



# THRIVING TOGETHER

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## INTRODUCTION

## Overview

Swire Pacific Limited (Swire Pacific or the Group) is a Hong Kong-based international conglomerate with a diversified portfolio of market leading businesses. This report covers its subsidiaries in four divisions (Property, Beverages, Aviation, and Trading & Industrial). In April 2022, Swire Pacific completed the disposal of Swire Pacific Offshore, so ceasing operations in the marine services business. Data for this operating company is included up until the date of sale. Operating companies which it does not control are excluded. Its business activities are predominantly in Greater China, where it has been established for over 150 years.

Sustainable development is a core principle for the Group. We invest in sustainable development because it is the right thing to do, and because it supports the creation of long-term shareholder value through innovation and improved efficiency.

We have published sustainability reports since 2007. This report deals with our approach and performance in the five areas of our sustainable development strategy, SwireTHRIVE (Climate, Waste, Water, People, and Communities) and with secondary environmental, social, and governance (ESG) topics that have been identified as material.

This report was published in April 2023. It is additional to the Sustainable Development Review in the Swire Pacific Annual Report 2022. Key performance data has been independently assured by Deloitte.

**Explore more**

[More about Swire Pacific](#) **I→**

[Other ESG disclosures](#) **I→**

[About this report](#) **I→**

[How we identify material topics](#) **I→**



## INTRODUCTION

## Chairman's statement



Guy Bradley

**Dear Stakeholders,**

Sustainability issues faced by the world have become more challenging over the years. Through the Group sustainability strategy, SwireTHRIVE, we continued to accelerate our sustainability efforts in 2022, even though the ongoing impacts of the COVID-19 pandemic meant it was another challenging year. This ongoing commitment to sustainability reflects our long-term approach to business.

I am pleased to present the Swire Pacific 2022 Sustainable Development Report, which summarises our performance on key topics and details how we are further integrating climate-action, people-centric approaches into how we do business.

**Climate leadership**

Last November's Climate Change Conference - COP 27, highlighted the need for urgent action to meet the ambitions of the Paris Agreement. The business community has a critical role to play in shaping this low carbon future. That is why we remain committed to cutting our operational carbon emissions in line with climate science. An 11% year on year group-wide reduction in absolute emissions is driven by our businesses making solid progress against their ambitious targets. We remain on track to halve emissions from our own

operations by 2030 and are developing a decarbonisation roadmap to achieve net zero by 2050. Our progress on climate leadership was underscored by receiving a score of A- by CDP.

It is imperative that we prioritise carbon reduction where it matters most. Swire Coca-Cola and Swire Properties account for more than 80% of our Group's scope 1 and 2 emissions. Both companies have set 1.5°C-aligned science based targets. Technology is integral to our companies' decarbonisation plans. This year, Swire Coca-Cola achieved a 5% annual increase in the proportion of renewable energy used for its Chinese Mainland facilities. At year end, Swire Properties had achieved a 28% scope 1 and 2 emissions reduction compared to its 2019 baseline. With the support of the Group's Sustainable Development Innovation Fund, it has rolled out a Cloud-Based Smart Energy Platform and artificial intelligence system, across its portfolio, to model cooling demand that will facilitate further reductions.

Innovation will be a key tool in our low carbon transition. In 2023, we will pilot an internal carbon pricing (ICP) mechanism with our three largest operating companies, Swire Properties, Swire Coca-Cola, and HAECO. The use of our ICP will provide additional funding for significant decarbonisation projects and help to further embed the cost of carbon into our business planning. We will also continue to evidence our commitment to sustainability through pursuing sustainable finance opportunities. In 2022, sustainable finance represented more than 35% of our total financing.

As part of our journey, we will broaden our impact to include our value chain. This year we completed a scope 3 emissions assessment for all our operating companies. The assessment findings will feed into our net zero decarbonisation roadmap for 2050 and enable targeted action going forward.

**People and community focus**

Having a healthy and empowered workforce is critical to address the challenges we face, and to ensure our future sustainability and success. We have continued to uphold our promise of creating an inclusive, respectful, and supportive working environment. That's why this year we built on our past commitments to promote gender equality by introducing a near-term target to achieve 30% of women on the Swire Pacific Board of Directors by 2024. At the time of writing, we have increased female representation on the Board from 14% in 2021 to 28%.

I am proud that our efforts have been externally recognised. For the second consecutive year Swire Pacific has been included on the Bloomberg Gender Equality Index. It is testament to the culture at Swire that our company and Swire Properties are two of only five Hong Kong listed companies to be represented on the Index, a third being our associate, Cathay Pacific.

The positive impact we have extends beyond climate action and workforce empowerment. Through the Swire Charitable Trust we continue to find ways to support our local communities. In 2022, the Trust disbursed HK\$55 million, with over HK\$15 million going to projects supporting COVID-19 relief efforts in Hong Kong. This is in addition to the HK\$76 million contributed by our operating companies to programmes local to them.

**Looking ahead**

The actions we take now will determine the future we all will share. Across the pillars of SwireTHRIVE we are developing ambitious and achievable plans that consider both environmental and societal needs.

Challenges remain, but I am optimistic about the path that lies ahead. I am inspired by the progress we are making towards our targets; progress that is being delivered by our people across the Group, and to them I offer my heartfelt thanks.



## INTRODUCTION

## From our Department Heads

**Mark Harper**

Group Head of Sustainability

This year, we met challenges, and made achievements and important movements towards our SwireTHRIVE commitments. We continued to make progress on several of our goals, with an overall reduction in scope 1 and scope 2 emissions, as well as similar progress against our water and waste targets. We completed a full inventory of our scope 3 emissions and assessed the physical climate risks to our assets. As a result of these efforts, we saw improvements in a number of ESG ratings including CDP and the Hang Seng Corporate Sustainability Index.

During 2023, we will build on our 2030 decarbonisation plans by developing a carbon transition action plan to achieve net zero by 2050. We will continue to innovate and invest in technologies and solutions to meet our ambitious commitments, and transparently report on our progress.

Midway through 2022, I took over the leadership of our sustainable development strategy and performance as Group Head of Sustainability. Despite the challenging operating environment, I am proud of the work done by my colleagues across the Group and continue to be energised by Swire's ongoing commitment to sustainability. The agreement to trial the implementation of internal carbon pricing in 2023 is testament to the opportunity our senior management see to further embed sustainability into the core functions of our businesses.

As significant as COVID-19 has been, climate change presents another level of environmental, social, and economic challenges. All must embrace ambition, ingenuity, and collaboration to drive progress towards achieving global goals. It will not be easy, but I remain optimistic that collectively we can deliver on our commitments for the future.

**Ajay Manisseray Konchery**

Group Head of Diversity and Inclusion

As we come out of COVID-19, our business and workforce look significantly different to when we started our official D&I journey in 2019. We also have new leadership with my appointment as the Group Head of Diversity and Inclusion. Yet our commitment to creating a diverse, equitable and inclusive workplace remains unwavering.

Data continues to underpin our approach to measuring success. We conducted our second group-wide D&I survey in Hong Kong and found our inclusion score increased by 7%. We also participated in external indices for gender, ethnic and disability inclusion to benchmark our progress, and featured in the Bloomberg Gender Equality Index for the second consecutive time.

We also recognise that as our business evolves so must our approach to D&I. That's why to further drive towards gender equality, we set an additional target to achieve 30% of women on our board by 2024.

This year, we look forward to continuing advocating not just for women but for everyone as we build an inclusive and supportive working environment for all.



**Wai Ching Cheung**  
Chief Risk Officer

Health and safety is a top priority for us as we strive towards our aspirational goal of achieving zero harm. This objective underpins our approach to safety management.

Our commitment to protecting the health of our stakeholders has remained steadfast, so we adapted by introducing effective mitigations while the business was affected by COVID-19. We have worked hard to keep the company and all with whom we do business safe and healthy. These efforts have strengthened our business resilience and resulted in an increased focus on staff wellbeing.

Our risk governance includes a risk forum which oversees both human resources and health and safety. This has helped us to identify emerging risk issues and opportunities in these two interrelated areas.

We have placed particular focus on introducing technology to help enhance our safety capabilities and culture. This includes the use of AI and wearable technology.

We recognise the importance of ensuring contractor safety. This is reflected in monitoring and reporting on contractor safety programmes as we continue to adopt a more holistic and integrated approach to our safety strategy.

As we look forward, we are committed to continuously improving safety training throughout the company since we believe this is a fundamental component to building a sustainable safety culture. Our strong commitment to health and safety forms a key part of our employee proposition and benefits all of our stakeholders.



**Tina Chan**  
Group Head of Philanthropy

With social distancing measures eased towards the end of 2022, the fast onset fifth wave of COVID-19 at the start of the year seems to be a distant memory. During that challenging time, Swire Trust swiftly injected an additional HK\$15.5 million through its TrustTomorrow initiative. This funding provided essential services that vulnerable groups have been unable to access, helping them retain a level of wellbeing in these challenging times.

As our ongoing TrustTomorrow projects gain momentum, it is a delight to see them starting to bear fruit. To date, over HK\$124 million has been distributed to over 100 partner organisations to allow them to create impact in the areas of Education, Marine Conservation, the Arts, as well as pandemic relief.

Internally, we continued to engage our staff to our NGO partners through various activities, such as Lunch & Learns, as well as new mentorship programme for underprivileged youth. Over 1,000 colleagues participated in 54 community activities to lend their support. It is by joining efforts within and outside of the group that we will be able to create a better society together.



## OUR BUSINESS

## About Swire Pacific

Swire Pacific is a Hong Kong-based international conglomerate with a diversified portfolio of market leading businesses. The Company has a long history in Greater China where the name Swire or 太古 has been established for over 150 years.

Our aims are to deliver sustainable growth in shareholder value, achieved through sound returns on equity over the long term, and to return value to shareholders through sustainable growth in ordinary dividends.

Swire Pacific is listed on the Stock Exchange of Hong Kong (HKSE: 00019/00087). Operating with three core divisions (Property, Beverages, and Aviation), Swire Pacific undertakes a wide range of commercial activities. It is the largest shareholder in two other listed companies in Hong Kong: Swire Properties Limited (Swire Properties, HKSE: 1972) and Cathay Pacific Airways Limited (Cathay Pacific, HKSE: 293).



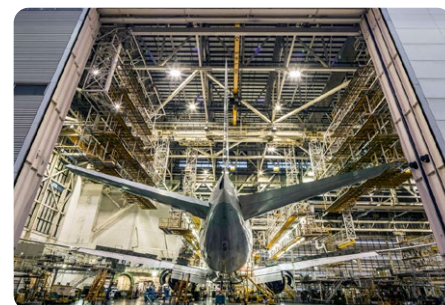
## Property

**Swire Properties** is a leading developer, owner, and operator of mixed-use, principally commercial, properties in Hong Kong and the Chinese Mainland (Beijing, Chengdu, Guangzhou, and Shanghai), and the US (Miami).



## Beverages

**Swire Coca-Cola** has the exclusive right to manufacture and distribute products of The Coca-Cola Company (TCCC) in 11 provinces and the Shanghai municipality in the Chinese Mainland and in Hong Kong, Taiwan, and an extensive area of the western US. It is the fifth largest bottler for TCCC by sales volume. Swire Coca-Cola has recently acquired Coca-Cola bottling subsidiaries in Cambodia and Vietnam. In accordance with Swire Pacific's reporting methodology, we will not report on indicators for these acquisitions until operational performance data is available for at least one full calendar year.



## Aviation

The Aviation Division comprises the wholly owned Hong Kong Aircraft Engineering Company (HAECO) group and an associate interest in the Cathay Pacific Group<sup>1</sup>.

**Hong Kong Aircraft Engineering Company (HAECO)** is a leading provider of international aircraft maintenance and repair services, operating from bases in Hong Kong, the Chinese Mainland, and the US.

**Cathay Pacific**, with its subsidiaries HK Express and Air Hong Kong, had 222 aircraft at the end of 2022. Before the onset of COVID-19, the airlines directly connected Hong Kong to 119 destinations worldwide. It has an 18.13% interest in Air China and interests in companies providing flight catering, laundry, and passenger and ramp handling services, and owns and operates a cargo terminal at Hong Kong International Airport.

1. Swire Pacific holds less than half (45%) of the voting rights of Cathay Pacific. It is accounted for as an associated company and therefore excluded from this report (except under scope 3 emissions). Cathay Pacific produces its own standalone sustainable development report which is available on its corporate website.



## Trading & Industrial

**Swire Resources** retails and distributes footwear, apparel and related accessories in Hong Kong, Macau, and the Chinese Mainland. It operated 162 retail outlets at the end of 2022.

**Taikoo Motors** sells passenger cars, commercial vehicles, motorcycles, and scooters, almost all of them in Taiwan.

**Qinyuan Bakery** is a leading bakery chain in southwest China, with 437 stores at the end of 2022.

**Taikoo Sugar** packages and sells sugar in Hong Kong and the Chinese Mainland.

**Swire Waste Management Limited** has waste management contracts in Hong Kong.

Swire Pacific is one of Hong Kong's largest and oldest employers, where we have over 29,000 employees. In the Chinese Mainland, we also have over 35,000 employees. Globally, we employ almost 80,000 people<sup>2</sup>.

### Further reading

[Swire Pacific Factsheet](#)

[Swire Pacific Annual Report 2022](#)

## Marine Services

(Discontinued operations)

The Marine Services Division comprised investments in Swire Pacific Offshore and Hongkong United Dockyards (HUD) group.

Swire Pacific Offshore owned and operated a fleet of vessels supporting the offshore energy industry in every major offshore production and exploration region outside the US. With the disposal of its interest in Swire Pacific Offshore in April 2022 and the sale of its 50% interest in the HUD group in September 2021, the Group no longer operates any marine services business. Sustainability performance data is included up until the point of sale.

For further information about our group structure and financial performance, please refer to the Swire Pacific Annual Report 2022.

## Swire Pacific Group overview 2022

	Property	Beverages	Aviation	Trading & Industrial
<b>Total revenue<sup>3</sup> (HK\$M)</b>	13,788	54,223	13,828	9,321
<b>Recurring profit/ (loss) (HK\$M)</b>	5,844	2,392	(3,007)	160
<b>Tax expense<sup>4</sup> (HK\$M)</b>	2,064	802	80	69
<b>Total employees<sup>5</sup></b>	6,407	34,380	11,884	6,083
<b>Total scope 1 &amp; 2 GHG emissions (thousand tonnes CO<sub>2</sub>e)</b>	196	358	59	27
<b>Total water withdrawal<sup>6</sup> (thousand cbm)</b>	1,639	14,586	385	300
<b>Total waste generated (tonnes)</b>	34,051	25,624	5,340	1,325

2. Includes associate companies not covered by this sustainable development report (e.g. Cathay Pacific and Hong Kong Aero Engine Services Limited (HAESL)).

3,4. Revenue and tax expense figures are on consolidated basis and exclude those of joint venture and associated companies.

5. Total employees are those at 31st December 2022 and include staff of all employment types (permanent full time staff, permanent part time staff and, in the Chinese Mainland, fixed contract staff, fixed term and temporary contract staff). On the same date, there were 50 employees directly employed by Swire Pacific (head office). Employee figures exclude Cathay Pacific Group and HAESL.

6. Total water withdrawal refers to the sum of water drawn from municipal water and groundwater. Virtually all water withdrawal by the Swire Pacific Group is from municipal water supplies provided by local water supply authorities.





## OUR BUSINESS

# Our approach to sustainable development

Sustainable development is a strategic objective for Swire Pacific. Using natural resources responsibly, minimising waste and pollution, and investing in our people and communities are fundamental to our ability to create long-term value for shareholders.

To promote sustainability in our businesses and management practices, we have a sustainable development strategy (SwireTHRIVE) and environmental, social and governance (ESG) policies.

## SwireTHRIVE

A Group level strategy facilitates best practice sharing and consistent implementation of sustainability. It also allows us to better communicate the impact we are having as a group. SwireTHRIVE addresses five areas and is supported by policies and targets. All operating companies are expected to make progress in the five areas.



CLIMATE



WASTE



WATER



PEOPLE



COMMUNITIES

## ESG policies

Our Sustainable Development Policy aims to ensure our companies act in a manner consistent with the 1987 Brundtland Commission's definition of sustainable development: meeting the needs of the present without compromising the ability of future generations to meet their own needs.

Our ESG policies include the five SwireTHRIVE pillars and go beyond them, covering, for example, human rights, biodiversity, and sustainable procurement.

We regularly review our policies relating to sustainability. Where we identify policy gaps, we create new policies to guide the Group's approach. Policies are developed at the working group level, before review by the Swire Group Environmental Committee (SGEC) and the Group Risk Management Committee (GRMC), and approval by senior management.

In 2022, we updated our Company Code of Conduct and Supplier Code of Conduct, and launched a new Anti-Bribery and Corruption Policies and a Data Retention and Disposal Policy.

All policies related to sustainable development can be downloaded from our corporate website.

## Further reading

[Sustainable development policies](#)

[Reporting Methodology](#)

[Independent Assurance Report](#)

## Transparent and reliable data

As a growing and diversified business, tracking sustainability performance and setting targets can be challenging. To address this, we have a reporting methodology which deals with the scope, boundaries, and calculations of the relevant data. We also have data collection protocols for carbon, waste, and water, that standardises our data calculation methodology, and includes variance checks and procedures for dealing with abnormal data.

We seek third party assurance on key sustainability performance data points. We are also working with a third party to validate the robustness of additional data with a view to expanding the scope of our assured data in future reporting cycles.

## Explore more

[Performance data](#)

[Climate](#)

[Waste](#)

[Water](#)

[People](#)

[Communities](#)



## Sustainable development fund

Our sustainable development fund (SD Fund) offers financial support to operating companies for projects which can provide long-term environmental benefits but cannot be justified by reference to our cost of capital targets. Up to HK\$100 million is available annually to support projects that reduce the carbon, water, and waste footprints of our operating companies, in line with our targets.

The fund has been supporting our operating companies since 2016. Since 2019, a new funding stream was created to support trials of innovative green technology solutions. Operating companies invite companies and start-ups to pitch solutions to previously identified sustainability problems. Successful applicants receive funding to pilot the solution. If the pilots are successful, they can be scaled up for wider use in the operating companies and the Group.

The fund allows us to test new technologies quickly and at relatively low cost, to determine the solutions most suited to our operations and quantify their actual environmental benefits before implementation at scale. The SD Fund has helped accelerate SD projects across the Swire Group, including innovative new technologies such as Direct Current Microgrids at Taikoo Li Sanlitun shopping centre in Beijing. In 2022, the fund allocated approximately HK\$21 million to projects at three operating companies.

## Sustainable finance

Linking ESG performance metrics to our financing mechanisms demonstrates that we are serious about being a sustainable business. Since 2020, Swire Pacific has converted three revolving credit facilities totalling HK\$4.2 billion into sustainability-linked loans. The interest payable is reducible by reference to indicators of our ESG performance including progress towards targets for energy consumption, water usage, and diversity and inclusion. We must also remain in the Dow Jones Sustainability Asia Pacific Index. Sustainable finance represented more than 35% of total financing across the Group at the end of 2022.

Swire Properties targets for at least 80% of its bond and loan facilities to come from green financing by 2030. Around 61% of its current financing is from green bonds, green loans, and sustainability-linked loans. Funds are used for green building developments and the adoption of technologies that will save energy and water and reduce waste. New Life Plastics Limited, a joint venture to which Swire Coca-Cola is a party, has also obtained a sustainability-linked loan.

## Governance of sustainable development

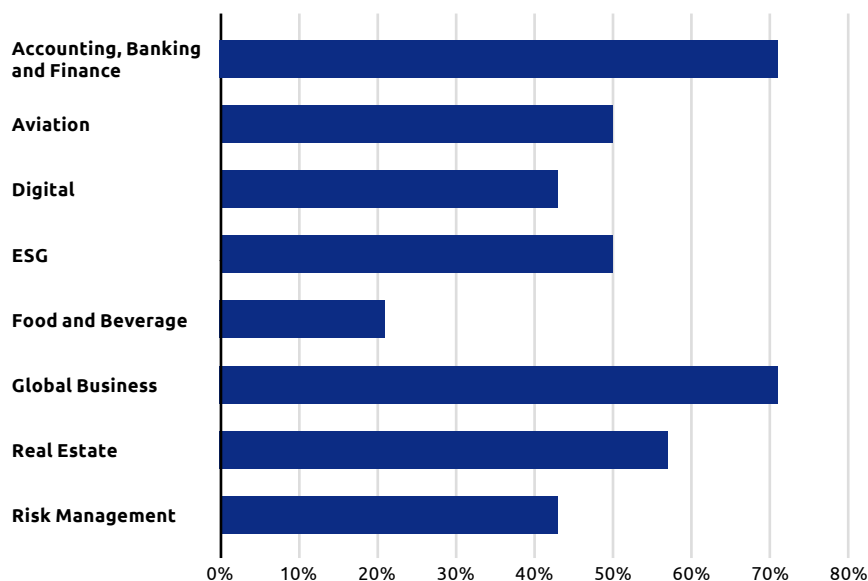
Our Board, led by its Chairman, is actively engaged in formulating and implementing SwireTHRIVE, and is ultimately accountable for sustainability matters including progress against our 2030 key performance indicators. The Board provides oversight of our risk management framework and our sustainability risks, including climate-related risks. Swire Pacific also conducts regular risk identification, analysis, and review management processes throughout the year through the Audit Committee and our Enterprise Risk Management (ERM) system, including our Corporate Risk Register (see ESG risk management section).

The Board currently comprises five Executive Directors, two Non-Executive Directors and seven Independent Non-Executive Directors. Members are selected based on their qualifications, skills and experience, knowledge of our businesses, and how they impact Board-level diversity. All Board members have relevant industry experience in either Real Estate, Aviation, Food and Beverage, or Trading and Industrial sectors. Four out of five of our Executive Directors have had executive or board experience with one or more of our subsidiaries. Having the right blend of skills and experience ensures the Board can effectively deal with current and emerging risks and opportunities.

In 2022, the Board received external training on ESG and cyber security. Further information on our Board diversity, processes, and training is available in the Corporate Governance section of the Swire Pacific Annual Report 2022.

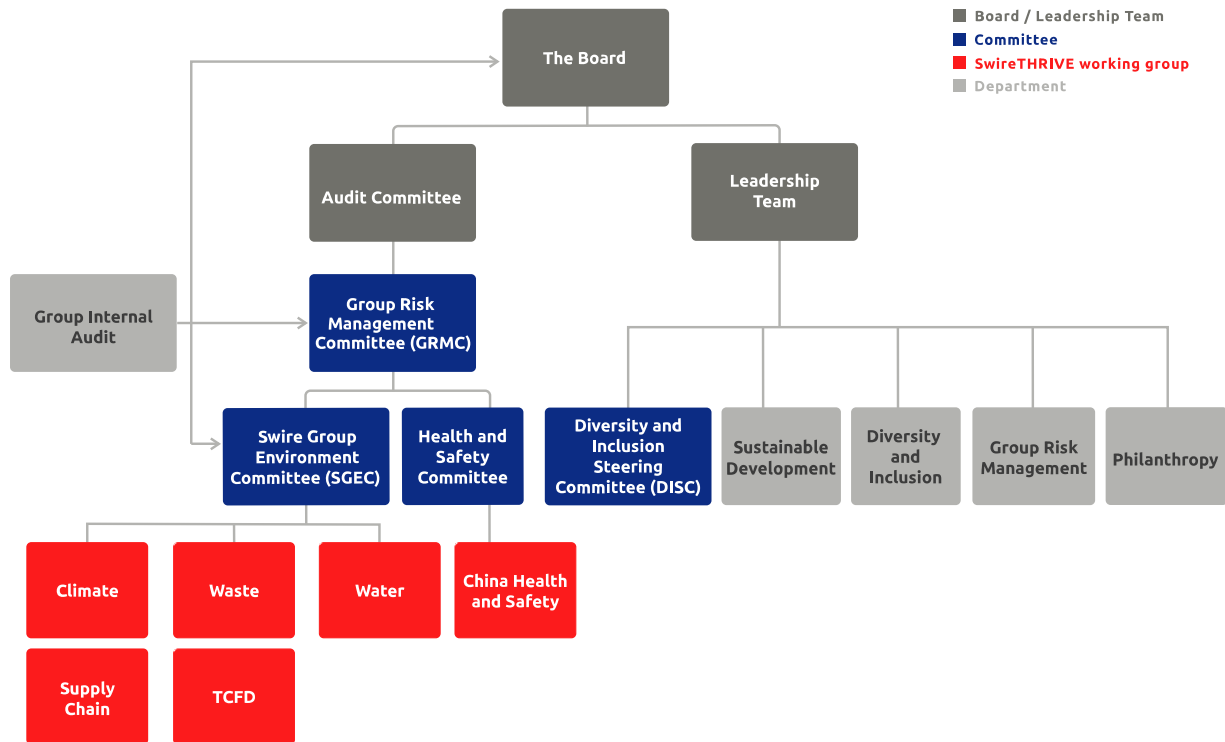
The Board is kept informed of sustainability risks and performance by the Group Risk Management Committee (GRMC), which reports to the Board via the Audit Committee. The Board monitors performance through detailed monthly reports on health and safety, and quarterly reports on other ESG matters. It also reviews internal and external audit reports and feedback from

### Board member skills, expertise and experience





## Sustainability governance structure



external stakeholders. The Group Head of Sustainability briefs the Board and Division Heads twice a year on sustainability matters. The Board ultimately reviews and approves the Group's sustainable development related targets.

Responsibility for achieving sustainability objectives and implementing SwireTHRIVE and our ESG policies on a day-to-day basis is delegated to division management, with oversight from specialist Group departments. The Sustainable Development Office (SDO), the Group Risk Management and Diversity & Inclusion departments, and the Group Head of Philanthropy are jointly responsible for SwireTHRIVE. Each operating company has adopted an appropriate organisational structure to manage its most material sustainability issues and to monitor and report on its performance. The SDO is required to provide the Board of Directors with quarterly reports on performance against sustainability targets and key initiatives to drive progress.

Group departments convene committees and working groups comprising subject matter experts from our operating companies to exchange information on best practices, with a view to developing specific policy recommendations, improving efficiency, tracking progress against targets, and managing risks. Formal committees relevant to SwireTHRIVE include the Swire Group Environment Committee (SGEC) and the Health and Safety Committee (both of which are overseen by the GRMC), and the Diversity & Inclusion Steering Committee (which reports directly to the Chairman).

The SDO, led by the Group Head of Sustainability, advises senior management of key developments and emerging risks related to sustainable development. It is responsible for setting group environmental policies and targets, monitoring the implementation of SwireTHRIVE and our ESG policies, and internal and external reporting on ESG matters. The SDO reports monthly to an Executive Director of Swire Pacific.

The management of risks and the implementation of ESG policies are subject to scrutiny by our internal audit department, with support from specialist external consultants where necessary.

The SDO coordinates the SGEC and five working groups responsible for defining our climate, waste, water and sustainable supply chain approaches and our response to the Task Force on Climate-related Financial Disclosures (TCFD).

Swire Pacific has established a three lines of defence risk governance model. The GRMC is supported by four risk forums and a separate Swire Pacific Risk Management Committee, which identifies risks that have a group dimension.

## Explore more

ESG risk management





## About the SGEC

The objective of the Swire Group Environmental Committee is to oversee, on behalf of the Board and Management Team, the management of SwireTHRIVE. The SGEC advises them on matters required to enable:

- the Group to operate sustainably for the benefit of current & future generations
- sustainable growth by maintaining & enhancing Swire Group's economic, environmental, human, technological and social capital in the long term
- the identification and effective management of Swire Group's Sustainable Development (SD) risks

The Committee, which meets at least three times each year, is chaired by the Director responsible for the Group SD strategy, co-ordinated by the Group Head of Sustainability, and comprises SD heads from operating companies, while being observed by Risk Management Department, Group Public Affairs, Corporate Finance, and Staff Services.

## About the DISC

DISC is responsible to the Chairman of Swire Pacific. It is jointly chaired by the Finance Director of Swire Pacific and the Group Staff Director. The other members of DISC are the HR Directors of our operating companies, the Staff Services Group General Manager, and the Group Head of Diversity and Inclusion.

DISC has general responsibility:

- to provide guidelines about diversity and inclusion to the group of companies comprising Swire Pacific and its subsidiaries, associates, and joint venture companies, and
- to formulate policies designed to promote a diverse workforce and an inclusive working environment for all Swire Pacific group employees, with a view to ensuring that companies in the Swire Pacific group are regarded as employers of choice

DISC Terms of Reference are available on our corporate website.

## Indices and rankings

Swire Pacific responds to ESG questionnaires from investors, rating agencies and sustainable stock indices. This enables us to assess our ESG performance having regard to the concerns of sustainability focused investors and to identify emerging sustainability risks and opportunities.

### Further reading

Swire Pacific Annual Report 2022 – Corporate Governance Report [↗](#)

Diversity and Inclusion Committee – Terms of Reference [↗](#)

### Explore more

ESG risk management [↗](#)

Governance [↗](#)

Member of  
**Dow Jones Sustainability Indices**  
Powered by the S&P Global CSA

### Dow Jones Sustainability Index

In 2022, Swire Pacific was included in the DJSI Asia Pacific Index. Swire Pacific has been included in DJSI indices since 2001.



### Hang Seng Corporate Sustainability Index Series

In 2022, Swire Pacific received an AA+ rating from the Hang Seng Corporate Sustainability Index. Swire Pacific is included in the Hang Seng Corporate Sustainability Benchmark and Hang Seng ESG 50 indices.



### MSCI Constituent MSCI Global SRI Indexes

In 2022, Swire Pacific received an AAA rating from MSCI ESG Research, making us one of the top performers in our sector.



### CDP

In 2022, Swire Pacific achieved a score of A- for CDP Climate Change and maintained its A- for CDP Water Security.

**Sustainability Yearbook Member 2023**  
S&P Global ESG Score

### S&P Global Sustainability Yearbook

Swire Pacific was included in the S&P Global Sustainability Yearbook 2023, which recognises top performers in corporate sustainability based on assessments of over 7,500 companies across 61 sectors. Companies must be within the top 15% of their industry to be included.



### Bloomberg Gender-Equality Index

Swire Pacific was included in the Bloomberg Gender-Equality Index for the second year in a row.



## OUR BUSINESS

## ESG risk management

Effective risk management is key to ensuring the long-term viability of the Group. It is embedded within all our operating companies. It is essential that every Swire Pacific employee works together to address the risks to which our Group is exposed.

The Board has ultimate responsibility for risk management, overseeing its design and implementation. The Board is supported by the Audit Committee. The Board has adopted the three lines of defence model of risk governance. The model is designed to minimise conflicts of interest and ensure independent oversight of risk management.

**The First Line**

In the first line, the Board is supported by the management of each division and functional committees. They are responsible for identifying, analysing and managing the risks to us associated with achieving our business objectives, including those relating to sustainability.

The functional committees include representatives from our divisions. The Swire Group Environmental Committee, Diversity and Inclusion Steering Committee (DISC), and the Health and Safety Committee are tasked with the management and oversight of sustainability risks relevant to SwireTHRIVE. The members of the functional committees and working groups include specialists in their respective areas. Each committee is chaired by an individual with relevant experience.

They are responsible for identifying and managing specific areas of risk, proposing policies and reporting performance. Part of the role of the functional committees and working groups is to identify risks and opportunities which fall within their respective 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.

**Explore more**

[Our Approach](#)

**The Second Line**

The role of the Second Line is to support the First Line and provide assurance to the Board that risk is being managed effectively. The Second Line includes two management committees, the Group Risk Management Committee (GRMC) which focuses on Group-wide risks and the Swire Pacific Risk Management Committee (SPACRMC) which oversees risks to the Company itself.

The GRMC includes divisional chief executives, is chaired by the Finance Director and reports to the Board via the Audit Committee. It oversees the management of non-financial risks at both Group and Operating Company levels. The GRMC:

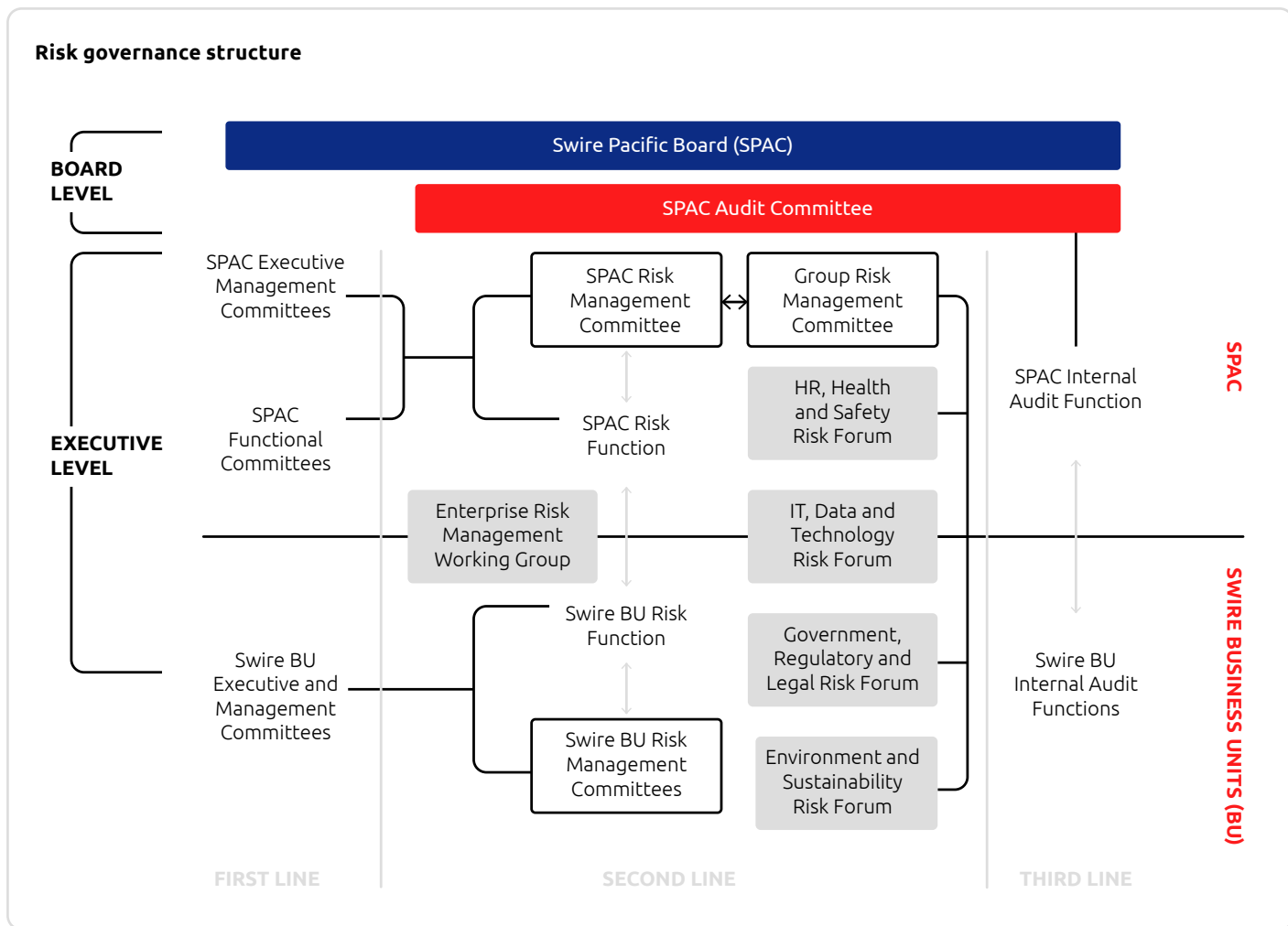
- Reviews the Group's risk profile and Group and divisional risk registers
- Oversees the management of major risks at Group and operating company levels
- Identifies emerging risks and potential sources of future risk including ESG risks
- Analyses risk events which materialise, with a view to their resolution and to learning from them

In relation to risks having a Group dimension the GRMC is supported by four risk forums covering, respectively: environmental, human, technology and legal risks. In relation to those not having a Group dimension the GRMC is supported by the Second Line infrastructure within each Operating Company.

The SPACRMC identifies risks which have a Group dimension and proposes approaches to the management of such risks to the GRMC.

**The Third Line**

The third line of defence is the internal audit function of the Group and the audit functions in our Operating Companies.



**Enterprise risk management**

The Group ERM process is both top down and bottom up. It accommodates for operating company specific risks and risks that are material at the Group level.

The Board gives guidance on its risk priorities, the operating companies assess their own risks and the SPACRMC manages Group risks. All of these are reported to the GRMC and are consolidated into the Group risk register which is then presented to the Audit Committee and the Board.

The operating companies have adopted a common approach to ERM based on the development and management of their risk registers. Operating companies are responsible for the identification, assessment, mitigation, and monitoring of these risks in their respective businesses.

Risks considered to have a Group dimension are discussed by the GRMC, and potentially by the Audit Committee and the Board. Key risk focus areas for the Group that relate to SwireTHRIVE include Climate change and Recruitment and retention. Details of our mitigation measures are provided in the Risk management section of the Annual Report, and the in the Climate, People and Talent management sections of this report.

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. Each division and major operating company is required to implement the ERM process.

