTION >



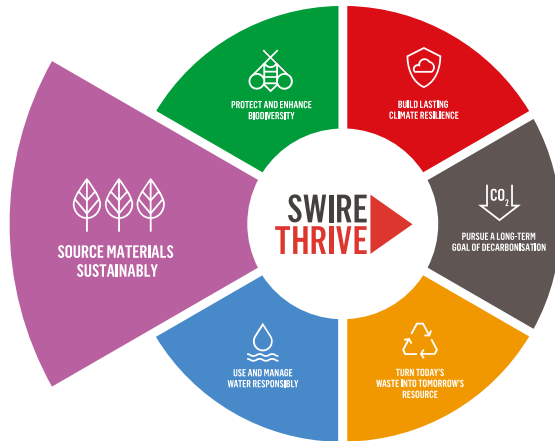
15.1 Ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services

**Swire Coca-Cola USA gave US\$10,000 to support water replenishment in Arizona and Oregon, a project that will replenish 10.9 million litres of water per year in the Verde River Valley**

SEE RELEVANT SECTION >



## UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS



12.1 Help implement sustainable consumption and production patterns

**In 2019, Cathay Pacific Catering Services purchased 412 tonnes of certified sustainable seafood, representing 58% of the total volume of seafood purchased**

12.3 Reduce per capita global food waste at the retail and consumer levels, and along production and supply chains

**Cathay Pacific Catering Services gave 363.42 tonnes of surplus food from inbound flights to people in need through Feeding Hong Kong**

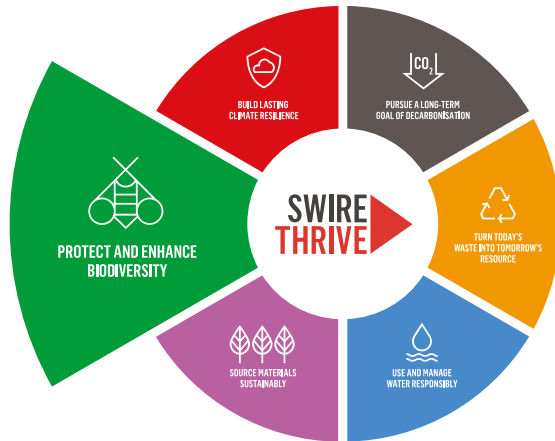
**2.90 tonnes of surplus bakery goods and bottled water was given to Food Angel, which feeds senior citizens in Hong Kong**

SEE RELEVANT SECTION





UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS



6.6 Protect and restore water-related ecosystems

**Swire Coca-Cola USA gave US\$10,000 to support water replenishment in Arizona and Oregon, a project that will replenish 10.9 million litres of water per year in the Verde River Valley**

SEE RELEVANT SECTION >



14.2 Sustainably manage and protect marine and coastal ecosystems

**In 2019, HK\$1.8 million was contributed to marine conservation projects by the Swire Trust**

SEE RELEVANT SECTION >



15.2 Promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally

**Swire Pacific Offshore's REDD+ project in Paraguay is reducing emissions from deforestation and forest degradation**

15.5 Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity, and protect threatened species

**Cathay Pacific's sustainable carriage policy is designed to prevent the carriage of illegal and endangered species**

**Cathay Pacific is a signatory of the United for Wildlife Transport Taskforce Buckingham Palace Declaration**

**Cathay Pacific made the WildAid Global Shark Pledge**

15.7 Take urgent action to end poaching and trafficking of protected species of flora and fauna and address both demand for and supply of illegal wildlife products

See 15.5 above

SEE RELEVANT SECTION >



## UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS



13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters

**Each Swire Coca-Cola bottling plant has assessed water supply, water infrastructure, land use and long-term demand for local and regional water resources**

13.3 Improve education, and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning

**Our climate change policy covers climate change mitigation, adaptation and building the adaptive capacity of our businesses, our employees and the communities in which we operate**

**In 2018, we began to report with regard to TCFD recommendations**

**SEE RELEVANT SECTION** [>](#)



## GLOSSARY

## TERMS

## A

**Available tonne kilometres or ATK**

Overall capacity, measured in tonnes available, for the carriage of airline passengers, excess baggage, cargo and mail on each flight sector multiplied by the sector distance.

## B

**Building Environmental Assessment Method or BEAM**

A method of assessing building sustainability performance in Hong Kong.

## C

**Carbon dioxide equivalent or CO<sub>2</sub>e**

An equivalent measure of the global warming potential of the emissions of six greenhouse gases specified by the Kyoto protocol: carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs) and sulphur hexafluoride (SF<sub>6</sub>).

**Carbon neutral**

The balancing of every unit of anthropogenic CO<sub>2</sub> emitted with an equivalent amount of CO<sub>2</sub> removed, for example via carbon sequestration.

**Carbon offsets**

Reduction, removal, or avoidance of GHG emissions from a specific project that compensates for GHG emissions occurring elsewhere.

**Carbon Offsetting and Reduction Scheme for International Aviation or CORSIA**

A scheme adopted by ICAO which aims to stabilise emissions from international civil aviation at 2020 levels.

