

# Thriving together



CLIMATE



WASTE



WATER



PEOPLE



COMMUNITIES

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# Introduction



**Committed to the ongoing success of Hong Kong**

Swire Pacific Limited (Swire Pacific or the Group) is a highly diversified conglomerate and one of the leading companies in Hong Kong. It has five operating divisions: Property, Aviation, Beverages, Marine Services and Trading & Industrial. Its business activities are predominantly in Greater China, where it has been established for over 150 years.

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

In 2020, we extended SwireTHRIVE, our strategy for sustainable development, to cover our people and communities.

We have published sustainability reports since 2007. This report deals with our approach and performance in the five areas of 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 June 2021. It is additional to the Sustainable Development Review in the Swire Pacific Annual Report 2020. Key performance data has been independently assured by Deloitte.

#### Related content

[More about SwireTHRIVE](#)[Other ESG disclosures](#)[About this report](#)[How we identify material topics](#)



# Chairman's statement



"Our commitment to sustainability remains unwavering and reflects our long term approach to business."

**Merlin Swire**  
Chairman

COVID-19 led to a reduction in activity levels in a number of our businesses in 2020, and this is reflected in our environmental performance metrics, particularly in respect of carbon. Despite the year's challenges, our long-term commitment to a sustainable approach to business not only remained steadfast, it was re-enforced through the launch of the second iteration of our group sustainability strategy, SwireTHRIVE.

SwireTHRIVE now has five priority areas and reflects the need to refine our focus, to increase our level of ambition and to move faster than before. We have set stretching targets for carbon, water and waste and, recognising the importance of the people elements of sustainability, have set targets for diversity and inclusion. The targets will require us to achieve:

- A 50% reduction in carbon emissions from direct operations (excluding Cathay Pacific's jet fuel) by 2030 (from a 2018 base year), and net zero emissions by 2050
- 55% waste managed by us diverted from landfill by 2030, and zero waste sent to landfill by 2050

- A 27% reduction in water withdrawal by 2030 (from a 2018 frozen efficiency baseline), and water neutral operations by 2050
- 30% women in senior management roles by 2024

Our businesses continued to make progress in 2020 in integrating sustainability into their operations, particularly in relation to climate change. Swire Coca-Cola's carbon reduction targets were approved by the Science Based Targets Initiative. Swire Coca-Cola and Swire Properties signed up to Business Ambition for 1.5°C. Cathay Pacific committed to achieving net zero carbon emissions by 2050. Swire Coca-Cola and Swire Properties will have sites powered solely by renewable energy. Swire Coca-Cola is a party to a joint venture, which is developing Hong Kong's first food grade plastic waste recycling plant.

**By 2030**

**50%**

**Scope 1 and 2 GHG emissions (excluding jet fuel)** (from 2018)

**By 2030**

**55%**

**Waste diverted from landfill**

**By 2030**

**27%**

**Water withdrawal** (from 2018 frozen efficiency baseline)

**By 2024**

**30%**

**Women in senior management roles**



We strengthened our carbon offsetting, sustainable buildings, sustainable procurement and sustainable food policies. We introduced water, energy efficiency and waste management policies. Ensuring the safety of our people and visitors to our sites is a priority. We will focus on improving health and safety in our contractors' operations and will collect more data about this.

In 2020, Swire Pacific obtained its first ESG-linked loan. Swire Pacific was included in the DJSI Asia Pacific index. Swire Properties was included in the DJSI World index. Swire Pacific is rated AAA by MSCI. Swire Pacific and Swire Coca-Cola were rated A for water by CDP. Our sustainable development fund contributed HK\$33 million to clean technology trials in four operating companies.

Climate change will bring significant future challenges. We have begun to assess the physical risks to our assets and the financial impact of carbon pricing. We are considering appropriate disclosures in the light of the recommendations of the Task Force on Climate-related Financial Disclosures. We will include more about this in our 2021 report.

In 2020, the Swire Trust donated HK\$21 million to COVID-19 relief efforts, supporting more than 300,000 people. It continued to support education, marine conservation and arts programmes.

Much work remains to be done. Meeting our 2030 and 2050 targets will require vision, ambition, and tenacity. It will not be easy. But our commitment to sustainability remains unwavering and reflects our long term approach to business. I look forward to sharing more with you as we continue with the second phase of SwireTHRIVE and the path towards sustainability.

**Merlin Swire**  
Chairman



## From our Department Heads



**Dr. Mark Watson**

Group Head of Sustainability

Since 2016, SwireTHRIVE has been a catalyst for greater focus and action on environmental issues common across the Group. At the time, we understood the need to extend its coverage to social issues and pledged to review it within five years. The 2020 expansion of SwireTHRIVE and the joint ownership of our strategy with other departments reflects how sustainability is increasingly embedded in all areas of our business.

COVID-19 resulted in reduced business activity in 2020. This was reflected in a 57% reduction in GHG emissions, a 3% decrease in water use and 19% less waste being generated compared with 2019. Our goal is to stop the numbers rebounding as much as we can when business activity returns to pre-COVID-19 levels.

We are developing a detailed roadmap to meet our stretching 2030 and 2050 environmental targets. We are digging deeper into climate change, in particular to understand the likely impact of climate risk on our businesses. This is against a background of increasing international agreements, regulations and expectations of the private sector. There is, as ever, much more we can do and need to do, but with SwireTHRIVE I believe we are on the right path.



**Olivia Wong**

Group Head of Diversity and Inclusion

COVID-19 has shone a spotlight on the importance of diversity and inclusion. Marginalised groups have been hit the hardest in Hong Kong. People everywhere have had to adapt to new ways of working. Our staff and people in the communities in which we operate have displayed courage, kindness and resilience in the face of COVID-19. But there is much to do.

Diversity and inclusion are not new for Swire. We have disclosed staff diversity metrics in our annual sustainability reports for some years. Since the establishment of my department in 2018, we have developed a strategic approach to diversity and inclusion. Now, as diversity and inclusion is part of SwireTHRIVE, we can strengthen our collaboration with other departments and can communicate a powerful message about how our diversity and inclusion objectives fit in with our overall sustainable development objectives.

**Tom Cohen**

Head of Group Risk Management

Health and safety is a top priority for us as we strive towards our aspirational goal of achieving zero harm. In response to COVID-19, we have focused on the health of our people and of those who visit our premises, and on hygiene at our premises. Health is not just physical health. It includes mental health and wellbeing. SwireTHRIVE facilitates closer collaboration on this with our human resources department and medical teams.

We have a clear and robust safety reporting process which is overseen by the Board. We convene meetings of health and safety experts from our diverse businesses. Best practice is shared, with all benefiting from the safety expertise in our aviation and marine businesses.

COVID-19 has made us consider longer term external health and safety risks, including the impact of climate change on the health of our people. We will assess these risks and develop appropriate adaptation and resilience plans.

**Tina Chan**

Group Head of Philanthropy

Swire Pacific has thrived with Hong Kong for 150 years. In 2020, we reaffirmed our commitment to the city by providing HK\$150 million to the Swire Trust for TrustTomorrow. This was in addition to our normal annual contribution. We continued to support our core areas of education, marine conservation and the arts. But when COVID-19 hit, we also responded to the needs of the communities in which we operate. With our partners, we identified the problems faced by vulnerable groups and worked out solutions. At first, we addressed basic needs for food and hygiene. Later we supported family wellbeing programmes and built social capital. In 2020, the Swire Trust contributed HK\$21 million to COVID-19 relief, benefiting more than 300,000 people. Our operating companies did great work too.

Giving back to the communities in which we operate is a key part of what we do. That is why it makes sense for communities to be a part of SwireTHRIVE. At group level, we can achieve more by sharing initiatives, goals and experiences.



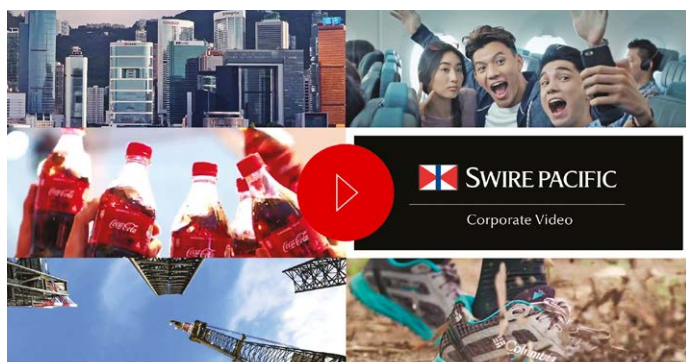
# Our business

## About Swire Pacific

Swire Pacific is a Hong Kong headquartered 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 five divisions (Property, Aviation, Beverages, Marine Services and Trading & Industrial), Swire Pacific undertakes a wide range of commercial activities. It has interests in two listed companies, Swire Properties Limited (Swire Properties, HKSE:1972) and Cathay Pacific Airways Limited (Cathay Pacific, HKSE: 293)<sup>1</sup>.



## Property

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

## Aviation

**Cathay Pacific**, with its subsidiaries HK Express and Air Hong Kong, had 239 aircraft at the end of 2020. Before the onset of COVID-19, the airlines directly connected Hong Kong to 119 destinations worldwide. It has an 18.13% interest in Air China and interests in companies providing flight catering, laundry, and passenger and ramp handling services, and owns and operates a cargo terminal at Hong Kong International Airport.

**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.

## Beverages

**Swire Coca-Cola** has the exclusive right to manufacture and distribute products of The Coca-Cola Company in 11 provinces and the Shanghai municipality in the Chinese mainland and in Hong Kong, Taiwan and an extensive area of the western US. It is the fifth largest bottler for The Coca-Cola Company by sales volume.

<sup>1</sup>Cathay Pacific (in which Swire Pacific holds less than half (45%) of the voting rights) is accounted for as an associated company of Swire Pacific. However, the sustainability performance data of Cathay Pacific is reported on a 100% basis.





## Marine Services

**Swire Pacific Offshore** owns and operates a fleet of vessels supporting the offshore energy industry in every major offshore production and exploration region outside the US.

## Trading & Industrial

**Swire Resources** retails and distributes footwear, apparel and related accessories in Hong Kong, Macau and the Chinese mainland. It operated over 180 retail outlets at the end of 2020.

**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 546 stores at the end of 2020.

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

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

Swire Pacific is one of Hong Kong's largest and oldest employers, where we have over 34,000 employees. In the Chinese mainland, we also have over 34,000 employees. Globally, we employ over 86,000 people.

For further information about our group structure and financial performance, please refer to the Swire Pacific Annual Report 2020.

### Supplementary information

[Swire Pacific Factsheet](#)



[Swire Pacific Annual Report 2020](#)



## Swire Pacific Group overview 2020

	Property	Aviation	Beverages	Marine Services	Trading & Industrial
<b>Total revenue<sup>2</sup> (HK\$M)</b>	13,308	11,483	45,082	1,890	8,367
<b>Recurring profit/ (loss) (HK\$M)</b>	5,834	(6,033)	2,076	(1,019)	12
<b>Tax paid (HK\$M)</b>	1,589	175	476	21	52
<b>Total employees<sup>3</sup></b>	6,334	38,394	32,846	2,842	6,311
<b>Total Scope 1 &amp; 2 GHG emissions (thousand tonnes CO<sub>2</sub>e)</b>	216	7,686 <sup>4</sup>	358	106	29
<b>Total water withdrawal<sup>5</sup> (thousand cbm)</b>	1,757	1,036	14,572	86	302
<b>Total waste generated (tonnes)</b>	41,442	17,207	30,582	1,294	811

<sup>2</sup>Revenue figures exclude the revenues of associate companies (e.g. Cathay Pacific and Hongkong United Dockyards).

<sup>3</sup>Total employees are those at 31<sup>st</sup> December 2020 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 41 employees directly employed by Swire Pacific (Head office).

<sup>4</sup>For the Cathay Pacific Group, only CO<sub>2</sub> emissions for aviation turbine fuel are reported as there is no scientific consensus on the global warming effect of other emissions. Cathay Pacific monitors developments in these areas of atmospheric science, including studies from the UK's OMEGA aviation and environment project and the Institute of Atmospheric Physics at the German Aerospace Centre.

<sup>5</sup>Total water withdrawal refers to the sum of water drawn from municipal water and groundwater. Virtually all water withdrawal by the Swire Pacific group is from municipal water supplies provided by local water supply authorities.



# Our 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.



## ESG policies

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

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

Policies are reviewed regularly. In 2020, we introduced policies for water, energy efficiency and waste, and updated our policies for sustainable building design, sustainable procurement, sustainable food, carbon offsetting and parental leave.

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

## Transparent and reliable data

As a conglomerate, we acquire and dispose of businesses. This makes it difficult to track sustainability performance and set targets. To address this, we have a reporting methodology which deals with the scope, boundaries and calculations of the relevant data. Our data collection protocols for carbon, waste and water include variance checks and procedures for dealing with abnormal data.

## Sustainable development fund

Our sustainable development fund offers financial support to operating companies for projects which can provide long-term sustainability benefits but cannot be justified by reference to our cost of capital targets. The HK\$100 million fund is intended to assist in reducing our carbon, water and waste footprints in line with our targets.

In 2020, the fund started to support trials of new technologies that have the potential to achieve significant environmental benefit. Operating companies invite cleantech companies to pitch solutions to sustainability problems. Successful applicants receive funding to pilot the solution. If the pilots are successful, they can be scaled up for wider use in the 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. In 2020, the fund allocated approximately HK\$33 million to projects at four operating companies.

### Supplementary information

[Sustainable development policies](#)



### Related content

[Climate](#)



[Waste](#)



[Water](#)



[People](#)



[Communities](#)





## Sustainable finance

In 2020, Swire Pacific secured its first sustainability-linked loan.

One-third of Swire Properties' funding comes from green financing. In 2020, Swire Properties issued green bonds totalling HK\$1,934 million, converted HK\$2 billion in conventional loans into sustainability-linked loans and obtained a HK\$1 billion sustainability-linked loan. It obtained its first green loan, a five-year HK\$1 billion facility, which will fund green building developments and the adoption of technologies that will save energy and water and reduce waste. New Life Plastics Limited, a joint venture to which Swire Coca-Cola is a party, has obtained a sustainability-linked loan.

## Governance of sustainable development

Our Board, led by its Chairman, is ultimately accountable for sustainability matters. 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. Division heads meet twice a year on sustainability matters.

The GRMC oversees committees and working groups that deal with specific areas of risk, and include representatives from our operating companies. The Swire Group Environment Committee (SGEC) and the Health and Safety Committee are relevant to SwireTHRIVE. We have a Diversity & Inclusion Steering Committee (DISC), which reports directly to the Chairman (see Diversity and Inclusion section).

The Sustainable Development Office (SDO), the Group Risk Management and Diversity & Inclusion departments and the Group Head of Philanthropy are jointly responsible for SwireTHRIVE.

The SDO, led by the Group Head of Sustainability, advises senior management of key developments and emerging risks related to sustainable development, and is responsible for setting group environmental policies and targets, monitoring the implementation of SwireTHRIVE and our ESG policies, and internal and external reporting on ESG matters. The SDO reports to a member of our leadership team.

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



### Case study

## Swire Pacific secures first sustainability-linked loan

In September 2020, Swire Pacific and DBS Bank agreed to convert a five-year revolving credit facility of HK\$2 billion into a sustainability-linked facility. The interest payable is reducible by reference to indicators of our ESG performance. There are targets for energy consumption, water usage, and diversity and inclusion. We must also remain in the Dow Jones Sustainability Asia Pacific Index.

The SGEC and the working groups enable operating companies to exchange information on best practices with a view to developing specific policy recommendations, improving efficiency, reducing costs and engaging staff.

Implementation of SwireTHRIVE and our ESG policies mostly takes place in our operating companies, with oversight and guidance from the SDO and other Group departments. Each operating company has adopted an appropriate organisational structure to manage its most material sustainability issues and to monitor and report on its performance.

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

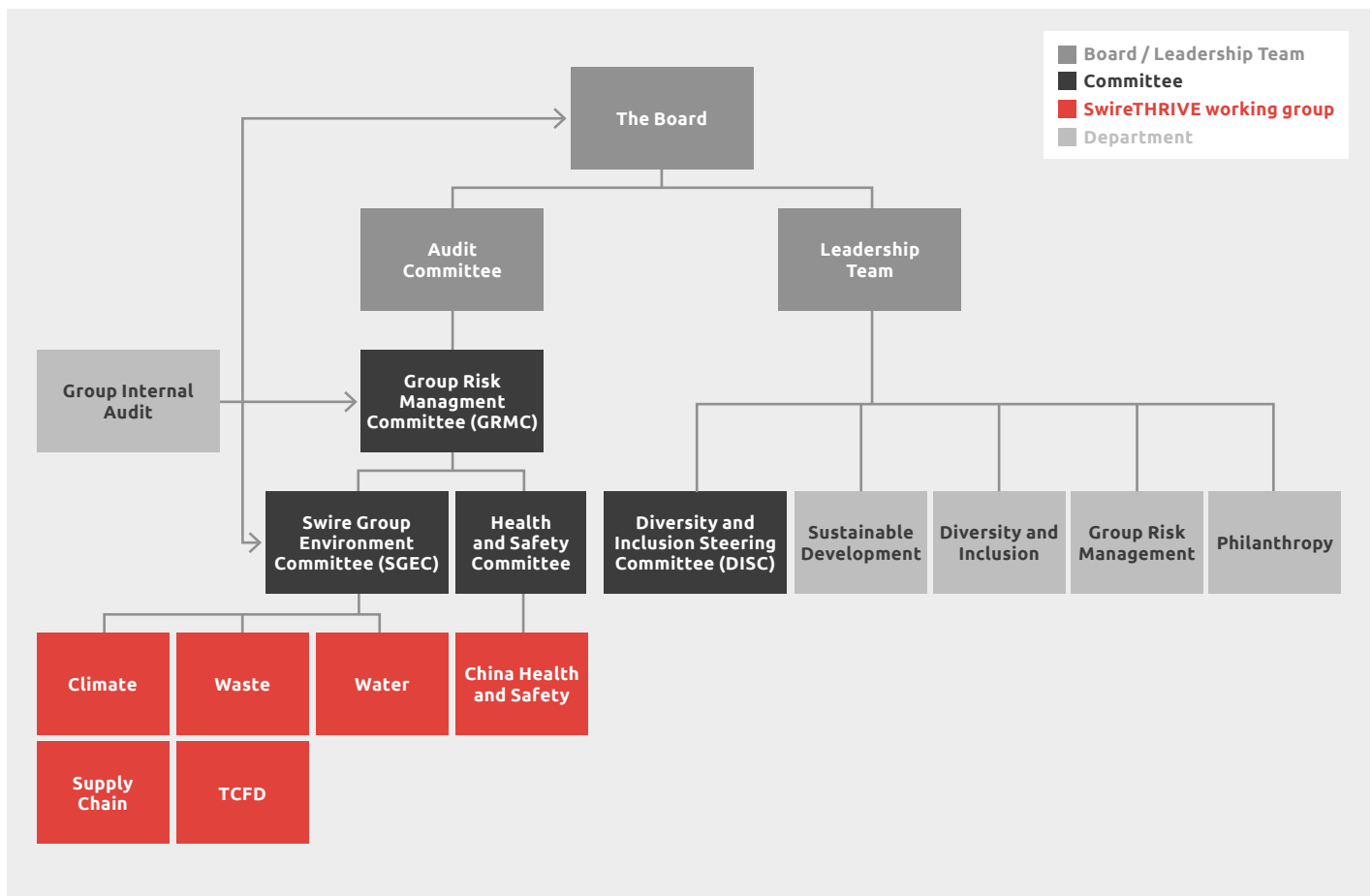
### Related content

[Diversity and inclusion](#)





## Sustainability governance structure



## 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.

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

### Dow Jones Sustainability Index

In 2020, Swire Pacific was included in the DJSI Asia Pacific Index. Swire Pacific has been included in DJSI indices since 2001.



### MSCI Constituent MSCI Global SRI Indexes

In 2020, Swire Pacific received an AAA rating from MSCI ESG Research, making us one of the top performers in our sector.



Hang Seng Corporate Sustainability Index Series Member 2020-2021

### Hang Seng Corporate Sustainability Index

In 2020, Swire Pacific received an AA rating from the Hang Seng Corporate Sustainability Index. Swire Pacific is included in the Hang Seng Corporate Sustainability, Hang Seng Corporate Sustainability Benchmark and Hang Seng ESG 50 indices.



### CDP

In 2020, Swire Pacific received a score of B from CDP Climate Change. Swire Pacific responded to the CDP Water Security questionnaire for the first time and received a score of A.



# 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 and the management of each division are responsible for identifying, analysing and managing the risks to us associated with achieving our business objectives, including those relating to sustainability.

Two key management committees monitor the risks affecting the Group, the Group Risk Management Committee (GRMC) and the Finance Committee.

## About the GRMC

The GRMC provides oversight on all the risks to which the Group is exposed, except for those expressly covered by the Finance Committee. It includes divisional chief executives, is chaired by the Finance Director and reports to the Board via the Audit Committee.

### The GRMC:

- Reviews divisional risk registers which set out current and emerging risks, including ESG risks
- Sets group risk management policies and strategies
- Oversees functional committees and working groups

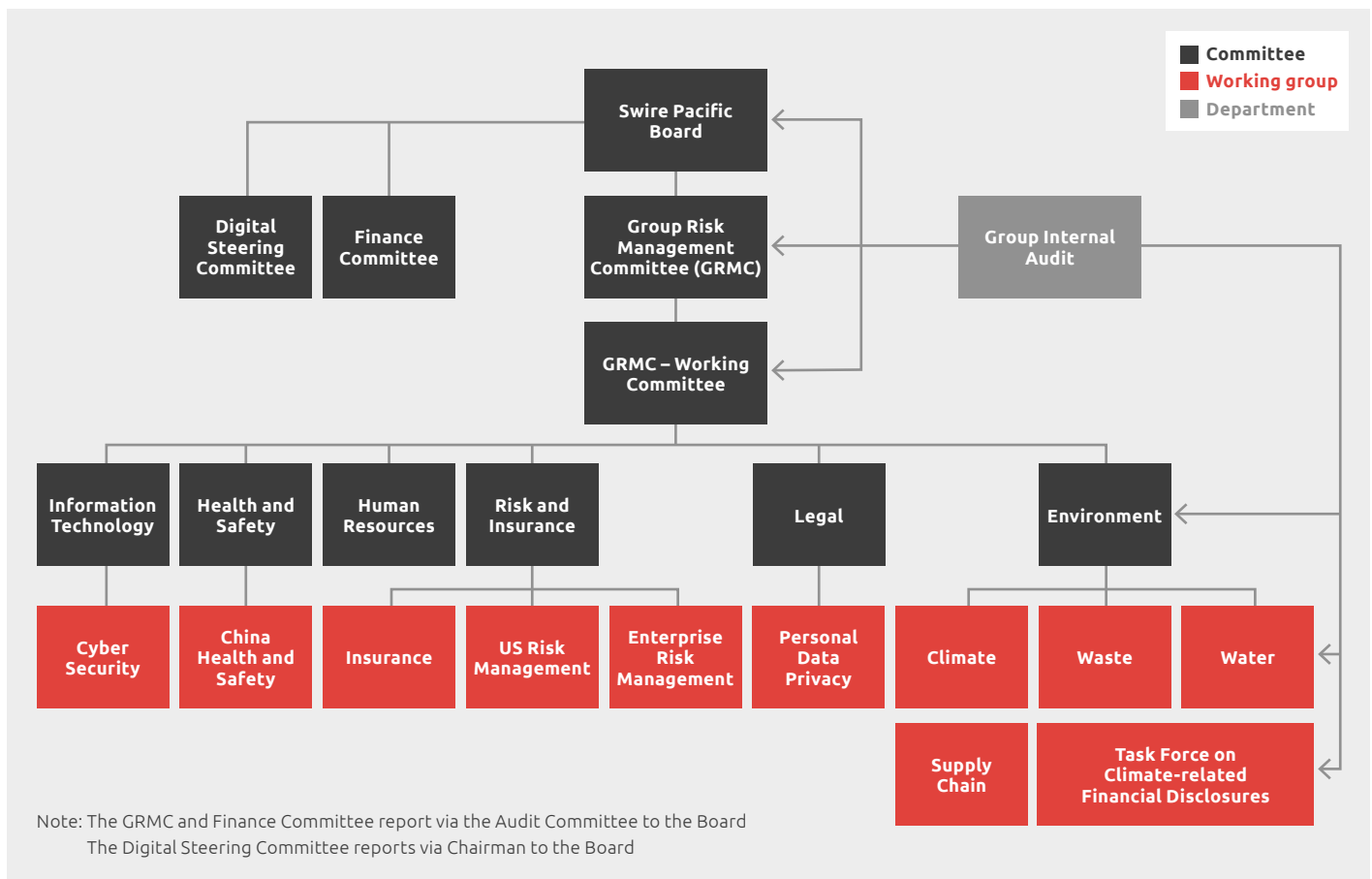
In 2020, the GRMC met three times and its functional committees and working groups met 36 times.

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



## Risk governance structure



## Enterprise risk management

We use an enterprise risk management (ERM) process to identify, assess, monitor and manage risks. The ERM process is aimed at ensuring robust and effective risk management by the Group and at fostering a risk aware culture. The implementation and execution of the ERM process follows our Enterprise Risk Management Policy. Each division and major operating company is required to implement the ERM process.

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

More details of our ERM process can be found in our Annual Report.

