



# Thriving together

2023  
Sustainability  
Report



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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). Operating companies which Swire Pacific does not control are excluded. Its business activities are predominantly in South East Asia and 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 through innovation and improved efficiency, it supports the creation of long-term shareholder and stakeholder value.

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 2024. It is additional to the Sustainability Review in the Swire Pacific Annual Report 2023. Key performance data has been independently assured by Deloitte.

**Explore more**
[More about Swire Pacific](#)

[Other ESG disclosures](#)

[About this report](#)

[How we identify material topics](#)




## INTRODUCTION

## Chairman's statement



Guy Bradley

**Dear Stakeholders,**

At Swire Pacific, we are committed to driving sustainable development and creating a positive impact on the environment, society and the communities in which we operate. As Chairman, I am pleased to present our progress and achievements in our 2023 Sustainability Report.

Last year saw our businesses continue to emerge from the constraints of the pandemic. At the same time, 2023 was the hottest on record, climatic events impacted communities and businesses across the globe, and conflicts and geopolitical tensions threatened progress on the global sustainability agenda. We believe that Swire Pacific has an important role to play in developing and advancing new sustainable business solutions.

In 2020, we made a bold set of long-term commitments through our Group Sustainability strategy, SwireTHRIVE. We are developing roadmaps to achieve our environmental ambitions, deepening our understanding of climate risk and opportunity, and factoring the cost of carbon into business decisions. We are exploring what maturity in diversity, equity and inclusion truly looks like, and we continue to invest in our communities through the Swire Trust.

**Environmental progress**

This past year, we took stock of our planned near-term decarbonisation, waste and water neutrality strategies, and assessed which technologies offer our most approachable pathways to a low-carbon, water-neutral future in which none of our waste goes to landfill. Our environmental roadmaps will help Swire Pacific determine how best to deploy our resources to meet our objectives beyond 2030.

We piloted the adoption of an internal carbon pricing ("ICP") mechanism with Swire Properties, Swire Coca-Cola and HAECO. Our hybrid approach of applying a carbon fee and shadow price will set budget aside for additional decarbonisation projects, and will help our businesses determine the potential impact of carbon emissions from investments, quantify carbon risks and enable decision making in line with our net zero ambitions. Their work will continue in 2024, and will guide our other businesses.

In what was a record year for our SD Fund, we received our highest ever number of funding applications and provided more than HK\$84.8 million to companies across the Group to finance projects that will help Swire Pacific achieve our 2030 climate, water and waste targets. Through planned spending, the carbon fund from our ICP and our SD Fund, we continued to make progress in 2023.

**"Our environmental roadmaps will help Swire Pacific determine how best to deploy our resources to meet our objectives beyond 2030.**

**Through planned spending, the carbon fund from our ICP and our SD Fund, we continued to make progress in 2023. We remain committed to achieving a more diverse, equitable, and inclusive workplace, including increased female representation in leadership positions."**





Swire Properties climbed to the number two position globally in the Dow Jones Sustainability Index 2023. In July, it became the first Hong Kong corporation to issue an RMB-denominated public green bond, known as a “green dim sum bond”, and by year end utilised the proceeds on green buildings, energy efficiency and renewable energy projects, and sustainable water and waste management. This past year, it pioneered new ground as an early adopter of the Taskforce on Nature-related Financial Disclosures (TNFD), and became the only Hong Kong representative of the 40-member Taskforce on TNFD, which will help companies to integrate nature-related considerations into their investment decisions and business operations.

Swire Coca-Cola successfully piloted, and has begun to scale, advanced technology that significantly reduces energy and steam requirements for its sparkling production lines in the Chinese Mainland. It made good progress on its 100% renewable energy target, with a quarter

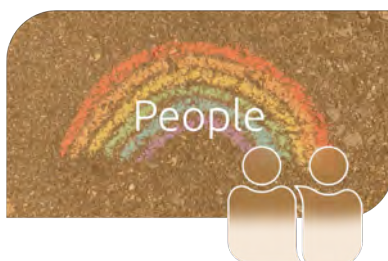
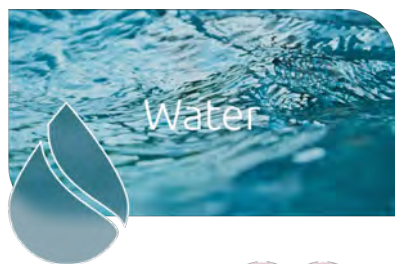
of electricity used in 2023 coming from renewable sources. In Hong Kong, HAECO continued to expand its installation of solar panels across its hangers at the Hong Kong International Airport. Once completed, its array of more than 9,000 panels will generate an annual output of 4 megawatts of electricity, making it one of Hong Kong's largest solar energy producers.

Cathay Group continues its journey to rebuild both its passenger and cargo businesses, and with that has come an uptick in aircraft emissions. To decouple its growth from its carbon output, it has invested heavily in modern, fuel efficient aircraft. This year it took delivery of 11 next-generation aircraft with advanced fuel efficiency improvements and scheduled another 75 new passenger and cargo aircraft to join Cathay Group's fleet in the following years. Its SAF agreements, coalitions and Corporate SAF Programme show commitment to low-emissions flight, and I encourage our partners to join us on this journey.

## Delivering on our social commitments

At Swire Pacific we remain committed to achieving a more diverse, equitable, and inclusive workplace, including increased female representation in leadership positions. We recognise that a diverse workplace can increase innovation and foster better solutions, and will help our business grow. In the first half of 2024, we will complete an internal assessment of our diversity, equity and inclusion maturity which we will use to determine how to build on progress already made.

We encourage our colleagues to contribute their time, talents and passion to community and charitable initiatives that both inspire them and align with our purpose. 2023 was the final year of the Swire Trust's TrustTomorrow initiative. Launched in 2020, TrustTomorrow provided \$150 million in additional community investment during what was a challenging period. It has set a blueprint for how we will conduct philanthropy in future. I'd like to offer my thanks for the hard work carried out by my colleagues and all organisations involved.



## Looking ahead

We will continue to pursue best practices and trial innovative technologies, and are strengthening how we manage and integrate sustainability across Swire Pacific. To drive towards our 2030 goals our companies have collectively committed between HK\$900 million and HK\$1,400 million annually on sustainability projects over the next three years.

Last year, at the welcome return of the Swire ESG Forum, I was heartened to hear in detail our cross-functional responses to pressing sustainability challenges for our Group. It made clear that ensuring we make progress is everyone's responsibility. I commend my colleagues for their dedication, and for standing true to our values. I invite you to read our 2023 Sustainability Report and share in my optimism that we continue to make progress.



## INTRODUCTION

## From our Department Heads

**Mark Harper**

Group Head of Sustainability

“Our annual sustainability report is not just a scorecard for our operations, it is also our roadmap to achieving our SwireTHRIVE commitments.”

2023 has been recorded as the warmest year in history. Extreme weather caused devastating droughts, wildfires, famine, floods, and heat waves with alarming frequency. The Global Stock Take report issued by the Intergovernmental Panel on Climate Change (IPCC) at COP29, underscored the severity of the climate crisis, and the urgent need for global collective action. Meaningful climate action requires an enduring commitment from all sectors of society, with business needing to play an increasingly important role in the low carbon transition.

Swire Pacific’s approach to addressing the climate crisis starts with the sustainability of our own business. In 2020 we set ambitious targets and commitments: to be a net zero, water neutral, zero waste to landfill company—all by 2050. Three years into this journey, we remain steadfast in our commitment.

The total Swire Pacific climate footprint in FY23 is estimated to be 723 thousand tonnes of CO<sub>2</sub>e – an increase of 11% compared to FY22. This is largely due to ongoing business recovery from COVID-19 and expansion of Swire Coca-Cola into new markets. As our business continues to accelerate and grow, our reported progress in GHG emission reductions will not be linear. However, we remain confident in our ability to achieve our ambitious targets and our commitment to achieving net zero, as we further integrate our carbon reduction strategies across our operations. Using innovative technologies, driving operational efficiencies, introducing internal carbon pricing, and the use of renewable energy, we have achieved substantial reductions in our greenhouse gas emissions for operations covered by our 2030 target. Since the launch of SwireTHRIVE we have achieved a 30% reduction in our scope 1 and 2 emissions against a 2018 baseline.

Ensuring we are collecting high-quality, accurate data is vital to our reporting efforts. Accordingly, we are improving on our systems, processes, and internal controls to align them with the COSO ICSR Framework to ensure that our sustainability data that is reported is meaningful, well-defined, and verifiable, and that processes are appropriately documented.

To enhance our reporting and prepare for upcoming regulatory changes, we are also partnering with our operating companies and the Group Risk Management Department to prepare for gradually expanding the scope of external assurance to other ESG data points, seeking further alignment with voluntary standards such as the GRI Standards and ISSB.

We recognise that achieving our SwireTHRIVE targets and addressing the global sustainability challenges requires collective action. Therefore, we actively seek partnerships and collaborations with like-minded organisations, industry peers, and government agencies. By sharing knowledge, expertise, and resources through our partnerships like Drink Without Waste and our membership of the World Business Council for Sustainable Development, we feel we can drive systemic change and accelerate the transition to a sustainable future.

Our annual sustainability report is not just a scorecard for our operations, it is also our roadmap to achieving our SwireTHRIVE commitments. We are excited by the journey and undaunted by the challenges that lie ahead. Collectively as a Group and in collaboration with our stakeholders we can deliver on our ambitions to be a leader in sustainability in all the sectors where we operate. As you read our report, we welcome your feedback, and your ideas on where we can do better.

**Ajay Manissery Konchery**

Group Head of Diversity,  
Equity and Inclusion

2023 was a year of 'firsts' for the Diversity, Equity & Inclusion (DE&I) capability at Swire Pacific. We crossed the threshold of 30% women at the Board level for the first time. It was the year in which we piloted data based and analytical methods to further understand how DE&I, and especially inclusion, could be a driver of outcomes such as wellbeing and business output. We also initiated a Group-wide, comprehensive assessment for the first time, in partnership with Deloitte, which underscores our commitment to creating a diverse, equitable and inclusive workplace in which our employees experience belonging.

We ended 2023 with a clear conviction that Diversity & Inclusion alone, without a corresponding maturity and focus on Equity at the workplace would not bring the benefits we desire. Therefore, in

2024, we will emphasise the importance of equity at the workplace. This symbolic shift informs our investments and initiatives, and builds on the solid foundation around Diversity & Inclusion (D&I) that we built over the years.

This year, we aspire to make DE&I a key driver of our high performing workplaces and embed it meaningfully in our businesses, people practices and the daily experience of our employees at work. Increasing the connection of inclusion and equity to talent management, employee wellbeing, high performance teams and ultimately, to marketplace metrics of our operating companies is the journey we have embarked on. We are confident of pioneering initiatives in 2024 to enable this journey in a pragmatic, measurable, people-centric, customised and business-focused manner.

**Wai Ching Cheung**

Chief Risk Officer

Throughout our history, Swire Pacific has relied upon its heritage of trust, founded on sound governance, to reach its aspirations as a builder of communities and diverse businesses.

As economies recover from the pandemic, I am confident that our culture of integrity and accountability will continue to guide the business to seize opportunities in periods of uncertainty and volatility, without compromising the needs of the planet and its populations.

Our strong moral compass is guided by prudent risk management, including our focus on staff wellness, health, and safety. Demonstrating these principles day-to-day gives us the currency to pursue our SwireTHRIVE objectives, the accomplishments of which are encapsulated within this report. I look forward to collaborating with our stakeholders in building a more sustainable future, underpinned by effective governance.

**Tina Chan**

Group Head of Philanthropy

Since its launch in 2020, Swire's TrustTomorrow initiative has funded more than 70 projects spanning Education, Marine Conservation and the Arts, and also gave a helping hand to those disadvantaged during the pandemic. Through an additional injection of HK\$ 150 million to supercharge the Swire Trust's philanthropic work, more than 100 NGOs were supported, and two million beneficiaries served in Hong Kong.

We were delighted to celebrate the fruits of the TrustTomorrow initiative towards the end of 2023, through a series of events to connect our NGOs with almost 10,000 stakeholders from the government, the philanthropic sector, our staff, and the wider public.

Across the Group, our operating companies continue to engage with their communities using their businesses, such as Swire Properties' hugely popular annual "BOOKS for Love @\$10" campaign in Hong Kong to support children's welfare, and Swire Coca-Cola's "Carbon Reduction Farmland" initiative in Chinese Mainland to create low-carbon communities that boosts rural revitalisation while preserving local characteristics.

Although the TrustTomorrow initiative concludes, its 'connect the dots' vision continues to prevail in how Swire conducts its philanthropic work. We look forward to continuing working with our community partners to sustain and amplify the impact into the future.



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## Material topics

Climate resilience

Cyber-security, privacy and data protection

Responsible lobbying

Sustainability governance



SWIRE

**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).

We are one of Hong Kong's largest and oldest employers, where we have over 32,000 employees. In the Chinese Mainland, we also have over 35,000 employees. Globally, we employ over 78,000 people<sup>1</sup>.



## Property Division

The Property Division comes under Swire Properties Limited. 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, Shanghai, and Xi'an), and the US (Miami). Swire Properties' business comprises three main areas: Investment Properties, Hotel Investment, and Property Trading.



## Beverages Division

The Beverages Division comes under Swire Coca-Cola, one of the largest Coca-Cola bottlers in the world. Swire Coca-Cola has the exclusive right to manufacture, market and distribute products of The Coca-Cola Company (TCCC) in 11 provinces and the Shanghai Municipality of the Chinese Mainland and in Hong Kong SAR, Taiwan region, Vietnam and Cambodia.

The disposal of 100% equity interests in the franchise business in the USA (doing business as Swire Coca-Cola, USA (SCCU)) was completed on 7th September 2023. Swire Coca-Cola continues to provide management and administrative support services to SCCU at an agreed annual management fee under a Management Services Agreement. Information in this Report relating to SCCU represents data up to completion of the disposal.



## Aviation Division

The Aviation Division comprises the wholly owned Hong Kong Aircraft Engineering Company (HAECO) Group and an associate interest in the Cathay Pacific Group<sup>2</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 230 aircraft at the end of 2023. The airlines directly connect Hong Kong to 93 destinations worldwide. It has a 16.26% 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. Includes companies not covered by this sustainability report (e.g. Cathay Pacific and Hong Kong Aero Engine Services Limited (HAESL)).

2. 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 sustainability report which is available on its corporate website.



### Further reading

[Swire Pacific Fact Sheet](#)



[Swire Pacific Annual Report 2023](#)



## Trading & Industrial

The Trading & Industrial businesses comprise Swire Resources, Taikoo Motors, Swire Foods, and Swire Environmental Services. Swire Resources retails and distributes footwear, apparel, and related accessories in Hong Kong, Macau, and the Chinese Mainland. It operated 163 retail outlets at the end of 2023. 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 363 stores at the end of 2023.

Taikoo Sugar packages and sells sugar in Hong Kong and the Chinese Mainland. Swire Waste Management Limited has waste management contracts in Hong Kong.

## 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 2023.

## Swire Pacific Group overview 2023

	Property	Beverages	Aviation	Trading & Industrial
<b>Total revenue</b> <sup>3</sup> (HK\$M)	14,625	51,842	17,787	10,555
<b>Recurring profit</b> <sup>4</sup> (HK\$M)	5,942	2,394	443	299
<b>Tax expense</b> <sup>5</sup> (HK\$M)	1,616	1,058	181	81
<b>Total employees</b> <sup>6</sup>	6,866	29,079	12,139	5,822
<b>Total scope 1 &amp; 2 GHG emissions</b> (thousand tonnes CO <sub>2</sub> e)	193	444	59	27
<b>Total water withdrawal</b> <sup>7</sup> (thousand cbm)	1,726	18,617	345	240
<b>Total waste generated</b> (tonnes)	40,192	44,576	4,861	1,487

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

4. Recurring profit figure for Aviation excludes Cathay Pacific and includes HAESL.

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

6. Total employees are those at 31st December 2023 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 58 employees directly employed by Swire Pacific (head office). Employee figures exclude Cathay Pacific Group and HAESL.

7. Total water withdrawal refers to the sum of water drawn from municipal water and groundwater. Virtually all water withdrawal by Swire Pacific 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 businesses 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 2023, we updated several policies in line with our internal policy review process:

- Biodiversity Policy
- Carbon Offset Policy
- Sustainable Building Design Policy
- Sustainable Water Policy

All policies related to sustainable development can be downloaded from our corporate [website](#).

### Further reading

[ESG 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.

## 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. The fund provides a capex bridge to make those projects possible. 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 through the capex bridge mechanism. 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 identified sustainability problems for which we have not yet found a solution. Successful applicants receive funding to pilot their solution in our operations. 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 Group, including innovative new technologies such as Direct Current Microgrids at Taikoo Li Sanlitun shopping centre in Beijing. In 2023, the fund allocated approximately HK\$84.8 million to 12 projects at various 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 47% of total financing across the Group at the end of 2023.

Swire Properties' commitment to green financing began in 2018 with its inaugural green bond. In 2023, Swire Properties secured sustainability-linked loan facilities totalling HKD7.2 billion and green bonds totalling HKD6.0 billion. By the end of December 2023, approximately 60% of its current bond and loan facilities came from green financing. Swire Properties has already achieved its 2025 KPI of having a minimum of 50% in green financing, two years ahead of schedule, and is targeting for at least 80% of its bond and loan facilities to come from green financing by 2030.

Swire Properties has been recognised by the financial industry for its pioneering efforts in promoting green financing in the real estate industry and in Hong Kong, with its successful launch of the city's first and the largest-ever corporate public Renminbi (RMB) 3.2 billion green bonds ("green dim sum bonds") in 2023. It received Best ESG Issuer in Asia at the FinanceAsia Achievement Awards 2023, with the green dim sum bonds offering receiving two other awards at the IFR Asia Awards 2023 and The Asset Triple A Awards 2024.

New Life Plastics Limited, a joint venture to which Swire Coca-Cola is a party, has also obtained a sustainability-linked loan.

### Explore more

<a href="#">Performance data</a>	
<a href="#">Climate</a>	
<a href="#">Waste</a>	
<a href="#">Water</a>	
<a href="#">People</a>	
<a href="#">Communities</a>	



## 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 reviews 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 six 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.

The board receives training materials or direct training annually. In 2023, the Board received external training on ESG including risk. Further information on our board diversity, processes, and training is available in the Corporate Governance section of the Swire Pacific Annual Report 2023.

### Further reading

[Swire Pacific Annual Report 2023](#)

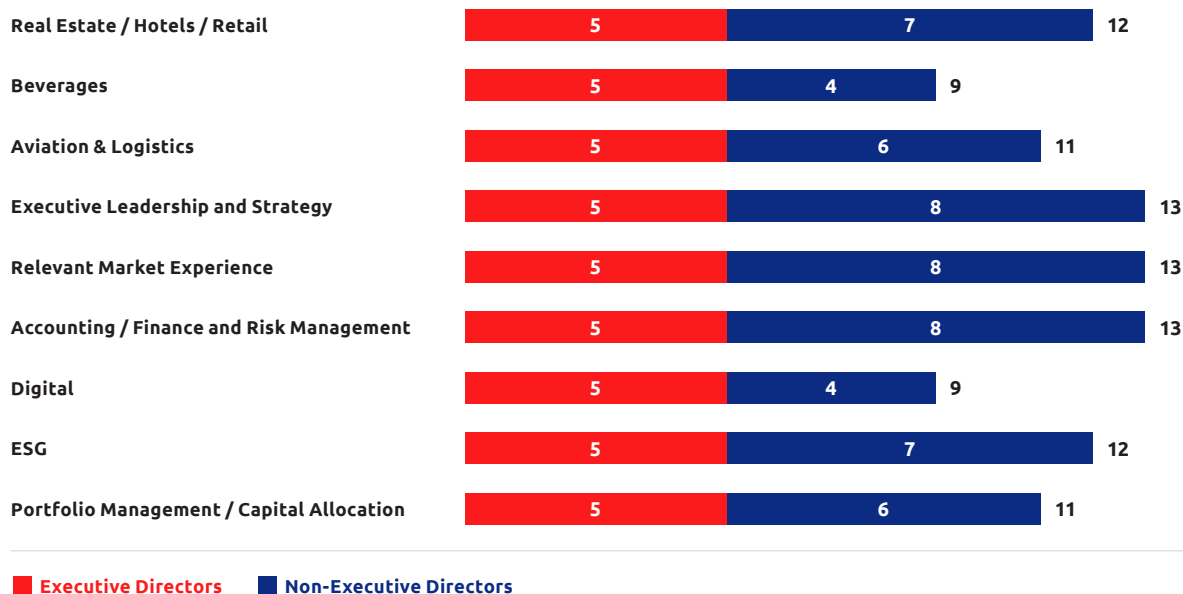
### Explore more

[ESG risk management](#)

[Governance](#)

## Skills, expertise and experience

### Related industry experience (out of 13 Directors)





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 external stakeholders. The Group Head of Sustainability briefs the Board and Division Heads twice a year on sustainability matters, reports periodically to the Audit Committee, the Terms of Reference for which include oversight of ESG, and attends the meetings of the Swire Pacific Risk Management Committee and ESG Risk Forum. The Board ultimately reviews and approves the Group's sustainable development related targets.

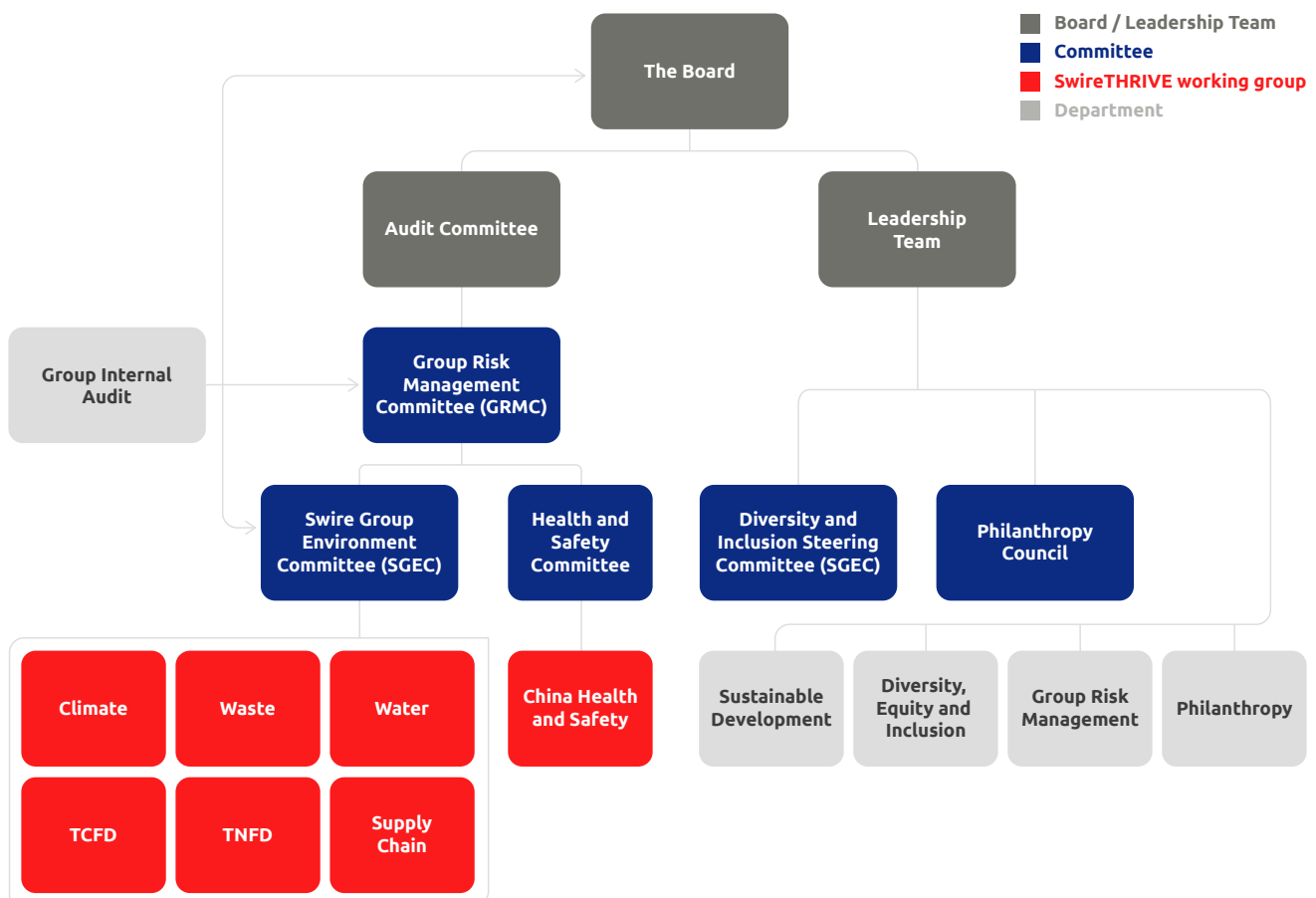
Responsibility for achieving sustainability objectives and implementing SwireTHRIVE and our ESG policies on a day-to-day basis is delegated to division heads, with oversight from specialist Group departments. The Sustainable Development Office (SDO), the Group Risk Management and Diversity, Equity and 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. Operating companies are required to submit to SDO planned sustainable development capital expenditure budgets that are intended to drive progress towards SwireTHRIVE targets. In turn, the SDO provides the Board of Directors with quarterly reports on performance against sustainability targets and key initiatives being implemented by the operating companies.

### Further reading

[Swire Pacific Group companies' sustainability reports](#)



### Sustainability governance structure





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 and Philanthropy Council (which report directly to the Chairman).

The SDO, led by the Group Head of Sustainability, reports monthly to the Group's Finance Director, who is an Executive Director of the Company. The SDO 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 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 six 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) and emerging disclosure requirements. A nature-related working group has been established in 2024.

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.

## 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 the Group's economic, environmental, human, technological, and social capital in the long term
- the identification and effective management of the 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 Properties 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, Equity, 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](#).


## About the Health & Safety Committee


The Health & Safety Committee oversees the process required to ensure that all operations are carried out in a manner that the first priority is to safeguard the health and safety of all stakeholders. It reports three times per year to the Group Risk Management Committee (GRMC) on health and safety performance across the Group. It is responsible for the development of Group Health and Safety policies and processes, monitoring performance and sharing divisional best practices. It builds internal capability by promoting Health & Safety education, directing projects and promoting education and wellbeing in the workplace.

## About the Philanthropy Council

The Swire Group Charitable Trust Philanthropy Council represents the interests of the Swire Trust and oversees its strategic direction and management. Members are senior management within the Swire Group. They are appointed by the Philanthropy Council Chair based on their knowledge on the supported social causes, interest in public service and representation of different operating companies and key functions across the Group. The Group Head of Philanthropy serves as the Secretary to the Philanthropy Council. Its duties include reviewing and approving the annual budget for the Swire Trust, considering and approving proposals for major new projects in accordance with the Trust's core areas, ensuring that donations are spent consistent with the vision and mission of the Trust, and reviewing compliance with relevant laws.

### Further reading

[Swire Pacific Annual Report 2023 – Corporate Governance Report](#) 

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





## 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.

### Explore more

ESG risk management



Governance



Member of

### Dow Jones Sustainability Indices

Powered by the S&P Global CSA

#### Dow Jones Sustainability Index

In 2023, 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 Member 2023-2024

#### Hang Seng Corporate Sustainability Index Series

In 2023, 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  
ESG RATINGS



CCC B BB BBB A AA AAA

#### MSCI Constituent MSCI Global SRI Indexes

In 2023, Swire Pacific received an AAA rating from MSCI ESG Research, making us one of the top performers in our sector.



#### CDP

In 2023, Swire Pacific achieved a score of A- for CDP Climate Change.

### Sustainability Yearbook Member 2024 S&P Global ESG Score

#### S&P Global Sustainability Yearbook

Swire Pacific was included in the S&P Global Sustainability Yearbook 2024, which recognises top performers in corporate sustainability based on assessments of over 9,400 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 third year in a row.

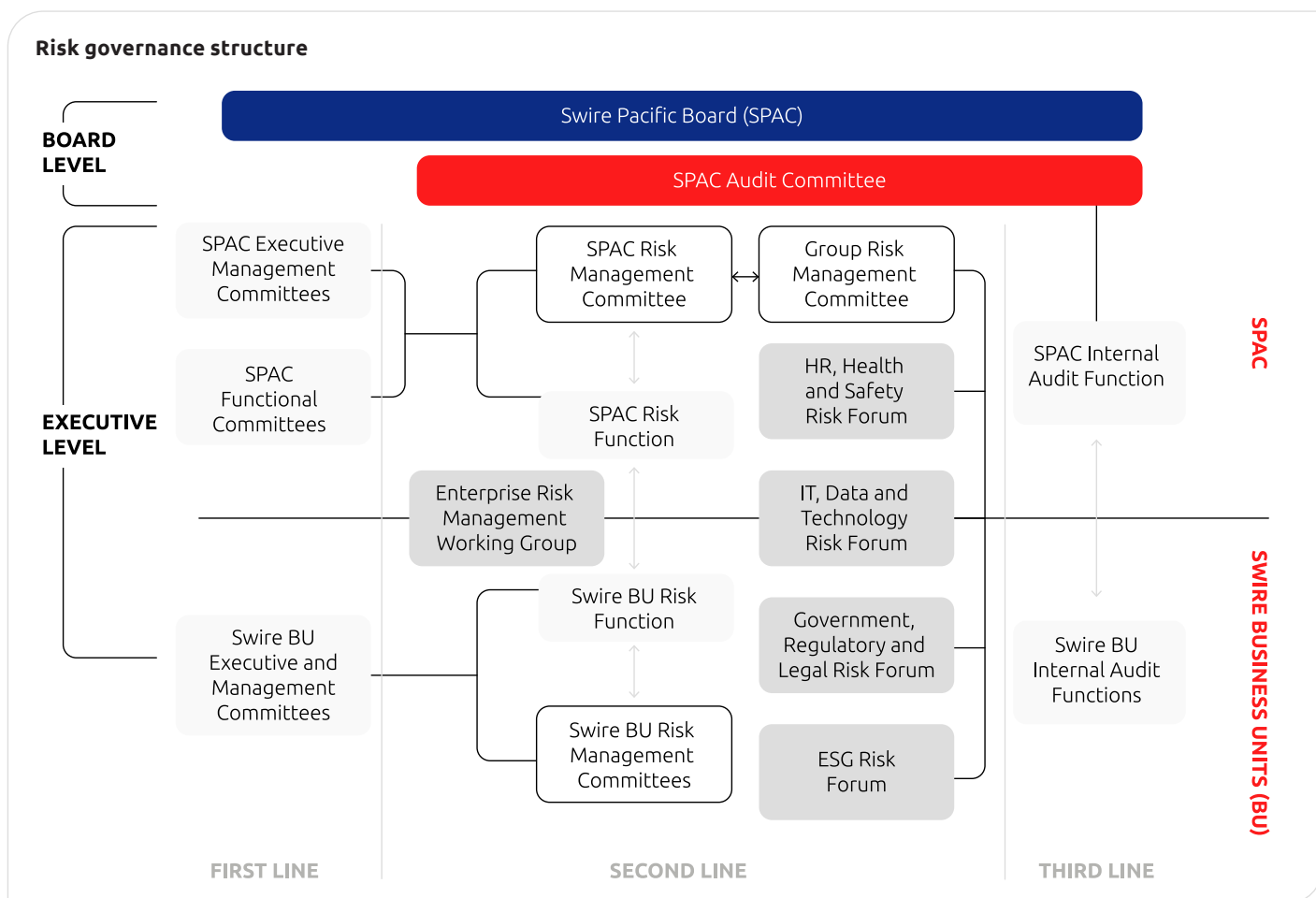


OUR BUSINESS

# 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 (SGEC), 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.

## 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 effectively managed. 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 heads, 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 GRMC and the SPACRMC are chaired by the Finance Director, who is supported by the Chief Risk Officer.