**Certified sustainable seafood**

Seafood that comes from well managed and sustainable fisheries and is certified by the Marine Stewardship Council or other certification bodies.

**Circular economy**

An economic system in which resources are kept in use for as long as possible and recovered and reused at the end of each service life.

**Clean in Place or CIP**

The cleaning and sanitation of production equipment without disassembly, used when changing beverage production lines from filling one type of beverage to another.

**Climate-related risk**

The potential negative impact of climate change on an organisation.

See also [Physical risks](#), [Transitional risks](#)

**Cold drink equipment or CDE**

Includes vending machines, coolers and fountains.

**COVID-19**

Coronavirus disease caused by severe acute respiratory syndrome coronavirus 2.

**Cubic metres or cbm**

A metric unit of volume or capacity equal to 1,000 litres or 1.0 metric tonne of water.





## GLOSSARY

## D

**D&I**

Diversity and inclusion

**Drink Without Waste or #DWW**

A coalition principally of beverages producers and bottlers, waste management enterprises and NGOs, who want to reduce waste generated from beverage consumption in Hong Kong.

## E

**Ellen MacArthur Foundation's New Plastics Economy Group**

A group which aims to reduce the environmental footprint of plastics through better packaging and more recycling.

**Employee category**

Classification of employees into categories based on experience, seniority and responsibility.

See also [Individual Contributor](#), [Team Leader](#), [Operational Leader](#), [Strategic Leader](#)

**Enterprise risk management or ERM**

The identification, assessment, monitoring and management of risks that may interfere with the operations and objectives of an enterprise.

**Euro II / Euro III / Euro IIIA / Euro IV / Euro VI**

European emission standards that define the acceptable limits for exhaust emissions of vehicles.

## F

**Fly Greener programme**

A voluntary carbon offset programme which offers Cathay Pacific passengers the opportunity to offset their carbon footprint from air travel.

**Frozen efficiency baseline**

A baseline from which performance is projected, assuming no improvement in current efficiencies.

**FSC certified**

Wood or paper that is FSC certified assures that the product comes from a responsibly managed forest or recycled sources, in accordance with the Forest Stewardship Council Principles and Criteria.

## G

**Gender pay gap**

Measures the difference in pay between women and men. It is a measure across all jobs within a particular category, not the difference in pay between men and women for doing the same job. Swire Pacific calculates the gender pay gap as the percentage difference in annual pay between women and men by employee category.

**GFA**

Gross floor area

**Global Reporting Initiative or GRI**

An international standards organisation that helps businesses, governments and other organisations to understand and communicate their impact on critical sustainability issues, such as climate change, human rights, governance and social wellbeing.

**Greenhouse gas or GHG**

A gas that contributes to the greenhouse effect by absorbing infrared radiation.

See also [Scope 1 emissions](#), [Scope 2 emissions](#), [Scope 3 emissions](#)

**GSE**

Ground support equipment

## H

**High-density polyethylene (HDPE)**

A type of plastic commonly used as packaging for food, beverages, personal care products and household products.

**HKEx ESG Reporting Guide**

The Environmental, Social and Governance Reporting Guide in Appendix 27 to the Rules Governing Listing of Securities on The Stock Exchange of Hong Kong Limited.



## GLOSSARY

### I

#### **Individual Contributor**

Entry level and first-line employees with no direct reports.

See also [Employee category](#), [Team Leader](#), [Operational Leader](#), [Strategic Leader](#)

#### **Intergovernmental Panel on Climate Change or IPCC**

An intergovernmental body of the United Nations that provides information relevant to understanding the scientific basis of the risk of human-induced climate change and its natural, political, and economic impacts.

#### **Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services or IPBES**

An international platform designed to strengthen the science-policy interface for biodiversity and ecosystem services.

#### **International Air Transport Association or IATA**

The principal trade association for the world's airlines.

#### **International Civil Aviation Organisation or ICAO**

A United Nations body which manages the administration and governance of the Convention on International Civil Aviation.

#### **International Maritime Organisation or IMO**

A United Nations agency with responsibility for the safety and security of shipping and the prevention of marine and atmospheric pollution by ships.

### J

#### **John Swire & Sons (H.K.) Limited or JS&SHK**

The immediate holding company of Swire Pacific Limited.

### L

#### **Leadership in Energy and Environmental Design or LEED**

A green building rating system devised by the United States Green Building Council.

#### **Lost Day Rate or LDR**

The number of lost scheduled working days per 100 employees per year. Calculated as the total days lost multiplied by 200,000, divided by total hours worked. The factor 200,000 is the annual hours worked by 100 employees, based on 40 hours per week for 50 weeks a year.

#### **Lost Time Injury Rate or LTIR**

The number of injuries per 100 employees per year. Calculated as the total injuries multiplied by 200,000, divided by total hours worked. The factor 200,000 is the annual hours worked by 100 employees, based on 40 hours per week for 50 weeks a year.

### O

#### **Opcos**

Operating companies within the Swire Pacific Group.