### Supplementary information

[Swire Pacific Annual Report 2020 – Risk Management](#)

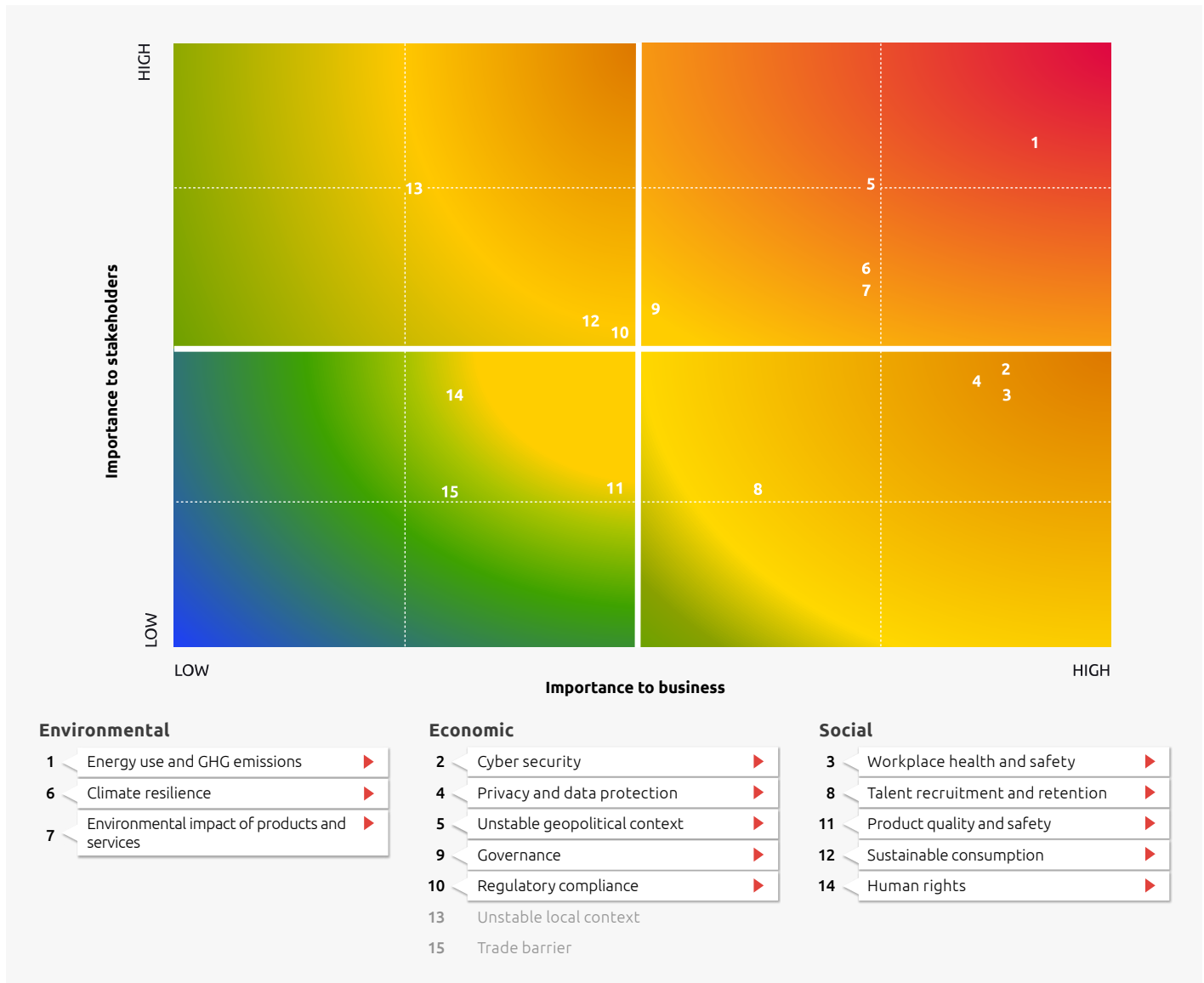
[Group ERM process](#)



## Significant sustainability risks

For our company to continue to grow, we must try to anticipate the risks threatening us and our customers, whilst capitalising on new opportunities.

Swire Pacific engages with people inside and outside the organisation to assess the material risks. In 2020, we conducted an internal review of the 2019 findings.



We have highlighted four potential emerging risks.

### Unstable geopolitical context

#### Possible impact

International political stability is critical to business success. The Organisation for Economic Co-operation and Development (OECD) has warned, "escalating trade conflicts are taking an increasing toll on confidence and investment, adding to policy uncertainty, aggravating risks in financial markets and endangering already weak growth prospects worldwide<sup>6</sup>".

#### Mitigation measures

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

<sup>6</sup> OECD (19 September 2019). OECD Sees Rising Trade Tensions and Policy Uncertainty Further Weakening Global Growth. Retrieved from <https://www.oecd.org/economy/oecd-sees-rising-trade-tensions-and-policy-uncertainty-further-weakening-global-growth.htm>



## Climate change

### Possible impact

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

### Mitigation measures

- Climate change is a core focus of SwireTHRIVE and is included on our corporate risk register
- We have a climate change policy
- We have 2030 and 2050 decarbonisation targets
- We are using more renewable energy in our buildings, by self-generation and purchase agreements
- We encourage the use of low-carbon fuels
- We assess the risk to our buildings from extreme weather events and put in place mitigation and resiliency measures

## Environmental impact of products and services

### Possible impact

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

### Mitigation measures

- We have policies and targets for carbon, waste and water reduction
- We implement circular economic principles and use alternative materials and techniques, with a view to reducing our reliance on primary natural resources
- Swire Coca-Cola has targets for post-consumer waste and has formed a joint venture to operate Hong Kong's first food-grade plastics recycling facility

For details, please refer to the Climate, Waste, Water and Supply chain sections of this report.

## Infectious diseases and pandemics

### Possible impact

Global pandemics can have material impacts in the economies and sectors in which we operate, as demonstrated by COVID-19.

### Mitigation measures

- Business continuity plans regularly updated and tested
- Appropriate health measures in place
- Close communication with government and medical authorities
- Maintenance of substantial liquidity
- Regular health and safety reporting to the Board

## Cyber security

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

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

## Policy review process

We regularly review our policies relating to sustainability. Where we identify policy gaps, we create new policies to guide the Group's approach. We are reviewing our supplier corporate social responsibility code of conduct and our climate change and biodiversity policies. We will review our Sustainable Development Policy to ensure it is aligned with our updated strategy.

Policies are developed at the working group level, before review by the Swire Group Environment Committee and the GRMC, and approval by senior management.

### Supplementary information

<a href="#">Climate Change Policy</a>	
<a href="#">Sustainable Water Policy</a>	
<a href="#">Waste Management Policy</a>	

### Related content

<a href="#">Climate</a>	
<a href="#">TCFD</a>	
<a href="#">Waste</a>	
<a href="#">Water</a>	
<a href="#">Supply chain</a>	
<a href="#">Health and safety</a>	
<a href="#">Communities</a>	





# Task force on climate-related financial disclosures

In 2018, we started to align our disclosures with those recommended by the TCFD.

## Governance

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

- The Board has ultimate accountability for SwireTHRIVE and our ESG performance
- The Group Risk Management Committee (GRMC), which reports to the Board, oversees climate and other sustainability risks. It is supported by the Swire Group Environment Committee (SGEC), the SwireTHRIVE Climate Working Group and the TCFD Working Group
- We use an enterprise risk management (ERM) system. We have corporate risk registers, in which climate change appears as an emerging risk
- The Group Head of Sustainability reports periodically to the Board on sustainability matters

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

- The Chairman, divisional chief executives and the Finance Director meet twice a year to consider sustainability matters. These meetings provide direction and oversight to the SGEC, which comprises divisional sustainability heads and is chaired by a member of our leadership team. 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 SwireTHRIVE

## 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 the Group risk register and is discussed in the Risk Management section of our 2020 Annual Report. It was highlighted as a key sustainability risk to the Group in a separate stakeholder engagement risk identification exercise
- Climate change stimulates business innovation and facilitates the transition to a lower carbon economy. Demand exists for climate resilient products and services. By addressing climate change, the costs of extreme weather conditions (maintenance and insurance premiums) can be mitigated

#### Supplementary information

[Climate Change Policy](#)






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


- The table below presents findings from our climate risk analysis
- See the 2020 sustainability reports of Swire Properties and Cathay Pacific 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. We are assessing the robustness of our climate strategy and the uncertainties associated with its execution

**Supplementary information**

Swire Properties Sustainability Development Report 2020 

Cathay Pacific Sustainability Development Report 2020 

Risk category	Risk and opportunities	Financial implications
<b>Physical risks</b>		
Acute	More flooding in low lying areas damaging our assets or disrupting our services	<ul style="list-style-type: none"> <li>• More spending to improve the adaptive capacity of our assets and to mitigate adverse effects</li> <li>• Flight delays and diversions due to flooding at airports, customer compensation and physical damage to aircraft and other assets</li> </ul>
	More fluvial flooding damaging our assets or disrupting our services	<ul style="list-style-type: none"> <li>• More spending to improve the adaptive capacity of our assets and to mitigate adverse effects</li> </ul>
	More and stronger typhoons damaging our assets or disrupting our services	<ul style="list-style-type: none"> <li>• Flight delays and diversions, customer compensation and physical damage to aircraft and other assets</li> <li>• More spending to improve the adaptive capacity of our assets and to mitigate adverse effects</li> </ul>
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>
<b>Transitional risks</b>		
Policy and regulations	Carbon pricing for aviation, shipping and construction	<ul style="list-style-type: none"> <li>• Carbon taxes and more spending on offsets</li> </ul>
	More ambitious national decarbonisation plans	<ul style="list-style-type: none"> <li>• More spending to improve energy efficiency</li> <li>• Lower operating costs because of higher energy efficiency</li> </ul>
	Tighter building energy codes	<ul style="list-style-type: none"> <li>• More spending on compliance</li> </ul>
Technology and innovation	More use of green and low-carbon technology	<ul style="list-style-type: none"> <li>• More spending on technology</li> <li>• Lower operating costs because of higher energy efficiency</li> </ul>
	More use of renewable energy	<ul style="list-style-type: none"> <li>• More spending on renewable energy systems</li> <li>• Sales of renewable energy to power companies</li> </ul>
Reputational damage	Vilification of aviation – flight shaming	<ul style="list-style-type: none"> <li>• Less demand for and therefore revenue from air travel</li> </ul>
	Increased reputation and litigation risks	<ul style="list-style-type: none"> <li>• Less revenue due to changes in what consumers want</li> <li>• Litigation costs</li> </ul>
Markets	Changes in demand for products and services	<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>
	More demand for energy efficient properties	<ul style="list-style-type: none"> <li>• More revenue because tenants will pay more to occupy energy efficient buildings</li> </ul>
	More demand for green finance	<ul style="list-style-type: none"> <li>• Reduction in interest costs by reference to green targets</li> </ul>
	Increase in insurance premiums	<ul style="list-style-type: none"> <li>• Higher insurance costs</li> </ul>



## 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. The findings will be incorporated into our ERM system
- We are using a tool developed by The Climate Service to assess the climate risks to our businesses and the resulting financial implications
  - We are assessing the physical climate-related risks to and opportunities for our key assets, under two climate change scenarios (RCP 4.5 and RCP 8.5)
  - We considered the impact of transition risks using carbon price models based on the IPCC Shared Socioeconomic Pathways SSP3-60 and SSP3-45
- Swire Properties has modelled acute and chronic physical risks to its assets associated with the four Representative Concentration Pathways (RCP 2.6, 4.5, 6.0 and 8.5) used by the IPCC. It has also looked at transition risks related to government policies and regulatory, technological and market trends, based on different climate scenarios
  - Global climate models are being used to evaluate the exposure of specific assets and operations in 2025, 2030, 2050 and 2100. The vulnerability, of our assets and businesses and the places where we operate, to flooding, heat stress, water stress and extreme wind, is being assessed
  - Swire Properties has a plan to mitigate risks and build resilience which is being incorporated into its ERM system
- Cathay Pacific uses a risk taxonomy to identify and manage ESG risks to its business
  - Significant ESG risks are identified at cross-functional workshops attended by middle and senior management
  - Each business unit has a risk register that is reviewed annually. ESG risks from each of the registers are aggregated. Where appropriate, mitigation plans are developed
  - Risks are prioritised and reported to a risk management committee and a board risk committee


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

- We have set ambitious 2030 decarbonisation targets. Our goal is to achieve net zero carbon emissions by 2050
- 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

- Our sustainable development fund makes available up to HK\$100 million per year for sustainable development projects. The money is available for investments that would not otherwise meet our financial targets. In 2020, trials of new technologies intended to help our operating companies meet their carbon, water and waste targets were authorised
- Our business continuity plans cover extreme weather events. Swire Properties has crisis response plans for its buildings
- In 2020, all of Swire Properties' projects under development achieved the highest green building rating, 97% of all its existing buildings were certified green buildings and over 98% of its 2020 gross rental income was from certified green buildings
- Swire Properties considers sustainability development criteria, including climate adaptation and resilience, energy efficiency and carbon emissions, when assessing acquisitions
- With Tsinghua University's Joint Research Centre for Building Energy Efficiency and Sustainability, we have developed and tested methods to increase energy efficiency and improve environmental performance in our businesses. The collaboration began with Swire Properties and includes Swire Coca-Cola. It generates substantial energy savings
- 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
- Swire Pacific Offshore wants to decarbonise by using alternative marine fuels. With Nanyang Technological University, it studied the viability of hydrogen fuel
- We support the efforts of the Hong Kong Business Environment Council to promote awareness of climate change in the business community
- In 2020, Cathay Pacific held a climate risk workshop for senior managers. It assesses the impact of climate change by reference to financial, disruption, strategic, reputation, regulatory and human factors. Cross-functional stakeholders consider the impact of climate risks to the business and corresponding mitigation plans, which are owned and implemented by relevant departments
- Cathay Pacific is a member of the Roundtable on Sustainable Biomaterials and of the Sustainable Aviation Fuel Users Group Asia. It has a minority interest in Fulcrum BioEnergy Inc., which converts municipal solid waste into sustainable aviation fuel

#### Supplementary information

Swire Properties Sustainability Development Report 2020 

Cathay Pacific Sustainability Development Report 2020 



### **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. Climate change is one of our top ten risks
- At Cathay Pacific, CORSIA compliance and policy are monitored by the corporate affairs team, whilst the finance team manages financial exposure, and the flight operations team oversees data collection

## **| 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:
  - Carbon emissions (tonnes of carbon dioxide equivalent (CO<sub>2</sub>e))
  - Energy consumed (GJ)
  - Kilowatt-hour (kWh) of renewable energy generated
- The metrics used by our operating companies can be found in their own sustainability reports

### **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 and 2 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 goal is to achieve net zero carbon emissions by 2050
- Our group target is to reduce our Scope 1 and 2 emissions (excluding jet fuel emissions) by 50% by 2030, compared with a 2018 baseline. 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 and shipping 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 Scope 1 and 2 GHG emissions intensity by 35% per sqm by 2025 and by 52% per sqm by 2030 (from a 2018 baseline)
  - Reduce Scope 3 GHG emissions intensity from downstream leased assets by 28% per sqm by 2030 (from a 2018 baseline)
  - Reduce Scope 3 GHG emissions intensity from capital goods by 25% per sqm by 2030 (from 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
- Cathay Pacific has a goal of achieving net zero carbon emissions by 2050. It is developing targets for operational efficiency, sustainable aviation fuel and offsets
- In 2017, we set targets to reduce GHG emissions by 8-10% by 2020, compared with a 2015 frozen efficiency baseline. We achieved a 61% decrease compared to our baseline, but largely because of COVID-19 related reductions in business activity
- We encourage the use of renewable energy. More than 20 million kWh of electricity was generated from renewable energy sources at Swire Properties, Swire Coca-Cola and HAECO Xiamen in 2020. Our sustainable development fund is available to support suitable renewables projects



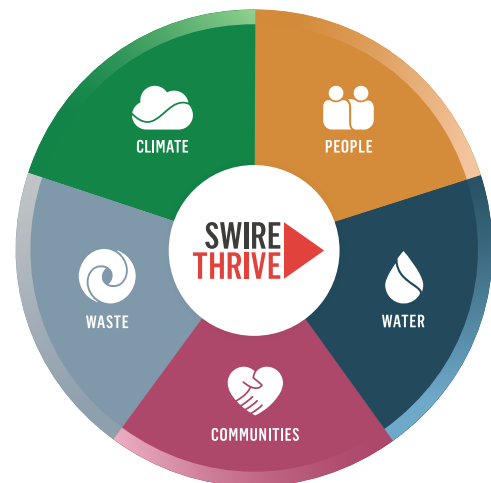
# SwireTHRIVE

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. When the world in which we operate thrives, so do we.

SwireTHRIVE aims to mitigate operational risk and build long term resilience for our businesses by improving standards and efficiency and by innovation in five areas:

- Climate – Decarbonise our business and build climate resilience
- Waste – Turn today's waste into tomorrow's resource
- Water – Use and manage water responsibly
- People – Foster a corporate culture that is accessible, inclusive and safe
- Communities – Position our community initiative as part of our core business value

SwireTHRIVE was introduced in 2016. It focused on environmental topics. In 2020, it was extended to people and communities to better reflect our sustainable development priorities.



Health and safety and support for the communities in which we operate are fundamental to our being a responsible business. Through our Diversity & Inclusion department, we promote diversity and inclusion and aim to lead in this area. Including people and communities in the SwireTHRIVE framework 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. Our board has endorsed SwireTHRIVE.



SwireTHRIVE – Climate

# Decarbonise our business and build climate resilience

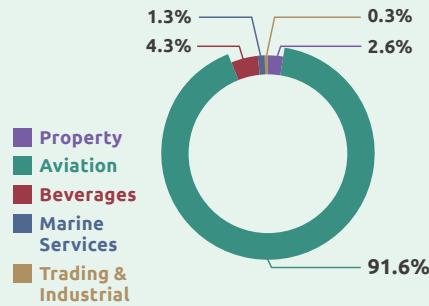


## CO<sub>2</sub>e emissions 2020

# 8.4M tonnes

↓57% from 2019

## Group carbon footprint 2020



## 2030 target

# ↓50%

emissions compared to 2018 baseline

## 2050 target

# Net zero emissions

Climate change is a defining challenge of this decade. The science is clear: to avoid the worst impacts of climate change the world must halve global carbon emissions by 2030 and reach net zero by 2050. Achieving this requires unprecedented levels of decarbonisation across all sectors. To put the scale of change needed into perspective, COVID-19 disruptions to trade and travel in 2020 resulted in a record drop in global emissions, but this still fell short of the annual reductions needed to 2030 to meet the 1.5°C goal of the Paris Agreement.

Cutting greenhouse gas (GHG) emissions is a business imperative. But global warming is already shifting weather patterns, threatening water and food supply and affecting human health. To remain resilient, our businesses and the communities in which we operate must be prepared to withstand or respond to these changes. Our Climate Change Policy describes our commitments to mitigate and adapt to climate change.



## I Mitigation

Our ambition is to achieve net zero emissions by 2050. This will not be easy. We operate in the carbon intensive aviation and shipping sectors, which are difficult to decarbonise without breakthroughs in alternative fuel technology. Jet fuel consumption at the Cathay Pacific group accounted for 90% (over 7.5 million tonnes) of our carbon emissions in 2020. Over 90% of Swire Pacific Offshore's 2020 emissions came from marine gas oil (MGO). Low-carbon fuels are not yet available at scale in the aviation and shipping sectors.

### Supplementary information

[Climate Change Policy](#)



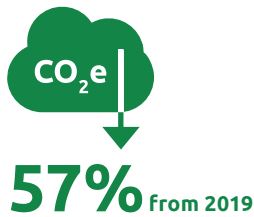
With a view to achieving net zero emissions by 2050, we are:

- Setting ambitious 2030 targets to reduce absolute emissions in line with the Paris goals
- Improving energy efficiency at our facilities and in our operations by using new technologies and with a view to being best in class
- Increasing our use of renewable energy
- Encouraging our suppliers and customers to decarbonise
- Using low-carbon and energy efficient products and materials

Offsets will form part of our strategy, particularly in aviation and shipping. But our priority is to decarbonise our operations by improving efficiency and using new technology and low-carbon materials, products and energy.

## Group performance

The Group generated **8.4M tonnes of GHG emissions in 2020**



The Group generated 8.4 million tonnes of GHG emissions in 2020, a 57% decrease from 2019. The decrease was largely due to reduced jet fuel consumption resulting from COVID-19 travel restrictions.

The Aviation Division accounted for 92% of the Group's emissions from direct operations in 2020. Disregarding jet fuel, our Beverages and Property divisions accounted for 41% and 25% respectively of our 2020 emissions.

The Cathay Pacific group's emissions included those of HK Express for the first time in 2020. The Aviation Division's emissions decreased by 59% in 2020.

Despite including emissions data from significant new developments, our Property Division used 7% less energy than in 2019. This was partly due to energy saving measures in Hong Kong and the Chinese mainland.

Our Beverages Division used 2% more energy in 2020 than in 2019. New lines contributed to the increase.

The emissions of Swire Pacific Offshore and our Trading & Industrial Division decreased by 3% and 17% respectively in 2020.

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

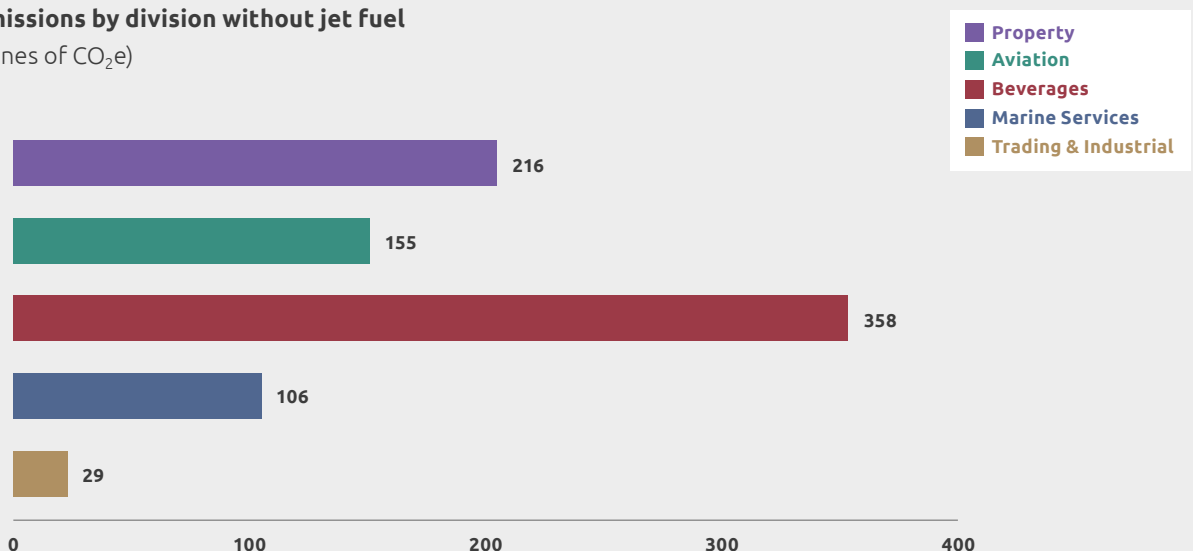
### Supplementary information

[Reporting methodology](#)



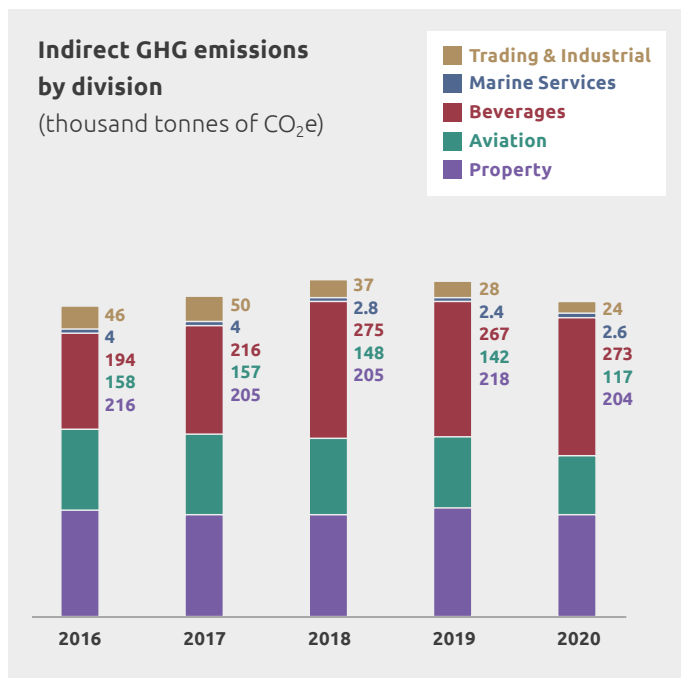
### Total GHG emissions by division without jet fuel

(thousand tonnes of CO<sub>2</sub>e)





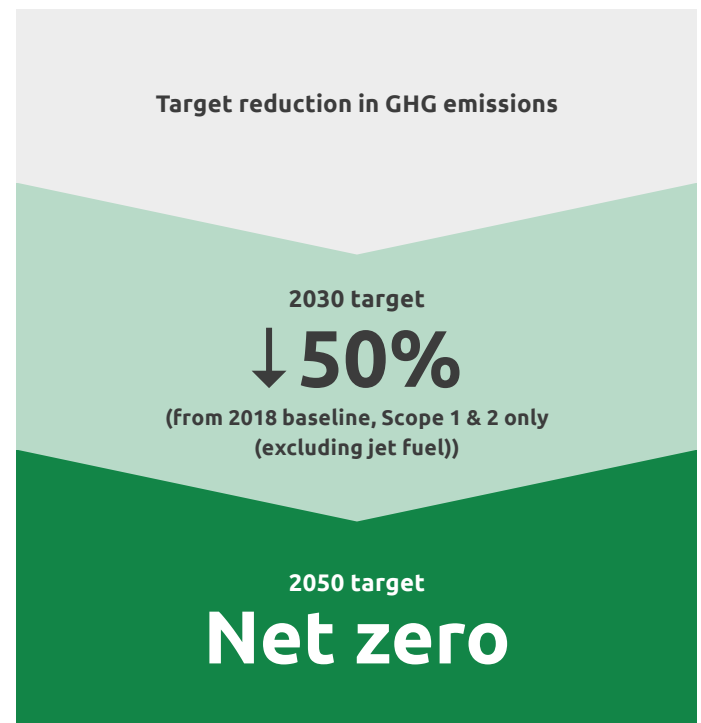
Electricity consumption is our second largest source of emissions. We used almost 1 billion kilowatt-hours of electricity in 2020 and generated 621 thousand tonnes of indirect (Scope 2) emissions, a decrease of 5.6% from 2019. The reduction principally reflected COVID-19 reductions in business activity.



Our 2020 target was to reduce GHG emissions by 8-10% compared with a 2015 frozen efficiency baseline (from which performance is projected assuming no improvement in current efficiencies). We reduced our emissions by 61.6% compared to the baseline, but this was due to COVID-19 related reductions in business activity.

## 2030 target

Our target is to reduce emissions from direct operations (Scope 1 and 2, excluding jet fuel emissions) by 50% by 2030, compared with a 2018 baseline. Our long-term goal is to achieve net zero emissions by 2050.