## The Third Line

The third line is supported by the Group Internal Audit Department. The Group's Internal Audit provides independent and objective assurance that the risk management processes are implemented properly and operating effectively and that the risks which could impact our ability to achieve our business objectives are being properly identified, assessed, and mitigated.

The boards and management of operating companies are responsible for the management of risk at those companies.

### Explore more

[Our approach](#)





## Enterprise risk management

The Group's ERM framework is aligned with international standards such as ISO 31000. Our 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, greenwashing, and people and culture. Regulatory and policy change related to ESG has been identified as an emerging risk. Descriptions of these risks and 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 are required to implement the ERM process.

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

In 2023, our key risk management focus areas included: economic slowdown, evolution of Hong Kong, geopolitical risk, cybersecurity and data protection, greenwashing, people and culture, crisis management, portfolio discipline, and climate change. More details of our ERM process and our risk mitigation measures can be found in our Annual Report.

## ESG due diligence

Risk management is an integral part of business management and is included in due diligence on major investments. In 2024, we are building on our current approach, which focuses on compliance with laws and regulations related to ESG, by layering in geospatial physical climate risk assessments for the assets of potential new investments. As part of our Internal Carbon Pricing pilot, our three largest operating companies are considering the operational emissions associated with key projects by applying a shadow carbon price which is then reviewed by the operating company or Group investment committee.

### Further reading

[Swire Pacific Annual Report 2023 – Risk management](#)

[Group ERM process](#)

### Explore more

[Climate](#)

[People](#)

[Talent management](#)





## 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 (NIST CSF). Several major operating companies also reference the ISO 27001 standard for information security management.

Swire Pacific has appointed a Group Chief Information Security Officer (CISO) and established a central Cybersecurity Centre of Excellence (CCoE) under the CISO's direction. The CCoE team is dedicated to providing guidance, sharing best practices, conducting research, driving innovation, offering support, and delivering training to our operating companies. The central team is responsible for developing the Group cybersecurity strategy and creating and maintaining security policies and standards. The central team also manages cybersecurity programmes and projects, and establishes cybersecurity service lines which include, but are not limited to, Cybersecurity Maturity Assessment, Threat and Vulnerability Management, Managed Security Operation Centre, Incident Response Retainer, Attack Surface Management, and Red Teaming exercises.

The Swire Pacific CISO chairs the Cyber Security Working Group (CSWG), which is composed of cybersecurity professionals across the Group. The CSWG members meet regularly to facilitate the exchange of best cybersecurity practices and to bolster cybersecurity awareness throughout the Group. The CISO is a member of the IT Committee (ITC) which oversees the cybersecurity programs for the operating companies.

The CISO presents cybersecurity topics and reports significant cybersecurity risks 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. The CISO provides oversight of the cybersecurity risk landscape from a Group perspective during the risk forum meetings.

Operating companies undertake a Control Self-Assessment from a cybersecurity perspective annually in response to requests from Group Internal Audit Department.

### Further reading

[Swire Pacific Annual Report 2023](#)

### Explore more

[ESG risk management](#)



### Cybersecurity measures

Cybersecurity Maturity Assessment (CMA) Service Line	Group Information Security Policy (GISP)
Threat and Vulnerability Management (TVM) Service Line	Threat and Vulnerability Management Policy (TVMP)
Managed Security Operation Centre (MSOC) Service Line	Cyber and Technology Risk Management Policy (CTRMP)
Incident Response Retainer (IRR) Service Line	Cybersecurity Incident Management Policy (CIMP)
Attack Surface Management (ASM) Service Line	Regular Phishing Simulation
Red Team Attack Simulation (RTAS) Service Line	Security Awareness & Training



OUR BUSINESS

# 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**

[Task Force on Climate-related financial disclosures](#)

## 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.
- The Group Finance 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).

## FIRST LINE

Swire Group Environmental Committee (SGEC)

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

### 2023 Activity

- The SGEC and Climate Change Working Group both met three times in 2023:
  - Delivering a full scope 3 inventory of the Group
  - Piloting 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

Swire Pacific Board of Directors

- 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

### 2023 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

## SECOND LINE

Group Risk Management Committee

SPAC Risk Management Committee

Environment and Social Governance 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

### 2023 Activity

- The Risk Forums and Committee’s 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 our operating companies
- 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

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

### 2023 Activity

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



- 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.
- The Board provides oversight over all the three lines.
- 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 2023, 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.
- The Group Head of Sustainability is also required to periodically update the Audit Committee on the governance and oversight of ESG operating and external reporting matters, as well as the assessment and management of material environmental and social risks.

- In 2023, we conducted a double and dynamic materiality review to gather feedback from internal and external stakeholders through qualitative interviews and focus groups. The topics of climate mitigation, climate adaptation, 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 heads meet at least 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 the Finance 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.

## 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 2023 Annual Report and Sustainability Report.
- 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.

#### Explore more

- [ESG risk management](#)
- [Assessing materiality](#)
- [Waste](#)
- [Water](#)

#### Further reading

- [Swire Pacific Annual Report 2023](#)
- [Climate Change Policy](#)



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

- Analysis of our climate-related risks and opportunities:

**Key climate-related physical risks**

● Low ● Moderate ● High

Risk category	Risk	Financial implications	Potential impact rating <sup>1</sup>				Mitigation strategies
			Short-Medium term (2030)		Long-term (2050)		
			Low carbon	High carbon	Low carbon	High carbon	
Acute	- Coastal and fluvial flooding	- More spending to improve the adaptive capacity of our assets and to mitigate adverse effects	●	●	●	●	<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>
	- Typhoons		●	●	●	●	
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>	●	●	●	●	<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 and drought	<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>	●	●	●	●	

1. Potential financial impact rating (low, moderate, high) is based on inherent climate risk scores, which are a function of risk and vulnerability scores. We align the modelled financial impacts of physical climate risks with the financial impact dimension of our enterprise risk management process to determine what we consider a high, medium or low financial impact (Low = up to HK\$100m; Moderate = HK\$100m-1bn; High = HK\$1bn+).



## Key climate-related transition risks

● Low ● Moderate ● High

Risk category	Risk	Financial implications	Potential impact <sup>2</sup>				Mitigation strategies
			Short-Medium term (2030)		Long-term (2050)		
			Low carbon	High carbon	Low carbon	High carbon	
Policy regulations	- Carbon pricing for manufacturing and construction	- Carbon taxes and more spending on offsets	●	●	●	●	- Implementation of internal carbon pricing - Developing Group Carbon Removal Strategy
	- More ambitious national decarbonisation plans and tighter building energy codes	- More spending to improve energy efficiency and to meet compliance	●	●	●	●	- We 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 - Sustainable Building Design Policy requires all new buildings with construction floor area (CFA) of more than 5,000 m2 to obtain a minimum of the second highest relevant grade or above under an internationally or locally recognised Green Building certification - In 2023, 100% of wholly owned new projects under development achieved the highest green building rating and 94% of wholly owned existing buildings were certified green buildings - Energy Efficiency Policy commits our businesses to adopt industry best practices to improve energy efficiency in their operations
	- Increasing focus on scope 3 emissions	- Increased supply chain costs - Increased reporting and compliance costs	●	●	●	●	- Fully mapped our scope 3 emissions - Piloting the use of the EcoVadis platform to improve visibility of scope 3 emissions - Engaging with key packaging suppliers on use of recycled materials - Setting embodied carbon targets for new developments

2. Potential financial impact rating (low, moderate, high) is based on inherent climate risk scores, which are a function of risk and vulnerability scores. We align the modelled financial impacts of physical climate risks with the financial impact dimension of our enterprise risk management process to determine what we consider a high, medium or low financial impact (Low = up to HK\$100m; Moderate = HK\$100m-1bn; High = HK\$1bn+).





## Key climate-related transition risks

● Low ● Moderate ● High

Risk category	Risk	Financial implications	Potential impact <sup>2</sup>				Mitigation strategies
			Short-Medium term (2030)		Long-term (2050)		
			Low carbon	High carbon	Low carbon	High carbon	
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>- 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>

2. Potential financial impact rating (low, moderate, high) is based on inherent climate risk scores, which are a function of risk and vulnerability scores. We align the modelled financial impacts of physical climate risks with the financial impact dimension of our enterprise risk management process to determine what we consider a high, medium or low financial impact (Low = up to HK\$100m; Moderate = HK\$100m-1bn; High = HK\$1bn+).



## 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 Cathay Pacific 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 Cathay Pacific 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 buildings</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 2023, 100% of wholly owned new projects under development achieved green building certification ratings</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 47% of total financing across the Group at the end of 2023</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 60% 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 Cathay Pacific 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>

- See the respective 2023 Sustainability Report 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 provided by S&P 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 2023, via the Climate and TCFD working groups we worked 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 can be found in this report. A similar exercise was conducted for our Beverage Division.
- The findings will be incorporated into the Group's ERM system.
- In accordance with the TCFD's recommendations, we have developed two distinct and plausible climate change scenarios to stress test the resilience of our business and strategy to varying future operating environments.
- The scenarios used by Swire Pacific have been informed by several publicly available climate scenarios from recognised authorities including the International Energy Agency ("IEA"), the Network for Greening the Financial System ("NGFS") and the IPCC who developed the Shared Socio-Economic Pathways ("SSPs"). The scenarios incorporate global and local government policies, environmental, economic, social, and technology indicators and market trends. The scenarios are not intended to be predictions of the future; rather, they seek to stress-test our business against several plausible future states. The scenarios look at time horizons, a short-medium term of 2030 and long-term of 2050.

– **High Carbon Scenario:** Represents a 'business as usual' world which does not forcefully pursue decarbonisation, and where no additional action is taken above the current policies that are in place in 2023. Emissions slow to a plateau in the 2030's and fall slightly by 2050. Almost all the net growth in energy demand to 2050 is met by low emissions sources, but this leaves annual emissions at around current levels. As a result, global average temperatures continue to rise, passing the 1.5°C mark around 2030 and expected to hit 2.6°C above pre-industrial levels in 2100. The focus for stakeholders under this scenario is on adaptation as the world fails to transition to a low-carbon economy.

- **Low Carbon Scenario:** Represents a world where global warming is limited to 1.5°C through stringent climate policies, innovation and demand-led change reaching global net zero CO2 emissions around 2050. In addition to meeting all current net zero pledges, additional pledges from countries are met and there is a significant increase in public and private investment into green technologies. The share of renewables in the global electricity supply increases to more than 60% by 2030 and there are much more stringent government policies such as stricter energy efficiency building codes, significant uptake of Sustainable Aviation Fuel and the use of recycled material in packaging. Carbon prices are introduced across all regions and rise on average to USD\$130 per tonne by 2030 and to USD\$250 per tonne by 2050.
- These scenarios together represent balanced science-based scenarios that offer a contrast between the best-case and worst-case scenarios for us to sufficiently consider the risks and opportunities posed by climate change that could potentially impact our business operations and our value chain.
- Swire Properties have 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.

### Explore more

ESG risk management





### 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 2023, approximately 99% 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 2023, 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 began piloting the use of internal carbon pricing (ICP) within Swire Properties, Swire Coca-Cola and HAECO. These companies, collectively account for over 96% 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. Budgets calculated through the fee are set aside for 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. In 2023, 100% of its wholly owned new projects under development achieved the highest green building rating, 94% of its wholly owned existing buildings were certified green buildings, and over 97% of its 2023 gross rental income came from certified green buildings.
- Since 2011, Swire Properties have 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.

- 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 in 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 2023, 25% 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 Carbon 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.

#### Further reading

[Swire Pacific Annual Report 2023 - Risk management section](#)





## 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:

Metric	Unit of measure	2019	2020	2021	2022	2023 <sup>3</sup>
Carbon emissions (scope 1 and 2) – market-based method	Tonnes of CO <sub>2</sub> e	-	763,000	662,000	569,000	597,000
Carbon emissions (scope 3)	Tonnes of CO <sub>2</sub> e	-	-	-	7,381,000	10,468,000
Total electricity used by the Group from non-renewable sources	Million kWh	1,409	861	828	755	812
Total renewable electricity generated on our sites	Million kWh	16.2	20.7	20.5	22.0	29.6
Total renewable electricity procured	Million kWh	-	11.5	103.0	126.1	180.3
% of total electricity used by the Group, generated from renewable sources	%	1.1	3.6	13.0	16.4	20.5
Proportion of Group financing from sustainable finance	%	-	14%	18%	35%	47%
Proportion of wholly owned existing buildings which are certified green buildings*	%	97%	97%	96%	95%	94%
Proportion of wholly owned projects under development which are certified green buildings*	%	100%	100%	100%	100%	100%
Gross rental income contributed by certified green buildings*	%	>95%	>98%	>98%	>98%	>97%

\*Includes portfolios under Swire Properties only.

- The methodology used to calculate the above 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

[Reporting methodology](#)



[Swire Pacific Group companies' sustainability reports](#)



3. An increase of 42% in value chain emissions was driven by our Aviation division through Cathay Pacific's steady post-pandemic recovery, and inclusion of HAECO's full scope 3 emissions.



### 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 20.5% of the Group's total electricity usage in 2023.
- In 2023, we built on our initial scope 3 mapping exercise, conducted in 2022, in which we identified the material scope 3 emission categories for inclusion in our scope 3 emissions inventory, by incorporating increased levels of primary data. We calculate 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.

#### Explore more

[Climate](#)



#### Further reading

[Reporting methodology](#)





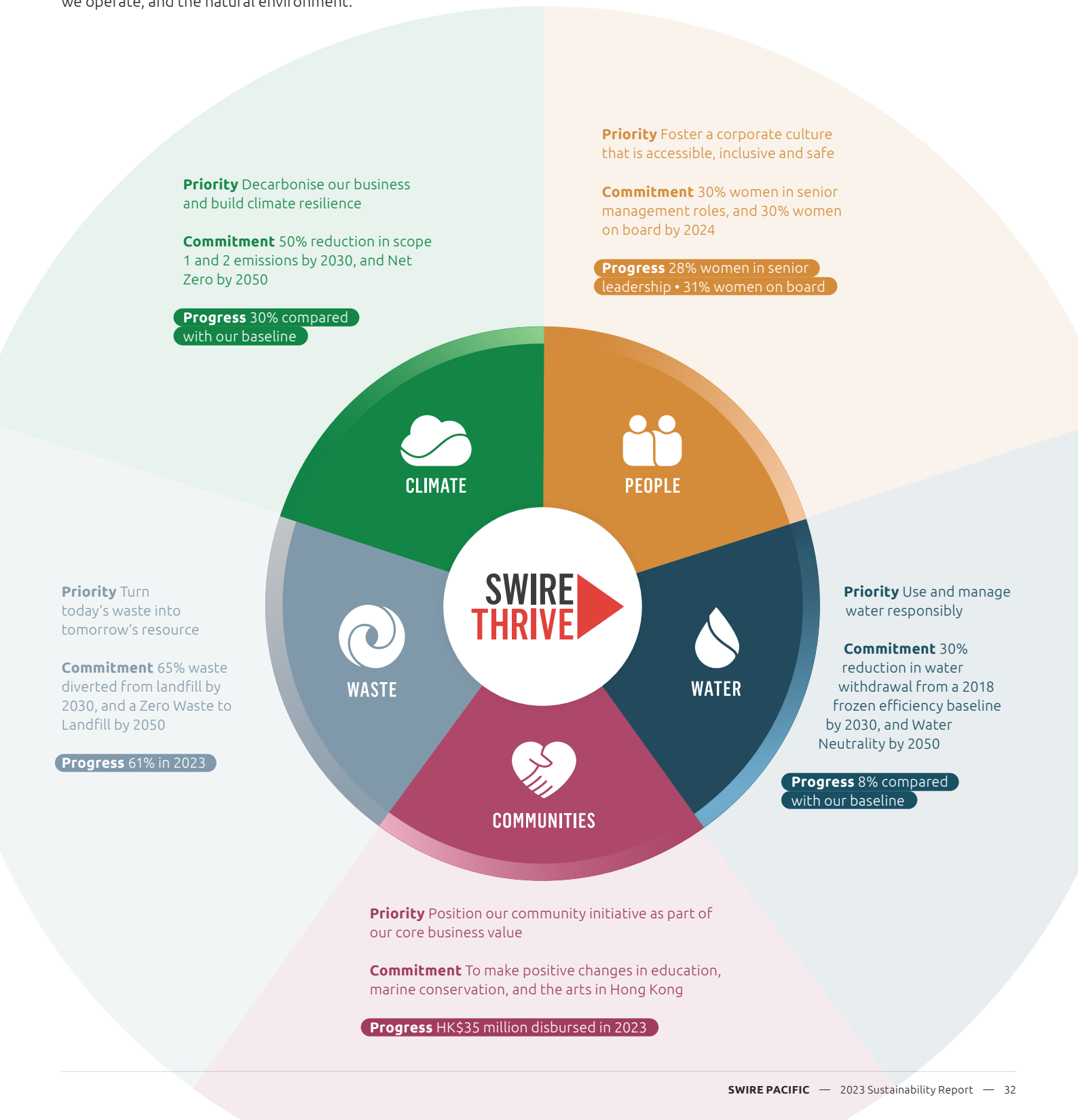
SwireTHRIVE

# 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.





# climate

## Decarbonise our business and build climate resilience



Reducing GHG emissions <sup>37</sup>

Adaptation <sup>42</sup>

### Material topics

Climate change mitigation

Climate resilience

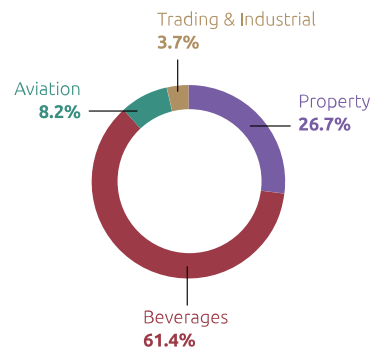
### CO<sub>2</sub> emissions<sup>1</sup>

723,000 ↑  
tonnes<sup>2</sup>

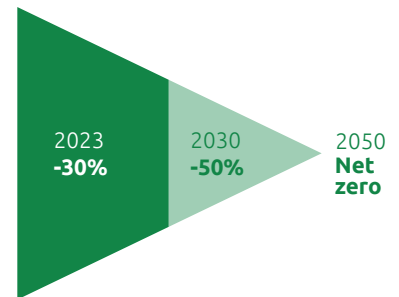
(2022 = 649,000 tonnes)

11%  
increase  
from 2022

### Group carbon footprint



### Progress against targets<sup>3</sup>



1. Location-based GHG accounting approach.

2. Includes business expansion and acquisition in 2023. Excludes SCCU after date of disposal.

3. Market-based GHG accounting approach. Includes subsidiaries covered by our 2030 target. Excludes business expansion and acquisition in 2023. Excludes SCCU which was disposed in 2023.



SwireTHRIVE – CLIMATE

# Decarbonise our business and build climate resilience

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, and adopt feasible approaches that align with our business objectives and help us achieve our goals.

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

The Group and its operating company Swire Properties both received an A-rating in the 2023 CDP Climate Change questionnaire.

The Group and its operating company Swire Properties both received an



in the 2023 CDP Climate Change questionnaire.

## Net zero by 2050

Our ambition is to achieve net zero emissions by 2050. This will not be easy. Only 6% of our emissions come from our own operations, the rest come from our value chain. We operate and invest in the carbon intensive aviation sector, which is difficult to decarbonise without breakthroughs in alternative fuel technology. We also face challenges including the limited availability of renewable energy in our markets.

To reduce emissions, our roadmap includes:



Improving energy efficiency



Using more renewable energy



Choosing low-carbon and energy efficient products



Encouraging our suppliers and customers to decarbonise

We are reliant on the decarbonisation efforts of our businesses and so work closely with them and set policy, targets, and approaches. Our businesses have location and sector specific challenges and design responses accordingly. Targets and approaches at the operating company have the dual effect of reducing emissions at Group and operating company levels, aligning operational action with the ambition of SwireTHRIVE. We aim to scale solutions across the Group where those opportunities exist.

In addition to investments already being 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 2023, we launched a Board-approved Internal Carbon Pricing (ICP) pilot to align decision making with Group and operating company carbon reduction targets.

Carbon removal and verified carbon offsets 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.

### Explore more

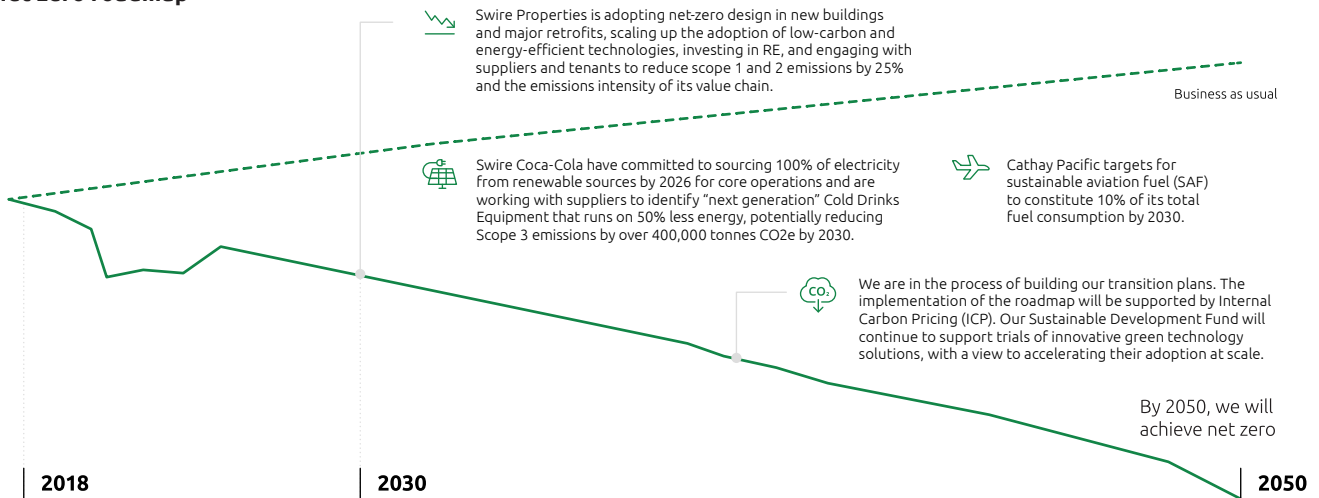
Our approach







### Net zero roadmap



### 2030 target

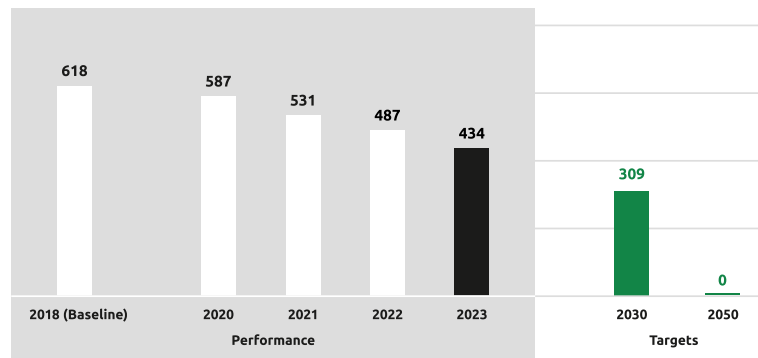
Our interim target is to halve our scope 1 and 2 emissions by 2030 for our legacy markets<sup>4</sup>, compared with a 2018 baseline. Each of our businesses has individual targets aligned with science, nationally determined contributions, or international industry commitments.

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). Accordingly, 88% of our scope 1 and 2 emissions, and 34% of our scope 3 emissions are currently covered by science based targets. Both companies have signed up to Business Ambition for 1.5°C.

In 2023, we achieved a 30% reduction in emissions for businesses covered by our 2030 target compared to our baseline. Based on our 2030 projections, we surpassed our 20.8% target reduction for 2023.

### Progress against target

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



### Our divisions

#### Scope 1 and 2 inventory

#### Scope 3 inventory

#### Validated near term 1.5°C-aligned target

#### Validated long term 1.5°C-aligned target

Our divisions	Scope 1 and 2 inventory	Scope 3 inventory	Validated near term 1.5°C-aligned target	Validated long term 1.5°C-aligned target
<b>Property</b>	✓	✓	✓	✓
<b>Beverages</b>	✓	✓	✓	—
<b>Aviation</b>	✓	✓	—	—
<b>Trading and Industrial</b>	✓	✓	—	—

4. Legacy markets are those currently owned or operated by Swire Pacific which were included in the 2018 baseline. They do not include new markets such as Swire Coca-Cola's operations in Cambodia and Vietnam.



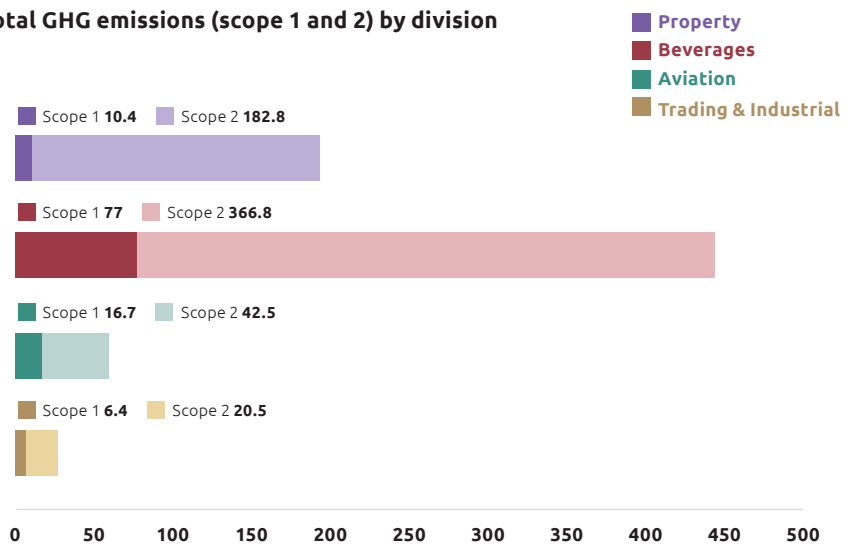
## Group performance: scope 1 and 2 emissions

The Group generated 723,000 tonnes of scope 1 and 2 GHG emissions in 2023, an 11% increase from 2022. The Beverages and Property divisions accounted for more than 80% of the Group's emissions in 2023. Swire Properties absolute GHG emissions decreased by 1%, while Swire Coca-Cola's emissions increased by 24%. 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.

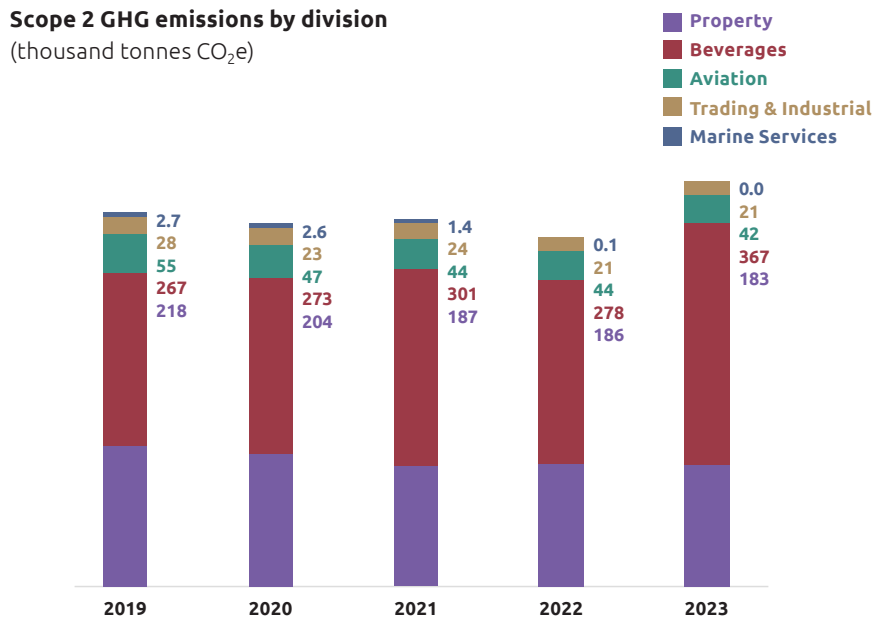
The emissions of our Aviation division increased by 1%, in part due to recovery of air travel industry after COVID-19 related reductions in business activity, reduced fleet size, replacement of old machineries and its components to improve the production efficiency. The Trading & Industrial division emissions decreased by 2%. 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 1,022 million kilowatt-hours of electricity in 2023 and generated 613 thousand tonnes of indirect (scope 2) emissions, an increase of 16% from 2022. This is largely contributed by the acquisition of Coca-Cola bottling subsidiaries in Vietnam and Cambodia, as well as expansion in Chinese Mainland.