#### **Operational Leader**

Middle-managers leading other managers within a function, product line or region.

See also [Employee category](#), [Individual Contributor](#), [Team Leader](#), [Strategic Leader](#)

### P

#### **Physical risks**

Includes extreme weather, changes in rainfall and temperature and increases in sea levels.

See also [Climate-related risks](#), [Transitional risks](#)

#### **Polyethylene Terephthalate or PET**

A type of plastic commonly used for water and other drink bottles and for food containers.



## GLOSSARY

## R

**RCP 2.6**

One pathway where radiative forcing peaks at approximately  $3 \text{ W m}^{-2}$  before 2100 and then declines, the corresponding Extended Concentration Pathway assuming constant emissions after 2100.

**RCP 4.5 and RCP 6.0**

Two intermediate stabilisation pathways in which radiative forcing is stabilised at approximately  $4.5 \text{ W m}^{-2}$  and  $6.0 \text{ W m}^{-2}$  after 2100, the corresponding Extended Concentration Pathways assuming constant concentrations after 2150.

**RCP 8.5**

One high pathway for which radiative forcing reaches greater than  $8.5 \text{ W m}^{-2}$  by 2100 and continues to rise for some amount of time, the corresponding Extended Concentration Pathway assuming constant emissions after 2100 and constant concentrations after 2250.

**Representative Concentration Pathways or RCPs**

Scenarios that include time series of emissions and concentrations of greenhouse gases, aerosols and chemically active gases.

**Revenue tonne kilometres or RTK**

Traffic volume, measured in load tonnes, from the carriage of passengers, excess baggage, cargo and mail on each sector multiplied by the flight sector distance.

**rPET**

Recycled PET

**RSPO**

Roundtable on Sustainable Palm Oil

## S

**SBTi**

A collaboration between CDP, the United Nations Global Compact, the World Resources Institute and the World Wide Fund for Nature that encourages organisations to set science-based targets.

**Science-based target or SBT**

A target to reduce GHG emissions that is in line with the level of decarbonisation required to keep the global temperature increase below 2 degrees Celsius compared to pre-industrial temperatures.

**Scope 1 emissions**

Direct GHG emissions from sources that are owned or controlled by an organisation.

See also [Greenhouse gas or GHG](#), [Scope 2 emissions](#), [Scope 3 emissions](#)

**Scope 2 emissions**

Indirect GHG emissions from consumption by an organisation of electricity, heat and steam.

See also [Greenhouse gas or GHG](#), [Scope 1 emissions](#), [Scope 3 emissions](#)

**Scope 3 emissions**

Scope 3 emissions are all indirect emissions (not included in scope 2) that occur in the value chain of the reporting company, including both upstream (e.g. supply chain) and downstream (e.g. customers) emissions.

See also [Greenhouse gas or GHG](#), [Scope 1 emissions](#), [Scope 2 emissions](#)

**Strategic Leader**

Managers leading functions, multiple functions, departments, regions or small operating companies.

See also [Employee category](#), [Individual Contributor](#), [Team Leader](#), [Operational Leader](#)

**SwireTHRIVE**

The Swire Pacific environmental strategy, which deals with carbon, waste, water, sustainable materials, biodiversity and climate resilience.



## GLOSSARY

### T

#### **Task Force on Climate Related Financial Disclosures or TCFD**

An organisation which develops voluntary, consistent, climate-related financial risk disclosures for use by organisations.

#### **TCCC**

The Coca-Cola Company Limited

#### **Team Leader**

First-line supervisors and junior managers leading teams of individuals.

See also [Employee category](#), [Individual Contributor](#), [Operational Leader](#), [Strategic Leader](#)

#### **Total injuries**

The number of injuries in a year which result in lost time of a minimum of one scheduled working day.

#### **Transitional risks**

Risks associated with the transition to a lower carbon economy that may arise from changes in policy, law, technology and markets, including risks to reputation.

See also [Climate-related risk](#), [Physical risks](#)

### U

#### **United Nations Sustainable Development Goals or UN SDGs**

A set of universal goals designed to meet the urgent environmental, political and economic challenges facing the world.

### V

#### **Virtual Power Purchase Agreement or vPPA**

A financial agreement between a renewable electricity generator and buyer in which the price for the underlying electricity is settled with a Contract for Difference (CfD). There is no physical delivery of electricity from the generator to the buyer. The generator and buyer also agree on terms and conditions, such as the amount of electricity to be supplied, price of commodity, accounting principles and associated environmental attribute claims.

### W

#### **Water replenishment**

Water replenishment is water that has been treated and returned to the natural systems. For some replenishment projects, Swire Coca-Cola collaborate with TCCC and other local NGOs and therefore cannot take 100% of the credit for the replenishment volume.

#### **Water use ratio or WUR**

Litres of water used to produce a litre of product. Calculated as total water used divided by total production volume.

#### **World Resources Institute or WRI**

A research organisation that focuses on challenges that must be addressed to reduce poverty, increase economic growth and protect natural systems.