All our businesses have set 2030 targets. They are aligned with science-based targets, nationally determined contributions or, in the case of our aviation and shipping businesses, international industry commitments. **Swire Properties** was the first real estate developer in Hong Kong and the Chinese mainland to set science-based targets, which were approved by the Science Based Targets Initiative (SBTi) in 2019. **Swire Coca-Cola's** science-based target was approved by SBTi in 2020. Both companies have signed up to Business Ambition for 1.5°C.

We excluded Cathay Pacific's jet fuel emissions from our 2030 target because they contribute such a large share of our GHG footprint that even small changes in jet fuel consumption (due to changes in business activity) would affect our performance trends disproportionately and make it difficult to see the progress we are making in decarbonising our other operations. Our airlines are committed to being leaders in the aviation industry's decarbonisation efforts and have a separate strategy for tackling emissions from jet fuel.





## How Cathay Pacific is addressing jet fuel emissions

### Supplementary information

[Cathay Pacific Sustainable Development Report 2020](#)



In 2020, Cathay Pacific set the difficult but necessary goal of achieving net zero carbon emissions by 2050. It supports the aviation industry's target of carbon neutral growth from 2020.



### Improve fuel efficiency

- Improved fuel efficiency by 32% since 1998
- Took delivery of ten new fuel-efficient aircraft this year, including three A350-900, one A350-1000, two A321-neo and four A320-neo



### Support the development of sustainable aviation fuel (SAF), which has 80% lower lifecycle emissions than traditional jet fuel

- First airline investor in Fulcrum BioEnergy, Inc., which makes SAF from municipal solid waste
- Committed to buying 1.1 million tonnes of SAF over 10 years (approximately 2% of its fuel requirements from 2023 onwards)



### Prepare for Carbon Offsetting and Reduction Scheme for International Aviation (CORSA)

- Assessed the potential impact of CORSIA and ready to respond once China participates
- Completed and verified first emissions report, which was submitted to Hong Kong Civil Aviation Department in 2020



### Digitisation to reduce unnecessary weight

- Electronic flight folders (which are digitised inflight manuals) can avoid up to 4,000\* tonnes of carbon emissions per year. In 2020, the project received an Innovation Award under the Hong Kong International Airport Carbon Reduction Award scheme.

\*based on 2019 activity



### Engaging in industry initiatives

- Participated in the technical working group supporting development of the aviation sector's approach to science-based targets
- Member of the Sustainable Aviation Fuel Users Group Asia and of the Round Table on Sustainable Biomaterials
- Member of ICAO taskforces on market-based solutions and alternative fuel



### Engaging passengers – Fly Greener

- First Asian airline to introduce a voluntary carbon offset programme for passengers
- In 2020, 41,134 tonnes of Gold Standard accredited offsets (supporting projects that address climate change and benefit communities) purchased through Fly Greener in 2020
- Over 300,000 tonnes of carbon offsets sold since its introduction in 2007



## How Swire Pacific Offshore is tackling emissions from engines

The International Maritime Organisation (IMO) estimates that around 36% of emissions reductions required to meet the sector's decarbonisation targets can be achieved through technical and operational measures to improve fuel efficiency. The remaining 64% will need to come from alternative fuels. Swire Pacific Offshore is committed to reducing its emissions in line with the IMO target of at least a 50% reduction in GHG emissions by 2050 compared with 2008.

### Supplementary information

[Swire Pacific Offshore Sustainable Development Report 2020](#)

[Project Hafnium](#)



### Improve energy efficiency

- Latest vessels are certified by DNV GL for Clean or Clean Design (or equivalent)
- Vessels over 400GT have a ship energy efficiency management plan
- Use smart fuel management software to optimise performance



### Test alternative fuels

- Assess low or zero carbon fuels for maritime sector (feasibility study for hydrogen fuel in Project Hafnium (2017-19))
- Explore feasibility of shore power supplied from renewable sources



### Offsets

- Invested in a Verra certified carbon offset REDD+ project in Paraguay since 2010, designed to generate 10,000 carbon credits per year for 20 years
- Purchasing other certified carbon credits, providing environmental benefits and social value for communities



### Reduce other air emissions

- All SPO vessels use MGO: a low-sulphur/ low particulate matter fuel in accordance with the latest fuel standard, ISO 8217:2017 and the IMO 2020 low-sulphur regulations
- Latest vessels have low-NOx main engines



## Energy efficient facilities

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

### Green building certification

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 2020, 97% of **Swire Properties'** existing buildings were certified green buildings under HK BEAM, BEAM Plus, LEED, WELL, China Three Star or Green Mark independent rating systems. **Swire Coca-Cola** has five LEED certified bottling plants in the Chinese mainland and the US.

#### Supplementary information

Sustainable Building Design Policy



### Energy saving measures



Since 2008, Swire Properties has reduced its annual energy consumption by

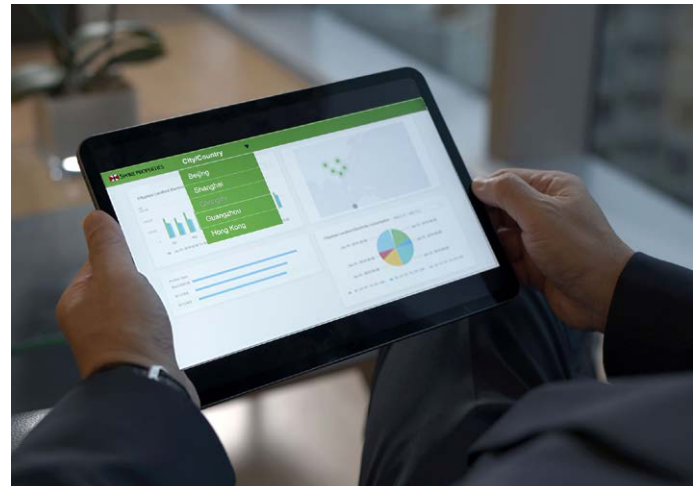
**78M** kWh  
in Hong Kong

**28M** kWh  
in the Chinese mainland

In 2020, **Swire Properties** optimised heating, ventilating and air conditioning systems, installed high-efficiency chillers, replaced lighting with LEDs and used a smart energy management platform. Since 2008, Swire Properties has reduced its annual energy consumption by 77.8 million kWh in Hong Kong and 28.1 million kWh in the Chinese mainland, which is in line with its 2020 targets.

ISO 50001:2011 certifications have been obtained for Swire Properties' energy management systems in all of its Hong Kong properties, and in its Taikoo Hui, Guangzhou, INDIGO, Beijing, Taikoo Li Sanlitun, Beijing, and Sino-Ocean Taikoo Li, Chengdu properties in the Chinese mainland.

Since 2011, Swire Properties has worked with Tsinghua University through the Joint Research Centre for Building Energy Efficiency and Sustainability to develop and test methods of increasing energy efficiency and improving the environmental performance of its properties.



#### Case study

### Swire Properties – Smart energy management platforms

Swire Properties and Schneider Electric developed a cloud-based smart energy management platform. The platform was introduced in 2019 and will be used in all Swire Properties' major projects in Hong Kong and the Chinese mainland.

The platform uses the Internet of Things, big data analysis, artificial intelligence and cloud computing. It uses building operations data to generate information about energy management and saving.



Retrofitted refrigeration system at Swire Coca-Cola's Huizhou plant is expected to save

**7.8M** MJ

**Swire Coca-Cola** has worked with Tsinghua University to investigate opportunities to improve energy efficiency at five of its bottling plants in the Chinese mainland. In 2020, a refrigeration system at its Huizhou Plant was retrofitted. This is expected to save 7,776,000 MJ, and more than HK\$1.4 million in costs annually.

Swire Coca-Cola replaced air compressors at its Guangdong and Zhanjiang plants. Refrigeration and compressor air systems have been improved at its Hefei, Xiamen, Hainan and Zhanjiang plants. These initiatives are expected to save over 2,989,000 MJ annually.



**HAECO Hong Kong** has an ultra-high efficiency hybrid power chiller plant and phase change material thermal energy storage system. Annual savings in electricity and costs of up to 5,400 MWh and up to 40% respectively are expected.

**Cathay Pacific Catering Services** has replaced high bay lights, low bay lights and light tubes with LEDs, saving an estimated 200 MWh annually.

## Renewable energy



**~20M<sub>kWh</sub>**

renewable energy generated at  
Swire Properties, Swire Coca-Cola and  
HAECO Xiamen in 2020

Over 20 million kWh of electricity was generated from renewable energy sources at Swire Properties, Swire Coca-Cola and HAECO Xiamen in 2020.

In Sichuan, enterprises can procure electricity generated by hydro, solar and wind power from registered power retailers. **Swire Properties'** Sino-Ocean Taikoo Li Chengdu development became 100% powered by renewable electricity under this scheme. This reduces the development's emissions by approximately 7,000 tonnes per year. Over 36% of the electricity used by Swire Properties in the Chinese mainland is from renewable sources.

At One Taikoo Place, Swire Properties installed solar PV panels and a waste-to-energy tri-generation system. These are estimated to supply renewable energy equivalent to approximately 2% of the landlord's building energy.

**HAECO Hong Kong** and **HAESL** installed solar PV systems in 2020, which generated 34 MWh per month on average. Rebates are received from the electricity supplier's feed-in-tariff scheme for the electricity generated.



### Case study

## Swire Coca-Cola – Aiming for 100% renewable electricity

Swire Coca-Cola has set a goal to use 100% renewable electricity for its core operations by 2026. It will install onsite generation systems and enter into power purchase agreements.

Swire Coca-Cola's Yuma distribution centre in Arizona installed a 324 kW rooftop solar PV system, which is expected to produce over 560,000 kWh of renewable electricity per year. This represents 100% of the energy required to power the building. Swire Coca-Cola installed a solar PV system at its Taiwan plant, which is expected to generate approximately 560,000 kWh per year.

Since earlier this year, Swire Coca-Cola's bottling plant in Yunnan, which accounts for 4% of Swire Coca-Cola's electricity consumption in the Chinese mainland, has used only renewable electricity.



## Decarbonising our value chain



Swire Coca-Cola started using

# 100%

rPET for Bonaqua bottles in Hong Kong

Emissions from packaging and the electricity consumed by its cold drinks equipment (CDE) accounted for around 60% of **Swire Coca-Cola**'s emissions in 2018. To meet its target of reducing emissions across its value chain by 30% by 2030, Swire Coca-Cola needs to reduce its emissions from packaging by increasing its recycled content and promoting post-consumption recovery and recycling. In 2020, Swire Coca-Cola started to use 100% recycled PET for Bonaqua water bottles in Hong Kong and increased the proportion of recycled aluminium in packaging in the Chinese mainland and the US to 10.8% and 77% respectively. All new CDE will have high energy efficiency ratings and use natural refrigerants.

Tenant electricity consumption accounts for 50 to 60% of **Swire Properties**' total building energy consumption. Swire Properties helps tenants to reduce their electricity use by offering free energy audits. Since 2008, free energy audits have covered 5.5 million square metres of commercial space, identifying potential annual energy savings of 9 million kWh.

## Low-carbon and energy efficient products and materials

**Swire Properties** measured the embodied carbon in construction materials used at One Taikoo Place, which informed the development of a carbon accounting tool for new projects. In 2020, Swire Properties participated in the World Green Building Council's Project Taskforce, which developed and introduced the Asia Pacific Embodied Carbon Primer. The primer includes a case study about how it worked with supply chain partners to adopt low-carbon construction materials at One Taikoo Place and its enhanced material specifications.

All new **Swire Coca-Cola Hong Kong** trucks can use B7 biodiesel and comply with Euro VI emission standards.

40% of **Hong Kong Airport Services**' ground support equipment and vehicles are electric.



## Adaptation

We need to prepare for the physical risks of climate change. This means designing buildings capable of withstanding extreme weather. Seaports and 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. A TCFD working group comprising sustainability, finance and risk team members was formed in 2020. See the TCFD section for more information.

We require our operating companies to consider climate change risks when compiling their risk registers, and to take appropriate precautionary measures. Some of our operating companies build climate resilience into their operations. Swire Coca-Cola assesses water access, quality and quantity risks for all new bottling plants. In 2020, Swire Properties studied its climate risks and opportunities and Cathay Pacific held a climate risk workshop for senior managers.

### Related content

TCFD



### Supplementary information

[Asia Pacific Embodied Carbon Primer](#)





We have started to assess the physical risks that climate change poses to our businesses. We use a specialised cloud-based platform provided by The Climate Service (TCS) to assess the financial implications of climate-related risks and opportunities under different climate scenarios. This assessment will help us to align our climate change disclosures with the recommendations of TCFD.

A low carbon economy will give rise to business opportunities. We are gaining experience in green technologies through equity interests in Fulcrum BioEnergy, Inc., Avantium N.V. and NanoSpun Technologies Limited.

Climate change threatens access to water and its availability and quality. Swire Properties assesses water risks to its properties in Hong Kong, the Chinese mainland and the US. Please see the Water section for more information.

#### Related content

Water 

## 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's Low Carbon Charter in Hong Kong.

**Swire Coca-Cola** 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. In 2020, Swire Coca-Cola donated over one million bottles of water and other beverages to local governments, frontline healthcare workers, and workers on hospital construction sites in the Chinese mainland. It also donated beverages in Hong Kong and the US.



### Case study

## Swire Properties – Assessing physical and transition risks

In 2020, Swire Properties studied climate risks and opportunities under different climate scenarios from now to 2030 and from 2030 to 2100.

The study indicated that its properties are exposed to low to moderate levels of physical risk (flooding, heat stress, water stress and extreme wind). These risk levels are attributed to the relatively robust adaptive capacity and mitigation measures integrated into its buildings.

Transition risks (government policies and regulatory, market and technological trends) were studied. More stringent building energy codes and guidelines, and increased demand for green, energy efficient and climate resilient properties could have a financial impact.

The study will inform Swire Properties' risk management and strategic planning.

Swire Properties includes sustainability considerations (including those relating to climate and emissions) when doing due diligence on projects.

## Looking forward

Over the next three years, our Climate working group will develop a decarbonisation roadmap to support our net zero goal, will develop carbon offsetting guidelines and will consider internal carbon pricing. We will strengthen our TCFD reporting and will study our Scope 3 emissions. We will build on our renewable energy purchasing guidelines and will facilitate the sharing of information about renewable energy purchase agreements.



SwireTHRIVE – Waste

# Turn today's waste into tomorrow's resource

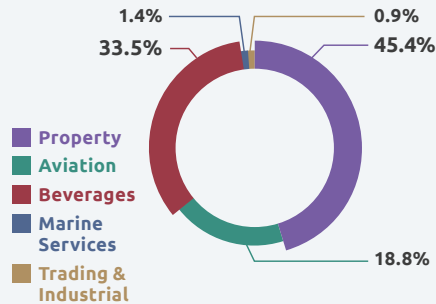


## Waste generated 2020

**91,336** tonnes

↓ 19% from 2019

## Group waste footprint 2020



## 2030 target

**55%**

waste diverted from landfill

## 2050 target

**Zero** waste to landfill

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.

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. This is what we do:



Reduce waste at source



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



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

In 2020, we developed a Waste Management Policy. Waste management is not possible without collaboration. Opportunities need to be taken to design out waste, to reduce the use of resources and select materials that can easily be recycled. Using recycled materials, instead of virgin materials, creates a market for recovery and recycling. The ability to recycle is affected by local policies and infrastructure. We support the Hong Kong government's municipal solid waste charging scheme. We work with others to reduce waste in our operations and to promote a circular economy. The management and use of waste can provide business opportunities. Our investments in Swire Waste Management and Fulcrum Bioenergy are good examples.

### Supplementary information

Waste Management Policy



## Group performance

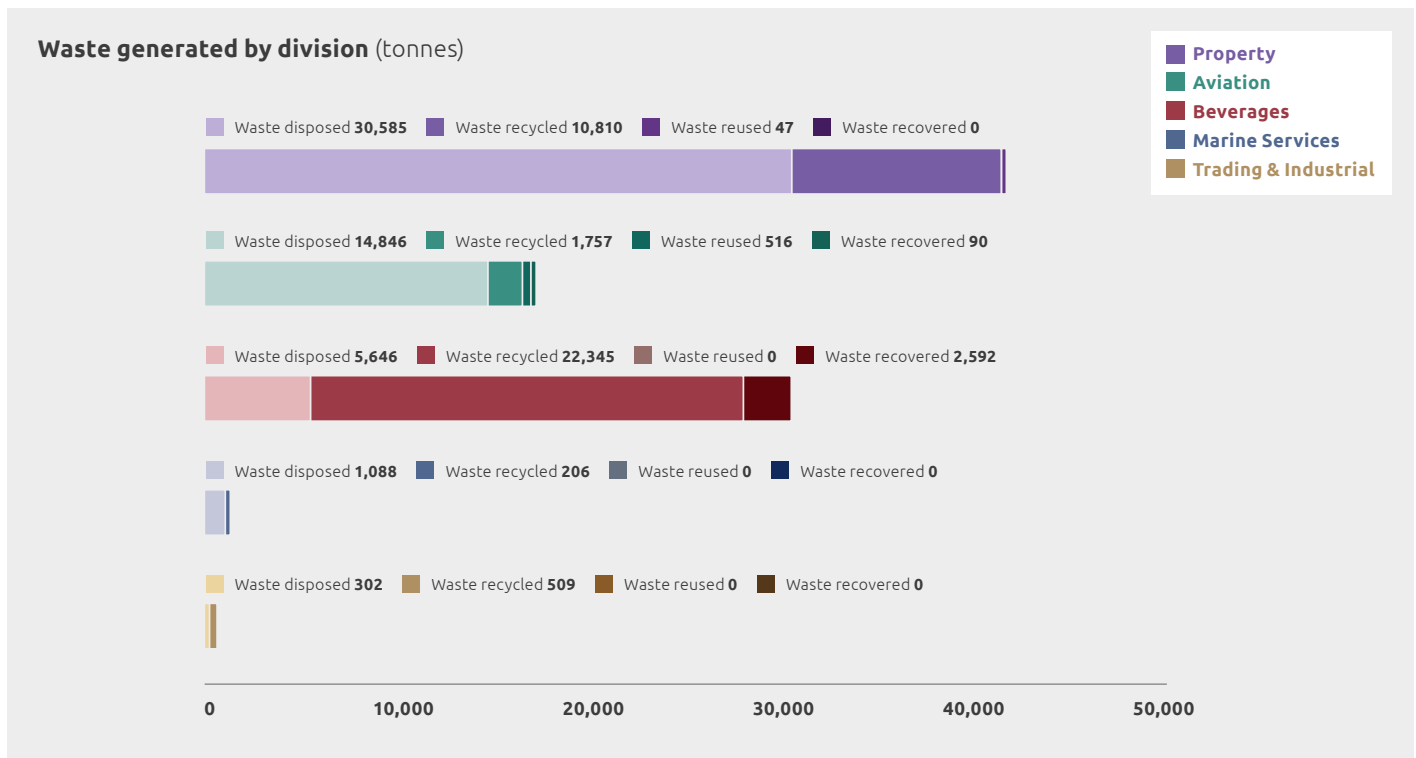
In 2020, we generated 91,336 tonnes of waste, 38,870 tonnes of which was recycled, reused or recovered. This represents a 42.6% waste diversion rate from landfill.

We generated 19% less waste in 2020 than in 2019. But this was largely due to COVID-19 related reductions in business operations. Waste generated at Swire Properties and Cathay Pacific decreased by 15% and 57% respectively.



Swire Properties accounted for 45.4% of our waste in 2020. Tenants in Hong Kong and the Chinese mainland were encouraged to reduce and recycle waste.

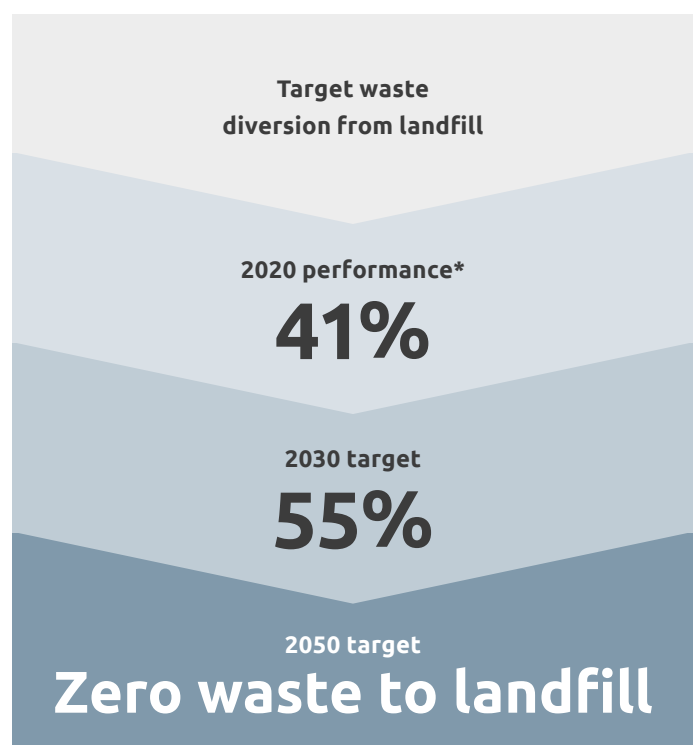
Swire Coca-Cola accounted for 33% of our waste in 2020 and 64% of our diverted waste. Its waste diversion rate was 81.5% in 2020, compared to 71.7% in 2019.



## 2030 target

We aim to achieve a 55% waste diversion rate from landfills by 2030. Our long-term goal is to achieve zero waste to landfill by 2050.

We aim to divert our waste from landfills by reduction, reuse, recycling and recovery. The 2030 target covers non-hazardous waste managed by Swire Properties, Cathay Pacific, HAECO and Swire Coca-Cola. They account for 95% of our waste. Hazardous waste is not included in the target. It is treated in line with local regulations.



\* for businesses included in the 2030 target





## Reduce waste at source

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

**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' offices and shops. 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 2020, Swire Properties installed smart bins in the refuse rooms at Taikoo Li Sanlitun and INDIGO in Beijing. They record types and weight of waste and time of disposal. Around 90% of the tenants in Lincoln House at Taikoo Place in Hong Kong participated in a five-month Smart Waste Pilot which measured their recycling rates and facilitated discussion on improvement opportunities.

**Swire Hotels** is:

- Retrofitting 500 rooms at EAST Hong Kong, EAST Beijing and EAST Miami hotels with a water filtration system to phase out plastic water bottles
- Replacing plastic water bottles with reusable glass bottles at The Middle House
- Offering single-use toiletries on request only at The Opposite House
- Installing a filtered water dispenser at the gym at The Upper House
- Introducing a digital menu at EAST Hong Kong and electronic newspaper readers at The Upper House



**Cathay Pacific** aims to reduce its usage of single use plastics by 50% by the end of 2022 (compared with 2018). This means removing nearly 200 million individual items and using



### Case study

## Swire Properties – Reusable coffee cups

With Muuse (a start up), Swire Properties enables customers to borrow reusable cups at three cafes at Taikoo Place in Hong Kong. The cups can be returned at five places. They are washed, sanitised and returned to the cafes. This avoided the disposal of more than 2,000 cups over a seven-week period in 2020.

alternative materials for other items. In 2020, Cathay Pacific removed over 43 million pieces. With the City University of Hong Kong, it looked at the environmental impacts of different alternatives to plastic. Cathay Pacific has replaced:

- **Stirrers and straws** – Birchwood stirrers and paper straws are available
- **Meal utensils** – Reusable plastic cutlery from Cathay Pacific flights is sorted, washed and reused
- **Snack bags** – New design made from paper
- **Packaging for bedding** – Reusable cotton bags are used as packaging for duvets and blankets in business class. This eliminates the use of up to 5.7 million plastic wraps per year

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



## Divert waste from landfill

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

**Swire Coca-Cola** aims to send no waste to landfill from its core operations by 2025. This does not include post-consumer waste. It disclosed its US waste profile in 2019 and continues to map the waste generated in its other markets.

In 2020, **Swire Properties** met or exceeded its targets for diverting waste from managed properties (commercial waste) and projects under development (demolition and construction waste) in Hong Kong and the Chinese mainland. In Hong Kong, it diverted 25% of its commercial waste, up to 68% of its construction waste and up to 98% of its demolition waste. In the Chinese mainland, it diverted 35% of its commercial waste.

**Cathay Pacific** sorts and recycles inflight waste on inbound flights to Hong Kong. Regulations prevent this on outbound flights. Cathay Pacific is part of an International Air Transport Association cabin waste working group. In 2020, the Cathay Pacific Group recycled 140 tonnes of plastic, 298 tonnes of paper and cardboard, eight tonnes of metal and 77 tonnes of glass.

### Food waste



Swire Properties collected

>7,000 tonnes

of food waste in Hong Kong and the Chinese mainland

**Swire Properties** introduced food waste recycling at South Island Place and the new Citygate Outlets expansion in 2020. At Citygate, Cityplaza, Taikoo Place, Pacific Place and Island Place in Hong Kong, over 70% of food and beverage tenants have recycled food waste. In 2020, Swire Properties collected more than 7,000 tonnes of food waste from its Hong Kong and Chinese mainland properties and hotels. Most of the food waste it collects in Hong Kong goes to an organic resource recovery centre for conversion into compost and biogas. Some properties also have food waste digesters.

**Cathay Pacific Catering Service** works with two local charities, Food Angel and Feeding Hong Kong. Food Angel collects fresh food and ingredients and prepares meals for senior citizens. Feeding Hong Kong recovers and redistributes packaged food collected from Cathay Pacific's inbound flights.

Cathay Pacific did not fly much in 2020 because of COVID-19. There was a surplus of inflight meals. The company donated over 156,000 meals for Food Angel to distribute to people in need.

Cooked and perishable waste is sent to a local recycler (where it is recycled into animal feed) or to an organic resource recovery centre in Hong Kong for conversion into energy. The latter received over 350,000kg of food waste from Cathay Pacific Catering Services in 2020.

Cathay Pacific Catering Services worked with a biodiesel company to convert 6,066.9 litres of used cooking oil into vehicle biodiesel in 2020.

**Swire Coca-Cola** sends organic by-products from its bottling plant in Hong Kong to an organic resources recovery centre.