Total GHG emissions (scope 1 and 2) by division



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



### Further reading

[Reporting Methodology](#)





## Reducing GHG emissions

### Energy efficiency

Approximately 75% of our operational emissions is generated from electricity. 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 2023, 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 operates LEED certified bottling plants in the Chinese Mainland.

### Energy saving measures

Across the Group, we continued to upgrade our lighting, cooling, boiler, and refrigeration systems to more energy efficient models. In 2023, **Swire Properties** continued to optimise heating, ventilating, and air conditioning systems, installed high-efficiency chillers, and conducted energy-saving retrofits across its properties. Approximately 99% 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 portfolio. 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. The platform has 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.

**Swire Coca-Cola** deploys innovative technologies to reduce emissions and costs. It successfully piloted an advanced technology known as "subcarb" on four of its sparkling production lines at its Hangzhou plant. The technology improves on the traditional mixing process for beverage base and carbon dioxide, and allows the filling temperature to be raised to 17°C, instead of having to cool the product to 11°C. Initial tests show a 44% improved energy efficiency of the chiller, and 40% less steam required to warm the product back up again. In 2023, it installed "subcarb" technology on seven production lines across its Chinese Mainland operations, resulting in savings of 1.15 million kWh of electricity and 1,800 tonnes of steam. Swire Coca-Cola will install the technology on 6 more lines in the Chinese Mainland by the end of 2024.



## 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 29 million kWh of electricity was generated from renewable sources at Swire Properties, Swire Coca-Cola and HAECO in 2023, representing a 35% increase from 2022.

**Swire Coca-Cola** has set a target to use 100% renewable electricity (RE) in its core operations by 2026. It is reviewing the feasibility of this target for its new operations in Vietnam and Cambodia. In the Chinese Mainland, four 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 28.4 MWh per year. In 2023, 26% of Swire Coca-Cola's total electricity use was from renewable sources.



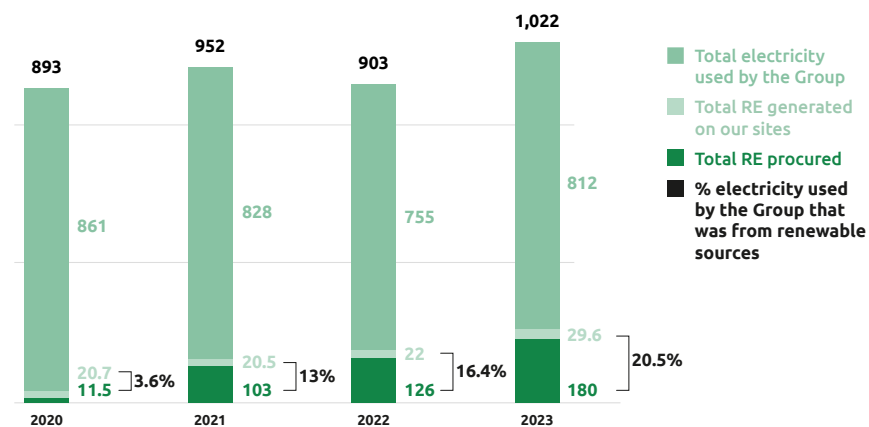
Six Swire Coca-Cola plants and one Swire Properties development use **100% RE**. HAECO is installing **one of the largest PV systems in Hong Kong**.

**Swire Properties** procures 100% renewable electricity for Taikoo Hui Guangzhou for both tenant and landlord operations. At the end of 2023, its mix of renewable electricity in the Chinese Mainland stands at about 56%. 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.

**HAECO** has one of the largest solar photovoltaic (solar PV) system installations in Hong Kong. The current system consists of approximately 6000 solar panels that spans across the rooftops of HAECO Hong Kong's hangar 2 and 3 at the Hong Kong International Airport, generating an annual output of three megawatts (MW) of electricity, with the objective to reduce carbon emission from HAECO's electricity generation by 490 tonnes annually.

### Proportion of electricity consumed from renewable sources

(million kWh)



### Case study Swire Properties' Integrated PEDF System at Taikoo Li Sanlitun



Most of Swire Properties' on-site renewable energy comes from photovoltaic systems, which supply direct current ("DC"). By increasing on-site DC equipment and using a power distribution system which runs on DC instead of alternating current ("AC"), it is possible to reduce the energy losses incurred when converting between AC and DC.

A DC-operated battery storage system adds flexibility to a building's power demand control and maximises the capture of variable grid-provided solar and wind power supply. An integrated Photovoltaics, Energy Storage, Direct Current and Flexible Power System (PEDF) can reduce energy consumption by 5-10%.

Funded by the Swire Pacific SD Fund, Swire Properties is piloting a PEDF solution at Taikoo Li Sanlitun. On-site implementation work was completed in mid-2023 and the system performance is now being evaluated. Significant energy savings are anticipated, which will eventually result in cost savings to tenants and lower carbon emissions.

The project has received an award in the Chinese Mainland and garnered interest from Hong Kong government representatives. In 2024, a commercial PEDF pilot application is being implemented at Taikoo Hui Guangzhou to examine DC applications in a shopping mall and office floor setting.





## Low-carbon and energy efficient products, materials and services

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.

It has set low-carbon design targets for Taikoo Li Xi'an that aim to reduce landlord energy use intensity by 40% as compared to its existing Chinese Mainland properties. It is incorporating lifecycle energy efficiency and low-carbon energy use strategies into the project design. Low carbon ground source heat pump systems will ground source heat pump system can provide up to 60% of the project's annual heating demand using piles up to 2.5km in depth.

In 2023, Swire Properties supported the Hong Kong Green Building Council's ("HKGBC") Zero-Carbon-Ready Building ("ZCRB") Certification Scheme. Thirteen of its buildings received certification, the highest number among all participating developers. Both One Taikoo Place and Two Pacific Place received a "Super Low" energy performance certificate rating for both Landlord and Whole Building portions. It also pledged to improve the energy performance of One Island East from "Low" to "Extra Low" by committing to increasing energy savings by 10% by 2030. One Island East was one of only two buildings in Hong Kong to receive a target setting certificate under the scheme.

In Hong Kong, all new **Swire Coca-Cola** trucks use B7 biodiesel and comply with Euro VI emission standards. **HAECO** recently 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. In the past two years, 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 21% of HAECO's Hong Kong fleet fuel consumption.

In 2023, HAECO introduced e-tow tractors for pushback operations at Hong Kong International Airport. It plans to introduce two more e-tractors in 2024 as part of its ongoing commitment to reducing its carbon footprint. These electric-powered vehicles will help it reduce carbon emissions by up to 377 tonnes per year during full operation.

## Internal Carbon Pricing

Our Internal Carbon Pricing pilot began in 2023 and will continue throughout 2024. It is being trialled by Swire Coca-Cola, Swire Properties, and HAECO, which contribute over 80% of our operational emissions.

The hybrid model comprised a carbon fee and shadow pricing mechanism. A carbon fee of USD22/tCO<sub>2</sub>e is applied to the operational emissions of each operating company for the most recent financial year. Budgets calculated through the fee are set aside additional decarbonisation projects.

The shadow pricing mechanism originally applied to planned projects that exceed a threshold value, but has been revised to focus on projects that meet selected criteria. A price of up to USD100/tCO<sub>2</sub>e is applied to emissions associated with potential projects. The intent is that the mechanism provides additional information about the impact of emissions associated with our businesses' capital expenditure and so aligns the investment decision making process with our carbon reduction goals.

## Decarbonising our value chain

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 an initial 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, in accordance with the Corporate Value Chain (scope 3) Accounting and Reporting Standard. This year, we further strengthened our approach, increasing our scope 3 coverage and refining some calculations using more primary data.

We identified value chain emissions from purchased goods and services (26%), downstream leased assets (10%), and use of sold products (10%) 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.

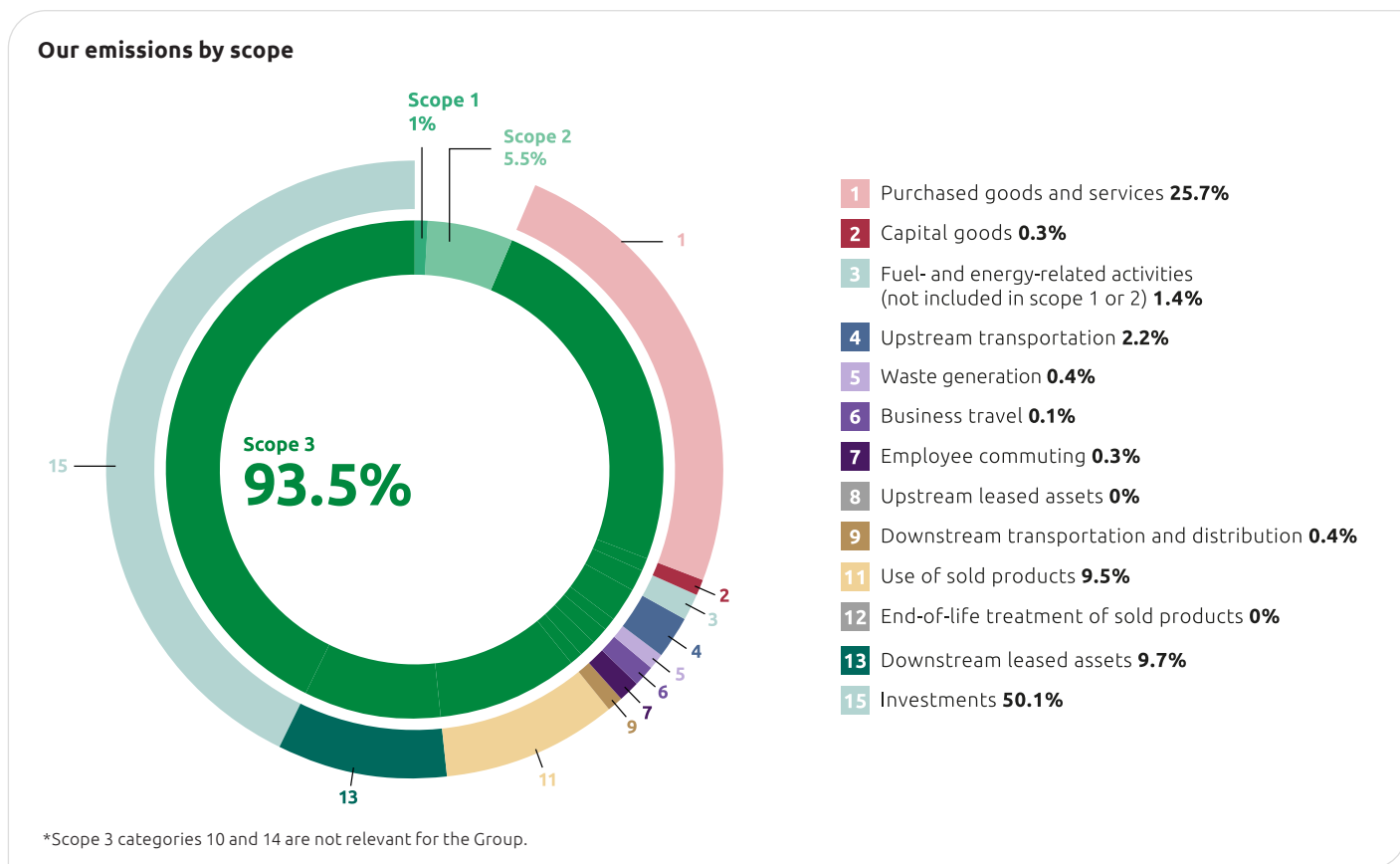




### Group performance: scope 3 emissions

Using 2023 data, our total scope 3 GHG emissions is 10,468 thousand tonnes CO<sub>2</sub>e. As air travel continued to recover from the restrictions in place during the pandemic, the share of our scope 3

emissions accounted for under category 15 increased to 50% in 2023. An increase of 42% in value chain emissions was driven by our Aviation division through Cathay Pacific's steady post-pandemic recovery, and inclusion of HAECO's full scope 3 emissions.



### Collaboration with Cathay Pacific

Under business as usual conditions, we expect Cathay Pacific to contribute around 60% of our scope 3 emissions. This present challenges to our net zero ambition. Although various pathways to net zero are possible within the hard-to-abate air transport sector, all feature Sustainable Aviation Fuel (SAF) as a key component for curtailing carbon emissions due to its ability to reduce over 80% of life cycle GHG emissions when compared with traditional jet fuel. Recent figures from the International Air Transport Association (IATA) show that SAF fuel production although increasing rapidly, remains very low.

Despite the challenges, 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. This year,

it set a new target to reduce its emission intensity by 12% per revenue tonne kilometre by 2030 from a 2019 baseline. This near-term target builds upon its track record of being among the top five airlines with the lowest emission intensity since 2014. It has also set a target to reduce ground emissions by 32% by 2030 and 55% by 2035 from a 2018 baseline.

To accelerate the development of SAF, Cathay Pacific has rolled out SAF projects with world-renowned partners. In 2023, Cathay Pacific continued to send a clear demand signal to the SAF supply market by signing a MoU with State Power Investment Corporation (SPIC), a leading renewable energy company in the Chinese Mainland. It plans to construct four SAF plants under SPIC and the plants will use a pathway similar to power-to-liquid (PtL) to convert renewable electricity into liquid fuels.

Swire Pacific has supported the Cathay Pacific Corporate Sustainable Aviation Fuel (SAF) Programme since its launch in 2022. We contribute to the purchase of internationally recognised SAF, along with the programme's other members, 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 Sustainability Report 2023 for details.

Cathay Pacific's carbon reduction strategy also includes modernising its fleet to improve fuel efficiency, improving operational efficiency, and providing Gold Standard accredited offsets through its Fly Greener programme.



## Addressing embodied carbon and emissions from tenants

**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 7 million square metres of commercial space in Hong Kong and the Chinese Mainland, identifying potential annual energy savings of 11.2 million kWh. It also procures 100% renewable electricity for Taikoo Hui in Guangzhou. In 2023, INDIGO joined Taikoo Li Sanlitun, Taikoo Hui Guangzhou and Taikoo Li Chengdu in procuring renewable electricity.

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.

## Supplier engagement and promoting circularity

Emissions from packaging and the electricity consumed by its cold drinks equipment (CDE) accounts for around 74% 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 2023, recycled aluminium constituted 15% of cans in Chinese Mainland up from 3% in 2022. 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).

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

## 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.

We recently 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 2023, we purchased more than 445 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 [Nature](#) section for more information.

### Explore more

[Performance data](#)



[Nature](#)



### Further reading

[Cathay Pacific Sustainability Report 2023](#)



[Swire Properties Sustainability Report 2023](#)



[Swire Coca-Cola Sustainability Report 2023](#)





## 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 to shape climate-related disclosures and share best practices.

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. Our group-wide scenario analysis framework is used with Swire Pacific and our operating companies in scenario analysis workshops to understand our climate-related risks and opportunities. See the [Climate-related financial disclosures](#) 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.

### Explore more

[Climate-related financial disclosures](#)



## 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** 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.

For future investments, Swire Properties has integrated sustainability criteria into the due diligence risk assessment process for new acquisitions, including climate adaptation and resilience, flood risk assessment, energy efficiency and carbon emissions of the acquired assets.

It has had a Business Recovery Plan in place since 1997 to ensure that it maintains critical crisis planning and execution capabilities in the event of major incidents, including extreme weather events. It has also put in place local crisis response plans for all portfolios.





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 Coca-Cola** assesses water access, quality, and quantity risks for all new bottling plants. It has completed a physical risk assessment using the Climonomics platform, and conducted a scenario analysis workshop focused on understanding key physical and transition risks and the effectiveness of its controls in mitigating those risks.

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 [Nature](#).

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.

Read more in our operating companies' sustainability reports.

## Looking forward

In 2023, we made steady process on our net zero roadmap which will form a core component of our Climate Transition Plan. We are also beginning to examine the interconnectedness of our planned decarbonisation and any potential social impacts. The UN Human Rights Council has been vocal on the threat climate change poses to human rights, and in recent COPs climate justice has increasingly been at the forefront of policy discussions and global commitments. Our aim is to ensure as we develop our Climate Transition Plan, we apply a lens that ensures our transition is just, orderly and equitable.

### Explore more

[Climate-related financial disclosure](#)

[ESG risk management](#)

### Further reading

[Swire Pacific Annual Report 2023 – Risk management](#)

[Cathay Pacific Sustainability Report 2023](#)

[Swire Properties Sustainability Report 2023](#)

[Swire Coca-Cola Sustainability Report 2023](#)



### Case study

## Swire Properties – Climate Resilience Measures in our Xi'an and Sanya Projects



In response to increased climate-related physical risks from flooding and other extreme weather events, Swire Properties conducted two pre-assessments of its projects in Xi'an and Sanya, Hainan Island to ensure that climate adaptations and resilience are designed into these developments. It conducted hazard modelling using the five Shared Socio-economic Pathways (SSPs) scenarios from IPCC's latest assessment report. It then integrated

resilience design for these projects based on projected climate variables including extreme heat, extreme precipitation, sea level rises, flood depth, and extreme wind speeds. Solutions included passive design strategies, selecting construction materials that cater to extreme heat and cold, and incorporating sponge city strategies and nature-based solutions.

# Waste

## Turn today's waste into tomorrow's resource



Avoid and reduce <sup>47</sup>

Reuse, recycle, and recover <sup>48</sup>

### Material topics

Natural capital and resource use

Waste management and circularity

### Waste generated

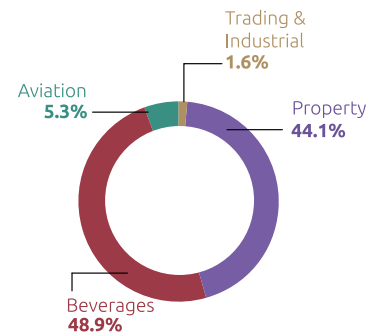
# 91,116 tonnes



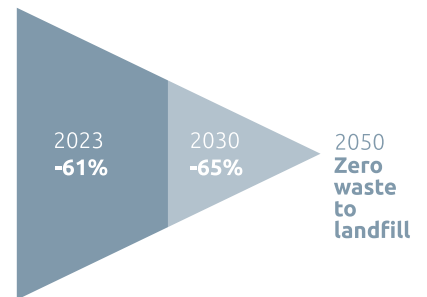
(2022 = 66,645 tonnes)

**37%**  
increase  
from 2022

### Group waste footprint



### Progress against targets<sup>1</sup>



1. Includes subsidiaries covered by our 2030 target and business expansion and acquisition in 2023. Excludes SCCU after date of disposal.





SwireTHRIVE – WASTE

# Turn today’s waste into tomorrow’s resource

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. In 2023, we began the process of mapping out our Zero Waste to Landfill Roadmap to create a blueprint of how we get there. The outputs of this project will be completed by Q2 of 2024. 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**

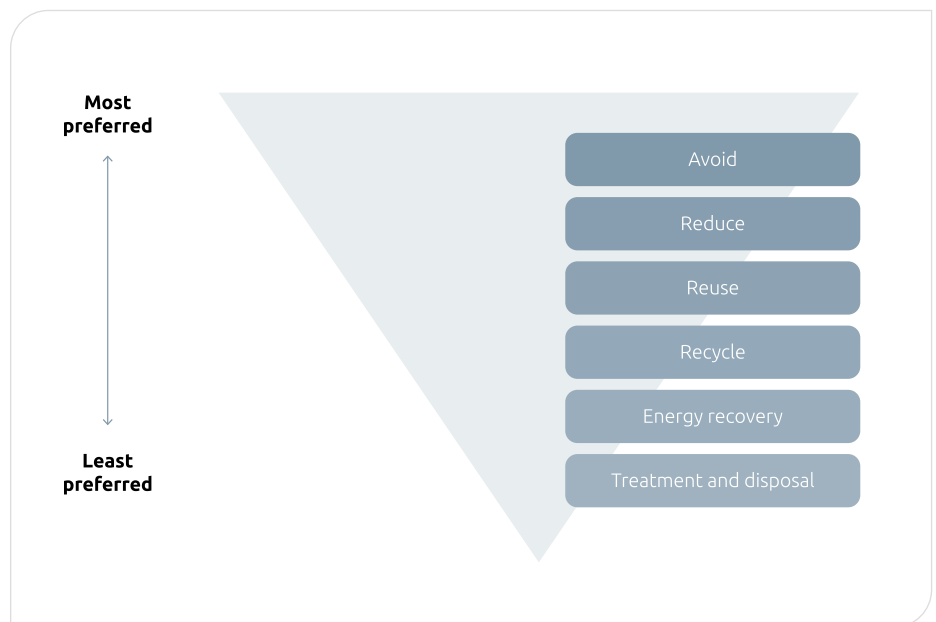
## Further reading

[Waste Management Policy](#)



Our Waste Management Data Protocol specifies our waste management hierarchy by which we evaluate and address our waste management approach.

## Waste Management Hierarchy





### Group performance

In 2023, the Group generated a total of 91,116 tonnes of waste, 37% more than in 2022. Of this, 86% was non-hazardous waste and 14% was hazardous waste. In large part this was driven by Swire Coca-Cola's total waste generated increasing by 74% in 2023 compared to 2022. This is predominantly from the recycling of batteries in fork lift truck. Companies included under our 2030 target generated 78,445 tonnes of waste.

Overall, 61% of the total waste generated by the Group in 2023 was recycled, reused, or recovered. Our Property and Beverages divisions accounted for 51% and 43% of the Group's total non-hazardous waste in 2023 respectively.

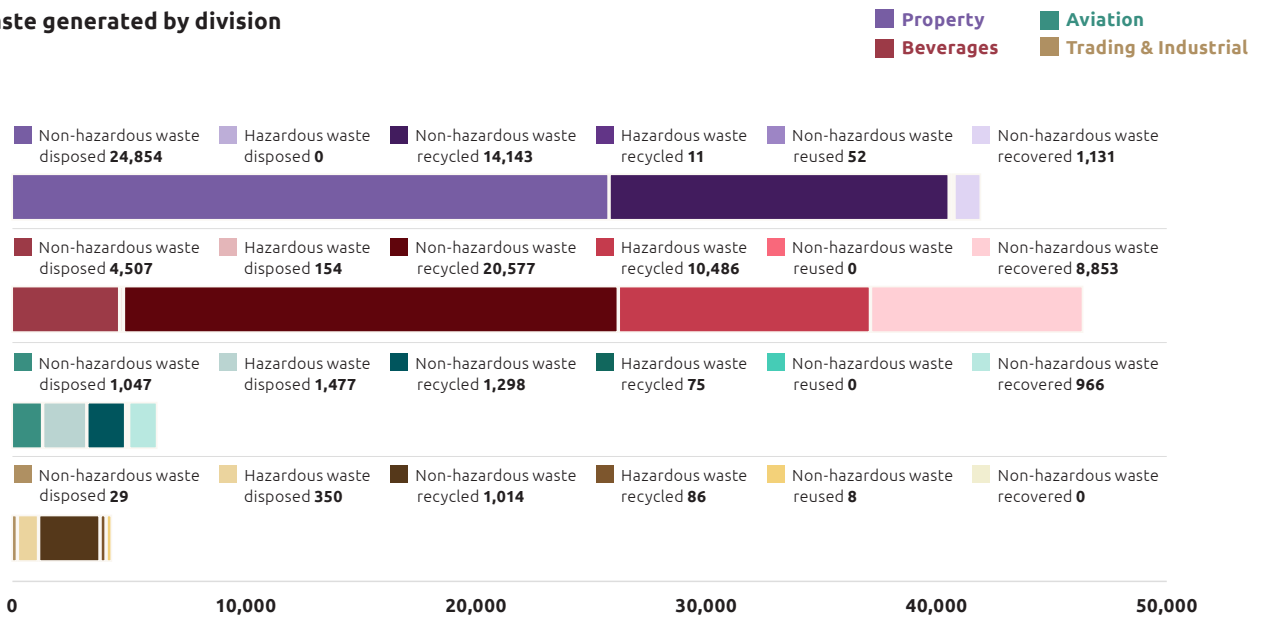
Swire Properties' waste diversion rate was 38% in 2023, compared to 35% in 2022. Tenants in Hong Kong and the Chinese Mainland were encouraged to reduce and recycle waste. Swire Coca-Cola's waste diversion rate was 87% in 2023, compared to 90% in 2022. In 2023, Swire Coca-Cola's Jinqiao bottling facility in the Chinese Mainland obtained UL2799 Zero Waste to Landfill validation with the highest platinum rating from UL Solutions – a leading global safety certification. This is a milestone achievement in our commitment to Zero Waste to Landfill. HAECO's waste diversion rate increased from 62% in 2022 to 68% in 2023. A key contributor to this improvement is due to the New Recycling Scheme in HAECO Americas and HAECO Hong Kong. Trading & Industrial division's waste diversion rate for 2023 slightly increased compared to 2022.

### 2030 target

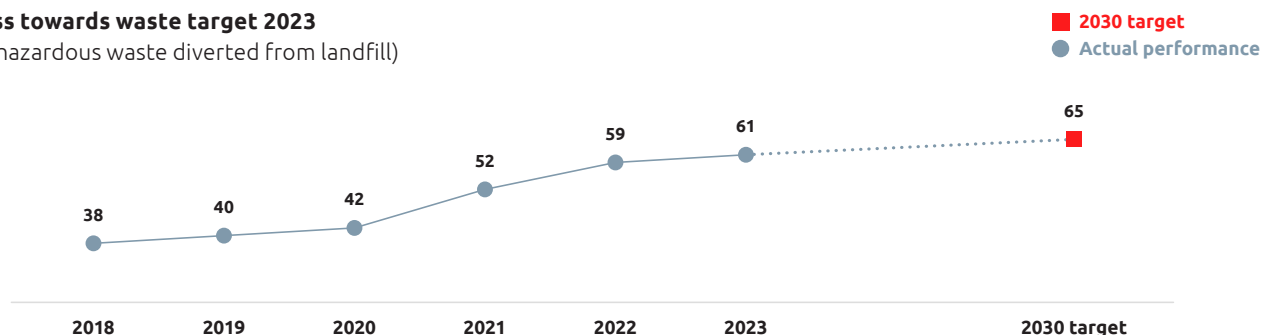
By 2030, we aim for 65% of our waste to be diverted from landfill. The target covers non-hazardous waste generated by operating companies, which together made up 99% of the Group's total non-hazardous waste footprint in 2023. Hazardous waste is not included in the target. It is treated in line with local regulations. Subsidiaries covered by our target diverted 61% of their waste from landfill in 2023, an improvement from 59% in 2022. Based on our 2030 projections, we surpassed our 53% waste diversion target for 2023.

The 2030 target was set based on the scope of our reporting boundary in our target setting year of 2021. It does not include Swire Coca-Cola's new markets or business expansion in 2023, which will be covered under a new target to be set in 2024.

### Total waste generated by division (tonnes)



### Progress towards waste target 2023 (% non-hazardous waste diverted from landfill)





## Avoid and reduce

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. In Hong Kong, more than 80 tenants signed up from Taikoo Place, Pacific Place and Citygate Outlets, a fivefold increase compared with the GPP pilot year in 2021.

**Swire Hotels:** In 2022, Hotel Sustainability Technical Guidelines were rolled out.

Further, it 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.

It 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 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.

**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.

### Further reading

[Swire Properties Sustainability Report 2023](#)



[Swire Coca-Cola Sustainability Report 2023](#)





## Reuse, recycle, and recover

Our Zero Waste to Landfill target largely falls under recover & recycle for waste hierarchy. 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. Where local regulation around waste separation is already in place, which is the case in the Chinese Mainland, local regulation takes precedence. Having a consistent approach across the Group will prepare us for Hong Kong's upcoming municipal solid waste charging scheme in 2024 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.

In 2023, the waste diversion rate from **Swire Coca-Cola's core operations** reached

**87%** 

**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. In 2023, the waste diversion rate from core operations reached 87%. As mentioned, in the Chinese Mainland, Jinqiao bottling facility obtained UL2799 Zero Waste to Landfill validation with the highest platinum rating from UL Solutions - a leading global safety certification company. It is the first bottling plant in the Chinese Mainland Coca-Cola system to receive this esteemed recognition. To attain the platinum rating, companies are required to achieve a 100% waste diversion rate from landfills.

Redesign is also a key part of our reduce, recover, and recycle strategies. Swire Coca-Cola's goal is for 100% of its primary packaging to be technically recyclable by 2025. It now offers 600ml or below sparkling drinks packaged in 25% rPET in Hong Kong. Further, recycled aluminium can now be used in Chinese Mainland. After three years of work led by the China Bottlers Procurement Consortium (CBPC) and Swire Coca-Cola, the ban on food-grade applications for recycled aluminium (rAL) in the Chinese Mainland has finally been lifted. The cross-industry association issued a rAL quality standard. SCC targets to use rAL for its cans in Chinese Mainland in 2024.



### Case study

#### Swire Coca-Cola – Zero Waste to Landfill Platinum Certification

Swire Coca-Cola's Shanghai Shenmei Jinqiao plant received UL 2799 Zero Waste to Landfill certification, platinum level, the first of its kind in the Coca-Cola system in the Chinese Mainland. The plant established a dedicated cross-functional project team including representatives from manufacturing, logistics, finance, and administration departments, with technical support from the regional sustainable development team.

It has been collecting waste data for many years, but this marked a concerted effort to focus on turning significant but hard to recycle waste types including sludge, solid waste, food waste, and activated carbon into resources. In 2021, the plant diverted

only 26% of its waste, and the rest was sent to landfill. By 2022, 94% of the waste was recycled or recovered, and the remaining 6% was sent to waste-to-energy facilities.