**Further reading**

- Swire Pacific Annual Report 2022 – Risk management [↗](#)
- Group ERM process [↗](#)

**Explore more**

- Climate [↗](#)
- People [↗](#)
- Talent management [↗](#)



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 and format and standard risk ranking criteria.

In 2022, our key risk management focus areas included: evolution of Hong Kong, regulatory changes, political – international tensions, climate change, crisis management, protection and use of data, portfolio discipline, people and culture. More details of our ERM process and our risk mitigation measures can be found in our Annual Report.

## Cybersecurity

Swire Pacific has, and monitors compliance with, a cybersecurity and information security policy, and conducts regular cybersecurity maturity assessments based on the recognised US National Institute of Standards and Technology (NIST) Cybersecurity Framework. Several major operating companies also reference the ISO 27001 standard.

Our group-level Cybersecurity Centre of Excellence (CCoE), led by our Chief Information Security Officer (CISO), provides leadership, best practices, research and innovation, support and training to our operating companies. This central team is developing the Group cybersecurity strategy, managing cybersecurity programmes and projects,

and establishing Group cybersecurity service lines. These service lines include Threat and Vulnerability Management, Managed Security Operation Centre, Incident Response Retainer, and Red Teaming whereby we test and strengthen our defences by identifying vulnerabilities and simulating attacks.

The Swire Pacific CISO is the Chair of the Cyber Security Working Group (CSWG) and is a member of the IT Committee (ITC). The CISO has responsibility for presenting cybersecurity topics to the GRMC and Audit Committee.

Under Swire Pacific's enhanced Risk Governance Structure, an IT, Data & Technology (IDT) Risk Forum has been established as part of the second line risk forums. Swire Pacific CISO presents during the IDT Risk Forum to provide oversight of the cybersecurity risk landscape from a group perspective.

Regular cybersecurity reports are provided to the ITC, GRMC and to the Audit Committee. Our ITC oversees the cybersecurity programmes for our operating companies. A working group of cybersecurity professionals, which reports to the committee, meets regularly to promote the sharing of cybersecurity studies and best practices, and to enhance cybersecurity awareness across the Group.

Our operating companies complete a Control Self-Assessment from a cybersecurity perspective on an annual basis based on GIAD requests.

We have dedicated governance related to cybersecurity, including a GRMC risk forum to oversee IT, data and technology risks and to recommend best practice. Regular cybersecurity reports are provided to the IT Committee, GRMC and to the Audit Committee. Our IT Committee oversees the cybersecurity programmes of our operating companies. A working group of cybersecurity professionals, which reports to the committee, meets regularly to promote the sharing of cybersecurity studies and best practices, and to enhance cybersecurity awareness across the Group.

In 2021, we appointed a Chief Information Security Officer. We are building a dedicated team at group level to provide leadership, best practices, research and support to our operating companies. The central team is developing a Group cybersecurity strategy, managing cybersecurity programmes and projects, and establishing Group cybersecurity lines of service. These lines of service include threat and vulnerability management, a managed security operation centre, endpoint detection and response, and web application firewalls among others.



## OUR BUSINESS

# Task Force on Climate-related Financial Disclosures

Swire Pacific supports the recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD) and started producing annual disclosures that consider these recommendations in 2018.

The following statement, structured in line with the recommended disclosures of the TCFD, details the risks and opportunities presented by climate change, their implications for our businesses and actions we are taking to respond.

## Further reading

[The Task Force on Climate-related Financial Disclosures](#) ↗

[Swire Pacific Annual Report 2022](#) ↗

## Explore more

[ESG risk management](#) →

## Governance



### Describe the organisation's governance around climate-related risks and opportunities.

- The Swire Pacific (SPAC) Board, led by an Executive Chairman, has ultimate accountability for climate change-related strategies and the decarbonisation performance of all subsidiaries under Swire Pacific.
- The Board is briefed biannually by the Group Head of Sustainability on climate-related issues and our performance against our decarbonisation targets.
- An Executive Director of Swire Pacific has responsibility for the Group sustainability strategy (including Climate Change) and the Group Sustainable Development Office.
- The Board is kept informed of climate risks by the GRMC, which reports to the Board via the Audit Committee.

- Swire Pacific maintains a three lines of defence risk governance structure. The first line of defence includes the Swire Group Environment Committee (SGEC) and five subject specific working groups, including the Climate and TCFD working groups. They comprise representatives from our divisions and are responsible for identifying and managing specific areas of risk, proposing policies and reporting performance to the GRMC.
- The Swire Pacific Risk Management Committee (SPACRMC) and four risk forums, including the Environment and Social and Governance Risk Forum, were introduced to strengthen oversight of risks, including climate change-related risks (see ESG risk management).
- The GRMC, SPACRMC and the new risk forums form the second line of defence, providing oversight and assurance to the Board and the Audit Committee that risks are being managed effectively.
- The third line of defence is the internal audit function of the Group and the audit functions in our Operating Companies.
- At a Group and Operating Company level we also conduct regular risk identification and analysis and review management processes throughout the year through the risk forums and our enterprise risk management (ERM) system. We have corporate risk registers, in which climate change has been identified as an emerging risk.
- To provide additional oversight and direction, the Group Head of Sustainability reports periodically to the Board and leadership team on sustainability matters.
- Both the Board and leadership team have sufficient knowledge of climate-related issues and the impacts of such issues on the company's business and operations. Regular training on climate-related issues is provided to ensure that they are kept abreast of the latest developments. In January 2022, the Board received training on ESG trends and insights which included climate change and climate-related risks.
- Regarding the financial impact climate change may have on the Company, the Environmental, Social and Governance Risk Forum provides updates to the Group Risk Management Committee and the Audit Committee.
- In 2021, we conducted a double materiality review to gather feedback from internal and external stakeholders through qualitative interviews and focus groups. The topics of energy efficiency, decarbonisation, climate adaptation and resilience, as well as water and waste management were identified as material issues for our business continuity and development. These issues align with the environmental priorities under SwireTHRIVE.

### Describe management's role in assessing and managing climate-related risks and opportunities

- The Chairman, Finance Director and divisional chief executives meet twice a year to consider sustainability matters. These meetings provide direction and oversight to the SGEC, which comprises divisional sustainability heads and is chaired by an Executive Director of Swire Pacific. The SGEC meets three times a year. It has the following responsibilities related to climate change:
  - Oversee and implement SwireTHRIVE (including on climate) and sustainability policies
  - Report on Group sustainability activities and performance to the GRMC (including emissions and energy use) and on compliance with sustainability policies
  - Review and report on legislative, regulatory and other sustainability developments
- Our Climate Change Policy guides our approach to climate change mitigation, adaptation and resilience.
- Climate change and the management of waste and water resources are priorities under the SwireTHRIVE strategy.





**FIRST LINE**

Swire Group Environmental Committee

SwireTHRIVE Working Groups

- Formulate and review climate strategy
- Approve targets and initiatives
- Executive authority over and accountability for the management of climate risk

- Plan and implement climate change mitigation and adaptation policies and measures
- Facilitate the integration of climate-related issues into daily operations

**2021/22 Activity**

- The SGEC and Climate Change Working Group both met three times in 2022; delivering:
  - A full scope 3 inventory of the Group
  - A Group Internal Carbon Pricing mechanism
  - Developing a strategy towards the use of carbon removal projects within our Net Zero Strategy
  - Developing the Group's Carbon Transition Action Plan
  - Updated the Group Climate Change Policy

**SECOND LINE**

Group Risk Management Committee (GRMC)

Swire Pacific Risk Management Committee (SPACRMC)

Environment and Sustainability Risk Forum

- Oversees the management of risks relating to climate change and to the sustainability of the businesses, products and services of the Company and its business units
- Review any significant climate change risks and opportunities
- Provide objective support, feedback and ultimately assurance to the Group via the GRMC, that all climate risks have been identified and are being managed

**2021/22 Activity**

- The Risk Forums and Committees meet a total of 9 times annually
- The GRMC reviewed the Group and divisional risk registers and assessed how effectively risks are being managed. It also issued the revised climate change policy to the opcos
- The risk forums advised the GRMC on emerging risks including climate change
- Analysed climate risk events that materialised and developed best practice guidance

**THIRD LINE**

Group Internal Audit Department

Swire Pacific Board of Directors

- Provide a second opinion as to whether the internal controls, mitigations and crisis response measures are effective

- The Board is actively engaged in formulating and implementing SwireTHRIVE 2.0
- Accountable for sustainability matters including progress against our 2030 key performance indicators including Carbon

**2021/22 Activity**

- Conducted an audit of sustainability (including Climate Change) policy adoption across the Group

**2021/22 Activity**

- Met twice a year to review climate-related risks and to monitor progress against our decarbonization targets
- Approved the pilot implementation of the ICP model

**Strategy**



**Describe the climate related risks and opportunities the organisation has identified over the short, medium, and long term.**

- 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.
- Climate change appears on our risk registers at both Group and operating company levels and is discussed in our 2022 annual and sustainability reports.

- Climate change also creates opportunities, it stimulates business innovation and facilitates the transition to a lower carbon economy. By developing low-carbon and climate-resilient buildings, products, and services, we can meet increasing market demand and mitigate the potential operational costs from extreme weather conditions, such as maintenance and insurance premiums. We have sustainability-linked loans and are committed to integrating sustainability considerations into our future financing mechanisms.

**Further reading**

Climate Change Policy [↗](#)

**Explore more**

Assessing materiality [↗](#)

Waste [↗](#)

Water [↗](#)



### Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.

- We conducted an analysis of physical risks for over 800 of our highest value (by insured value) immovable assets and projected Modelled Average Annual Loss (MAAL) of the different physical climate 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 (IPCC). These pathways broadly

represent comprehensive climate scenarios related to three projected global average temperature increases: 1.5°C, 2°C and 3°C.

- For Swire Pacific, MAAL is calculated using the insured value of each asset. It is the sum of climate-related expenses (cost to repair or upgrade facilities), decreased revenue from business interruption, and is represented as the percentage (or amount) of loss relative to total asset value, as shown in the table below.

### Key climate-related physical risks

Risk category	Risk	Financial implications	Short-medium term (2030) MAAL (US\$ million)	Short-medium term (2030) MAAL (%)	Long-term (2050) MAAL (%)	Mitigation strategies
Acute	• Coastal flooding	• More spending to improve the adaptive capacity of our assets and to mitigate adverse effects	362.5 – 369.8	1.09 – 1.11	1.82 – 2.30	<ul style="list-style-type: none"> <li>We have identified short and medium-term mitigation measures for individual buildings, including:               <ul style="list-style-type: none"> <li>– Upgrading flood protection measures and alert systems</li> <li>– Glass façade inspections</li> <li>– Smart Monitoring Systems</li> </ul> </li> </ul>
	• Fluvial flooding		25.7 – 38.0	0.08 – 0.11	0.11 – 0.19	
	• Drought		757.2 – 798.1	2.27 – 2.39	2.60 – 3.23	
	• Wildfire		66.9 – 71.4	0.2 – 0.21	0.34 – 0.42	
	• Tropical cyclones		-0.1 – 0.5	-0.0029 – -0.001	-0.0007 – -0.001	
Chronic	• Extreme temperatures and heat stress	<ul style="list-style-type: none"> <li>• Lower productivity due to extreme heat</li> <li>• More spending on cooling</li> </ul>	-597.7 – -534.8	-1.79 – -1.60	-2.31 – -2.24	<ul style="list-style-type: none"> <li>• Chiller efficiency improvements</li> <li>• Energy Efficiency Policy</li> <li>• Health &amp; Safety Policy</li> </ul>
	• Water stress	<ul style="list-style-type: none"> <li>• Decreased production volume due to reduced water supply</li> <li>• More spending to improve water efficiency of our assets</li> </ul>	6.5 – 15.2	0.02 – 0.05	0.02 – 0.04	



## Key climate-related transition risks

Risk category	Risk	Financial implications	Time horizon	Mitigation strategies
Policy regulations	<ul style="list-style-type: none"> <li>Carbon pricing for manufacturing and construction</li> </ul>	<ul style="list-style-type: none"> <li>Carbon taxes and more spending on offsets</li> </ul>	<ul style="list-style-type: none"> <li>Short-Medium-term</li> </ul>	<ul style="list-style-type: none"> <li>Implementation of internal carbon pricing</li> <li>Developing Group Carbon Removal Strategy</li> </ul>
	<ul style="list-style-type: none"> <li>More ambitious national decarbonisation plans</li> </ul>	<ul style="list-style-type: none"> <li>More spending to improve energy efficiency</li> </ul>	<ul style="list-style-type: none"> <li>Short-Medium-term</li> </ul>	<ul style="list-style-type: none"> <li>In-line with the NDCs from Hong Kong and the Chinese Mainland we have committed to achieving Net-Zero by 2050 and on reducing our scopes 1 and 2 emissions by 50% by 2030</li> </ul>
	<ul style="list-style-type: none"> <li>Tighter building energy codes</li> </ul>	<ul style="list-style-type: none"> <li>More spending on compliance</li> </ul>	<ul style="list-style-type: none"> <li>Medium-term</li> </ul>	<ul style="list-style-type: none"> <li>Sustainable Building Design Policy requires all new buildings with construction floor area (CFA) of more than 5,000 m<sup>2</sup> to obtain a minimum of the second highest relevant grade or above under an internationally or locally recognised Green Building certification – In 2022, 100% of new projects under development achieved the highest green building rating and 96% of existing buildings were certified green buildings</li> <li>Energy Efficiency Policy commits our businesses to adopt industry best practices to improve energy efficiency in their operations</li> </ul>
Technology and innovations	<ul style="list-style-type: none"> <li>More use of green and low-carbon technology</li> </ul>	<ul style="list-style-type: none"> <li>More spending on technology</li> </ul>	<ul style="list-style-type: none"> <li>Short-Medium-term</li> </ul>	<ul style="list-style-type: none"> <li>Swire Pacific Sustainable Development Fund - Up to HK\$100 million is available annually to support projects that reduce the carbon, water, and waste footprints of our operating companies, in line with our targets. Since 2019, a new funding stream was created to support trials of innovative green technology solutions</li> <li>Our Internal Carbon Pricing Model includes a carbon fee which is based on the most recent financial year's operational emissions and will fund decarbonisation projects</li> </ul>
	<ul style="list-style-type: none"> <li>More use of Renewable Energy (RE)</li> </ul>	<ul style="list-style-type: none"> <li>More spending on renewable energy systems</li> </ul>	<ul style="list-style-type: none"> <li>Short-Medium-term</li> </ul>	<ul style="list-style-type: none"> <li>Swire Pacific SD Fund has to date funded nearly 5 million kWh of onsite RE generation</li> <li>Renewable Energy Targets: <ul style="list-style-type: none"> <li>Swire Coca-Cola has committed to 100% RE by 2026</li> <li>Swire Properties aims to generate 4-6% of landlord's energy from on-site RE sources in selected new developments</li> </ul> </li> </ul>
Reputational damage	<ul style="list-style-type: none"> <li>Increased reputation and litigation risks</li> <li>Greenwash accusations</li> </ul>	<ul style="list-style-type: none"> <li>Less revenue due to changes in what consumers want</li> <li>Litigation costs</li> </ul>	<ul style="list-style-type: none"> <li>Medium-Long-term</li> </ul>	<ul style="list-style-type: none"> <li>Have short-medium-term targets as well as the longer-term Net Zero commitment</li> <li>Developing Climate Transition Action Plan to outline our roadmap out to our net-zero target</li> <li>Regularly report on our performance against targets</li> <li>Both Swire Coca-Cola and Swire Properties decarbonisation targets have been approved by SBTi</li> </ul>

**Key climate-related transition risks**

Risk category	Risk	Financial implications	Time horizon	Mitigation strategies
Markets	<ul style="list-style-type: none"> <li>Increase in insurance premiums</li> </ul>	<ul style="list-style-type: none"> <li>Higher insurance costs</li> </ul>	<ul style="list-style-type: none"> <li>Medium – Long-term</li> </ul>	<ul style="list-style-type: none"> <li>Conducted detailed physical climate risk assessment of our assets</li> <li>Our business continuity plans cover extreme weather events</li> <li>Swire Properties integrates sustainability criteria into the risk assessment process for new acquisitions</li> </ul>

**Investments**

Due to the high levels of associated emissions in our aviation investments, we have included a summary of their potential climate-related risks.

Risk category	Risk	Financial implications	Time horizon	Mitigation strategies
<b>Physical risks</b>				
Acute	<ul style="list-style-type: none"> <li>Coastal flooding</li> </ul>	<ul style="list-style-type: none"> <li>Flight delays and diversions due to flooding at airports, customer compensation and physical damage to aircraft and other assets</li> </ul>	<ul style="list-style-type: none"> <li>Long-term</li> </ul>	<ul style="list-style-type: none"> <li>Majority of their flights are to or from the Hong Kong International Airport (HKIA). They work closely with the Airport Authority of the Hong Kong International Airport (AAHK) in assessing medium to long-term climate resilience at HKIA</li> </ul>
	<ul style="list-style-type: none"> <li>Tropical cyclones</li> </ul>	<ul style="list-style-type: none"> <li>Flight delays and diversions, customer compensation and physical damage to aircraft and other assets. (e.g. hangars at airports)</li> </ul>	<ul style="list-style-type: none"> <li>Long-term</li> </ul>	
Chronic	<ul style="list-style-type: none"> <li>Extreme temperatures and heat stress</li> </ul>	<ul style="list-style-type: none"> <li>Lower productivity due to extreme heat</li> <li>Restrictions on working outside</li> </ul>	<ul style="list-style-type: none"> <li>Long-term</li> </ul>	
<b>Transition risks</b>				
Policy & regulations	<ul style="list-style-type: none"> <li>Carbon pricing for aviation</li> </ul>	<ul style="list-style-type: none"> <li>Carbon taxes and more spending on offsets</li> </ul>	<ul style="list-style-type: none"> <li>Medium - Long-term</li> </ul>	<ul style="list-style-type: none"> <li>Fuel efficiency improvements</li> <li>Fleet renewal</li> <li>Committed to using Sustainable Aviation Fuel (SAF) for 10% of their jet fuel consumption by 2030</li> <li>Invested in SAF manufacturer Fulcrum Bioenergy</li> <li>SAF offtake agreements in place with several suppliers</li> <li>Corporate Sustainable Aviation Fuel Programme</li> </ul>
Reputational damage	<ul style="list-style-type: none"> <li>Vilification of aviation – flight shaming</li> </ul>	<ul style="list-style-type: none"> <li>Less demand for and therefore revenue from air travel</li> </ul>	<ul style="list-style-type: none"> <li>Medium - Long-term</li> </ul>	
Markets	<ul style="list-style-type: none"> <li>Changes in demand for products and services</li> </ul>	<ul style="list-style-type: none"> <li>Less demand for and therefore revenue from air travel, particularly from executives doing more video conferencing</li> </ul>	<ul style="list-style-type: none"> <li>Medium - Long-term</li> </ul>	



## Key climate-related opportunities

Opportunity category	Opportunity	Financial implications	Time horizon	Strategy
<b>Businesses where we have operational control</b>				
Resource efficiency	<ul style="list-style-type: none"> <li>Use of more efficient production and distribution processes</li> </ul>	<ul style="list-style-type: none"> <li>Lower operating costs because of higher energy efficiency</li> </ul>	<ul style="list-style-type: none"> <li>Short – Medium-term</li> </ul>	<ul style="list-style-type: none"> <li>Swire Properties has an Energy Use Intensity target for its operations and provides free energy audits for tenants</li> <li>Swire Coca-Cola has both Water and Energy Use Intensity targets to drive operational efficiencies</li> </ul>
Products and services	<ul style="list-style-type: none"> <li>Increased market demand for climate-resilient, green energy efficient buildings</li> </ul>	<ul style="list-style-type: none"> <li>Increased revenue due to potentially higher demand of green building</li> <li>Increased revenue due to shifts in market preferences</li> </ul>	<ul style="list-style-type: none"> <li>Medium – Long-term</li> </ul>	<ul style="list-style-type: none"> <li>Sustainable Building Design Policy</li> <li>In 2022, 100% of new projects under development achieved the highest green building rating</li> </ul>
Markets	<ul style="list-style-type: none"> <li>Sustainable financing (Sustainable Linked Loans and Bonds, Green Bonds)</li> </ul>	<ul style="list-style-type: none"> <li>Diversified financing sources</li> <li>Attract green investment</li> <li>Lower costs of capital</li> </ul>	<ul style="list-style-type: none"> <li>Short – Medium-term</li> </ul>	<ul style="list-style-type: none"> <li>Sustainable finance represented more than 35% of total financing across the Group at the end of 2022</li> <li>Swire Properties targets for at least 80% of its bond and loan facilities to come from green financing by 2030</li> <li>Around 61% of Swire Properties current financing is from green bonds, green loans, and sustainability-linked loans</li> </ul>
<b>Investments</b>				
Resource efficiency	<ul style="list-style-type: none"> <li>Use of more efficient modes of transport</li> </ul>	<ul style="list-style-type: none"> <li>Lower operating costs because of higher energy efficiency</li> </ul>	<ul style="list-style-type: none"> <li>Medium-term</li> </ul>	<ul style="list-style-type: none"> <li>Fleet renewal – adding more fuel-efficient aircraft</li> </ul>
Energy source	<ul style="list-style-type: none"> <li>Use of lower-emission sources of energy</li> </ul>	<ul style="list-style-type: none"> <li>Increased revenues from increased demand for products and services</li> </ul>	<ul style="list-style-type: none"> <li>Long-term</li> </ul>	<ul style="list-style-type: none"> <li>Committed to using Sustainable Aviation Fuel (SAF) for 10% of their jet fuel consumption by 2030</li> </ul>
Products and services	<ul style="list-style-type: none"> <li>Development and/or expansion of low emission goods and services</li> </ul>	<ul style="list-style-type: none"> <li>Increased revenues resulting from increased demand for products and services</li> </ul>	<ul style="list-style-type: none"> <li>Short-term</li> </ul>	<ul style="list-style-type: none"> <li>Fly Greener provides their customers an opportunity to offset their carbon emissions from air travel</li> <li>Corporate Sustainable Aviation Fuel Programme</li> </ul>

- We are working on a methodology to quantify the financial implications of climate change to our mobile assets, such as aircraft.
- See the 2022 sustainability reports of Swire Properties, Cathay Pacific and Swire Coca-Cola for details of their climate risk assessments.

**Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.**

- We are assessing the implications of different long-term climate scenarios. Our Sustainable Development Office and risk functions are working together to assess the robustness of our climate strategy and the uncertainties associated with its execution.

- Our analysis shows that there is an overall low to moderate risk of physical climate impacts for our global portfolio of assets, in all assessed climate scenarios. This is attributed to the strength of our adaptive capacity and mitigation measures.
- Similarly, the analysis shows our business and sustainability strategies allow us to effectively manage the risks associated with a transition to a net zero economy.



## Risk management



### Describe the organisation's processes for identifying and assessing climate-related risks.

- We are assessing how vulnerable our businesses are to flood, heat stress, water stress and extreme weather events.
- We are using the Climanomics tool developed by The Climate Service (TCS) to assess the climate risks to our businesses and the resulting financial implications
  - We have assessed the physical climate-related risks to and opportunities for over 850 of the Group's most valuable assets (by insured value), under four climate change scenarios (RCP 2.6, 4.5, 6 and 8.5). This data has allowed us to accurately evaluate the exposure of specific assets and operations in selected timeframes, from the intermediate (2030) to the long-term (2050).
  - We have considered the impact of carbon pricing transition risks based on the carbon pricing models included in IPCC Shared Socioeconomic Pathways SSP3-60 and SSP3-45.
  - In 2022/23, via the Climate and TCFD working groups we are working with a consultancy to incorporate the results from the Climanomics assessment into a broader climate scenario analysis. A summary of the results of this exercise will be made available in future sustainability reports.
  - The findings will be incorporated into the Group's ERM system.
- Swire Properties has conducted detailed asset-level assessments to evaluate the degree of sensitivity and adaptive capacity of individual developments under the potential impacts of climate change. These assessments consider system robustness such as existing flood prevention systems and façade conditions; system redundancy, such as the capacity of chillers and water supply; and susceptibility to past extreme weather events.

### Describe the organisation's processes for managing climate-related risks.

- Our Climate Change Policy deals with decarbonising our businesses and managing and adapting to climate risk.
- Through the ISO 14001 Environmental Management System and ISO 50001 Energy Management System, we manage our operational risks related to climate change, carbon and energy management. For example, our Property Division manages its daily operational risks related to climate change, carbon and energy management. As of 31st December 2022, approximately 80% of its properties (measured by GFA) in Hong Kong and the Chinese Mainland are certified to the ISO 14001 and ISO 50001 management systems.
- We have set ambitious 2030 decarbonisation targets (see metrics and targets section below). Our goal is to achieve net zero carbon emissions by 2050.
- Our sustainable development fund (SD Fund) makes available up to HK\$100 million per year for sustainable development projects. The money is available for investments in sustainability technologies and solutions that would not otherwise meet our financial targets. In 2022, we funded trials of new technologies intended to help our operating companies meet their carbon, water and waste targets.
- Our business continuity plans cover extreme weather events. We have a Business Recovery Plan in place to ensure that we maintain critical crisis planning and execution capabilities in the event of major incidents, including extreme weather events. Swire Properties has local crisis response plans for all its buildings.
- In 2023, we will be piloting the use of internal carbon pricing (ICP) within Swire Properties, Swire Coca-Cola and HAECO. These companies, collectively account for over 94% of our scopes 1 and 2 emissions. We have adopted a hybrid ICP model which includes:
  - Carbon Fee: By linking each unit of CO<sub>2</sub> emissions to a fixed cost, our business units will be further incentivised to integrate low-carbon considerations into their business decisions. The funds raised through

the fee will be directed towards decarbonisation projects that drive or provide additional carbon reduction.

- Shadow Carbon Price: Applicable to future investment decisions and planning for future projects. It is a tool used to reveal hidden risks and opportunities throughout our operations and to support strategic decision making related to future capital investments.
- To reduce embodied carbon from its development projects and construction activities, our Property Division has established performance-based targets on embodied carbon for concrete, rebar and structural steel for future projects in Hong Kong. They have also specified that low-carbon materials should be adopted in their projects, such as concrete with pulverised fuel ash or ground granulated blast-furnace slag, rebar and structural steel with recycled content, and the optimisation of structural design to minimise material consumption.
- Swire Properties is a leader in developing certified green buildings that are energy-efficient and low-carbon by design and in operation. At the end of 2022, 94% of its wholly owned existing buildings have been certified as green buildings under HK BEAM, BEAM Plus, LEED, WELL, China Three Star or Green Mark independent rating systems. Of these, of which 98% have achieved the highest ratings. 100% of wholly owned projects under development have achieved green building certification ratings.
- Since 2011, Swire Properties has worked with Tsinghua University's Joint Research Centre for Building Efficiency and Sustainability, to develop and test methods to increase energy efficiency and improve environmental performance in our businesses. This collaboration continues to generate substantial energy savings and allows us to communicate and share new ideas and practices with our employees, business partners, industry peers and other researchers.
- Swire Properties integrates sustainability criteria into the risk assessment process for new acquisitions, including climate adaptation and resilience, flood risk assessment, energy efficiency and carbon emissions.



## Overview

## Our approach

## ESG risk management

## TCFD

- Swire Coca-Cola has identified a 'next generation' Cold Drinks Equipment (Vending Machines, Fridges etc.) that uses 50% less energy compared with the current equipment. Implementation of this new equipment across the Chinese Mainland, will result an estimated reduction in scope 3 emissions by 2030 that equates to just over a third of the overall reductions required to meet its Science Based Target (SBT).
- Swire Coca-Cola has committed to sourcing 100% Renewable Energy by 2026. They are investing in solar photovoltaic (PV) systems on their sites and purchasing renewable energy from electricity retailers and utilities. In 2022, 21% of their total electricity use was from renewable sources.
- Swire Coca-Cola uses independent third parties to assess water risk for its bottling plants, so as to form source vulnerability assessments. The findings are integrated into source water protection plans and are regularly reviewed.

- We support the efforts of the Hong Kong Business Environment Council to promote awareness of climate change in the business community through their Net Zero Charter.

**Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management.**

- Climate-related risks are identified and managed as part of our ERM system at both a Group and Operating company level.
- Climate change has been identified as one of our top ten risks in our Group risk register. Climate risk, along with all other top risks, are reviewed by the Risk Forums and the Group Risk Management Committee on a quarterly basis.
- More details on our approach to risk management can be found in the risk management section of this report and the risk management section of the Annual Financial Report.

## Metrics and targets



**Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process**

We measure:

- The methodology used to calculate the below KPIs can be found in our Reporting Methodology document.
- The metrics used by our operating companies can be found in their own sustainability reports.

### Further reading

Swire Pacific Annual Report – Risk management [↗](#)

### Explore more

ESG risk management [↗](#)

Metric	Unit of measure	2019	2020	2021	2022
Carbon emissions (scope 1 and 2) – market-based method	Tonnes of CO <sub>2</sub> e	-	763,000	662,000	569,000
Carbon emissions (scope 3)	Tonnes of CO <sub>2</sub> e	-	-	-	7,381,000
Total electricity used by the Group	Million kWh	1,409	861	828	755
Total renewable electricity generated on our sites	Million kWh	16.2	20.7	20.5	22.0
Total renewable electricity procured	Million kWh	0	11.5	103.0	126.1
% of total electricity used by the Group, generated from renewable sources	%	1.1	3.6	13.0	16.8
Proportion of Group financing from sustainable finance	%	-	14.6	18.1	>35
Proportion of existing buildings which are certified green buildings*	%	97	97	96	96
Proportion of projects under development which are certified green buildings*	%	100	100	100	100
Gross rental income contributed by certified green buildings*	%	>95	>98	>98	>98

\*Includes portfolios under Swire Properties only.

**Disclose scope 1, scope 2, and, if appropriate, scope 3 GHG emissions, and the related risks.**

- We measure and report our energy consumption and the scope 1, 2 and some scope 3 carbon emissions from our operations in accordance with the listing rules of The Stock Exchange of Hong Kong Limited and in line with the GHG Protocol.


**Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.**

- Our operating companies' targets are science-based targets or are set by reference to Nationally Determined Contributions (NDCs) or, in the case of our aviation businesses, international industry commitments.
- Swire Properties was the first real estate developer in Hong Kong and the Chinese Mainland to set science-based targets. The targets are these:
  - Reduce absolute scope 1 and 2 GHG emissions by 25% by 2025 (compared to a 2019 baseline)
  - Reduce scope 3 GHG emissions from downstream leased assets by 28% per sqm by 2030 (compared to a 2018 baseline)
  - Reduce scope 3 GHG emissions from capital goods by 25% per sqm by 2030 (compared to a 2016-2018 baseline)
- Swire Coca-Cola's science-based targets (approved by SBTi in 2020) are:
  - By 2030, reduce carbon emissions by 70% in its core operations (scope 1 and 2) from a 2018 baseline
  - By 2030, reduce carbon emissions by 30% from its value chain (scope 1, 2 and 3) from a 2018 baseline

- Swire Properties and Swire Coca-Cola have signed up to Business Ambition for 1.5°C.
- We encourage the use of renewable energy. Our Beverages Division have committed by 2026 to have transitioned to electricity derived from 100% renewable energy for core operations. Renewable electricity accounted for 16.8% of the Group's total electricity usage in 2022.
- In 2022, we conducted a scope 3 mapping exercise to identify the material scope 3 emission categories for inclusion in our scope 3 emissions inventory. We calculated our scope 3 emissions in alignment with the GHG Protocol Corporate Value Chain (Scope 3) Standard. Please refer to the climate change section for more details.
- Cathay Pacific (our investment in the aviation sector) has set emission reduction targets for 2030 and has the goal of achieving net zero carbon emissions by 2050. It targets for sustainable aviation fuel (SAF) to constitute 10% of its total fuel consumption by 2030.

**Further reading**

[Reporting Methodology](#) 

[Sustainable development reports of our operating companies](#) 

**Explore more**

[Climate](#) 





SwireTHRIVE

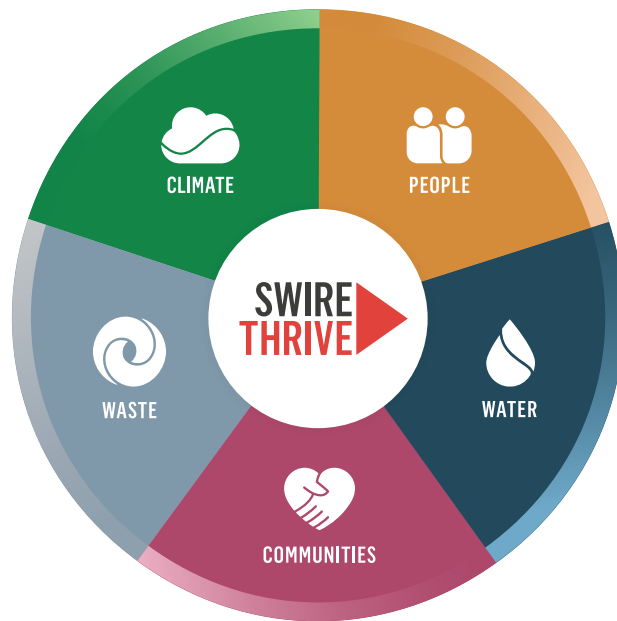
## Overview

We believe that when the world in which we operate thrives, so do we.

Swire has a longstanding commitment to sustainable development. We aim to create long term value for our shareholders. We recognise that our success in doing so is dependent on our people, the communities in which we operate, and the natural environment.

The SwireTHRIVE sustainable development strategy provides a group level framework that facilitates collaboration among our operating companies with a view to achieving common goals. It helps us to communicate more clearly what we stand for and what we do.






SwireTHRIVE comprises five priority areas where, as a group, we aim to mitigate operational risk and build long term resilience for our businesses by improving standards and efficiency and by innovation.



## Our priority areas

## Our commitments

## Our progress

 CLIMATE	Decarbonise our business and build climate resilience	<b>50%</b>	reduction in scope 1 and 2 emissions by 2030, and Net Zero by 2050	<b>19%</b>	compared with our baseline
 WASTE	Turn today's waste into tomorrow's resource	<b>65%</b>	waste diverted from landfill by 2030, and a Zero Waste to Landfill by 2050	<b>59%</b>	waste diverted from landfill in 2022
 WATER	Use and manage water responsibly	<b>30%</b>	reduction in water withdrawal from a 2018 frozen efficiency baseline by 2030, and Water Neutrality by 2050	<b>11%</b>	compared with our baseline
 PEOPLE	Foster a corporate culture that is accessible, inclusive and safe	<b>30%</b>	women in senior leadership roles by 2024	<b>24%</b>	women in senior leadership roles
 COMMUNITIES	Position our community initiative as part of our core business value	<b>TrustTomorrow</b>	to partner with local organisations and drive lasting positive change	<b>HK\$124 million</b>	disbursed since launch



SwireTHRIVE – CLIMATE

# Decarbonise our business and build climate resilience

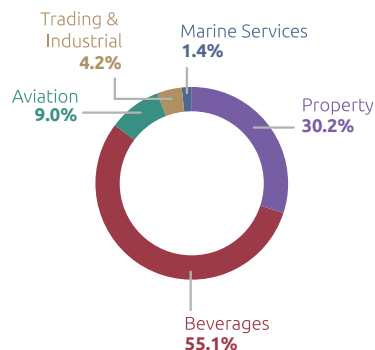
## CO<sub>2</sub> emissions 2022

649,000 tonnes ↓

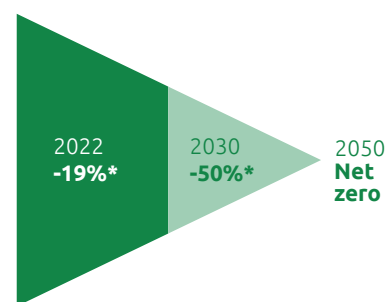
11% reduction from 2021

728,000 tonnes

## Group carbon footprint 2022



## Progress against targets



\*Compared with 2018 baseline

The scientific reality of climate change is being felt increasingly by communities globally. To avert the worst effects of the rapidly changing climate, the world needs to limit global temperature rise to 1.5°C and transition to a net zero carbon emissions economy by 2050.

Failure to mitigate climate change, or adapt to it, represent the two most severe global risks over the next decade, underscoring why the Group has identified it as a key risk. According to the World Meteorological Organization (WMO), the chance of breaching the 1.5°C target before 2030 stands at 50%. Every fraction of a degree counts.

Our businesses will be affected by climate change directly and by governmental and regulatory mitigation and adaptation responses. Decarbonising our operations in all sectors where we operate is a strategic imperative. We must also reduce value chain emissions and strengthen our resilience to climate impacts.

## Our approach

We are committed to play our part to limit global temperature rise to 1.5°C, in line with the Paris Agreement. Progress requires technological advancements, mature markets, and enabling policy environments. Our strategy is to support their development.

SwireTHRIVE and our Climate Change Policy outline what we will do to reduce our emissions and adapt to climate change.

## Reducing GHG emissions

Our ambition is to achieve net zero emissions by 2050. This will not be easy. We operate and invest in the carbon intensive aviation sector, which is difficult to decarbonise without breakthroughs in alternative fuel technology.

Our interim target is to halve our scope 1 and 2 emissions by 2030, compared with a 2018 baseline. Each of our businesses has individual targets aligned with science, nationally determined contributions, or international industry commitments.