### Aircraft recycling

**Cathay Pacific** works with aircraft manufacturers, companies accredited by the Aircraft Fleet Recycling Association (AFRA) and other end-of-life specialists to salvage old aircraft, and to recycle or reuse parts and materials from them. Up to 90% of components can be recycled, reused or recovered. Hazardous waste, mainly lubrication oil, is sent to specialised waste handlers.

Cathay Pacific started retiring its Airbus A330 aircraft in 2020. They are sent for processing to an AFRA-approved consignment facility with ISO 9001:2015 quality management system certification.

### Ship recycling

**Swire Pacific Offshore** has a sustainable ship recycling policy. It states that all vessels at the end of their working lives will be recycled at shipyards certified by a reputable independent third party. This is in compliance with the Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships. In 2020, *MV Pacific Falcon* was sustainably recycled in Alang, India. 98.7% of the vessel's components were reused or upcycled.



## Other areas



HAECO Hong Kong and HAESL recycled

**102** tonnes

of wood in 2020

**HAECO Hong Kong** and **HAESL** recycled 102 tonnes of wood in 2020.

HAECO Hong Kong sends inflight monitors and waste lead acid batteries to specialised recyclers. Over 90% of the batteries collected were reused.

Old bed linen at **Swire Hotels** is used as cleaning cloths or donated to design students for upcycling. Lightly used linen and towels, and unused or partially used soap, bodywashes, lotions and hair products, are given to disaster relief and humanitarian aid organisations.

Working with NGOs, **Swire Resources** recycled Chinese New Year red packets, mooncake tins, clothes and electronic waste in 2020.



## 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 (TCCC)'s World Without Waste goals. This is what it does:

- Reduces single use packaging as much as possible by cutting its amount and weight and by using refill stations
- Redesigns packaging so that it is easy to recycle, has value when recycled and itself includes recycled materials

- Facilitates better recovery of packaging by clear labelling and disposal instructions
- Collaborates with government, industry, waste management companies and non-profit organisations

Since 2010, the amount of plastic used in packaging three of Swire Coca-Cola's water brands has decreased by up to 39%. In Hong Kong, it intends to install 300 water stations, so as to save an estimated 20 tonnes of plastic per year.



Swire Coca-Cola's goal is for 100% of its primary packaging to be technically recyclable by 2025. It is phasing out Aquarius powder in non-recyclable aluminium pouches in Hong Kong. Its Sprite bottles are being changed to colourless bottles. They are worth more and easier to recycle than coloured bottles. By 2030, Swire Coca-Cola aims for its primary packaging to contain 50% recycled material.

In line with TCCC's targets, Swire Coca-Cola has committed to collect and recycle one bottle or can for every one it sells by 2030. With TCCC, it is working to put recycling instructions on its drinks 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. It will be able to process around 35,000 tonnes of PET and HDPE annually, turning the waste into reusable raw materials for consumer and industrial products.

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



DWW has issued a paper to the Hong Kong government entitled *Blueprint: A Statutory Value-on-Return Scheme for Hong Kong's Beverage Containers*. The paper proposes a policy and a governance and infrastructure model, with the aim of increasing the effectiveness and efficiency of the beverage waste collection system in Hong Kong.

Elsewhere, Swire Coca-Cola:

- Supported a study by the China Beverage Industry Association of post-consumer beverage bottle (PCB) collection and the environmental impact of recycling PCB
- Participated with the Washington Beverage Association and the American Beverage Association in a study of closed-loop recycling of PET packaging in Washington state

For more information, please see Swire Coca-Cola's Sustainable Development Report 2020.

## Looking forward

Later this year, we will introduce a single-use plastics handbook that will inform our approach to sourcing and using single-use plastics and alternative materials. We intend to require all operating companies to do waste audits after businesses have recovered from COVID-19.

### Supplementary information

- [Blueprint: A Statutory Value-on-Return Scheme for Hong Kong's Beverage Containers](#)
- [Swire Coca-Cola Sustainable Development Report 2020](#)



### Case study

## Swire Coca-Cola – “Tap, Return & Earn” beverage bottle redemption scheme

Swire Coca-Cola had 12 reverse vending machines (RVMs) in Hong Kong at the end of 2020. Each bottle returned to a RVM entitles the returner to a HK\$ 0.10 cash rebate via an Octopus card (except at Ocean Park), and Swire Coca-Cola Hong Kong donates an additional HK\$0.10 to environmental protection education. Data is collected via each bottle's bar code. Bottles are compressed and collected by authorised recyclers.

Through this scheme, Swire Coca-Cola wants to increase consumer awareness of clean recycling. More than 2.8 million bottles had been collected by the end of 2020.



SwireTHRIVE – Water

# Use and manage water responsibly

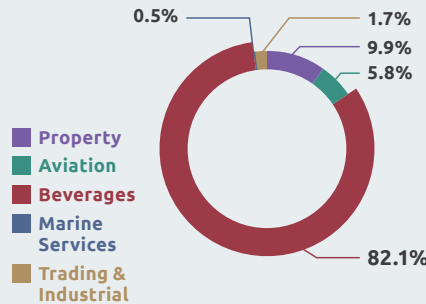


## Water withdrawal 2020

**17.8M** m<sup>3</sup>

↓3% from 2019

## Group water footprint 2020



## 2030 target

↓ **27%**

water withdrawal compared to 2018 frozen efficiency baseline

## 2050 target

**Achieve water neutrality**

Companies, communities and ecosystems need water to thrive. Population growth and economic development are putting increasing pressure on the planet’s limited freshwater resources. Climate change is intensifying these impacts. The risk of water shortages is rising. One-third of cities face high water stress and, according to UN projections, demand could outstrip supply by as much as 40% by 2030.

We use water in the beverages and meals we make, and to clean and cool our facilities and equipment. Our offices, malls, hotels, laundry and car washing services cannot operate without water. Companies can help to mitigate water risks by using water responsibly and protecting water sources. We introduced our Water Policy in 2020. What we do is this:



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



**Use recycled water and alternative sources of water**



**Ensure our wastewater complies (at a minimum) with treatment laws**



**Replenish (with others) water in regions of high water stress**

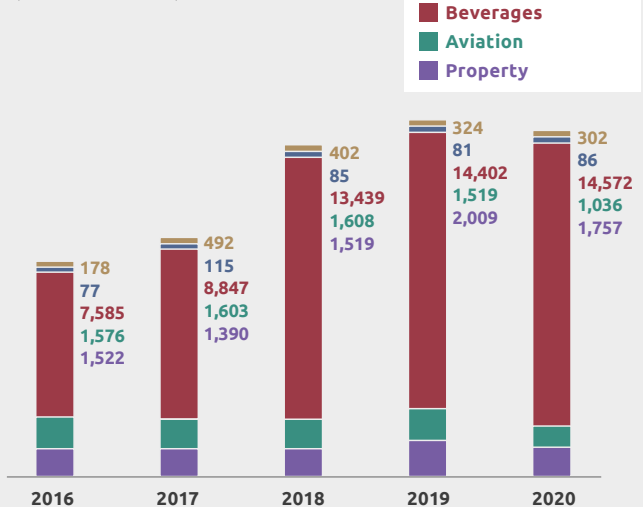
The Group and Swire Coca-Cola received A ratings in the 2020 CDP Water Security questionnaire.

## Group performance

In 2020, we used 17.8 million cubic metres of water, a 3% decrease from 2019. 99% of the water we used came from municipal water sources. Swire Coca-Cola withdrew the rest from groundwater sources. Swire Coca-Cola and Swire Properties account for 82% and 10% respectively of the water which we use. We do not collect data on Swire Pacific Offshore’s water use as it is not material.

### Water withdrawal by division

(thousand cbm)



### Supplementary information

[Sustainable Water Policy](#)





Our 2020 target was to achieve a 3-4% reduction in water withdrawal from a 2015 frozen efficiency baseline (from which our performance is projected assuming no improvement in efficiency). We achieved a 7.5% reduction from the baseline, but much of this was due to COVID-19 related reductions in business activity.

Swire Coca-Cola used slightly more water in 2020 despite producing less. More product types were produced, necessitating more cleaning during changeovers. Testing and commissioning of new production lines at two bottling plants sites also increased water use. Swire Coca-Cola's water use ratio (WUR, the volume of water required to produce one litre of beverages) increased to 1.82 from 1.77.

Water intensity at Swire Properties increased by 33.1% in its Hong Kong property portfolio compared to its 2016 base year. In its Chinese mainland portfolio and at its hotels, water intensity decreased by 18.5% and 32.4% from 2016 respectively. Overall, it used 12.5% less water in 2020 than in 2019.

Water use at Cathay Pacific and HAECO decreased by 45% and 11% respectively in 2020. This reflected COVID-19 related reductions in air travel.

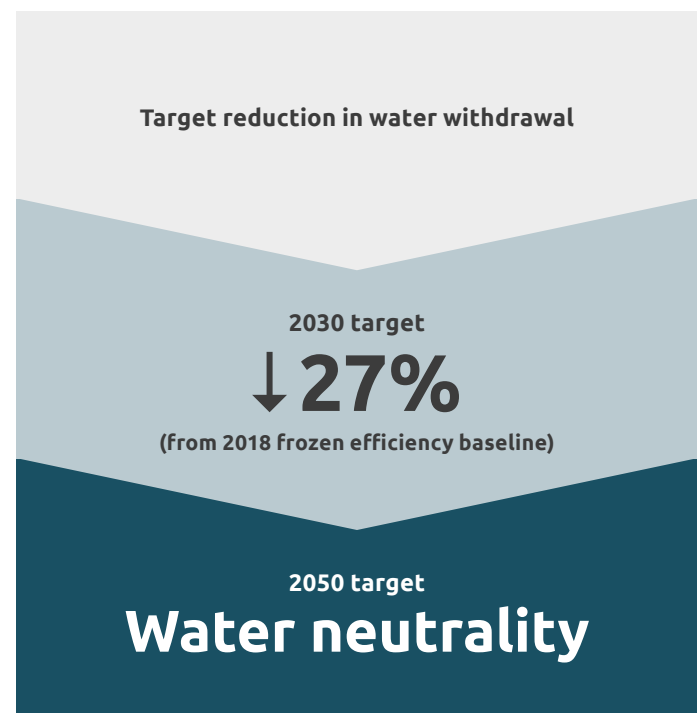
Water use in the Trading & Industrial division decreased by 7% in 2020. Taikoo Motors used 7.6% more water because it washed more cars.

## | 2030 target

By 2030, we aim to achieve a 27% reduction in water withdrawal from freshwater sources compared with a 2018 frozen efficiency baseline. Our long-term goal is to achieve water neutrality by 2050.

The target excludes the water in beverages produced by Swire Coca-Cola, because there is no substitute. The more beverages we produce, the more water we use. Our target will be achieved through improved water use efficiency of our operations.

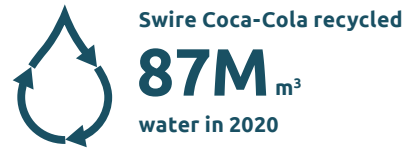
There are trade-offs. Water-cooled chillers are more energy efficient than air-cooled chillers and so reduce carbon emissions. They are a central part of our decarbonisation strategy, but will increase our water footprint.





## I Use alternative sources of water

We use recycled water and rainwater to reduce our use of freshwater.



**Swire Coca-Cola** reuses wastewater from manufacturing in cooling towers and for cleaning, irrigation and toilet flushing. Water used in cooling lines and systems is reused in condensing towers. In Hong Kong, final rinsing water is collected and reused in the cooling tower. This saves approximately 1,560 cubic metres of water per year. In Guangdong and Hefei, reverse osmosis water and final rinsing water are used for cleaning. In Taiwan, water reuse and system optimisation achieved a 1% reduction in water use. Swire Coca-Cola recycled 871,000 cubic metres of water in 2020, 12,500 cubic metres less than in 2019.

**Swire Properties** uses wastewater and rainwater for toilet flushing and irrigation at some of its properties. Taikoo Hui, INDIGO, Sino-Ocean Taikoo Li Chengdu, HKRI Taikoo Hui, One Island East and One Taikoo Place properties collect rainwater.

**HAECO** companies reuse 8% of the freshwater they withdraw. Treated wastewater is used at HAECO Xiamen for irrigation, vehicle cleaning, toilet flushing and apron watering. Rainwater is used for toilet flushing in Hong Kong.

**Cathay Pacific Catering Services** collects water from air handling units for use in chillers. This recovers 730 tonnes of water per year (representing 0.15% of its total water consumption in a normal year), generates 9,000 kWh of electricity and reduces carbon emissions by 4.6 tonnes per year.

## I Engage with others to reduce water use

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

## I Reduce water use in direct operations

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

To save water, **Swire Coca-Cola**:

- Monitors water consumption by installing sub-meters at 95% of its bottling plants in the Chinese mainland
- Uses dry lubricants instead of soapy water to move bottles and cans along conveyor belts
- Uses ionised air instead of water for rinsing bottles
- Uses pulses of water instead of a continuous spray to rinse equipment when switching production lines from one beverage type to another
- Uses ultraviolet light to disinfect reverse osmosis water

In 2020, replacement of the water treatment system at Swire Coca-Cola's Utah plant will reduce its WUR by an estimated 10%. The Zhanjiang plant replaced leaking valves and fittings.

**Swire Properties** renovated bathrooms at its Taikoo Hui mall in Guangzhou in 2020. Waterless urinals and low-flush toilets were installed, saving an estimated 1,969 cubic metres of water per year. Swire Properties uses water meters, water flow regulators, automatic taps and automatic flush toilets and urinals.



**HAECO** dry washes aircraft, using 90% less water and saving more than 860,000 litres of water per year. Dry washing cleans better, so aircraft need to be cleaned less often. HAECO uses automatic taps and water-saving nozzles. Better spray control when washing aircraft can save 8,400 cubic metres of water per year. In Xiamen and the US, HAECO has modified toilet flushing systems so as to use less water.

**Qinyuan Bakery** inspected and maintained its water supply network in 2020.



**Shanghai Shenmei Beverage Co., Ltd.** sells reclaimed water to neighbouring electronics and machinery manufacturing plants for cooling, irrigation, car washing and toilet flushing. This reduces the buyers' freshwater costs, generates income for Shanghai Shenmei from reclaimed water sales and reduces sewage discharge fees. Approximately 36.1 million litres of reclaimed water were sold in 2020.



#### Case study

### Swire Properties – Water saving pilot scheme

In 2020, Swire Properties installed water sub-meters in the premises of 14 office tenants, in order to monitor the amount and understand the pattern of their water use. Opportunities to reduce water use were identified.

Swire Properties encourages tenants to adopt guidelines on the use of fresh and flushing water, in order to assist in complying with enhancements to the Hong Kong government's voluntary "Quality Water Supply Scheme for Buildings".

## Safely discharge wastewater back to nature

Pollution impacts the water quality in our local water systems, so it is important to ensure that all water we discharge back to nature is safe and, at a minimum, meets local regulatory requirements.

**Swire Coca-Cola's** bottling plants are required to 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 on site wastewater treatment facilities.

**HAECO Xiamen** uses heavy metal monitoring equipment and detectors to check effluents before discharge.

## Work with others to replenish water



In 2020, the Coca-Cola System replenished

**278B** litres of water,  
equivalent to

**170%**

of the water used in its beverages

**Swire Coca-Cola** collaborates with The Coca-Cola Company on water replenishment projects in the Chinese mainland and the US. Its goal is to return a litre of clean water to natural water systems for every litre of water used in its beverages. In 2020, the Coca-Cola System replenished 277.8 billion litres of water, equivalent to 170% of the water used in its beverages. Water replenishment data is independently reviewed by Limno Tech and reported on by EY.

Two projects are being undertaken with Bonneville Environmental Foundation:

- Provo River Flow Restoration Replenish Project (Utah) will replenish 256 million litres of water per year to the Provo River in central Utah by reducing water withdrawal and increasing flows in the summer. Low flows can cause stress to fish and other aquatic species and stop them going where they want to go
- Eureka Ditch Project (Arizona) will replenish 10.9 million litres of water per year to the Verde River Valley by reducing leakage and water loss. This will enhance river flows and support fish habitats



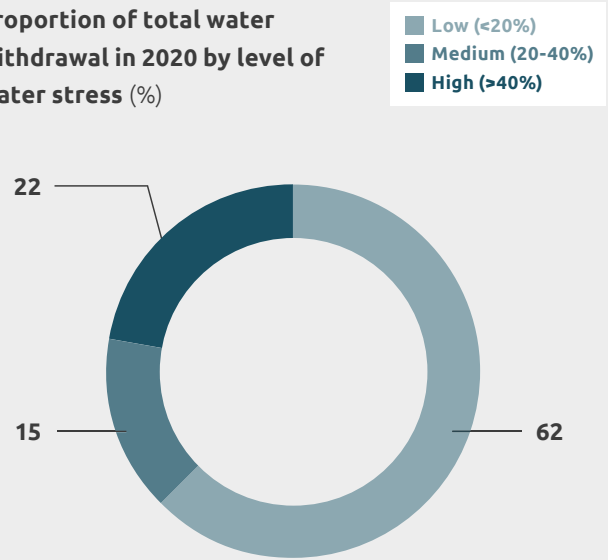


## Understanding our water risks

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

We use the World Resources Institutes (WRI) aqueduct tool to assess the extent to which the places where we operate are exposed to water stress. About 22% of the freshwater we use is drawn from sources classified as high stress, with locations where our Beverages and Properties divisions operate most affected. We have started to study emerging climate change risks, including those related to water. This will help us to strengthen our water security and build capacity, adaptability and resilience.

Proportion of total water withdrawal in 2020 by level of water stress (%)



### Water withdrawal by water stress level and division

(thousand cbm)

Low 1,043 Medium 58 High 656



Low 501 Medium 0 High 0



Low 512 Medium 0.9 High 22



Low 8,610 Medium 2,659 High 3,303



Low 86 Medium 0 High 0



Low 301 Medium 0 High 1



0 3,000 6,000 9,000 12,000 15,000

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

- Swire Properties
- Cathay Pacific Group
- HAECO Group
- Swire Coca-Cola
- HUD Group
- Trading & Industrial



**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). SVAs are done by water resources experts with at least five years' experience. 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.

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

## Looking forward

The Water working group will continue to improve the collection and monitoring of our water data, will develop a roadmap for achieving our 2030 target and will work towards understanding the water risks where we operate. We are exploring ways to achieve water neutrality by 2050.



### Case study

## Swire Coca-Cola – SVAs and WMPs

In 2020, Swire Coca-Cola reviewed its site and water basin risks and management plans in its four geographical areas of operation. It found that 14 of its 27 manufacturing facilities are exposed to medium-to-high or high levels of water risk. This reinforces the importance of robust water management.

All bottling plants have done SVAs and have WMPs. But the quality varies significantly. The Coca-Cola Company has enhanced its assessment requirements, including requiring water risk heat maps and evaluation of water, sanitation and hygiene infrastructure. A five year plan has been drawn up to engage external consultants to help with the preparation of SVAs. Swire Coca-Cola aims to have all SVAs and WMPs externally verified by 2025. For more information, please see Swire Coca-Cola's Sustainable Development Report 2020.



SwireTHRIVE – People

# Foster a culture that is accessible, inclusive and safe



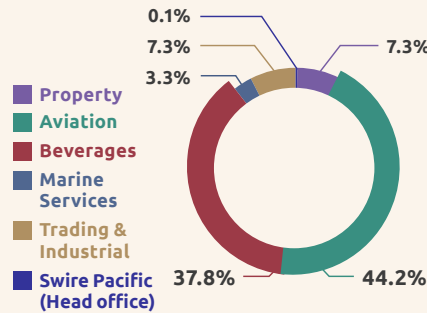
## Total employees

**>86,000** employees

As at 31<sup>st</sup> Dec 2020

↓8% from 2019

## Employees by division 2020



## 2024 target

**30%** women in senior management roles

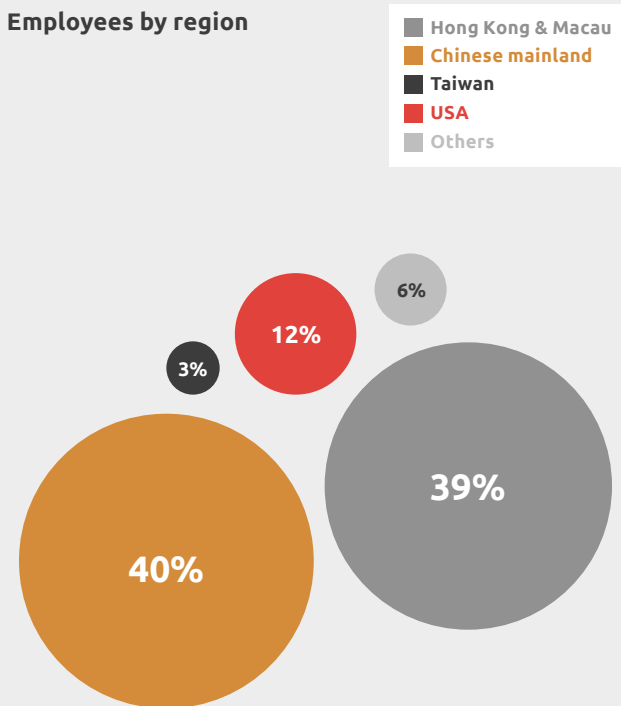
## Health and safety goal

**Zero harm**

Diversity and inclusion are key to our long-term success. By creating an inclusive culture and eradicating discrimination, we are not only doing the right thing, we will also attract and retain top talent. Our workplaces and facilities must be safe. By promoting the physical and mental wellbeing of our staff, we can improve their productivity and enrich their quality of life.

At the end of 2020, the Group employed more than 86,000 people, an 8% decrease from 2019. Almost 80% of our staff are based in Hong Kong and the Chinese mainland. Our Aviation and Beverages divisions are our biggest employers.

## Employees by region



Remark: Includes all employment types



The Swire Diversity and Inclusion Steering Committee (DISC) formulates policies and guidelines for the Group, taking account of circumstances in the places where we operate. It is jointly chaired by the Finance Director and the Staff Director.

The Group Head of Diversity and Inclusion, who reports to the Staff Director, leads a team that supports the work of the DISC.

We have the following Group policies:

### Group Diversity and Inclusion Policy

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

### Board Diversity Policy

Diversity strengthens decision-making and makes us more agile and resilient. Our board of directors is required to have a balance of skills, experience and a range of perspectives appropriate to our businesses. At the end of 2020, 18% of our directors were women.

### Respect in the Workplace Policy

We aim to ensure that all our people are treated, and treat others, with dignity and respect. Our respect in the workplace policy contains our commitment to providing a workplace free from harassment and bullying, and includes guidelines on how staff can report concerns without fear of retaliation. We train staff to understand their duties under Hong Kong anti-discrimination legislation.

#### Supplementary information

- [Responsibilities of the Swire Pacific DISC](#)
- [Group Diversity and Inclusion Policy](#)
- [Board Diversity Policy](#)

## Diversity and inclusion

Innovation and creativity happen when people with diverse perspectives work together. We strive to build a high performing workforce that reflects the diversity of the communities in which we operate. To do this, we must foster an inclusive culture where everyone is treated with respect and given fair opportunities to succeed, regardless of their age, gender, gender identity, sexual orientation, relationship, family status, disability, race, ethnicity, nationality or beliefs.

### Our approach

We have three goals:

1. Build a diverse and inclusive workplace environment
2. Be recognised and ranked as a diversity and inclusion leader in the areas where we operate
3. Use our influence to promote diversity and inclusion in our supply chains

#### We focus on five areas of diversity:



##### Age

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



##### Gender

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



##### Disability

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



##### Sexual orientation

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



##### Ethnicity

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



## Flexible Working Policy

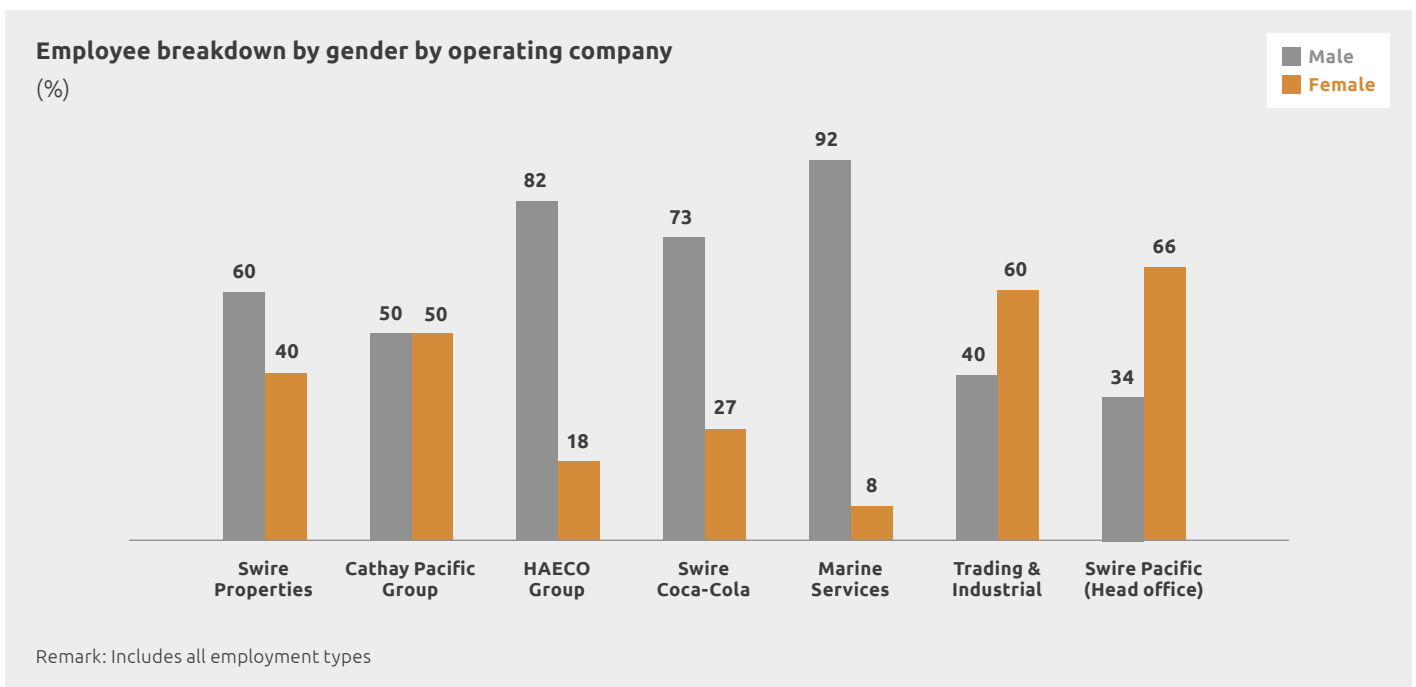
It is our policy to encourage flexible working where it is practical and appropriate to do so. We believe flexible working helps create a more inclusive environment by allowing our people to balance work and other priorities better.