Staff engagement was essential. As were signed environmental declarations with our various waste processors, which detailed collection and classification of waste at the plant and restrictions on how waste was handled and where it ends up once it leaves our facility. The certification marks a significant achievement for Shanghai Shenmei and serves as an example for other Swire Coca-Cola bottling plants in the Chinese Mainland to strive towards their zero waste goals.





In 2023, **Swire Properties** diverted 26.1% of its commercial waste in its Hong Kong portfolio, and 45.7% of its commercial waste in the Chinese Mainland portfolio. To prepare for incoming municipal solid waste (MSW) charging in Hong Kong, it engaged the Hong Kong Productivity Council to review the waste management facilities, workflow and practices at Pacific Place and Taikoo Shing, and conducted extensive stakeholder interviews with cleaning contractors, tenants, residents' representatives and its Management Office teams. The study will contribute towards implementation guidelines and dissemination sessions for key stakeholders. In 2023, it also engaged the Business Environment Council to conduct comprehensive waste audits at Cityplaza and Citygate Outlets to help tenants identify waste reduction and recycling opportunities. Insights from the audits will help strengthen communication with tenants regarding waste reduction and help guide tenants on their waste reduction journey. In 2024, Properties will use the data gathered in this project to explore new smart waste technologies with support from the Swire Pacific Sustainable Development Fund.

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 completed a waste audit in 2022 to map out waste composition and identify areas of improvement. It segregates waste and sends waste wood to a recycler. Over 171 tonnes of wood were recycled in 2023. It also sends waste lead acid batteries to specialised recyclers. Last year, HAECO Hong Kong completed a food waste collection scheme, which reduced food waste to landfill by 23 tonnes.

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



#### Case study

### Swire Properties – Recycled Materials for the Taikoo Li Xi'an Office



The project site office at Swire Properties' new Taikoo Li Xi'an project was completed this year. The office incorporated recycled materials in its design and construction stages, including terrazzo tiles and adobe bricks made from waste or recycled materials.

Terrazzo tiles used for the flooring were recycled and repurposed from discarded oyster shells, ceramics, and construction waste. Adobe bricks used for the reception backdrop were recycled from adobe, discarded ceramics, mineral slag, and green waste.

### 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 (TCCC) World Without Waste goals.

In line with TCCC's 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.

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 mode





## Food waste

In 2023, Swire Properties, Swire Coca-Cola Hong Kong, and HAECO Hong Kong sent 1,339 tonnes of food waste and organic by-products to an organic resource recovery centre (ORRC) for conversion into compost and biogas.



Food waste from Swire Properties, Swire Coca-Cola and HAECO converted to compost and biogas in Hong Kong

**Swire Properties** collected more than 10,300 tonnes of food waste from its Hong Kong and Chinese Mainland portfolios and its hotels. In Hong Kong, Swire Properties continues to promote food waste recycling among tenants. In 2023, over 80% of food and beverage tenants (measured by lettable floor area) and 97 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. Most of the food waste collected in the Hong Kong portfolio and hotels was sent to the government's O.PARK 1 facility for conversion into biogas and compost.

In June 2023, EAST Beijing participated in the "Pride on Our Plates" campaign which aimed to promote sustainable practices and reduce food waste at restaurants in the Chinese Mainland. During the campaign, a six-week food waste audit was conducted at the hotel focusing on pre-consumer food waste, customer plate waste and unconsumed cooked dishes. The data revealed that customer plate waste was found to be the primary contributor to food waste. The hotel then implemented food waste reduction measures such as adjusting food portion sizes and repurposing pre-consumer food waste into new dishes, which led to a 12% reduction in food waste by the final week of the campaign.



### Case study

#### Swire Properties – The Loop and Urban Farming Programmes



In 2017, Swire Properties launched The Loop, a sustainability exhibition centre, in Devon House at Taikoo Place. In 2021, The Loop's community engagement concept began to expand to four new locations across Taikoo Place, Pacific Place, Citygate and South

Island Place, especially with a focus on promoting urban farming. In 2023, more than half a tonne of crops were harvested, half of which were donated to a Hong Kong registered charity, while the other half were shared among the workshop participants.

In late 2023, Swire Properties began engaging with a new coffee grounds recycling partner, a local green enterprise committed to promoting eco-farming, sustainable organic stewardship of land and food, and healthy lifestyles. Coffee grounds collected from F&B and office tenants will be transformed into a high-quality organic compost. In parallel, Swire Properties is exploring opportunities to "close the loop" by applying this compost in landscaping projects across their portfolios.

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.

## Circularity and Circular Economy

Going beyond waste management strategies and considering how to change business practices to become more circular are increasingly important for companies to consider. For example, the most sustainably progressive cities and companies consider how to address circularity through the full lifecycle of a building, including construction, maintenance and demolition. Construction waste and operational waste account for a huge proportion of total waste disposal. Designing out waste across the building lifecycle and emphasising durability, recycling and circular thinking in operations and across the supply chain are becoming increasingly important. Swire Properties has a [Resource and Circularity Policy](#), putting greater emphasis on "designing out" waste and keeping products in use while continuing to enhance resource recovery and recycling across our operations.

As part of our Zero Waste to Landfill Roadmap project that commenced in 2023, Swire Pacific ran a workshop with our operating companies to explore the ways in which our businesses can become more circular.



## Collaboration

In 2023, Swire Pacific joined Eat Without Waste, a coalition of NGOs, F&B producers and property developers in Hong Kong organised by the ADM Capital Foundation. The aim is to reduce the amount of take-out waste going to landfills by working alongside four key stakeholder groups: F&B operators, consumers, policymakers, and packaging manufacturer and distributors.

**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 management industry. 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 3.76 million bottles have been collected since October 2022.

Elsewhere, Swire Coca-Cola is supporting the China Beverage Industry Association's research on post consumed bottles and sharing knowledge with other bottlers.

For more information, please see Swire Coca-Cola's Sustainability Report 2023.



### Case study

#### Swire Properties – Circularity Events Benefitting the Community

Taikoo Place is also a hub for community and sustainability-focused events that raise money for important causes. The “Get Redressed Pop-up #ShopSecondhand Summer Edition 2023” featured a collection of donated second-hand fashion pieces, with proceeds going to an environmental NGO working to reduce waste in the fashion industry.

“BOOKS FOR LOVE @ \$10” is another popular annual fundraising event that

aims to pass on the joy of reading and promote circularity by collecting and selling second-hand books donated by the public. This online and offline sale collects tens of thousands of donated books that are sorted and categorised by Community Ambassadors and volunteers from NGO partners, and then sold at a charity price of HKD10 each. BOOKS FOR LOVE @ \$10 has grown in popularity over the years, raising more than HKD1 million in each of 2022 and 2023.

## Looking forward

In 2023, we made steady process on our zero waste to landfill roadmap. Our Waste Working Group will utilise the outputs from the roadmap to refine the abatement levers for achieving our 2050 zero waste to landfill goal, and to continue to improve the collection and monitoring of our waste data.

Swire Coca-Cola packaging and waste targets<sup>2</sup>

By 2025 its primary packaging will be 100% recyclable.

99% achieved

By 2030 its primary packaging will contain 50% recycled material. 9% achieved

By 2030 it will collect and recycle one bottle or can for every one it sells.

- PET collection: 12% (HK) to 100% (Cambodia)  
- Can collection: 60% (HK) to 99% (Chinese Mainland)

2. Relating to legacy markets. It does not include changes to our boundary that occurred in 2023.

# Water

## Use and manage water responsibly



Understand our water risks 55

Sustainable water management 56

### Material topics

Natural capital and resource use

Water management

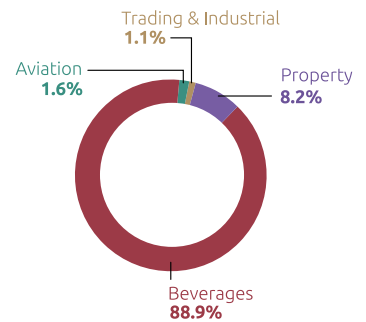
### Water withdrawal

**20.9M** ↑  
cubic meters

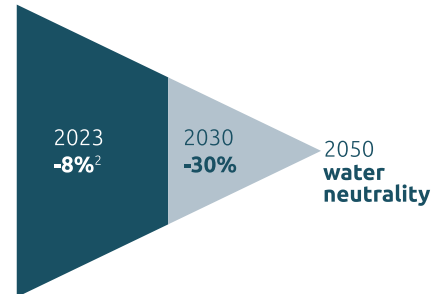
(2022 = 16.9M)

**24%**  
increase  
from 2022

### Group water footprint



### Progress against targets<sup>1</sup>



1. 2030 target compares performance against a 2018 frozen efficiency baseline.

2. Includes subsidiaries covered by our 2030 target. Excludes business expansion and acquisition in 2023. Excludes SCCU which was disposed in 2023.



**SwireTHRIVE – WATER**

# Use and manage water responsibly

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

Freshwater availability and quality are crucial to our business operations. We use water in the production of beverages, for cleaning and cooling our facilities, and providing services to our customers. It is important that we have sound water management plans and work with other water users to improve water security in our operating locations and protect this shared resource for the future.

Our strategy involves implementing measures to enhance water use efficiency, recycle and reuse water, utilise alternative water sources, and, where freshwater use is necessary, replenish water through partnerships.

SwireTHRIVE and our Sustainable Water Policy outline what we will do to use water responsibly and protect local water sources for the future.

Swire Coca-Cola received an A- rating in the 2023 CDP Water Security questionnaire.

## Water neutrality by 2050

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. We aim to achieve this by minimising freshwater withdrawal through reduced consumption, leak repairs, and maximising water reuse and recycling opportunities. There are cases where there is no feasible alternative for water. About 53% of the water withdrawn by our beverage division goes into final products, and there is no substitute for this water. To manage the impact of our remaining water footprint, we replenish natural water sources in strategic locations through partnerships.



**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**

## 2030 target

To drive efficient water use in our operations, we set a target to reduce water use by 30% by 2030, compared to a 2018 frozen efficiency baseline. To date we have achieved an 8% reduction, we are below our 12.5% target reduction for 2023.

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).

The 2030 target was set based on the scope of our reporting boundary in 2020. It does not include Swire Coca-Cola's new markets or business expansion in 2023, which will be covered under a new target which will be set in 2024.

## Further reading

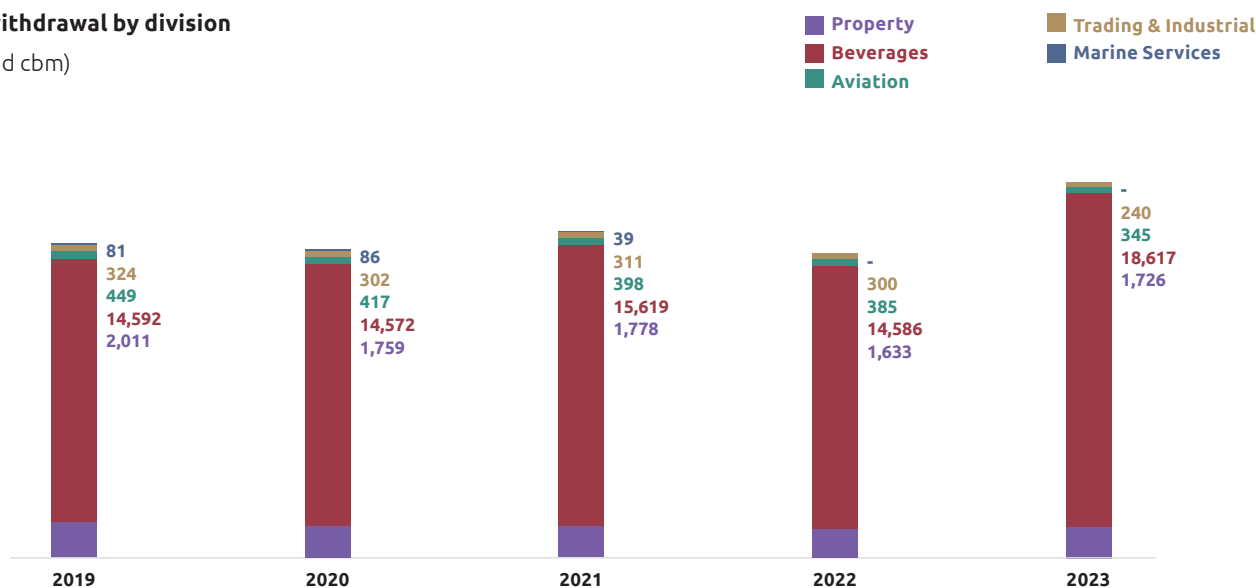
[Sustainable Water Policy](#)



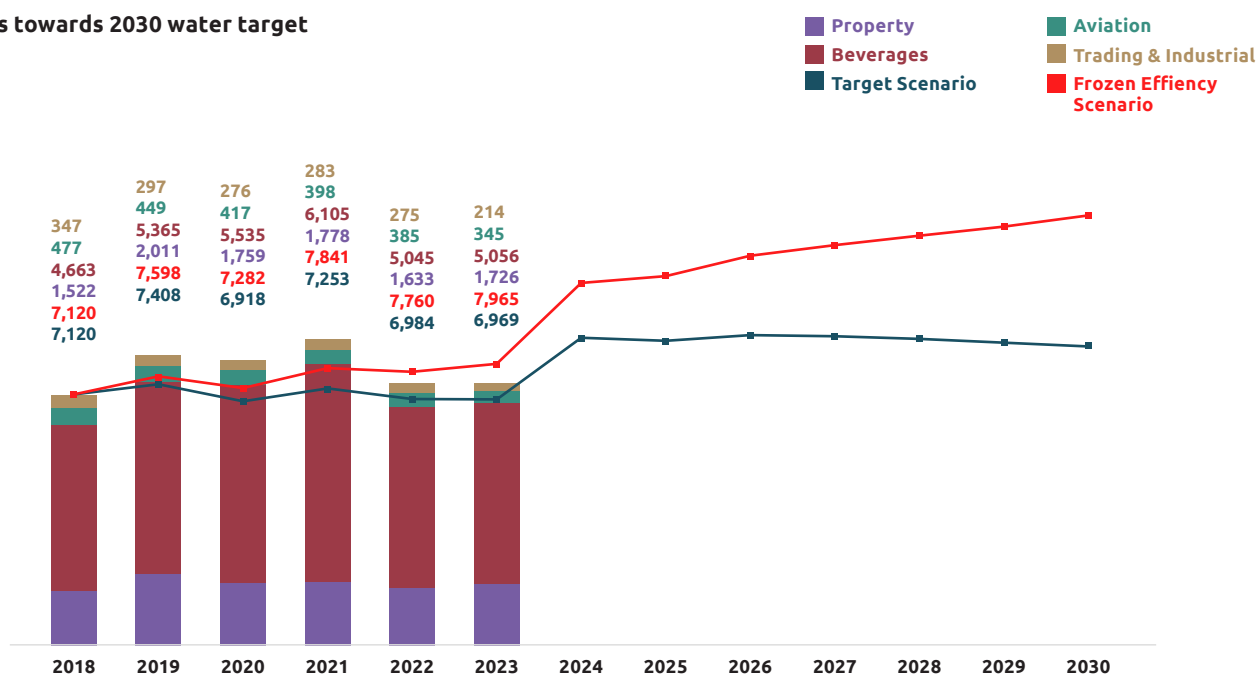


### Water withdrawal by division

(thousand cbm)



### Progress towards 2030 water target



### Group performance

In 2023, the Group withdrew 20.9 million cubic metres of fresh water, a 24% increase from 2022. 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 89% 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 2023, its overall WUR was 1.88, up 7% from 1.75 in 2022. 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 8% of the Group's water footprint in 2023. Water

intensity at Swire Properties decreased by 9.4% and 26.8% in its Hong Kong and Chinese Mainland portfolios respectively, compared to a 2016 business-as-usual base year. At its hotels, water intensity decreased by 3.5% compared to 2018/2019 levels.

Water use decreased by 10% at HAECO and decreased by 20% in the Trading & Industrial Division year on year.





## Understand 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 36% 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, 36% 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). Hong Kong will also experience increasing water stress. The findings from the water risk analysis will contribute to the development of our water replenishment strategy.

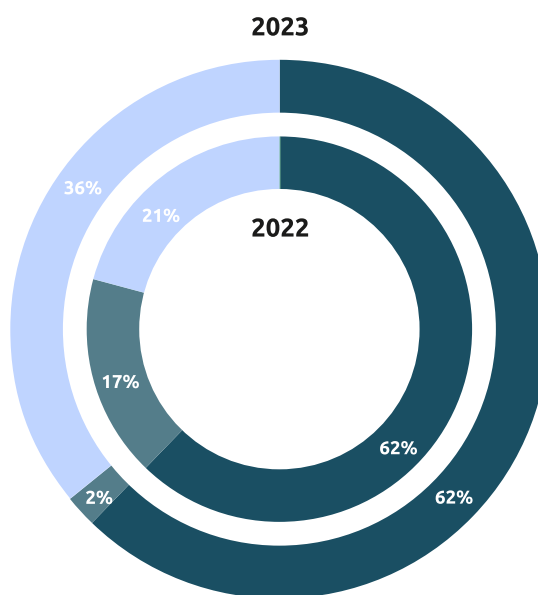
**Swire Coca-Cola** evaluates site-specific water risks, including water quality and availability, for each bottling plant using The Coca-Cola Company’s Source Vulnerability Assessments (SVAs). Following SVAs, plants prepare water management plans (WMPs), which are updated every five years or as required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

Year on year change in proportion of total water withdrawn by level of water stress

(%)

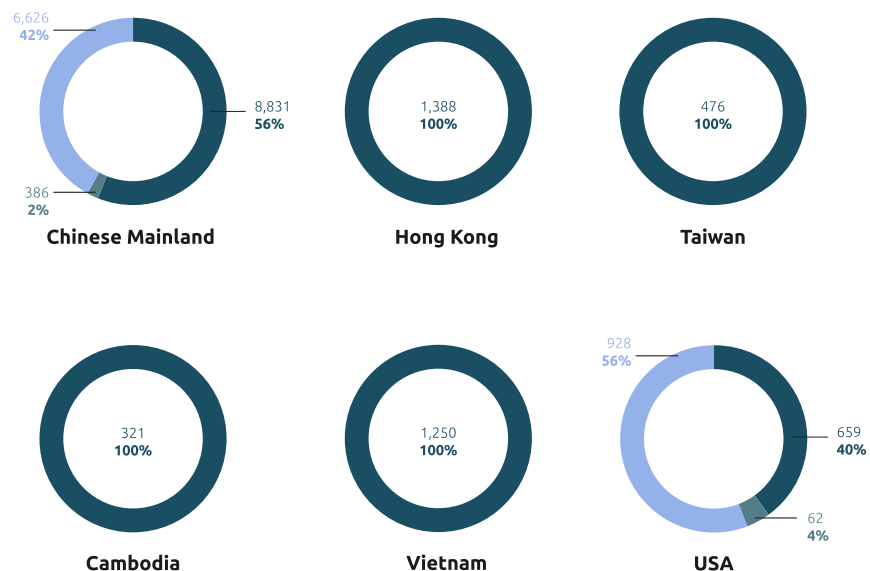
■ Low (<20%)  
 ■ Medium (20-40%)  
 ■ High (>40%)



Water withdrawn by level of water stress by region

(thousand cbm)

■ Low (<20%)  
 ■ Medium (20-40%)  
 ■ High (>40%)



## Sustainable water management

### Reduce freshwater use

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 freshwater. 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** upgrades equipment, adopt new water-saving or water-less technologies and fix leaks to reduce freshwater demand of its facilities. It has installed water sub-meters at all of its bottling plants in the Chinese Mainland.

While Swire Coca-Cola does not have direct control of its co-packers' operations, they contribute to the overall water footprint of the drinks it sells. To improve water efficiency of its co-packers, Swire Coca-Cola introduced a system to gather co-packer data on water consumption and production volume from. Co-packers' performance are reviewed to uncover WUR improvement opportunities.

**Swire Properties** uses water meters, water flow regulators, automatic taps, and automatic flush toilets and water-free urinals at various locations. Water sub-metering has been installed in its Chinese Mainland portfolio. 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 in Hong Kong, covering plant rooms and tenancy areas. Swire Properties also encourages tenants to adopt guidelines on the use of fresh and flushing water and support compliance with the Hong Kong government's voluntary "Quality Water Supply Scheme for Buildings".



#### Case study

### Swire Coca-Cola – Leading water efficiency in Vietnam

Vietnam is best performing market of Swire Coca-Cola for water efficiency, with a WUR of 1.43 in 2023. It is also the top performer out of Coca-Cola bottlers in its region. Over the last five years, the team has implemented multiple projects to drive down its WUR by 13% versus 2019. These projects included implementing meticulous leak detection and repair,

and optimising the reverse osmosis system. In 2023, upgrading the sand filter generated 600 cbm in water savings. Changing the chemicals used in the wastewater treatment process Da Nang is expected to save 2,800 cbm per year. Optimising the clean-in-place process by using a CIP ball is expected to reduce water consumption by 7,500 cbm per year.

**HAECO** dry washes aircraft, using 90% less water and saving more than 860,000 litres of water per year. Water meters have been 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.

**Swire Coca-Cola** uses recycled water and water-free alternatives such as dry lubricants and ionised air where possible. 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. Once this best practice is rolled out, 90% of backwash water is expected to be reused.



**Swire Properties** treats and reuses pantry wastewater and rainwater for toilet flushing and irrigation. Several Chinese Mainland properties including Taikoo Hui, INDIGO, 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 52%.

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



**HAECO** reuses rainwater for toilet flushing in Hong Kong. In 2023, with the support from the Swire Pacific Sustainable Development Fund, HAECO piloted a new wastewater treatment system in the composite maintenance and repair plant in Jinjiang, Fujian, China. The treatment system has provided high quality water for reuse applications such as gardening, solar PV washing and component cleaning. Feasibility studies will further be conducted to explore additional applications for the reclaimed water.

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

### 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 comply with local water quality regulations and 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

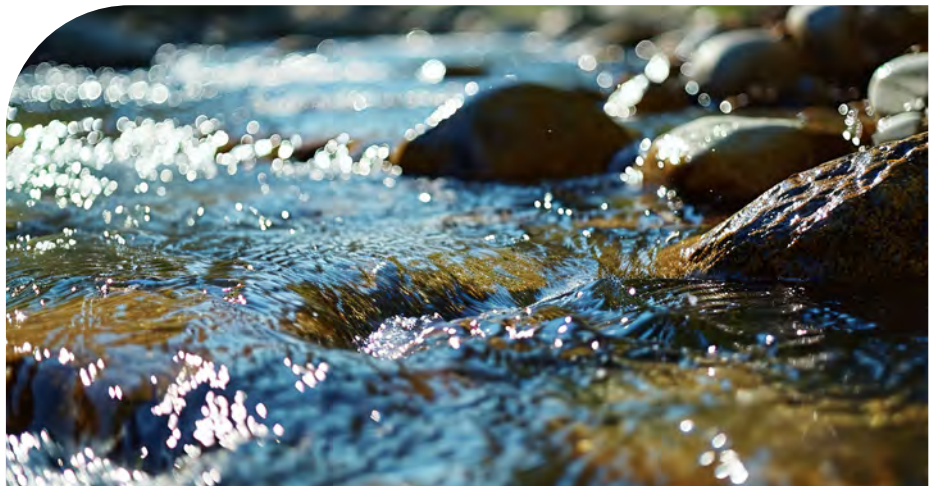
We strive to minimise freshwater withdrawal by reducing water consumption and maximising water reuse and recycling whenever feasible. There are cases where there is no substitute for water, such as the water that goes into our final beverage products. For the remaining water footprint, we replenish natural water sources 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. In line with The Coca-Cola's Company's 2030 Water Security Strategy, Swire Coca-Cola will set context-based targets. It has identified nine plants located in vulnerable water sources where it will prioritise its replenishment efforts. These locations represent 26% (4.9 billion litres) of its water use in 2023.

### Looking forward

Our Water Working Group will continue to improve the collection and monitoring of our water data, refine the roadmap for achieving our 2050 water neutrality goal, and explore partnership opportunities for water replenishment projects in locations where we operate.



#### Case study

#### Swire Properties – Water Neutrality Study

Swire Properties conducted a study to investigate current and past water replenishment efforts in Hong Kong and six of its Chinese Mainland locations: Beijing, Chengdu, Guangzhou, Sanya, Shanghai, and Xi'an. The study generated case

studies on land cover restoration, Water, Health, and Sanitation (WASH) for replenishment purposes, enabling Swire Properties to identify potential project types and partners for piloting water replenishment projects in the future.



# PEOPLE

## Foster a culture that is accessible, inclusive and safe



Diversity, equity and inclusion <sup>59</sup>

Health and safety <sup>65</sup>

### Material topics

- Diversity, equity and inclusion
- Employee wellbeing
- Workplace health and safety

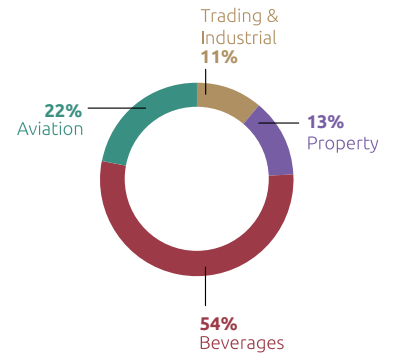
### Total employees

# 53,000+ employees

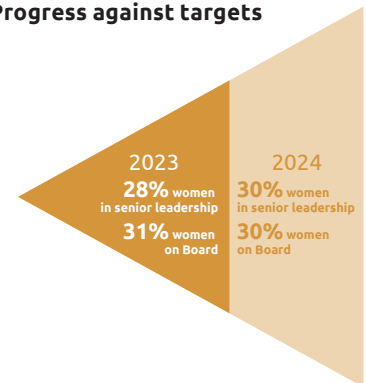
(2022 = 58,000+)

8% decrease from 2022

### Employees by division



### Progress against targets



**SwireTHRIVE – PEOPLE**

## Foster a culture that is accessible, inclusive and safe

We acknowledge the profound significance of diversity, equity & inclusion (DE&I) in our long-term development and success. We believe fostering a diverse, equitable, and inclusive work environment cultivates a workplace where diverse perspectives stimulate innovation among our employees, attracts and retains talent, and unbiased decision making fuels the prolonged growth of our business.

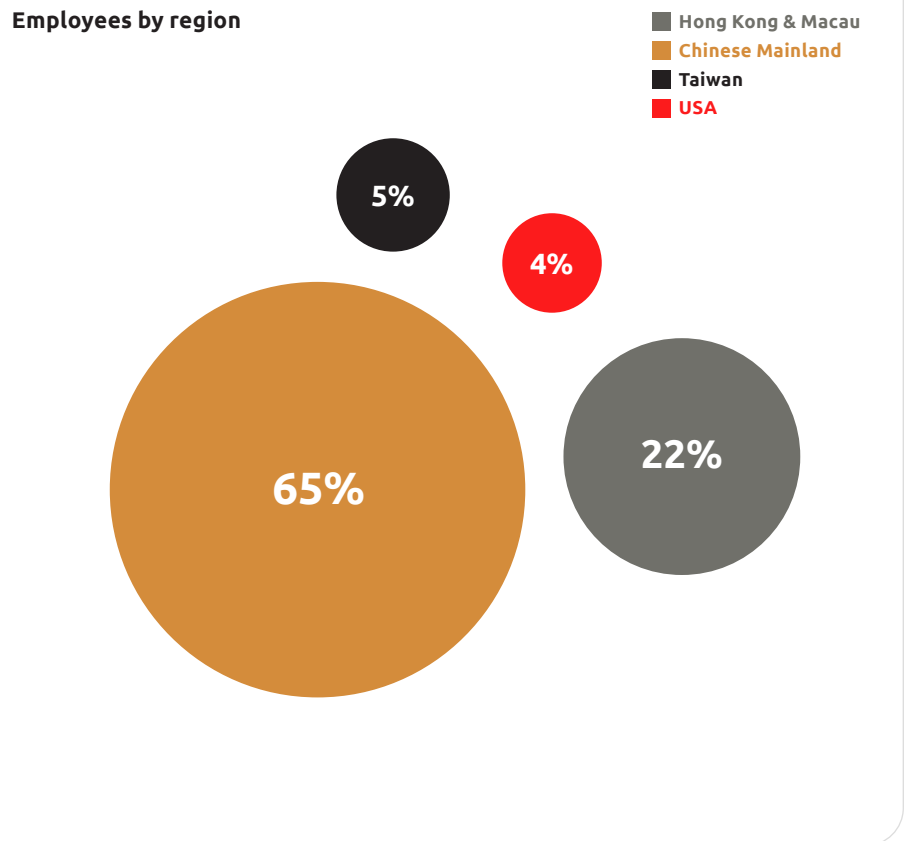
At the end of 2023, the Group employed more than 53,000 people, an 8% decrease from 2022. 88% of our people are based in Hong Kong and the Chinese Mainland. Our Beverages and Aviation divisions are our biggest employers.

### Diversity, equity and inclusion

With our dedicated efforts in driving diversity, equity and inclusion (DE&I), we have accomplished significant progress in some key focus areas during 2023. As part of our commitment to enhancing women's representation in senior roles, we have achieved a commendable milestone of surpassing 30% female representation on our Board. Swire Properties has exceeded its goal for women at the Strategic Leader level. Additionally, both HAECO and Swire Coca-Cola have made remarkable progress in increasing the percentage of women in their respective workforces.

In 2023, we have reached a pivotal moment in our DE&I journey, as we have begun positioning ourselves to further integrate diversity, equity and inclusion principles into our business strategies and the daily experiences of our employees. This strategic approach involves adopting social research methodologies, employing data-based diagnostics, and leveraging talent practices throughout the entire employee life cycle. For instance, Swire Properties conducted a pilot programme that utilised narrative analysis and statistical diagnostics to identify the

#### Employees by region



factors influencing employee well-being. Similarly, HAECO modified its talent processes based on diagnostic assessments to enhance the inclusion of engineering mechanics on the shop floor.