Swire Properties and Swire Coca-Cola have set science-based targets aligned with the 1.5°C pathway and approved by Science Based Targets Initiative (SBTi). Both companies have signed up to Business Ambition for 1.5°C.

To reduce emissions, we are:



Improving energy efficiency



Using more renewable energy



Choosing low-carbon and energy efficient products



Encouraging our suppliers and customers to decarbonise

The Group and its operating company Swire Properties both received an A-rating in the 2022 CDP Climate Change questionnaire.



In addition to investments already made by our businesses, we are implementing two key tools to finance and accelerate emissions reduction. Since 2019, our HK\$100 million Sustainable Development fund has supported trials of innovative green technology solutions, with a view to accelerating their adoption at scale. In 2022, the Board approved a hybrid model Internal Carbon Pricing (ICP) which will be piloted in 2023. Read more in Looking Forward in the Climate section.

Carbon removal and verified carbon offsets will form part of our strategy, particularly in aviation where low-carbon solutions are not yet available at scale. But our priority is to reduce our absolute GHG emissions as much as we can first.

### Group performance: scope 1 and 2 emissions

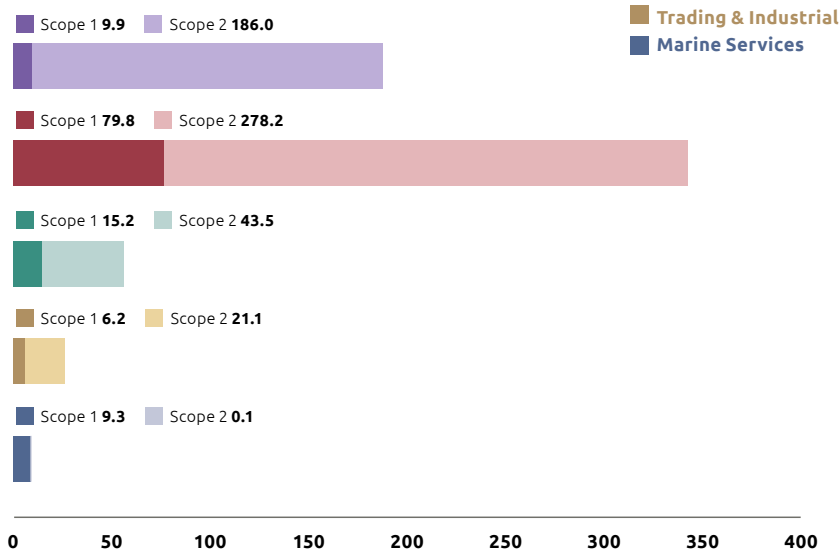
The Group generated 649,000 tonnes of scope 1 and 2 GHG emissions in 2022, a 11% decrease from 2021. The Beverages and Property divisions accounted for more than 80% of the Group's emissions in 2022. Swire Properties absolute GHG emissions decreased by 1%, while Swire Coca-Cola's emissions decreased by 8%. Swire Properties has implemented energy saving measures into their HVAC system of their Hong Kong portfolio, set strict control for the circulation pumps of the heat-pump system at Taikoo Li Sanlitun, Beijing, and decreased electricity usage for HKRI Taikoo Kui and Taikoo Hui Guangzhou. Swire Coca-Cola has procured renewable energy in Chinese mainland, and commenced numbers of solar PV installation projects for the sales and distribution centers in the US.

The emissions of our Aviation division and Trading & Industrial division decreased by 5% and 6% respectively compared with 2021. This was in part due to COVID-19 related reductions in business activity, reduced fleet size, replacement of old machineries and its components to improve the production efficiency.

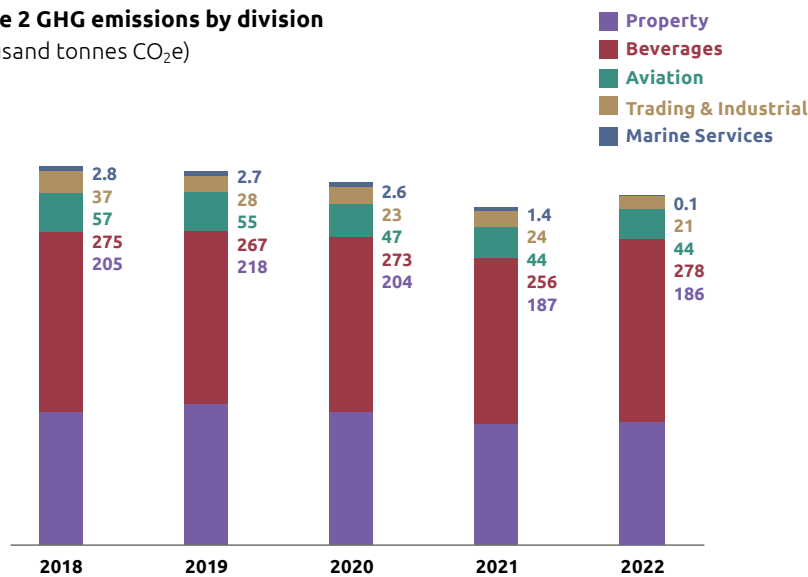
For full details of the scope of our data, please see our Reporting methodology.

Electricity consumption is our largest source of GHG emissions. We used almost 900 million kilowatt-hours of electricity in 2022 and generated 529 thousand tonnes of indirect (scope 2) emissions, a

**Total GHG emissions (scope 1 and 2) by division 2022**  
(thousand tonnes CO<sub>2</sub>e)



**Scope 2 GHG emissions by division**  
(thousand tonnes CO<sub>2</sub>e)



decrease of 5% from 2021. This is largely contributed by the improvement in energy efficiency in Chinese Mainland for the Beverages division.

The Group generated **649,000 tonnes of GHG emissions** in 2022, a 11% decrease from 2021.



#### Further reading

- [Climate Change Policy](#)
- [Reporting Methodology](#)

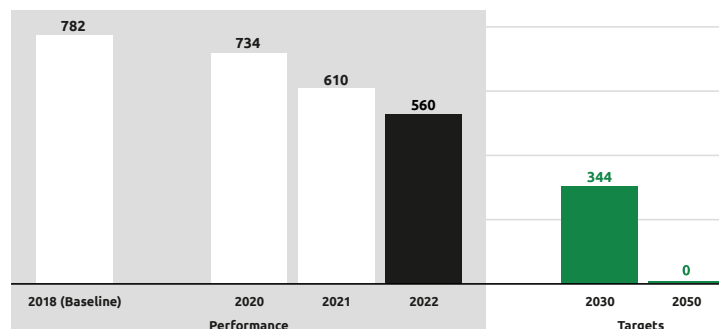
#### Explore more

- [Our Approach](#)



### Progress towards 2030 target

Absolute scope 1 and 2 (thousand tonnes CO<sub>2</sub>e)



### 2030 target

By 2030, we aim to reduce our scope 1 and 2 emissions by 50%, compared with 2018 levels. In 2022, we achieved a 19% reduction compared to our baseline. Based on our 2030 projections, we surpassed our 8.9% target reduction for 2022.

### Energy efficiency

As the cost of electricity rises, making our buildings and operations more energy efficient is a priority.

### Designing efficient buildings

Our Sustainable Building Design Policy requires new and substantially renovated buildings to obtain the highest or, as a minimum, the second highest international or local building environmental certification.

At the end of 2022, 94% of Swire Properties' wholly-owned existing buildings have been certified as green buildings. Of these, 98% have achieved the highest ratings. 100% of its wholly-owned projects under development have achieved green building certification ratings. **Swire Coca-Cola** has five LEED certified bottling plants in the Chinese Mainland and the US.

### Energy saving measures

Across the Group, we continued to upgrade our lighting, cooling, boiler, and refrigeration systems to more

energy efficient models. In 2022, **Swire Properties** continued to optimise heating, ventilating, and air conditioning systems, installed high-efficiency chillers, and conducted energy-saving retrofits across its properties. Approximately 86% of its assets (by gross floor area) in Hong Kong and the Chinese Mainland are certified to the ISO 14001 and ISO 50001 standards for environmental and energy management.

Swire Properties continues to roll out a cloud-based smart energy management platform across all its properties in Hong Kong and the Chinese Mainland. Originally developed with Schneider Electric as a recipient of the Group's Sustainable Development Fund, the platform uses the Internet of Things, big data analysis, artificial intelligence, and cloud computing to generate energy saving insights and optimise energy consumption. This year, the platform identified opportunities to achieve a 50% reduction in energy use from air handling units serving the central link bridge at Cityplaza, Hong Kong.

Swire Properties' hotels use solar energy to heat up water in their kitchens, and have induction cookers, variable speed controls for kitchen exhaust fans, head recovery functions for gas cooking stoves, and electric conveyor dishwashers to maximise kitchen energy efficiency. At East Hong Kong, the completion of a decorative lighting replacement scheme will reduce energy consumption from guest room lighting by 60%.

### Further reading

[Sustainable Building Design Policy](#)

**Swire Coca-Cola** partnered with Tsinghua University to install more energy effective compressed air and chilling systems at its Jinqiao Shanghai plant. In 2022, the completion of the project resulted in a saving of 2.6 million kWh of electricity. In the Chinese Mainland, it has identified energy efficiency projects that could save 8,810 MWh per year and earmarked a budget of over RMB 30 million to cut its energy usage per litre of product produced by 5% in 2023. 100% of its bottling plants are certified ISO 14001.

### Renewable energy

Shifting our energy mix to renewable sources is a crucial part of our decarbonisation strategy. We encourage our businesses to explore opportunities to generate and purchase more renewable electricity (RE). Swire Properties and Swire Coca-Cola have set RE targets.

More than 22 million kWh of electricity was generated from renewable sources at Swire Properties, Swire Coca-Cola and HAECO in 2022, representing a 7% increase from 2021.

**Swire Coca-Cola** is investing in solar photovoltaic (PV) systems on its sites in Hong Kong, Mainland China and in the US, and purchasing RE from electricity retailers and utilities. In the Chinese Mainland, four more facilities secured offsite RE agreements this year. Its plants in Yunnan, Hangzhou, Hubei and Wenzhou now operate using 100% RE. Its Guangxi and Anhui plants use a partial RE mix. At its Hong Kong plant, a newly installed rooftop PV system generates 31 MWh per year. In the US, the Sustainable Development Fund will co-fund the installation of rooftop solar PV panels at Swire Coca-Cola's plant in Draper, Utah, which are expected to generate 4,500 MWh/year. In 2022, 21% of Swire Coca-Cola's total electricity use was from renewable sources.



Four Swire Coca-Cola plants and three Swire Properties developments use **100% RE**.

HAECO has installed **one of the largest PV systems in Hong Kong**.



HAECO's PV system at HKIA consists of approximately 6,000 solar panels.

**Case study**

**HAECO – Completion of one of Hong Kong’s largest solar projects**

This year, HAECO completed the installation of one of Hong Kong’s largest solar photovoltaic (PV) systems. The array is situated on the rooftop of HAECO’s aircraft maintenance hangar No. 2 and 3 at the Hong Kong International Airport. With a total capacity of 3 megawatts, it is estimated that the system will result in an emissions reduction of 1,000

tonnes of CO<sub>2</sub>e per year, equivalent to planting more than 48,000 trees.

Surplus power generated by the HAECO system will be sold to the local power companies under the Hong Kong Government’s “Feed-in Tariff” scheme with part of the income being used to support WWF-Hong Kong.

**Swire Properties** procures 100% renewable electricity for Taikoo Hui, Sino-Ocean Taikoo Li Chengdu and The Temple House. At the end of 2022, its mix of renewable electricity in the Chinese Mainland stands at about 39%. One of Swire Properties’ 2025 KPIs is to generate 4-6% of the landlord’s building energy from renewable or clean energy sources in selected new office developments. At Two Taikoo Place, it is installing solar PV panels, a wind turbine, and a waste-to-energy tri-generation system, which we estimate will supply renewable energy equivalent to approximately 6% of the landlord’s building energy.

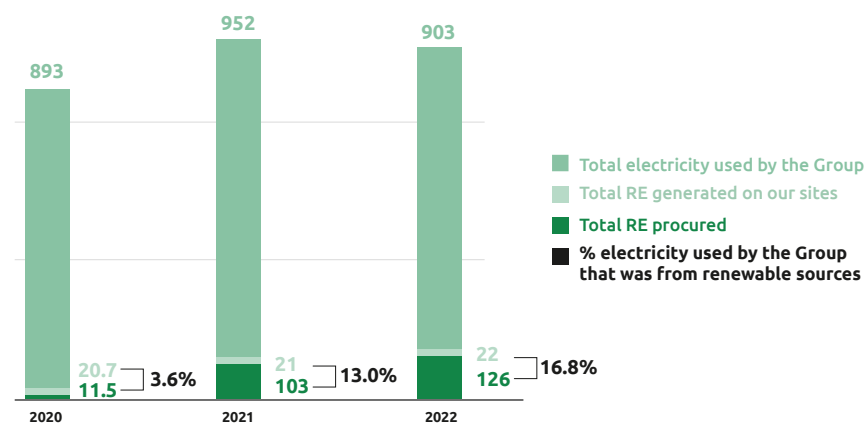
**Low-carbon and energy efficient products and materials**

Since 2020, **Swire Properties** has included low-carbon procurement specifications – developed in accordance with international standards such as ISO 14067 – for construction materials such as concrete with pulverised fuel ash or ground granulated blast furnace slag, rebar, and structural steel with recycled content. It is the first real estate developer in Hong Kong to contractually require low-carbon building materials for new projects and is exploring extending this practice to its developments in the Chinese Mainland. In 2022, six of its buildings won the “GBA Low Carbon Buildings Top 100 Award”, presented by the Greater Bay Area Carbon Neutrality Association.

In Hong Kong, all new **Swire Coca-Cola** trucks use B7 biodiesel and comply with Euro VI emission standards. **HAECO** completed the upgrading of a fuel station to cater for the use of Biodiesel (B5). These fuels are produced from waste cooking oil, animal fat, and other oils which can significantly reduce emissions. During 2022, HAECO replaced 60% of its traditional diesel use to biodiesel in its mini fuel station in Hong Kong. Combined with the use of Hong Kong International Airport’s airside fuelling station, Biodiesel represented 48% of HAECO’s Hong Kong fleet fuel consumption.

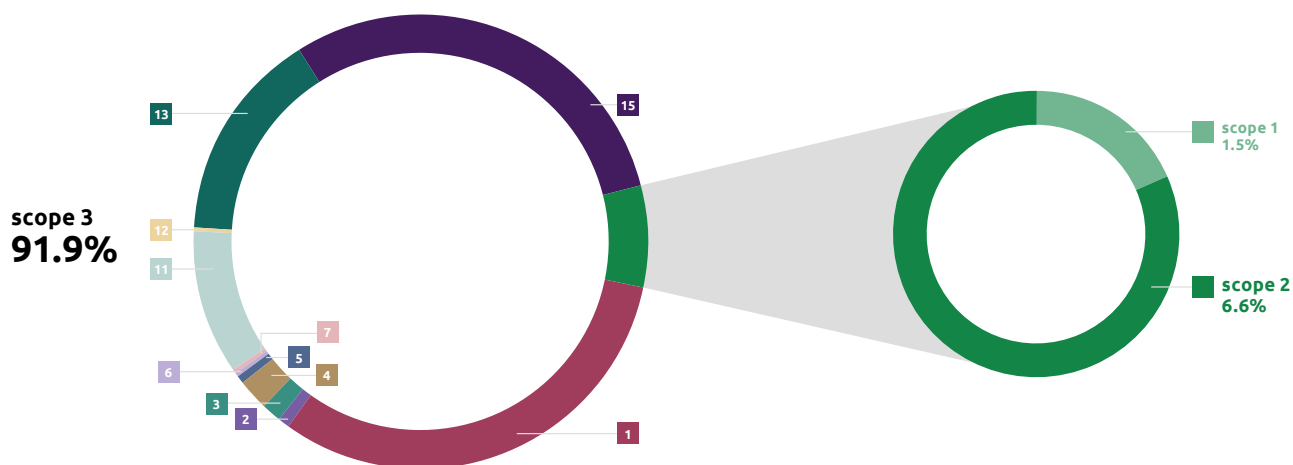
**Proportion of electricity consumed from renewable sources**

(million kWh)





## Our emissions by scope



### Breakdown of value chain emissions by category

- |   |   |  |
|---|---|--|
| <b>1</b> Purchased goods and services <b>34.1%</b>                                      | <b>5</b> Waste generation <b>0.4%</b>       | <b>12</b> End-of-life treatment of sold products <b>&lt;0.1%</b> |
| <b>2</b> Capital goods <b>1.1%</b>  | <b>6</b> Business travel <b>0.1%</b>        | <b>13</b> Downstream leased assets <b>16.3%</b>                  |
| <b>3</b> Fuel- and energy-related activities (not included in scope 1 or 2) <b>1.5%</b> | <b>7</b> Employee commuting <b>0.2%</b>     | <b>15</b> Investments <b>33.0%</b>                               |
| <b>4</b> Upstream transportation <b>2.3%</b>  | <b>11</b> Use of sold products <b>11.0%</b> |  |

In Taiwan, Swire Coca-Cola's Cold Drink Equipment (CDE) team innovated a technology to retrofit old CDE models to make them compatible with eco-friendly refrigerants. They are working with customers to transition all their CDE to use eco-friendly refrigerants by 2025. This is expected to reduce more than 1,030 tonnes of CO<sub>2</sub> equivalent emissions.

## Group performance: scope 3 emissions

More than 90% of our GHG emissions occur outside our direct operations. We do not control these assets and activities, but through our decisions and relationships we can work to reduce material scope 3 emissions.

In 2022, we conducted a mapping exercise to identify material sources of emissions in our investments and in the value chains of our businesses. All scope 3 categories were assessed to understand what is important, applying a materiality threshold defined as 5% of total scope 3 emissions, and in accordance with the Corporate Value Chain (scope 3) Accounting and Reporting Standard. Primary data was supplemented with secondary data when necessary.

Using 2022 data, our total scope 3 GHG emissions is 7,381 thousand tonnes CO<sub>2</sub>e. We identified value chain emissions from purchased goods and services (34%), investments (33%), downstream leased assets (16%), and use of sold products (11%) as material.

Swire Pacific has a significant interest in Cathay Pacific, and accounts for a proportion of its GHG emissions under our scope 3. This proportion is equivalent to the Group's shareholding interest in the company.

## Decarbonising our chain

**Swire Properties** has established science-based reduction targets to reduce the emissions generated by capital goods and downstream leased assets, its two most significant categories of scope 3 emissions, by 25% and 28% per square metre respectively by 2030.

Tenant electricity consumption accounts for 50% of its total building energy consumption. Swire Properties helps tenants to reduce their electricity use by offering free energy audits. Since 2008, free energy audits have covered 5.8 million square metres of commercial

space, identifying potential annual energy savings of 9.1 million kWh. It also procures 100% renewable electricity for Taikoo Hui in Guangzhou and Sino-Ocean Taikoo Li Chengdu, and continues to look for other opportunities to secure 100% RE for other operations.

Embodied carbon in capital goods is a major source of emissions for Swire Properties. It uses software tools to incorporate low-carbon considerations at the project design stage, sets procurement specifications for carbon intensive key materials, and works with contractors to source these materials and optimise energy management on its construction sites.

Emissions from packaging and the electricity consumed by its cold drinks equipment (CDE) accounts for around 60% of **Swire Coca-Cola's** total value chain emissions.

To meet its 2030 target, Swire Coca-Cola needs to reduce its emissions from packaging by increasing its recycled content and promoting post-consumption recovery and recycling. Since 2021, it has used 100% recycled PET for Bonaqua water bottles in Hong Kong. In 2022,

recycled aluminium constituted 3.2% of cans in Chinese Mainland and 72% of cans in the US. It has redesigned the label length of several aseptic PET products in Hong Kong to encourage recycling.

With proactive collaboration between its procurement team and beverage cooler suppliers, it has identified 'next generation' CDE that uses 50% less energy compared with current equipment. All its new CDE will have high energy efficiency ratings and use natural refrigerants. As the new technology is phased-in across the Chinese Mainland, it will result an estimated reduction in scope 3 emissions by 2030 that equates to just over a third of the overall reductions required to meet its Science Based Target (SBT).

**Cathay Pacific** has committed to achieving net zero carbon emissions by 2050, and for sustainable aviation fuel (SAF) to constitute 10% of its total fuel consumption by 2030. Its carbon reduction strategy includes modernising its fleet to improve fuel efficiency, improving operational efficiency, and providing Gold Standard accredited offsets through its Fly Greener programme.

To support Cathay Pacific in creating demand for SAF, Swire Pacific supported the launch of the Cathay Pacific Corporate Sustainable Aviation Fuel (SAF) Programme. We contributed to the purchase of internationally recognised SAF, along with Cathay Pacific's other founding partners, which will be used to power Cathay Pacific flights. Through its programme, Cathay Pacific will issue verified emissions reduction certificates and proof of sustainability to its customers, including Swire Pacific, reducing our scope 3 carbon emissions. See Cathay Pacific's Sustainable Development Report 2022 for details.

Representatives from our operating companies are active members of our SwireTHRIVE working groups and committees, and benefit from the collective experience, expertise and best practice sharing between our companies. We also support carbon and waste reduction projects through our Sustainable Development Fund.

Scope 3 emissions by division are included in the Appendices. Further information is available in the sustainability reports of our operating companies.

**Explore more**

- Performance data [↗](#)
- TCFD [↗](#)
- Risk management [↗](#)

**Further reading**

- Cathay Pacific Sustainable Development Report 2022 [↗](#)
- Swire Properties Sustainable Development Report 2022 [↗](#)
- Swire Coca-Cola Sustainable Development Report 2022 [↗](#)

**Offsets**

Carbon offsets can play a vital role in our net zero strategy as they allow us to compensate for hard to abate emissions within our value chain and emissions from technologically constrained sectors.

Our net zero commitment aligns with the approach defined by the Science Based Targets initiative's (SBTi) Corporate Net-Zero Standard and references the Institute of Environmental Management and Assessment's carbon mitigation hierarchy. We aim to reduce our scope 1 & scope 2 GHG emissions by 95% and scope 3 by 90% before purchasing high quality third-party accredited offsets to reach our goal.

Our approach contrasts with carbon neutrality which we define as counterbalancing CO<sub>2</sub> emissions (not necessarily all GHG emissions) with carbon offsets without having reduced emissions by an amount consistent with reaching net-zero.

In 2022, we reviewed our approach, the carbon offset market, and emerging standards including the Core Carbon Principles developed by the Integrity Council for the Voluntary Carbon Market. We are producing guidelines for our operating companies to standardise and guide decision making on offsetting across the Group.

Our evolving approach builds on our existing Carbon Offsetting Policy, which has been in place since 2009. Under the current policy, all Swire Pacific subsidiaries are required to offset the emissions associated with staff business air travel. Offsets purchased must, at a minimum, meet the Verified Carbon Standard or Gold Standard. In 2022, we purchased more than 154 tonnes of carbon offsets through Fly Greener.

We have owned and managed a Verra certified carbon offset REDD+ project in Paraguay since 2010. The project is designed to generate 10,000 carbon credits per year for 20 years. The Verified Carbon Units (VCUs) are dual accredited under both the Verified Carbon Standard (VCS) and the Climate, Community and Biodiversity Standard (CCB). See the Biodiversity section for more information.

**Adaptation**

We need to prepare for the physical risks of climate change. This means designing buildings capable of withstanding extreme weather. Airports where we operate must be prepared to deal with the consequences of rising sea levels. Climate change can disrupt our operations and supply chains.

Stabilising global 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, which is likely to lead to stricter regulation and potentially carbon taxes. Energy availability and affordability will be affected. Regulators and investors increasingly expect companies to measure and report their exposure to climate risks to avoid financial shocks.



We have a climate working group, which supports the implementation of our Climate Change Policy and the delivery of our climate change related targets and commitments. A TCFD working group comprising sustainability, finance and risk team members was formed in 2020. It is developing Group disclosure guidelines, reviewing information about risks, and determining a timeline for full disclosure to TCFD.

We have assessed the physical risks that climate change poses to our businesses. We use a specialised cloud-based platform provided by The Climate Service (TCS), now a part of S&P Global, to assess the financial implications of climate-related risks and opportunities under different climate scenarios. The assessment helps us to align our climate change disclosures with the recommendations of TCFD. In 2022, we developed a group-wide scenario analysis framework which will be used with our operating companies in scenario analysis workshops in 2023. See the TCFD section for more information.

We require our operating companies to consider climate change risks when compiling their risk registers, and to take appropriate precautionary measures. Climate change is included in our risk register. Some of our operating companies build climate resilience into their operations. **Swire Properties** completed a study of its exposure to risks and opportunities under different climate scenarios. The study indicated that its properties are exposed to low to moderate levels of physical risk, due to its relatively robust mitigation measures. Improvements for individual buildings were identified, including upgrading flood protection measures and alert systems, chiller efficiency improvements, glass facade inspections, and smart monitoring systems.

**Swire Coca-Cola** assesses water access, quality, and quantity risks for all new bottling plants. It has completed a risk assessment using The Climate Service platform, details of which are included in its Sustainable Development Report 2022.

## 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 Pacific, Swire Properties, and Swire Coca-Cola support the Business Environment Council (BEC) Low Carbon Charter in Hong Kong.

**Swire Properties** is a signatory to the Business Environment Council's (BEC) Power Up Pledge in Hong Kong, which commits the company to sharing knowledge and best practices and collaborating to promote electrification of construction sites and transition away from diesel generators.

Swire Properties is committed to exploring new procurement options for off-site renewable energy for our portfolio, where feasible. Since 2021, Taikoo Hui Guangzhou became powered by 100% renewable electricity, joining Sino-Ocean Taikoo Li Chengdu in achieving net-zero carbon in its annual electricity consumption for both landlord and tenant operations and setting a new standard for the real estate sector in Asia. In 2022, Taikoo Li Sanlitun became our third portfolio in the Chinese Mainland to enter into an off-site renewable electricity agreement, with 15% of the landlord's annual electricity consumption from clean energy sources.



### Case study

#### Swire Properties – Global AI Challenge Gold Award

Swire Properties partnered with a digital automation and energy management company in the “Global AI Challenge for Building Electrical and Mechanical Facilities”, held between November 2021 and September 2022.

Organised by the Hong Kong government's Electrical and Mechanical Services Department and the Guangdong Provincial Association for Science and Technology, the global event was the first and largest AI event related to building electrical and mechanical services.

Swire Properties' goal was to develop an AI model to predict the cooling demand of a commercial building. Out of 44 teams, its model had the greatest level of accuracy. The joint team won a Gold Award and the Grand Prize – the “Alliance Contracting Outstanding AI Influencer Award”.

The model is now being implemented in our Cloud-Based Smart Energy Management Platform and can accurately predict the cooling load in our buildings 24 hours in advance.



**Swire Coca-Cola** works with governments and NGOs to protect local water sources that may be at risk from climate change or anthropogenic activities and secure access to clean and safe water for communities in need. Its flagship CSR programme “Carbon Reduction Alliance” engages value chain partners in the Chinese Mainland, to reduce carbon, and support local communities and biodiversity. Read more in Biodiversity.

Swire Coca-Cola also provides bottled water to people 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.

based on the most recent financial year’s operational emissions and will fund decarbonisation projects. The shadow pricing mechanism will be applicable to planned projects that exceed a threshold value. In this way the ICP integrates carbon pricing in the decision-making process for future operating company projects while facilitating progress towards our emissions goals. The ICP will be trialled with Swire Coca-Cola, Swire Properties, and HAECO, which contribute over 80% of our operational emissions.

We will continue to strengthen our TCFD reporting and will look to refine our scope 3 emissions calculations for key scope 3 categories. We will build on our renewable purchasing guidelines and will facilitate the sharing of information about renewable energy purchase agreements.

**Looking forward**

We are in the process of building on our 2030 decarbonisation plans by developing a carbon transition action plan to achieve net zero by 2050.

The implementation of the roadmap will be supported by Internal Carbon Pricing (ICP). In 2022, the Board approved an ICP model to be piloted in 2023. The hybrid model comprises a carbon fee and shadow pricing mechanism. The carbon fee for each operating company will be

**Further reading**

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Swire Pacific Annual Report 2022 – Risk management [↗](#)

**Explore more**

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TCFD [I→](#)

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ESG risk management [I→](#)



SwireTHRIVE – WASTE

# Turn today's waste into tomorrow's resource



### Waste generated in 2022

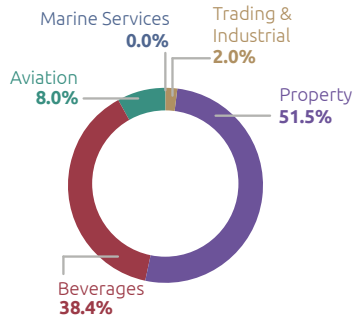
66,645 tonnes



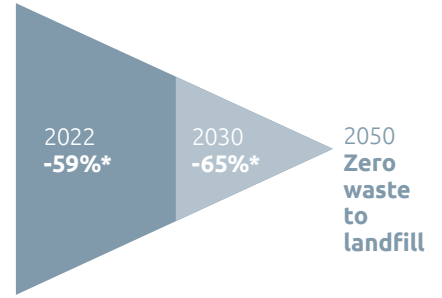
25% reduction from 2021

89,227 tonnes

### Group waste footprint 2022



### Progress against targets



\*For subsidiaries covered by our target

As the world's population and affluence increases, so does waste. Landfills are reaching capacity. States are imposing regulations and financial penalties aimed at curbing waste generation. There is growing public awareness of recycling and the need for responsible disposal of materials. This is particularly true for plastics. There is a need to decouple growth from the consumption of finite resources and keep resources in the loop for longer. Doing so will help address challenges like climate change, biodiversity loss, and pollution.

### Our approach

By reducing and recycling our waste we lower the cost of packaging, waste management and disposal, and potentially create new revenue streams. We aim to turn today's waste into a resource for tomorrow and to contribute to the creation of a circular economy. As a Group, we have set a goal of sending zero waste to landfill by 2050.

Our Waste Management Policy sets out the Group's approach to managing and reducing waste across its operations. This is what we do:



Reduce waste at source



Promote recycling, reuse and recovery in order to divert as much waste as possible from landfill



Manage hazardous and potentially hazardous waste in an appropriate, responsible and transparent manner



Reduce the impact of our beverage packaging



Explore opportunities to contribute to the circular economy

### Further reading

Waste Management Policy



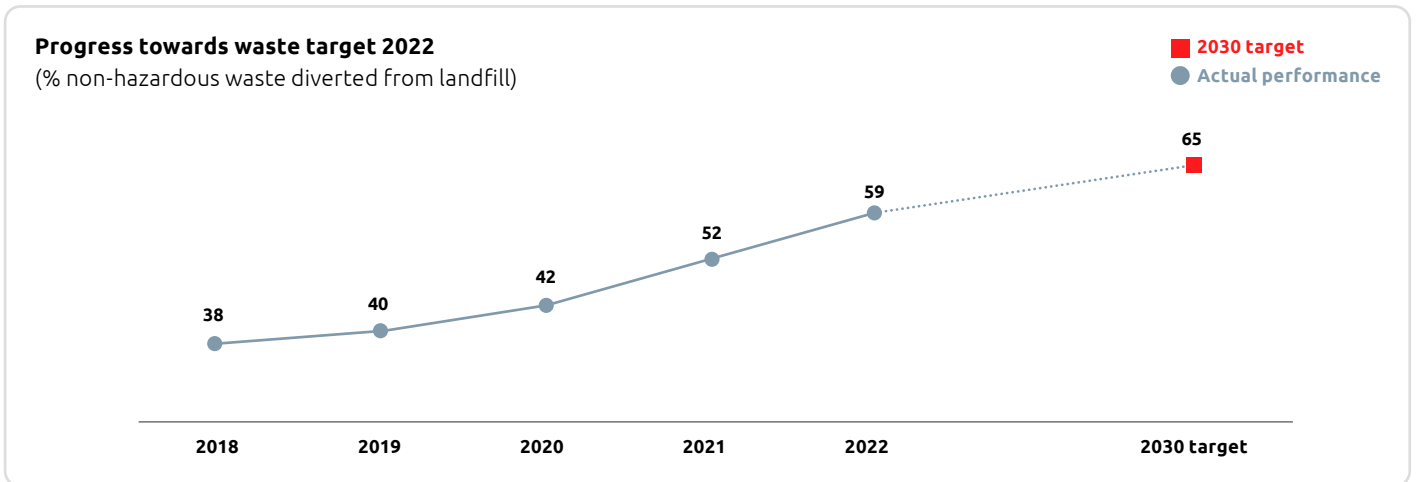
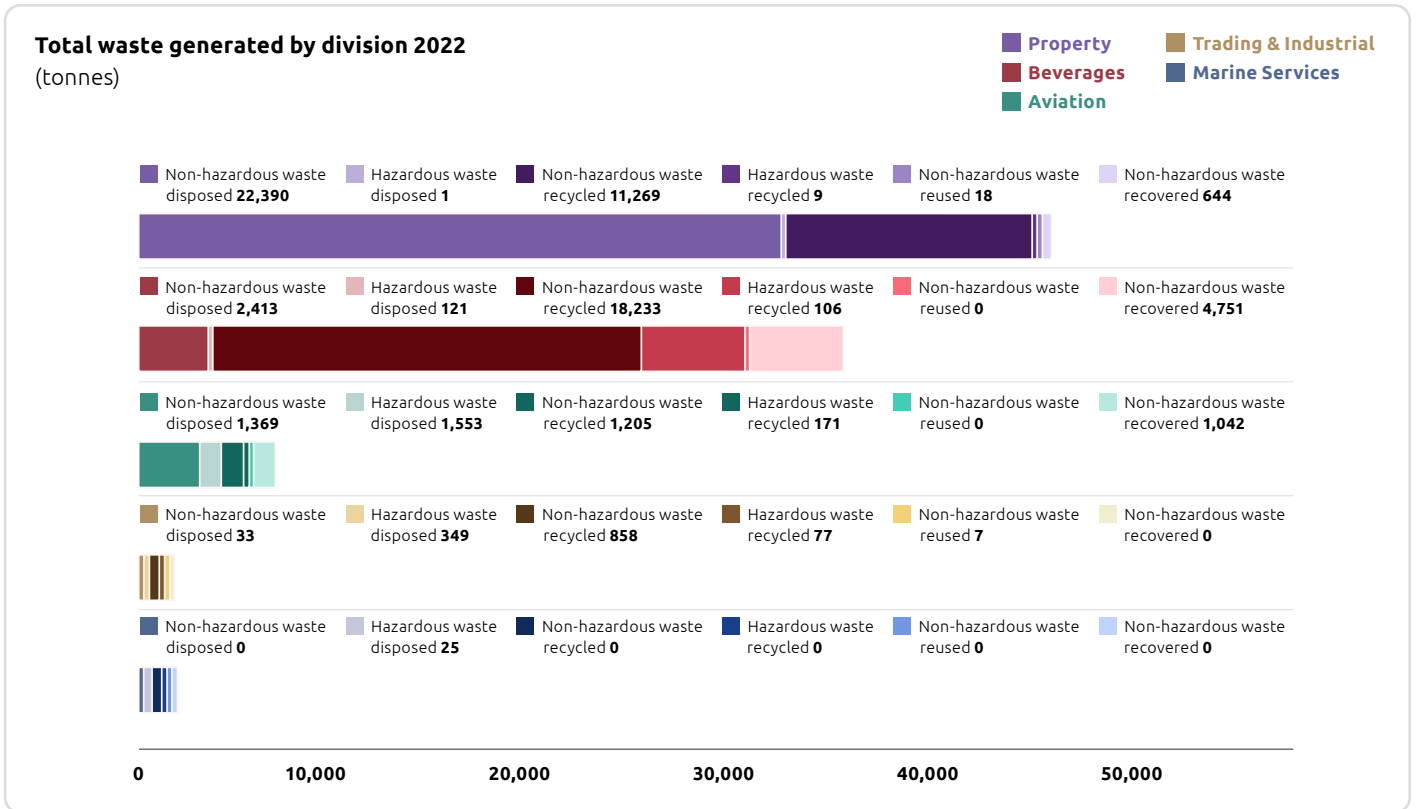
### Group performance

In 2022, the Group generated a total of 66,645 tonnes of waste, 25% less than in 2021. Of this, 96% was non-hazardous waste and 4% was hazardous waste. Overall, 59% of the total waste generated by the Group in 2022 was recycled, reused, or recovered. Our Property and Beverages divisions accounted for 53% and 40% of the Group's total non-hazardous waste in 2022 respectively.

Swire Properties' waste diversion rate was 35% in 2022, compared to 29% in 2021. Tenants in Hong Kong and the Chinese Mainland were encouraged to reduce and recycle waste. Swire Coca-Cola's waste diversion rate was 90% in 2022, compared to 88% in 2021. HAECO's waste diversion rate increased from 41% in 2021 to 62% in 2022. It's improvement is primarily due to the improved waste recycling strategies for wood and metal, and adoption of waste-to-energy in parts of its Chinese Mainland operations. Trading & Industrial division's waste diversion rate for 2022 remain around the same as for 2021.

### 2030 target

By 2030, we aim for 65% of our waste to be diverted from landfill. The target covers non-hazardous waste generated by operating companies, which together made up 99% of the Group's total waste footprint in 2022. Hazardous waste is not included in the target. It is treated in line with local regulations. Subsidiaries covered by our target diverted 59% of their waste from landfill in 2022, an improvement from 52% in 2021. Based on our 2030 projections, we surpassed our 51.2% waste diversion target for 2022.