**Supplementary information**  
Flexible Working Policy

## Group performance

Our goal is for 30% of senior management roles to be filled by women by 2024. At the end of 2020, 27% of senior management roles were filled by women and 18% of our directors were women. There is more to be done.

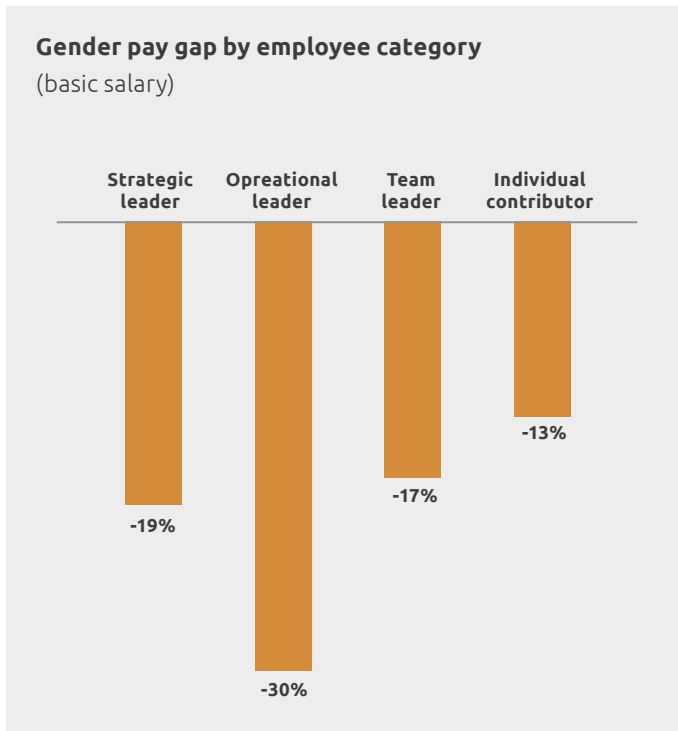
We operate in some business sectors where women are underrepresented. Swire Coca-Cola has set targets of 50% female representation in management roles and 30% female representation in senior management roles by 2030.





## Gender pay gap

Gender pay gap is the difference between the mean basic pay for men and women, expressed as a percentage of the former. This is not the same as equal pay, which is when men and women are paid the same for the same work. We review our gender pay gap annually.



In 2020, women in strategic leadership positions were paid 81% of the average pay of men in such positions. Women in operational management positions were paid 70% of the average pay of men in such positions. The corresponding percentages for team leaders and individual (non-management) contributors were 83% and 87% respectively.

We pay men and women the same for doing the same jobs, but the gender pay gap indicates that we need to do more to enable women to progress. We emphasise diversity and inclusion in the recruitment, management and promotion of our people. It is encouraging that our gender pay gap narrowed in 2020 for junior employees (team leaders and individual contributors).

## Our progress – in actions



### Case study

## Swire Pacific – Embracing inclusion series

From September to December 2020, we organised events on the theme of embracing inclusion. Head office and operating company staff participated. Empowering women through technology, LGBT+ awareness, gender inclusivity and awareness and understanding of disabilities were covered. Speed mentoring was done for managers, human resources practitioners and diversity inclusion advocates as part of the 2020 Swire Pacific Sustainable Development Forum. Participants were mentored on diversity and inclusion in the workplace and the opportunities arising from an inclusive culture. Experts from CareER, Community Business, The Women's Foundation, Wise at Work and Zubin Foundation focussed on age, gender, disability, ethnicity and sexual orientation.

We organised a panel discussion of the future of work through a gender lens, and activities to celebrate **Pink Friday** and the **International Day of Persons with Disability**.

We support **She Loves Tech**, the world's largest start-up competition for women and technology, aimed at promoting female founders of early-stage tech businesses by supporting them through mentoring, education, networking and fundraising advice.

For more information, please see:

<https://swirenews.swire.com/2021-01/People/Embracing-Inclusion.html>

**Case study****Gender – Celebrating International Women's Day at Swire**

Swire Group and Swire Properties sponsored a virtual International Women's Day (IWD) lunch, to celebrate the achievements of women and girls and raise funds for The Women's Foundation (TWF). TWF is a non-profit organisation dedicated to improving the lives of women and girls in Hong Kong. With over 1,000 people signed up, it was TWF's largest ever gathering in support of women and girls.

**Case study****Gender – Swire Group Male Allies**

In 2020, 17 of our people joined TWF's Male Allies programme. Male Allies use their collective influence and personal engagement to advance gender equality, within Swire and the Hong Kong business community.

Trading & Industrial Division companies organised staff activities on International Men's Day, which celebrates positive male role models, raises awareness of men's wellbeing and seeks to improve gender relations by promoting gender equality.

**Case study****Disability – Innovation through diversity at Swire Properties**

Swire Properties engaged Inclusive Impact to do design thinking workshops for its innovation accelerator programme. Inclusive Impact provides dignified paid work for people with disabilities, including former para-athletes. It encourages people in business to think innovatively and to empathise with and to understand the challenges facing people with disabilities. Over 100 employees participated in the workshops to date.

**Case study****Age – Rehiring experienced staff**

We value the knowledge that experienced staff have accumulated over their careers. Qinyuan Bakery has a programme to rehire experienced staff. In 2020, it rehired 124 retired staff in Chongqing, Chengdu and Guizhou.



### Case study

## Ethnicity – Mentoring to success

With the Zubin Foundation, Swire Trust mentored students and recent graduates from marginalised ethnic minorities in Hong Kong. The intention is to increase the employability of young job seekers through online workshops led by corporate volunteers. More than 30 Swire management trainees participated.

For details see: <https://swirenews.swire.com/2021-01/People/Mentoring-To-Success.html>

Mentors from Cathay Pacific Services Limited introduced their job duties, challenges at work and future career path to ethnic minority youth through the online CHEER platform.

Volunteers from HAECO Hong Kong provided vocational training to ethnic minority youth.



### Case study

## Sexual orientation – Allyship and awareness building

Cathay Pacific's Fly with Pride Network aimed to build knowledge of and engagement with LGBT+ attitudes. It did the following things:

- Surveyed LGBT+ attitudes in the workplace and the need for communication and engagement
- Engaged over 800 staff in an awareness and education campaign and a LGBT+ quiz
- Contributed to research on LGBT+ inclusion in Hong Kong's hospitality and tourism industries, led by students at Hong Kong Polytechnic University

The Swire Group and Cathay Pacific, Swire Coca-Cola, Swire Hotels, Swire Motors, Swire Properties and Swire Resources and Taikoo Sugar participated in Equal Love Hong Kong in order to promote LGBT+ inclusion and to support the legal recognition and equal treatment of same-sex relationships in Hong Kong.

Find out more: <http://equallovehk.org/>

## Looking forward

We will review the implementation of our parental leave policy and develop other policies as needed. We will continue to collect information in order to inform our decisions about people. We will continue to work towards being recognised as a leader in diversity and inclusion and to promote inclusion in the communities in which we operate.





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

Our Health and Safety Committee is responsible for developing group health and safety policies and guidelines, monitoring divisional performance, promoting education and training, sharing best practices and developing internal health and safety capabilities.

Every division makes a quarterly health and safety report. At every GRMC and Board meeting, there is an update about health and safety performance. A separate China health and safety working group deals with health and safety in the Chinese mainland, where regulations frequently change and vary between provinces.

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

As part of our approach to improve staff health and wellbeing, we are increasing the focus on the overall health (physical and mental) of our employees. We intend to do more to raise awareness and to promote the wellbeing of our employees.

## Health and safety

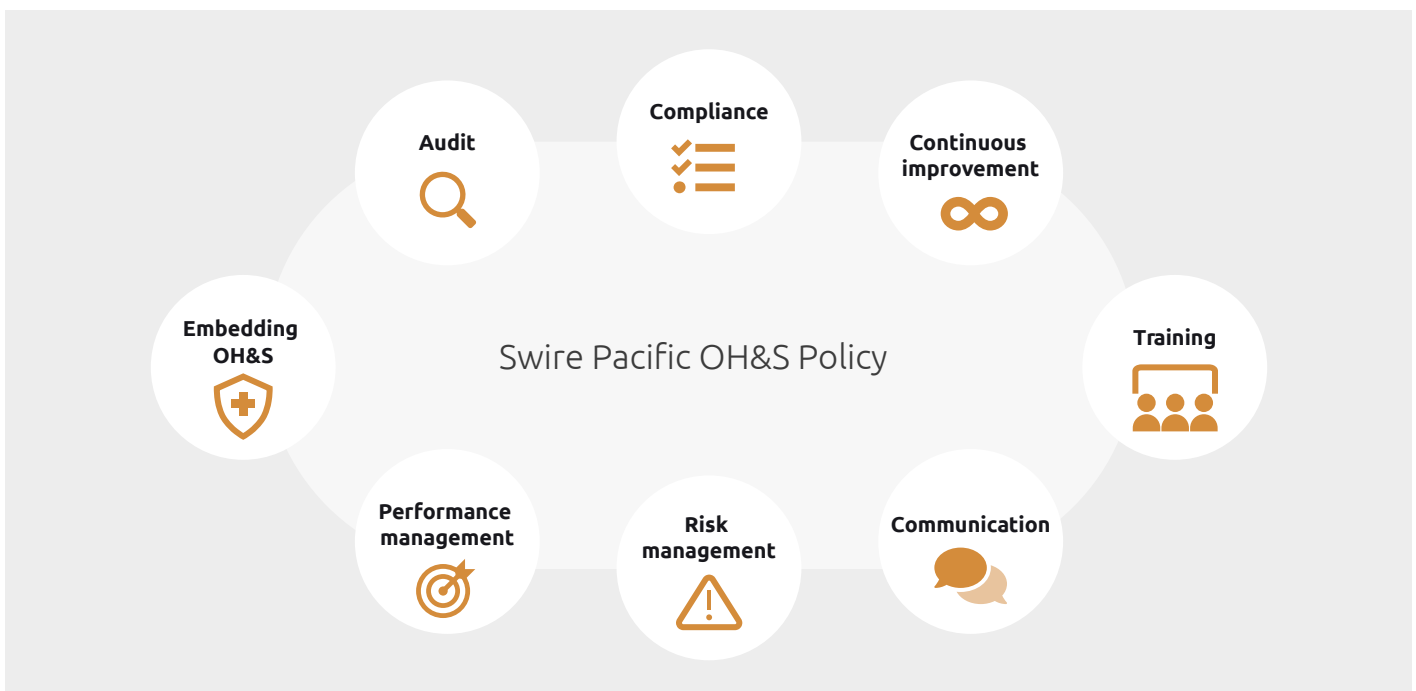
We never compromise on safety. In our operations, our first priority is to safeguard the health and safety of our employees, contractors, suppliers and customers, the visitors to our business premises and the communities in which we operate. Many of our operations involve high-risk activities. We apply robust risk management controls, create a strong safety culture and encourage transparent and timely reporting of incidents, so that we can investigate their root causes and implement preventative measures. Our ultimate goal is zero harm.

### Our approach

The group, and each of its operating companies, has an occupational health and safety policy that is monitored by our internal audit department. We do the following:

Supplementary information

[Swire Pacific Health and Safety Policy](#)



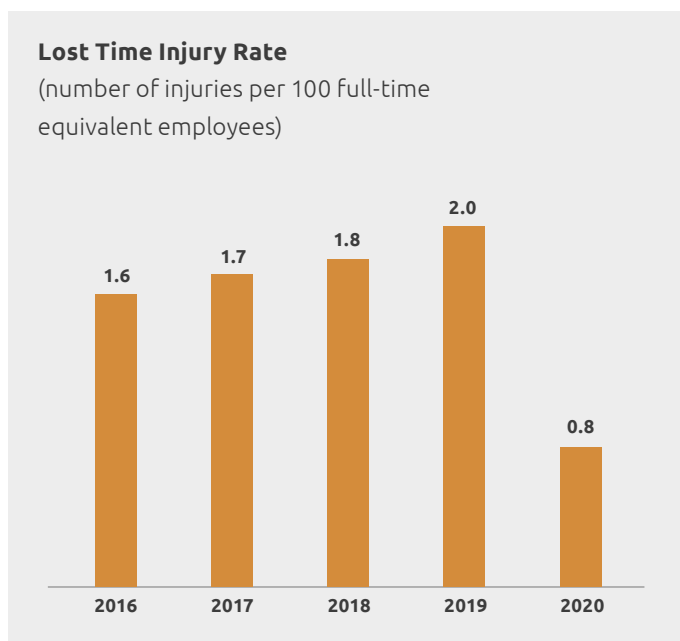


## Group performance

We use two metrics to evaluate safety performance:

- Lost Time Injury Rates (LTIR): the number of injuries per 100 full-time equivalent employees
- Lost Day Rates (LDR): the number of work days lost to injuries per 100 full-time equivalent employees

Our ultimate goal is zero harm. Each division sets annual LTIR and LDR targets, with a view to continuous improvement in safety performance.



In 2020, our LTIR decreased by 59% to 0.83 from 2.01 in 2019. This principally reflects reduced activity due to COVID-19, in particular in our aviation businesses. Hours worked in the group decreased by 20.8% in 2020.

In 2020, our LDR decreased by 18.9% from 64.59 in 2019. With rehabilitation companies, we aim to improve injury management and to assist employees to return to work after recovering from injuries.

Regrettably, there was one fatality among our employees in 2020. The incident occurred in Oregon, USA when a Swire Coca-Cola USA employee was fatally injured in a warehouse.

## Safety initiatives and recognition

During 2020, we did the following:

### Management systems

- Swire Properties and Swire Coca-Cola migrated their safety management system from OHSAS 18001 to the more stringent ISO 45001 standard in Hong Kong, the Chinese mainland and Taiwan. HAECO Hong Kong obtained ISO 45001 in November
- Swire Resources engaged an expert to advise on safety management in its warehouses

### Safety awareness and training

- Senior executives completed a safety leadership course accredited by the Institution of Occupational Safety and Health (IOSH)
- Swire Properties extended its compulsory e-learning health and safety programme to frontline and office staff. All senior management and line managers have completed the programme
- Hong Kong Airport Services produced a video about safety when handling cabin cargo loads
- HAECO Hong Kong's safety ambassadors advocate safety and act as change agents to lead culture change
- Swire Coca-Cola trialled telematic devices on its delivery trucks and forklifts in Hong Kong and the US and did defensive driving training and VR driver coaching for all newly hired drivers



## Awards and recognition

- Cathay Pacific Services Limited was awarded the HKIA Safety Excellence Award – Gold Award for outstanding safety achievement at the 2019/20 Airport Safety Recognition Scheme organised by the Hong Kong Airport Authority. Cathay Pacific Catering Services and HK Express were also recognised under the scheme
- Swire Pacific Offshore was awarded a Letter of Commendation in the MPA International Safety@Sea Awards 2020 for its hand and hand tool safety campaign. The campaign reduced staff hand and finger injuries by 25%

## Crisis management and COVID-19 response

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

Divisions have their own crisis management plans. In 2020, in response to COVID-19, Swire Pacific activated its crisis management process and monitored the situation through its head office crisis management team. Regular updates were provided to staff.

Our businesses developed COVID-19 guidelines and procedures intended to protect the health and safety of our people, our customers and those with whom we do business. This is what we did.

- Facilitated social distancing by splitting teams, working from home and restricting visitors' access to our premises
- Provided masks and sanitisers to frontline staff
- Cleaned and sterilised more. Swire Properties used UV light and nano-coatings to disinfect surfaces, and trialled cleaning robots
- Cathay Pacific minimised person to person contact during check-in and boarding and reviewed the maintenance of cabin air quality
- Swire Coca-Cola developed a health screening and travel history tracking app in the Chinese mainland
- Swire Pacific Offshore improved communication with and provided mental health support to staff at sea
- Provided online safety training and inspections



### Case study

## Swire Properties – COVID-19 cleaning and protection measures

Swire Properties used:

- Cleaning robots at HKRI Taikoo Hui, ONE INDIGO and Pacific Place
- Long lasting antimicrobial gel on doors, escalator handrails and lift buttons at its properties in Hong Kong and the Chinese mainland
- Temperature scanners and infrared monitors

**Case study****Vogue Laundry – Infection control handling training**

Vogue Laundry deals with linen from our airlines and hotels. It trained its frontline staff in how to handle items suspected to be infectious and how to put on and take off personal protective equipment. Vogue Laundry handled around six thousand seat covers used on Cathay Pacific charter flights which assisted passengers from the Diamond Princess cruise ship in Tokyo and from Wuhan. It handled linen used by hotel guests under quarantine.

**Case study****Swire Group – Wellbeing initiatives for staff**

Many of our businesses ran wellness campaigns to promote mental health. Swire Properties ran exercise sessions and workshops. The Upper House rewarded employees for walking 10,000 steps per day and going vegetarian for three meals.

Cathay Pacific provided information on its intranet about COVID-19, travel restrictions, work arrangements and safety and hygiene. Stress management workshops were available for employees. Information was provided about setting up workstations at home.

Swire Resources introduced a series of working out at home and mental health management videos.

**| Staff health and wellbeing**

We care about the mental and physical health and wellbeing of our people. We have a 24-hour Professional Personal Counselling and Consultation (PPCC) hotline to help employees deal with stress, relationships, parenting, trauma or grief, and preparation for retirement. Employees approaching retirement are invited to pre-retirement workshops. We use experienced counsellors, social workers and clinical psychologists. Information is kept confidential. We promote work-life balance and encourage employees to lead active lifestyles by participating in our staff association's physical wellbeing programmes.

At our Sustainable Development Forum in November 2020, a doctor and a clinical psychologist spoke about mental health management. The virtual session was attended by 81 representatives from Group companies.

**| Looking forward**

We will build on the health-related initiatives which have been implemented in response to COVID-19. We will consider providing additional guidance on working safely from home. We will adopt a structured approach to post incident investigation more widely across the group and conduct related in-depth analysis of the root causes of incidents. We will increase the collection of data on contractor safety performance. We will promote initiatives which enhance the physical and mental health of our employees and integrate these with existing safety programmes.



## SwireTHRIVE – Communities

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



## >300,000 people



helped through our COVID-19 relief programmes in 2020

## ~HK\$43M

distributed by the Swire Group Charitable Trust to support education, marine conservation and the arts

## ~HK\$42M



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

Community is not separate from our business – it is core to it. We recognise that when the communities in which we operate prosper, so do we. As neighbours and employers, we want to be responsible and involved members of those communities.

The goal of our community work is to create a better future by building stronger communities. We envision a flourishing world of diversity where all members of society have opportunities for a meaningful life, and where resources are sustained for future generations.

We support the local communities in which we operate through the Swire Group Charitable Trust (the Trust). Operating companies also make direct contributions to the communities in which they operate.

## Swire Group Charitable Trust

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

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

## Education

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

## Marine conservation

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

## Arts

To promote an inclusive Arts sector, and to use art to address social issues.



To celebrate Swire's 150<sup>th</sup> year in Hong Kong and reaffirm our commitment to the place that has helped us prosper for so many years, Swire has injected an additional HK\$150 million into Swire Trust to fund TrustTomorrow.

### Supplementary information

[TrustTomorrow](#)





## Support for COVID-19 relief

We aim to address long-term challenges. But we also support the most vulnerable in our communities in times of crisis. In 2020, the Trust provided practical and timely assistance to those most affected by COVID-19. We contributed HK\$21 million to 13 COVID-19 relief programmes in Hong Kong. We addressed basic needs and family wellbeing and built social capital.

- 1. Basic needs:** We provided food, rental subsidies and antiviral coating spray for special schools and to tenants of subdivided residential units.
- 2. Family wellbeing:** With NGOs, we provided online learning and leisure activities for children and their families to lessen the impact of prolonged social distancing.
- 3. Building social capital:** We helped NGOs to work safely and creatively during COVID-19. We helped people to help themselves and others.

### 2020 COVID-19 relief programmes

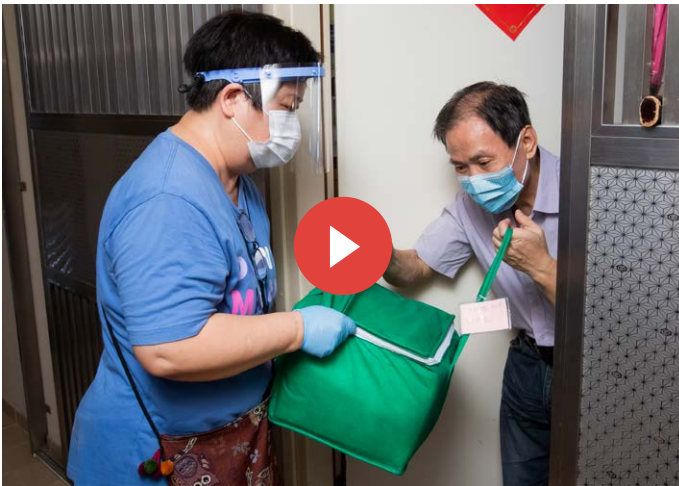
Theme: 1 Basic needs, 2 Family wellbeing, 3 Building social capital						
Partner organisation	Project name	Project details	Theme	Grant approved (HK\$)	Project status	Number of beneficiaries <sup>7</sup>
<b>The Hong Kong Council of Social Service</b>	Distributing hand sanitisers for the needy	Distributed 72,000 anti-epidemic packs to disadvantaged families and individuals and 18,000 bottles of hand sanitisers to NGOs	1	\$4,692,876	Completed	90,240 individuals
<b>The Hong Kong Council of Social Service</b>	Community Fund to Fight COVID-19	Donated between HK\$50k to HK\$100K to each of 25 NGOs: - Provided services, information or other support to disadvantaged communities to fight COVID-19 - Strengthened sanitation and hygiene for NGOs, helping them to provide services to disadvantaged groups safely	1, 2, 3	\$2,984,812	Completed	41,978 individuals
<b>St. James' Settlement</b>	Short-term food assistance through FOOD-CO Express	Provided short-term food assistance through St. James' Settlement's FOOD-CO platform	1	\$5,000,000	Completed	5,000 individuals
<b>HandsOn Hong Kong Limited</b>	Care packages for the most vulnerable	Provided 315 relief care packages for Hong Kong's vulnerable communities, including weekly household necessities	1	\$110,250	Completed	945 individuals
<b>The Hong Kong Council of Social Service</b>	HKCSS Subdivided Unit Subsidy Programme	Supported those in subdivided residential units who could not pay rent	1	\$2,500,000	Completed	1,500 individuals
<b>Swire Organisation for Youth Arts</b>	Supporting SEWomen "Reusable Mask + Holder" charity sale	Purchased 160 sets of reusable masks made by disadvantaged women for the Trust's NGO partners	1, 3	\$14,080	Completed	160 individuals

<sup>7</sup> The data shows estimated numbers for in progress projects and confirmed numbers for completed projects.

**Theme: 1 Basic needs, 2 Family wellbeing, 3 Building social capital**

Partner organisation	Project name	Project details	Theme	Grant approved (HK\$)	Project status	Number of beneficiaries <sup>7</sup>
<b>St. James' Settlement</b>	Short-term food assistance through Joyful Express Project	Provided underprivileged families and individuals (including those from ethnic minorities) with food, daily necessities and employment opportunities	1, 2, 3	\$6,147,375	In progress	8,045 individuals
<b>Chiaphua Industries Limited</b>	Antiviral Coating for Vulnerable Groups	Provided antiviral coating for special education needs schools and those in subdivided residential units	1	\$4,000,000	In progress	88,225 individuals
<b>The Hong Kong Council of Social Service</b> <b>Hong Kong Sheng Kung Hui Welfare Council</b> <b>InspiringHK Sports Foundation Limited</b> <b>Playright Children's Play Association</b> <b>The Zubin Mahtani Gidumal Foundation Limited</b>	Building Community, Building Tung Chung (Phase 1)	Provided food coupons to underprivileged families, including those from low-income ethnic minorities in Tung Chung  Provided online activities to families and children to improve their wellbeing	1, 2, 3	\$2,024,500	In progress	1,000 individuals
<b>Swire Organisation for Youth Arts</b>	Noodles for Love Donation	Sponsored 4,000 noodle packs for the disadvantaged at Swire Properties' Noodles for Love event	1	\$310,000	Completed	4,281 individuals
<b>Microsoft</b>	Digital Transformation for Tomorrow – AI for Good Challenge	Launched a challenge for start-ups to come up with artificial intelligence solutions to help NGOs with marine conservation	3	\$70,000	Completed	3 NGOs
<b>Multiple NGOs</b>	Digital Transformation for Tomorrow – See You Online	Provided online content and services to help NGOs to serve their beneficiaries safely and creatively during COVID-19	2, 3	\$600,000	Ongoing	14 NGOs
<b>Total Brand Activation Hong Kong Ltd</b>	Digital Transformation for Tomorrow - Digital Transformation Fund	Helped NGOs to improve their digital capabilities, enabling them to address COVID-19 challenges and assisting their long term development	3	\$120,000	Completed	6 NGOs

<sup>7</sup> The data shows estimated numbers for in progress projects and confirmed numbers for completed projects.



### Case Study

## Providing fresh food to the needy

TrustTomorrow, with St. James Settlement's FOOD-CO platform, supplied underprivileged people in Hong Kong with fresh and nutritious food. Fresh food packs, containing vegetables and chilled meat, were delivered. Deliveries were made in neighbourhoods by people from the neighbourhoods, enabling them to support themselves with an income while giving back to their communities.

One of the beneficiaries, Ms Wong, is also a volunteer. She distributes fresh food packs and cooks extra food for elderly people who live alone. She is an excellent example of how we help people to help themselves.



### Case Study

## Keeping SEN students safe at school

Providing a clean and safe environment at special education needs (SEN) boarding schools and in subdivided residential units has been difficult during COVID-19.

SEN boarding schools cater for students with severe physical disabilities. Antiviral coating spray is essential to ensure a clean and safe environment for students and staff. TrustTomorrow funded antiviral coating spray for 15 SEN boarding schools and for over 80,000 people in subdivided residential units.