Furthermore, four of our operating companies have embarked on a comprehensive diversity, equity, inclusion and belonging (DEIB) assessment in Hong Kong and the Chinese Mainland. This assessment encompasses every aspect of people practices, policies, and processes, while establishing meaningful connections between DE&I, a sense of belonging, and everyday employee experiences.

By implementing these strategic approaches, we are confident in our ability to position the Group as a leading force in the DE&I landscape within Hong Kong and the broader regional context.





## 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 overarching goals, five key focus areas, and six pillars. These encompass critical aspects including promoting employee engagement, attracting and managing talent, fostering an inclusive culture, measuring our progress, and sharing our achievements externally.

The Swire Diversity and Inclusion Steering Committee (DISC), jointly chaired by the Finance Director of Swire Properties and the People Director of John Swire & Sons (H.K.) Limited, 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. The Group Head of Diversity, Equity and Inclusion, who reports to the Staff Director, leads a team that supports the work of the DISC.

## Policies

We believe in creating an environment where people feel comfortable at work and able to realise their full potential. Our Human Rights Policy sets out our expectations on D&I, employment, health and safety and reporting. We have implemented a range of inclusive policies including the Flexible Working Policy and Respect in the Workplace Policy, which along with our Human Rights Policy prohibits discrimination or harassment. Anti-discrimination and harassment training is mandatory for all employees during onboarding.

Breaches of our policies can be reported to the People department, to the relevant line manager, through EthicsPoint (a third party service provider), or through one of three dedicated email accounts for investigation and remediation. Further information on our reporting and investigation guidelines are available in our Respect in the Workplace Policy.

As part of our ongoing commitment to promoting inclusivity, we are actively seeking feedback from employees to assess the effectiveness of these policies and identify additional measures to enhance inclusivity within the Group.

### Further reading

[Board Diversity Policy](#)

[Flexible Working Policy](#)

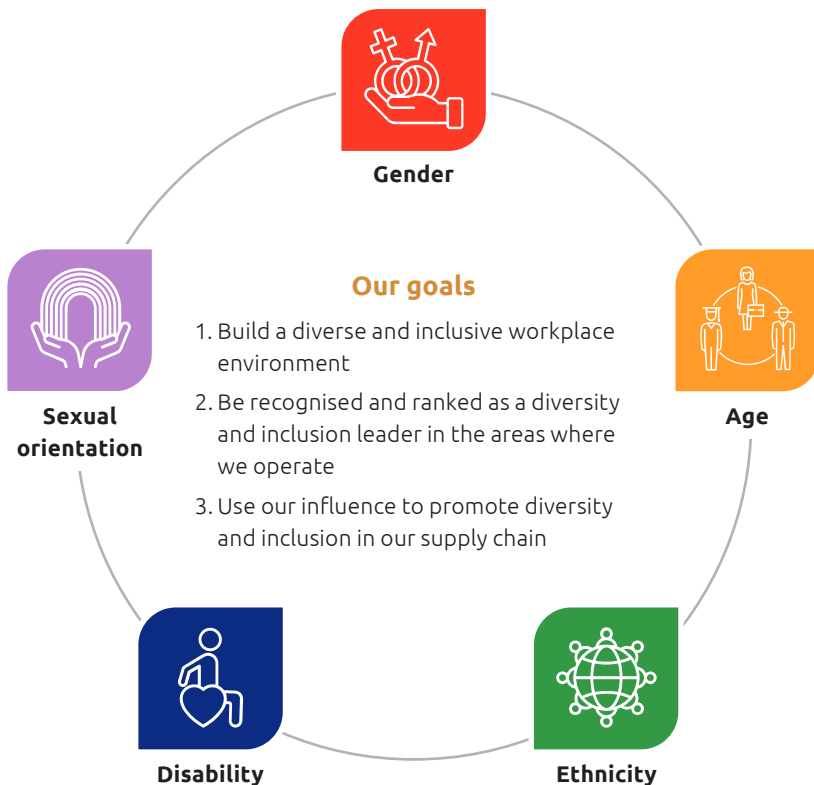
[Group Diversity and Inclusion Policy](#)

[Human Rights Policy](#)

[Respect in the Workplace Policy](#)

[Responsibilities of the Swire Pacific DISC](#)

### Our five focus areas of diversity



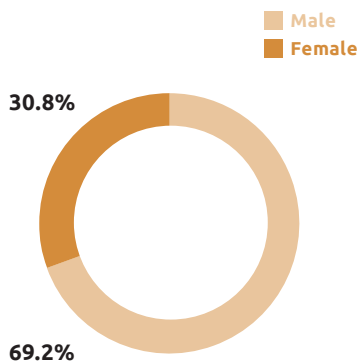


### Our target

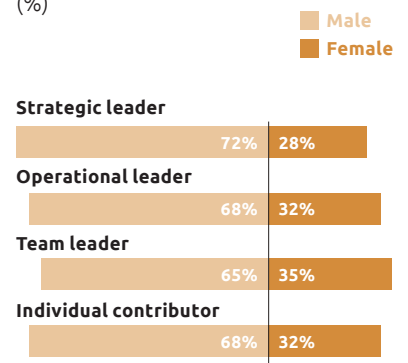
Fostering diverse representation across all levels of our workforce is paramount in cultivating an inclusive work environment. In line with our dedication to promoting gender equality, we have established ambitious targets of attaining a 30% representation of women in Strategic Leader roles and on our Board by 2024.

Swire Properties have also set targets on gender diversity in senior management and gender pay ratio, while Swire Coca-Cola and HAECO actively pursue equitable and inclusive workplace strategies. Further information is available in the sustainability reports of these companies.

**Board diversity by gender**  
(%)



**Employee by gender and employee category**  
(%)



### Group performance

As of the end of 2023, women fill 32% of all management positions and 28% of Strategic Leader roles. 31% of our directors are women.

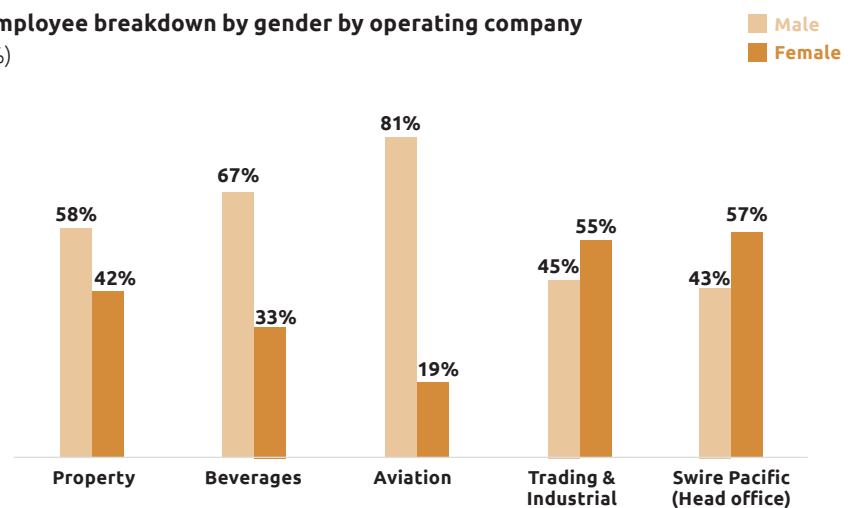
### Gender pay gap

Gender pay gap refers to the difference between the mean basic pay for men and women, expressed as a percentage of men's average earnings. It is calculated by subtracting the average female salary from the average male salary and then dividing it by the average male salary.

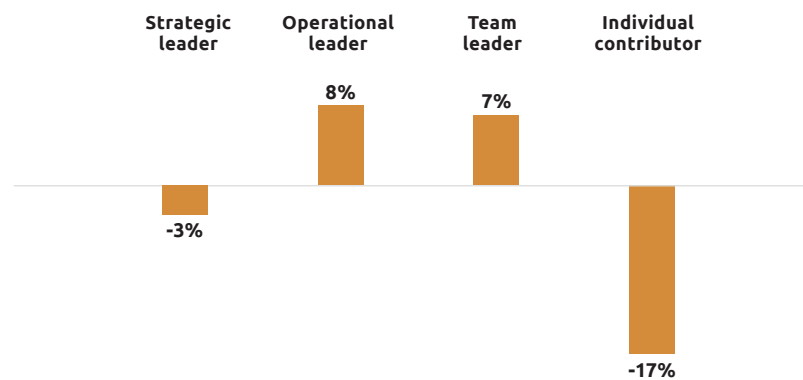
As of the end of 2023, the overall gender pay gap was -6%, indicating that women received, on average, 94% of the pay earned by men. Women in strategic leadership positions received 97% of the average pay earned by men in such positions. Women in operational management roles received 108% of the average pay earned by their male counterparts. The corresponding percentages for team leaders and individual contributors (non-management) were 107% and 83%, respectively. We will continue to refine our methodology to calculate gender pay gap to reflect international practices.

Although we ensure equal pay for men and women in the same roles, the existence of a gender pay gap emphasises the importance of taking further action to support and empower women in their career advancement. To address this, we place significant emphasis on fostering diversity, equity, and inclusion at every stage of the employee life cycle.

**Employee breakdown by gender by operating company**  
(%)



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





## D&I Survey

Swire Pacific 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.

Our second D&I Survey, conducted late in 2022, gathered feedback from all Group employees based in Hong Kong. It was entirely voluntary and anonymous to participate. Overall, our average score for inclusion increased by 7% compared to the previous year. The information gathered is used as a reference for further action planning as we look to cultivate an even more inclusive workplace. We plan to conduct another employee insights survey in 2024.

## Our strategy – in actions

### Gender

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

We recognise the significance of women's empowerment in driving gender diversity, equity and inclusion within our workplace. In 2023, we launched a comprehensive range of initiatives aimed at dismantling barriers and biases that have hindered women's full participation in the workforce, ensuring women have equal access to opportunities for career growth, skill development, and leadership positions.

Swire Coca-Cola is currently engaged in an ongoing project with the Ministry of Women's Affairs of Cambodia, which centres on women's leadership development and women entrepreneurship. Through participation in training sessions, workshops, and seminars, our employees in Cambodia gain valuable knowledge and insights related to the topics. Swire Properties partnered with the Taikoo Women's Inspire Network to organise a mentoring programme focusing on supporting emerging female leaders, particularly those with management experience who hope to progress to a leadership position. By providing equal opportunities, support, and resources, we enable women to advance their careers and reach their full potential.

We actively showcase our collective commitment to gender equity through the organisation of internal events and collaborations with organisations focused on promoting gender equity on relevant gender-related international days. The Swire Women's Network organised an event in celebration of International Women's Day, where leaders and representatives from across the Group exchanged best practices on how to promote equity in the workplace, shared personal experiences with privilege and inequity, and emphasised our individual responsibility in DE&I. Additionally, the Gender Equity Network from Cathay Pacific hosted a Mother's Day event, inviting working mothers at Cathay to discuss their experiences, challenges, and successes in balancing their careers and motherhood.

By implementing these initiatives and engaging in collaborative efforts, we strive to cultivate a workplace that values and promotes gender equity, empowering women to thrive and contribute to their fullest potential.

### Age

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

We have devoted significant efforts to establish an age neutral and multi-generational workplace by implementing a diverse range of aging-friendly initiatives across the Group. As part of these endeavours, Swire Resources has launched an ongoing programme designed to re-employ employees beyond the retirement age, enabling them to leverage their extensive skills and knowledge to make valuable contributions within the Company.

To foster a dynamic multi-generational work environment, it is crucial to create platforms that facilitate intergenerational connections and promote mutual learning among employees from different age groups. A notable example of this is the Generations Dialogues Programme introduced by Swire Coca-Cola Vietnam. This initiative, primarily hosted by our Gen Z associates, aimed to bridge generational gaps within the Company by encouraging the exchange of knowledge, skills, and experiences across different age groups.



#### Case study

### HAECO – CrossGen Allies

In mid-2021, HAECO launched its DE&I journey, making significant strides in expanding our focus on gender, age, abilities, ethnicity, and sexual orientation. In 2023, it took the next step in its journey with a newly established DE&I initiative, CrossGen Allies which is designed to foster an age-inclusive workplace.

Since its inception, participants have organised a series of activities to raise awareness about age inclusion and have played an integral role in conducting a comprehensive review of HAECO's age inclusion policies and extracting insights into employee perspectives on working in a cross-generational workforce at HAECO.



## Ethnicity

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

With our extensive business operations spanning multiple regions and a diverse workforce comprising individuals from various ethnic backgrounds, establishing an inclusive workplace that embraces ethnic diversity is of paramount importance. Swire Pacific, alongside our operating companies including Cathay Pacific, Swire Properties, Swire Coca-Cola, and HAECO, proudly stands as a signatory to the Racial Diversity & Inclusion Charter, initiated by the Equal Opportunities Commission. Through our endorsement of the Charter, we affirm our dedication to promoting equal employment opportunities for ethnic minorities and fostering a culture of racial diversity within the Group. Furthermore, we actively engage in meaningful partnerships with non-governmental organisations (NGOs) to uplift the well-being of ethnic minorities, as exemplified by our provision of job and internship opportunities aimed at supporting and empowering the community.

In conjunction with different NGOs, we have organised a range of impactful events that demonstrated our commitment to ethnic diversity, equity and inclusion while stimulating cross-cultural collaboration and communication. At the Group level, we hosted our highly successful World Day for Cultural Diversity for Dialogue and Development event where insights on promoting cultural diversity in Hong Kong and dispelling misconceptions about people of different ethnicities were shared.

During Black History Month, Swire Properties partnered with the South Florida People of Colour Organisation to present the second annual "Diversity of the African Diaspora" celebration in Brickell City Centre. This remarkable event served as a platform to honour and celebrate Black culture through captivating performances and enriching dialogues aimed at education and understanding. Additionally, during our Diversity and Inclusion Month at Cathay Pacific, we joyously celebrated Diwali and other intercultural festivities by hosting an engaging workshop that enabled participants to create beautiful rangoli art, learn energetic Bollywood dance films, and test their intercultural knowledge through interactive activities.



### Case study

#### **EAST Hong Kong x JCSRS: Creating Workplaces that Celebrate Diversity**

## Disability

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

We are dedicated to creating an inclusive workplace that embraces disability inclusion, ensuring equal employment and advancement opportunities for individuals with disabilities, while actively striving to eliminate discriminatory practices. It is with great privilege that the Group, along with six of our operating companies, has been recognised as CareER Disability Inclusive Employers during the CareER Disability Inclusion Index Forum.

We place significant emphasis on empowering individuals with disabilities through inclusive recruitment practices and comprehensive job training initiatives. In alignment with this commitment, the Group and four of our operating companies actively participated in CareER's Inclusive Recruitment Fair 2023, engaging with candidates with disabilities. This engagement allowed us to gain valuable insights into their career aspirations while exploring potential employment opportunities within the Group.

This year, Swire Hotels collaborated with Jockey Club Sarah Roe School (JCSRS) to inaugurate a special student vocational training and work experience programme titled "EAST Hong Kong x JCSRS: Creating Workplaces that Celebrate Diversity." Through these partnerships with special education institutions, we provide students with special educational needs the opportunity to acquire practical work experience, reinforcing our steadfast belief in equal opportunities for every individual to thrive. Swire Hotels also continued their partnership with the Hong Kong Down Syndrome Association (HKDSA) on the UPSTAIRS Programme, providing trainees with a month-long practical, hands-on training experience at the Upper House hotel.





## Sexual orientation

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

Given that a proportion of our workforce identifies as part of the LGBTQ+ community, we have taken significant strides towards furthering our commitment to LGBTQ+ inclusion through various initiatives that aimed at creating a safe, inclusive, and affirming workplace for all employees. At Swire Resources, an online training has been introduced to boost our employees' understanding of promoting equal justice and equal opportunity for individuals of all genders.

June marked Pride Month, a month dedicated to celebrating the LGBTQ+ community around the world, numerous activities were organised across the Group to visualise our allyship with the community. Swire Properties offered a wide-range of engaging and educational activities, including cocktail-making

classes, drag show performances, and a road race, to celebrate Pride and raise awareness on our LGBTQ+ community, featuring the topics of transgender individuals in Hong Kong and supporting queer youth. On Pink Friday, an industry-wide initiative focuses on promoting LGBTQ+ inclusion in the workplace, with participants wearing pink to show pride and support for their LGBTQ+ colleagues. Swire Pacific employees wore pink and participated in interactive games designed to brainstorm ways to be strong allies of the LGBTQ+ community.

In addition to raising awareness internally, we have also publicly showcased our commitment to LGBTQ+ inclusion and support for the wider community. In light of the historic moment when Hong Kong became the first Asian city to host the Gay Games, the world's largest inclusive sports, arts and culture event, the Group sponsored our employees' participation in the Games, highlighting our support for the LGBTQ+ community.

## Looking ahead

In 2024, we will establish a comprehensive multi-year roadmap, which is based on the insights and benchmarks derived from the DEIB assessment, to enhance diversity, equity, inclusion, and belonging (DEIB) across all our operating companies. It will cover various aspects of the employee lifecycle and address the workplace factors that significantly influence DE&I. At the Group level, we will identify specific areas of DEIB focus and themes that go beyond the individual roadmap for each operating company.

The Group DE&I team will collaborate closely with each operating company to design a multi-year implementation roadmap. This collaboration will directly support our ambitions while fostering a diverse and inclusive work environment.

We remain committed to leveraging data-driven approaches and employing social research methodologies to strengthen Swire Pacific's capacity in integrating DEIB principles into our day-to-day business operations and enhancing workplace experiences.





## Health and safety

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

We aim to conduct our operations in a manner which safeguards the health and safety of our employees, contractors, suppliers, customers, the visitors to our business premises and the communities in which we operate. Protecting our workforce is fundamental to our businesses achieving their long-term success and sustainability.

### Explore more

ESG risk management



## 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.

As part of our risk governance arrangement, a risk forum is in place to oversee human resources and health and safety related risks. This forum provides a platform to identify emerging risks as well as opportunities to further enhance our health and safety management.

Every division sets annual safety targets and submits a quarterly health and safety report. 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 working group focus on 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.





### Our goals and targets

At the Group level, our aspirational goal is to achieve zero harm. Swire Coca-Cola, Swire Properties and HAECO have set health and safety related targets to reduce injury rates. Swire Coca-Cola, Swire Properties have set targets to maintain zero fatalities.

### Group performance

We use two metrics to evaluate safety performance:

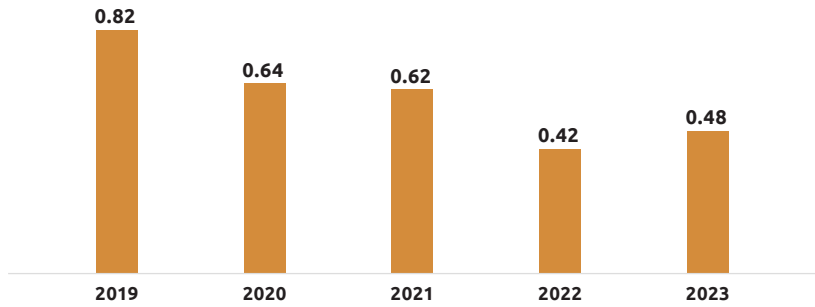
- Lost time injury rates (LTIR): the number of injuries per 100 full-time equivalent employees<sup>1</sup>
- Lost day rates (LDR): the number of work days lost to injuries per 100 full-time equivalent employees

In 2023, our LTIR increased by 14% to 0.48 from 0.42 in 2022 and LDR increased by 3% to 19.5. Significant improvements were observed at Swire Properties and Trading & Industrial division. Total hours worked in the group increased by 4% in 2023.

Regrettably there was an employee fatality at Swire Waste Management Limited in 2023. Following full investigation, enhanced mitigation measures were implemented.

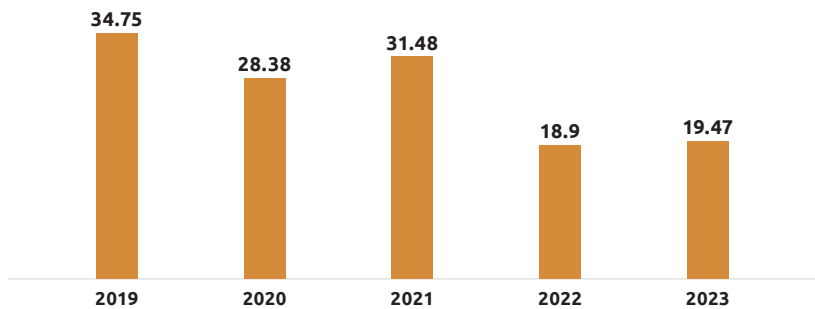
#### Lost Time Injury Rates<sup>2</sup> (LTIR)

(Number of injuries per 100 full time equivalent employees)



#### Lost Day Rate<sup>2</sup> (LDR)

(Number of days lost per 100 full time employees)



### 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 Vietnam operations. Following thorough investigations Swire Coca-Cola has enhanced its third-party logistics contractor safety management protocols.

### 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.



#### Case study

#### Swire Coca-Cola – Using technology to improve health and safety

Swire Coca-Cola utilises the Route-to-Market (RTM) Digital Sales Safety App in Chinese Mainland to further enhance safety during road transportation. This innovative App enables sales personnel to monitor and ensure compliance with safety regulations such as wearing helmets and seat belts. Additionally, the App facilitates the reporting of any safety hazards while on the road. It also provides a platform for self-learning through online resources.

1. 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]  
 2. Figures for 2019-2020 have been restated to reflect the change in the reporting boundary in 2021



## 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.

## Significant Incident Investigation

The significant incident investigation framework, HAECO Investigation Process (HIP), was introduced to facilitate efficient adaptation across all **HAECO** entities. The new framework was designed to expedite learning, as well as risk and change management. The HIP was assessed as a case study at the world's foremost authority in benchmarking, best practices, process and performance improvement in the USA and passed benchmarks for industry best practices. The HIP encourages formation of a diverse and independent investigation team of HAECO's dedicated staff, bringing together strengthened and simplified solutions, which can be adopted more effectively with significant improvement in reporting quality.



### Case study

## Swire Properties – Safety Management and Smart Technology in the Chinese Mainland

### A. Smart Safety Monitoring Systems

Swire Properties uses smart safety monitoring systems at its Chinese Mainland project sites. By monitoring various construction site parameters using advanced sensors, data-collection devices and real-time monitoring, the systems improve safety, prevent accidents and ensure compliance with safety regulations.

### B. Intelligent Safety Inspection Systems

Safety inspections of equipment and facilities have become digitalised and intelligent due to the rapid evolution of smart technology. Swire Properties management offices in the Chinese Mainland now utilise cutting edge technologies for conducting daily safety inspections of equipment and facilities. An example of how technology adoption can eliminate hazards to employees is in Taikoo Hui Guangzhou, where a robotic hazard monitoring system is used to monitor, in real time, plant room abnormalities, this removes the need for manual inspections.



## Safety awareness and reporting

**Swire Coca-Cola** and **Swire Properties** have enhanced their reporting tools (online and mobile apps) to encourage and facilitate safety related incidents reporting and to further promote safety reporting culture.

**HAECO** continued to use Behaviour-based Safety Observation (BBSO) to identify and address unsafe acts and to embed safety into day-to-day operations.

**Swire Properties** launched a Deep Dive Safety Inspection Programme across its operations to identify and address potentially serious hazards and to raise safety awareness. Design for Safety was also included into its Development Charter as a preventative strategy to remove hazards before they are introduced to the workplace via adoption of safe design principles. Design for Safety is a safety requirement for new projects and major alteration works.

## Crisis management

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.

## 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.

## Looking forward

We will continue to promote across the Group a proactive and preventative health and safety strategy with a structured approach to post incident investigation and 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 eliminate risks and 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.



# Communities

Position our community initiative as part of our core business value



Enable change through grants 70

Support our communities through our staff and our businesses 75

Material topics

Local communities

## Beneficiaries

**>1.6 million**



beneficiaries of our active programmes in 2023

## Trust contributions

**HK\$35 million**



distributed by the Swire Group Charitable Trust

## Contributions by our businesses

**HK\$75 million**



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

**SwireTHRIVE – COMMUNITIES**

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

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.

## The Swire Group Charitable Trust

The Trust aims to make positive changes in education, marine conservation, and the arts through support for charitable programmes in Hong Kong. The Trust has tax-exempt charitable status in Hong Kong and is funded by annual contributions from operating companies. It is overseen by the Philanthropy Council, which is chaired by a member of senior management. 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.

The work of the Trust focuses on three core areas:

### 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.



As part of Swire's 150th anniversary in Hong Kong, the TrustTomorrow initiative has funded more than 70 projects spanning Education, Marine Conservation and the Arts, and also gave a helping hand to the those disadvantaged during the pandemic since its launch in 2020. Having worked with over 100 NGO partners, to date, TrustTomorrow has touched the lives of over two million people.

## Grants

In 2023, we supported 50 education, marine conservation, arts, COVID-19 relief, and other programme grants. We also saw a total of 17 projects completed in the year.

Through our long-term presence in the community, our broad-range connections with local organisations, and our active participation in the social sector, the Trust team has a clear understanding of the latest needs and trends of the society in the respective focus areas. This allows the team to focus resources on areas that most needed support.

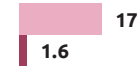
The Trust, led by the Group Head of Philanthropy, sources new projects by engaging with NGOs and other stakeholders in the respective social sectors. Apart from aligning with the Trust's pillars of focus, potential projects should demonstrate that they could serve underserved groups or potential for upscaling.

Those potential projects are invited to submit applications, which then go through an approval process by the Philanthropy Council. Successful projects continue to be monitored by the Trust on their progress and governance until the projects end.

### Committed amount (HK\$M)

■ Ongoing  
■ Complete

#### Arts



#### Education



#### Marine conservation



#### Others



## Further reading

[TrustTomorrow](#)







## Key projects

Selected projects active in 2023 are included below.

### Education

In total we had 28 education projects in 2023.

Organisation	Purpose	Grant value (HK\$)
<b>Caritas Hong Kong</b> 	<p>This two-phased grant will enhance the capacity of the social welfare sector to support children with Specific Learning Difficulties (SLDs). It will provide 4 years of family-based and holistic services to children with SLDs to enhance their learning motivation, social skills and self-esteem.</p>	7,215,300
<b>EDiversity Limited</b> 	<p>The grant will help 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. It aims to instil in Primary 1 to 3 students in 15 primary schools the vital values, attitude, life, and social and emotional skills for whole-person development.</p>	5,050,848



#### Case study

### Building Community, Building Tung Chung


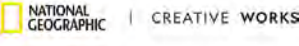

Concluding its second phase, the "Building Community, Building Tung Chung" programme has fostered remarkable synergy through collaboration with five NGO partners. This initiative has united children, youth, ethnic minorities, and families, creating a cohesive social fabric in Tung Chung. Directly impacting over 16,000 individuals, the programme has improved access to resources and strengthened community bonds. Beyond assistance, the objective is to empower the community to serve others, fostering mutual help synergy. These NGOs, with their diverse strengths, exemplify the power of collective impact.

In order to draw the stories of Trust that is built through this multi-faceted project, a book of twelve Tung Chung locals was published in December 2023. The public may also access excerpts of these stories on <https://listentotungchung.hk/>.



## Marine conservation

In total we had 10 marine conservation projects in 2023.

Organisation	Purpose	Grant value (HK\$)
<b>Hong Kong Maritime Museum</b> 	We are supporting the creation of a first-of-its kind marine science learning platform that will enhance public awareness on marine issues, promote collaboration, and cultivate a marine eco-civilised community in Hong Kong, setting the pre-condition to ultimately protect our marine environment in the long term.	15,000,000
<b>National Geographic</b> 	Through a multi-media campaign, student workshops and on-the-ground exhibitions that chronicle the diverse biodiversity found in Hong Kong waters, the partnership aims to educate, engage and motivate the Hong Kong public to protect Hong Kong's marine biodiversity.	8,800,000
<b>The University of Hong Kong - The Swire Institute of Marine Science (SWIMS)</b> 	Funding will establish the Swire Coastal Outreach Hub and develop coastal science modules, which will provide quality experiential education to students and the public to raise awareness on marine conservation.	5,372,000



### Case study

#### Oceans Tomorrow: Celebrating Hong Kong's unique marine biodiversity


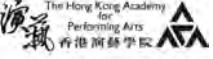



National Geographic Creative Works partnered with Swire Trust to explore the world beneath Hong Kong's waves. The campaign aims to raise awareness about the marine life in Hong Kong and the threats it faces. It also encourages Hong Kongers to take action to preserve the marine environment. The campaign includes online and offline elements such as National Geographic Explorers-led videos, a dedicated content hub, and a youth workshop that connects marine conservation, arts, and education. The finale of the campaign concluded with four on-ground exhibitions showcasing the various marine ecosystems that shaped the maritime history, ocean life, and our everyday connections with Hong Kong's waters. [The Oceans Tomorrow content hub was selected as one of the official honourees in the 2023 Webby Awards.](#)



## Arts

In total we had 4 arts projects in 2023.

NGO	Description	Grant Value (HK\$)
<b>The Hong Kong Philharmonic Society Limited</b> 	Our funding will establish a new initiative, The Orchestra Academy, which aims to nurture next-generation musicians in Hong Kong with well-rounded music and career-focused training.	9,436,000
<b>Hong Kong Academy for Performing Arts</b> 		
<b>Arts with the Disabled Association Hong Kong</b> 	We are providing general funding support to promote the arts and artistic talent among persons with disabilities, so as to create equal opportunities for these individuals in the arts sector and to foster social integration.	7,500,000



### Case study

#### A new harbourfront community space








“Quarryside”, a new community space in Quarry Bay, officially opened in June 2023. The site is a demonstration of a collective effort between the Government, private, and social sectors for the betterment of the community.

Supported by the “Funding Scheme to Support the Use of Vacant Government Sites by Non-government Organisations” of the Development Bureau of the HKSAR Government, the project has transformed vacant government land into a community space that offer diverse experiences to promote a creative, healthy and sustainable lifestyle. Quarryside is operated by St. James’ Settlement, its design and construction supported by Swire Properties, and its operation sponsored by the Swire Trust. From July to Dec 2023, Quarryside has hosted 230 events and engaged more than 11,000 event participants.