## Reduce waste at source

The easiest way to reduce waste is not to use single-use materials and packaging, where possible. We collect data about our waste. We try to take account of waste prevention when we design and buy things. We encourage employees and customers to minimise waste.

Our Waste Working Group has developed an internal handbook on single-use plastics. It provides subsidiaries with information about different types of plastics and alternative materials, and guidance to inform procurement decisions. These include the need to consider whether the material can be recycled or composted, whether local recycling infrastructure exists to ensure it is recycled, and whether there is market demand for the recycled material, which would facilitate its collection and recycling. The handbook was also shared with members of our Supply Chain Working Group.

**Swire Properties'** waste management policy deals with the design, planning, construction, and operation of its buildings. It evaluates the management of resources, analyses information about waste, and tries to promote the circular economy. Tenants and other building users generate over 90% of the waste generated in Swire Properties' buildings. Engaging with tenants is critical to reducing waste. Swire Properties collects data about more than 20 types of waste produced by tenants, hotel guests, and serviced apartment occupants.

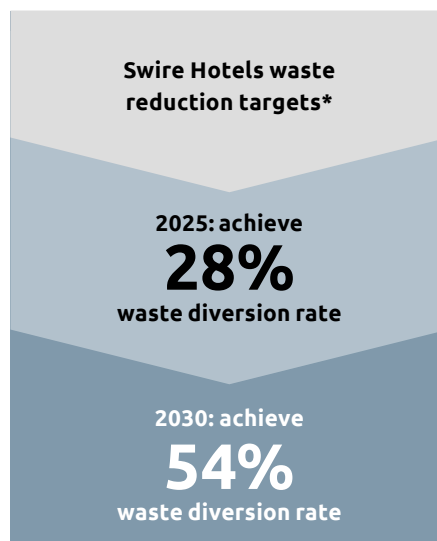
In July 2022 in Hong Kong, the Green Performance Pledge (GPP) was officially launched. It is a performance-based landlord-tenant partnership, focusing on creating a significant impact in terms of energy, water, and waste reduction. This performance-based programme gives users access to an array of "green tools" and enhances tenant-landlord collaboration. Tailored SD offerings include Hong Kong's first smart waste reduction monitoring system. Swire Properties aims to engage 50% of office tenants in Hong Kong and the Chinese Mainland in the GPP by 2025.

### Further reading

Swire Properties Sustainable Development Report 2022 [↗](#)

### Swire Hotels:

In 2022, Hotel Sustainability Technical Guidelines were rolled out.



\*against a 2018 baseline for all hotels and residences, except for The Middle House and EAST Residences which use a 2019 baseline.

- Further retrofitted rooms with an in-room water filtration system, eliminating the need for plastic bottled water in rooms and reducing the use of bottled water by at least 30%.
- The Temple House, The Middle House, and EAST Hong Kong removed all single-use plastics – replacing all straws, hampers, room amenity wrappers, and toothbrushes with products made from biodegradable materials.
- Incorporated the updated Sustainable Procurement Policy and Sustainable Food Policy into purchasing procedure guidelines. This includes adhering to the three 'R's (reduce, reuse and recycle) and purchasing fresh produce from local suppliers to reduce the carbon emissions from shipping food.

EAST Hong Kong also collaborated with a social enterprise dedicated to promoting urban farming in Hong Kong to build an urban garden in a corner of the hotel's pool deck.

**Swire Resources** supports the Hong Kong Green Building Council's Green Shop Alliance Programme. It avoids excessive promotional decoration and packaging. Since 2020, it has encouraged customers to bring their own bags on its "No Shopping Bag Day". It will donate HK\$0.50 to an environmental NGO for every bag-free transaction on the second Tuesday of each month. It also donates all shopping bag levies collected on that day.

## Divert waste from landfill

We collect and sort different types of waste and work closely with recycling partners to provide credible outlets for the recyclables we collect.

We have implemented group standards for waste separation at source. They require the provision of separate receptacles for five main categories of waste: paper, metals, plastic bottles, general plastics, and general waste. Glass and food receptacles should be placed at strategic locations, where appropriate. Guidance on the density and placement of receptacles is provided. Three types of facilities are covered by the standards, including:

- Customer facing operations including shopping malls and hotels
- Non-customer facing operations including our offices, warehouses, and factories
- Premises let to third parties (tenants)

Through our Waste Working Group, Waste Separation Guidelines have been implemented across all operating companies wherever possible, and many have extended separation to include food waste. Having a consistent approach across the Group will prepare us for the city's upcoming municipal solid waste charging scheme in 2023 and support materials supply to Swire Coca-Cola's recycling joint venture New Life Plastics. We engage our waste contractors and landlords to send collected material to recycling facilities.



**Swire Coca-Cola** aims to send no waste to landfill or incineration from its core operations by 2025 and for co-packers by 2030. This does not include waste generated from finished goods. Last year, Swire Coca-Cola mapped out their total waste footprint, identified key waste streams and reviewed international best practices in waste management and reduction opportunities. In 2022, the waste diversion rate from core operations reached 90%.

**Swire Properties** has a Resource and Circularity Policy. This policy guides its approaches to reducing waste, from the design and construction phases of our projects to the daily operation and management of our buildings. In 2022, Swire Properties diverted 25.4% of its commercial waste in its Hong Kong portfolio, and 44.8% of its commercial waste in the Chinese Mainland portfolio.

For **Swire Hotels**, at The Temple House, EAST Beijing, and EAST Hong Kong, coffee drinkers now have the option of purchasing a reusable cup instead of a disposable one. The Eco-cup reduces cost and waste and saves customers money – when reusing the Eco-cup, they receive a discount on their drink purchase.

**HAECO** Hong Kong segregates waste and sends waste wood to a recycler. 124 tonnes of wood were recycled in 2022. It also sends waste lead acid batteries to specialised recyclers. This year, HAECO Hong Kong completed a food waste collection scheme, which reduced food waste to landfill by 15 tonnes. In 2022 in Hong Kong, it completed a waste audit to map out waste composition and identify areas of improvement.

Working with NGOs, **Swire Resources** recycles Chinese New Year red packets, old books, clothes, and electronic waste.



### Case study

#### Swire Properties – Reusable Food Containers at Pacific Place

In October 2022, Swire Properties began supporting the city's first-ever closed-loop reusable packaging pilot programme, an initiative launched jointly by a food delivery platform and WWF-Hong Kong, an environmental NGO, with funding from the Hong Kong government's Environment and Conservation Fund.

A return machine was placed at One Pacific Place to collect used containers that were then sanitised and recirculated to the programme's restaurant partners. For the first three months, we facilitated the collection of over 160 containers.

### Food waste

In 2022, Swire Properties, Swire Coca-Cola Hong Kong, and HAECO Hong Kong sent 1,157 tonnes of food waste and organic by-products to an organic resource recovery centre (ORRC) for conversion into compost and biogas.

**Swire Properties** collected more than 8,290 tonnes of food waste from its Hong Kong and Chinese Mainland portfolios and its hotels. At Citygate Outlets, Cityplaza, Island Place Mall, Pacific Place, and Taikoo Place in Hong Kong, 75% of food and beverage tenants (measured by lettable floor area) recycled food waste, and 113 tenanted office floors participated in our food waste recycling programme. The management office and several retail outlets at Taikoo Li Sanlitun in Beijing were featured in a programme produced by Beijing Radio and Television Station (BRTV) that explored the city's ongoing efforts to reduce non-household kitchen

waste. In Hong Kong, 25 F&B tenants in Citygate joined the mall's free food waste recycling programme, an increase of 32% from the previous year. Tenants also participated in a free coffee grounds recycling programme. The majority of food waste collected in Hong Kong is sent to the ORRC. Some properties also have food waste digesters.

EAST Hong Kong partners with a local brewery to turn surplus bread from its restaurants into its own branded craft beer. After the surplus bread is collected and delivered to the brewery, it is blended into crumbs and used to replace a portion of barley malt. Following a two-month fermentation process, the leftover breadcrumbs and grains are sent to a local farm to be used as animal feed and fertiliser, promoting the idea of circularity. This arrangement has saved approximately 40kg of surplus bread.

**Case study****Swire Properties – Continuous efforts to combat food waste**

Food waste is a significant component of the waste sent to landfill in Hong Kong. Since 2005, when Swire Properties installed our first food decomposer at one of its Hong Kong shopping malls, it has been working with its hotels, restaurants and tenants to deepen our food waste reduction and recycling efforts. In 2022, it collected more than 8,290 tonnes of food waste from our Hong Kong and Chinese Mainland portfolios and our hotels.

In Hong Kong, Swire Properties leverages a programme funded by the Hong Kong government's Environment and Conservation Fund to promote food waste recycling amongst its tenants. In 2022, 75% of its F&B tenants (measured by LFA) and 113 tenanted office floors in Citygate Outlets, Cityplaza, Island Place Mall, Pacific Place, South Island Place and Taikoo Place participated in its food waste recycling programme.

**Reducing post-consumer waste from beverage packaging**

**Swire Coca-Cola** does not control what happens to its packaging after consumption. But it wants to transform the way waste is dealt with and to promote a circular economy. It supports the Ellen MacArthur New Plastics Economy Global Commitment and The Coca-Cola Company's World Without Waste goals. This is what it does:

- Reduces single-use packaging as much as possible by cutting its amount and weight and by using refill stations
- Redesigns packaging so that it is easy to recycle, has value when recycled and includes recycled materials itself
- Facilitates better recovery of packaging through clear labelling and disposal instructions
- Recycles packaging materials into the highest value end-products as possible
- Collaborates with government, industry, waste management companies, and non-profit organisations to promote the transition to a circular model

**Reduce**

**Swire Coca-Cola** reduces the amount of plastic used in its packaging of bottled brands. In Hong Kong, Swire Coca-Cola continues to trial packaging-free delivery models. They have installed around 160 Bonaqua water refill stations at strategic locations around the city, which encourage consumers to bring their own bottles.

**Redesign**

**Swire Coca-Cola's** goal is for 100% of its primary packaging to be technically recyclable by 2025. In the US, they have shifted all Sprite PET bottles from their signature green colour to transparent bottles for ease of recycling, and produce DASANI in 100% recycled PET (rPET) bottles. It now offers 600ml or below sparkling drinks packaged in 25% rPET in Hong Kong.

**Recover and recycle**

In line with The Coca-Cola Company's (TCCC) World Without Waste targets, Swire Coca-Cola has committed to collect and recycle one bottle or can for everyone it sells. With TCCC, it is working to put recycling instructions on its drink's labels. It has formed a joint venture with ALBA Group Asia Limited and Baguio Waste Management & Recycling Limited to build and operate New Life Plastics, Hong Kong's first food-grade ready plastics recycling facility.

**Case study****Swire Coca-Cola – Rethinking bottle design to facilitate reuse**

In 2022, Swire Coca-Cola introduced a new returnable glass bottle (RGB). The new bottles are made with 60% recycled glass material and weigh one-third less than the old design.

The bottles' paper labels are recyclable, printed with environmentally friendly inks, and have been designed to easily detach during bottle washing.

The new bottles are colourless, and there are only two designs, which improves the efficiency of cleaning and refilling. Beyond facilitating reuse, the light-weight design is expected to help reduce the GHG emissions required to transport them around the city.



## Collaboration

**Swire Coca-Cola** works with other parties in the waste value chain. In Hong Kong, Swire Coca-Cola helped to establish Drink Without Waste (DWW), a coalition of NGOs, beverage producers and bottlers, retailers, and companies in the waste business. The aim is to reduce the amount of beverage waste and the amount of soft drinks packaging going to landfills.

Swire Coca-Cola Hong Kong donated HK\$1 million to fund a community plastic bottle recovery pilot programme run by DWW that engaged cleaners, residents, and property management offices in Tin Shui Wai. About 340,000 bottles have been collected since October 2022.

Elsewhere, Swire Coca-Cola is:

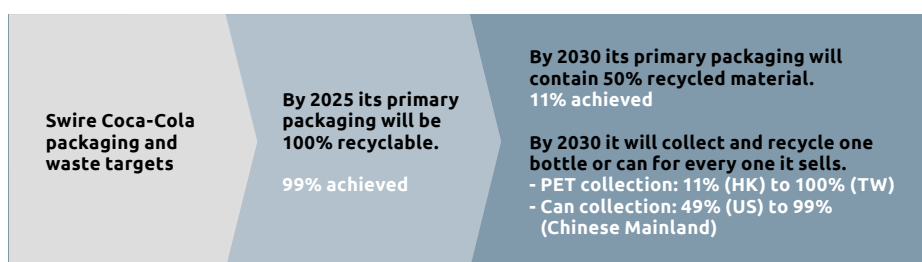
- Supporting extended producer responsibility (EPR) legislation. In 2022, Colorado passed EPR legislation (HB 22-1355) Producer Responsibility for Recycling Act. The bill aligns with the beverage industry's EPR guiding principles.

- Supporting the China Beverage Industry Association's research on post consumed bottles and sharing knowledge with other bottlers.
- Collaborating with the China National Centre for Food Safety Risk Assessment (CFSA) to facilitate the use of recycled aluminium from used beverage cans in the Chinese Mainland.

For more information, please see Swire Coca-Cola's Sustainable Development Report 2022.

## Looking ahead

This year, we will develop a roadmap to our 2050 target of Zero Waste to Landfill and conduct a study to identify opportunities and linear risks to implementing a circular economy.



New Life Plastics is currently processing 400 tonnes of recycled beverage bottles per month.

### Case study

#### Swire Coca-Cola – Celebrating the opening of New Life Plastics

In Hong Kong, approximately 86 tonnes of PET-made waste plastic, equivalent to more than 4.7 million plastic beverage containers, are disposed at landfills daily. To help tackle this issue, Swire Coca-Cola, in a joint venture with local waste management firms, established New Life Plastics Limited (NLP), the largest food-grade ready plastic recycling facility in Hong Kong.

NLP is driving a 'bottle-to-bottle' approach. The 6,500-square-metre recycling facility currently processes 400 tonnes of recycled beverage bottles per month. With capacity to handle up to 900 tonnes, NLP provides proper disposal of plastic bottles, a substantial solution to landfill waste, savings on waste charges, and progress toward carbon neutrality.

### Further reading

[Drink Without Waste](#)

[Swire Coca-Cola Sustainable Development Report 2022](#)



## SwireTHRIVE – WATER

## Use and manage water responsibly

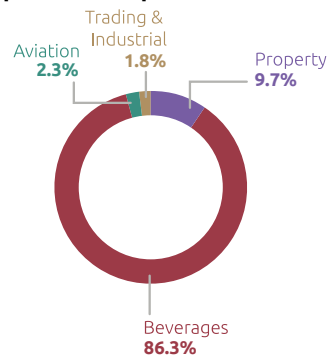
## Water withdrawal in 2022

16.9M  
cubic meters ↓

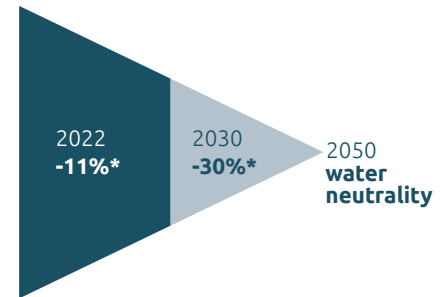
7% decrease from 2021

18.1M  
cbm

## Group water footprint 2022



## Progress against targets



\*Compared against a 2018 frozen efficiency baseline and covers businesses included in the target only

Companies, communities and ecosystems depend on access to reliable supplies of clean water. Population growth and economic development are putting increased pressure on the planet's limited freshwater resources, with the UN forecasting a 40% shortfall by 2030. Today, climate change is primarily felt in changes to water, with extreme weather events and unpredictable rainfall impacting the availability and quality of freshwater.

## Our approach

We use water in the beverages we make to clean and cool our facilities and in providing services to our customers. Our goal is to be water neutral by 2050. This means that, at a minimum, our business activities should have no net negative impact on local water systems. Our Sustainable Water Policy outlines what we will do to use water responsibly and protect local water sources for the future.

Our approach is to:



**Reduce our water use by improving efficiency and adopting new technologies**



**Recycle water and use alternative sources of water**



**Ensure our wastewater is safely discharged back to nature**



**Replenish natural water sources through partnerships**

## Further reading

[Sustainable Water Policy](#)



The Group and its operating company Swire Coca-Cola both received an A-rating in the 2022 CDP Water Security questionnaire.





### Group performance

In 2022, the Group withdrew 16.9 million cubic metres of fresh water, a 7% decrease from 2021. Almost all (99%) of the water we used came from municipal water sources. Swire Coca-Cola withdrew the rest from groundwater sources. Swire Coca-Cola accounts for the majority (86%) of the Group's water use. It tracks the efficiency of its manufacturing process using the water use ratio (WUR) metric (litres of water used per litre of finished product produced) and aims to achieve a WUR of 1.45 by 2030. In 2022, its overall WUR was 1.75, down 3% from 1.81 in 2021. Testing and commissioning new production lines in the Chinese Mainland, Hong Kong and Taiwan, and increased product variation impacted the water demand.

Swire Properties is the second largest water user, accounting for almost 10% of the Group's water footprint in 2022. Water intensity at Swire Properties decreased by 9.2% and 25.9% in its Hong Kong and Chinese Mainland portfolios respectively, compared to a 2016 business-as-usual base year. At its hotels, water intensity increased by 15.1% compared to 2018/2019 levels. Overall, it used 7.8% less water in 2022 than in 2021.

Water use decreased by 3% at HAECO and decreased by 3% in the Trading & Industrial Division year on year.

### 2030 target

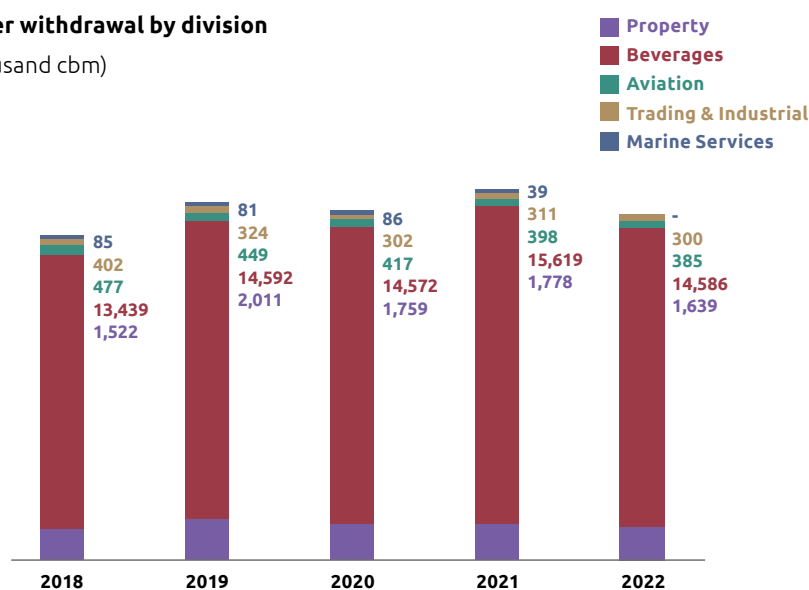
To drive efficient water use in our operations, we have set a target to reduce water use by 30% by 2030, compared to a 2018 frozen efficiency baseline. To date we have achieved an 11% reduction, we surpassed our 10% target reduction for 2022. The baseline assumes our water use efficiency remains fixed at 2018 levels but allows us to factor in the projected

increase in overall water demand as our business grows. There are trade-offs. Water-cooled chillers are more energy efficient than air-cooled chillers and so reduce carbon emissions. They are a central part of our decarbonisation strategy but will increase our water footprint.

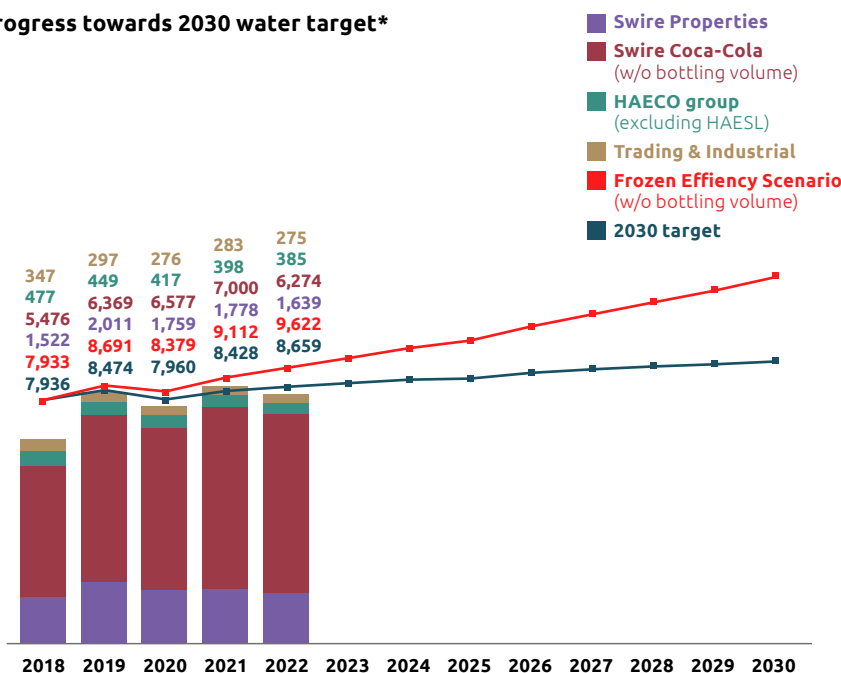
Our target currently covers operating companies, which together make up 99% of the Group's total water footprint. It reflects our efforts to reduce water use in our operations. The water in the beverages produced by Swire Coca-Cola (production volume or water consumption) is excluded (see replenishment initiatives for how we address water consumed).

#### Water withdrawal by division

(thousand cbm)



#### Progress towards 2030 water target\*



\*Following the review of our report boundary in 2022, the 2018 baseline has been recalculated to exclude Cathay Pacific Group and HAESL.



Swire Coca-Cola reduced its water usage rate at its Minhang Plant by 34%.

**Case study****Swire Coca-Cola – Significant improvement in water use ratio at Minhang Plant**

Swire Coca-Cola's facility at Minhang, Shanghai used to have the highest WUR (2.88) among all its plants in the Chinese Mainland. One of its biggest challenges has been controlling the level of microorganisms in the water treatment system due to unstable source water quality and the age of the water supply network. This meant increasing the frequency of cleaning the system. To reduce the freshwater demand at the plant, a cross-

functional team was set up to identify water saving opportunities, including:

1. Improving water disinfection processes
2. Capturing rinsing water from the can production line for reuse
3. Using recycled water instead of freshwater
4. Redirecting downgraded water from beverage production to cooling towers

A total of RMB 3 million (HK\$3.4 million) was invested to implement these measures, leading to an annual reduction of 167.5 million litres of water use and RMB 1.17 million (HK\$1.31 million) of water costs. The WUR of the Minhang plant has been reduced to 1.91. In 2023, Swire Coca-Cola will look for further opportunities to reduce water use in the plant's cooling tower and toilets.

**Reduce water use in our operations**

We monitor our water use to identify opportunities to adopt more efficient processes, repair leaks, install water flow regulators and use technologies that use less or no water.

**Swire Coca-Cola** has installed water sub-meters at all of its bottling plants in the Chinese Mainland and uses water-free alternatives such as dry lubricants and ionised air where possible.

**Swire Properties** uses water meters, water flow regulators, automatic taps, and automatic flush toilets and water-free urinals at various locations. Water sub-metering installation was completed in its Chinese Mainland portfolio in 2022. To further optimise water use practices, Swire Properties continued its partnership with Tsinghua University to study water use patterns and generate suggestions at different portfolios. Water leakage detection sensors have been installed in Cityplaza mall covering plant rooms and tenancy areas.

**HAECO** dry washes aircraft, using 90% less water and saving more than 860,000 litres of water per year. Water meters will be installed in the aircraft maintenance hangars in Hong Kong to provide insights for water reduction opportunities. Optimisation of lavatory water flow at Xiamen is expected to reduce 180 tonnes of water use per annum.

**Taikoo Sugar** uses a water heat exchange system in syrup production which can reduce water consumption by around 3.5 cubic metres per tank compared with an air-cooling system.

**Use alternative sources of water**

We use recycled water and rainwater to reduce our need to draw on freshwater supplies.

 **795,510** cbm  
water recycled by  
Swire Coca-Cola in 2022

**Swire Coca-Cola** recycled 795,510 cubic metres of water in 2022, 14,066 cubic metres less than in 2021. Wastewater from manufacturing is reused for cleaning, irrigation, and toilet flushing. Water used in cooling lines and systems is reused in condensing towers. In the Chinese Mainland, reusing rejected reverse osmosis (RO) water and backwash water from activated carbon filter tanks contributed to the significant freshwater use reduction. In 2022, a new system was installed at Tempe plant in Arizona, USA to recover RO water which can reduce the plant's WUR by 3-5%.



**Swire Properties** treats and reuses pantry wastewater and rainwater for toilet flushing and irrigation. Several Chinese Mainland properties including Taikoo Hui, INDIGO, Sino-Ocean Taikoo Li Chengdu, and HKRI Taikoo Hui have installed systems to collect and treat wastewater and rainwater for toilet flushing and plant irrigation. In Hong Kong, rainwater and greywater recycling systems at One Taikoo Place and Two Taikoo Place, together with the RO system to recycle process water from the cooling tower, total freshwater demand can be reduced by over 48%.

**HAECO** reuses rainwater for toilet flushing in Hong Kong. In 2023, with the support from the Swire Pacific Sustainable Development Fund, HAECO will pilot a new wastewater treatment system in the composite maintenance and repair plant in Jinjiang, Fujian, China to provide high quality water for reuse applications. An evaluation of the pilot programme will determine opportunities for adoption at a wider scale.

**Taikoo Motors** uses an automatic car wash system that recycles up to 40% of the water used in each wash.

INDIGO features contemporary architecture, innovative green features and quality public spaces.

### Case study

#### Swire Properties – Rainwater recycling at INDIGO

INDIGO's existing grey water system collects high-quality wastewater and rainwater to make grey water for toilet flushing and greenery irrigation. This cutting-edge technology can treat sewage water to reach grey water or even pure water standards for use in cooling towers.

### Engage with others to reduce water use

Going beyond our direct operations, we seek to positively influence the behaviour of our suppliers, customers, and other water users in our local communities.

**Swire Coca-Cola** uses a system to gather data on water consumption and production volume from its co-packers to improve their reporting efficiency. Co-packers' performance will be further reviewed to uncover WUR improvement opportunities.

**Swire Properties** encourages tenants to adopt guidelines on the use of fresh and flushing water to support compliance the Hong Kong government's voluntary "Quality Water Supply Scheme for Buildings".

### Safely discharge wastewater back to nature

Pollution affects the quality of local water sources, so it is important to ensure that all water we discharge back to nature is safe and, at a minimum, meets local regulatory requirements.

All of Swire Coca-Cola's bottling plants meet the wastewater quality standards of The Coca-Cola Company and the World Health Organisation. Performance is monitored. In the Chinese Mainland, an online monitoring system is used to track wastewater compliance.

Where necessary, Swire Coca-Cola bottling plants and companies in the HAECO group have onsite wastewater treatment facilities. HAECO Xiamen uses heavy metal monitoring equipment and detectors to check effluents before discharge.





### Replenish water through partnerships

**Swire Coca-Cola** commits to returning a litre of clean water to natural water systems for every litre of water used in its beverages. It collaborates with The Coca-Cola Company on community and watershed protection projects to replenish water in the Chinese Mainland and the US. In 2022, the Coca-Cola System replenished 293.3 billion litres of water, equivalent to 167% of the water used in its beverages. Water replenishment data is audited by a third party.

Swire Coca-Cola made three new donations to replenishment programmes in 2022: one in Utah, expected to replenish about 398 million litres of water per year, and two in Arizona, expected to save 2 million litres of water per year.

### Understanding our water risks

Water availability is highly location dependent. Each watershed may be exposed to different risks depending on its climatic conditions and changing demand of all water users drawing from it. Understanding location specific water risks can inform a more targeted and strategic approach to water management, allowing focus on sites with the highest risks.

We use the World Resources Institute’s (WRI) Aqueduct Water Risk Atlas to assess the baseline water stress across our global operating locations. About 22% of the freshwater we use is drawn from sources that are classified as high or extremely high stress – indicating that demand from local water users is at risk of exceeding supply. When considering a 2030 business-as-usual scenario, 40% of our water demand is from highly stressed basins. Regions with high water stress in 2030 include locations in the Chinese Mainland (Beijing, Shanghai, and Chengdu) and the US (Arizona, Colorado, Idaho, and Utah). Hong Kong will also experience increasing water stress.

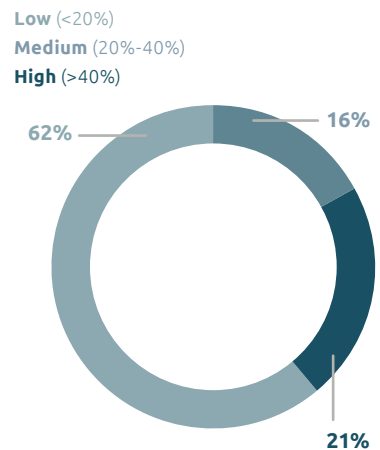
**Swire Coca-Cola** evaluates site-specific water risks, including water quality and availability, for each bottling plant using The Coca-Cola Company’s Source Vulnerability Assessments (SVAs). Following SVAs, plants prepare water management plans (WMPs), which are updated every five years or as required by The Coca-Cola Company. Swire Coca-Cola aims to have SVAs and WMPs externally verified by 2025. By the end of 2022, over 70% of the bottling plants had SVAs and WMPs prepared or reviewed by external water experts.

**Swire Properties** has done water risk assessments in Hong Kong, the Chinese Mainland and Miami, USA. Availability of water, operational risks associated with water use, the efficiency of its buildings, and the risk of higher water tariffs were assessed.

### Looking ahead

The Group’s water working group will continue to improve the collection and monitoring of our water data, develop a roadmap for achieving our 2050 water neutrality goal, and explore partnership opportunities for water replenishment projects in locations where we operate.

**Proportion of total water withdrawn in 2022 by level of water stress**



**Water withdrawn by level of water stress and region**

(thousand cbm)



\* Water withdrawal of Swire Pacific Offshore and Swire Pacific head office are immaterial so not included



## SwireTHRIVE – PEOPLE

# Foster a culture that is accessible, inclusive and safe

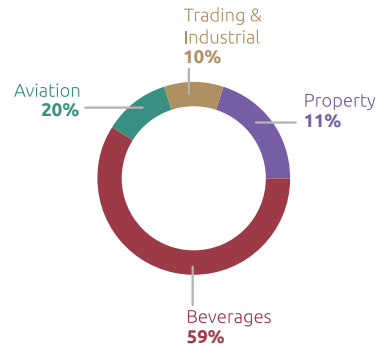
## Total employees

# 58,000+

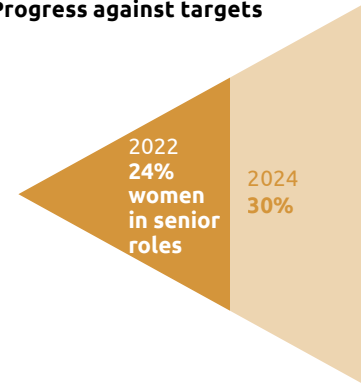
employees

No change from 2021

## Employees by division 2022



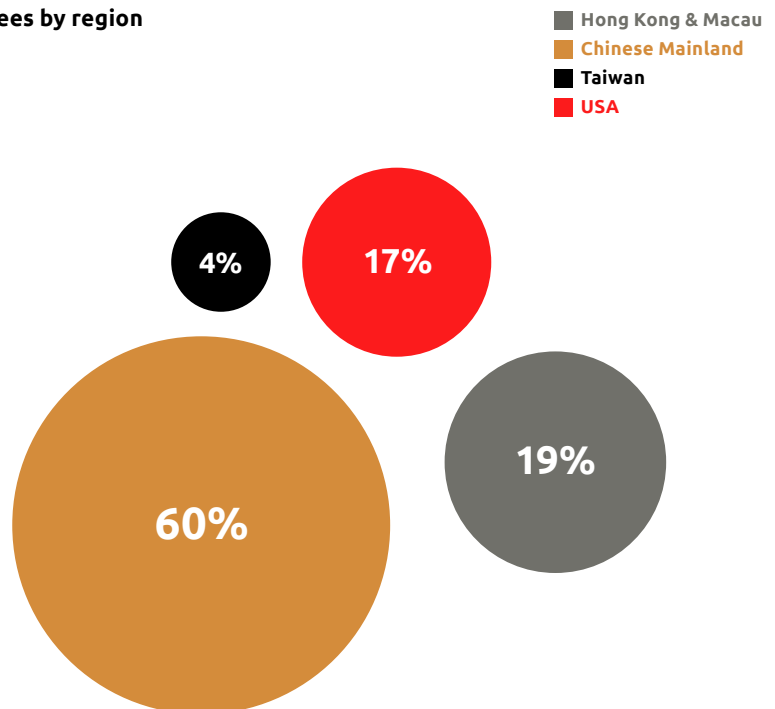
## Progress against targets



Embracing diversity and inclusion are essential to our long-term success. It is not only the right thing to do but it is a business imperative. By cultivating an inclusive culture where everyone is treated fairly and with respect at all levels, we can be better equipped to serve our communities, attract top talent, retain our people, and improve our financial performance.

At the end of 2022, the Group employed more than 58,000 people, a similar number to 2021. 79% of our people are based in Hong Kong and the Chinese Mainland. Our Beverages and Aviation divisions are our biggest employers.

## Employees by region



Remark: Includes all employment types



## Diversity and inclusion

Diversity and inclusion are key to cultivating a resilient business and community. The last few years have taught us the importance of community coming together amidst a difficult time. This means embracing diversity and fostering inclusion by reflecting on current practices and listening to our people. Focus groups and group-wide surveys have been conducted to provide a safe and confidential space for our people to share their thoughts. We are measuring the effectiveness of inclusive policies such as the Flexible Working Policy. We are also benchmarking our progress against market best practice to see how we can improve. At the same time, various engagement campaigns focusing on different diversity areas are helping to educate and broaden perspectives. Through these initiatives, we are fostering a supportive and inclusive environment where people are a priority.

## Our approach

To drive forward our diversity and inclusion agenda, we have a strategic framework translating our commitment to diversity and inclusion into action. This framework includes three goals, five focus areas, and six pillars that cover how we engage our employees, attract and manage talent, build an inclusive culture, measure success and share our story externally.

The Swire Diversity and Inclusion Steering Committee (DISC) provides guidelines about diversity and inclusion to the Group and formulates policies designed to promote a diverse workforce and an inclusive working environment for all Group employees. It is jointly chaired by the Finance Director of Swire Properties and the Staff Director of John Swire & Sons (H.K.) Limited. The Group Head of Diversity and Inclusion, who reports to the Staff Director, leads a team that supports the work of the DISC.

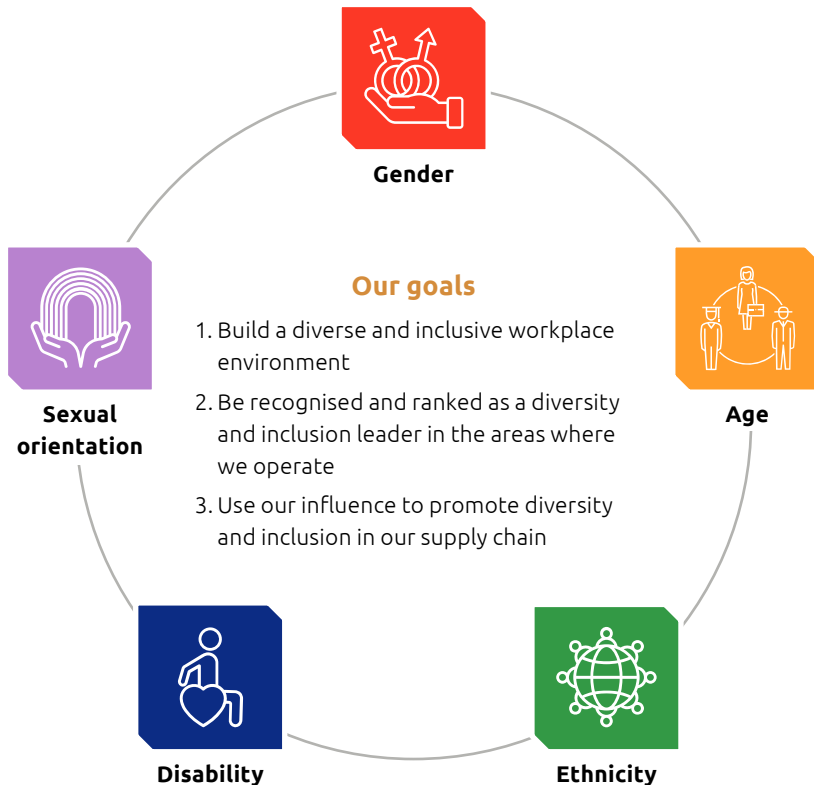
## Policies

We have several inclusive policies in place such as the Flexible Working Policy and Parental Leave Policy. Since implementing them, we are gathering feedback from employees to understand whether the policies have been successful and learn what else we can do to create more inclusivity. We also updated and republished the Human Rights Policy, Flexible Working Policy, and DISC Terms of Reference to better reflect our commitment and D&I priorities.