### Case Study

## Stay home with us: See you online

With NGOs, TrustTomorrow introduced “See You Online”, an online programme supporting mental wellbeing during prolonged social distancing. It includes storytelling, arts and yoga classes.

- The Trust funds The Joshua Hellmann Foundation for Orphan Disease (“JHF”), providing children suffering from rare diseases and special needs with arts and yoga therapy, so as to focus and manage their emotions. In November 2020, we invited yoga therapists from JHF to conduct online yoga sessions for children
- Through NGOs, the Trust has made available online parent-child activities that foster a love of reading. Storyteller Auntie Choi conducted online children’s book reading sessions



### Case Study

## Building Community, Building Tung Chung

“Building Community, Building Tung Chung” is a partnership between TrustTomorrow, the Hong Kong Council of Social Service and four Tung Chung NGOs. It supports underprivileged Tung Chung families, including low-income ethnic minority families, during COVID-19, concentrating on food, hygiene and family wellbeing.

From October 2020, meal coupons were provided to the underprivileged to ease their financial burden. Online sports, leisure activities and career planning activities have been organised.



## Grants

In 2020, we supported 34 education, marine conservation and arts programmes.

<b>Arts</b> HK\$19,386,350	<b>Education</b> HK\$19,654,341	<b>Marine conservation</b> HK\$4,206,897
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The following projects were active during 2020:

Partner organisation	Project name	Project details	Area <sup>8</sup>	Grant approved (HK\$)	Project status (as at 31 Dec 2020)
<b>Bloom Association Hong Kong Limited</b>	Hong Kong Reef Fish Survey	Citizen science project that aims to improve the knowledge of reef fish in Hong Kong through underwater surveys by volunteers	Marine conservation	\$2,700,000	Completed
<b>The University of Hong Kong</b>	SWIMS-FishBase/SeaLifeBase Collaboration on International Marine Databases	Improving the databases of fish and non-fish marine animals	Marine conservation, Education	\$1,004,000	Completed
<b>The Hong Kong Bird Watching Society</b>	Waterbird Census and Wetland Conservation in the Chinese mainland	Enabling local conservation groups to help conserve intertidal wetlands in the Chinese mainland through a bird census and public education	Marine conservation, Education	\$2,159,000	Completed
<b>The University of Hong Kong</b>	The Swire Institute of Marine Science (SWIMS) Expansion	Expanding and upgrading SWIMS facilities	Marine conservation, Education	\$30,000,000	In progress
<b>The Hong Kong Philharmonic Society Limited</b>	General Funding	Supporting the orchestra's mission, development and activities, to inspire and expand musical appreciation in Hong Kong	Arts	\$46,377,000	In progress
<b>Hong Kong Youth Arts Foundation</b>	Spark! Arts Programme for Children in Small Group Homes	Providing free, high-quality visual and performing arts activities for children in small group homes	Arts, Education	\$2,306,000	In progress
<b>Grwth Foundation Limited</b>	DreamStarter	Promoting experiential learning so as to foster students' ability to be creative for social good	Education	\$2,700,000	In progress

<sup>8</sup> Projects are categorised by their main area of focus, but many projects support more than one area.



Partner organisation	Project name	Project details	Area <sup>8</sup>	Grant approved (HK\$)	Project status (as at 31 Dec 2020)
<b>Joshua Hellman Foundation for Orphan Disease</b>	Art in Your Life   Yoga in Your Heart	Providing arts and yoga therapy sessions for children with rare diseases and special needs, so as to address their physical, social and emotional needs	Arts, Education	\$1,999,000	In progress
<b>World Wide Fund For Nature Hong Kong</b>	Sea For Future II	Setting conservation targets for marine habitats and expanding marine protected areas in Hong Kong	Marine conservation	\$2,998,802	In progress
<b>The Education University of Hong Kong</b>	Supporting Unit for Special Education Needs (SuSEN) Phase 2	Support to SuSEN to enable it to develop into a regional special educational needs knowledge transfer centre	Education	\$2,990,000	In progress
<b>Life Education Activity Programme</b>	General Funding	Support for LEAP's mission to prevent substance abuse by providing health-based education programmes for primary and secondary students	Education	\$15,000,000	In progress
<b>The ADM Capital Foundation Limited</b>	Hong Kong Sustainable Seafood Coalition (HKSSC)	Support for HKSSC's promotion of responsible seafood sourcing in Hong Kong	Marine conservation	\$2,250,000	In progress
<b>Arts with the Disabled Association Hong Kong</b>	General Funding	Support to promote the arts and artistic talent among persons with disabilities, so as to create equal opportunities for them in the arts sector and to foster social integration	Arts	\$7,500,000	In progress
<b>The Incorporated Management Committee of Taikoo Primary School</b>	General Funding	Support for the school's English and Mandarin language teaching and for special projects	Education	\$9,000,000	In progress
<b>Multiple NGOs</b>	Arts Access Fund	Providing financial resources for disadvantaged persons to access arts and cultural events in Hong Kong	Arts, Education	\$250,000	In progress
<b>Madison Communications Ltd (MCL) and Various Organisations</b>	Hong Kong Marine Policy Alliance	Consultancy in relation to Swire Trust's marine conservation work and assistance in forming a coalition that aims to achieve a public policy and legal framework for the protection of Hong Kong's marine ecosystem	Marine conservation	\$5,000,000	In progress
<b>Shakespeare4All Company Limited</b>	S4A Community Theatre HUB	Fostering experiential learning for children through English drama education	Arts, Education	\$990,000	In progress
<b>Hong Kong Maritime Museum Limited</b>	Museum Architect Fee	Sponsorship of a museum architect fee	Marine conservation, Education, Arts	\$35,500	Completed

<sup>8</sup> Projects are categorised by their main area of focus, but many projects support more than one area.



Partner organisation	Project name	Project details	Area <sup>8</sup>	Grant approved (HK\$)	Project status (as at 31 Dec 2020)
<b>InspiringHK Sports Foundation Limited</b>	Well Dunk! Public Estate Basketball League and Training Programme 2020-2021	Providing professional coaching to three public housing estate youth basketball teams so as to foster basketball skills, personal growth, positive attitudes and engagement in community development	Education	\$379,500	In progress
<b>Time Auction Limited</b>	Mobilizing Volunteers for Good	Creating a digital matching platform to help NGOs recruit skilled volunteers	Education	\$2,913,000	In progress
<b>Resolve Foundation Limited</b>	disABILITIES Empowerment and Leadership Training for Community Inclusion	Supporting the 2020 Fellowship Programme, which aims to train future community leaders from the local disability community about leadership, rights awareness and campaigning skills	Education	\$607,000	In progress
<b>Habitat For Humanity Hong Kong Limited</b>	Project Home Works	Providing home improvements for children from 65 vulnerable families, so as to provide a decent living and study environment	Education	\$1,494,000	In progress
<b>The Hong Kong Philharmonic Society Limited; Hong Kong Academy for Performing Arts</b>	The Orchestra Academy	Enhancing professional training for distinguished graduates from HKAPA's School of Music, who will contribute their talents to serve the community	Arts, Education	\$8,996,000	Ongoing
<b>CareER Association Limited</b>	Development of a Disability Inclusion Index and Strategy Framework for Employers in Hong Kong	Providing support to develop the city's first Disability Inclusion Index (DII) and toolkits for employers so as to promote employment opportunities for the disabled and to expand the talent pool for local companies	Education	\$2,400,000	In progress
<b>The Zubin Mahtani Gidumal Foundation Limited</b>	Supporting ethnic minority youth with scholarships	Supporting scholarship opportunities for ethnic minorities and offering scholarships to financially disadvantaged ethnic minority students	Education	\$1,158,000	In progress

<sup>8</sup> Projects are categorised by their main area of focus, but many projects support more than one area.



Partner organisation	Project name	Project details	Area <sup>8</sup>	Grant approved (HK\$)	Project status (as at 31 Dec 2020)
<b>Ms Joyce Choi (Choi EE) parent-child reading enthusiast and consultant</b>	Taikoo Primary School – Build Reading Culture	Creating a culture of reading in schools and at home so as to promote mental and emotional development, imagination and language skills in children and their relationships with parents	Education	\$1,338,000	In progress
<b>Bring Me A Book Hong Kong Limited</b>	Taikoo Primary School - Build Reading Culture		Education	\$32,660	Completed
<b>Taikoo Primary School</b>	Taikoo Primary School - Build Reading Culture		Education	\$36,980	Completed
<b>The Outward Bound Trust of Hong Kong Limited</b>	Foundations for Success	Providing peacebuilding leadership learning experiences for disadvantaged young people so as to cultivate compassionate and resilient citizens with a sense of community who will be effective contributors to Hong Kong	Education	\$5,427,960	In progress
<b>Vocational Training Council</b>	The Swire Sky-Flyer Work-integrated Learning Programme	Equipping VTC students with professional knowledge and skills for future careers, and providing scholarships and subsistence allowances for work placements	Education	\$5,379,000	In progress
<b>Bloom Association Hong Kong Limited</b>	114°E Hong Kong Reef Fish Survey 2.0*	Supporting underwater surveys of reef fishes in Hong Kong waters and promoting long-term monitoring of marine protected areas	Marine conservation	\$2,415,300	In progress
<b>National Geographic</b>	Oceans Tomorrow	Demonstrating Hong Kong's marine biodiversity to individuals, businesses and policy makers, encouraging them to participate in marine conservation	Marine conservation, Education	\$7,000,000	In progress
<b>HK Maritime Museum</b>	Swire Marine Discovery Centre (capital works) and Marine Science Learning Programme	Creating a marine science learning platform with the aim of increasing public awareness of marine conservation and biodiversity	Marine conservation, Education, Arts	\$15,000,000	In progress
<b>HandsOn Hong Kong Limited</b>	Swire volunteer matching programme	Matching Swire volunteers to NGOs.	Education	\$135,550	In progress
<b>The University of Hong Kong (The Swire Institute of Marine Science (SWIMS))</b>	SWIMS-FishBase/ SeaLifeBase phase II Collaboration on International Marine Databases	Creating standardised and reliable data to assist the development of marine-related policies and strategies.	Marine conservation	\$1,305,507	In progress

<sup>8</sup> Projects are categorised by their main area of focus, but many projects support more than one area.



## Supporting our communities through our businesses

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

	Property	Aviation	Beverages	Marine Services	Trading & Industrial
<b>Total value of cash contributions (HK\$)</b>	9,178,285	557,916	16,852,849	2,368,203	38,515
<b>Value of in-kind contributions (HK\$)</b>	5,189,398	507,241	6,648,293	–	504,502
<b>Volunteer hours</b>	2,170	927	28,862	350	99

## Looking forward

TrustTomorrow supports (i) inspirational projects that can make positive changes in education, marine conservation and the arts and (ii) vulnerable groups who most need help, in particular as a result of COVID-19. We will do more. We aim to support Hong Kong in the present difficult times and to enable the children in our communities to enjoy a better tomorrow.



# About our report

This is our 14<sup>th</sup> annual sustainable development report. It was published in June 2021 and covers the financial year from 1<sup>st</sup> January to 31<sup>st</sup> December 2020. 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 operating companies. Some operating companies 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

This report covers subsidiaries of Swire Pacific and certain of its associated and joint venture companies where the Group has operational control. Performance data is reported on a 100% basis and has not been proportioned to reflect Swire Pacific's shareholdings in operating companies. We do not include newly acquired entities until we have a full calendar year's data from them. The scope, boundary and calculation methodology for specific data points are disclosed in a separate reporting methodology document.

### Supplementary information

[Sustainability reports of our operating companies](#)

[Reporting methodology](#)

### Related content

[About Swire Pacific](#)

[SwireTHRIVE](#)

[Other ESG disclosures](#)

[Assessing materiality](#)

[Performance data](#)



## Reporting frameworks

This report complies with the HKEX ESG Guide. 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). We support the United Nations Sustainable Development Goals (SDGs). We are reviewing the SDGs most relevant for our expanded strategy and aim to report on this in 2021.

## External assurance

Certain data points are the subject of limited assurance by Deloitte. Please see the Limited Assurance Statement.

## Other disclosures

Our 2020 Annual Report 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 and other organisations which assess the economic, environmental and social performance of companies.

## We value your feedback

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

[sd@swirepacific.com](mailto:sd@swirepacific.com)

(852) 2840 8888

Swire Pacific Limited

33rd Floor, One Pacific Place, 88 Queensway, Hong Kong

### Supplementary information

Limited Assurance Statement

Swire Pacific Annual Report 2020

### Related content

GRI/HKE index table

TCFD

Indices and rankings

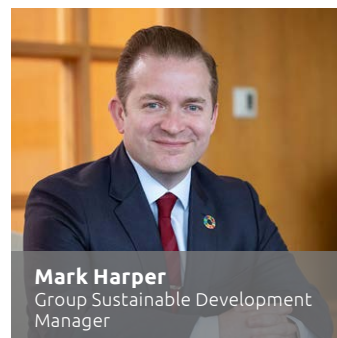
## The Sustainable Development Office team



**Dr. Mark Watson**  
Group Head of Sustainability



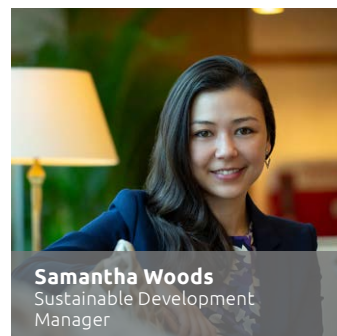
**Lara Tyrrell**  
Group Sustainable Business Manager



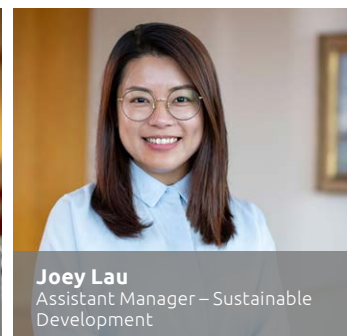
**Mark Harper**  
Group Sustainable Development Manager



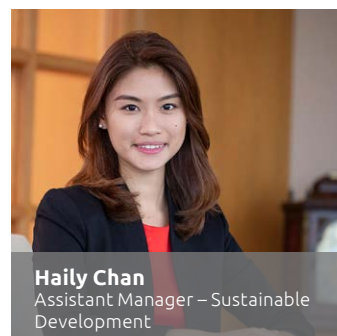
**Amy Hung**  
Executive Assistant



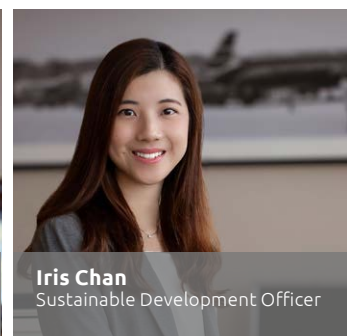
**Samantha Woods**  
Sustainable Development Manager



**Joey Lau**  
Assistant Manager – Sustainable Development



**Haily Chan**  
Assistant Manager – Sustainable Development



**Iris Chan**  
Sustainable Development Officer





# Assessing materiality

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

In line with the GRI definition, a topic is material if it could have a significant economic, environmental or social impact on our businesses, or could substantively influence the assessments and decisions of our stakeholders.

## In-depth assessment

In 2019, we engaged with our senior managers and employees, and consulted external sustainability experts to understand the topics that matter most to them.

Our materiality assessment had three phases:

### Supplementary information

[Swire Pacific 2019 Sustainability Report – Materiality section](#)



1

### Identification

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

2

### Prioritisation

An external consultancy conducted one-on-one interviews and focus group discussions with members of management and external stakeholders to consider the issues

3

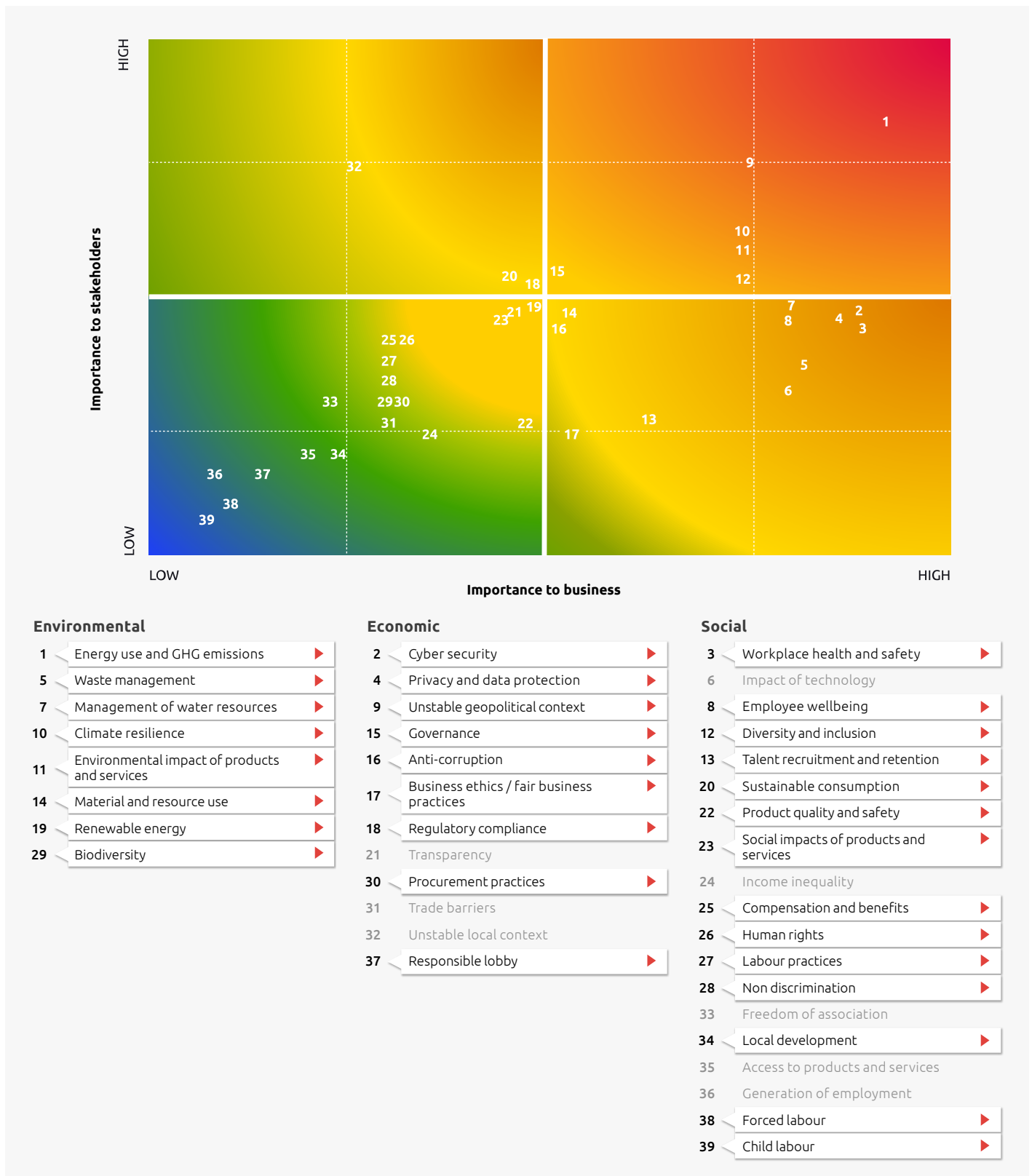
### Validation

The results were validated by the finance and staff directors and those with management responsibilities for sustainable development, public affairs and legal matters (see the materiality matrix).



## Importance of sustainability factors to the business and external stakeholders

In 2020, we reviewed the materiality matrix with senior executives and department heads and adjusted some of the issues along the x-axis.





## I Material topics

The table below shows:

1. GRI indicators which correspond to the material issues identified for 2020
2. Whether they have an impact inside our organisation, outside our organisation, or both
3. The Swire Pacific group businesses where they have a material impact

Topic	GRI reference	Boundary		Swire Pacific group businesses
		Impact inside	Impact outside	
Energy use and GHG emissions	GRI 302 Energy GRI 305 Emissions	●	●	Cathay Pacific, Swire Coca-Cola and Swire Properties
Unstable geopolitical context	GRI 102-15 Key impacts, risks, and opportunities		●	All
Climate resilience	GRI 201-2 Financial and other climate risks	●	●	All
Environmental impact of products and services	GRI 301 Materials GRI 302 Energy GRI 303 Water GRI 304 Biodiversity GRI 305 Emissions GRI 306 Effluents and waste	●	●	All
Diversity and inclusion	GRI 405 Diversity and equal opportunity GRI 406 Non-discrimination	●		All
Governance	GRI 102-18 Governance structure	●	●	All
Management of water resources	GRI 303 Water	●	●	Swire Coca-Cola and Swire Properties
Material and resource use	GRI 301 Materials	●	●	Swire Properties and Swire Coca-Cola
Cyber security	GRI 418 Customer privacy		●	All
Privacy and data protection	GRI 418 Customer privacy		●	All
Employee wellbeing	N/A	●		All
Workplace health and safety	GRI 403 Occupational health and safety	●		All
Anti-corruption	GRI 205 Anti-corruption		●	All
Waste management	GRI 306 Effluents and waste	●	●	Swire Properties, Cathay Pacific and Swire Coca-Cola
Impact of technology	GRI 102-15 Key impacts, risks, and opportunities	●	●	All
Talent recruitment and retention	GRI 401 Employment GRI 404 Training and education	●		All



Topic	GRI reference	Boundary		Swire Pacific group businesses
		Impact inside	Impact outside	
Business ethics / fair business practices	GRI 206 Anti-competitive behaviour	●	●	All
Regulatory compliance	GRI 307 Environmental compliance GRI 419 Socioeconomic compliance		●	All
Sustainable consumption	GRI 301 Materials GRI 302 Energy GRI 303 Water GRI 304 Biodiversity GRI 305 Emissions GRI 306 Effluents and waste	●	●	Swire Properties, Cathay Pacific and Swire Coca-Cola
Unstable local context	GRI 102-15 Key impacts, risks, and opportunities		●	All

In 2019, unstable local and geopolitical conditions were identified as a material topic. In 2020, the topic was split into two topics. There are still trade tensions between the US and China. Social unrest in Hong Kong has decreased.

Global pandemics are a material topic. They are not in the matrix because COVID-19 did not have a material impact until the validation phase of our original assessment. Because of the impact of COVID-19 on public health and economic activity, we deal with COVID-19 in the Risk Management, Health and Safety and Community sections of the report.

The review for 2020 resulted in increased importance being given to cyber security, privacy and data protection, workplace health and safety, management of water resources, waste management, talent recruitment and retention, and employee wellbeing. Employment, human rights, supply chain management and biodiversity were not considered material. We still disclose information about them because they are considered important to the future sustainability of our businesses.



# 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.

## Engagement

In 2020 we engaged with our investors and employees and with policymakers, NGOs, the communities in which we operate and other companies. Stakeholders are identified by reference to their expertise in issues material to us, their influence and their willingness to collaborate.

In 2021, we will seek the views of stakeholders about our revised sustainability strategy and the material issues for disclosure in our sustainability report.

The table shows main stakeholder types, mode of engagement and the main topics of interest to them.



### Board members

**Mode of engagement**

Board meetings, one to one interviews

**Sustainability topics**

Climate resilience, energy use and GHG emissions, the environmental impact of products and services and local and geopolitical conditions



### Investors

**Mode of engagement**

Meetings

**Sustainability topics**

Climate resilience, energy use and GHG emissions, the environmental impact of our products and services, local and geopolitical conditions and governance



### Senior leadership

**Mode of engagement**

One to one interviews, executive meetings and focus groups

**Sustainability topics**

Climate resilience, energy use and GHG emissions, the environmental impact of our products and services, local and geopolitical conditions, health and safety, governance and diversity and inclusion



### Peer companies and competitors

**Mode of engagement**

Focus groups, committees, events

**Sustainability topics**

Climate resilience, energy use and GHG emissions, the environmental impact of our products and services, local and geopolitical conditions and governance



### NGOs and activists

**Mode of engagement**

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

**Sustainability topics**

Climate resilience, energy use and GHG emissions, the environmental impact of our products and services, local and geopolitical conditions and diversity and inclusion



### Industry associations and chambers of commerce

**Mode of engagement**

Meetings

**Sustainability topics**

Climate resilience, energy use and GHG emissions and the environmental impact of our products and services



## Other ESG disclosures

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.



# 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 in order 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 2020.

We are subject to the Corporate Governance Code in Appendix 14 to The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

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

## Code of Conduct and legal compliance

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

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

It is our policy to comply in full with all applicable laws and regulations, including those governing the environment, employment (including laws prohibiting child or forced labour), health and safety, products (including their advertising and labelling), bribery, privacy and discrimination.

## 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.

### Supplementary information

<a href="#">Our Values, Core principles and Investment principles</a>	
<a href="#">Corporate Governance Code</a>	
<a href="#">Memorandum and Articles of Association</a>	
<a href="#">Board Diversity Policy</a>	
<a href="#">Swire Pacific Annual Report 2020</a>	
<a href="#">Corporate Code of Conduct</a>	

### Related content

<a href="#">Sustainable development governance</a>	
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# Supply chain

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

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

We have thousands of suppliers. They provide goods and services including ships, aircraft, fuel, food products, packaging materials, cleaning services, office supplies and uniforms.

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 supply chain by division



### Property

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



### Aviation

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



### 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



### Marine Services

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



### Trading & Industrial

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





## I Our approach

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

### Supplier Corporate Social Responsibility Code of Conduct

Our Supplier Corporate Social Responsibility Code of Conduct sets out the group's expectations of all our suppliers and contractors. It covers regulatory compliance, no forced or child labour, health and safety, environmental issues, compensation and working hours, human rights, subcontractor management, and ethics and reporting.

Compliance with the code is assessed. The results determine which suppliers need to be audited to ensure compliance, with focus on those deemed high risk.

We are updating the code with reference to the latest internationally recognised standards.

### Sustainable Procurement Policy

Under our Sustainable Procurement Policy, our operating companies should, where possible, give preference to products which do not adversely affect the environment. In 2020, we updated the policy with reference to the sustainable procurement guidance in ISO 20400:2017. Under the updated policy, we intend to strengthen our evaluation of sustainability risks in our supply chain, and to integrate the SwireTHRIVE principles and other material sustainability considerations into supplier selection and retention.

### Human Rights Policy

Our Human Rights Policy is informed by the International Bill of Human Rights and by the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work. We comply with national laws where they conflict with human rights standards but still do our best to respect the latter. We seek to include, in our agreements with suppliers and contractors, provisions which encourage them to adhere to the principles in our policy.