## Others

In total we had 5 projects outside of our core areas in 2023.

NGO	Description	Grant Value (HK\$)
<b>St James' Settlement</b> 	The co-creation of a special community hub, Quarryside, for the Eastern District in Hong Kong which aims to foster a closer, vibrant and more sustainable community.	15,000,000
<b>The Hong Kong Council of Social Service</b> 	By driving a 5-NGO-partnership community-based holistic service model we aim to empower the deprived remote community of Tung Chung. The project will strengthen career competence in youths, engage communities through sports and families with young children through play, and upskill young ethnic minorities to promote an inclusive community.	14,000,904
<b>InspiringHK Sports Foundation Limited</b> 		
<b>The Zubin Mahtani Gidumal Foundation Limited</b> 		
<b>Hong Kong Sheng Kung Hui Welfare Council Ltd</b> 		
<b>Playright Children's Play Association</b> 		
<b>Time Auction Limited</b> 	We are funding a digital skills volunteer matching platform to help NGOs recruit skilled volunteers, provide volunteers with unique learning opportunities, and channel the volunteers' skills into the social services sector in an efficient and scalable manner.	1,770,500

## Supporting our communities through our staff and our businesses

	Swire Trust	Property	Beverages	Aviation	Trading & Industrial	Swire Pacific (Head office)
<b>Total value of cash contributions</b> (HK\$ thousand)	34,984	33,161	9,932	490	1,221	8,412
<b>Value of in-kind contributions</b> (HK\$ thousand)	-	9,873	10,987	8	501	-
<b>Volunteering hours</b>	2,968	10,937	150,134	2,538	973	-

### Supporting the community through our people

In 2023, the Swire Trust's TrustTomorrow staff engagement programme enabled employees across the Group to contribute 2,968 hours of service to 54 meaningful activities. Through these activities, our people provided direct support to our community and gained a deeper understanding of various social needs.

### Looking forward

The Swire Trust 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. Operating companies across the Group also continue to give back to their respective communities through their businesses.



#### Case study Mentoring the next generation

Building on the 'connect the dots' strategy of TrustTomorrow, the Swire Trust rolled out a mentorship programme in 2023 to further serve the youth under three of our NGO partners, namely Christian Action Centre for Refugees, Hong Kong Sheng Kung Hui Tung Chung Integrated Services, and The Zubin Foundation.

Employees from across the Group volunteered to mentor these youths in tertiary education or above in a one-on-one manner throughout the year. 68 mentors and mentees participated in this pilot year of mentorship, and did an array of activities together, such as office visits, Cathay City tour, or volunteering. Mentors and mentees alike enjoyed the programme and many stated that it broadened their horizons to different sectors of Hong Kong that they did not know before.



#### Case study Supporting sustainable seafood in Hong Kong

In addition to supporting much needed scientific research under the Marine Conservation pillar, increasing public education is equally important. Swire Trust partnered with Choose Right Today, a Hong Kong platform dedicated to informing consumers about sustainable seafood, to host a few sustainable seafood tours at Sai Kung for our employees.

At this popular seafood hotspot, our colleagues learnt how to identify local versus imported species, as well as common versus endangered ones. It was a first-hand approach in getting familiar with what could be consumed and what should not. "This was eye-opening for me and made me aware of what I should not buy when shopping for seafood," shared a colleague who brought her child along.



# Other ESG disclosures

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Nature 88

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## Material topics

Business ethics and anti-corruption

Changing consumer preferences

Labour practices and human rights in our operations

Natural capital and resource use

Product quality and safety

Responsible lobbying

Responsible sourcing

Talent attraction and retention





## 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 2023. We are subject to the Corporate Governance Code in Appendix C2 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<sup>1</sup>.

Our representatives in joint venture, partners, 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 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.

**Further reading**

[Our Values, Core Principles and Investment Principles](#)

[Corporate Governance Code](#)

[Memorandum and Articles of Association](#)

[Board Diversity Policy](#)

[Swire Pacific Annual Report 2023](#)

[Corporate Code of Conduct](#)

[Reporting of Improprieties](#)

**Explore more**

[Our approach to sustainable development](#)

1. Harassment is included under Diversity and Respect in the Workplace and our Respect in the Workplace Policy



## Our Whistleblowing Policy applies to all employees and to business partners such as suppliers, contractors, agents and other third parties.

### 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 to business partners such as suppliers, contractors, agents and other third parties 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 were provided anti-bribery and anti-corruption training materials 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.

We report on breaches of all areas of our Code of Conduct for the year under review if they are proven to have occurred. In 2023, there were 59 cases of whistleblowing and five reports of breaches of the Code of Conduct.

#### Number of breaches to Code of Conduct Principles

2023

Conflicts of interest	1
Procurement	1
Use of information and property	3

### 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

[Whistleblowing Policy](#)





## 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.

As a Group, 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. They are guided by Group 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.

Our Sustainable Supply Chain Working Group is chaired by Group-level sustainability personnel and convenes senior procurement managers from our operating companies to share best practices, develop the policies and guidelines applicable to procurement teams, and to shape team member roles and responsibilities in operating company supplier programmes. External supply chain service and subject matter specialists are invited to help build capacity.

At the operating company level, our businesses determine appropriate supplier ESG programmes for their industries. This includes, for example, applying weighting to sustainability criteria so suppliers or products with better ESG performance get preference, and exclusionary criteria for suppliers identified as not complying with our policies and failing to improve over time.

### 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, including on ecosystems and biodiversity, 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.

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.

Individuals within our supply chain who suspect or have witnessed actual improprieties can raise concerns in confidence through either of our dedicated whistleblowing channels: directly to Internal Audit Department or through EthicsPoint, a third-party service provider. This sets out our expectation that suppliers should be prepared to be open and transparent in order to verify compliance with the Code.

### Further reading

[Supplier Code of Conduct](#)



[Human Rights Policy](#)



## 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.

## Human Rights Policy

We conduct our businesses in a manner which respects the human rights and dignity of our employees, those employed in our supply chains and the communities in which we operate. 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 include in our agreements with suppliers and contractors, provisions which encourage them to adhere to our Human Rights Policy and we expect third parties who deal on our behalf to adhere to its principles.



## 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 is standard practice to require that all suppliers in Hong Kong, Chinese Mainland, and Miami, U.S.A. comply with its SCoC.

New suppliers must complete self-assessment questionnaires to confirm that they have appropriate policies and systems in place to comply with the SCoC. The questionnaire captures information on the company's management practices on 21 sustainability criteria encompassing environmental considerations, labour and human rights, ethics and sustainable procurement. It includes the criteria outlined by the Ten Principles of the UN Global Compact, the International Labour Organization conventions, the Global Reporting Initiative (GRI) standards, ISO 26000, the CERES Roadmap, and the UN Guiding Principles on Business and Human Rights. 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. Suppliers that fail to comply fully with its SCoC risk termination of their contracts, subject to the contractual terms therein, and removal from our approved contractors list.

All suppliers of **Swire Coca-Cola's** critical materials and ingredients for beverages, packaging and any items with TCCC's logo must comply with TCCC's Supplier Guiding Principles (SGP) and Principles for Sustainable Agriculture (PSA). Supplier compliance with the SGP and PSA is verified by independent third-party audits arranged by TCCC. Approximately 460 suppliers were reviewed in 2023.



### Case study

#### Swire Properties – Understanding and managing ESG risks of its significant suppliers

In 2023, Swire Properties launched a Business Partner Sustainability Programme to effectively implement its SCoC, and improve supply chain data transparency, accuracy and reliability. The programme has three key stages: supplier screening, supply chain ESG assessment, and continuous supplier development.

Swire Properties prioritised 300 of its tier-1 suppliers to engage in the programme. Suppliers were selected based on potential risk of ESG impacts and how critical they are to operations. Through a third-party

partnership these top suppliers have been enrolled in a three-year ESG performance assessment cycle using a proprietary platform. Assessment will be regularised based on risk exposure, allowing the monitoring of progress and corrective actions. Suppliers will gain in-depth insights into their strengths and areas for improvement, along with access to information on ESG best practices and valuable resources through an online e-learning platform. In 2023, a total of 100 suppliers underwent the assessment process.

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.

As part of the China Bottlers Procurement Consortium (CBPC), Swire Coca-Cola works with its suppliers in the Chinese Mainland to strive for a green and low-carbon end-to-end supply chain.

**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 procurement

**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. In 2023, HK\$ 559 million of sustainable products were procured.

Swire Properties procured

**HK\$559 million**



of sustainable products

Swire Properties specifies low-carbon concrete, reinforcement bar (rebar) and structural steel in its contract for new developments 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** integrates sustainability into its procurement decisions and has committed that by 2025 key agricultural ingredients (sugar and corn) will come from sources verified by third parties to be sustainable. Its procurement teams work with suppliers to identify or develop packaging and cold drink equipment options that help it meet its sustainability targets. A tracking system, introduced in 2020, helps it 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 each company's 2023 Sustainability Report.

### Further reading

[Swire Properties Sustainability Report 2023](#)



[Swire Coca-Cola Sustainability Report 2023](#)



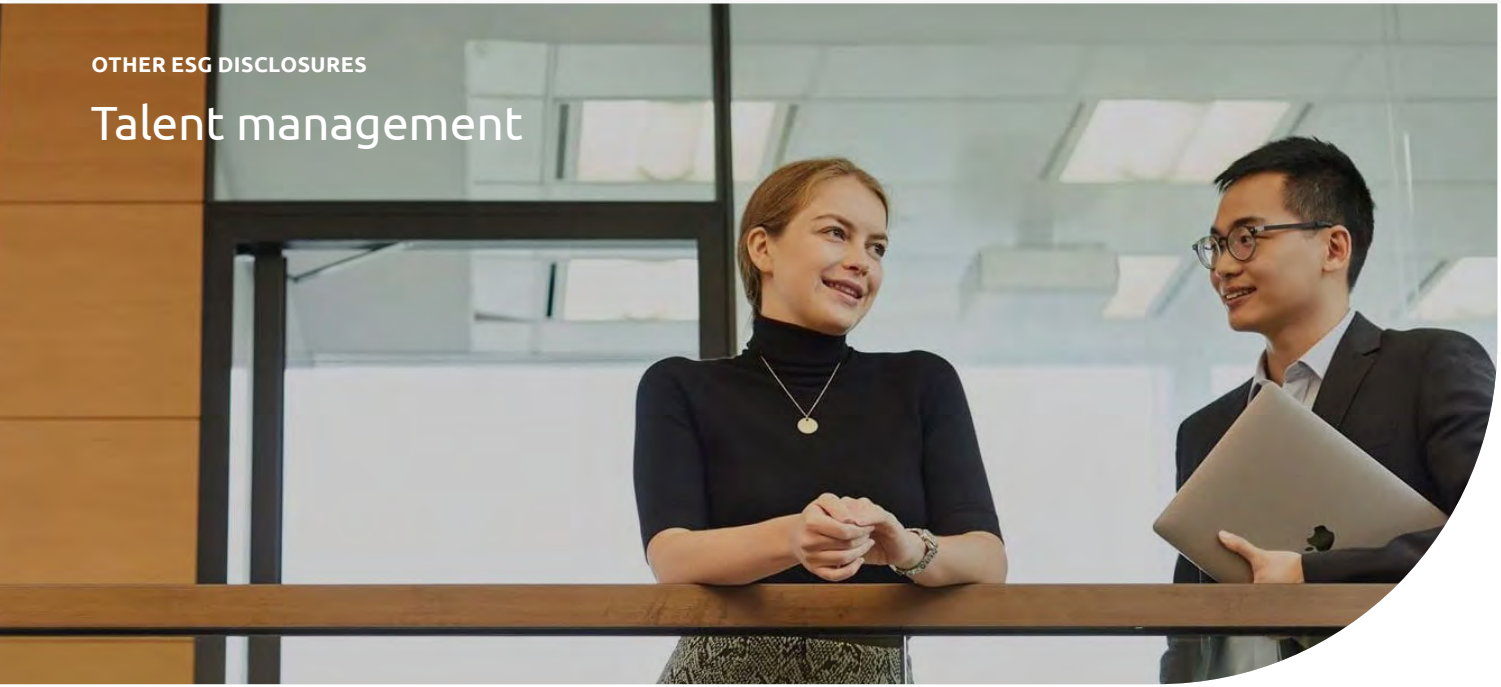
[HAECO Sustainability Report 2023](#)





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.

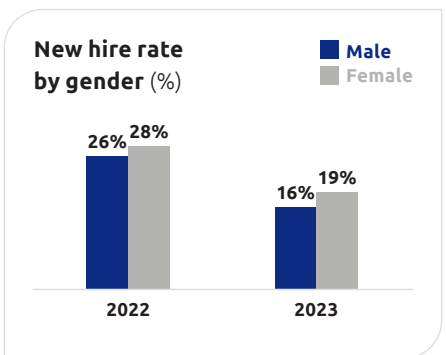
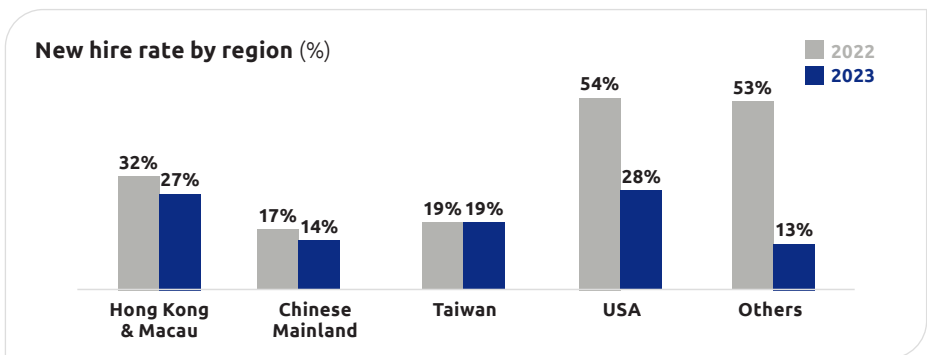
In 2023, our new hire rate was 17% and the average staff tenure was 8.9 years. Staff turnover is monitored with a view to identifying and managing problems as they arise, and to retaining talent. The voluntary turnover rate for permanent staff was 13% in 2023, down from 22% in 2022.

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 73-100% of employees at 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 2023, Swire Properties, Swire Coca-Cola and HAECO group conducted dedicated employee engagement surveys. Engagement levels were mostly above 78%.

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 HiHAECO app facilitates sharing, entertainment, learning and rewards. Over 4,400 employees have used the app. Swire Pacific (head office), and Taikoo Motors regularly feature staff stories in internal newsletters.

### Training and development

We develop our people by on-the-job learning, mentoring, coaching, classroom training and online learning. In 2023, the average number of hours of training per employee was 40 hours, a 5% increase from the previous year. Overall, 100% of male staff and 99% of female staff received training in 2023. On average, we spent over HK\$1,450 per employee, compared with around HK\$1,230 in 2022. 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 sustainability 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.

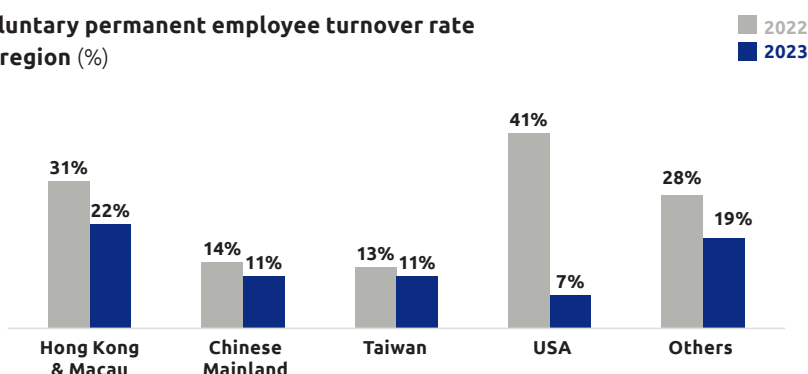
#### Explore more

- People
- Communities

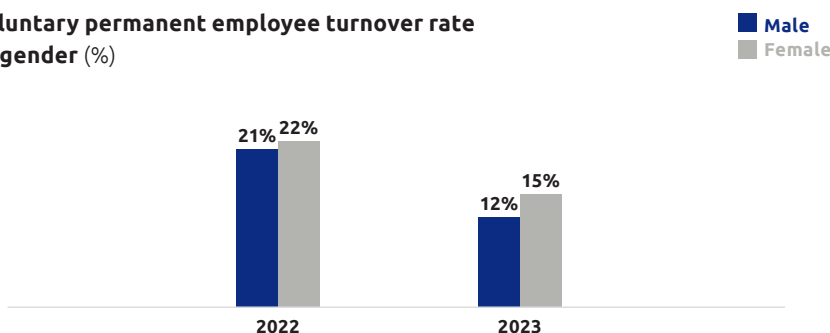
#### Further reading

- [Swire Pacific Group companies' sustainability reports](#)
- [Swire programmes](#)

Voluntary permanent employee turnover rate by region (%)



Voluntary permanent employee turnover rate by gender (%)





## 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 ESG Risk management section of this report and the Swire Pacific Annual Report 2023.

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 2023, 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.

### Further reading

[Swire Pacific Personal Data Policy](#)

[Swire Pacific Health and Safety Policy](#)

[Swire Pacific Annual Report 2023](#)

[Swire Coca-Cola Sustainability Report 2023](#)

[TCCC's Responsible Marketing Policy](#)

[Swire Properties Sustainability Report 2023](#)

### Explore more

[ESG risk management](#)



### 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

For more information, please see Swire Coca-Cola's Sustainability Report 2023.



#### Other material issues

#### Our approach

Responsible marketing

In line with TCCC's Responsible Marketing Policy, we 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

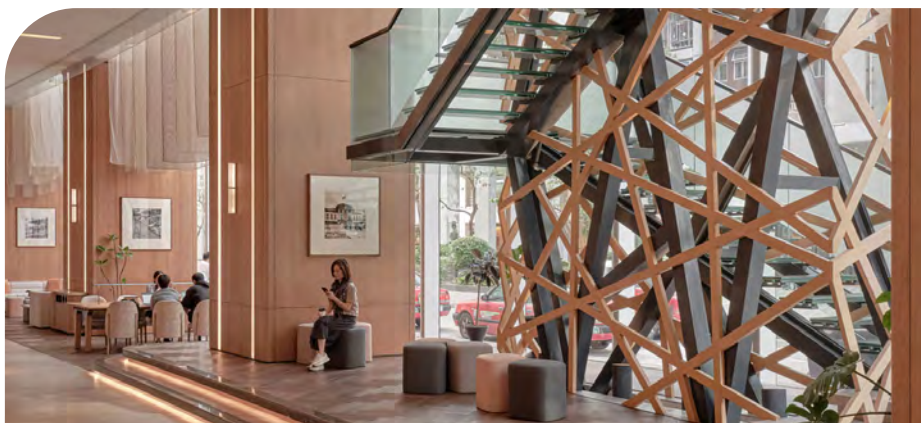
Swire Coca-Cola includes caloric information on the front of its packaging. Nutritional information provided is factual and easy-to-understand, and fully compliant with regulations.

### 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' Sustainability Report 2023.



#### 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

## Nature

Biodiversity and nature 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.

Nature and biodiversity are important considerations 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 nature and biodiversity are a material issue, our businesses have developed approaches relevant for what they do and where they are.

### 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 also work collaboratively with partners to support relevant biodiversity and conservation initiatives, as well as raising awareness of biodiversity and conservation issues among our employees, customers, suppliers, and partners.

We have developed an impact and dependency tool for use within our operating companies to capture our ecological relationships and inform decision making. We have conducted industry-level assessments for the industries in which we operate using the open source tool ENCORE (Exploring Natural Capital Opportunities, Risks, and Exposure). We have also conducted site-level assessments on 83 assets across our portfolio using the IBAT tool (Integrated Biodiversity Assessment Tool). Please see 'Our actions' section for more details.

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 have developed 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.

#### Further reading

[Biodiversity Policy](#)



[Sustainable Food Policy](#)







### Our actions

Swire Pacific has conducted a high-level industry risk assessment across Aviation, Beverages, Properties, and Trading & Industrial divisions using Natural Capital Finance Alliance’s Encore tool. For each of these industries, material issues rating from very high to very low have been identified for both dependencies and impacts. By providing insight into how our operating companies potentially depend on and impact on nature, and how these potential dependencies and impacts might represent a business risk, we are better positioned to inform decision making. Whilst not all the issues found to be material at an industry level will be

material for the specific operations and geographies of each operating company, this assessment provides a direction for further inquiry.

Further developing the risk assessment exploration, an initial 83 high-priority water-withdrawal sites were selected for site-level assessments using the Integrated Biodiversity Assessment Tool (IBAT). Within 50km, 63% of sites were found to have at least one Protected Area, and 72% were in proximity to Key Biodiversity Areas. The number of species assessed on the IUCN Red List of Threatened Species that potentially occur within 50km of each site has also been assessed.

The findings from the initial biodiversity assessment revealed that up to 73% of sites require further assessment to confirm if they are conclusively located in close proximity to areas of critical biodiversity. In 2024, we will conduct a more in-depth analysis. This will also be extended to cover the entire Swire Pacific asset list to guide further assessment and decision-making. Around 10% of our assets were included in the initial IBAT assessment.

The table below shows the material issues for nature-related impacts and for the selected sector, sub-industry, and production process most relevant to the industries in which SPAC operates, as indicated by ENCORE.

### Impact and dependency by industry

Type	Ecosystem service	Description	Aviation	Beverages	Properties	T&I
Dependency	Direct physical input	Fibres and other materials			Medium	
		Ground water	Medium	High	High	
		Surface water	Medium	High	High	
	Enables production process	Soil quality			Low	
		Ventilation			Low	
		Water flow maintainance			Medium	
		Water quality			Low	Low
	Mitigates direct impacts	Bio-remediation			Low	Low
		Dilution by atmosphere and ecosystems			Low	
		Filtration			Low	Low
Mediation of sensory impacts				Low		
Protection from disruption	Climate regulation		Medium		High	
	Flood & storm protection		High	Medium	Medium	
	Mass stabilisation & erosion control		Medium	Low	Low	
Impact	Impact driver	Disturbances	High			High
		GHG emissions	High	High	High	High
		Marine ecosystem use				Medium
		Non-GHG air pollutants	High		Medium	High
		Soil pollutants	High	Medium	Medium	Medium
		Solid waste	High	High	Medium	Medium
		Terrestrial ecosystem use			High	
		Water pollutants	High	High	High	High
		Water use	High	High		High





**Swire Properties** has guidelines to integrate biodiversity considerations into new developments and **targets a minimum**

**20%**  
site coverage  
of greenery



**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. Swire Properties also extended this assessment to its upstream value chain and conducted a pilot biodiversity risk assessment for its sourced materials.

It has guidelines to integrate biodiversity considerations into new developments and targets a minimum 20% site coverage of greenery. These include examples and checklists that will help project teams and management offices with ways to enhance biodiversity in its properties and new projects. 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. In support of this, an urban biodiversity study was carried out in partnership with a professor at the University of Hong Kong for its Taikoo Place redevelopment project. Findings 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.



### Case study

#### Swire Properties – Taikoo Place

Taikoo Place was used a test case for the World Business Council on Sustainable Development's Taskforce on Nature-related Financial Disclosures (TNFD) pilot process, showcasing the development's approach to identifying and managing opportunities to increase positive urban nature impacts through green building practices. The case highlighted how Taikoo Place integrates biodiversity considerations into its targets, policies and procurement processes, conducts biodiversity assessments before and during the redevelopment, and how it proactively seeks nature-based solutions during planning.

Informed by an urban biodiversity study in partnership with a professor at the University of Hong Kong for Taikoo Place, the study emphasised the importance of protecting local species and green corridors that support the movement of birds and butterflies between parks. In 2024, two new green spaces totalling approximately 69,000 sq. ft will be opened with native trees and vegetation and water features.

Swire Properties is one of the 40 Global Taskforce on Nature-related Financial Disclosures (TNFD) Members. They are involved in the initiative's Infrastructure and Real Estate Working Group and the Supply Chain Working Group, helping to formulate the overall framework and contribute to collective nature-positive goals. As part of the Taskforce it was one of only three Hong Kong companies to pilot the TNFD beta framework and was featured as a [WBCSD TNFD pilot use case](#), sharing its approach to driving positive impacts by incorporating nature-inclusive designs in its buildings.

This year, Swire Properties conducted a screening of its global portfolio using biodiversity indicators to define a priority list and nature profile, and explore its business impact and dependencies on nature. They then began to develop a list of associated nature-related risks and opportunities in accordance with the LEAP (Locate, Evaluate, Assess, Prepare) approach – an integrated assessment process for nature-related risks and opportunities management.



**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, Vietnam, and Cambodia. 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.

Further information is available in the sustainability reports of our operating companies.

## Looking forward

In 2024, the insights from third-party tools will feed into the development of an improved internal impact and dependency tool for use with our operating companies to capture our ecological relationships.

All assessment results will be incorporated into developing Nature & Biodiversity management plans, including mitigation hierarchy presenting the key best practice management measures applicable to the type of operational activity of Swire Pacific sites.

Nature and biodiversity will also be incorporated into our scenario analysis, to consider the interrelated impacts of climate and nature under different possible futures. Additionally, the Nature Working Group will start preparing for the adoption of the Taskforce on Nature-related Financial Disclosures (TNFD).

## Further reading

[Sustainability reports of our operating companies](#)



### Case study

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

# About our report

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## ABOUT OUR REPORT

## Overview

This is our 17th annual sustainability report. It was published in April 2024 and covers the financial year from 1st January to 31st December 2023. 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 Rolls-Royce plc (50%) and HAECO (50%) is also excluded, as we do not have sole control. Cathay Pacific and HAESL publish their own sustainability 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.

The disposal of 100% equity interests in the franchise business in the USA (doing business as Swire Coca-Cola, USA (SCCU)) was completed on 7th September 2023. Information in this report relating to SCCU represents data of up to completion of the disposal.

The scope, boundary and calculation methodology for specific data points are disclosed in our Reporting Methodology document.

## Explore more

<a href="#">About Swire Pacific</a>	
<a href="#">SwireTHRIVE</a>	
<a href="#">Other ESG disclosures</a>	
<a href="#">Assessing materiality</a>	
<a href="#">Performance data</a>	
<a href="#">GRI and HKEX index</a>	
<a href="#">Climate-related financial disclosures</a>	



## Reporting frameworks

This report complies with the Environmental, Social and Governance Reporting Guide in Appendix C2 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), the GHG Protocol, and the Ten Principles of the United Nations Global Compact, of which we are a signatory.

## 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 2023 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.

### Further reading

[Swire Pacific Group companies' sustainability reports](#)

[Reporting Methodology](#)

[Independent Assurance Report](#)

[Swire Pacific Annual Report 2023](#)

## The Sustainable Development Office team



**Mark Harper**  
Group Head of Sustainability



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**Sam Smith**  
Sustainable Development Manager



**Dori Jin**  
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Assistant Manager – Sustainable Development



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## We value your feedback

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

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**ABOUT OUR REPORT**

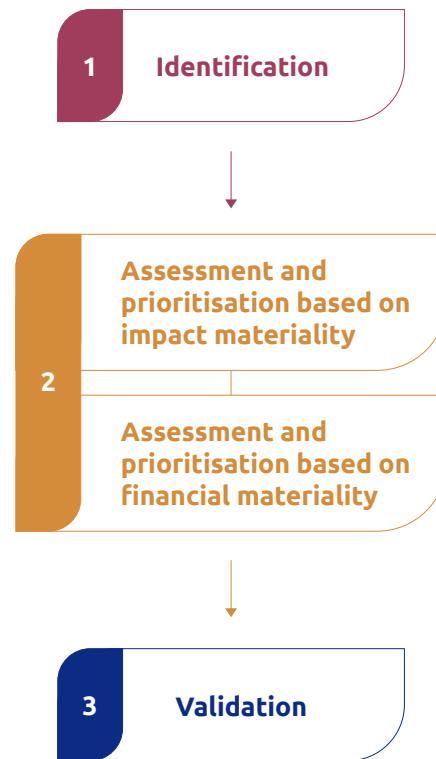
# Assessing materiality

The coverage of our annual sustainability 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 review our materiality topics annually and conduct an in-depth assessment every two years. In 2023, we conducted a comprehensive materiality assessment that applied the concepts of double and dynamic materiality, which considers both financial materiality and impact materiality, and how these may evolve over a short- to medium-term time horizon. 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).

Our comprehensive assessment involved input from a range of external frameworks and stakeholder engagement was a key element of this approach, as recommended by GRI and ISSB. Our assessment had three key phases.





## 1. Identification

It is key that our sustainability materiality assessment be based on an exhaustive list of sustainability topics covering all areas that are potentially relevant to Swire Pacific. We conducted research to develop a list of potential material issues with reference to the GRI Standards, ESG investor topics and sustainability ratings, the sustainability reports of our operating companies, and the UN Sustainable Development Goals (SDGs). To connect the assessment with our company's broader risk management processes, we included sustainability topics listed on the Group's risk register.

We reviewed the past definitions of our topics, combining closely related topics where relevant. We combined supply chain related topics such as Child labour and Forced labour into Responsible Sourcing. To better capture our relationship with nature through impacts and dependencies we combined Biodiversity and Material and Resource use into Natural capital and resource use. Our research and revisions resulted in an initial list of 25 ESG topics.

## 2. Assessment and Prioritisation

Engaging our stakeholders in the process of assessing our priorities is essential. In 2023, an external consultancy conducted one-on-one interviews and focus group discussions with our internal and external stakeholders. We describe our process further in 'Stakeholder engagement'. Detailed stakeholder feedback was analysed and insights from the materiality assessment exercise were shared with the leadership team and relevant departments.

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

In line with our Enterprise Risk Management process, we assess financial materiality based on impact to enterprise value considering 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. Climate change mitigation), or it could indicate an emerging issue where we may need to strengthen our policies and practices to reduce our vulnerability (e.g. Responsible sourcing).