### Further reading

Responsibilities of the Swire Pacific DISC	<a href="#">↗</a>
Group Diversity and Inclusion Policy	<a href="#">↗</a>
Board Diversity Policy	<a href="#">↗</a>
Respect in the Workplace Policy	<a href="#">↗</a>
Flexible Working Policy	<a href="#">↗</a>
Human Rights Policy	<a href="#">↗</a>

### Our five focus areas of diversity

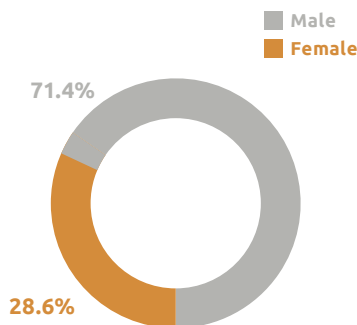




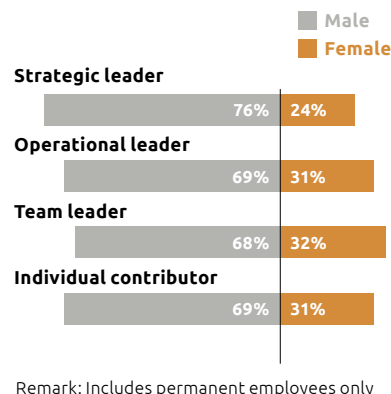
### Group performance

One critical element in building an inclusive environment is to have diverse representation, especially in leadership roles. To drive towards gender equality, our goal is to have 30% of senior leadership roles filled by women by 2024. We have also introduced a new target of 30% women on the board by 2024. At the end of 2022, 24% of senior leadership roles were filled by women and at the time of publishing, 28.6% of our directors were women.

#### Board diversity by gender



#### Employee by gender and employee category



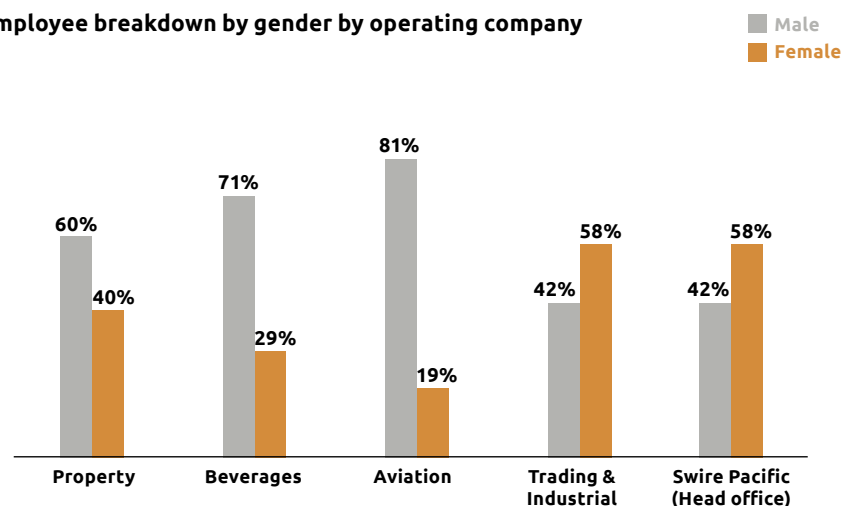
### Gender pay gap

Gender pay gap is the difference between the mean basic pay for men and women, expressed as a percentage of men's average earnings.<sup>1</sup> To calculate gender pay gap, the average female salary is subtracted from the average male salary, which is then divided by the average male salary.

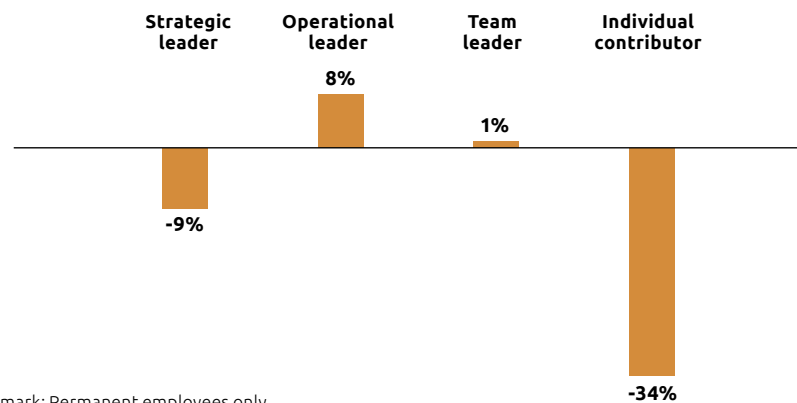
In 2022, women in strategic leadership positions were paid 91% of the average pay of men in such positions. Women in operational management positions were paid 108% of the average pay of men in such positions. The corresponding percentages for team leaders and individuals (non-management) contributors were 101% and 66% respectively.

We pay men and women the same for doing the same jobs, but the gender pay gap indicates that we must do more to support and equip women to progress in their careers. One of the ways we do so is by emphasising diversity and inclusion in the recruitment, development, and promotion of our people.

#### Employee breakdown by gender by operating company



#### Gender pay gap by employee category (basic salary)



1. In 2022, we update our gender pay gap calculation method to produce a weighted average. The calculation is ((total pay for females / total number of females) - (total pay for males / total number of males)) / (total pay for males / total number of males).



## Our strategy – in actions

### Case study

#### Gender

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

Gender inclusion is a key focus of the Swire Group. To ensure that gender barriers and biases are eliminated, we need to first raise awareness and build understanding of prevalent gender issues and bias within the community. The theme for International Women's Day 2022 was **#BreakTheBias**. Across the company, operating companies celebrated this day on 8 March and explored the different types of bias that may inhibit the progress of women in the workplace. In April, we partnered with *She Loves Tech*, the world's largest start-up competition for women and technology for an innovation workshop that showcased

how women in technology and leadership are creating a more gender equal future. We also recognised International Men's Day in November through various communications and events.

But raising awareness is not enough. Commitment requires further action.

**Swire Properties** partnered with the women's programme, *Be Pink*, to open a pop-up store in Shanghai for women to meet, exchange knowledge, and build community. **Cathay Pacific** published a Menopause & Menstruation guideline for their staff to raise awareness and provide suggested practices to accommodate when appropriate.



Our efforts and actions in furthering the gender inclusion agenda have been recognised externally by publications such as the Bloomberg Gender Equality Index. Out of 484 companies in 45 countries and regions, Swire Pacific, Swire Properties, and Cathay Pacific were among only five Hong Kong listed companies to be included in the index.



Age

### Case study

#### Age

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

To create an age-neutral workplace, we need to first address misconceptions around age, particularly around retirement. **Swire Resources** offers an ongoing programme that looks to re-employ employees after retirement age, allowing retired employees to continue to contribute skills and knowledge to the company.

To build a multi-generational workplace, we need to create opportunities for different generations to connect and learn from each other. **Swire Properties** launched their Next Gen Committee, NextCom, leveraging and empowering

young talents to deliver change by connecting directly with the company's Executive Committee. Hong Kong Aero Engine Services Limited (**HAESL**) launched a Young and Mature Masterclass programme, offering a series of workshops for all employees to learn new skills. In July, Swire Pacific organised a virtual age inclusion workshop where participants discovered and applied their sense of purpose, values, and, meaning to connect more deeply with their colleagues, regardless of age.





### Case study

#### Ethnicity

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

Building an inclusive workplace begins with understanding and respect. To celebrate World Day for Cultural Diversity for Dialogue and Development in May, Swire Pacific hosted an event with Swire Properties and HAECO to talk about the challenges facing ethnic minorities in Hong Kong and outline the specific role that communities and businesses can play in addressing these challenges. We learnt that by creating ethnicity-focused networks, reviewing our ways of working, and partnering with NGOs on community programmes, we can create a more inclusive community and workplace for ethnic minorities.

An inclusive workplace also requires making accommodations and offering support to help employees of different cultural backgrounds to thrive. In **Cathay Pacific**, at Cathay City, a multi-faith prayer room was set up so that employees have a dedicated space to focus on their spiritual wellbeing if they wish to. To ease the transition for migrant workers in Taiwan, **Swire Coca-Cola** created a safety-first preparation programme which includes language classes, matched buddies, and translation apps to minimise language and communication barriers.

At the Group level, we continue to showcase our commitment to ethnic inclusion as charter signatories to the



A multi-faith prayer room at Cathay City.

Racial Diversity & Inclusion Charter for Employers drawn up by the Equal Opportunities Commission in Hong Kong. We also partner closely with the Zubin Foundation on programmes that improve the lives of Hong Kong's ethnic minorities, including their summer internship programme and Opportunity Bank job placement platform.



Human Resources team members from across the Group join CareER's Inclusive Recruitment Fair 2022.

### Case study

#### Disability

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

To review and assess our disability inclusion strategy and actions taken to cultivate disability inclusion, Swire Group participated in the CareER Disability Inclusion Index (DII). By benchmarking our progress compared to other market players, we can determine the next steps in our disability inclusion journey. In addition to looking externally, **HAECO** launched a disability inclusion employee resource group called Ability Allies to provide a safe space for dialogue on how the company can better support employees with disabilities.

To increase disability representation, the Swire Group also joined CareER's Inclusive Recruitment Fair 2022 to meet various candidates with disabilities to better understand their career aspirations and explore opportunities for hiring. **Swire Hotels** collaborated with the Hong Kong Down Syndrome Association in their UPSTAIRS programme and placed ten

individuals in various departments during the month-long programme.

**Swire Coca-Cola** hired an individual with achondroplasia in the beginning of the year. The team provided a HR buddy, organised team building activities, and incorporated adjustable footsteps into their new office design. Through these inclusive practices, the individual referred another individual with achondroplasia to join the team in Hong Kong by the end of the year.

By ensuring inclusivity in the workplace, we are increasing disability representation within the Group. For our efforts, Swire Pacific was selected as one of the *Disability Matters* Asia Pacific Honourees for the Workplace category in 2022 by Springboard Consulting which works with companies globally to mainstream disability in the workforce, workplace, and marketplace.

**Case study****Sexual orientation**

*We pledge to create an inclusive environment where individuals can bring their full selves to work without fear of discrimination or recrimination*

In the last D&I survey, we found that 9% of respondents identified themselves as part of the LGBT+ community. Therefore, we need to raise awareness of this sizable community by educating all our employees on the community's challenges and needs. The **Trading & Industrial** Head Office designed online training about LGBT+ inclusion for all its employees in both Cantonese and Mandarin. For Pride month, the Swire Group celebrated with numerous lunch and learn sessions, as well as a movie screening and pride-themed cocktail classes to engage our employees. On Pink Friday, a multi-industry event that aims to showcase visible support for LGBT+ inclusion in the workplace, Group employees wore pink and participated in interactive booths, games, and more to learn more about important topics relating to the LGBT+ experience.

Beyond raising awareness internally, we also showcased our commitment to LGBT+ inclusion and support of the LGBT+ community externally. For Pride month, a 'Happy Pride' message was displayed on digital screens in all malls and offices under **Swire Properties** management. Special pride month deals, a drag evening, and a celebration with music, and free-flow snacks and drinks were also organised for customers. Some of the proceeds from the events were donated to Hong Kong Marriage Equality, an organisation dedicated to advancing and achieving marriage equality in Hong Kong. **Cathay Pacific** also designed a rainbow vapour trail to use as their official logo for the duration of Pride month. This rainbow logo was featured on various social media pages and the official website.

**Looking ahead**

As we have reached the mid-point in our five-year D&I Strategic Framework, we will use the coming year to reflect on our D&I journey so far and explore ways to move from awareness and education to sustainable behavioural change. This will involve more tailored training and support to segmented D&I stakeholder groups plus assessing our employee experience to build more inclusive practices.

**Case study****D&I Survey**

*The Swire Group is dedicated to fostering an inclusive workplace where all employees can thrive and succeed, regardless of their age, gender, gender identity, disability, ethnicity, or sexual orientation*

We conducted our second D&I Survey to gather feedback from all Swire Group employees based in Hong Kong. It was entirely voluntary and anonymous to participate.

There was a total of 12 questions and an overall average response rate of 14% across the Group. Overall, our average score for inclusion increased by 7% compared to last year.

Key findings<sup>2</sup>:

- 77% of respondents agreed the company values and respects a variety of ideas, perspectives and working styles.

- 75% of respondents agreed the company has created an environment where people of diverse backgrounds can succeed.
- 76% of respondents agreed the senior leadership publicly supports and promotes diversity initiatives.
- 68% of respondents agreed policies and procedures are fairly enforced throughout the company.
- 81% of respondents agreed the company has promoted inclusion through its internal communications and/or events.

- 85% of respondents agreed diversity & inclusion strategy is important to the long-term health of the company.

The demographic of respondents are as follows:

- Around 81% of respondents self-identified as Chinese while 4% self-identified as White, about 7% as other Asian, and 2% as Others. Approximately 6% preferred not to answer.
- Around 9% identified as LGBT+.
- 2% of respondents self-identified as having a disability.

The information gathered will be used as a reference for further action planning as we look to cultivate an even more inclusive workplace.

2. Figures presented are aggregated averages. Responses varied across the group.



## Health and safety

We never compromise on safety. In our operations, our first priority is to safeguard the health and safety of our employees, contractors, suppliers and customers, the visitors to our business premises and the communities in which we operate.

We take our health and safety responsibilities very seriously. We apply robust risk management controls, create a strong safety culture, and encourage transparent and timely reporting of incidents so that we can investigate their root causes and implement preventative measures. Our ultimate goal is zero harm.

### Our approach

The group, and each of its subsidiaries, has an occupational health and safety policy that is monitored by our internal audit department. We focus on the following key areas:

Achieving zero harm depends on a strong safety culture in which 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 so that we can share and learn from them. We also encourage reporting of near misses so that potential hazards can be identified and mitigated.

Our first line health and safety committee is responsible for developing group health and safety policies and guidelines, monitoring divisional performance, promoting education and training, sharing lessons learned, best practices, and developing internal health and safety capabilities.

A second line risk forum focussed on human resources, health, and safety operates under the Group's risk governance structure. It advises the GRMC on related emerging risks which may affect the Group, helps to analyse health and safety-related risk events, develops best practices for

managing risks, and provides specialist oversight and support to our divisions.

Every division submits a quarterly health and safety report and sets annual safety targets. With a view to continuous improvement in safety performance, every division also sets safety targets for a 10 year period and these targets are updated annually. At every Group Risk Management Committee (GRMC) and Board meeting, there is an update on health and safety performance. A separate China health and safety working group deals with health and safety in the Chinese Mainland, where regulations frequently change and vary between provinces.

Safety leadership is key to a strong safety culture. Adequate knowledge and skills are required to manage health and safety effectively. Senior management receive industry specific and general health and safety training in accordance with our senior management health and safety policy.

### Explore more

ESG risk management





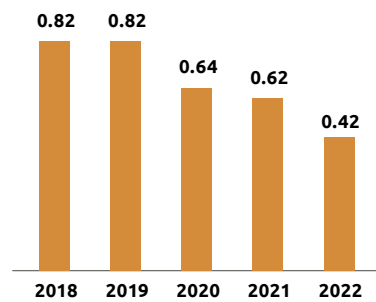
## Group performance

We use two metrics to evaluate safety performance:

- Lost time injury rates (LTIR): the number of injuries per 100 full-time equivalent employees<sup>3</sup>
- Lost day rates (LDR): the number of work days lost to injuries per 100 full-time equivalent employees

### Lost Time Injury Rate (LTIR)

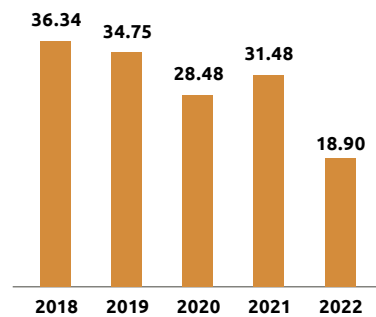
(Number of injuries per 100 full time equivalent employees)



Remark: Figures for 2018-2021 have been restated to reflect the change in the reporting boundary in 2022.

### Lost Day Rate (LDR)

(Number of days lost per 100 full time employees)



Remark: Figures for 2018-2021 have been restated to reflect the change in the reporting boundary in 2022.

In 2022, our LTIR decreased by 32% to 0.42 from 0.62 in 2021. Significant improvements were observed at **Swire Properties, Swire Coca-Cola, HAECO and Trading & Industrial division**. Total hours worked in the group decreased by 3.5% in 2022.

In 2022, our LDR decreased by 40% to 18.9. Significant improvements were observed at **Swire Hotels, Swire Coca-Cola, HAECO, and Trading & Industrial division**.

There were no fatalities among our employees in 2022.

## Tracking contractor safety performance

We expect our contractors to observe high safety standards and centrally track contractor safety data to facilitate continual improvement. Regrettably, there was one work-related fatal traffic accident of a contracted worker in Swire Coca-Cola's Chinese Mainland operations. Following thorough investigations Swire Coca-Cola has reviewed its defensive driving training programme to ensure the supplier's readiness to cope with any unforeseen situation during the delivery operations.



### Case study

#### Swire Coca-Cola – Using AI to improve safety performance

In 2022, Swire Coca-Cola introduced an artificial intelligence machine learning algorithm which integrates with the CCTV system to detect at-risk behaviours in operational areas. This has led to a reduction in incidents and work injuries.

The system uses machine learning to automatically identify risks in real time – for example, raising alerts when employees are not wearing a safety vest, are speeding or infringing on safety zones. Results are maintained in an easily accessible online dashboard to enable frequent compliance monitoring and continual performance improvement.

3. Number of lost scheduled working days per 100 employees per year [calculated by number of lost-time injuries/number of hours worked multiplied by 200,000].



## Safety Management Systems (ISO certification)

Our Zero Harm commitment requires everyone, regardless of seniority or job responsibilities, to go beyond compliance, proactively eliminate potential hazards, and create a safe workplace. Health and safety reviews are conducted at our operating companies and results reported to the Audit Committee. Division heads have pay-linked safety performance objectives.

**Swire Properties, Swire Coca-Cola, HAECO, Swire Waste Management, and Taikoo Sugar** have safety management systems that are certified to the stringent ISO 45001:2018 standard.

## Behaviour Based Safety Observation

Promoting safe behaviour in the workplace is a key element in safety management which also helps build and maintain a positive safety culture within the organisation. Behaviour Based Safety (BBS) is a scientific approach aimed at positively reinforcing a safe work environment through the identification of at-risk behaviours. **HAECO** implemented a Behaviour Based Safety Observation (BBSO) project to focus on how employees work. An analysis was then conducted on why certain methods were adopted and intervention strategies were developed to eliminate any unsafe behaviours.

## Using technology to improve health and safety

Technology can help organisations reduce the risk of workplace accidents and improve workplace safety. Safety monitoring, reporting, and training are some of the ways technology can help in this respect.

**Swire Properties** has launched a mobile phone application for near-miss and hazard reporting in order to facilitate and encourage proactive hazard identification by all employees. In the Chinese Mainland, an AI smart site safety monitoring system was set up at a construction site at Sino-Ocean Taikoo Li Chengdu to monitor the workers' safety-related behaviour – specifically smoking and the wearing of safety helmets. The system is equipped with a local speaker which broadcasts warnings to workers and alerts are automatically sent to the management team.

Swire Properties has enhanced relevant training programmes with Virtual Reality (VR), giving employees the chance to enter virtual work environments to simulate how to handle the equipment properly, and ultimately work safely.



VR allows employees to simulate handling equipment properly, and ultimately work safely.

### Case study

#### Swire Properties – Safety training using VR technology

In 2022, Swire Properties introduced safety training programmes using VR technology to deliver safety awareness to frontline staff. This included a range of simulation scenarios including working at height, manual handling and the safe use of suspended work platforms.

Swire Properties aim to use this new technology to enhance the employee H&S learning experience and raise their safety awareness.



## Safety awareness and training

We delivered occupational health and safety training covering a range of topics including working in a confined space, slip, trip, and fall prevention, fire prevention, working at height, heatstroke awareness, manual handling, road safety, and emergency response.

**Swire Coca-Cola** continued to improve their safety incident management process through the introduction of enhanced group investigation guidelines in order to standardise the process across all its markets. They also reached out to other multinational companies to explore opportunities for health and safety best practice sharing.

**HAECO** reviewed and enhanced their incident investigation methodology and established regional investigation training teams to roll out an enhanced investigation process across its group companies. Leading safety indicators such as near miss and hazard reporting are also being developed to strengthen safety awareness in the workplace and identify potential risks.

**Swire Properties** extended its scope for conducting full incident investigations to include incidents which could have had severe outcomes with the purpose of preventing similar incidents from occurring. In order to further enhance safety awareness and communication during project handovers, where multiple parties are on site, joint safety inspections by the management office, project team, and H&S department are now conducted to identify and mitigate hazards upon project completion. Safety briefings are conducted for tenant contractors and daily safety walks of tenant facilities are carried out during the fit-out phase of new buildings to ensure high standards of safety practices are maintained.

## Crisis management and COVID-19 response

We have a crisis reporting policy and crisis management guidelines, which help to build business resilience through crisis preparedness, business continuity, and disaster recovery planning. Reporting and information exchanges within the Group have improved, facilitating a faster response and recovery. During the pandemic, Swire Pacific activated its crisis management process and monitored the situation through its head office crisis management team.

Our businesses regularly updated COVID-19 guidelines and procedures intended to protect the health and safety of our people, our customers, and those with whom we do business. This included work from home arrangements, provision of personal protective equipment such as face masks and rapid antigen tests, more frequent cleaning and disinfecting of facilities, special UV light and nano-coatings on surfaces, and frequent communication of procedures and updates to staff and tenants. Vaccine leave was introduced as part of a Vaccine Policy, to incentivise our people to get vaccinated.

## Staff health and wellbeing

We care about the mental and physical health and wellbeing of our people. We have 24-hour professional personal counselling and consultation (PPCC) hotlines to help employees deal with stress, relationships, parenting, trauma or grief, and preparation for retirement. We use experienced counsellors, social workers, and clinical psychologists to provide confidential professional advice and guidance. We promote work-life balance and encourage employees to lead active lifestyles by participating in our staff association's physical wellbeing programmes.

Many of our businesses ran campaigns to promote employee wellbeing and to help our people feel more connected to the company and to each other.

**Swire Properties** organised workshops on mental health awareness which introduced practical tips for enhancing mental wellbeing and dealing with common mental health challenges.

**Swire Resources** launched a staff stress relief programme and organized a yoga day and an indoor adventure game day for employees in order to raise their awareness of wellbeing.

## Looking forward

We will build on the health and wellbeing initiatives which have been implemented in response to COVID-19, in particular those which enhance the mental health of our employees. We will continue to promote across the Group wider use of a structured approach to post incident investigation and conduct-related in-depth analysis of the root causes of incidents. We will maintain our focus on contractor safety performance which we see as integral to the overall safety of our businesses. Where appropriate we will look for more opportunities to adopt technology which helps us improve our overall health and safety performance. We will continue to monitor and assess emerging health and safety risks through the Human Resources and Health and Safety risk forum.



## SwireTHRIVE – COMMUNITIES

# Position our community initiative as part of our core business value

## Beneficiaries in 2022

>1.2 million



beneficiaries of our active programmes in 2022

## Trust contributions in 2022

HK\$55 million



distributed by the Swire Group Charitable Trust

## Contributions by our business in 2022

HK\$76 million



in cash and in-kind donations to the community by the Group including our operating companies

Our diverse businesses are part of the long-term development of the communities and societies in which we operate. When those communities prosper, so do we. As neighbours and employers, we want to be connected, involved, and responsible. The goal of our community work is to create a better future by building stronger communities. We envision a flourishing world of diversity where all members of society have opportunities for a meaningful life, and where resources are sustained for future generations. We support the local communities in which we operate through the Swire Group Charitable Trust (the Trust). Operating companies also make direct contributions to the communities in which they operate.

### Swire Group Charitable Trust

The Trust aims to make positive changes in education, marine conservation, and the arts through support for charitable organisations in Hong Kong.

The Trust is funded by annual contributions from companies in the Swire Pacific Group. It is overseen by the Philanthropy Council, which is chaired by a member of senior management, and has tax-exempt charitable status in Hong Kong. Guided by the Swire motto – *Esse Quam Videri* (to be rather than seem to be) – the Trust is motivated by altruism and acts for the direct benefit of society and the greater good.

#### Education

To enhance education equity, quality, and innovation for disadvantaged children and youth.

#### Marine conservation

To help create sustainable marine ecosystems in Hong Kong through policy change, public engagement, and scientific research.

#### Arts

To promote an inclusive arts sector and to use arts to address social issues.



To celebrate Swire's 150th year in Hong Kong and reaffirm our commitment to the place that has helped us prosper for so many years, Swire has injected an additional HK\$150 million into the Trust to fund TrustTomorrow. This initiative has enabled the Trust to work with more than 80 organisations in Hong Kong, through multifaceted projects that connect the dots to build social capital and aim to drive lasting positive change in the community. While our focus is on addressing long-term challenges, the additional funds also allowed us to extend practical and timely support to those in our community most affected by the global pandemic. Since 2020, we have contributed approximately HK\$50 million to COVID-19 relief programmes.

### Further reading

TrustTomorrow





## Grants

In 2022, we supported 65 education, marine conservation, arts, COVID-19 relief, and other programme grants.

### Arts

HK\$2,229,950

### Marine conservation

HK\$13,820,362

### Education

HK\$18,850,408

### Others

HK\$2,627,245

### COVID-19 relief

HK\$15,294,325

#### Case study

##### Building Community, Building Tung Chung

“Building Community, Building Tung Chung” continued to see the close collaboration of our five NGO partners, which brought together children, youth, ethnic minorities, and families to create greater social impact.

The project’s signature event “Re-Charge Tung Chung” was held over the summer at Citygate mall outlet. This hugely popular event attracted over 1,200 participants from the community and provided space for children to try out new sports and creative play. It also allowed multiple



Re-Charge Tung Chung attracted over 1,200 participants.

NGOs and their beneficiaries to display their creations through booth-placing.



The HKMPA aims to engage the community to foster a more sustainable local marine environment.

#### Case study

##### Advocating for Marine Protected Areas (MPAs) in Hong Kong





The Hong Kong Marine Protection Alliance was officially launched in August 2022. As a multi-stakeholder integrated platform, the HKMPA aims to empower the community to enhance and create a more sustainable marine environment in Hong Kong.

The Alliance advocates for a larger coverage of Marine Protected Areas (MPAs) in Hong Kong, which current stands at only 4% of Hong Kong waters. Another issue the Alliance looks to tackle is the lack of public awareness - insufficient community participation, poor knowledge of sustainable practices, and gaps in the formal school curriculum.











The following projects<sup>1</sup> were active during 2022:






Partner organisation	Project name	Project details	Core area	Grant approved (HK\$)	Project status (as at 31 Dec 2022)
<b>Arts with the Disabled Association Hong Kong</b> 	General Funding	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.	Arts	7,500,000	On-going
<b>Joshua Hellman Foundation for Orphan Disease</b> 	Art in Your Life I Yoga in Your Heart	Provided arts and yoga therapy sessions to children with rare diseases and special needs to address their physical, social, and emotional needs.	Arts	1,999,000	Completed
<b>Life Education Activity Programme</b> 	General Funding	Continued support for LEAP's mission to prevent substance abuse by providing health-based education programmes for primary and secondary students.	Education	15,000,000	On-going
<b>Good Lab Foundation Limited</b> 	Visioning & Positioning Workshops for Taikoo Primary School's Centenary	Co-created with Swire, stakeholders of Taikoo Primary School, and the adjacent community, a vision to guide the school's future positioning in response to future needs in education and the local community of Quarry Bay/Tai Koo.	Education	200,000	Completed
<b>Multiple NGOs</b>	Experiential Learning Fund	Provide financial resources for disadvantaged persons to access arts and cultural events in Hong Kong.	Education	250,000	On-going
<b>Multiple Organisations</b>	Hong Kong Marine Protection Alliance	Consultancy in relation to Swire Trust's marine conservation work and assistance in forming a coalition that aims to achieve a public policy and legal framework for the protection of Hong Kong's marine ecosystem.	Marine conservation	5,000,000	On-going

<sup>1</sup>Projects are categorised by their main area of focus, but many projects support more than one area



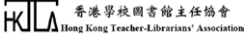







Partner organisation	Project name	Project details	Core area	Grant approved (HK\$)	Project status (as at 31 Dec 2022)
<b>The Education University of Hong Kong</b> 	Supporting Unit for Special Education Needs (SuSEN) Phase 2	Continued support to SuSEN to enable it to develop into a regional special educational needs (SEN) knowledge transfer centre.	Education	2,990,000	Completed
<b>The Incorporated Management Committee of Taikoo Primary School (Taikoo Primary School)</b> 	General Funding	Continued support to strengthen the school's English and Mandarin language teaching and for special projects.	Education	9,000,000	On-going
<b>The ADM Capital Foundation Limited</b> 	Hong Kong Sustainable Seafood Coalition (HKSSC)	Supported HKSSC's promotion of responsible seafood sourcing in Hong Kong.	Marine conservation	2,250,000	Completed
<b>The Hong Kong Bird Watching Society</b> 	Waterbird Census and Wetland Conservation in China - Innovative waterbird research and public awareness outreach	Supported to help conserve intertidal wetlands in the Chinese mainland through a bird census and public education. Original project extended to include a Satellite tracking project aimed at understanding more about on migratory birds, their habitats, wintering grounds, or stopovers. The data collected will help formulate regional conservation strategies.	Marine conservation	2,159,000	Completed
<b>World Wide Fund For Nature Hong Kong</b> 	Sea For Future II	This project aimed to set conservation targets to conserve our marine habitats and sustain the momentum to expand the marine protected area (MPAs) network in Hong Kong through engaging local experts and communities.	Marine conservation	2,998,802	Completed
<b>Act Plus Education Foundation</b> 	Ani Ed - Young Animator Development	Foster the upward mobility for Underprivileged Youth in Hong Kong through tailored Animator Development Programmes to empower underprivileged youths to become future assets in Digital Creative Industry.	Education	5,300,000	On-going
<b>Bloom Association Hong Kong Limited</b> 	114°E Hong Kong Reef Fish Survey 2.0	Support underwater surveys of reef fish in Hong Kong waters and promoting long-term monitoring of marine protected areas (MPAs).	Marine conservation	2,415,300	On-going



Partner organisation	Project name	Project details	Core area	Grant approved (HK\$)	Project status (as at 31 Dec 2022)
<b>Caritas Hong Kong</b> 	“Blessed Children, Happy Parents” – Project for Families having Children with Specific Learning Difficulties	Provide holistic services to children with Specific Learning Difficulties, as well as their parents and teachers, to enhance the children’s learning motivation, social skills, and self-esteem.	Education	3,361,000	On-going
<b>CareER Association Limited</b> 	Development of a Disability Inclusion Index and Strategy Framework for Employers in Hong Kong	Provide support to develop the city’s first Disability Inclusion Index (DII) and toolkits for employers to promote employment opportunities for the disabled and to expand the talent pool for local companies.	Education	2,400,000	On-going
<b>Christian Action Centre for Refugees</b> 	Refugee - Education Program - Tertiary Education Assistance	A general education fund to educate and inspire the next generation of refugees and asylum seekers in Hong Kong.	Education	1,303,000	On-going
<b>Ediversity Limited</b> 	Teaching & Learning for 2030 「感.創.做」全方位價值承傳計劃	Instil P.1-3 students with the vital values, attitude, life, social, and emotional skills for whole-person development in 15 primary schools. Build a positive and student-centred teaching and learning culture in more schools and cultivate a positive and empathic parent-child interaction and home-school collaboration.	Education	5,050,848	On-going
<b>Ednovators Ltd.</b> 	Beam of Light	Supported the social and emotional health and holistic learning and teaching of students, parents, and educators from the ‘special summer holiday’ to the start of a new academic year.	Education	559,000	Completed










Partner organisation	Project name	Project details	Core area	Grant approved (HK\$)	Project status (as at 31 Dec 2022)
<b>Choi Suk Ling</b> (Consultant) 	Taikoo Primary School - Build Reading Culture	Created a culture of reading in schools and at home to promote mental and emotional development, imagination, and language skills in children and their relationships with parents.	Education	1,338,000	Completed
<b>Bring Me A Book Hong Kong Limited</b> 				767,515	On-going
<b>Hong Kong Teacher-Librarians' Association</b> 		Teacher-Librarian capacity building and to upgrade the School Library as a Learning Resource Centre.		379,400	Completed
<b>Habitat For Humanity Hong Kong Limited</b> 	Project Home Works	Provide home improvements for children from 65 vulnerable families, to provide a decent living and study environment.	Education	1,494,000	On-going
<b>Hong Kong Dignity Institute</b> 	Refugee - HKDI Interdisciplinary Experiential Learning Program	Foster students' sense of social responsibility and global citizenship through hands-on experiences in tackling humanitarian issues faced by vulnerable populations in Hong Kong.	Education	600,000	On-going
<b>HandsOn Hong Kong Limited</b> 	Swire Volunteer matching Program	Matched Swire volunteers to NGOs.	Others	135,550	Completed
<b>Hong Kong Maritime Museum Limited</b> 	Swire Marine Discovery Centre (capital works) and Marine Science Learning Programme	Build the Swire Marine Discovery Centre (Capital extension project) and a Marine Science Learning Programme to provide an accessible learning platform to raise public awareness on marine conservation.	Marine conservation	15,000,000	On-going
<b>InspiringHK Sports Foundation Limited</b> 	IHKSports Coaching for Youth Academy: Sports for Development Connection & Action	Support the set up of a centralised digital platform "CoachConnect" where qualified sport coaches and parents/schoolteachers can connect and develop children and youths through organised sports activities.	Education	1,492,000	On-going









Partner organisation	Project name	Project details	Core area	Grant approved (HK\$)	Project status (as at 31 Dec 2022)
<b>Integrated Brilliant Education Limited</b> 	ActNOW for The Underserved Ethnic Minorities Children	Provide daily after-school educational support and extra-curricular activities to Ethnic Minority children.	Education	999,760	On-going
<b>Multiple NGOs</b>	Digital Campaign Fund	The Fund aims to support Swire TrustTomorrow partners to better communicate their organisation's mission and support the TrustTomorrow project through digital campaigns.	Others	2,500,000	On-going
<b>National Geographic Creative Works</b> 	Oceans Tomorrow	A multi-media project that chronicles the diverse biodiversity found in Hong Kong waters to educate, engage, and motivate the Hong Kong public to protect Hong Kong's marine biodiversity.	Marine conservation	7,000,000	On-going
<b>Operation Dawn</b> 	Swire-CLP CSR Partnership Project on Sustainable Dawn Island	Empower people who suffer from substance abuse by building a self-sustaining shelter island.	Others	990,000	On-going
<b>Ocean3C Limited</b> 	The Ocean and Us: Unravelling our profound connections	A Train-the-Trainer program aimed to nurture, equip, and empower Hong Kong educators to enhance their Ocean Literacy.	Marine conservation	605,000	On-going
<b>RUN Hong Kong</b> 	Refugee - PATHS for the Future Education Programme for refugees and asylum seekers	Empower the refugee and asylum seeker community in Hong Kong through upskill learning programmes to aid them becoming self-reliant and finding secure employment in their future country of resettlement.	Education	1,003,800	On-going
<b>Resolve Foundation</b> 	disABILITIES Empowerment and Leadership Training for Community Inclusion	Supporting the 2020 Fellowship Programme, which aims to train future community leaders from the local disability community about leadership, rights awareness and campaigning skills.	Education	607,000	On-going
<b>Shakespeare4All Company Limited</b> 	S4A Community Theatre HUB	Fostering experiential learning for children through English drama education.	Arts	990,000	On-going



Partner organisation	Project name	Project details	Core area	Grant approved (HK\$)	Project status (as at 31 Dec 2022)
<b>St James' Settlement</b> 	Quarryside 舍區	Create a special community hub for the Eastern District to foster a closer, vibrant, and sustainable community.	Others	15,000,000	On-going
<b>The Hong Kong Philharmonic Society Limited</b> 	The Orchestra Academy	Enhance professional training for distinguished graduates from HKAPA's School of Music who will contribute their talents to serve the community.	Arts	8,996,000	On-going
<b>Hong Kong Academy for Performing Arts</b> 					
<b>The Outward Bound Trust of Hong Kong Limited</b> 	Foundations for Success	Provide peacebuilding leadership learning experiences for disadvantaged young people to cultivate compassionate and resilient citizens with a sense of community who will be effective contributors to Hong Kong.	Education	5,427,960	On-going
<b>The Zubin Mahtani Gidumal Foundation Limited</b> 	Supporting EM Youth with Scholarship Opportunities	Supporting scholarship opportunities for ethnic minorities and offering scholarships to financially disadvantaged ethnic minority students.	Education	1,158,000	On-going
<b>Time Auction Limited</b> 	Mobilizing Volunteers For Good	Creating a digital matching platform to help NGOs recruit skilled volunteers.	Others	2,913,000	On-going
<b>Teach For Hong Kong Foundation Limited</b> 	TrustTomorrow 21st Century Education Fellowship	Placement of fellows from diverse background in high-need schools to bridge education inequity.	Education	3,094,750	On-going