In compliance with UK legislation, Cathay Pacific and Swire Pacific Offshore issue annual statements on what they are doing to prevent modern slavery and human trafficking in their businesses and supply chains.

We have a Sustainable Supply Chain Working Group, which shares best practices and develops sustainability policies and guidelines for suppliers. The working group is made up of senior procurement managers from our operating companies.

## I Our actions

### Supply chain management

**Swire Properties** requires service providers to perform well in the areas of health and safety, the environment, procurement, management and quality. New suppliers must complete self-assessment questionnaires to confirm that they have appropriate policies and systems in place to comply with the supplier code of conduct. Due diligence is performed to verify the responses and sites in Hong Kong and the Chinese mainland may be visited. Independent certification in accordance with internationally recognised standards, and the submission of environmental and health and safety management plans, may be requested for internal review. In 2020, Swire Properties assessed the compliance of over 300 Tier-1 suppliers (representing over half of its 2020 procurement expenditure) with the supplier code of conduct. None were considered high risk.

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

#### Supplementary information

Supplier Corporate Social Responsibility Code of Conduct	<a href="#">↗</a>
Sustainable Procurement Policy	<a href="#">↗</a>
Human Rights Policy	<a href="#">↗</a>
Cathay Pacific's Modern Slavery and Human Trafficking Statement	<a href="#">↗</a>
Swire Pacific Offshore's Modern Slavery and Human Trafficking Statement	<a href="#">↗</a>



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

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

**HAECO Group** 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 on the basis of their responses. This is done every two years. Critical supplier audits are carried out periodically when necessary.

## Sustainable materials

**Swire Properties** tracks consumption of office supplies, building services equipment and building materials which have been certified or accredited by independent third parties. The data is used to evaluate its sustainable procurement performance and to identify opportunities for sourcing more sustainable products. In 2020, HK\$1,196 million of sustainable products were procured.

Swire Properties specified low-carbon concrete, rebars and structural steel in the contract for a new development in Hong Kong. It procures Forest Stewardship Council (FSC) certified and Program for the Endorsement of Forest Certification (PEFC) certified timber and rebars and structural steel with recycled content for its Two Taikoo Place development.

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

In 2020, **Cathay Pacific Catering Services** purchased 58 tonnes of sustainable seafood, representing around 55% of its total seafood purchases. It purchases peanuts produced from palm oil certified to be sustainable, and hydroponic vegetables grown in Hong Kong.

For more information on our operating companies' approaches to sustainable procurement, please refer to their 2020 sustainability reports.

### Supplementary information

Sustainable development reports of our operating companies





# 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.

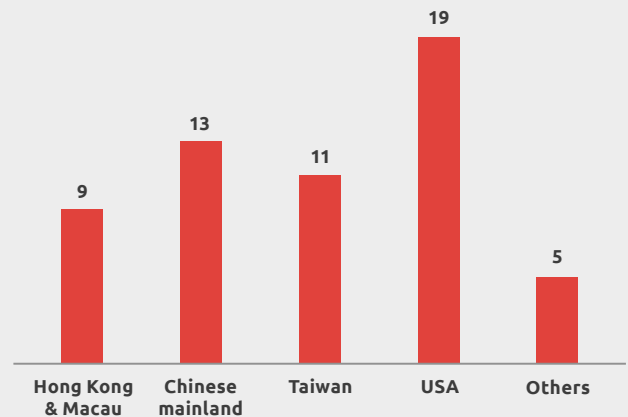
In 2020, we introduced a new parental leave policy, with 14 weeks leave for the primary caregiver and four weeks leave for the secondary caregiver. It came into effect on 1st January 2021.

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

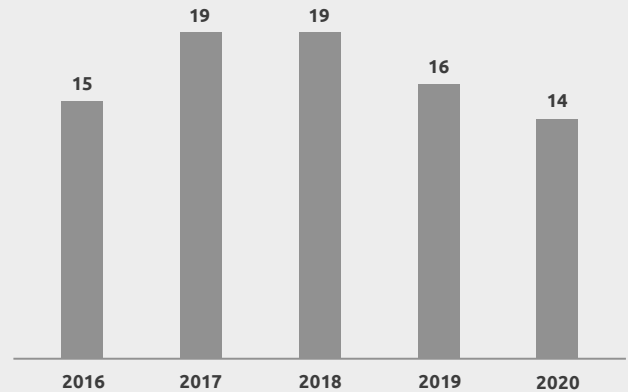
In 2020, our new hire rate was 12% and the average staff tenure was 8.4 years. Staff turnover is monitored with a view to identifying and managing problems as they arise, and to retaining talent. The voluntary turnover rate for permanent staff fell from 16% in 2019 to 14% in 2020.

Swire Pacific Offshore's reduced 2020 retention rate reflects less business and the IPO of Swire Blue Ocean. Cathay Pacific announced a major restructuring of its business in October 2020, which resulted in a reduction in 5,900 jobs.

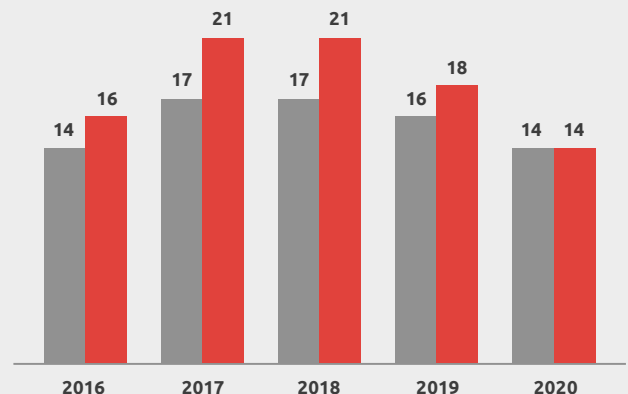
New hires by region in 2020 (%)



Total voluntary turnover rate of permanent employees (%)



Voluntary turnover by gender for permanent employees (%)





### Case study

## Swire Properties – Named most attractive employer in Hong Kong

Swire Properties was named the Most Attractive Employer in the 2020 Randstad Hong Kong Employer Brand Research. This is the fifth consecutive year that Swire Properties ranked in the top three companies, out of 75 of Hong Kong's largest companies by workforce size. Thousands of locally based employees and job seekers voted. The company was rated positively on corporate financial health, corporate reputation and job security.

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 staff cover our organisational structure, history, principal operations, code of conduct, sustainable development (including SwireTHRIVE), intranet and staff association
- We do our best to ensure that employees receive regular, objective, fair and open assessments of their performance and are rewarded accordingly. Depending on the operating company and job duties of the individual, between 63-100% of our employees receive 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 2020, Swire Properties did an employee engagement survey covering over 4,000 staff in Hong Kong and the Chinese mainland. Cathay Pacific did employment engagement surveys in 2020.

HAECO Hong Kong's GoHAECO app facilitates sharing, entertainment, learning and rewards. Over 1,800 employees have used the app.

Swire Resources' offers caring calls for frontline and office staff during their first three months of employment. The staff can give feedback and difficulties can be addressed. This has significantly reduced frontline staff resignations during the first month of employment.

The Swire Hong Kong Staff Association organises and sponsors sports and recreational activities, classes for interest groups and community services for our employees.



## I 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 graduates for long-term careers. Over the next 15 years, graduates are coached, mentored and guided, and the next steps of their careers are planned. Sustainable development and the business opportunities it creates are included in their training.

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

### Supplementary information

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



[Swire leadership programmes](#)



## I Training and development

We develop our people by on-the-job learning, mentoring, coaching, classroom training and online learning. In 2020, the average number of hours of training per employee was 32.3 hours, a 31% decrease from the previous year. Overall, 67% of male staff and 70% of female staff received training in 2020. On average, we spent over HK\$6,500 per employee, compared with around HK\$2,300 in 2019. This does not include informal and on-the-job learning, where much of our employee training happens.

The Swire Leadership Centre on Lantau Island in Hong Kong is a residential training and development facility for Swire staff development programmes. It is available for use by our operating companies.

Operating companies have their own apprenticeship, traineeship and internship programmes

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



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

## Swire Coca-Cola

Consumers are increasingly conscious of health and nutrition when deciding what to eat and drink. Eating less sugar is increasingly important. Swire Coca-Cola aims to address this by:

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

Other material issues	Our approach
Responsible marketing	In line with The Coca-Cola Company's Responsible Marketing Policy, we will not advertise our products in media (television, print, websites and social media) targeting children under the age of 12. 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 of Swire Coca-Cola's plants have FSSC22000 Food Safety Certification.
Clear labelling	Swire Coca-Cola includes caloric information on the front of its packaging. Nutritional information provided is factual and easy-to-understand, and fully compliant with regulations.

For more information, please see Swire Coca-Cola Sustainable Development Report 2020.

## 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. In 2020, Swire Properties did the following:

- Did sentiment research, shopper research and a mystery shopper programme at its major retail properties in Hong Kong and the Chinese mainland
- Surveyed guest satisfaction at EAST Hong Kong
- Surveyed office workers at Taikoo Place

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.

For more information, please see Swire Properties Sustainable Development Report 2020.

Supplementary information	
TCCC's Responsible Marketing Policy	<a href="#">↗</a>
Swire Coca-Cola Sustainable Development Report 2020	<a href="#">↗</a>
Swire Properties Sustainable Development Report 2020	<a href="#">↗</a>



## I Cathay Pacific

Customer health and safety was a priority for Cathay Pacific in 2020. It introduced contactless check-in and boarding and temperature screening. COVID-19 insurance covered passengers for COVID-19 testing and hospitalisation. It provided a quarantine allowance and got passengers home if evacuation from a destination was required.

Other material issues	Our approach
Sustainable meal options	Responding to growing consumer awareness of the environmental and health benefits eating less meat, Cathay Pacific has served plant-based meat meal options since 2018. In 2020, it trialled serving the Impossible Burger on long-haul flights to London, San Francisco and New York.

For more information, please see Cathay Pacific Sustainable Development Report 2020.

## I Personal data

Under our Personal Data Policy, group companies are required to comply with applicable legal requirements relating to the handling of personal data (including its collection, holding, processing, disclosure and use) and to respect the privacy of others and the confidentiality of information received in the course of business.

In 2018, Cathay Pacific discovered unauthorised access to some Cathay Pacific and Cathay Dragon passenger data. Immediate action was taken to contain the event and a thorough investigation was carried out.

In March 2020 the UK Information Commissioner's Office (ICO) fined Cathay Pacific Airways Limited for contravention of the Data Protection Act 1998 in relation to the 2018 data incident.

During 2020, there were no convictions for non-compliance with laws and regulations relating to customer privacy that would have a significant impact on the group.

Swire Properties has a Data Management and Protection Policy that provides guidance on the handling of customer data. 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.

In 2020, Swire Pacific established a Personal Data Working Group under the Legal Committee. Please see our Swire Pacific Annual Report 2020 for details of our risk governance structure.

### Supplementary information

[Cathay Pacific Sustainable Development Report 2020](#)

[Risk Governance Structure](#)

[Swire Pacific Annual Report 2020](#)



Biodiversity loss is among the top global risks. The ecosystem services that biodiversity provides, including crop pollination, water purification, carbon sequestration and flood protection, are estimated to be worth up to US\$140 trillion per year.

The case for protecting and enhancing biodiversity is clear. Our businesses have different approaches depending on what they do and where they are. Biodiversity is no longer a specific area under SwireTHRIVE but remains an important consideration the Group. Aspects of biodiversity protection are covered by other SwireTHRIVE areas - nature-based solutions to reducing carbon (see Climate), watershed protection and replenishment (see Water), sustainable procurement (see Supply Chain) and support for marine conservation (see Communities).

#### Supplementary information

- [Biodiversity Policy](#)
- [Sustainable Food Policy](#)
- [Cathay Pacific Sustainable Development Cargo Carriage Policy](#)

#### Related content

- [Climate](#)
- [Water](#)
- [Supply chain](#)
- [Communities](#)

## Our approach

Our commitments are in the Group's Biodiversity Policy. We support biodiversity in three ways:

<div style="background-color: #c00000; color: white; padding: 10px; font-weight: bold; font-size: 24px; margin-bottom: 10px;">1</div> <h3 style="margin: 0;">Biodiversity assessment</h3> <p>We expect our businesses to identify biodiversity issues relevant to their facilities, operations and value chains, and to minimise adverse impacts.</p>	<div style="background-color: #c00000; color: white; padding: 10px; font-weight: bold; font-size: 24px; margin-bottom: 10px;">2</div> <h3 style="margin: 0;">Sustainable procurement</h3> <p>Under our Sustainable Food Policy, unsustainable food items (such as shark fin, blue fin 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).</p> <p>We encourage our businesses to use certified timber and seafood products from sustainably managed forests, fisheries and farms.</p>	<div style="background-color: #c00000; color: white; padding: 10px; font-weight: bold; font-size: 24px; margin-bottom: 10px;">3</div> <h3 style="margin: 0;">Sustainable transport</h3> <p>Airlines can play an important role in combatting the illegal trade in rare or endangered wildlife and associated products. Cathay Pacific has a Sustainable Development Cargo Carriage Policy. It will not carry hunting trophies, shark fin, ivory, racing greyhounds or animals intended for testing.</p> <p>Cathay Pacific is a signatory of United for Wildlife Transport (U4W) Taskforce Buckingham Palace Declaration. The declaration requires Cathay Pacific not to facilitate or tolerate the carriage of wildlife products which contravene CITES, to train employees and to share information and resources. Our Group Head of Sustainability chairs the Asia Pacific Transport Taskforce of U4W.</p>
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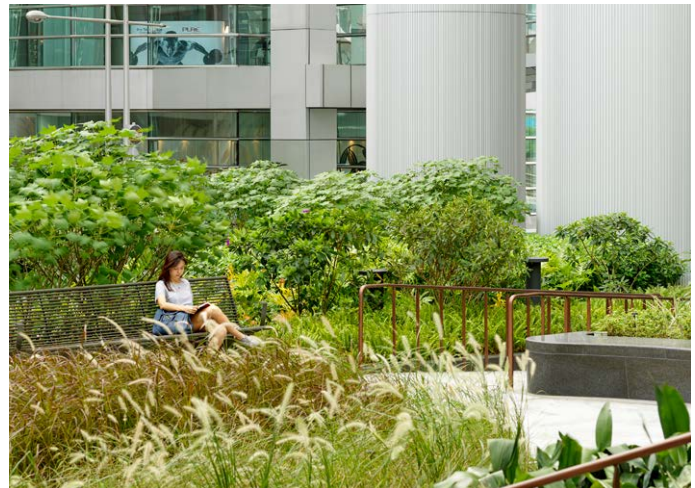
## I Our actions

In 2020, we updated our Sustainable Food Policy. New species have been added to reflect the latest advice from WWF and the IUCN red list. The policy divides species into those to avoid and those where alternatives are recommended. 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.

Our Biodiversity Working Group helps our businesses to identify key biodiversity concerns and opportunities, to plan mitigations and to report.

In 2020, **Cathay Pacific** did 1,672 air cargo screenings (44% more than in 2019) on 151 freight forwarding agents.

**Swire Pacific Offshore** has identified biodiversity issues of concern and has a plan to mitigate adverse impacts. Its vessels have ballast water treatment systems, use TBT-free anti-fouling paints and its latest generations of vessels are certified by DNV for Clean or Clean Design notation (or equivalent) which have requirements to prevent oil pollution and reduce discharges to sea and emissions to air.



### Case study

## Swire Properties – Taikoo Place biodiversity study

In 2020, Swire Properties studied urban biodiversity at Taikoo Place before and after the completion of a redevelopment project. Conducted in partnership with a professor at the University of Hong Kong, the study revealed that a substantial landscaped area (35% of Taikoo Place) was created by the redevelopment project and planting large native tree species has been beneficial to urban biodiversity. The study will inform the master landscape plan for the site.



# 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.

We have clear standards and reporting requirements for our sustainability data. The table below presents a quantitative overview of our 2020 sustainable development performance. The 2020 data in these tables identified with the symbol [R] has been independently reported on by Deloitte.

## Supplementary information

[Reporting methodology](#)[Independent Assurance Statement](#)



Statistics		Note	Swire Properties		Cathay Pacific Group		HAECO Group	
Environmental			2020	2019	2020	2019	2020	2019
Total energy consumption (thousand GJ)	Direct energy consumption		165	204	105,084	256,974	402	446
	Indirect energy consumption		1,050	1,109	371	470 <sup>(7)</sup>	442	498
	Total	1	1,215	1,313	105,455	257,444 <sup>(7)</sup>	844	944
	% Change year-on-year		-7%		-59%		-11%	
On-site renewable energy generation (thousands kWh)			294	–	–	–	1,212	–
Total greenhouse gas emissions by weight (thousand tonnes CO <sub>2</sub> e)	Direct (Scope 1)	2	12	12	7,535	18,430	34	35
	Indirect (Scope 2), location-based method		204	218	54	70	63	72
	Indirect (Scope 2), market-based method		191	–	–	–	–	–
	Total (location-based method)	1	216	230	7,589	18,500	97	107
	% Change year-on-year		-6%		-59%		-9%	
Total biogenic emissions (tonnes CO <sub>2</sub> e)			79	–	0.01	–	–	–
Total water withdrawal by sources (thousands cbm)	Water withdrawal – Municipal		1,757	2,009 <sup>(7)</sup>	501	919 <sup>(7)</sup>	535	600
	Water withdrawal – Groundwater		–	–	–	–	–	–
	Total	1, 3	1,757	2,009 <sup>(7)</sup>	501	919 <sup>(7)</sup>	535	600
	% Change year-on-year		-13%		-45%		-11%	
Total water withdrawal by water stress levels (thousands cbm)	Low (<20%)	4	1,043	–	501	–	512	–
	Medium (20–40%)		58	–	–	–	0.9	–
	High (>40%)		656	–	–	–	22	–
Total water consumption (thousands cbm)		5	–	–	–	–	–	–
Total waste by type and disposal method (tonnes)	<b>Waste disposed</b>							
	Hazardous		0	0.4	44	0	1,248	1,406
	Non-hazardous		30,585	36,810	9,338	21,946	4,216	4,434
	<b>Waste recycled</b>							
	Hazardous		0.1	0	90	0	154	0
	Non-hazardous	8	10,810	12,073	791	3,545	722	971
	<b>Waste reused</b>							
	Non-hazardous		47	–	516	–	0	–
	<b>Waste recovered</b>							
	Non-Hazardous		0	–	90	–	0	–
	<b>Total</b>	1	41,442	48,883	10,868	25,491	6,340	6,811
% Change year-on-year			-15%		-57%		-7%	
<b>Health and safety</b>								
Thousand hours worked			13,141	13,741	30,744	68,757	31,037	34,962
Total lost time injuries			82	112	269	1,560	127	198
Lost Time Injury Rate (LTIR)			1.25	1.63	1.75	4.54	0.82	1.13
% Change year-on-year (LTIR)			-23%		-61%		-27%	
Lost days due to injuries			3,208	2,977	25,078	44,196	5,947	7,573
Lost Day Rate (LDR)			48.82	43.33	163.14	128.56 <sup>(7)</sup>	38.32	43.32 <sup>(7)</sup>
% Change year-on-year (LDR)			13%		27%		-12%	
Total fatalities (employee)			0	0	0	1	0	0



Swire Coca-Cola		Swire Pacific Offshore <sup>6</sup>		HUD Group		Trading & Industrial		Swire Pacific (Head office)		Group total <sup>1</sup>	
2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
1,176	1,149	931	1,037	314	342	72	82	-	-	108,144	260,234 <sup>(7)</sup>
1,884	1,837	3	5	17	16	141	159 <sup>(7)</sup>	-	-	3,908	4,094 <sup>(7)</sup>
3,060	2,986	934	1,042	331	358	213	241 <sup>(7)</sup>	-	-	112,052 <sup>R</sup>	264,328 <sup>(7)</sup>
2%		-10%		-8%		-12%		-	-	-58%	
19,156	-	-	-	-	-	-	-	-	-	20,662	-
85	77	77	79	26	28	5	7	-	-	7,774	18,668
273	267	0.3	0.4	2.3	2	24	28	-	-	621	658
-	-	-	-	-	-	-	-	-	-	191	-
358	344	77	79	29	30	29	35	-	-	8,395 <sup>R</sup>	19,326
4%		-3%		-4%		-17%		-	-	-57%	
0.08	-	-	-	-	-	-	-	-	-	79	-
14,382	14,402	-	-	86	81 <sup>(7)</sup>	302	324	-	-	17,563	18,335 <sup>(7)</sup>
190	-	-	-	-	-	-	-	-	-	190	-
14,572	14,402	-	-	86	81 <sup>(7)</sup>	302	324	-	-	17,753 <sup>R</sup>	18,335 <sup>(7)</sup>
1%		-	-	6%		-7%		-	-	-3%	
8,610	-	-	-	86	-	301	-	-	-	11,053	-
2,659	-	-	-	-	-	-	-	-	-	2,718	-
3,303	-	-	-	-	-	1	-	-	-	3,982	-
7,995	-	-	-	-	-	-	-	-	-	7,995	-
161	261	1,088	1,665	0	0	84	0.7	-	-	2,625	3,333
5,485	7,784	0	0	0	0	218	0	-	-	49,842	70,974
4,442	12	0	0	2	0	0	0	-	-	4,687	12
17,903	20,330	2	4	202	236	509	810	-	-	30,938	37,969
0	-	0	-	0	-	0	-	-	-	563	
2,592	-	0	-	0	-	0	-	-	-	2,682	
30,582	28,387	1,090	1,669	204	236	811	810	-	-	91,336	112,288
8%		-35%		-14%		0%		-	-	-19%	
69,271	67,816	10,286	11,381	1,703	2,052	13,257	15,347	77	75	169,515	214,131
174	200	6	5	1	10	47	66 <sup>(7)</sup>	0	0	706	2,151 <sup>(7)</sup>
0.50	0.59	0.12	0.09	0.12	0.97	0.71	0.86 <sup>(7)</sup>	0	0	0.83 <sup>R</sup>	2.01
-15%		33%		-88%		-17%		-	-	-59%	
7,734	10,784	246	1,074	393	750	1,815	1,796 <sup>(7)</sup>	0	0	44,420	69,150 <sup>(7)</sup>
22.33	31.80	4.78	18.87 <sup>(7)</sup>	46.16	73.09	27.37	23.40 <sup>(7)</sup>	0	0	52.41	64.59 <sup>(7)</sup>
-30%		-75%		-37%		17%		-	-	-19%	
1	1	0	0	0	0	0	0	0	0	1 <sup>R</sup>	2



Statistics		Note	Swire Properties		Cathay Pacific Group		HAECO Group	
Staff (including all employment types)			2020	2019	2020	2019	2020	2019
Total		10	6,334	6,465	24,051	31,778	14,343	15,187
Employees who are on Permanent Terms (%)			92%	94%	85%	85%	96%	95%
Permanent employees who work Full-time (%)			98%	98%	99%	99%	99%	99%
By gender (%)	Male		60%	59%	50%	45%	82%	82%
	Female		40%	41%	50%	55%	18%	18%
By age group (%)	Under 30 years old		23%	25%	20%	24%	20%	23%
	30 to 50 years old		56%	54%	59%	58%	58%	55%
	Over 50 years old		21%	20%	21%	18%	22%	22%
By region (%)	Hong Kong & Macau		51%	50%	85%	84%	47%	48%
	Chinese mainland		43%	42%	1%	2%	38%	36%
	Taiwan		0%	0%	2%	2%	0%	0%
	USA		5%	8%	1%	2%	16%	16%
	Others		0%	0%	11%	10%	0%	0%
By employee category (%)	Strategic Leader		1%	1%	0.3%	5%	1%	1%
	Operational Leader		9%	8%	16%	9%	2%	3%
	Team Leader		17%	16%	16%	15%	13%	18%
	Individual Contributor		74%	75%	68%	71%	84%	79%
<b>Staff (include permanent employees only)<sup>9</sup></b>								
By employee category and age group (%)	<b>Strategic Leader</b>							
	under 30 years old		0%	0%	0%	0%	0%	6%
	30 to 50 years old		52%	57%	45%	57%	28%	67%
	Over 50 years old		48%	43%	55%	43%	72%	27%
	<b>Operational Leader</b>							
	under 30 years old		2%	2%	2%	5%	1%	1%
	30 to 50 years old		81%	82%	70%	76%	68%	63%
	Over 50 years old		17%	16%	28%	19%	31%	36%
	<b>Team Leader</b>							
	under 30 years old		21%	23%	16%	17%	2%	9%
	30 to 50 years old		73%	72%	58%	54%	75%	64%
	Over 50 years old		6%	6%	27%	28%	22%	26%
	<b>Individual Contributor</b>							
	under 30 years old		26%	29%	18%	19%	25%	29%
	30 to 50 years old		52%	50%	63%	64%	56%	54%
	Over 50 years old		22%	21%	18%	16%	19%	18%



Swire Coca-Cola		Swire Pacific Offshore <sup>6</sup>		HUD Group		Trading & Industrial		Swire Pacific (Head office)		Group total <sup>1</sup>	
2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
32,846	30,871	2,428	2,544	414	522	6,311	6,925	41	38	86,768	94,330
95%	99%	31%	48%	71%	62%	83%	95%	98%	100%	90%	92%
96%	100%	100%	100%	100%	100%	93%	92%	100%	100%	97%	99%
73%	74%	92%	91%	90%	90%	40%	39%	34%	32%	65%	62%
27%	26%	8%	9%	10%	10%	60%	61%	66%	68%	35%	38%
20%	22%	13%	11%	15%	16%	30%	35%	7%	5%	21%	24%
69%	68%	70%	72%	36%	34%	60%	57%	59%	58%	63%	61%
11%	10%	17%	17%	48%	51%	9%	8%	34%	37%	16%	16%
4%	5%	0%	0%	100%	100%	32%	36%	100%	100%	39%	44%
71%	69%	0%	0%	0%	0%	47%	45%	0%	0%	40%	35%
3%	3%	0%	0%	0%	0%	21%	19%	0%	0%	3%	3%
22%	23%	0%	0%	0%	0%	0%	0%	0%	0%	12%	11%
0%	0%	100%	100%	0%	0%	0%	0%	0%	0%	6%	6%
0.2%	1%	0.3%	0%	0.5%	0%	0.2%	0%	24%	18%	0.4%	2%
6%	10%	1%	1%	0.5%	0%	1%	1%	10%	13%	8%	7%
14%	12%	44%	52%	5%	4%	7%	5%	56%	58%	15%	15%
80%	77%	55%	48%	94%	95%	91%	94%	10%	11%	77%	76%
0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%
34%	57%	67%	50%	0%	0%	43%	53%	50%	43%	40%	58%
66%	43%	33%	50%	100%	100%	57%	47%	50%	57%	60%	42%
1%	10%	0%	0%	0%	0%	0%	0%	0%	0%	2%	7%
85%	75%	59%	75%	100%	50%	51%	64%	75%	60%	75%	75%
14%	15%	41%	25%	0%	50%	49%	36%	25%	40%	23%	18%
9%	10%	3%	5%	15%	0%	5%	1%	14%	9%	11%	13%
80%	82%	71%	72%	31%	59%	80%	80%	64%	64%	71%	68%
11%	8%	25%	23%	54%	41%	15%	18%	23%	27%	18%	19%
24%	26%	16%	13%	19%	24%	30%	36%	0%	0%	23%	26%
66%	65%	66%	68%	47%	45%	62%	58%	50%	50%	62%	61%
10%	9%	18%	19%	34%	31%	8%	6%	50%	50%	14%	13%