Our approach in 2023 built upon our previous assessment in which members of senior 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.

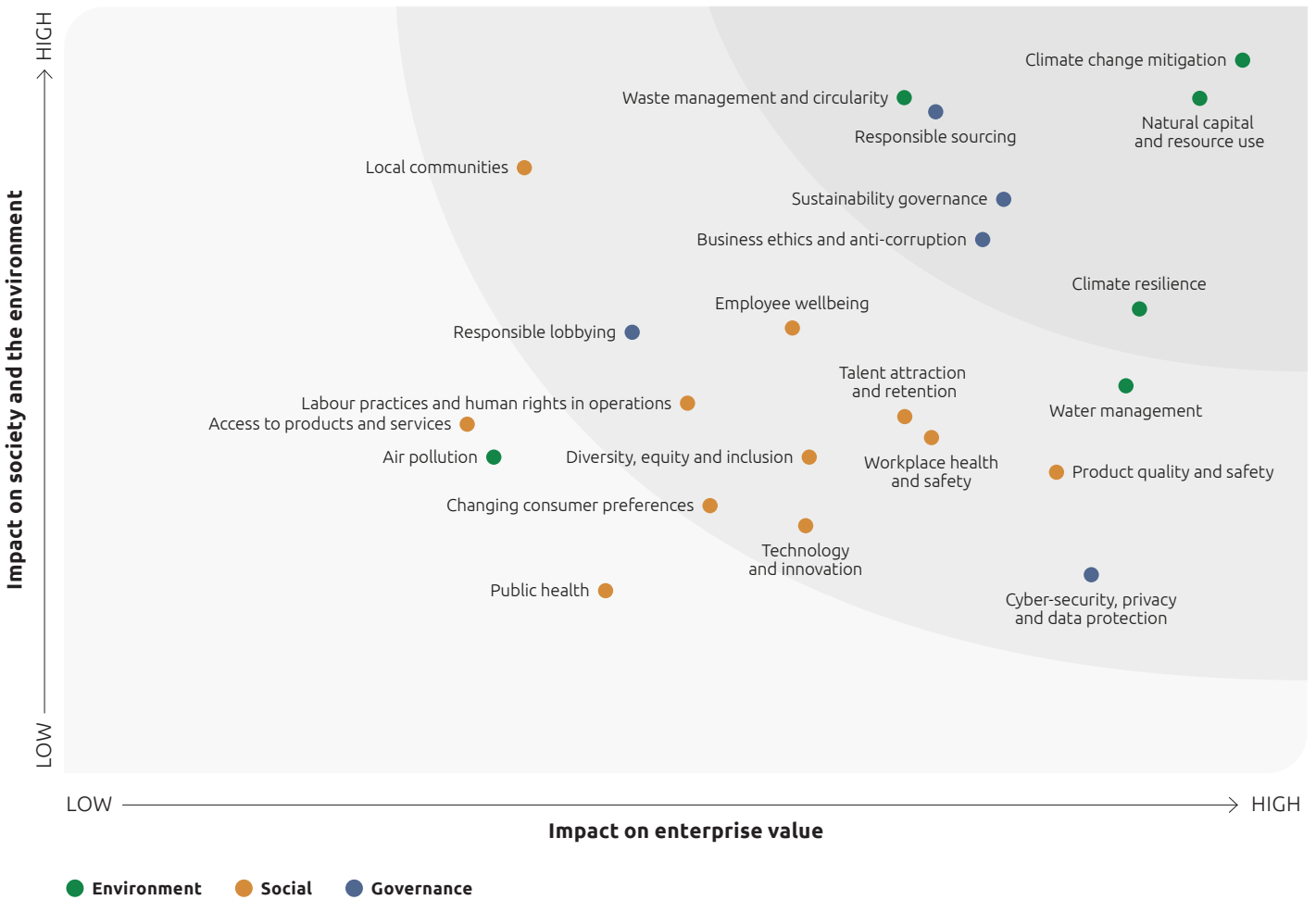
## 3. Validation

Results were validated by the those with senior 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



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**

[SwireTHRIVE](#)



## Material topics

The table below shows the most 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>					
Climate change mitigation	The reduction of carbon emissions delivered through energy efficiency of both direct and indirect energy consumed and emissions produced in our operations, production processes, transport, and the use of and investment in renewable energy sources.	●	●	●	GRI 302: Energy GRI 305: Emissions
Climate change resilience	The ability to prepare for and recover from physical and transition climate impacts in our regions of operations.	●	●		GRI: 201-2 Financial and other climate risks
Natural capital and resource use	The relationship our business has through its impact and dependency on natural capital, the stock of renewable and non-renewable natural resources, such as plants, animals, air, water, soils and minerals, and the ecosystem services they provide.	●	●	●	GRI: 304 Biodiversity
Waste management and circularity	The implementation of a systematic and life-cycle approach to identify, manage, reduce, and responsibly dispose of or recycle effluents and waste, at all stages of sourcing, production, sale, use and end-of-life; including food and packaging, as well as efforts to reduce effluents from operations and manufacturing facilities.	●	●	●	GRI 306: Effluents and waste
Water management	To stimulate water conservation within our sphere of influence and contribute to water positivity through the implementation of a systematic approach to conserve, reduce use of, and reuse water in our operations and supply chain.	●	●	●	GRI 303: Water



Topic	Topic definition	Material impact			GRI reference
		Upstream	Own operations	Downstream	
<b>SOCIAL</b>					
Diversity, equity and inclusion	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 our efforts to ensure that the company workforce (at all levels, including the Board) reflects our business strategy and the diversity (in gender and age) of the workforce pool in our countries of operation.	●	●		GRI 405: Diversity and equal opportunity GRI 406: Non-discrimination
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
Labour practices and human rights	Labour standards in working hours and conditions, wages, compensation and benefits, freedom of association and right for workers to negotiate contracts with their employers, and humane treatment of direct employees.		●		GRI 401: Employment
Local communities	Process of diversification and enhancement of economic and social activity on a local scale in a territory where the company is operating or sourcing materials, including direct or indirect generation of employment resulting from our company's activities and investing in local development of education and environmental preservation.	●	●	●	GRI 201: Economic Performance
Product quality and safety	Products should be safe for consumers and manufactured in a way that meets appropriate quality assurance standards and applicable regulations.		●	●	GRI 416: Customer Health and Safety GRI 417: Marketing and Labelling GRI 418: Customer Privacy
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 404: Training and education
Technology and innovation	The use of technology and the corresponding impact on labour and human rights including AI to automate white collar jobs, to improve sales/marketing techniques, to enhance surveillance, as well as the impact of robotics and automation on manufacturing, the transportation industry, distribution channels and supply chain logistics.	●	●	●	GRI 401: Employment








Topic	Topic definition	Material impact			GRI reference
		Upstream	Own operations	Downstream	
<b>GOVERNANCE</b>					
Business ethics and anti-corruption	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: Anti-corruption GRI 206: Anti-competitive behaviour GRI 419: Socioeconomic compliance
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
Responsible lobbying	Efforts to uphold high ethical standards and ensure transparency in lobbying activities.		•		GRI 415: Public Policy
Responsible sourcing	Processes for sourcing external supplies, including supplier relationships and evaluation of suppliers' environmental and social practices.	•			GRI 408: Child Labour GRI 409: Forced or Compulsory Labour GRI 308: Supplier Environmental Assessment GRI 414: Supplier Social Assessment
Sustainability governance	Corporate level sustainability governance with board level and executive oversight, and defined roles and responsibilities to manage sustainability related matters, including through dedicated functions and teams.		•		GRI 2: General Disclosures 2021





## SwireTHRIVE material impacts

Pillar	Topic	Impact outward	Impact inward
 CLIMATE	Climate change mitigation	Due to the diverse nature of our Group, our reduction of carbon dioxide emissions in our operations and value chain, including transport, and the use of and investment in renewable energy reduces the emissions profiles of our operating companies' customers.	Our stakeholders recognise the increasing risks associated with climate change. Climate change mitigation is particularly important with regards to financial impact as two of the main divisions – Properties and Aviation - are challenging sectors in which to reduce emissions.
	Climate change resilience	Stakeholders value efforts to enhance infrastructure resilience and adopt adaptive measures to ensure business continuity in the face of climate-related challenges. Water security is a resiliency issue that Swire Coca-Cola manages well, and with Swire Pacific has set targets to replenish 100% of the water it uses.	The changing climate can potentially impact on our assets, and business continuity due to extreme weather events.
 WASTE	Waste management and circularity	Manufacturing, production and construction can be waste intensive. Waste diverted from landfill can support the circular economy and reduce its negative environmental and health impacts.	Waste Management and Circularity is seen to be increasingly important in some of Swire Pacific's locations, particularly Hong Kong, where new legislation will be introduced in 2024.
 WATER	Water management	Withdrawal and consumption of water for agriculture, production and manufacturing, as well as wastewater discharge, can negatively impact the functioning of ecosystems and local communities' access to water. Implementation of a systematic approach to conserve, reduce use of, and reuse water can stimulate water conservation within the Group's sphere of influence and contribute to water positivity.	Water security is a resiliency issue in parts of Chinese Mainland which may pose reputational or financial risk. Supply chains may be disrupted due to water scarcity that can impact on prices.
 PEOPLE	Diversity, equity and inclusion	Swire Pacific has 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. With our scale and as we operate in less gender-balanced industries, we can have a positive impact on our workforce.	Increasing diversity in the workforce, leadership and Board results in increased diversity of thought and therefore strengthens Swire's ability to develop and implement effective business strategies and innovate.
	Health & Safety	Hazards in our operations, particularly in manufacturing plants and during road travel, can lead to injuries and fatalities. A culture of safety and robust OHS management can support employees to be healthy, safe, and more productive.	Violations of OHS labour standards pose a risk of fines or litigation and to reputation. Maintaining healthy and safe workplaces could also lead to the opportunity that Swire Pacific achieves financial and strategic objectives.
 COMMUNITIES	Local communities	Supporting the success of communities where we operate through community investment and volunteering positively impacts communities and stakeholders across multiple issues, and on education, marine, and the arts in particular.	There are potential reputational and revenue benefits associated with strengthening local economies and stakeholders' prospects for development through community investment projects, infrastructure, services, jobs, and capacity-building.



## 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 gathered targeted feedback on the refreshed SwireTHRIVE 2.0 strategy, by engaging 15 experts from academia, financial institutions, peer companies, and civil society through focus group discussion and one-on-one interviews.

In 2023, we commissioned an external consultancy to conduct engagement for our comprehensive double and dynamic materiality assessment, to ensure the material issues covered in this report continue to be relevant, and explore how topics may evolve.

Internal stakeholder input was acquired from Swire Pacific through 5 senior level interviews, topic expert focus group, and two sets of validation, which provided key insights into the impact of issues on Enterprise Value. External stakeholder input was also acquired through 10 one-on-one interviews with subject matter experts, which provided both quantitative and qualitative insight into the impact of issues on the environment and society.

## Board members



## Mode of engagement

Board meetings, interviews

## Key sustainability topics

- Climate change mitigation
- Cyber-security, privacy and data protection
- Sustainability governance
- Waste management and circularity
- Water management

## Senior leadership



## Mode of engagement

Interviews and executive meetings

## Key sustainability topics

- Climate change mitigation
- Employee wellbeing
- Waste management and circularity
- Water management
- Sustainability governance
- Talent attraction and retention
- Workplace health and safety

## NGOs and activists



## Mode of engagement

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

## Key sustainability topics

- Climate change mitigation
- Cybersecurity, privacy and data protection
- Natural capital and resource use
- Waste management and circularity
- Product quality and safety
- Changing consumer preferences

## Investors



## Mode of engagement

Meetings, focus groups

## Key sustainability topics

- Climate resilience
- Climate change mitigation
- Changing consumer preferences
- Product quality and safety
- Public health
- Natural capital and resource use
- Water management
- Waste management and circularity

## Peer companies and competitors



## Mode of engagement

Focus groups, committees, events

## Key sustainability topics

- Access to products and services
- Responsible sourcing
- Climate change mitigation
- Water management
- Labour practices and human rights
- Responsible lobbying

## Industry associations and chambers of commerce



## Mode of engagement

Meetings, focus groups

## Key sustainability topics

- Climate change mitigation
- Natural capital and resource use
- Responsible lobbying
- Water management
- Technology and innovation



## Stakeholder views on SwireTHRIVE



CLIMATE

**“Being able to measure and influence scope 3 emissions is crucial.”**

Director on the Board of Swire Pacific



WASTE

**“The UN Plastics Treaty is going to flow into national laws, and so there’ll be a lot more scrutiny and accountability for plastics.”**

External stakeholder from an industry association



WATER

**“The availability and quality of water remain a key issue in the communities where Swire Pacific operates, especially for the Properties and Beverage businesses.”**

External stakeholder from a peer company



PEOPLE

**“Given the size of its workforce, there is significant potential for Swire Pacific to make a positive influence on diversity, equity and inclusion.”**

External stakeholder from our investor community



COMMUNITIES

**“Swire interacts with various aspects of people’s lives and there is so much potential to connect people together for the benefit of local communities.”**

External stakeholder from an NGO

### Evolving issues

We focused on dynamic materiality by examining with our stakeholders, a number of trends that might significantly evolve or newly emerge. Climate change mitigation and Climate resilience, Natural capital and resource use, and Technology and innovation were highlighted as topics that are expected to increase in significance to the greatest degree. Change drivers include increases in regulatory pressure, stakeholder expectation, financial costs to manage these topics, and in the case of technology, the impact of artificial intelligence.

Global environmental agreements such as the Paris Agreement, the forthcoming UN Plastics Treaty and Kunming-Montreal Global Biodiversity Framework are expected to influence national laws where we do business. Corporate due diligence laws will heighten scrutiny on responsible sourcing practices. Locally, regulations on single-use plastics and municipal solid waste charging are prominent issues for Hong Kong regulators. New regulations are expected to have an impact on various material issues, for example, effective sustainability governance, responsible sourcing, and technological innovation.

### 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 Coca-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. Stakeholders considered Talent attraction and retention, Employee wellbeing, and Workplace health and safety 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 Labour practices and human rights and Responsible sourcing. 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.

#### Explore more

- People 
- Talent management 
- Supply chain 
- Communities 



# Appendices

Performance data 105

External initiatives, charters and memberships 118

GRI and HKEX index 120

SDG alignment 134

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# 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 2023 sustainable development performance. The data in these tables identified with the symbol [R] has been independently reported on by Deloitte.

## Further reading

[Reporting Methodology](#)



[Independent Assurance Report](#)





Statistics		Note	Property		Beverages		Aviation	
			Swire Properties		Swire Coca-Cola (Note 3)		Cathay Pacific Group (Note 5, 6, 7)	
			2023	2022	2023	2022	2023	2022
<b>ENVIRONMENTAL</b>								
<b>Energy</b>								
Total Energy Consumption (thousand GJ)	Direct energy consumption	1	192	179	1,288	1,318	-	-
	Indirect energy consumption	1	1,077	1,070	2,769	1,962	-	-
	Total	2	1,269	1,249	4,057	3,281	-	-
	% Change year-on-year		2%		24%		-	-
On-site Renewable Energy Generation (thousands kWh)			460	379	26,615	20,493	-	-
<b>Emissions</b>								
Greenhouse Gas Emissions from Direct Operations (thousand tonnes CO <sub>2</sub> e)	Scope 1		10	10	77	80	-	-
	Scope 2, market-based method		153	156	274	229	-	-
	Total (market-based method)		163	166	351	308	-	-
	% Change year-on-year		-1%		14%		-	-
	Scope 2, location-based method		183	186	367	278	-	-
	Total (location-based method)	2	193	196	444	358	-	-
% Change year-on-year		-1%		24%		-	-	
Greenhouse Gas Emissions Across Swire Pacific's Value Chain (thousand tonnes CO <sub>2</sub> e)	Scope 3 Investment		-	-	-	-	5,229 <sup>R</sup>	2,426
	Scope 3 Total	4	258	426 <sup>(1)</sup>	3,347	3,658	5,229	2,426
	% Change year-on-year		-39%		-9%		116%	
Total Biogenic Emissions (tonnes CO <sub>2</sub> e)			101	33	0.25	0.60	-	-
<b>Water</b>								
Total Water Withdrawal by Sources (thousands cbm)	Water Withdrawal - Municipal		1,726	1,633 <sup>(1)</sup>	18,354	14,408	-	-
	Water Withdrawal - Groundwater		-	-	263	178	-	-
	Total	2,14	1,726	1,633	18,617	14,586	-	-
	% Change year-on-year		6%		28%		-	-
Total Water Withdrawal by Water Stress Levels (thousands cbm)	Low (<20%)	15	676	894	11,697	8,966	-	-
	Medium (20-40%)		53	-	386	2,783	-	-
	High (>40%)		997	739	6,534	2,837	-	-
Total Water Consumption (thousands cbm)		16	-	-	9,922	8,312	-	-



Aviation		Trading & Industrial		Marine Services					
HAECO group (Note 8)		Swire Resources, Taikoo Motors, Swire Foods and Swire Environmental Services		Swire Pacific Offshore (Note 13)		Swire Pacific (Head office)		Total (Note 1)	
2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
246 <sup>(9)</sup>	210	75	75		114	-	-	1,801	1,896
324	334	130	135		1	-	-	4,300	3,502
570	544	205	210		115	-	-	6,101 <sup>R</sup>	5,398
5%		-2%				-		13%	
2,539	1,132	-	-		-	-	-	29,617	22,003
17	15	6	6		9	-	-	110	120
41	44	19	21		0.1	-	-	486	449
58	59	25.3	27		9	-	-	597	569
-2%		-7%				-		5%	
42	44	20.5	21		0.1	-	-	613	529
59	59	26.9	27		9	-	-	723 <sup>R</sup>	649
1%		-2%				-		11%	
13 <sup>(10)</sup> <sub>R</sub>	12				-	-	-	5,242 <sup>R</sup>	2,438
503 <sup>(11)</sup>	12	1,132	860 <sup>(12)</sup>					10,468	7,382
3994%		32%				-		42%	
70	123	-	-		-	-	-	171	157
345	385	240	300		-	-	-	20,666	16,726
-	-	-	-		-	-	-	263	178
345	385	240	300		-	-	-	20,928 <sup>R</sup>	16,904
-10%		-20%				-		24%	
315	364	238	299		-	-	-	12,925	10,523
9	1	-	-		-	-	-	448	2,784
22	21	2	1		-	-	-	7,555	3,598
-	-	-	-		-	-	-	9,922	8,312



Statistics	Note	Property		Beverages		Aviation		
		Swire Properties		Swire Coca-Cola (Note 3)		Cathay Pacific Group (Note 5, 6, 7)		
		2023	2022	2023	2022	2023	2022	
<b>ENVIRONMENTAL</b>								
<b>Waste</b>								
Total Waste by Type and Disposal Method (tonnes)	<b>Hazardous Waste</b>							
	Disposed		0	1	154	121	-	-
	Recycled		11	9	10,486	106	-	-
	Total Hazardous Waste Generated	2	11	10	10,639	227	-	-
	<b>Non-hazardous Waste</b>							
	Disposed		24,854	22,390	4,507	2,413	-	-
	Recycled		14,143	11,269	20,577	18,233	-	-
	Reused		52	18	0	0	-	-
	Recovered		1,131	644	8,853	4,751	-	-
	Total Non-hazardous Waste Generated	2	40,180	34,321	33,937	25,397	-	-
	Total Non-hazardous Waste Diverted	2	15,326	11,931	29,430	22,984	-	-
	<b>Total Waste Generated</b>	2	40,192	34,331	44,576	25,624	-	-
	% Change year-on-year		17%		74%		-	-
<b>Waste Diversion Rate</b>		38%	35%	87%	90%	-	-	
<b>HEALTH &amp; SAFETY</b>								
Thousand hours worked		13,846	13,281	84,132	77,646	-	-	
Total lost time injuries		55	58	183	151	-	-	
Lost time injury rate (LTIR)		0.79	0.87	0.44	0.39	-	-	
% Change year-on-year (LTIR)		-9%		12%		-	-	
Lost days due to injuries		1,579	2,087	7,633	6,274	-	-	
Lost day rate (LDR)		22.81	31.43	18.15	16.16	-	-	
% Change year-on-year (LDR)		-27%		12%		-	-	
Total fatalities (employee)		0	0	0	0	-	-	
Total fatalities rate (employee)		0%		0%		-	-	
Total fatalities (contractor)		0	0	1	1	-	-	





Aviation		Trading & Industrial		Marine Services					
HAECO group (Note 8)		Swire Resources, Taikoo Motors, Swire Foods and Swire Environmental Services		Swire Pacific Offshore (Note 13)		Swire Pacific (Head office)		Total (Note 1)	
2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
1,477	1,553	350	349		25	-	-	1,981	2,049
75	171	86	77		0	-	-	10,658	364
1,551	1,724	437	426		25	-	-	12,639	2,413
1,047	1,369	29	33		0	-	-	30,436	26,206
1,298	1,205	1,014	858		0.02	-	-	37,031	31,565
0	0	8	7		0	-	-	60	25
966	1,042	0	0		0	-	-	10,950	6,437
3,310	3,617	1,050	899		0.02	-	-	78,477	64,233
2,263	2,247	1,022	865		0.02	-	-	48,041	38,027
4,861	5,340	1,487	1,325		25	-	-	91,116	66,645
-9%		12%				-		37%	
68%	62%	97%	96%		100%	-	-	61%	59%
28,699	27,217	11,333	12,373		2,334	102	92	138,112	132,943
79	46	12	20		3	0	0	329	278
0.55	0.34	0.21	0.32		0.26	0	0	0.48 <sup>R</sup>	0.42
62%		-34%				-	-	14%	
3,645	3,111	590	1,058		35	0	0	13,447	12,565
25.40	22.86	10.41	17.10		3	0	0	19.47	18.90
11%		-39%				-	-	3%	
0	0	1	0		0	0	0	1 <sup>R</sup>	0
0%		1.8%				0		0.1%	
0	0	0	0		0	0	0	1 <sup>R</sup>	1



Statistics	Note	Property		Beverages		Aviation	
		Swire Properties		Swire Coca-Cola (Note 3)		Cathay Pacific Group (Note 5, 6, 7)	
		2023	2022	2023	2022	2023	2022
<b>PEOPLE</b>							
<b>Staff (Including all employment types)</b>							
Total		6,866	6,407	29,079	34,380	-	-
Employees who are on Permanent Terms (%)		94%	93%	100%	99%	-	-
Permanent employees who work Full-time (%)		99%	98%	100%	100%	-	-
By gender (%)	Male	58%	60%	67%	71%	-	-
	Female	42%	40%	33%	29%	-	-
By age group (%)	Under 30 years old	20%	21%	16%	18%	-	-
	30 to 50 years old	59%	57%	75%	70%	-	-
	Over 50 years old	21%	21%	9%	12%	-	-
By region (%)	Hong Kong & Macau	46%	48%	5%	4%	-	-
	Chinese mainland	49%	47%	84%	71%	-	-
	Taiwan	0%	0%	3%	3%	-	-
	USA	5%	5%	0%	22%	-	-
	Others	0%	0%	8%	0%	-	-
By employee category (%)	Strategic Leader	1%	1%	0.3%	0.2%	-	-
	Operational Leader	1%	2%	7%	6%	-	-
	Team Leader	25%	27%	16%	14%	-	-
	Individual Contributor	74%	71%	77%	79%	-	-
<b>Staff (Include permanent employees only)</b>		17					
By employee category and age group (%)	<b>Strategic Leader</b>						
	Under 30 years old	0%	0%	0%	0%	-	-
	30 to 50 years old	57%	59%	45%	54%	-	-
	Over 50 years old	43%	41%	55%	46%	-	-
	<b>Operational Leader</b>						
	Under 30 years old	2%	1%	2%	1%	-	-
	30 to 50 years old	70%	69%	82%	83%	-	-
	Over 50 years old	29%	30%	16%	16%	-	-
	<b>Team Leader</b>						
	Under 30 years old	12%	14%	9%	9%	-	-
	30 to 50 years old	79%	78%	82%	78%	-	-
	Over 50 years old	9%	8%	9%	12%	-	-
	<b>Individual Contributor</b>						
Under 30 years old	22%	24%	19%	21%	-	-	
30 to 50 years old	57%	54%	73%	68%	-	-	
Over 50 years old	21%	22%	8%	11%	-	-	



Aviation		Trading & Industrial		Marine Services					
HAECO group (Note 8)		Swire Resources, Taikoo Motors, Swire Foods and Swire Environmental Services		Swire Pacific Offshore (Note 13)		Swire Pacific (Head office)		Total (Note 1)	
2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
12,139	11,884	5,822	6,063			58	50	53,964	58,784
97%	97%	81%	81%			98%	98%	96%	96%
99%	99%	97%	88%			100%	100%	99%	98%
81%	81%	45%	42%			43%	42%	67%	69%
19%	19%	55%	58%			57%	58%	33%	31%
17%	17%	29%	28%			9%	8%	18%	19%
61%	60%	58%	60%			72%	70%	68%	66%
23%	23%	13%	12%			19%	22%	14%	15%
41%	39%	40%	35%			100%	100%	22%	19%
45%	45%	33%	41%			0%	0%	65%	60%
0%	0%	26%	24%			0%	0%	5%	4%
13%	16%	0%	0%			0%	0%	4%	17%
0%	1%	0%	0%			0%	0%	4%	0%
0%	0%	0.2%	0.3%			21%	24%	0.4%	0.4%
2%	3%	1%	1%			19%	12%	5%	4%
14%	27%	7%	7%			47%	48%	15%	18%
83%	69%	92%	92%			14%	16%	79%	78%
0%	0%	0%	0%			0%	0%	0%	0%
41%	35%	23%	20%			64%	58%	47%	48%
59%	65%	77%	80%			36%	42%	53%	52%
1%	1%	0%	0%			0%	0%	2%	1%
61%	67%	50%	45%			82%	83%	79%	79%
38%	32%	50%	55%			18%	17%	19%	19%
4%	5%	2%	3%			11%	8%	8%	9%
69%	77%	74%	75%			81%	79%	78%	78%
27%	18%	23%	22%			7%	13%	13%	14%
19%	22%	23%	29%			25%	29%	20%	22%
61%	55%	65%	61%			50%	57%	68%	63%
19%	23%	12%	11%			25%	14%	13%	14%



Statistics		Note	Property		Beverages		Aviation	
			Swire Properties		Swire Coca-Cola (Note 3)		Cathay Pacific Group (Note 5, 6, 7)	
			2023	2022	2023	2022	2023	2022
<b>PEOPLE</b>								
By employee category and gender (%)	<b>Strategic Leader</b>							
	Male		58%	64%	80%	81%	-	-
	Female		42%	36%	20%	19%	-	-
	<b>Operational Leader</b>							
	Male		48%	45%	68%	70%	-	-
	Female		52%	55%	32%	30%	-	-
	<b>Team Leader</b>							
	Male		47%	48%	68%	70%	-	-
	Female		53%	52%	32%	30%	-	-
	<b>Individual Contributor</b>							
Male		62%	64%	67%	72%	-	-	
Female		38%	36%	33%	28%	-	-	
<b>Voluntary Permanent Employee Turnover Data</b>		17						
By age group (%)	Under 30 years old		33%	39%	25%	49%	-	-
	30 to 50 years old		13%	15%	10%	18%	-	-
	Over 50 years old		8%	7%	1%	11%	-	-
By gender (%)	Male		15%	16%	12%	24%	-	-
	Female		17%	23%	12%	20%	-	-
By region (%)	Hong Kong & Macau		19%	21%	21%	42%	-	-
	Chinese mainland		13%	16%	13%	16%	-	-
	Taiwan		0%	0%	8%	0%	-	-
	USA		19%	29%	0%	45%	-	-
	Others		18%	0%	18%	0%	-	-
By employee category (%)	Strategic Leader		2%	10%	2%	2%	-	-
	Operational Leader		0%	2%	4%	4%	-	-
	Team Leader		11%	18%	5%	10%	-	-
	Individual Contributor		18%	21%	14%	27%	-	-
Total Voluntary Turnover Rate of Permanent Employees (%)			16%	19%	12%	23%	-	-
<b>Employee New Hire Data</b>		17						
By age group (%)	Under 30 years old		50%	57%	36%	71%	-	-
	30 to 50 years old		21%	19%	11%	21%	-	-
	Over 50 years old		12%	9%	2%	13%	-	-
By gender (%)	Male		23%	22%	13%	30%	-	-
	Female		28%	31%	16%	27%	-	-
By region (%)	Hong Kong & Macau		25%	24%	25%	45%	-	-
	Chinese mainland		24%	23%	13%	19%	-	-
	Taiwan		0%	0%	13%	13%	-	-
	USA		32%	56%	0%	61%	-	-
	Others		17%	0%	11%	0%	-	-





Aviation		Trading & Industrial		Marine Services					
HAECO group (Note 8)		Swire Resources, Taikoo Motors, Swire Foods and Swire Environmental Services		Swire Pacific Offshore (Note 13)		Swire Pacific (Head office)		Total (Note 1)	
2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
76%	84%	62%	67%			64%	67%	72%	76%
24%	16%	38%	33%			36%	33%	28%	24%
73%	76%	48%	52%			27%	17%	68%	69%
27%	24%	53%	48%			73%	83%	32%	31%
81%	77%	53%	53%			48%	42%	65%	68%
19%	23%	47%	47%			52%	58%	35%	32%
81%	82%	44%	41%			13%	29%	68%	69%
19%	18%	56%	59%			88%	71%	32%	31%
22%	28%	58%	90%			44%	50%	30%	50%
7%	9%	18%	16%			8%	15%	10%	16%
6%	8%	15%	13%			10%	0%	5%	10%
9%	12%	27%	39%			13%	10%	12%	21%
9%	11%	28%	35%			10%	19%	15%	22%
12%	13%	53%	74%			11%	15%	22%	31%
3%	5%	14%	15%			0%	0%	11%	14%
0%	0%	13%	16%			0%	0%	11%	13%
20%	27%	0%	0%			0%	0%	7%	41%
26%	31%	0%	0%			0%	0%	19%	28%
2%	11%	0%	0%			9%	8%	2%	7%
4%	8%	2%	12%			12%	0%	4%	5%
4%	5%	8%	10%			8%	13%	6%	9%
11%	14%	29%	39%			27%	50%	15%	25%
9%	12%	27%	37%			11%	14%	13%	22%
42%	31%	69%	105%			100%	75%	43%	67%
12%	5%	16%	22%			24%	23%	13%	18%
6%	12%	20%	24%			0%	0%	7%	13%
16%	10%	31%	47%			29%	19%	16%	26%
15%	13%	25%	42%			24%	25%	19%	28%
20%	9%	53%	84%			26%	22%	27%	32%
9%	5%	10%	20%			0%	0%	14%	17%
0%	0%	22%	23%			0%	0%	19%	19%
27%	29%	0%	0%			0%	0%	28%	54%
135%	56%	0%	0%			0%	0%	13%	53%