Partner organisation	Project name	Project details	Core area	Grant approved (HK\$)	Project status (as at 31 Dec 2022)
<b>The Hong Kong Council of Social Service (HKCSS)</b> 	Building Community, Building Tung Chung (Phase 2)	Empower the deprived remote community of Tung Chung through driving a 5-NGO-partnership community-based holistic service model to strengthen career competence in young people, engaging communities through sports, engage families with young children through play, and upskill young ethnic minorities to promote an inclusive community.	Education	14,000,904	On-going
<b>Hong Kong Sheng Kung Hui Welfare Council</b> 					
<b>InspiringHK Sports Foundation</b> 					
<b>Playright Children's Play Association</b> 					
<b>The Zubin Mahtani Gidumal Foundation Limited</b> 					
<b>The Hong Kong Bird Watching Society</b> 	Marine and Wetland Conservation in Hong Kong & the Chinese Mainland	Support to further enhance scientific knowledge and capacity building on seabird monitoring. Engage and educate the public to conserve marine and wetland environments.	Marine conservation	2,993,000	On-going
<b>The Nature Conservancy Hong Kong Foundation limited</b> 	Managing Pak Nai's Ecologically Important Habitats to Preserve its Natural Beauty and Sensitive Biodiversity	Supporting The Nature Conservancy through a partner-based (community, academic and various NGO partners) approach to protect, manage, and restore the mosaic of Pak Nai's critical habitats for the long-term benefit of native biodiversity and species of conservation importance.	Marine conservation	3,577,000	On-going









Partner organisation	Project name	Project details	Core area	Grant approved (HK\$)	Project status (as at 31 Dec 2022)
<b>The Pew Charitable Trusts</b> 	Pew Fellows Program in Marine Conservation – “Pew Marine Fellows Program”	Award three fellowships to mid-career experts from Hong Kong, thereby increasing marine conservation science capacity, contributing key information to marine policy and management, and raising public awareness of ocean conservation issues in the region.	Marine conservation	6,973,600	On-going
<b>The Zubin Mahtani Gidumal Foundation Limited</b> 	The Zubin Foundation Young Women Scholarships	Support financially needy ethnic minority female students to receive tertiary education.	Education	220,000	On-going
<b>The University of Hong Kong, Swire Institute of Marine Science (SWIMS)</b> 	SWIMS Coastal Science Centre and Outreach Programs	Establish the Swire Coastal Outreach Hub and expand SWIMS' capacity to communicate its research and help build a sustainable marine environment for Hong Kong.	Marine conservation	5,372,000	On-going
<b>The University of Hong Kong, Swire Institute of Marine Science (SWIMS)</b> 	SWIMS-FishBase/SeaLifeBase phase II Collaboration on International Marine Databases	Created standardised and reliable data to assist the development of marine-related policies and strategies.	Marine conservation	1,305,507	Completed
<b>Vocational Training Council</b> 	The Swire Sky-Flyer Work-integrated Learning Programme	Equipping VTC students with professional knowledge and skills for future careers, and providing scholarships and subsistence allowances for work placements.	Education	5,379,000	On-going
<b>YAMA Foundation</b> 	YAMA Foundation Operational Growth	Enable the Foundation long term strategic growth to pioneer the accessible wellbeing movement in Hong Kong, paving the way for a healthier and more inclusive society.	Education	600,000	On-going
<b>Christian Concern for the Homeless Association</b> 	Relief and Support Program for the Underprivileged Round 1 & Round 2	Provided a relief and support programme via rental assistance, food coupons, and counselling for the underprivileged, especially the homeless and people living in poor housing (Shum Shui Po and Cheung Sha Wan districts).	COVID-19	2,632,048	Completed





Partner organisation	Project name	Project details	Core area	Grant approved (HK\$)	Project status (as at 31 Dec 2022)
<b>Everbright Concern Action (Ginkgo House)</b> 	Meals for the needy - 5th COVID wave	Fed the needy in the Yau Tsim Mong districts during 5th wave of COVID.	COVID-19	800,000	Completed
<b>Feeding Hong Kong Limited</b> 	FHK Emergency: Feeding Hong Kong through the 5th wave	Helped low-income families and seniors affected by job disruptions, loss of income, and rising food prices, as well as those who previously relied on food support that has been scaled back or paused due to the pandemic.	COVID-19	2,000,000	Completed
<b>Hong Kong Dignity Institute</b> 	Project Mobilize	Met the basic needs of the refugee and asylum seeker community to mitigate the devastating impact of COVID on their lives.	COVID-19	308,346	Completed
<b>Impact HK</b> 	Community Centre for Homeless	A 3-year support to keep Impact HK's community centre, located at Tai Kok Tsui, open to service the homeless community.	COVID-19	2,799,374	On-going
<b>Multiple NGOs</b>	2022 Community Fund to fight COVID-19	The fund aims to support NGOs to deliver services to address the disadvantaged community's essential needs for their overall well-being, due to the increased community needs and restriction of group activities due to the fifth wave of COVID-19.	COVID-19	9,000,000	On-going
<b>Multiple NGOs</b>	See You Online 1.0 and 2.0	The fund aimed to support NGOs to provide interactive and interesting educational online events to address challenges that families are going through during the different waves of COVID in Hong Kong.	COVID-19	328,540	Completed



Partner organisation	Project name	Project details	Core area	Grant approved (HK\$)	Project status (as at 31 Dec 2022)
<b>Hong Kong Sheng Kung Hui Welfare Council</b> 	TC together - Elderly Support Service Project	Provided tangible support to Tung Chung elders and build up social networks between volunteers and elderly to reduce the impact of COVID-19.	COVID-19	800,000	Completed
<b>Neighbourhood Advice-Action Council</b> 					
<b>Hong Kong Sheng Kung Hui Welfare Council</b> 	CU2@Tung Chung (Care + Connect for You@Tung Chung)	Matched up tertiary educated youth/knowledgeable youth to provide educational assistance and social support to vulnerable children (local and ethnic minorities) who come from under-privileged families in Tung Chung, generating job opportunities for youth during the Covid crisis.	COVID-19	1,200,000	Completed
<b>The Zubin Foundation</b> 					
<b>Self Strengthening Service Centre (Holy Café)</b> 	'Hot Meal, Warm Heart' Community Food Assistance @ Shum Shui Po 1st & 2nd Rounds	Supported underprivileged groups with free hot meals due to overwhelming demand post 5th wave of the pandemic.	COVID-19	720,000	Completed
<b>St James' Settlement</b> 	Short-term food assistance through Joyful Express Project	Provided underprivileged families and individuals (including those from ethnic minorities) with food, daily necessities and employment opportunities.	COVID-19	6,147,375	Completed

**Case study****Matching volunteer skills with NGO needs and recognising excellence**

Since receiving support from Swire Trust in 2020, Time Auction has grown exponentially as Hong Kong's first skill-based volunteering matching platform. Over 3,000 skilled volunteers were matched with 600 NGOs to provide over 50,000 hours

of pro bono services, generating an estimated commercial value of approximately HK\$16 million.

Meanwhile, the Swire Trust Go-Givers programme on the platform contributed towards incentivising volunteers by providing a range

of attractive Swire gifts from our operating companies and NGO partners. 20 distinguished Go-Givers were also nominated by NGOs in the past two years to recognise them for their exceptional work and were rewarded with Asia Miles.

**Supporting our communities through our staff**

In 2022, the Swire Trust's TrustTomorrow volunteering programme enabled staff across the Group to contribute 1,748 hours of service to 54 meaningful activities. Through these activities, our staff provided direct support to our community and gained a deeper understanding of various social needs.



Pak Nai is a hotspot for marine biodiversity in Hong Kong.

**Case study****Improving the natural habitat of Pak Nai**

Oyster reef reconfiguration with The Nature Conservancy has been one of the signature volunteering events for the TrustTomorrow volunteers. Our staff have been hugely involved in improving the natural habitat of Pak Nai by performing a range of volunteering services, ranging from invasive cordgrass removal, aquaculture debris clean-up, and oyster reef rebuilding.

Some staff were able to use this as team building exercises, including lorry drivers from Swire Coca-Cola Hong Kong. Not only did our colleagues like working to enhance Hong Kong's biodiversity, but they also enjoyed learning more about environmental issues that the Swire group supports.



Secondary school students during their 3-week aviation mentorship programme in Hong Kong.

### Case study

## Supporting the development of aviation in Hong Kong

Swire Trust coordinated with Teach for Hong Kong, Cathay Pacific, and HAECO Hong Kong to create an aviation mentorship programme for secondary school students at Delia Memorial School (Hip Wo No.2 College). During the 3-week programme, 15 ethnic minority students from underprivileged

backgrounds were paired up with our colleagues from the aviation industry for mentoring. The students were also given the opportunity to visit Cathay City as well as HAECO hanger to expand their horizon in this field.

“This programme helped me realise that there is more to aviation than just pilots and cabin crew, and that I too can be a

part of the industry by studying the right courses,” expressed one of the students. Our colleagues were also able to take something away through this experience. A colleague in management said, “I was grateful for this mentoring opportunity. It gave me a window to look into the lives of students from less privileged backgrounds.”

	Swire Trust	Property	Beverages	Aviation	Trading & Industrial	Swire Pacific (Head office)
<b>Total value of cash contributions (HK\$)</b>	55,024,256	25,183,320	8,467,001	190,663	662,548	8,355,395
<b>Value of in-kind contributions (HK\$)</b>	-	26,280,027	6,659,128	55,000	-	-
<b>Volunteering hours</b>	1,748	6,129	64,699	216	353	-

## Supporting our communities through our businesses

Our operating companies contribute directly to the communities in which we operate. We want to connect our projects in order to learn from each other. We aim to operate in a way that builds our business, our people, and the communities in which we operate.

## Looking forward

TrustTomorrow continues to support inspirational projects in education, marine conservation, and the arts, connecting our people, our partners, and the community to build social capital, create opportunities, and motivate lasting positive change for a better tomorrow.



## Overview

## Assessing materiality

## Stakeholder engagement

## ABOUT OUR REPORT

## Overview

This is our 16th annual sustainable development report. It was published in April 2023 and covers the financial year from 1st January to 31st December 2022. We aim to provide an accurate and balanced account of the Group's performance and progress in material areas of sustainability.

This report focuses on the five areas of SwireTHRIVE – Climate, Waste, Water, People and Communities – as these are the Group's strategic sustainability priorities. We also deal with matters which are important to stakeholders, required for compliance with regulations or which rating agencies expect us to address (see Other ESG disclosures section).

This report deals with the Group as a whole. We also highlight information about individual subsidiaries. Some subsidiaries produce their own sustainability reports. They can be found on our corporate website. The report is in English and traditional Chinese. It can be viewed online or downloaded as a PDF from the report website. Performance data can be downloaded as a CSV file.

This report has been approved by our Board.

## Report boundary

We exclude companies from our report boundary which we do not control. The principal effect of this is to exclude Cathay Pacific, which we do not control because it is an associate. Cathay Pacific has its own board of directors, who are responsible for ESG related matters. Hong Kong Aero

Engine Services Limited (HAESL), a joint venture between RollsRoyce plc (50%) and HAECO (50%) is also excluded, as shareholders have joint control. Cathay Pacific and HAESL publish their own sustainable development reports, which can be accessed via their corporate websites.

We have restated past data to exclude data relating to Cathay Pacific and HAESL for comparative purposes. As recommended in the GHG Protocol's Corporate Value Chain (scope 3) Accounting & Reporting Standard, we have included a proportion of Cathay Pacific's carbon emissions under the Group's scope 3 (category 15) emissions given their materiality and their interest to readers of this report. The proportion is 45%, which is the same as our percentage ordinary shareholding interest in Cathay Pacific.

The report continues to cover subsidiaries of Swire Pacific. Performance data (except as indicated above in respect of Cathay Pacific's carbon emissions) is reported on a 100% basis and has not been proportioned to reflect Swire Pacific's shareholdings in subsidiaries. We do not include newly acquired entities until we have a full calendar year's data from them.

In 2022, Swire Pacific exited the marine services industry. Performance data for Swire Pacific Offshore business is included in this report up to the date of sale. The scope, boundary and calculation methodology for specific data points are disclosed in a separate reporting methodology document.

## Reporting frameworks

This report complies with the Environmental, Social and Governance Reporting Guide in Appendix 27 to The Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong under Hong Kong Exchanges and Clearing Limited (HKEX). It has been prepared with reference to the Global Reporting Initiative (GRI) Standards. GRI and HKEX content indices are provided.

We refer to the Task Force on Climate-related Financial Disclosures (TCFD) and the GHG Protocol.

### Explore more

<a href="#">About Swire Pacific</a>	<a href="#">I→</a>
<a href="#">SwireTHRIVE</a>	<a href="#">I→</a>
<a href="#">Other ESG disclosures</a>	<a href="#">I→</a>
<a href="#">Assessing materiality</a>	<a href="#">I→</a>
<a href="#">Performance data</a>	<a href="#">I→</a>
<a href="#">GRI/HKEX Index</a>	<a href="#">I→</a>
<a href="#">TCFD</a>	<a href="#">I→</a>

**Further reading**[Sustainable development reports of our operating companies](#)[Reporting Methodology](#)[Independent Assurance Report](#)[Swire Pacific Annual Report 2022](#)**External assurance**

Certain data points are the subject of limited assurance by Deloitte. Please see the Independent Assurance Report.

**Other disclosures**

Our Swire Pacific Annual Report 2022 deals with our financial and operational performance and corporate governance.

We respond to enquiries from investors and provide information to the CDP (Climate and Water), the DJSI, FTSE4Good, MSCI, Hang Seng Sustainability Indices and other organisations which assess the economic, environmental and social performance of companies.

**We value your feedback**

We welcome views and feedback on our report. Please send your comments and other sustainability related enquiries to:

sd@swirepacific.com

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Sustainable Development**Francis Lee**Assistant Manager –  
Sustainable Development**Ada Law**Senior Officer –  
Sustainable Development



## ABOUT OUR REPORT

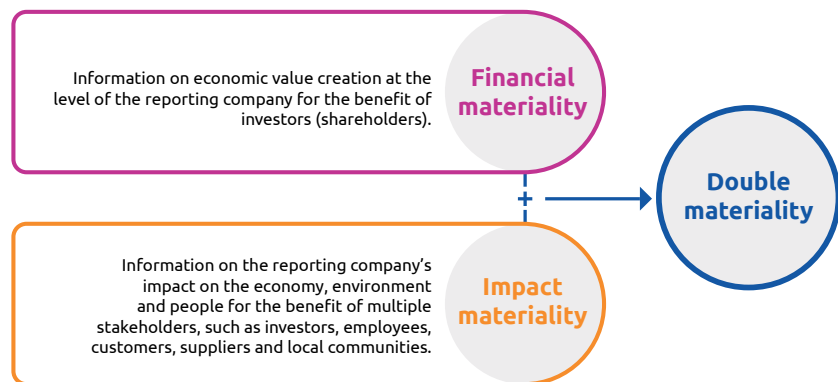
## Assessing materiality

The coverage of our annual sustainable development report is determined by reference to a detailed GRI-aligned materiality assessment. The assessment identifies and evaluates the sustainability issues most important to our businesses and stakeholders, for the year under review, at the time of the assessment, and in the near future.

**In-depth assessment**

We regularly review our materiality topics and conduct an in-depth assessment every two years. In 2021, we conducted a comprehensive materiality assessment that applied the concept of double materiality, which considers both financial

materiality and impact materiality. The approach determines topics that positively or negatively influence enterprise value (financial materiality), as well as those that reflect the impacts we have on the economy, environment, and people (impact materiality).



Source: GRI. (2022)

Our double materiality assessment had three phases:

**1 Identification**

A list of potential material issues was produced with reference to the GRI Standards, sustainability ratings questionnaires, the sustainability reports of our operating companies and global sustainability goals and priorities.

**2 Prioritisation**

An external consultancy conducted one-on-one interviews and focus group discussions with our internal and external stakeholders.

Members of management were asked to determine the actual or potential impact of each topic on the Group's enterprise value using the six areas of our enterprise risk management framework (financial, disruption, reputation, regulatory, human and strategic). They were also asked to consider the Group's

vulnerability to the impacts of each topic, taking account of the level of controls in place to manage the impacts, our readiness to respond and the degree to which we can control the impacts.

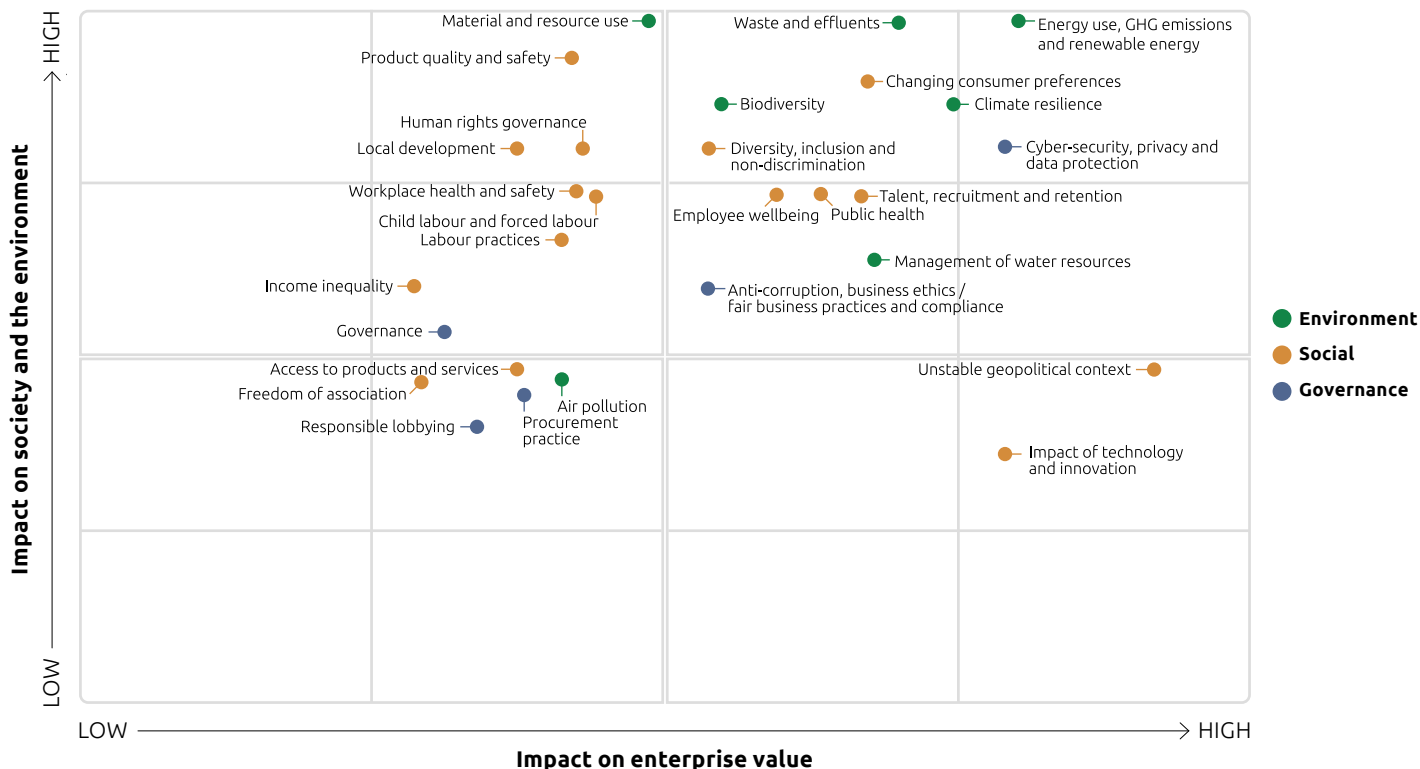
Our business partners, investors, peer companies and civil society representatives were engaged to evaluate the severity and likelihood of the Group's positive and negative impacts for each topic, considering scale, scope and whether impacts are reversible.

**3 Validation**

Results were validated by the those with management responsibilities for sustainable development, risk management, finance, public affairs, and staff matters (see materiality matrix). Topics in the top right quadrant are considered material and should be managed and reported on.



### Materiality matrix



### Assessing impact

To assess the impact on society and the environment, we evaluated (a) the likelihood that each sustainability issue’s potential or actual impact might happen in the next 3 to 5 years, and (b) the severity if it happens and its impact on the environment, economy, and people in terms of scale, scope, and remediability or irreversibility.

Scores for impact on enterprise value (x-axis) consider both vulnerability and impact. A high score may reflect areas where we already have robust management controls in place but where

the financial impact is significant (e.g. Energy use, GHG emissions and renewable energy), or it could indicate an emerging issue where we may need to strengthen our policies and practices to reduce our vulnerability (e.g. Biodiversity, Public health and Employee wellbeing). Detailed stakeholder feedback is analysed and insights from the materiality assessment exercise are shared with the leadership team and relevant departments.

How the Group impacts on society and the environment through our material topics is described under SwireTHRIVE. This includes any impacts to be mitigated and topics on which we generate value for our stakeholders, and which may influence the decision making of our providers of capital.

**Explore more**

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SwireTHRIVE I→





## Material topics

The table below shows the twelve material issues identified, their definitions and the GRI Standards we reference, where applicable.

Topic	Topic definition	Material impact			GRI reference
		Upstream	Own operations	Downstream	
<b>ENVIRONMENTAL</b>					
Energy use, GHG emissions and renewable energy	Energy efficiency of both direct and indirect energy consumed and GHG emissions produced in the company business operations and production processes, including transport. The use of and investment in renewable energy sources, which helps decrease emissions.	●	●	●	GRI 302 Energy GRI 305 Emissions
Waste and effluents	Implementation of a systematic and life-cycle approach to identify, manage, reduce, and responsibly dispose of or recycle effluents and waste, and shall assess all stages: manufacturing, sale, use and end-of-life; including food and packaging.	●	●	●	GRI 306 Effluents and waste
Climate resilience	The ability to prepare for and recover from physical and transition climate impacts (e.g., extreme weather events, flooding of roads and buildings, heatwaves that affect workers, carbon pricing, stakeholder expectations for action, etc.) in the regions of operations and distribution.		●	●	GRI 201-2 Financial and other climate risks
Management of water resources	Implementation of a systematic approach to conserve, reduce use of, and reuse water in company operations and supply chain, and to stimulate water conservation within its sphere of influence and contribute to water positivity.	●	●	●	GRI 303 Water
Biodiversity	Businesses dependency on biodiversity for their inputs and the ecosystem services they provide. The impacts on local ecosystems through the consumption of raw materials and land use, especially where operations are sited in biologically sensitive areas.	●		●	GRI 304 Biodiversity



## Overview

## Assessing materiality

## Stakeholder engagement

Topic	Topic definition	Material impact			GRI reference
		Upstream	Own operations	Downstream	
<b>SOCIAL</b>					
Changing consumer preferences	The impact of consumer purchasing decisions on business, which is increasingly driven by sustainability values (e.g. rejection of plastic packaging, reduction in consumption), and meeting consumer needs through the development and offering of sustainable products and services (e.g. alternative materials, circularity, zero waste, and low emissions lifestyles).			●	N/A
Talent recruitment and retention	Providing opportunities to promote professional growth and learning among new and existing employees, and matching employee skills with the needs of the business, to remain an employer of choice and retain key talent.		●		GRI 401 Employment GRI 404 Training and education
Public health	Public health and acute public health events including pandemics may disrupt business operations and supply chains, change consumer behaviour, and have physical and psychological impacts to employees.	●	●	●	N/A
Employee wellbeing	The part of an employee's overall well-being (physical and psychological) that they perceive to be determined primarily by work and can be influenced by workplace interventions		●		GRI 403 Occupational health and safety
Diversity, inclusion and non-discrimination	Efforts to ensure that the company workforce (at all levels, including board) reflects not only the global business strategy in terms of R&D, operations and customer base, but also reflects the diversity of the workforce pool in the countries of operation. A commitment to a workforce free of unlawful discrimination involving any distinction, exclusion, or preference that has the effect of nullifying equality of treatment or opportunity, and where that consideration is based on prejudice rather than a legitimate ground.		●		GRI 405 Diversity and equal opportunity GRI 406 Non-discrimination
<b>GOVERNANCE</b>					
Cybersecurity, privacy and data protection	Mitigation, response, and disclosure measures with respect to matters involving cybersecurity risk and incidents, including cybersecurity policies and procedures and the application of disclosure controls and procedures. Approaches to the way employee and consumer data is captured, stored and transferred in a secure manner.		●	●	GRI 418 Customer privacy
Anti-corruption, business ethics / fair business practices, and compliance	Commitment to comply with voluntary and mandatory regulatory frameworks that are global in scope, as well as established local laws, regulations, standards, and ethical business practices that apply to the organisation including: promoting competitive behaviour; preventing anti-competitive practices; complying with regulatory authorities; working against corruption, extortion, and bribery		●		GRI 205 Anticorruption GRI 206 Anti-competitive behaviour GRI 419 Socioeconomic compliance



## ABOUT OUR REPORT

## Stakeholder engagement

Understanding the needs and concerns of our stakeholders informs our approach to sustainability and our future activity. Since 2007, we have engaged with stakeholders to understand their expectations and their perceptions of our sustainable development performance. Dialogue maintains trust, gains support for our activities and occasionally reconciles differing interests. It also helps us 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.

**Engaging to shape our strategy**

We continue to engage with our investors and employees and with policymakers, NGOs, the communities in which we operate and other companies. To inform our approach to sustainable development, stakeholders are identified by reference to their expertise in issues material to us, their influence and their willingness to collaborate. In 2021, we commissioned an external consultancy to conduct two separate engagement exercises:

- To gather targeted feedback on the refreshed SwireTHRIVE 2.0 strategy, we engaged 15 experts from academia,

financial institutions, peer companies and civil society through focus group discussion and one-on-one interviews

- To identify material issues to be covered in this report, we conducted four focus groups and three interviews with 12 internal stakeholders (members of management, Board directors) and 13 external stakeholders (academia, civil society representatives, investors, peer companies). The table shows main stakeholder types, mode of engagement and the main topics of interest to them.

**Board members****Mode of engagement**

Board meetings, interviews

**Sustainability topics**

Energy use, GHG emissions and renewable energy; Waste and effluents; Impact of technology and innovation; Changing consumer preferences; Talent recruitment and retention.

**Senior leadership****Mode of engagement**

Interviews and executive meetings

**Sustainability topics**

Energy use, GHG emissions and renewable energy; Impact of technology and innovation; Unstable geopolitical context; Waste and effluents; Changing consumer preferences; Talent recruitment and retention.

**NGOs and activists****Mode of engagement**

Focus groups, interviews, multi-stakeholder initiatives (e.g. Drink Without Waste)

**Sustainability topics**

Biodiversity; Energy use, GHG emissions and renewable energy; Material and resource use; Waste and effluents; Product quality and safety; Changing consumer preferences; Cybersecurity, privacy and data protection.

**Investors****Mode of engagement**

Meetings, focus groups

**Sustainability topics**

Energy use, GHG emissions and renewable energy; Material and resource use; Management of water resources; Waste and effluents; Procurement practices.

**Peer companies and competitors****Mode of engagement**

Focus groups, committees, events

**Sustainability topics**

Climate resilience; Material and resource use; Waste and effluents; Unstable geopolitical context; Talent recruitment and retention; Workplace health and safety; Procurement practices.

**Industry associations and chambers of commerce****Mode of engagement**

Meetings, focus group

**Sustainability topics**

Material and resource use; Waste and effluents; Talent recruitment and retention; Cybersecurity, privacy, and data protection; Governance.



## Engaging to deliver progress

We continue to engage with our investors and employees and with policymakers, NGOs, the communities in which we operate and other companies. We do this to understand how our operations impact on society and environment, and to foster communication and collaboration to address challenges.

Our operating companies engage their stakeholders to facilitate the delivery of solutions to shared challenges. Through Swire Coc-Cola's active involvement in multi-stakeholder initiatives including Ellen MacArthur Foundation's New Plastics Economy Global Commitment, The Coca-Cola Company's World Without Waste goals and local initiatives such as Drink Without Waste in Hong Kong, it is supporting transition to a circular system that minimises waste generation and associated carbon emissions reduction.

Swire Properties' Green Performance Pledge (GPP) is centred around a performance-based agreement to deepen landlord-tenant partnerships from fit out through operation. Its Green Kitchen Initiative provides a platform for portfolio management teams and tenants to have sustainability conversations before fit-out. It also engages tenants to offer free energy audits to help them identify energy-saving opportunities.

HAECO works with local partners where it operates to achieve common goals. This includes supporting the Hong Kong Airport Authority's 2050 Net Zero Carbon Pledge and working with suppliers in pursuit of a low impact and highly sustainable supply chain.

## Responding to stakeholder feedback

Feedback we receive from stakeholders informs our approach to sustainable development strategy development, our policies, practices, and target setting. In our most recent engagement activities, both internal and external stakeholders highlighted how the changing external environment from the global pandemic and geopolitical tensions has posed extra challenges for Swire Pacific on social issues, including traditionally well-managed issues. This is true of issues related to employees, the governance of social issues, and community.

Stakeholders considered Talent Recruitment and Retention, Employee Wellbeing, and Workplace Health and Safety Related to be topics requiring strong management practices. Read about our management of these topics in People and Talent Management.

Governance of social issues included the topics of Human Rights Governance, and Labour Practices and Child Labour and Forced Labour. Read about our management of these topics in Supply Chain.

Community topics raised by our stakeholders included Local Development and Income Inequality. Read about our management of these topics in Communities.



## OTHER ESG DISCLOSURES

# Overview

This section contains information on ESG topics not covered by SwireTHRIVE, but where we feel it is important to disclose what we are doing. These topics are of interest to investors, ratings agencies, our employees, and others. Some disclosures are required to comply with the HKEX ESG Reporting Guide or the GRI Standards.



## OTHER ESG DISCLOSURES

## Governance



We conduct our affairs in accordance with high ethical standards and our values of integrity, endeavour, excellence, humility, teamwork and continuity. We must act with probity, transparency and accountability to achieve our long-term objectives. Doing this will maximise long-term shareholder value and benefit employees, those with whom we do business, and the communities in which we operate. Our core principles include a commitment to sustainable development.

**Our approach**

Our approach to corporate governance can be found in our Corporate Governance Code, our Memorandum and Articles of Association, our Board Diversity Policy, and the Swire Pacific Annual Report 2022.

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 (Hong Kong Listing Rules).

For details of our governance of sustainability matters, see Our Approach to Sustainable Development.

**Business ethics**

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 workplace, and privacy.

Our representatives in joint venture and associated companies and contractors who are hired to conduct business on our behalf are expected to act in accordance with the Code of Conduct, and influence those with whom they are working with to follow similar standards of integrity and ethical behaviour.

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.

**Anti-corruption**

The Group complies with the anti-corruption laws of the countries in which we do business. Our Corporate Code of Conduct sets out the Group policy on conflicts of interest, competition and anti-trust, and bribery. Business units within Swire are required to establish their own Code of Conduct which include procedures designed to put these general principles into practice.

Our Whistleblowing Policy applies to all employees and others who deal with us to raise concerns about suspected improprieties, or report actual improprieties, including potential misconduct, malpractice, or unethical behaviour. Confidential reports can be made to the Group Internal Audit Department via a designated third-party service provider, or to relevant line management or Human Resources with no fear of retaliation.

All new employees take part in induction programmes that include anti-corruption training. Additionally, 100% of our directors completed anti-bribery and anti-corruption training over the past two years. Our operating companies also implement their own anti-corruption training programmes for employees and directors. Their approaches to implementing anti-corruption practices and training are outlined in their respective sustainability reports.

In 2022, there were 29 cases of whistleblowing and three reports of breaches of the Code of Conduct.

All cases have been investigated. As at 31 December 2022, two cases have been resolved and the investigation of one case remains in progress. None of the three breaches of the Code of Conduct in 2022 were material to the Group's financial statements or overall operations. The number of breaches to specific principles within the Code of Conduct is shown below. During 2022, Swire Pacific did not have any breaches related to Bribery, Business ethics, Competition and antitrust, Conflicts of Interest, Gambling, Health and safety and the environment, Political activities and contributions, or Privacy.

**Number of breaches to Code of Conduct Principles**

	2021	2022
Bribery	3	0
Conflicts of interest	1	0
Diversity and inclusion and respect in the workplace	2	2
Procurement	0	0
Use of information and property	0	1

**Legal compliance**

We operate in different jurisdictions with different legal and regulatory requirements. 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. We have policies, codes, guidelines and practices in place to ensure that the Company and its subsidiaries comply with all applicable laws and regulations. Emerging regulations are closely monitored to ensure we are prepared for any changes.

The Audit Committee is responsible for reviewing the Code of Conduct and Swire Pacific's compliance with the Corporate Governance Code set forth in the Hong Kong Listing Rules.

We have reviewed laws and regulations relating to sustainability to identify those where significant investment or expenditure would be required to ensure compliance. We have concluded that there are no such individual laws or regulations which currently have a material impact on the Group.

**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.

**Further reading**

Board Diversity Policy	<a href="#">↗</a>
Corporate Code of Conduct	<a href="#">↗</a>
Corporate Governance Code	<a href="#">↗</a>
Memorandum and Articles of Association	<a href="#">↗</a>
Our Values, Core Principles and Investment Principles	<a href="#">↗</a>
Reporting of Improprieties	<a href="#">↗</a>
Swire Pacific Annual Report 2022	<a href="#">↗</a>
Swire Pacific Whistleblowing Policy	<a href="#">↗</a>
Swire Pacific Annual Report 2022 – ESG risk management	<a href="#">↗</a>

**Explore more**

ESG risk management	<a href="#">↗</a>
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## OTHER ESG DISCLOSURES

## Supply chain

Responsible supply chain management is critical to mitigating financial risk, maintaining business continuity, and protecting our reputation. It is integral to protecting and empowering workers in our supply chain and helping to ensure the sustainable availability of natural resources.

We source from thousands of suppliers in countries across the globe. They provide goods and services including aircraft parts, fuel, food products, packaging materials, cleaning services, office supplies, and uniforms.

We advocate inclusive, ethical and sustainable procurement practices. 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.

### Our approach

We do not have a central procurement function. Each operating company is responsible for its own procurement. However, we have policies and guidelines that set out the Group's expectations of suppliers.

All staff involved in making procurement decisions must adhere to the Swire Pacific Sustainable Procurement Policy in conjunction with the respective procurement policies of each operating company, the Swire Pacific Supplier Code of Conduct, and the Swire Pacific Human Rights Policy.

### Sustainable Procurement Policy

Our Sustainable Procurement Policy references the sustainable procurement guidance in ISO 20400:2017. It requires our operating companies to establish a process to identify potential sustainability risks in their supply chains and develop a segmented approach to managing suppliers based on those risks.

Under the policy our operating companies should integrate the SwireTHRIVE principles and other material sustainability considerations into supplier selection and retention. Preference should be given to suppliers that have ISO-certified management systems in place, and that can significantly contribute to helping the company achieve its sustainable development objectives. Preference should be given to products which do not adversely affect the environment and that can help us reduce our environmental impact.

### Supplier Code of Conduct

Our Supplier Code of Conduct (SCoC) sets out the Group's requirements for responsible sourcing. It applies to all suppliers and contractors of all Group subsidiaries, associated, and joint venture companies. Suppliers are expected to cascade the SCoC's requirements to their own suppliers such that they apply to multiple tiers in our supply chain.

The SCoC is based on the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work and the Ethical Trading Initiative (ETI) Base Code. It requires regulatory compliance, prohibits forced or child labour, and sets out our expectations on health and safety, environmental issues, compensation and working hours, human rights, subcontractor management, and ethics and reporting.

### 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



#### Beverages

Supplies obtained directly from TCCC include juices, concentrates and other ingredients, fountain packaging and advertising materials. Goods which TCCC authorises third parties to supply include packaging, speciality merchandise, sales and marketing equipment, sweeteners and carbon dioxide



#### Aviation

Principal suppliers are manufacturers of aircraft and engine components and suppliers of fuel and engineering services



#### 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. Taikoo Sugar's principal suppliers are sugar refineries which commit to criteria outlined in its supplier code of conduct





We monitor and assess compliance with the code and other sustainability performance criteria. Where gaps are identified, we may require suppliers to undergo audits and to develop and adopt appropriate corrective action plans to ensure compliance, with a focus on those deemed high risk.

### Human Rights Policy

Our Human Rights Policy is informed by the International Bill of Human Rights and by the International Labour Organization'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. We seek to include, in our agreements with suppliers and contractors, provisions which encourage them to adhere to the principles in our policy.

Our Sustainable Supply Chain Working Group convenes senior procurement managers from our operating companies to share best practices and develops sustainability policies and guidelines for suppliers.

### Further reading

Supplier Code of Conduct	<a href="#">↗</a>
Sustainable Procurement Policy	<a href="#">↗</a>
Human Rights Policy	<a href="#">↗</a>

## Our actions

### Supply chain management

**Swire Properties** requires service providers to perform well in the areas of health and safety, the environment, procurement, management and quality. It has set a target for 100% implementation of its Supplier Code of Conduct (SCoC) in all portfolios.

It is standard practice to require that all suppliers in Hong Kong, Chinese Mainland and Miami, U.S.A. comply with the SCoC. New suppliers must complete self-assessment questionnaires to confirm that they have appropriate policies and systems in place to comply with the SCoC. Due diligence is performed to verify the responses and sites 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 2022, it conducted a review of its SCoC to ensure alignment with global best practices and completed its annual compliance assessment of over 300 Tier-1 suppliers with its code.

The compliance by **Swire Coca-Cola's** suppliers of critical materials and ingredients for beverages, packaging and any items with TCCC's logo with TCCC's Supplier Guiding Principles is audited by third parties. Knowledge is shared with other Coca-Cola bottlers in the Chinese Mainland to manage procurement better. This facilitates the identification and selection of suppliers who follow appropriate procurement principles.

**HAECO** identifies its critical suppliers based on volume and asks them to complete self-assessment surveys. It assesses their compliance with its requirements and engages with them based on their responses. This is done every two years. Critical supplier audits are conducted periodically when necessary.

## Sustainable materials

**Swire Properties** tracks consumption of office supplies, building services equipment and building materials that meet specific environmental criteria, such as certifications and accreditations by reputable, independent third parties. The data is used to evaluate its sustainable procurement performance and to identify opportunities for sourcing more sustainable products. An assessment in 2021 showed HK\$946 million of sustainable products were procured, representing 12% of its total 2021 procurement spend in Hong Kong and the Chinese Mainland.

Swire Properties specified low-carbon concrete, reinforcement bar (rebar) and structural steel in its contract for a new development in Hong Kong. It is working with Tsinghua University to explore the availability of low-carbon building materials in the Chinese Mainland. Swire Properties tracks the consumption and environmental impacts of specific construction materials such as timber, concrete, and rebar, which enables benchmarking across its new developments. It aims to promote greater innovation and availability of low-carbon building materials by sharing its experience with primary contractors and building material suppliers through publications, presentations at conferences and other methods.

**Swire Coca-Cola** has committed that by 2025 key agricultural ingredients (sugar and corn) will come from sources verified by third parties to be sustainable. It estimates the carbon emissions associated with its packaging. A tracking system, introduced in 2020, helps identify improvement areas and communicate its decarbonisation strategy to suppliers.

**HAECO** is developing sourcing policies for key materials such as plastic, fuel and gas to provide procurement and buying teams with guidance to make more responsible choices.

For more information on our operating companies' approaches to sustainable procurement, please refer to their 2022 sustainability reports.



## OTHER ESG DISCLOSURES

## Talent management

At Swire, we aim to provide rewarding and fulfilling careers where our people can reach their full potential. We provide competitive remuneration and benefits designed to attract, motivate and retain talent at all levels. We recognise the importance of personal and professional growth and invest in the development and wellbeing of our people.

### Attracting and retaining talent

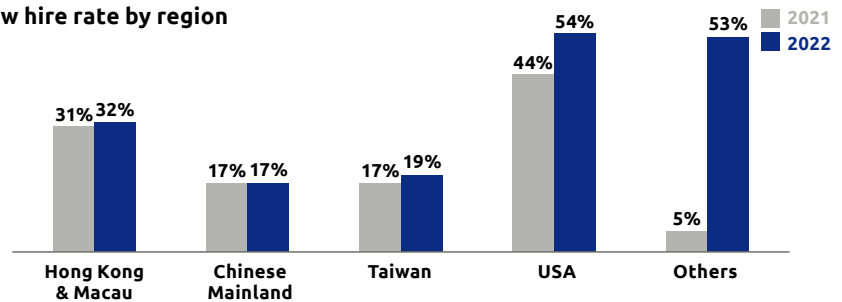
We offer competitive remuneration and employee benefits, including medical benefits, retirement schemes, and bonuses. The Group provides recreational facilities such as holiday homes and leisure boats.

We try to recruit locally, searching locally before searching internationally. Normally, vacancies are open first to our own people, then locally, and finally internationally. Remuneration decisions are based on roles and responsibilities, individual and business performance, and conditions in the employment markets and economies in which we operate. Work schedules are determined by job roles and local labour laws.

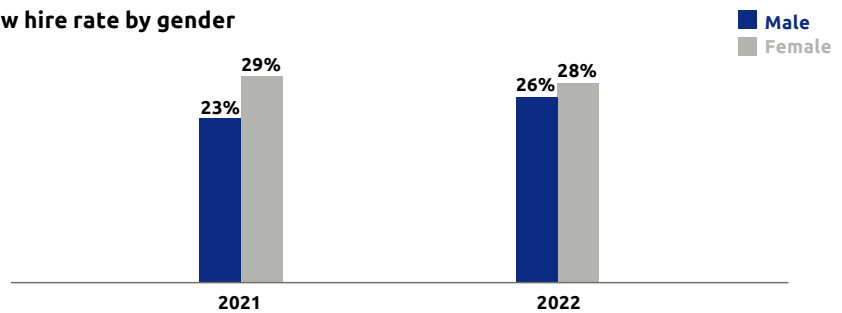
Our parental leave policy provides 14 weeks' leave for the primary caregiver and four weeks' leave for the secondary caregiver. The People section of this report provides details on our employment policies and practices.

In 2022, our new hire rate was 26% and the average staff tenure was 8.4 years. Staff turnover is monitored with a view to identifying and managing problems as they arise, and to retaining talent. The voluntary turnover rate for permanent staff was 22% in 2022, up from 20% in 2021.

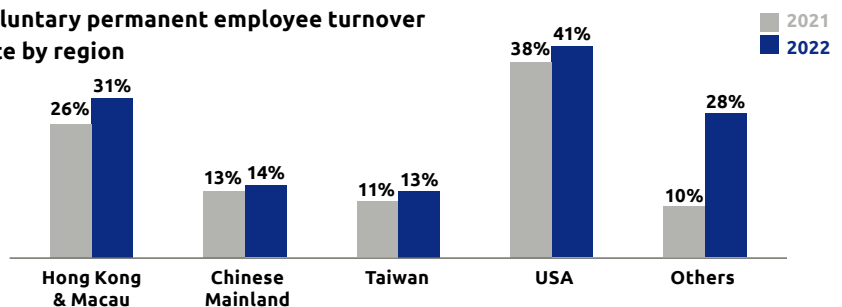
#### New hire rate by region



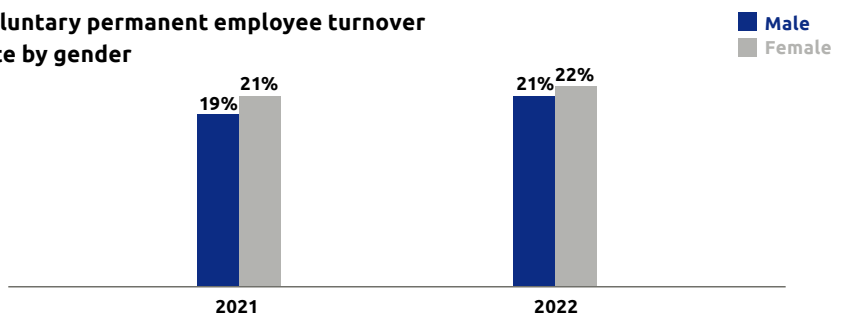
#### New hire rate by gender



#### Voluntary permanent employee turnover rate by region



#### Voluntary permanent employee turnover rate by gender





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.

- Induction sessions for new Swire Pacific staff cover our organisational structure, history, principal operations, Code of Conduct, sustainable development (including SwireTHRIVE), intranet and staff association.
- We do our best to ensure that employees receive regular, objective, fair and open assessments of their performance and are rewarded accordingly. Depending on the operating company and job duties of the individual, between 63-100% of employees at Swire Pacific (head office), Swire Properties, Swire Coca-Cola Limited, HAECO and our Trading & Industrial Division receive individual performance reviews.
- Employees who have received notice of termination of their employment can access professional counselling through our personal assistance and outplacement service for six months after termination. The service is designed to help them search for new jobs and to adjust to their change of circumstances.

## Engaging with staff

We believe in open and timely communication with our employees on matters affecting them. 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. We do our best to build constructive and productive relations with employee representatives. In 2022, John Swire & Sons (H.K.) Ltd., Swire Properties, Swire Coca-Cola, HAECO group, Swire Resources, Taikoo Motors, Qinyuan Bakery and Taikoo Sugar conducted dedicated employee engagement surveys. Engagement levels were mostly above 75%.

In 2022, Swire Pacific organised a total of 8 Leadership Forums and Town Halls connecting our employees with internal and external leaders. The Swire Hong Kong Staff Association organises and sponsors sports and recreational

activities, classes for interest groups and community services for our employees.

Subsidiaries also organise their own employee wellness and engagement activities (see People and Communities sections). HAECO Hong Kong's GoHAECO app facilitates sharing, entertainment, learning and rewards. Over 2,000 employees have used the app. Swire Pacific (head office), and Taikoo Motors regularly feature staff stories in internal newsletters.

### Explore more

- People [I→](#)
- Communities [I→](#)

## Training and development

We develop our people by on-the-job learning, mentoring, coaching, classroom training and online learning. In 2022, the average number of hours of training per employee was 38 hours, a 10% increase from the previous year. Overall, 57% of male staff and 52% of female staff received training in 2022. On average, we spent over HK\$590 per employee, compared with around HK\$1,700 in 2021. This does not include informal and on-the-job learning, where much of our employee training happens.

Operating companies have their own apprenticeship, traineeship and internship programmes.

Please see the sustainable development reports of our operating companies for more information.

## Building a pipeline of future leaders

Our in-house leadership development company, Ethos International, designs and delivers learning and development programmes for our management staff. Managers with high potential attend business management and executive programmes at INSEAD and Stanford University. Ethos International's training programmes emphasise sustainability and aim to develop a strong corporate culture and leadership style that is consistent with our values.

Every year, we recruit high-calibre individuals with a view to developing them into future leaders within the Group. Through three structured programmes, which focus on management, finance and human resources, we provide them with coaching, mentoring and various development initiatives. Sustainable development and the business opportunities it creates is covered in their training.

### Further reading

- Sustainable development reports of our operating companies [↗](#)
- Swire programmes [↗](#)



## OTHER ESG DISCLOSURES

## Customers

We are committed to providing high quality products and services and to giving customers clear and complete information so that they can make informed choices. We advertise responsibly. We protect personal data in line with applicable regulations. Feedback helps us understand customer needs and improve our services.

### Our approach

At the Group level we build customer protection into our policies. Our Health and Safety Policy sets out our goal of zero harm to customers, with each company under our management control applying this policy in a way which is relevant to its business.

The Swire Pacific Personal Data Policy requires Group companies 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.

Where relevant, our subsidiaries have dedicated governance to oversee implementation and efficacy of data protection policies. Our Group Personal Data Policy and Guidelines require our operating companies to appoint a Data Protection Officer, carry out Privacy Impact Assessments, establish a Data Privacy Policy and only collect personal data upon consent of the customer. Our operating companies have cyber incident response plans. Further information is available in the Risk management section of this report and the Swire Pacific Annual Report 2022.

Employees are required to follow internal guidelines covering the collection, processing, transfer, retention, and disposal of customers' personal data. Data protection obligations are included in contracts with third-party data processors.

During 2022, there were no convictions for non-compliance with laws and regulations relating to customer privacy that would have a significant impact on the Group.

The approach of our major businesses to material customer issues is described below.

### Swire Coca-Cola

Consumers are increasingly conscious of health and nutrition when deciding what to eat and drink. Eating less sugar is

increasingly important. Swire Coca-Cola aims to address this by:

- Gradually reducing the amount of sugar in its beverages portfolio, with a target to reduce the average sugar content in 100mL of beverages by 20% by 2025
- Offering smaller serving sizes to make controlling sugar intake easier, with packages containing 250mL or less available in all its markets
- Introducing diet, light, and zero-calorie drinks, reformulating recipes and finding alternatives to sugar which reduce sugar content without compromising taste
- With TCCC, exploring ways to make beverages more nutritious by adding vitamins, minerals, electrolytes or dietary fibre

#### Other material issues Our approach

Responsible marketing	In line with TCCC's Responsible Marketing Policy, Swire Coca-Cola will not advertise our products in media (television, print, websites, social media, movies or SMS/email marketing) targeting children under the age of 13. We do not advertise our products in primary schools.
Food safety	Swire Coca-Cola regularly audits hygiene and delivery procedures to ensure compliance with its Food safety standards. All Swire Coca-Cola plants have FSSC22000 Food Safety Certification.
Clear labelling	Swire Coca-Cola includes caloric information on the front of its packaging. Nutritional information provided is factual and easy-to-understand, and fully compliant with regulations.



For more information, please see Swire Coca-Cola's Sustainable Development Report 2022.

### Further reading

Swire Coca-Cola Sustainable Development Report 2022



TCCC's Responsible Marketing Policy



Swire Pacific Health and Safety Policy



Swire Pacific Personal Data Policy



## Swire Properties

Swire Properties deals with three categories of customer: individual customers (retail customers and hotel guests); tenants of its commercial buildings; and those who own or occupy the residential properties which it owns or manages, or who occupy its serviced apartments. It regularly collects feedback from customers. It does this through:

- Sentiment research, shopper research, and mystery shopper programmes at its major retail properties in Hong Kong and the Chinese Mainland
- Virtual comment boxes to facilitate timely action on issues such as heating, air-conditioning and turnstile malfunctions
- Guest satisfaction surveys at EAST Hong Kong and a custom-made mobile application to gather guest feedback
- Customer mapping focused on defining how different customers use different spaces across our portfolio and identifying channels to gather continuous feedback from tenants

For more information, please see Swire Properties' Sustainable Development Report 2022.

### Explore more

ESG risk management



### Further reading

Swire Pacific Annual Report 2022



Swire Properties Sustainable Development Report 2022



### Other material issues Our approach

**Responsible marketing** Marketing and communications materials comply with relevant government regulations and industry guidelines.

**Occupant wellbeing** Buildings and workspaces are designed and operated in ways designed to promote the health and wellbeing of occupants.

**Promoting sustainability** Help commercial tenants be more sustainable through a Green Performance Pledge, new fit-out and renovation guidelines for office and retail tenants, initiatives to engage them on environmental and social topics, and ensuring management office colleagues are well-informed of sustainability topics.



## OTHER ESG DISCLOSURES

## Biodiversity

Biodiversity loss is among the top global risks. It is viewed as one of the fastest deteriorating risks over the next decade. Global wildlife populations are declining at pace, and without intervention, this is projected to continue.

To address the ongoing loss of terrestrial and marine biodiversity, 188 governments have agreed a new set of international goals for biodiversity. A key goal, '30 by 30', aims to achieve the effective conservation and management of at least 30% of the world's lands, inland waters, coastal areas, and oceans by 2030.

The ecosystem services that biodiversity provides, including crop pollination, water purification, carbon sequestration, and flood protection, are estimated to be worth up to USD140 trillion per year. Companies will be expected to monitor, assess, and disclose the impact on biodiversity of their operations, supply chains, and portfolios.

Biodiversity is an important consideration for the Group. Aspects of ecosystem protection are covered by our Group priorities – nature-based solutions to sequester carbon (see Climate), watershed protection and replenishment (see Water), sustainable procurement (see Supply Chain), and support for marine conservation (see Communities). Where biodiversity is a material issue, our businesses have developed approaches relevant for what they do and where they are.

**Further reading**

- [Biodiversity Policy](#) 
- [Sustainable Food Policy](#) 

**Our approach**

Our commitments are in the Group's Biodiversity Policy. We expect our businesses to identify biodiversity issues relevant to their facilities, operations, and value chains, and to minimise adverse impacts.

We are developing an impact and dependency tool for use with our operating companies to capture our ecological relationships and inform decision making. As a first step in populating the tool, we conducted a high-level industry risk assessment using third-party software. Going forward, we will be conducting a site-level assessment using the Integrated Biodiversity Assessment Tool (IBAT) and incorporating biodiversity into our scenario analysis.

The executive management of each company in which Swire Pacific has a controlling interest will pay due regard to sustainability considerations in food items that are produced, prepared, and purchased by the company, and consumed at company functions, or served by

catering services provided or managed by the company.

Our Sustainable Food Policy guides how the Group sources, produces, sells, offers, and consumes food products to support the sustainable use of natural resources, to avoid contributing to climate change, and to protect biodiversity. Under the policy, unsustainable food items (such as shark fin, bluefin tuna, and black moss) should not be served at our own events, in our canteens, or to customers. The policy is in line with the WWF Seafood Guide and the Convention on the International Trade in Endangered Species of Wildlife Fauna and Flora (CITES). The policy encourages procurement of sustainable food items certified by reputable bodies (the Marine Stewardship Council and the Aquaculture Stewardship Council) and of seafood recommended by WWF Seafood Guide.

To support our businesses as they pursue net zero emissions, we are developing carbon offset guidelines that prioritise the purchase of verified high-quality carbon offsets that offer co-benefits such as protecting or enhancing biodiversity in addition to neutralising emissions.



## Our actions

**Swire Properties** has conducted assessments at all its existing properties and projects under development to determine the status of biodiversity, and its importance to the places that it develops, and to the surrounding natural environment. None of its existing properties contain, or are located adjacent to, areas of globally or nationally important biodiversity. It has guidelines to integrate biodiversity considerations into new developments and targets a minimum 20% site coverage of greenery.

It enacted several transformational strategies to reach its 2030 SBTs, including adopting nature-based solutions that capture carbon emissions, benefit local communities and improve biodiversity.

An urban biodiversity study was carried out in partnership with a professor at the University of Hong Kong for its Taikoo Place redevelopment project. Results have emphasised the importance of protecting local species and green corridors that support the movement of birds and butterflies between parks. These suggestions will be integrated into future planning and operations across Swire Properties' Hong Kong portfolio. They will also inform the uses of the Biodiversity Guidelines to define the importance of, and the company's approach to, protecting biodiversity across its developments.

In 2022, Swire Properties' Deputy Head of Sustainable Development joined the Taskforce on Nature-related Financial Disclosures (TNFD) as a member, providing inputs to the Taskforce to develop the framework. It also partnered with the World Business Council for Sustainable Development (WBCSD) to pilot the TNFD beta framework.

**Swire Coca-Cola** returns a litre of clean water to natural water systems for every litre of water used in its beverages. It collaborates with The Coca-Cola Company on community and watershed protection projects to replenish water in the Chinese Mainland and the US. It has been investing in optimising the water use efficiency of its facilities, all of which meet the water quality requirements of TCCC and the World Health Organisation.



The Carbon Reduction Alliance Programme has benefits for local communities and nature.

### Case study

#### Swire Coca-Cola – Collective action on biodiversity and climate action in the Wild Elephant Valley, China

Swire Coca-Cola's Carbon Reduction Alliance Programme in the Wild Elephant Valley of Yunnan Province involves collaborating with value chain partners to reduce carbon emissions and create an eco-friendly community where biodiversity can be sustained. It is hoped the project will become a development role model for low-carbon communities.

The project aims to reduce human-elephant encounters and incorporate sustainability into the local agricultural industry through reforestation and the introduction of beekeeping. Over 230 acres of agricultural land has been cultivated with eco-friendly planting and 300 bee colonies have been established.

### Case study

#### Paraguay Forest Conservation Project

The Chaco-Pantanal and San Rafael regions in Paraguay are rich in biodiversity and offer critical livelihoods to local communities. These biodiverse landscapes and their resources are threatened by climate change and activities such as intensive agriculture.

In 2022, Swire Pacific took ownership of a REDD+ project previously established by Swire Pacific Offshore. The Paraguay Forest Conservation Project protects the forests in a

4,750-hectare parcel of land in the Chaco-Pantanal region from the high risk of being cleared for cattle ranching and provides financial incentive to individual landowners in San Rafael to leave their land as untouched high conservation value forest. As a result, areas identified as refuges for endangered or vulnerable species, will be safeguarded.

The project aligns with our objectives to prioritise nature-based environmental solutions. It generates third party verified carbon offset credits that are dual accredited under the Climate, Community, and Biodiversity Standard (CCB). Read more in the Climate section.





## Performance data

We support transparency and provide information and data in this report and on our website. Information about how we set our reporting boundaries and our data calculation methodology is in our reporting methodology.

The table below presents a quantitative overview of our 2022 sustainable development performance. The data in these tables identified with the symbol [R] has been independently reported on by Deloitte.

### Further reading

Reporting Methodology	<a href="#">↗</a>
Independent Assurance Report	<a href="#">↗</a>

Statistics	Note	Property		Beverages		Aviation		
		Swire Properties		Swire Coca-Cola		Cathay Pacific Group (Note 5, 7)		
		2022	2021	2022	2021	2022	2021	
<b>ENVIRONMENTAL</b>								
<b>Energy</b>								
Total Energy Consumption (thousand GJ)	Direct energy consumption		177	190	1,244	1,340	-	-
	Indirect energy consumption		1,071	1,058	2,036	2,159 <sup>(3)</sup>	-	-
	Total	1	1,248	1,247	3,281	3,500	-	-
	% Change year-on-year		0.07%		-6%		-	-
On-site Renewable Energy Generation (thousands kWh)			379	300	20,493	18,913	-	-
<b>Emissions</b>								
Greenhouse Gas Emissions from Direct Operations (thousand tonnes CO <sub>2</sub> e)	Scope 1		10	11	80	87	-	-
	Scope 2, market-based method		156	166	229	256	-	-
	Total (market-based method)		166	177	308	343	-	-
	% Change year-on-year		-6%		-10%		-	-
	Scope 2, location-based method		186	187	278	301 <sup>(3)</sup>	-	-
	Total (location-based method)	1	196	199	358	388	-	-
% Change year-on-year		-1%		-8%		-	-	
Greenhouse Gas Emissions Across Swire Pacific's Value Chain (thousand tonnes CO <sub>2</sub> e)	Scope 3	4	425		3,658		2,426 <sup>(8)</sup> <sub>R</sub>	2,727
	% Change year-on-year						-11%	
Total Biogenic Emissions (tonnes CO <sub>2</sub> e)			33	125	0.6	0.7	-	-
<b>Water</b>								
Total Water Withdrawal by Sources (thousands cbm)	Water Withdrawal - Municipal		1,639	1,778 <sup>(2)</sup>	14,408	15,425	-	-
	Water Withdrawal - Groundwater		-	-	178	194	-	-
	Total	1,12	1,639	1,778	14,586	15,619	-	-
	% Change year-on-year		-8%		-7%		-	-
Total Water Withdrawal by Water Stress Levels (thousands cbm)	Low (<20%)	13	900	1,042	8,966	9,331	-	-
	Medium (20-40%)		-	72	2,783	2,931	-	-
	High (>40%)		739	664	2,837	3,357	-	-
Total Water Consumption (thousands cbm)		14	-	-	8,312	8,620	-	-





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Aviation		Trading & Industrial		Marine Services							
HAECO group (Note 6)		Swire Resources, Taikoo Motors, Swire Foods and Swire Environmental Services		Swire Pacific Offshore (Note 10)		HUD group (Note 11)		Swire Pacific (Head office)		Total (Note 1)	
2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
210	202	75	74	114	317		237	-	-	1,820	2,360
334	337	135	150	1	2		11	-	-	3,577	3,718
544	539	210	224	115	319		248	-	-	5,397 <sup>R</sup>	6,078
1%		-6%		-64%				-		-11%	
1,132	1,303	-	-	-	-		-	-	-	22,003	20,516
15	18	6	5	9	30		20	-	-	120	171
44	44	21	24	0.1	0.2		1	-	-	449	490
59	62	27	29	9.4	30		21	-	-	569	662
-5%		-6%		-69%				-		-14%	
44	44	21	24	0.1	0.2		1.2	-	-	529	557
59	62	27	29	9	30		21	-	-	649 <sup>R</sup>	728
-5%		-6%		-69%				-		-11%	
12 <sup>R</sup>		860 <sup>(9)</sup>		-	-		-	-	-	7,381	2,727
-				-						171%	
123	-	-	-	-	-		-	-	-	157	126
385	398	300	311	-	-		39	-	-	16,732	17,950
-	-	-	-	-	-		-	-	-	178	194
385	398	300	311	-	-		39	-	-	16,910 <sup>R</sup>	18,145
-3%		-3%		-				-		-7%	
364	379	299	310	-	-		39	-	-	10,529	11,101
1	1	-	-	-	-		-	-	-	2,784	3,004
21	18	1	1	-	-		-	-	-	3,598	4,040
-	-	-	-	-	-		-	-	-	8,312	8,620



Statistics	Note	Property		Beverages		Aviation		
		Swire Properties		Swire Coca-Cola		Cathay Pacific Group (Note 5, 7)		
		2022	2021	2022	2021	2022	2021	
<b>ENVIRONMENTAL</b>								
<b>Waste</b>								
Total Waste by Type and Disposal Method (tonnes)	<b>Hazardous Waste</b>							
	Disposed		1	0	121	228	-	-
	Recycled		9	11	106	5,243	-	-
	Total Hazardous Waste Generated	1	10	11	227	5,471	-	-
	<b>Non-hazardous Waste</b>							
	Disposed		22,390	32,167	2,413	3,613	-	-
	Recycled		11,269	12,311	18,233	21,272	-	-
	Reused		18	62	0	0	-	-
	Recovered		644	613	4,751	4,718	-	-
	Total Non-hazardous Waste Generated	1	34,321	45,153	25,397	29,603	-	-
	Total Non-hazardous Waste Diverted	1	11,931	12,986	22,984	25,990	-	-
	<b>Total Waste Generated</b>	1	34,331	45,164	25,624	35,074	-	-
	% Change year-on-year		-24%		-27%		-	-
<b>Waste Diversion Rate</b>		35%	29%	90%	88%	-	-	
<b>HEALTH &amp; SAFETY</b>								
Thousand hours worked		13,281	12,980	77,646	74,405	-	-	
Total lost time injuries		58	62	151	200	-	-	
Lost time injury rate (LTIR)		0.87	0.96	0.39	0.54	-	-	
% Change year-on-year (LTIR)		-9%		-28%		-	-	
Lost days due to injuries		2,087	2,327	6,274	8,365	-	-	
Lost day rate (LDR)		31.43	35.86	16.16	22.49	-	-	
% Change year-on-year (LDR)		-12%		-28%		-	-	
Total fatalities (employee)		0	0	0	0	-	-	
Total fatalities (contractor)		0	1	1	1	-	-	
<b>PEOPLE</b>								
<b>Staff (Including all employment types)</b>								
Total		6,407	6,202	34,380	32,382	-	-	
Employees who are on Permanent Terms (%)		93%	92%	99%	99%	-	-	
Permanent employees who work Full-time (%)		98%	99%	100%	100%	-	-	
By gender (%)	Male	60%	59%	71%	72%	-	-	
	Female	40%	41%	29%	28%	-	-	
By age group (%)	Under 30 years old	21%	23%	18%	19%	-	-	
	30 to 50 years old	57%	57%	70%	70%	-	-	
	Over 50 years old	21%	21%	12%	11%	-	-	
By region (%)	Hong Kong & Macau	48%	50%	4%	4%	-	-	
	Chinese mainland	47%	45%	71%	71%	-	-	
	Taiwan	0%	0%	3%	3%	-	-	
	USA	5%	5%	22%	22%	-	-	
	Others	0%	0%	0%	0%	-	-	



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Aviation		Trading & Industrial		Marine Services							
HAECO group (Note 6)		Swire Resources, Taikoo Motors, Swire Foods and Swire Environmental Services		Swire Pacific Offshore (Note 10)		HUD group (Note 11)		Swire Pacific (Head office)		Total (Note 1)	
2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
1,553	1,105	349	202	25	1,125		0	-	-	2,049	2,659
171	106	77	46	0	0		1	-	-	364	5,407
1,724	1,211	426	248	25	1,125		1	-	-	2,413	8,066
1,369	3,156	33	30	0	0		0	-	-	26,206	38,966
1,205	1,135	858	600	0.02	0.6		117	-	-	31,565	35,436
0	0	7	284	0	0		0	-	-	25	346
1,042	1,082	0	0	0	0		0	-	-	6,437	6,413
3,617	5,373	899	914	0.02	0.6		117	-	-	64,233	81,161
2,247	2,217	865	884	0.02	0.6		117	-	-	38,027	42,195
5,340	6,584	1,325	1,162	25	1,125		118	-	-	66,645	89,227
-19%		14%		-98%				-	-	-25%	
62%	41%	96%	97%	100%	100%		100%	-	-	59%	52%
27,217	27,837	12,373	13,717	2,334	7,649		1,113	92	84	132,943	137,785
46	117	20	40	3	6		1	0	0	278	426
0.34	0.84	0.32	0.58	0.26	0.16		0.18	0	0	0.42 <sup>R</sup>	0.62
-60%		-45%		63%				-	-	-32%	
3,111	8,623	1,058	1,913	35	301		156	0	0	12,565	21,684
22.86	61.95	17.10	28	3	7.87		28.04	0	0	18.90	31.48
-63%		-39%		-62%				-	-	-40%	
0	0	0	0	0	0		0	0	0	0 <sup>R</sup>	0
0	0	0	0	0	0		0	0	0	1 <sup>R</sup>	2
11,884	12,235	6,063	6,799		1,242		-	50	48	58,784	58,908
97%	97%	81%	77%		45%		-	98%	100%	96%	94%
99%	99%	88%	87%		99%		-	100%	100%	98%	98%
81%	81%	42%	39%		88%		-	42%	38%	69%	69%
19%	19%	58%	61%		12%		-	58%	63%	31%	31%
17%	18%	28%	33%		8%		-	8%	8%	19%	21%
60%	60%	60%	57%		73%		-	70%	71%	66%	65%
23%	21%	12%	10%		19%		-	22%	21%	15%	14%
39%	40%	35%	34%		0%		-	100%	98%	19%	20%
45%	43%	41%	46%		0%		-	0%	2%	60%	58%
0%	0%	24%	20%		1%		-	0%	0%	4%	4%
16%	16%	0%	0%		0%		-	0%	0%	17%	16%
1%	0%	0%	0%		99%		-	0%	0%	0%	2%



Statistics		Note	Property		Beverages		Aviation	
			Swire Properties		Swire Coca-Cola		Cathay Pacific Group (Note 5, 7)	
			2022	2021	2022	2021	2022	2021
<b>PEOPLE</b>								
By employee category (%)	Strategic Leader		1%	1%	0.2%	0.2%	-	-
	Operational Leader		2%	9%	6%	6%	-	-
	Team Leader		27%	17%	14%	15%	-	-
	Individual Contributor		71%	72%	79%	79%	-	-
<b>Staff (Include permanent employees only)</b>		15						
By employee category and age group (%)	<b>Strategic Leader</b>							
	under 30 years old		0%	0%	0%	0%	-	-
	30 to 50 years old		59%	54%	54%	53%	-	-
	Over 50 years old		41%	46%	46%	47%	-	-
	<b>Operational Leader</b>							
	under 30 years old		1%	2%	1%	1%	-	-
	30 to 50 years old		69%	81%	83%	85%	-	-
	Over 50 years old		30%	17%	16%	14%	-	-
	<b>Team Leader</b>							
	under 30 years old		14%	22%	9%	12%	-	-
	30 to 50 years old		78%	73%	78%	77%	-	-
	Over 50 years old		8%	5%	12%	11%	-	-
By employee category and gender (%)	<b>Individual Contributor</b>							
	under 30 years old		24%	25%	21%	22%	-	-
	30 to 50 years old		54%	54%	68%	68%	-	-
	Over 50 years old		22%	21%	11%	10%	-	-
	<b>Strategic Leader</b>							
	Male		64%	54%	81%	82%	-	-
Female		36%	46%	19%	18%	-	-	
By employee category and gender (%)	<b>Operational Leader</b>							
	Male		45%	49%	70%	70%	-	-
	Female		55%	51%	30%	30%	-	-
	<b>Team Leader</b>							
	Male		48%	46%	70%	70%	-	-
	Female		52%	54%	30%	30%	-	-
By employee category and gender (%)	<b>Individual Contributor</b>							
	Male		64%	64%	72%	72%	-	-
	Female		36%	36%	28%	28%	-	-
<b>Voluntary Permanent Employee Turnover Data</b>		15						
By age group (%)	Under 30 years old		39%	45%	49%	47%	-	-
	30 to 50 years old		15%	18%	18%	16%	-	-
	Over 50 years old		7%	12%	11%	10%	-	-
By gender (%)	Male		16%	21%	24%	22%	-	-
	Female		23%	26%	20%	18%	-	-



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Aviation		Trading & Industrial		Marine Services							
HAECO group (Note 6)		Swire Resources, Taikoo Motors, Swire Foods and Swire Environmental Services		Swire Pacific Offshore (Note 10)		HUD group (Note 11)		Swire Pacific (Head office)		Total (Note 1)	
2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
0%	1%	0.3%	0.2%		1.0%		-	24%	25%	0.4%	0.4%
3%	2%	1%	1%		2%		-	12%	8%	4%	5%
27%	27%	7%	7%		52%		-	48%	56%	18%	18%
69%	70%	92%	92%		44%		-	16%	10%	78%	77%
0%	0%	0%	0%		0%		-	0%	0%	0%	0%
35%	34%	20%	17%		58%		-	58%	58%	48%	46%
65%	66%	80%	83%		42%		-	42%	42%	52%	54%
1%	2%	0%	0%		0%		-	0%	0%	1%	2%
67%	63%	45%	45%		62%		-	83%	100%	79%	81%
32%	36%	55%	55%		38%		-	17%	0%	19%	17%
5%	5%	3%	5%		3%		-	8%	11%	9%	10%
77%	79%	75%	77%		72%		-	79%	78%	78%	77%
18%	16%	22%	18%		25%		-	13%	11%	14%	13%
22%	25%	29%	32%		18%		-	29%	20%	22%	24%
55%	54%	61%	58%		67%		-	57%	40%	63%	63%
23%	21%	11%	9%		15%		-	14%	40%	14%	13%
84%	87%	67%	75%		83%		-	67%	67%	76%	76%
16%	13%	33%	25%		17%		-	33%	33%	24%	24%
76%	76%	52%	45%		62%		-	17%	0%	69%	66%
24%	24%	48%	55%		38%		-	83%	100%	31%	34%
77%	77%	53%	52%		94%		-	42%	33%	68%	70%
23%	23%	47%	48%		6%		-	58%	67%	32%	30%
82%	82%	41%	40%		30%		-	29%	20%	69%	69%
18%	18%	59%	60%		70%		-	71%	80%	31%	31%
28%	21%	90%	93%		18%		-	50%	0%	50%	47%
9%	7%	16%	16%		11%		-	15%	7%	16%	14%
8%	7%	13%	12%		6%		-	0%	9%	10%	9%
12%	10%	39%	40%		10%		-	10%	0%	21%	19%
11%	9%	35%	36%		13%		-	19%	11%	22%	21%



Statistics		Note	Property		Beverages		Aviation	
			Swire Properties		Swire Coca-Cola		Cathay Pacific Group (Note 5, 7)	
			2022	2021	2022	2021	2022	2021
<b>PEOPLE</b>								
By region (%)	Hong Kong & Macau		21%	23%	42%	21%		-
	Chinese mainland		16%	21%	16%	14%		-
	Taiwan		0%	0%	0%	16%		-
	USA		29%	42%	45%	43%		-
	Others		0%	0%	0%	0%		-
By employee category (%)	Strategic Leader		10%		2%			
	Operational Leader		2%		4%			
	Team Leader		18%		10%			
	Individual Contributor		21%		27%			
Total Voluntary Turnover Rate of Permanent Employees (%)			19%	23%	23%	21%		-
<b>Employee New Hire Data</b>		15						
By age group (%)	Under 30 years old		57%	60%	71%	65%		-
	30 to 50 years old		19%	19%	21%	18%		-
	Over 50 years old		9%	11%	13%	7%		-
By gender (%)	Male		22%	24%	30%	26%		-
	Female		31%	30%	27%	27%		-
By region (%)	Hong Kong & Macau		24%	23%	45%	36%		-
	Chinese mainland		23%	25%	19%	19%		-
	Taiwan		0%	0%	13%	10%		-
	USA		56%	61%	61%	48%		-
	Others		0%	0%	0%	0%		-
By employee category (%)	Strategic Leader		11%		0%			
	Operational Leader		10%		4%			
	Team Leader		21%		6%			
	Individual Contributor		27%		35%			
Total New Hires Rate (%)			25%	26%	29%	26%		-
<b>Average Tenure of Employee</b>		15						
By age group (year)	Under 30 years old		2.1	1.9	2.2	2.0		-
	30 to 50 years old		6.0	6.0	7.9	7.5		-
	Over 50 years old		10.2	10.7	16.3	13.8		-
By gender (year)	Male		6.4	6.4	8.4	7.5		-
	Female		5.3	5.3	6.5	6.2		-
Total Average Tenure of Employee (years)			5.9	5.9	7.9	7.1		-
<b>Employee Promotion Rate</b>		15						
By age group (%)	Under 30 years old		14%	19%	14%	10%		-
	30 to 50 years old		8%	8%	7%	6%		-
	Over 50 years old		2%	3%	5%	3%		-
By gender (%)	Male		8%	9%	9%	7%		-
	Female		9%	11%	7%	6%		-
Total Employee Promotion Rate (%)			9%	10%	8%	6%		-