Statistics		Note	Property		Beverages		Aviation	
			Swire Properties		Swire Coca-Cola (Note 3)		Cathay Pacific Group (Note 5, 6, 7)	
			2023	2022	2023	2022	2023	2022
<b>PEOPLE</b>								
By employee category (%)	Strategic Leader		4%	11%	1%	0%	-	-
	Operational Leader		5%	10%	5%	4%	-	-
	Team Leader		24%	21%	4%	6%	-	-
	Individual Contributor		26%	27%	17%	35%	-	-
Total New Hires Rate (%)			25%	25%	14%	29%	-	-
<b>Average Tenure of Employee</b>		17						
By age group (years)	Under 30 years old		1.98	2.1	2.0	2.2	-	-
	30 to 50 years old		5.99	6.0	9.0	7.9	-	-
	Over 50 years old		10.4	10.2	18.0	16.3	-	-
By gender (years)	Male		6.52	6.4	9.0	8.4	-	-
	Female		5.33	5.3	7.0	6.5	-	-
Total Average Tenure of Employee (years)			6.02	5.9	8.5	7.9	-	-
<b>Employee Promotion Rate</b>		17						
By age group (%)	Under 30 years old		14%	14%	3%	14%	-	-
	30 to 50 years old		8%	8%	2%	7%	-	-
	Over 50 years old		3%	2%	1%	5%	-	-
By gender (%)	Male		8%	8%	2%	9%	-	-
	Female		9%	9%	3%	7%	-	-
Total Employee Promotion Rate (%)			8%	9%	2%	8%	-	-
<b>Employees Trained</b>		17						
By employee category (%)	Strategic Leader		100%	86%	71%	105%	-	-
	Operational Leader		100%	96%	100%	81%	-	-
	Team Leader		100%	97%	97%	98%	-	-
	Individual Contributor		100%	97%	98%	100%	-	-
By gender (%)	Male		100%	97%	98%	102%	-	-
	Female		100%	97%	98%	91%	-	-
Total Employees Trained (%)			100%	97%	98%	99%	-	-
<b>Average Employee Training Hours</b>		17						
By employee category (hours)	Strategic Leader		18.9	17.5	23.3	413.6	-	-
	Operational Leader		22.8	30.3	42.5	60.8	-	-
	Team Leader		21.5	23.4	43.1	43.6	-	-
	Individual Contributor		25.0	24.6	39.7	30.5	-	-
By gender (hours)	Male		22.3	23.1	41.7	34.7	-	-
	Female		26.3	26.1	37.6	36.2	-	-
Total Average Hours of Training (per employee)			24.0	24.3	40.4	35.1	-	-



Aviation		Trading & Industrial		Marine Services					
HAECO group (Note 8)		Swire Resources, Taikoo Motors, Swire Foods and Swire Environmental Services		Swire Pacific Offshore (Note 13)		Swire Pacific (Head office)		Total (Note 1)	
2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
10%	11%	0%	7%			0%	8%	4%	6%
8%	10%	8%	12%			36%	17%	5%	6%
7%	4%	11%	11%			22%	17%	9%	8%
18%	14%	29%	47%			63%	71%	19%	32%
16%	11%	27%	44%			26%	22%	17%	26%
3.0	3.4	2.5	1.9			0.6	1.0	2.3	2.3
12.0	12.6	7.8	7.0			6.9	7.6	9.2	8.5
19.0	18.7	14.1	13.3			20.6	18.4	16.7	16.0
12.0	12.9	7.7	7.0			7.3	7.3	9.5	9.2
10.0	10.3	7.2	6.6			9.8	10.7	7.5	7.2
12.0	12.4	7.5	6.5			8.8	9.2	8.9	8.4
27%	28%	11%	5%			0%	25%	11%	16%
11%	13%	11%	6%			0%	9%	5%	8%
5%	5%	2%	2%			10%	0%	3%	4%
12%	14%	9%	5%			0%	10%	6%	10%
12%	14%	10%	5%			3%	7%	6%	8%
12%	14%	10%	5%			2%	8%	6%	9%
124%	119%	54%	60%			27%	17%	87%	97%
103%	102%	85%	88%			55%	50%	100%	85%
106%	104%	95%	97%			26%	4%	99%	100%
109%	107%	91%	73%			0%	14%	100%	98%
109%	107%	89%	66%			46%	14%	100%	101%
108%	105%	92%	81%			15%	14%	99%	92%
109%	106%	91%	75%			28%	14%	100%	98%
16.3	20.9	28.9	0.8			24.1	2.7	21.0	172.2
22.5	36.0	20.7	10.2			64.4	15.2	39.7	54.8
57.2	76.2	18.4	17.0			4.5	0.8	40.1	49.1
59.8	64.6	15.2	13.3			0.0	2.3	40.3	34.1
64.3	74.6	9.5	7.8			3.7	2.4	43.9	41.5
33.7	33.3	20.6	17.6			30.5	3.8	32.6	31.0
58.4	66.5	15.6	13.5			19.2	3.2	40.2	38.2



Statistics		Note	Property		Beverages		Aviation	
			Swire Properties		Swire Coca-Cola (Note 3)		Cathay Pacific Group (Note 5, 6, 7)	
			2023	2022	2023	2022	2023	2022
<b>PEOPLE</b>								
<b>Average Employee Training Spend (HKD)</b>			17					
By employee category	Strategic Leader		\$ 14,904	\$ 6,865	\$ 44,421	\$ 23,898	-	-
	Operational Leader		\$ 21,204	\$ 11,176	\$ 6,910	\$ 4,400	-	-
	Team Leader		\$ 3,109	\$ 1,958	\$ 1,927	\$ 1,537	-	-
	Individual Contributor		\$ 576	\$ 626	\$ 777	\$ 657	-	-
By gender	Male		\$ 1,167	\$ 1,014	\$ 1,542	\$ 1,075	-	-
	Female		\$ 2,018	\$ 1,538	\$ 1,570	\$ 1,040	-	-
Total Average Spend on Training (per employee)			\$ 1,527	\$ 1,228	\$ 1,551	\$ 1,065	-	-
<b>Absentee</b>			17					
By gender (%)	Male		1%	2%	1%	1%	-	-
	Female		2%	2%	1%	1%	-	-
Total Absentee Rate (%)			1%	2%	1%	1%	-	-
<b>Salary Data</b>			17, 18					
Basic Salary								
Gender pay gap by employee category (Basic Salary)	Strategic Leader		-12%	-11% <sup>(19)</sup>	-18%	-36%	-	-
	Operational Leader		-16%	-11% <sup>(20)</sup>	6%	2%	-	-
	Team Leader		-10%	-14%	5%	-6%	-	-
	Individual Contributor		0%	-3%	-4%	-34%	-	-
Remuneration								
Gender pay gap by employee category (Remuneration)	Strategic Leader		-17%	-13% <sup>(19)</sup>	-19%	-36%	-	-
	Operational Leader		-18%	-10% <sup>(20)</sup>	5%	-8%	-	-
	Team Leader		-9%	-14%	4%	-14%	-	-
	Individual Contributor		-6%	-11%	-10%	-8%	-	-





Aviation		Trading & Industrial		Marine Services					
HAECO group (Note 8)		Swire Resources, Taikoo Motors, Swire Foods and Swire Environmental Services		Swire Pacific Offshore (Note 13)		Swire Pacific (Head office)		Total (Note 1)	
2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
\$ 7,801	\$ 3,706	\$ 103	\$ 155			\$ 28,188	\$ 15,258	\$ 25,646	\$ 12,712
\$ 7,458	\$ 979	\$ 1,772	\$ 394			\$ 44,875	\$ 52,583	\$ 7,373	\$ 4,195
\$ 2,193	\$ 945	\$ 1,414	\$ 663			\$ 6,822	\$ 671	\$ 2,207	\$ 1,385
\$ 1,270	\$ 2,766	\$ 181	\$ 60			\$ -	\$ 1,800	\$ 811	\$ 965
\$ 1,600	\$ 2,521	\$ 375	\$ 164			\$ 5,138	\$ 8,310	\$ 1,450	\$ 1,360
\$ 1,422	\$ 957	\$ 250	\$ 70			\$ 26,200	\$ 12,600	\$ 1,468	\$ 940
\$ 1,566	\$ 2,214	\$ 306	\$ 110			\$ 17,332	\$ 10,761	\$ 1,456	\$ 1,230
2%	2%	1%	1%			0.3%	0.9%	1.3%	1%
2%	2%	1%	1%			1.3%	0%	1%	1%
2%	2%	1%	1%			0.9%	0.6%	1.3%	1%
-6%	-5%	-24%	-9%			-30%	-21%	-3%	-12% <sup>(19)</sup>
-15%	-22%	13%	-3%			36%	38%	8%	8%
-23%	-28%	0%	-3%			-4%	-23%	7%	1%
-23%	-19%	-29%	-37%			24%	-35%	-17%	-34%
-7%	-27%	-20%	-7%			-30%	-33%	-3%	-16% <sup>(19)</sup>
-14%	-21%	16%	4%			49%	69%	9%	1%
-27%	-32%	-11%	-13%			1%	-16%	2%	-8%
-25%	-24%	-39%	-44%			17%	-37%	-25%	-23%

## Notes:

- 2022 data has been adjusted to reflect actual situation.
- Totals may not be the exact sum of numbers shown here due to rounding.
- The disposal of 100% equity interests in the franchise business in the USA (doing business as Swire Coca-Cola, USA ("SCCUS")) was completed on 7th September 2023. Environmental and Health & Safety data relating to SCCUS represents data of up to 7 September 2023.
- For 2023, Swire Pacific extended its disclosure on Scope 3 emissions to cover all subsidiaries in four divisions (Property, Beverages, Aviation and Trading & Industrial). We continue to account for a proportion of the Cathay Pacific Group and Hong Kong Aero Engine Services Limited total Scope 1 & 2 GHG emissions equivalent to our equity share in those companies. The reported figures account for all categories of Swire Pacific's total Scope 3 GHG emissions for the year under review.
- 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.
- For Cathay Pacific group's aviation turbine fuel associated emissions, Global Warming Potential of CO<sub>2</sub> is 1. This assumes that all other GHGs are negligible, as their impacts are still uncertain.
- Scope 3 data refers to the gross emissions.
- For 2023, the data for Cabin Solutions covers the period from January to September only, as this entity was sold in October 2023.
- Renewable energy generated onsite is included due to the expectation of growing renewable energy consumption.
- 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.
- In 2023, we expanded our disclosure to include total scope 3 GHG emissions of HAECO group.
- For 2022, Scope 3 emissions for Trading & Industrial only included Scope 3 emissions from Taikoo Motors as it accounts for a major portion of the Group's Scope 3 GHG emissions.
- For 2022, the Environmental and Health & Safety data for Swire Pacific Offshore companies covers the period from January to 22 April 2022, it was divested since 22 April 2022.
- Total water withdrawal refers to the sum of water drawn from municipal water and groundwater. Virtually all water withdrawn by the Swire Pacific Group is from municipal water supplies provided by local water supply authorities.
- We used the World Resource Institute (WRI) Aqueduct Water Risk Atlas tool to map our water withdrawal by water stress levels.
- 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.
- Staff data only relates to permanent staff (permanent full time staff, permanent part time staff and fixed contract employees in the Chinese mainland).
- 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).
- 2022 data has been restated to reflect actual situation.
- Difference between 2023 and 2022 was mainly attributed to re-categorisation of employees at this level at Swire Hotels.
- 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.
- Denotes sustainability data that has been reported on by Deloitte Touche Tohmatsu. Please refer to the independent limited assurance report for further details.



## External initiatives, charters and memberships

Representatives from Swire Pacific and our operating companies are signatories to relevant initiatives, charters, and trade associations.

Swire Pacific's largest payments to organisations include to membership organisations from which we benefit from ESG services and insights. We contribute

membership fees to groups that may lobby local government or represent our interest on sustainability issues such as Business Environment Council and World Business Council for Sustainable Development.

When relevant, we support the public positions of these organisations on topics

that align with our ambitions (e.g. the BEC Net-zero Carbon Charter). When joining climate-related charters or initiatives, we ensure they are Paris Agreement-aligned as per Swire Pacific and our operating companies' planned decarbonisation. We are a signatory of the United Nations Global Compact (UNGC).

Largest contribution			
	Organisation	Membership	Focus
SPAC <sup>1</sup>	World Business Council For Sustainable Development (WBCSD)	• Enhanced Member	Drive sustainable development and address environmental and social challenges through collaboration and innovation
	BSR	• Member	Build a just and sustainable world by providing advisory services, collaborative initiatives, and research on sustainable business practices
	GRI	• Member	Provide global common language to communicate businesses' impacts on sustainability
	Business Environment Council (BEC)	• Council Member	Advises businesses on best practices in environmental management
	United Nations Global Compact (UNGC)	• Signatory	Encourage businesses to align their strategies and operations with ten universal principles related to human rights, labour, environment and anti-corruption, and contribute to the achievement of the UNSDGs

1. Contributions: BEC (HK\$ 101,000), BSR (HK\$ 226,000), GRI (HK\$ 131,000), UNGC (HK\$ 195,000), WBCSD (HK\$ 836,000)



Division	Largest contribution		
	Organisation	Membership	Focus
Property	Hong Kong Green Building Council	<ul style="list-style-type: none"> <li>Platinum Patron Member</li> </ul>	Promote standards and developments of sustainable buildings
	World Green Building Council	<ul style="list-style-type: none"> <li>Member of Corporate Advisory Board</li> </ul>	Advocate for sustainable and green building practices worldwide
	The Real Estate Developers Association of Hong Kong	<ul style="list-style-type: none"> <li>Board of Directors</li> <li>Executive Committee Member</li> <li>Planning Environment and Lands Sub-Committee</li> </ul>	Promote and represent the interests of real estate developers in Hong Kong
Beverage	Drink Without Waste	<ul style="list-style-type: none"> <li>Charter</li> </ul>	Promote responsible consumption and reducing waste in the beverage industry
	Ellen MacArthur Foundation	<ul style="list-style-type: none"> <li>Member</li> </ul>	Accelerate the transition to a circular economy
	American Beverage Association	<ul style="list-style-type: none"> <li>Corporate member</li> <li>Executive Board Member</li> </ul>	Lobby on waste reduction and other issues
Aviation	Aeronautical Repair Station Association (ARSA)	<ul style="list-style-type: none"> <li>Corporate enterprise member</li> </ul>	Promote laws and regulations that establish reasonable aviation safety standards
	ARSA Conference	<ul style="list-style-type: none"> <li>Platinum Sponsorship</li> </ul>	Discuss and address issues, regulations and challenges impacting the aviation maintenance industry
	Greensboro Chamber of Commerce	<ul style="list-style-type: none"> <li>Member</li> </ul>	Advocate for legislative agendas of local interest groups on issues affecting Greensboro's economic development
Trading & industrial	European Chamber of Commerce Taiwan	<ul style="list-style-type: none"> <li>Member</li> </ul>	Promote trade, investment, and business cooperation between European companies and Taiwan
	China Sugar Association	<ul style="list-style-type: none"> <li>Member</li> </ul>	Promote sustainable practices in sugar production and consumption
	Taipei Automobile Distributors Association	<ul style="list-style-type: none"> <li>Member</li> </ul>	Represent and support automobile distributors in Taipei and promote the growth of the automotive industry



# GRI and HKEX index

**Statement of Use** Swire Pacific Limited has reported the information cited in this GRI content index for the period 1 January - 31 December 2023 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	Description	Report section	Remarks
<b>Organisational Details and Reporting Practices</b>					
2-1	Organisational details			<a href="#">Our business</a>	<a href="#">Swire Pacific 2023 Annual Report - Corporate Statement</a>
2-2	Entities included in the organisation's sustainability reporting				<a href="#">Swire Pacific Reporting Methodology 2023</a>
2-3	Reporting period, frequency and contact point			<a href="#">About our report</a>	
2-4	Restatements of information				No historical data has been restated in this report
2-5	External assurance			<a href="#">About our report</a>	<a href="#">Independent Practitioner's Limited Assurance Report</a>
<b>Activities and workers</b>					
2-6	Activities, value chain and other business relationships			<a href="#">Our business</a> <a href="#">SwireTHRIVE - People</a> <a href="#">Other ESG disclosures - Supply chain</a>	<a href="#">Swire Pacific 2023 Annual Report - Chairman Statement</a> <a href="#">Swire Pacific 2023 Annual Report - Corporate Statement</a> <a href="#">Swire Pacific 2023 Annual Report - 2023 Performance Review and Outlook</a>
		KPI B5.1	Number of suppliers by geographical region.	<a href="#">Other ESG disclosures - Supply chain</a>	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. See our <a href="#">operating companies' sustainability reports</a> for details.
2-7	Employees	KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	<a href="#">SwireTHRIVE - People</a> <a href="#">Appendices - Performance data</a>	





GRI 2: General Disclosures 2021	GRI Standards description	HKEX ESG guide	Description	Report section	Remarks
<b>Governance</b>					
2-9	Governance structure and composition			<a href="#">Our business – Our approach to sustainable development</a>	<a href="#">Swire Pacific 2023 Annual Report - Corporate Governance Report</a>
2-11	Chair of the highest governance body				
2-12	Role of the highest governance body in overseeing the management of impacts			<a href="#">Our business – Our approach to sustainable development</a>	
2-13	Delegation of responsibility for managing impacts			<a href="#">Our business – Our approach to sustainable development</a>	
2-14	Role of the highest governance body in sustainability reporting				This report has been reviewed and approved by our Board.
<b>Strategy, policies and practices</b>					
2-22	Statement on sustainable development strategy			<a href="#">Introduction - Chairman's statement</a>	
2-23	Policy commitments			<a href="#">Our business – Our approach to sustainable development</a> <a href="#">Our business – Risk management</a> <a href="#">Our ESG disclosures – Governance</a>	<a href="#">Swire Pacific 2023 Annual Report - Risk Management</a> <a href="#">Swire Pacific Human Rights Policy</a> <a href="#">Swire Pacific Supplier Code of Conduct</a>
2-26	Mechanisms for seeking advice and raising concerns			<a href="#">Our ESG disclosures – Governance</a>	



GRI 2: General Disclosures 2021	GRI Standards description	HKEX ESG guide	Description	Report section	Remarks
<b>Strategy, policies and practices</b>					
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.  In 2023, we were not subject to significant fines or non-monetary sanctions for non-compliance with laws or regulations.
2-28	Membership associations			<a href="#">Appendices</a>	
<b>Stakeholder engagement</b>					
2-29	Approach to stakeholder engagement			<a href="#">About our report – Stakeholder engagement</a> <a href="#">About our report – Assessing materiality</a>	
2-30	Collective bargaining agreements			<a href="#">Other ESG disclosures - People</a>	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. See our <a href="#">operating companies' sustainability reports</a> for details.
<b>Material topics</b>					
3-1	Process to determine material topics			<a href="#">About our report – Assessing materiality</a>	<a href="#">Swire Pacific Reporting Methodology 2023</a>
3-2	List of material topics				



## 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.	<a href="#">Our business - Our approach to sustainable development</a>	
N/A	N/A	N/A	Reporting Principles	Materiality	<a href="#">About our report - Assessing materiality</a>	<a href="#">Swire Pacific Reporting Methodology 2023</a>
				Quantitative	<a href="#">About our report - Overview</a>	
				Consistency	<a href="#">Appendices - Performance data</a>	
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.	<a href="#">About our report - Overview</a>  <a href="#">Appendices - Performance data</a>	<a href="#">Swire Pacific Reporting Methodology 2023</a>



GRI Standards Topic Specific Standard	GRI ref.	Description	HKEX ESG guide ref.	Description	Report section	Remarks
<b>Economic</b>						
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.	<a href="#">SwireTHRIVE – Climate</a> <a href="#">Our business - Climate-related financial disclosures</a>	<a href="#">Swire Pacific 2023 Annual Report - Financial Review</a>
	201-1	Direct economic value generated and distributed	KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	<a href="#">SwireTHRIVE – Communities</a>	
	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.	<a href="#">Our business - Climate-related financial disclosures</a>	
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.	<a href="#">Other ESG disclosures – Governance</a>	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.	<a href="#">Other ESG disclosures – Governance</a>	
	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.	<a href="#">Whistleblowing Policy</a>		
GRI 206: Anti-competitive Behaviour 2016	3-3	Management of material topic			<a href="#">Other ESG disclosures – Supply chain</a>	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				





GRI Standards Topic Specific Standard	GRI ref.	Description	HKEX ESG guide ref.	Description	Report section	Remarks				
<b>Environmental</b>										
GRI 301: Materials 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>	<a href="#">Other ESG disclosures – Supply chain</a>	<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>				
			KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.						
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>	<a href="#">SwireTHRIVE – Climate</a>	<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).	<a href="#">Appendices – Performance data</a> <a href="#">SwireTHRIVE – Climate</a>	<a href="#">Swire Pacific 2023 Annual Report - Sustainability Update</a>
			302-4	Reduction of energy consumption			KPI A2.3	Description of energy use efficiency 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 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>	<a href="#">SwireTHRIVE – Water</a>	<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.	<a href="#">SwireTHRIVE – Water</a>	
			KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.		
	303-2	Management of water discharge-related impacts			<a href="#">SwireTHRIVE – Water</a>	
	303-3	Water withdrawal	KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	<a href="#">Appendices – Performance data</a> <a href="#">SwireTHRIVE – Water</a>	<a href="#">Swire Pacific 2023 Annual Report - Sustainability Update</a>
303-5	Water consumption			<a href="#">Appendices – Performance data</a>		
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>	<a href="#">Other ESG disclosures – Nature</a>	<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 Standards Topic Specific Standard	GRI ref.	Description	HKEX ESG guide ref.	Description	Report section	Remarks
<b>Environmental</b>						
GRI 305: Emissions 2016	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.	<a href="#">SwireTHRIVE – Climate</a>	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.
	305-1	Direct (Scope 1) GHG emissions	KPI A1.1	The types of emissions and respective emissions data.	<a href="#">Appendices – Performance data</a>	<a href="#">Swire Pacific 2023 Annual Report - Sustainability Review</a>
			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).	<a href="#">SwireTHRIVE – Climate</a>	
	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.	<a href="#">SwireTHRIVE – Waste</a>	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).	<a href="#">Appendices – Performance data</a> <a href="#">SwireTHRIVE – Waste</a>	
			KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).		



GRI Standards Topic Specific Standard	GRI ref.	Description	HKEX ESG guide ref.	Description	Report section	Remarks
<b>Environmental</b>						
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.	<a href="#">Other ESG disclosures – Supply chain</a>	<a href="#">Swire Pacific Sustainable Procurement Policy</a>  Swire Pacific does not have a centralised procurement function. Each operating company is responsible for its own procurement. See our <a href="#">operating companies’ sustainability reports</a> for details.
			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.	<a href="#">Other ESG disclosures – Nature</a>	
			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.		
<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.	<a href="#">Other ESG disclosures – Talent management</a>  <a href="#">SwireTHRIVE – People</a>	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.	<a href="#">Appendices – Performance data</a>	





GRI Standards Topic Specific Standard	GRI ref.	Description	HKEX ESG guide ref.	Description	Report section	Remarks
<b>Social</b>						
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.	<a href="#">Other ESG disclosures – People</a>	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.	<a href="#">Appendices – Performance data</a> <a href="#">Other ESG disclosures – People</a>	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. Our historical performance data is included in our archived Sustainable Development Reports. Refer to our corporate website.
			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.	<a href="#">Other ESG disclosures – People</a>	
	404-1	Average hours of training per year per employee	KPI B3.1	The percentage of employees trained by gender and employee category.	<a href="#">Appendices – Performance data</a>	
KPI B3.2			The average training hours completed per employee by gender and employee category.	<a href="#">Appendices – Performance data</a> <a href="#">Other ESG disclosures – Talent management</a>		



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.	<a href="#">SwireTHRIVE – People</a>	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.	<a href="#">Appendices – Performance data</a> <a href="#">SwireTHRIVE – People</a>	We currently do not have a definition of minority status in our workforce.
	405-2	Ratio of basic salary and remuneration of women to men			<a href="#">Appendices – Performance data</a> <a href="#">SwireTHRIVE – People</a>	
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.	<a href="#">SwireTHRIVE – People</a>	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.	<a href="#">Other ESG disclosures – Supply chain</a> <a href="#">Other ESG disclosures – Governance</a>	It is not considered that any individual laws or regulations have a significant impact on the Swire Pacific Group.
			KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.		See our operating <a href="#">companies' sustainability reports</a> for details.
			KPI B4.2	Description of steps taken to eliminate such practices when discovered.		



GRI Standards Topic Specific Standard	GRI ref.	Description	HKEX ESG guide ref.	Description	Report section	Remarks
<b>Social</b>						
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.	<a href="#">Other ESG disclosures – Supply chain</a> <a href="#">Other ESG disclosures – Governance</a>	It is not considered that any individual laws or regulations have a significant impact on the Swire Pacific Group.
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.	<a href="#">SwireTHRIVE – Communities</a>	
			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.	<a href="#">Other ESG disclosures – Supply chain</a>	<a href="#">Swire Pacific Sustainable Procurement Policy</a> <a href="#">Swire Pacific Supplier Code of Conduct</a> Swire Pacific does not have a centralised procurement function. Each operating company is responsible for its own procurement. See our <a href="#">operating companies' sustainability reports</a> for details.
			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 Standards Topic Specific Standard	GRI ref.	Description	HKEX ESG guide ref.	Description	Report section	Remarks
<b>Social</b>						
GRI 415: Public Policy 2016	3-3	Management of material topic			<a href="#">Other ESG disclosures – Governance</a>	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.	<a href="#">Our business – Risk management – Cybersecurity</a>  <a href="#">Other ESG disclosures – Customers</a>	
	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data				
<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.	<a href="#">Other ESG disclosures – Customers</a>	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.		The approach of our major businesses to material customer issues is described in this report. Further information is available in our <a href="#">operating companies' sustainability reports</a> .
			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.		



## SDG alignment

The United Nations Sustainable Development Goals (SDGs) aim to end poverty, protect the planet and ensure prosperity for all, as part of an international sustainability agenda.




We accounted for the SDGs at the first step of our sustainability materiality

assessment, considering them when building our long list of topics and sub-topics. We conducted an extensive mapping of all the 169 SDG targets, and through internal cross-functional workshops, attributed the highest potential contribution of Swire Pacific to those targets through SwireTHRIVE.

SDG	Target	Description	SwireTHRIVE linkage
<b>6 - Ensure availability and sustainable management of water and sanitation for all</b>			
	6.3	By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally.	We use freshwater in the beverages we make to clean and cool our facilities, and in providing services to our customers. We have set a target to reduce water use by 30% by 2030. 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.
	6.4	By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity.	Read more in <a href="#">Water</a> .
<b>7 - Ensure access to affordable, reliable, sustainable and modern energy for all</b>			
	7.1	By 2030, increase substantially the share of renewable energy in the global energy mix.	Our ambition is to achieve net zero emissions by 2050. 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-based targets, 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.
	7.3	By 2030, double the global rate of improvement in energy efficiency.	Read more in <a href="#">Climate</a> .





SDG	Target	Description	SwireTHRIVE linkage
<b>8 - Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</b>			
	8.8	Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.	<p>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 apply robust risk management controls, create a strong safety culture and encourage transparent and timely reporting of incidents. Our senior executive's variable compensation is linked to health and safety performance to demonstrate our commitment on promoting safe working environment.</p> <p>Read more in <a href="#">People</a>.</p>
<b>10 - Reduce inequality within and among countries</b>			
	10.2	Empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.	<p>Diversity and inclusion are key to our long-term success. We believe that they enable us to make better decisions and help to attract and retain top talent. Some of the industries that we work in are historically more male-dominated. Our goal is for 30% of senior management roles to be filled by women by 2024.</p> <p>Read more in <a href="#">People</a>.</p>
	10.4	Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality.	
<b>12 - Ensure sustainable consumption and production patterns</b>			
	12.5	By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.	<p>We target 65% waste diversion from landfill by 2030 &amp; zero to landfill by 2050. Swire Coca-Cola has set a target to have 100% of technical packaging recyclable by 2025, and has invested in New Life Plastic recycling facility.</p> <p>Read more in <a href="#">Waste</a>.</p>



SDG	Target	Description	SwireTHRIVE linkage
<b>13 - Take urgent action to combat climate change and its impacts</b>			
	13.1	Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.	Our ambition is to achieve net zero emissions by 2050. 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-based targets, 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.  Read more in <a href="#">Climate</a> .
	13.2	Integrate climate change measures into national policies, strategies and planning.	
<b>14 - Conserve and sustainably use the oceans, seas and marine resources for sustainable development</b>			
	14.3	Minimise and address the impacts of ocean acidification, including through enhanced scientific cooperation at all levels.	The Swire Trust helps to create sustainable marine ecosystems in Hong Kong through policy change, public engagement and scientific research, and is committed to addressing issues relating to overfishing, biodiversity loss and pollution.  Read more in <a href="#">Communities</a> and <a href="#">Nature</a> .
	14.5	By 2020, conserve at least 10 per cent of coastal and marine areas, consistent with national and international law and based on the best available scientific information.	



# 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 1 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.