## Performance data

## External initiatives, charters and memberships

## GRI and HKEX content index

## Glossary

Aviation		Trading & Industrial		Marine Services							
HAECO group (Note 6)		Swire Resources, Taikoo Motors, Swire Foods and Swire Environmental Services		Swire Pacific Offshore (Note 10)		HUD group (Note 11)		Swire Pacific (Head office)		Total (Note 1)	
2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
13%	10%	74%	75%		0%		-	15%	7%	31%	26%
5%	5%	15%	19%		0%		-	0%	0%	14%	13%
0%	0%	16%	13%		0%		-	0%	0%	13%	11%
27%	20%	0%	0%		0%		-	0%	0%	41%	38%
31%	5%	0%	0%		10%		-	0%	0%	28%	10%
11%		0%						8%		7%	
8%		12%						0%		5%	
5%		10%						13%		9%	
14%		39%						50%		25%	
12%	10%	37%	38%		10%		-	14%	7%	22%	20%
31%	24%	105%	119%		6%		-	75%	0%	67%	64%
5%	4%	22%	18%		3%		-	23%	18%	18%	16%
12%	4%	24%	10%		3%		-	0%	20%	13%	7%
10%	8%	47%	52%		3%		-	19%	17%	26%	23%
13%	9%	42%	44%		4%		-	25%	17%	28%	28%
9%	4%	84%	97%		0%		-	22%	17%	32%	31%
5%	4%	20%	18%		0%		-	0%	0%	17%	17%
0%	0%	23%	21%		0%		-	0%	0%	19%	17%
29%	28%	0%	0%		0%		-	0%	0%	54%	44%
56%	6%	0%	0%		3%		-	0%	0%	53%	3%
11%		7%						8%		6%	
10%		12%						17%		6%	
4%		11%						17%		8%	
14%		47%						71%		32%	
11%	8%	44%	47%		3%		-	22%	17%	26%	24%
3.4	3.6	1.9	1.9		4.5		-	1.0	3.5	2.3	2.3
12.6	12.3	7.0	6.8		10.1		-	7.6	9.0	8.5	8.3
18.7	18.7	13.3	12.9		14.9		-	18.4	15.6	16.0	14.9
12.9	12.5	7.0	6.5		11.4		-	7.3	8.2	9.2	8.6
10.3	10.7	6.6	6.6		7.5		-	10.7	10.9	7.2	7.1
12.4	12.2	6.5	6.0		10.9		-	9.2	9.9	8.4	7.9
28%	35%	5%	6%		0%		-	25%	0%	16%	15%
13%	11%	6%	5%		3%		-	9%	3%	8%	7%
5%	3%	2%	2%		2%		-	0%	10%	4%	3%
14%	14%	5%	4%		2%		-	10%	11%	10%	9%
14%	13%	5%	5%		3%		-	7%	0%	8%	7%
14%	14%	5%	5%		2%		-	8%	4%	9%	8%



Statistics		Note	Property		Beverages		Aviation	
			Swire Properties		Swire Coca-Cola		Cathay Pacific Group (Note 5, 7)	
			2022	2021	2022	2021	2022	2021
<b>PEOPLE</b>								
<b>Employees Trained</b>		15						
By employee category (%)	Strategic Leader		86%	91%	105%	59%		-
	Operational Leader		96%	96%	81%	94%		-
	Team Leader		97%	96%	98%	97%		-
	Individual Contributor		97%	99%	100%	101%		-
By gender (%)	Male		97%	97%	102%	100%		-
	Female		97%	98%	91%	99%		-
Total Employees Trained (%)			97%	98%	99%	100%		-
<b>Average Employee Training Hours</b>		15						
By employee category (hours)	Strategic Leader		17.5	20.0	413.6	20.8		-
	Operational Leader		30.3	25.1	60.8	60.5		-
	Team Leader		23.4	30.5	43.6	37.0		-
	Individual Contributor		24.6	26.7	30.5	26.8		-
By gender (hours)	Male		23.1	25.4	34.7	30.0		-
	Female		26.1	29.7	36.2	31.1		-
Total Average Hours of Training (per employee)			24.3	27.2	35.1	30.3		-
<b>Average Employee Training Spend (HKD)</b>		15						
By employee category	Strategic Leader		\$ 6,865	\$10,152	\$ 23,898	\$2,957		-
	Operational Leader		\$ 11,176	\$6,264	\$ 4,400	\$2,208		-
	Team Leader		\$ 1,958	\$1,643	\$ 1,537	\$1,909		-
	Individual Contributor		\$ 626	\$553	\$ 657	\$1,779		-
By gender	Male		\$ 1,014	\$963	\$ 1,075	\$1,829		-
	Female		\$ 1,538	\$2,043	\$ 1,040	\$1,821		-
Total Average Spend on Training (per employee)			\$ 1,228	\$1,402	\$ 1,065	\$1,827		-
<b>Absentee</b>		15						
By gender (%)	Male		2%	1%	1%	1%		-
	Female		2%	1%	1%	1%		-
Total Absentee Rate (%)			2%	1%	1%	1%		-
<b>Salary Data</b>		15, 16						
Basic Salary								
Gender pay gap by employee category (Basic Salary)	Strategic Leader		4%	-5%	-36%	-6%		-
	Operational Leader		-11%	-14%	2%	14%		-
	Team Leader		-14%	-11%	-6%	-18%		-
	Individual Contributor		-3%	0%	-34%	-36%		-
Remuneration								
Gender pay gap by employee category (Remuneration)	Strategic Leader		-4%	-15%	-36%	-6%		-
	Operational Leader		-10%	-13%	-8%	-3%		-
	Team Leader		-14%	-9%	-14%	-22%		-
	Individual Contributor		-11%	-9%	-8%	-28%		-





## Performance data

## External initiatives, charters and memberships

## GRI and HKEX content index

## Glossary

Aviation		Trading & Industrial		Marine Services							
HAECO group (Note 6)		Swire Resources, Taikoo Motors, Swire Foods and Swire Environmental Services		Swire Pacific Offshore (Note 10)		HUD group (Note 11)		Swire Pacific (Head office)		Total (Note 1)	
2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
119%	59%	60%	58%		100%		-	17%	8%	97%	66%
102%	83%	88%	71%		100%		-	50%	25%	85%	93%
104%	96%	97%	95%		93%		-	4%	15%	100%	96%
107%	93%	73%	89%		98%		-	14%	0%	98%	98%
107%	95%	66%	86%		93%		-	14%	17%	101%	98%
105%	87%	81%	91%		100%		-	14%	10%	92%	96%
106%	94%	75%	89%		95%		-	14%	13%	98%	97%
20.9	7.0	0.8	3.6		1.5		-	2.7	6.0	172.2	14.0
36.0	15.9	10.2	10.0		1.5		-	15.2	2.0	54.8	48.3
76.2	74.1	17.0	16.1		19.7		-	0.8	3.3	49.1	46.6
64.6	56.1	13.3	17.9		1.5		-	2.3	0.0	34.1	31.2
74.6	45.4	7.8	8.0		17.9		-	2.4	6.5	41.5	31.9
33.3	120.0	17.6	24.4		1.6		-	3.8	1.7	31.0	41.2
66.5	60.0	13.5	17.7		14.2		-	3.2	3.5	38.2	34.7
\$ 3,706	\$3,937	154.6	\$33		\$-		-	\$ 15,258	\$12,733	\$12,712	\$5,112
\$ 979	\$1,626	393.55	\$177		\$-		-	\$ 52,583	\$ 1,136	\$4,195	\$2,918
\$ 945	\$1,014	662.78	\$483		\$3,559		-	\$ 671	\$10,570	\$1,385	\$1,607
\$ 2,766	\$3,001	59.66	\$106		\$-		-	\$ 1,800	\$-	\$965	\$1,685
\$ 2,521	\$2,774	164.44	\$197		\$3,198		-	\$ 8,310	\$18,028	\$1,360	\$1,907
\$ 957	\$1,083	70.07	\$95		\$35		-	\$ 12,600	\$3,941	\$940	\$1,394
\$ 2,214	\$2,444	109.5	\$137		\$2,485		-	\$ 10,761	\$9,224	\$1,230	\$1,748
2%	2%	1%	1%		0%		-	0.9%	0.3%	1%	1%
2%	34%	1%	0%		1%		-	0%	0%	1%	7%
2%	8%	1%	0%		1%		-	0.6%	0.4%	1%	3%
-5%	-31%	-9%	38%		47%		-	-21%	-15%	-9%	-1%
-22%	-19%	-3%	-7%		-13%		-	38%	-	8%	21%
-28%	-28%	-3%	-32%		-29%		-	-23%	0%	1%	-19%
-19%	-17%	-37%	-53%		18%		-	-35%	41%	-34%	-6%
-27%	-44%	-7%	29%		37%		-	-33%	-40%	-14%	-16%
-21%	-19%	4%	-5%		-16%		-	69%	-	1%	8%
-32%	-31%	-13%	-35%		-39%		-	-16%	-10%	-8%	-25%
-24%	-23%	-44%	-54%		13%		-	-37%	41%	-23%	-12%



## Notes:

1. Totals may not be the exact sum of numbers shown here due to rounding.
2. The number included in the 2021 report (which was estimated) has been revised to actual.
3. Data has been restated following an improvement made to the measures for data collection from Swire Coca Cola so as to include all renewable electricity for 2021.
4. Swire Pacific currently reports the major portion of its Scope 3 GHG emissions, which includes Scope 3 emissions for Swire Properties, Swire Coca-Cola and Taikoo Motors, and a proportion of the Cathay Pacific Group and Hong Kong Aero Engine Services Limited total Scope 1 & 2 GHG emissions. The reported figures accounts for more than 90% of Swire Pacific total Scope 3 GHG emissions.
5. We account for 45% of Cathay Pacific Group's total GHG emissions under the Group's scope 3 emissions, which is the same as our percentage ordinary shareholding interest in Cathay Pacific.
6. We account for 50% of Hong Kong Aero Engine Services Limited (HAESL)'s total GHG emissions under the Group's scope 3 emissions as HAESL is a joint venture company between Rolls-Royce and HAECO group.
7. It is assumed that all GHG gases (except CO<sub>2</sub>) are negligible.
8. Data refers to the gross emissions.
9. Scope 3 emissions for Trading & Industrial has only included Scope 3 emissions from Taikoo Motors as it accounts for a major portion of the Group's Scope 3 GHG emissions.
10. For 2022, the environmental and H&S data for Swire Pacific Offshore companies covers the period from January to 22 April 2022 as it was divested since 22 April 2022.
11. For 2021, the environmental and H&S data for Hongkong United Dockyards HUD Group covers the period from January to September as it was divested since October 2021.
12. Total water withdrawal refers to the sum of water drawn from municipal water and groundwater. Virtually all water withdrawal by the Swire Pacific Group is from municipal water supplies provided by local water supply authorities.
13. We used the World Resource Institute (WRI) Aqueduct Water Risk Atlas tool to map our water withdrawal by water stress levels.
14. According to GRI 303-5, water consumption is defined as volume of water that is drawn into the boundaries of the organisation and not discharged back to the water environment or a third-party. Swire Coca-Cola is our largest consumer of water (>99%). It has provided its total water consumption.
15. Staff data only relates to permanent staff (permanent full time staff, permanent part time staff and fixed contract employees in the Chinese mainland).
16. In 2022, we updated our gender pay gap calculation method to produce a weighted average. The calculation is ((total pay for females / total number of females) – (total pay for males / total number of males)) / (total pay for males / total number of males).
17. References in this document to Hong Kong are to Hong Kong SAR, to Macau are to Macao SAR and to Taiwan are to the Taiwan region.
- R. Denotes sustainability data that has been reported on by Deloitte. Please refer to the independent limited assurance report for further details.



# External initiatives, charters and memberships

## External Initiatives and ESG Related Charters 2022

Operating company	External initiative/charter	Sponsoring organisation(s)
HAECO Americas	Youth Access to American Jobs in Aviation Task Force	Federal Aviation Administration, United States Department of Transportation
HAECO Hong Kong	Hong Kong International Airport 2050 Net Zero Carbon Pledge	Airport Authority Hong Kong
Swire Properties	4Ts Charter	Environment Bureau and Electrical and Mechanical Services Department, Hong Kong SAR Government
Swire Properties	Advancing Net Zero	Hong Kong Green Building Council
Swire Properties	Building Energy Pledge	Business Environment Council Climate Change Business Forum Advisory Group
Swire Properties	Business Ambition for 1.5°C	Science Based Targets Initiative United Nations Global Compact and We Mean Business Coalition
Swire Properties	Carbon Reduction Charter	Environmental Protection Department, Hong Kong SAR Government
Swire Properties	Carbon Neutrality Partnership	Environment Bureau, Hong Kong SAR Government
Swire Properties	Charter on External Lighting	Environment Bureau, Hong Kong SAR Government
Swire Properties	Clean Air Charter	Hong Kong General Chamber of Commerce and Hong Kong Business Coalition on the Environment
Swire Properties	Energy Saving Charter	Environmental Bureau and Electrical and Mechanical Services Department, Hong Kong SAR Government
Swire Properties	Food Wise Charter	Environment Bureau, Hong Kong SAR Government
Swire Properties	Green Event Pledge	Environmental Protection Department, Hong Kong SAR Government
Swire Properties	Low Carbon Charter	Business Environmental Council
Swire Properties	Manifesto for Energy Efficiency in Buildings	World Business Council for Sustainable Development
Swire Properties	Sustainable Procurement Charter	Green Council
Swire Coca-Cola	Drink Without Waste	Single-Use Beverage Package Working Group
Swire Coca-Cola	Green Event Pledge	Environmental Protection Department, Hong Kong SAR Government
Swire Coca-Cola	New Plastics Economy Global Commitment	Ellen MacArthur Foundation
Swire Coca-Cola	Recycle Colorado	/
Swire Coca-Cola	SOLVE Oregon	/
Swire Coca-Cola	Utah Sustainable Business Coalition	/
Swire Resources Limited	No Fakes Pledge Scheme	Intellectual Property Department, Hong Kong SAR Government
Swire Waste Management Limited	Drink Without Waste	Single-Use Beverage Package Working Group
Swire Waste Management Limited	Green Event Pledge	Environmental Protection Department, Hong Kong SAR Government



## Membership of trade associations 2022

The top trade associations and industry groups

Operating company	Name of association	Nature of membership
HAECO Americas	Aeronautical Repair Station Association (ARSA)	Member
HAECO Hong Kong	Business Environment Council	Corporate Member
HAECO Hong Kong & HAECO Xiamen	International Airline Technical Pool (IATP)	Member
HAECO Xiamen	Xiamen Environment Protection Industry Association	Corporate Member
HAECO Landing Gear Services	廈門自貿區商會理事單位	Member
Swire Properties	Business Environment Council	Board of Directors, Council Member, Executive Committee Member
Swire Properties	China Green Building Council	Corporate Member
Swire Properties	Green Cross – Occupational Safety & Health Council	Group Member
Swire Properties	Harbourfront Commission	Taskforce Member
Swire Properties	Hong Kong General Chamber of Commerce	Full Member General Committee & Chamber Council Member, Real Estate & Infrastructure Committee
Swire Properties	Hong Kong Green Building Council	Platinum Patron Member
Swire Properties	Taskforce on Climate-related Financial Disclosures	TCFD Supporter
Swire Properties	Taskforce on Nature-related Financial Disclosures	Taskforce Member
Swire Properties	The Hong Kong Management Association	Sustainability Committee Member
Swire Properties	The Real Estate Developers Association of Hong Kong	Board of Directors Executive Committee Member Member, Planning Environment and Lands Sub-Committee
Swire Properties	Urban Land Institute	ULI Asia Pacific Corporate Member
Swire Properties	U.S. Green Building Council	Gold Member
Swire Properties	World Business Council for Sustainable Development	Member
Swire Properties	World Green Building Council	Member of Corporate Advisory Board
Swire Properties	World Wide Fund For Nature Hong Kong	Pearl Member
Swire Coca-Cola	China Beverage Industry Association	Director
Swire Coca-Cola	Nanjing Association of Enterprises with Foreign Investment	Co-Chairman
Swire Coca-Cola	Shanghai Foreign Investment Association	Member
Swire Coca-Cola Hong Kong	The Hong Kong Beverage Association	Chair
Swire Coca-Cola Hong Kong	Hong Kong General Chamber of Commerce	Member
Swire Coca-Cola Hong Kong	Business Environment Council	Member
Swire Coca-Cola Hong Kong	Hong Kong Food and Beverage Industry Advisory Board	Board of Directors



Operating company	Name of association	Nature of membership
Swire Coca-Cola Hong Kong	The Single-Use Beverage Packaging Working Group	Member
Swire Coca-Cola Taiwan	Taiwan Beverage Industry Association	Corporate
Swire Coca-Cola USA	American Beverage Association	Corporate
Swire Coca-Cola USA	Arizona Beverage Association	Corporate
Swire Coca-Cola USA	Colorado Beverage Association	Corporate
Swire Coca-Cola USA	Idaho Soft Drink Association	Board member
Swire Coca-Cola USA	New Mexico Beverage Association	Corporate
Swire Coca-Cola USA	Oregon Beverage Association	Board member
Swire Coca-Cola USA	Washington Beverage Association	Board member
Swire Resources Limited	Hong Kong General Chamber of Commerce	Corporate member
Swire Resources Limited	Hong Kong Institute of Human Resource Management	Corporate member
Swire Resources Limited	Hong Kong Retail Management Association	Corporate member
Swire Waste Management Limited	Hong Kong Waste Management Association	Organisation member
Swire Waste Management Limited	Hong Kong General Chamber of Commerce	Member
Taikoo Motors	British Chamber of Commerce in Taipei	Member
Taikoo Motors	European Chamber of Commerce Taiwan	Member
Taikoo Sugar (China) Ltd.	China Sugar Association	Member
Taikoo Sugar (China) Ltd.	廣東省食品安全學會	Member
Taikoo Sugar (China) Ltd.	廣州市黃埔區食品安全協會	Member
Taikoo Sugar (China) Ltd. Chengdu Branch	成都市食品商會	Member
Taikoo Sugar (China) Ltd. Shanghai Branch	上海市食品化妝品質量安全管理協會	Member
Taikoo Sugar (China) Ltd. Shanghai Branch	上海市嘉定區食品安全協會	Member



# GRI and HKEX content index

This content index can be used to find disclosures relevant to the GRI Standards and the HKEX ESG Reporting Guide.

**Statement of Use** Swire Pacific Limited has reported the information cited in this GRI content index for the period 1 January - 31 December 2022 with reference to the GRI Standards.

**GRI 1 version** GRI 1: Foundation 2021

## GRI Standards General Disclosures

GRI 2: General Disclosures 2021	GRI Standards description	HKEX ESG Guide Ref.	Description	Report section	Remarks
<b>Organisational Details and Reporting Practices</b>					
2-1	Organisational details			Our business	Swire Pacific Annual Report 2022 – Corporate Statement
2-2	Entities included in the organisation's sustainability reporting			–	Swire Pacific Reporting Methodology 2022
2-3	Reporting period, frequency and contact point			About our report	
2-4	Restatements of information			Appendices - Performance data	2021 total energy consumption and total GHG emissions (location-based) figures are 6% and 7% higher respectively compared to the level of emissions and energy previously reported. This is due to an improvement in data collection for Swire Coca-Cola's renewable electricity use.
2-5	External assurance			About our report	Independent Practitioner's Limited Assurance Report
<b>Activities and workers</b>					
2-6	Activities, value chain and other business relationships			Our business – SwireTHRIVE - People Other ESG disclosures – Supply chain	Swire Pacific Annual Report 2022 – Corporate Statement Swire Pacific Annual Report 2022 – 2022 Performance Review and Outlook
		KPI B5.1	Number of suppliers by geographical region.	Other ESG disclosures – Supply chain	Swire Pacific does not have a centralised Procurement function. Each operating company is responsible for its own procurement, so we do not have group level supplier data.
2-7	Employees	KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	SwireTHRIVE - People Appendices - Performance data	



GRI 2: General Disclosures 2021	GRI Standards description	HKEX ESG Guide Ref.	Description	Report section	Remarks
<b>Governance</b>					
2-9	Governance structure and composition			Our business – Our approach to sustainable development	Swire Pacific Annual Report 2022 – Corporate Governance Report
2-11	Chair of the highest governance body				
2-12	Role of the highest governance body in overseeing the management of impacts			Our business – Our approach to sustainable development	
2-13	Delegation of responsibility for managing impacts			Our business – Our approach to sustainable development	
2-14	Role of the highest governance body in sustainability reporting			About our report	
<b>Strategy, policies and practices</b>					
2-22	Statement on sustainable development strategy			Introduction - Chairman's statement	
2-23	Policy commitments			Our business – Our approach to sustainable development Our business – Risk management Our ESG disclosures – Governance	Swire Pacific Annual Report 2022 – Risk Management Swire Pacific Human Rights Policy Swire Pacific Supplier Code of Conduct
2-26	Mechanisms for seeking advice and raising concerns			Our ESG disclosures – Governance	Swire Pacific Whistleblowing Policy
2-27	Compliance with laws and regulations				It is not considered that any individual social or environmental laws or regulations have a significant impact on the Swire Pacific Group. This was deemed to not be material at group level, by our materiality assessment.
2-28	Membership associations			Appendices	



GRI 2: General Disclosures 2021	GRI Standards description	HKEX ESG Guide Ref.	Description	Report section	Remarks
<b>Stakeholder engagement</b>					
2-29	Approach to stakeholder engagement			About our report – Stakeholder engagement About our report – Assessing materiality	
2-30	Collective bargaining agreements				In Hong Kong there is no legal framework for collective bargaining arrangements with trade unions. In the Chinese Mainland, our operating companies 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. At Swire Pacific Offshore, relevant seagoing employees' pay negotiations are undertaken collectively with international or national bodies, and administered under collective bargaining agreements and enterprise bargaining agreements in accordance with Maritime Labour Convention 2006. See our operating companies' sustainability reports for details.
<b>Material topics</b>					
3-1	Process to determine material topics			About our report – Assessing materiality	Swire Pacific Reporting Methodology 2022
3-2	List of material topics			About our report – Assessing materiality	





## GRI Standards and HKEX

GRI Standards Topic Specific Standard	GRI Ref.	Description	HKEX ESG Guide Ref.	Description	Report Section	Remarks
<b>HKEX Mandatory Disclosure Requirements</b>						
N/A	N/A	N/A	Governance Structure	A statement from the board containing the following elements: (i) a disclosure of the board's oversight of ESG issues; (ii) the board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and (iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.	Our business – Our approach to sustainable development	
N/A	N/A	N/A	Reporting Principles	Materiality	About our report – Assessing materiality About our report – Stakeholder engagement	Swire Pacific Reporting Methodology 2022
				Quantitative	About our report – Overview	
				Consistency	Appendices – Performance data	
N/A	N/A	N/A	Reporting Boundary	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.	About our report – Overview Appendices – Performance data	Swire Pacific Reporting Methodology 2022
GRI 201: Economic Performance 2016	3-3	Management of material topic	General Disclosure A4	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	SwireTHRIVE – Climate Our business - TCFD	Swire Pacific Annual Report 2022 – Financial Review
	201-1	Direct economic value generated and distributed	KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	SwireTHRIVE – Communities	
	201-2	Financial implications and other risks and opportunities due to climate change	KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Our business - TCFD	



GRI Standards Topic Specific Standard	GRI Ref.	Description	HKEX ESG Guide Ref.	Description	Report Section	Remarks
<b>Economic</b>						
GRI 205: Anti-corruption 2016	3-3	Management of material topic	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.	Other ESG disclosures – Governance	It is not considered that any individual laws or regulations have a significant impact on the Swire Pacific Group.
	205-2	Communication and training about anti-corruption policies and procedures	KPI B7.3	Description of anti-corruption training provided to directors and staff.	Other ESG disclosures – Governance	
	205-3	Confirmed incidents of corruption and actions taken	KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.		
			KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.		Swire Pacific Whistleblowing Policy
GRI 206: Anti-competitive Behaviour 2016	3-3	Management of material topic			Other ESG disclosures – Supply chain	It is not considered that any individual laws or regulations have a significant impact on the Swire Pacific Group.
	206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices				
<b>Environmental</b>						
GRI 301: Materials 2016	3-3	Management of material topic	General Disclosure A2, A3	Policies on the efficient use of resources, including energy, water and other raw materials.  Policies on minimising the issuer's significant impact on the environment and natural resources.	Other ESG disclosures – Supply chain	Swire Pacific Sustainable Development Policy and related policies.  It is not considered that any individual laws or regulations have a significant impact on the Swire Pacific Group.
			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 group level, by our materiality assessment.



GRI Standards Topic Specific Standard	GRI Ref.	Description	HKEX ESG Guide Ref.	Description	Report Section	Remarks
<b>Environmental</b>						
GRI 302: Energy 2016	3-3	Management of material topic	General Disclosure A2, A3	<p>Policies on the efficient use of resources, including energy, water and other raw materials.</p> <p>Policies on minimising the issuer's significant impact on the environment and natural resources.</p>	SwireTHRIVE – Climate	<p>Swire Pacific Sustainable Development Policy and related policies.</p> <p>It is not considered that any individual laws or regulations have a significant impact on the Swire Pacific Group.</p>
	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).	Appendices – Performance data SwireTHRIVE – Climate	Swire Pacific Annual Report 2022 – Sustainable Development Review
	302-4	Reduction of energy consumption	KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.		
GRI 303: Water and Effluents 2018	3-3	Management of material topic	General Disclosure A2, A3	<p>Policies on the efficient use of resources, including energy, water and other raw materials.</p> <p>Policies on minimising the issuer's significant impact on the environment and natural resources.</p>	SwireTHRIVE – Water	<p>Swire Pacific Sustainable Development Policy and related policies</p> <p>It is not considered that any individual laws or regulations have a significant impact on the Swire Pacific Group.</p>
	303-1	Interactions with water as a shared resource	KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	SwireTHRIVE – Water	
			KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.		
	303-2	Management of water discharge-related impacts			SwireTHRIVE – Water	
	303-3	Water withdrawal	KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Appendices – Performance data SwireTHRIVE – Water	Swire Pacific Annual Report 2022 – Sustainable Development Review
303-5	Water consumption			Appendices – Performance data		



GRI Standards Topic Specific Standard	GRI Ref.	Description	HKEX ESG Guide Ref.	Description	Report Section	Remarks
<b>Environmental</b>						
GRI 304: Biodiversity 2016	3-3	Management of material topic	General Disclosure A2, A3	<p>Policies on the efficient use of resources, including energy, water and other raw materials.</p> <p>Policies on minimising the issuer's significant impact on the environment and other raw materials.</p>	Other ESG disclosures – Biodiversity	<p>Swire Pacific Sustainable Development Policy and related policies.</p> <p>It is not considered that any individual laws or regulations have a significant impact on the Swire Pacific Group.</p>
	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 305: Emissions 2016	3-3	Management of material topic	General Disclosure A1, A3	<p>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.</p> <p>Policies on minimising the issuer's significant impact on the environment and natural resources.</p>	SwireTHRIVE – Climate	<p>Swire Pacific Sustainable Development Policy and related policies.</p> <p>It is not considered that any individual laws or regulations have a significant impact on the Swire Pacific Group.</p>
	305-1	Direct (Scope 1) GHG emissions	KPI A1.1	The types of emissions and respective emissions data.	Appendices – Performance data	Swire Pacific Annual Report 2022 – Sustainable Development Review
			KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	SwireTHRIVE – Climate	
	305-2	Energy indirect (Scope 2) GHG emissions				
	305-3	Other indirect (Scope 3) GHG emissions				
305-5	Reduction of GHG emissions	KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.			



GRI Standards Topic Specific Standard	GRI Ref.	Description	HKEX ESG Guide Ref.	Description	Report Section	Remarks	
<b>Environmental</b>							
GRI 306: Waste 2020	3-3	Management of material topic	General Disclosure A1, A3	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.  Policies on minimising the issuer's significant impact on the environment and natural resources.	SwireTHRIVE – Waste	Swire Pacific Sustainable Development Policy and related policies.  It is not considered that any individual laws or regulations have a significant impact on the Swire Pacific Group.	
		306-1	Waste generation and significant waste-related impacts				
		306-2	Management of significant waste-related impacts	KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.		
		306-3	Waste generated	KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Appendices – Performance data SwireTHRIVE – Waste	
				KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).		
GRI 308: Supplier Environmental Assessment 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.	Other ESG disclosures – Supply chain	Swire Pacific Sustainable Procurement Policy  This was deemed to not be material at group level, by our materiality assessment.	
			KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Other ESG disclosures – Biodiversity		
			KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.			
			KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.			



GRI Standards Topic Specific Standard	GRI Ref.	Description	HKEX ESG Guide Ref.	Description	Report Section	Remarks
<b>Social</b>						
GRI 401: Employment 2016	3-3	Management of material topic	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.	Other ESG disclosures – Talent management SwireTHRIVE – People	It is not considered that any individual laws or regulations have a significant impact on the Swire Pacific Group.
	401-1	New employee hires and employee turnover	KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Appendices – Performance data	
GRI 403: Occupational Health and Safety 2018	3-3	Management of material topic	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.	SwireTHRIVE – People	It is not considered that any individual laws or regulations have a significant impact on the Swire Pacific Group.
	403-9	Work-related injuries	KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Appendices – Performance data SwireTHRIVE – People	Swire Pacific only reports on the lost day rate, lost time injury rate and fatalities of our employees. We do not disclose occupational health & safety data by gender and region.
			KPI B2.2	Lost days due to work injury.		
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.					
GRI 404: Training and Education 2016	3-3	Management of material topic	General Disclosure B3	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Other ESG disclosures – Talent management	
	404-1	Average hours of training per year per employee	KPI B3.1	The percentage of employees trained by gender and employee category.	Appendices – Performance data	
KPI B3.2			The average training hours completed per employee by gender and employee category.	Appendices – Performance data Other ESG disclosures – Talent management		



GRI Standards Topic Specific Standard	GRI Ref.	Description	HKEX ESG Guide Ref.	Description	Report Section	Remarks
<b>Social</b>						
GRI 405: Diversity and Equal Opportunity 2016	3-3	Management of material topic	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.	SwireTHRIVE – People	It is not considered that any individual laws or regulations have a significant impact on the Swire Pacific Group.
	405-1	Diversity of governance bodies and employees	KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	Appendices – Performance data SwireTHRIVE – People	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			Appendices – Performance data SwireTHRIVE – People	
GRI 406: Non-discrimination 2016	3-3	Management of material topic	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.	SwireTHRIVE – People	It is not considered that any individual laws or regulations have a significant impact on the Swire Pacific Group.
	406-1	Incidents of discrimination and corrective actions taken				
GRI 408: Child Labour 2016	3-3	Management of material topic	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.	Other ESG disclosures – Supply chain Other ESG disclosures – Governance	It is not considered that any individual laws or regulations have a significant impact on the Swire Pacific Group.  This was deemed to not be material at group level, by our materiality assessment.
			KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.		
			KPI B4.2	Description of steps taken to eliminate such practices when discovered.		
GRI 409: Forced or Compulsory Labour 2016	3-3	Management of material topic	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.	Other ESG disclosures – Supply chain Other ESG disclosures – Governance	It is not considered that any individual laws or regulations have a significant impact on the Swire Pacific Group.  This was deemed to not be material at group level, by our materiality assessment.



GRI Standards Topic Specific Standard	GRI Ref.	Description	HKEX ESG Guide Ref.	Description	Report Section	Remarks
<b>Social</b>						
GRI 413: Local Communities 2016	3-3	Management of material topic	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.	SwireTHRIVE – Communities	
			KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).		
			KPI B8.2	Resources contributed (e.g. money or time) to the focus area.		
GRI 414: Supplier Social Assessment 2016	3-3	Management of material topic	General Disclosure B5	Policies on managing environmental and social risks of the supply chain.	Other ESG disclosures – Supply chain	Swire Pacific Sustainable Procurement Policy  Swire Pacific does not have a centralised Procurement function. Each operating company is responsible for its own procurement, so we do not have group level supplier data.  This was deemed to not be material at group level, by our materiality assessment.
			KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.		
			KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.		
GRI 415: Public Policy 2016	3-3	Management of material topic			Other ESG disclosures – Governance	This was deemed to not be material at group level, by our materiality assessment.
GRI 418: Customer Privacy 2016	3-3	Management of material topic	KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Our business – Risk management – Cybersecurity  Other ESG disclosures – Customers	
	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data				





GRI Standards Topic Specific Standard	GRI Ref.	Description	HKEX ESG Guide Ref.	Description	Report Section	Remarks
<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.	Other ESG disclosures – Customers	It is not considered that any individual laws or regulations have a significant impact on the Swire Pacific Group.
			KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.		This was deemed to not be material at group level, by our materiality assessment.
			KPI B6.2	Number of products and service related complaints received and how they are dealt with.		
			KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.		
			KPI B6.4	Description of quality assurance process and recall procedures.		



# Glossary

References in this document to Hong Kong are to Hong Kong SAR, to Macau are to Macao SAR and to Taiwan are to the Taiwan region.

## A

### **Available tonne kilometres or ATK**

Overall capacity, measured in tonnes available for the carriage of airline passengers, excess baggage, cargo and mail on a flight sector multiplied by the sector distance.

## B

### **Biogenic emissions**

CO<sub>2</sub> emissions from the combustion or biodegradation of biomass.

### **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**

A measure of the global warming potential of releases of the six greenhouse gases specified by the Kyoto Protocol. These are 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 by 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, recovered and reused at the end of their service lives.

### **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.

### **Cubic metres or cbm**

A metric unit of volume or capacity equal to 1,000 litres or 1.0 metric tonne of water.

## D

### **Drink Without Waste or #DWW**

A coalition (of beverages producers and bottlers, waste management enterprises and NGOs) which wants 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 an enterprise's operations and objectives.

### **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**

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**

Certification for timber products that indicates it was sourced from responsibly managed forests 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 does not measure the difference in pay between men and women for doing the same job, but across all jobs within a particular category. In Swire Pacific, gender pay gap is calculated as the percentage differences in annual pay between women and men by employee categories.

**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.

## 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 the Listing of Securities on The Stock Exchange of Hong Kong Limited.

## 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 scientific information relevant to understanding the scientific basis of the risk of human-induced climate change and its natural, political, and economic impacts.

**International Civil Aviation****Organisation or ICAO**

A United Nations body which manages the administration and governance of the Convention on International Civil Aviation.

## L

**Leadership in Energy and Environmental Design or LEED**

A green building rating system devised by the United States Green Building Council.

**Location-based method**

A way of calculating scope 2 emissions that reflects the average emissions intensity of the grids on which energy consumption occurs, using mostly local, subnational or national grid-average emission factors.

**Lost Day Rate or LDR**

The number of lost scheduled working days per 100 employees per year. It is calculated as the total days lost multiplied by 200,000 and then 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. It is calculated as the total injuries multiplied by 200,000 and then 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.

## M

**Market-based method**

A way of calculating scope 2 emissions that reflects the emissions from energy that an organisation has specifically chosen to purchase. Emissions factors are derived from contractual instruments (i.e. contracts to purchase energy bundled with attributes for the energy generation, or unbundled attribute claims).

## O

**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**

Physical risks include 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.

## R

**Representative Concentration Pathways or RCPs**

RCPs are prescribed pathways for greenhouse gas and aerosol concentrations (not emissions), together with land use change, that are consistent with a set of broad climate outcomes used by the climate modelling community. Four RCPs are used by the IPCC's fifth assessment report (RCP 2.6, 4.5, 6.0 and 8.5).

RCP 2.6 represents hard emissions cuts, which are likely to keep warming below 2°C.

RCP 4.5 and 6.0 are intermediate stabilisation scenarios.

RCP 8.5 represents a scenario where little effort is made to reduce emissions and curb warming by 2100. This is usually taken as the worst-case climate scenario.

**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.



## S

**SBTi**

Science Based Targets initiative. A collaboration between Carbon Disclosure Project, the United Nations Global Compact, World Resources Institute, and World Wildlife Fund which 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 purchased electricity, heat and steam.

See also [Greenhouse gas](#) or [GHG](#), [scope 2 emissions](#), [scope 3 emissions](#).

**Scope 3 emissions**

GHG emissions in an organisation's supply chain or generated by its customers.

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**

Swire Pacific's sustainable development strategy, which deals with climate, waste, water, people and communities.

## T

**Task Force on 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 Individual Contributors. 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, which may arise from changes in policy, law, technology and markets and which include risks to reputation.

See also Climate-related risk, Physical risks.

## U

**United Nations Sustainable Development Goals** or **SDGs**

A set of 17 goals, adopted by all United Nations Member States in 2015 as part of the 2030 Agenda for Sustainable Development, which aim to provide a shared blueprint for peace and prosperity for people and the planet.

## W

**Waste diversion**

The proportion of waste generated in our operations that is diverted from disposal at landfill or incineration without energy recovery.

**Water consumption**

The volume of water that is used in products, in the production of crops, or has been consumed by humans or livestock, and is therefore not released back to the environment or a third-party.

**Water replenishment**

Swire Coca-Cola works with TCCC to replenish its water use through partnership projects that help conserve, clean, store or make accessible an equivalent amount of water for nature and people. TCCC has a target to replenish 100% of its direct water use.

**Water stress**

According to WRI Aqueduct, baseline water stress measures the ratio of total water withdrawals to available renewable surface and groundwater supplies. Higher values indicate more competition among users.

**Water use ratio** or **WUR**

The number of litres of water used to produce a litre of product. It is calculated as total water used divided by total production volume.

**Water withdrawal**

The sum of all water drawn from surface water, groundwater, or a third party for any use over the course of the reporting period.

**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.