Statistics		Note	Swire Properties		Cathay Pacific Group		HAECO Group	
Staff (include permanent employees only) <sup>9</sup>			2020	2019	2020	2019	2020	2019
By employee category and gender (%)	<b>Strategic Leader</b>							
	Male		54%	53%	76%	93%	82%	82%
	Female		46%	47%	24%	7%	18%	18%
	<b>Operational Leader</b>							
	Male		48%	49%	87%	84%	77%	79%
	Female		52%	51%	13%	16%	23%	21%
	<b>Team Leader</b>							
	Male		47%	47%	57%	53%	81%	77%
	Female		53%	53%	43%	47%	19%	23%
	<b>Individual Contributor</b>							
	Male		64%	63%	42%	39%	81%	82%
	Female		36%	37%	58%	61%	19%	18%
<b>Voluntary permanent employee turnover data<sup>9</sup></b>								
By age group	Under 30 years old		25%	34%	12%	17%	11%	17%
	30 to 50 years old		11%	17%	8%	7%	4%	6%
	Over 50 years old		6%	13%	16%	11%	4%	7%
By gender	Male		12%	19%	11%	9%	6%	8%
	Female		15%	23%	10%	9%	6%	10%
By region	Hong Kong & Macau		10%	20%	10%	9%	5%	8%
	Chinese mainland		16%	21%	3%	7%	3%	5%
	Taiwan		0%	0%	20%	6%	0%	0%
	USA		20%	26%	6%	9%	13%	18%
	Others		0%	0%	7%	8%	13%	12%
Total voluntary turnover rate of permanent employees (%)			14%	21%	10%	9%	6%	9%
<b>Employee new hire data<sup>9</sup></b>								
By age group	Under 30 years old		36%	52%	7%	28%	10%	32%
	30 to 50 years old		14%	21%	3%	5%	3%	7%
	Over 50 years old		9%	16%	6%	6%	3%	6%
By gender	Male		18%	25%	6%	11%	5%	13%
	Female		19%	32%	2%	7%	4%	15%
By region	Hong Kong & Macau		14%	24%	4%	7%	3%	13%
	Chinese mainland		21%	29%	6%	8%	2%	8%
	Taiwan		0%	0%	0%	1%	0%	0%
	USA		35%	45%	7%	10%	15%	25%
	Others		0%	0%	5%	10%	20%	20%
Total new hires rate (%)			18%	28%	4%	9%	4%	13%



Swire Coca-Cola		Swire Pacific Offshore <sup>6</sup>		HUD Group		Trading & Industrial		Swire Pacific (Head office)		Group total <sup>1</sup>	
2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
74%	80%	100%	100%	100%	100%	77%	60%	60%	71%	73%	89%
26%	20%	0%	0%	0%	0%	23%	40%	40%	29%	27%	11%
72%	75%	78%	92%	100%	100%	51%	45%	25%	40%	79%	76%
28%	25%	22%	8%	0%	0%	49%	55%	75%	60%	21%	24%
72%	73%	94%	97%	77%	82%	51%	56%	27%	18%	67%	66%
28%	27%	6%	3%	23%	18%	49%	44%	73%	82%	33%	34%
73%	74%	50%	59%	88%	88%	39%	37%	25%	25%	64%	62%
27%	26%	50%	41%	12%	12%	61%	63%	75%	75%	36%	38%
36%	37%	17%	17%	3%	35%	61%	96%	0%	0%	28%	36%
14%	14%	7%	5%	2%	9%	14%	24%	4%	0%	10%	11%
9%	9%	18%	7%	14%	3%	8%	14%	0%	0%	10%	10%
19%	20%	10%	7%	7%	10%	29%	48%	0%	0%	14%	16%
14%	16%	14%	13%	3%	31%	27%	49%	4%	0%	14%	18%
15%	28%	0%	0%	6%	12%	54%	83%	3%	0%	15%	15%
14%	15%	0%	0%	0%	0%	15%	36%	0%	0%	12%	16%
6%	8%	0%	0%	0%	0%	12%	15%	0%	0%	12%	11%
32%	31%	0%	0%	0%	0%	0%	0%	0%	0%	26%	27%
0%	0%	11%	13%	0%	0%	0%	0%	0%	0%	8%	10%
18%	19%	11%	8%	6%	12%	28%	49%	3%	0%	14%	16%
35%	44%	17%	17%	15%	45%	66%	107%	33%	50%	28%	46%
12%	16%	5%	5%	10%	19%	10%	25%	4%	5%	8%	12%
6%	7%	4%	1%	2%	16%	5%	11%	0%	0%	5%	7%
15%	20%	6%	4%	7%	21%	27%	51%	14%	17%	12%	18%
18%	24%	6%	14%	14%	47%	24%	51%	0%	0%	11%	20%
23%	35%	0%	0%	8%	24%	50%	78%	5%	5%	9%	15%
14%	21%	0%	0%	0%	0%	11%	45%	0%	0%	13%	21%
8%	13%	0%	100%	0%	0%	16%	19%	0%	0%	11%	13%
21%	21%	0%	0%	0%	0%	0%	0%	0%	0%	19%	22%
0%	0%	6%	5%	0%	0%	0%	0%	0%	0%	5%	8%
16%	21%	6%	5%	8%	24%	25%	51%	5%	5%	12%	19%





Statistics		Note	Swire Properties		Cathay Pacific Group		HAECO Group	
Average tenure of employee <sup>9</sup>			2020	2019	2020	2019	2020	2019
By age group	Under 30 years old		1.9	1.8	3.0	2.7	3.4	2.9
	30 to 50 years old		5.5	5.3	10.1	10.7	12.0	11.6
	Over 50 years old		9.7	9.6	16.3	16.7	18.4	17.7
By gender	Male		5.8	5.6	8.4	8.5	11.9	10.3
	Female		5.0	4.5	12.5	12.3	9.5	12.2
Total average tenure of employee (years)			5.5	5.2	10.2	10.6	11.4	10.7
Employee promotion rate <sup>9</sup>								
By age group	Under 30 years old		13%	20%	6%	6%	34%	28%
	30 to 50 years old		6%	11%	3%	9%	7%	14%
	Over 50 years old		2%	4%	1%	3%	2%	6%
By gender	Male		6%	12%	4%	8%	12%	16%
	Female		8%	13%	2%	7%	11%	14%
Total employee promotion rate (%)			7%	12%	3%	8%	12%	16%
Employees trained <sup>9</sup>								
By employee category (%)	Strategic Leader		94%	–	93%	–	86%	–
	Operational Leader		97%	–	99%	–	89%	–
	Team Leader		99%	–	98%	–	92%	–
	Individual Contributor		96%	–	99%	–	95%	–
By gender (%)	Male		96%	–	98%	–	94%	–
	Female		97%	–	100%	–	95%	–
Total employee trained (%)			97%	–	99%	–	94%	–
Average employee training hours <sup>9</sup>								
By employee category	Strategic Leader		15.7	53.2	846.0	86.0	8.2	27.6
	Operational Leader		23.3	38.4	28.0	93.8	18.7	20.8
	Team Leader		18.5	24.0	43.2	68.9	72.7	33.8
	Individual Contributor		19.3	27.4	32.7	74.1	51.4	62.1
By gender	Male		17.9	24.8	39.1	50.8	57.7	61.2
	Female		21.8	32.7	33.9	25.1	33.9	33.1
Total average hours of training (per employee)			19.5	28.0	36.6	70.2	53.3	55.9
Average employee training spend (HK\$) <sup>9</sup>								
By employee category	Strategic Leader		\$2,277	\$16,531	\$21,015	\$0	\$888	\$1,242
	Operational Leader		\$3,890	\$7,913	\$26,148	\$3,594	\$1,071	\$2,076
	Team Leader		\$1,306	\$1,443	\$23,173	\$1,708	\$1,729	\$2,297
	Individual Contributor		\$265	\$346	\$17,307	\$24	\$4,546	\$4,594
By gender	Male		\$650	\$449	\$17,733	\$97	\$4,433	\$4,337
	Female		\$1,007	\$445	\$22,205	\$265	\$2,689	\$3,107
Total average spend on training (per employee)			\$794	\$447	\$19,860	\$147	\$4,107	\$4,103



Swire Coca-Cola		Swire Pacific Offshore <sup>6</sup>		HUD Group		Trading & Industrial		Swire Pacific (Head office)		Group total <sup>1</sup>	
2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
2.1	2.0	3.9	3.6	3.2	2.8	2.6	1.9	3.3	0.5	2.5	2.3
7.2	7.1	8.5	7.8	8.7	7.8	7.1	6.0	12.9	9.2	8.6	8.7
12.6	12.4	10.6	12.7	14.7	15.9	12.4	11.7	22.6	18.7	14.9	15.1
6.9	6.7	8.9	8.8	10.0	9.3	6.8	5.9	11.8	8.6	8.3	7.8
6.1	6.1	4.1	6.3	9.0	8.7	6.9	4.6	17.2	13.9	8.3	8.9
7.0	6.5	8.6	8.4	9.8	9.3	6.3	5.1	15.3	12.2	8.4	8.3
12%	7%	6%	9%	9%	5%	2%	6%	0%	0%	13%	12%
9%	6%	6%	7%	8%	7%	1%	3%	0%	0%	6%	8%
3%	2%	3%	1%	0%	3%	1%	2%	0%	0%	2%	3%
9%	5%	5%	5%	4%	5%	2%	6%	0%	0%	7%	9%
10%	6%	4%	9%	14%	5%	1%	3%	0%	0%	5%	7%
9%	6%	5%	6%	5%	5%	2%	4%	0%	0%	7%	8%
82%	–	33%	–	0%	–	57%	–	30%	–	84%	–
10%	–	41%	–	0%	–	75%	–	25%	–	71%	–
26%	–	7%	–	62%	–	79%	–	23%	–	65%	–
37%	–	32%	–	96%	–	67%	–	0%	–	69%	–
39%	–	10%	–	100%	–	53%	–	29%	–	67%	–
21%	–	42%	–	47%	–	78%	–	19%	–	70%	–
34%	–	16%	–	94%	–	66%	–	23%	–	68%	–
8.8	29.2	5.3	0	0	0	2.8	8.8	4.3	14.0	226.5	72.4
47.5	43.9	6.5	2.7	0	0	6.3	12.1	0.3	11.4	32.9	60.6
35.1	55.7	1.3	1.6	3.0	9.8	10.2	11.3	1.1	16.8	39.1	48.3
25.4	24.2	4.9	161.6	8.2	8.6	8.1	24.1	0	0	30.0	45.7
27.1	29.3	1.6	82.7	8.3	8.0	5.6	11.3	1.8	9.8	34.2	40.8
30.5	32.3	6.8	6.7	5.1	12.6	8.8	30.8	1.7	8.2	28.4	28.9
28.0	30.0	2.6	70.3	7.9	8.5	8.3	23.3	1.7	8.7	32.3	46.8
\$13,515	\$61,620	\$0	–	\$0	–	\$299	\$1,494	\$30	\$0	\$8,902	\$50,471
\$2,631	\$4,787	\$0	–	\$0	–	\$238	\$7,618	\$0	\$240	\$15,794	\$5,656
\$1,786	\$2,978	\$7,579	–	\$562	–	\$144	\$501	\$5	\$179	\$8,338	\$2,404
\$1,175	\$516	\$7,827	–	\$881	–	\$99	\$276	\$0	\$0	\$5,258	\$1,361
\$1,338	\$1,564	\$9,162	–	\$914	–	\$168	\$446	\$0	–	\$5,384	\$2,042
\$1,460	\$1,863	\$69	–	\$432	–	\$62	\$281	\$15	–	\$8,888	\$1,409
\$1,370	\$1,642	\$7,329	\$28,597	\$855	–	\$105	\$344	\$10	\$135	\$6,579	\$2,347



Statistics		Note	Swire Properties		Cathay Pacific Group		HAECO Group	
Absentee <sup>9</sup>			2020	2019	2020	2019	2020	2019
By gender	Male		1%	2%	3%	4%	2%	3%
	Female		2%	2%	2%	4%	2%	3%
Total absentee rate (%)			1%	2%	2%	4%	2%	3%
<b>Salary data<sup>9</sup></b>								
<b>Basic salary</b>								
Gender pay gap by employee category (basic salary)	Strategic Leader		-	-	-	-	-	-
	Operational Leader		-	-	-	-	-	-
	Team Leader		-	-	-	-	-	-
	Individual Contributor		-	-	-	-	-	-
<b>Remuneration</b>								
Gender pay gap by employee category (remuneration)	Strategic Leader		-	-	-	-	-	-
	Operational Leader		-	-	-	-	-	-
	Team Leader		-	-	-	-	-	-
	Individual Contributor		-	-	-	-	-	-



Swire Coca-Cola		Swire Pacific Offshore <sup>6</sup>		HUD Group		Trading & Industrial		Swire Pacific (Head office)		Group total <sup>1</sup>	
2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
1%	1%	1%	1%	2%	2%	1%	1%	0.3%	0.1%	2%	2%
1%	1%	1%	3%	1%	3%	1%	1%	1%	0.3%	2%	3%
1%	1%	1%	1%	2%	2%	1%	1%	0.4%	0.2%	2%	2%
-	-	-	-	-	-	-	-	-	-	-19%	-13%
-	-	-	-	-	-	-	-	-	-	-30%	-24%
-	-	-	-	-	-	-	-	-	-	-17%	-34%
-	-	-	-	-	-	-	-	-	-	-13%	-38%
-	-	-	-	-	-	-	-	-	-	-8%	-31%
-	-	-	-	-	-	-	-	-	-	-27%	-17%
-	-	-	-	-	-	-	-	-	-	-18%	-23%
-	-	-	-	-	-	-	-	-	-	-19%	-44%

## Notes:

- Totals may not be the exact sum of numbers shown here due to rounding.
- For the Cathay Pacific Group, only CO<sub>2</sub> emissions for aviation turbine fuel are reported as there is no scientific consensus on the global warming effect of other emissions. Cathay Pacific monitors developments in these areas of atmospheric science - studies from the UKs OMEGA aviation and environment project and the Institute of Atmospheric Physics at the German Aerospace Centre.
- Total water withdrawal refers to the water drawn from municipal water supplies and groundwater. Virtually all of our water withdrawal 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.
- This figure excludes on-hire vessel fuel consumption as this belongs to Scope 3 as defined by the Greenhouse Gas Protocol.
- The number included in the 2019 report (which was estimated) has been revised to actual.
- In 2020, Swire Properties' non-hazardous recycled waste includes food waste sent to O-Park for energy recovery.
- Staff data only relates to permanent staff (permanent full time staff, permanent part time staff and fixed contract employees in the Chinese mainland).
- Total number of employees differs from that reported on page 49 of the 2020 Swire Pacific Annual Report, which is calculated using the average over 2020. Employee numbers in the sustainability report are as at 31 December 2020.
- Please refer to the sustainable development report 2019 for 2019 data scoping and boundaries.
- 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. Please refer to the independent limited assurance report for further details.



# External initiatives, charters and memberships

## External initiatives and ESG related charters 2020

Operating company	External initiative/charter	Organisation
Cathay Pacific	The Buckingham Palace Declaration	United For Wildlife Transport Taskforce
Cathay Pacific	Racial Diversity & Inclusion Charter For Employers	Equal Opportunities Commission
Cathay Pacific	Drink Without Waste	Single-Use Beverage Package Working Group
Cathay Pacific	Wild Aid	Global Shark Pledge
HAECO	The Racial Diversity & Inclusion Charter For Employers	Equal Opportunities Commission
Swire Properties	Advancing Net Zero	Hong Kong Green Building Council
Swire Properties	Business Ambition for 1.5°C	Science Based Targets Initiative and United Nations Global Compact
Swire Properties	Carbon Reduction Charter	Environmental Protection Department, Hong Kong SAR Government
Swire Properties	Charter on External Lighting	Environment Bureau, Hong Kong SAR Government
Swire Properties	Clean Air Charter	Hong Kong General Chamber of Commerce and Hong Kong Business Coalition on the Environment
Swire Properties	Energy Saving Charter	Environmental Bureau and Electrical and Mechanical Services Department, Hong Kong SAR Government
Swire Properties	Food Wise Charter	Environment Bureau, Hong Kong SAR Government
Swire Properties	Green Event Pledge	Environmental Protection Department, Hong Kong SAR Government
Swire Properties	Low Carbon Charter	Business Environment Council
Swire Properties	Manifesto for Energy Efficiency in Buildings	World Business Council for Sustainable Development
Swire Properties	Sustainable Procurement Charter	Green Council
Swire Coca-Cola	Drink Without Waste	Single-Use Beverage Package Working Group
Swire Coca-Cola	New Plastics Economy Global Commitment	Ellen MacArthur Foundation
Swire Coca-Cola	Green Event Pledge	Environmental Protection Department, Hong Kong SAR Government
Swire Coca-Cola	Utah Sustainable Business Coalition	/
Swire Coca-Cola	SOLVE Oregon	/
Swire Coca-Cola	Recycle Colorado	/
Swire Pacific Offshore	Employers' Pledge	Tripartite Alliance for Fair and Progressive Employment Practices (TAFEP)
Swire Pacific Offshore	Sustainable Shipping Initiative	/
Swire Pacific Offshore	Ship Recycling Transparency Initiative	/
Swire Resources Limited	No Fakes Pledge Scheme	Intellectual Property Department, Hong Kong SAR Government



Operating company	External initiative/charter	Organisation
Swire Resources Limited	Quality E-Shop Recognition Scheme	Hong Kong Retail Management Association
Swire Waste Management Limited	Drink Without Waste	Single-Use Beverage Package Working Group
Swire Waste Management Limited	Green Event Pledge	Environmental Protection Department, Hong Kong SAR Government

## I Membership of trade associations 2020

The top trade associations and industry groups (on the basis of fees paid by the Group) are highlighted in bold.

Operating company	Name of external organisation	Membership
Cathay Pacific	Association of Asia Pacific Airlines (AAPA)	Environmental Working Group – Member
Cathay Pacific	Sustainable Aviation Fuel User Group	Member
Cathay Pacific	Roundtable on Sustainable Biomaterials (RSB)	Member
Cathay Pacific	Commercial Aviation Alternative Fuels Initiative (CAAFI)	Member
HAECO	International Airline Technical Pool (IATP)	Member
HAECO	Piedmont Triad Partnership	/
HAECO Xiamen	Xiamen Environment Protection Industry Association	Member
HAECO Xiamen	Xiamen Security Production Management Association	Member
HAECO Xiamen	Xiamen Energy Conservation Association	Member
HAECO Americas	Aeronautical Repair Station Association (ARSA)	Member
HAECO Hong Kong	Business Environment Council	Member
<b>HAESL</b>	<b>Aviation Services Research Centre</b>	<b>Member</b>
Swire Properties	BEAM Society	Founding Member
Swire Properties	Business Environment Council	Board of Directors and Council Member
Swire Properties	China Green Building Council	Corporate Member and Committee Member
Swire Properties	Green Cross – Occupational Safety & Health Council	Group Member
Swire Properties	Hong Kong General Chamber of Commerce	Full Member General Committee & Chamber Council Member, Real Estate & Infrastructure Committee
Swire Properties	Hong Kong Green Building Council	Platinum Patron Member
Swire Properties	The Hong Kong Management Association	Executive Committee Member and Charter Member
<b>Swire Properties</b>	<b>The Real Estate Developers Association of Hong Kong</b>	<b>Board of Directors Executive Committee Member Member, Planning Environment and Lands Sub-Committee</b>



Operating company	Name of external organisation	Membership
Swire Properties	Urban Land Institute	ULI Asia Pacific Corporate Member
Swire Properties	U.S. Green Building Council	Gold Member
Swire Properties	World Wide Fund For Nature Hong Kong	Pearl Member
Swire Coca-Cola Taiwan	Taiwan Beverage Industry Association	Corporate
Swire Coca-Cola	China Beverage Industry Association	Director
Swire Coca-Cola	Shanghai Foreign Investment Association	Member
Swire Coca-Cola	Nanjing Association of Enterprises with Foreign Investment	Co-Chairman
Swire Coca-Cola Hong Kong	The Hong Kong Beverage Association	Member
<b>Swire Coca-Cola USA</b>	<b>American Beverage Association</b>	<b>Corporate</b>
<b>Swire Coca-Cola USA</b>	<b>Washington Beverage Association</b>	<b>/</b>
Swire Coca-Cola USA	Oregon Beverage Association	/
<b>Swire Coca-Cola USA</b>	<b>Arizona Beverage Association</b>	<b>/</b>
Swire Coca-Cola USA	New Mexico Beverage Association	
Swire Coca-Cola USA	Utah Safety Council	Member
Swire Coca-Cola USA	Network of Employers for Traffic Safety	Member
Hong Kong United Dockyards Limited	Maritime Services Training Board of Vocational Training Council	Member
Hong Kong United Dockyards Limited	Occupational Safety & Health council	Member
Hong Kong United Dockyards Limited	Marine Department of the Hong Kong SAR Government	Pilotage Advisory Committee
Hong Kong United Dockyards Limited	The International Salvage Union (ISU)	Member
Swire Pacific Offshore	Singapore Shipping Association	Member
Swire Pacific Offshore	World Ocean Council	Member
Swire Pacific Offshore	British Chamber of Commerce (Singapore)	Member
Swire Pacific Offshore	WISTA Singapore	Member
Swire Resources Limited	HK Retail Management Association (HKRMA)	Corporate member
Swire Waste Management Limited	Hong Kong Waste Management Association	Organization Member
Taikoo Motors	European Chamber of Commerce Taiwan	Member
Taikoo Motors	British Chamber of Commerce in Taipei	Member
Taikoo Sugar (China) Ltd.	China Sugar Association	Member
Taikoo Sugar (China) Ltd.	廣東省食品安全學會	Member
Taikoo Sugar (China) Ltd.	廣州市黃埔區食品安全協會	Member
Taikoo Sugar (China) Ltd. Shanghai Branch	上海市食品化妝品質量安全管理協會	Member



## GRI and HKEX index tables

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

### I GRI Standards General Disclosure

GRI Standards General Disclosures	GRI Standards description	Item	HKEX ESG reporting guide reference	Report section	Remarks
<b>Organisational profile</b>					
102-1	Name of the organisation			<a href="#">Our business</a>	
102-2	Activities, brands, products, and services			<a href="#">Our business</a>	<a href="#">Swire Pacific Annual Report 2020 – Corporate Statement</a>
102-3	Location of headquarters			<a href="#">Our business</a>	
102-4	Location of operations			<a href="#">Our business</a>	<a href="#">Swire Pacific Annual Report 2020 – Corporate Statement</a>
102-5	Nature of ownership and legal form			<a href="#">Our business</a>	
102-6	Markets served (including geographic breakdown, sectors served, types of customers, and beneficiaries)			<a href="#">Our business</a>	
102-7	Scale of the organisation			<a href="#">SwireTHRIVE – People</a>	<a href="#">Swire Pacific Annual Report 2020 – Corporate Statement</a> <a href="#">Swire Pacific Annual Report 2020 – 2020 Performance Review and Outlook</a>
102-8	Information on employees and other workers	KPI B.1.1	Total workforce by gender, employment type, age group and geographical region.	<a href="#">Appendices – Performance data</a>	
102-9	Supply chain	KPI B.5.1	Number of suppliers by geographical region.	<a href="#">Our ESG disclosures – Supply chain</a>	
		KPI B.5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.		
		KPI B.5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.		





GRI Standards General Disclosures	GRI Standards description	Item	HKEX ESG reporting guide reference	Report section	Remarks
<b>Organisational profile</b>					
102-10	Significant changes to the organisation and its supply chain				<a href="#">Swire Pacific Annual Report 2020 – Chairman Statement</a> <a href="#">Swire Pacific Annual Report 2020 – 2020 Performance Review and Outlook</a>
102-11	Precautionary Principle or approach			<a href="#">Our business – Risk management</a>	<a href="#">Swire Pacific Annual Report 2020 – Risk Management</a>
102-12	External initiatives			<a href="#">Appendices</a>	
102-13	Membership of associations			<a href="#">Appendices</a>	
<b>Strategy</b>					
102-14	Statement from senior decision-maker			<a href="#">Introduction – Chairman's statement</a>	
102-15	Key Impacts, risks and opportunities			<a href="#">Our business – Risk management</a>	
<b>Ethics and integrity</b>					
102-16	Values, principles, standards, and norms of behavior			<a href="#">Our ESG disclosures – Governance</a>	
<b>Governance</b>					
102-18	Governance structure			<a href="#">Our business – Our approach to sustainable development</a>	<a href="#">Swire Pacific Annual Report 2020 – Corporate Governance Report</a>
<b>Stakeholder engagement</b>					
102-40	List of stakeholder groups			<a href="#">About our report – Stakeholder engagement</a>	



GRI Standards General Disclosures	GRI Standards description	Item	HKEX ESG reporting guide reference	Report section	Remarks
<b>Stakeholder engagement</b>					
102-41	Collective bargaining agreements			<a href="#">Other ESG disclosures – Talent management</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. At Swire Pacific Offshore, relevant seagoing employees' pay negotiations are undertaken collectively with international or national bodies, and administered under collective bargaining agreements and enterprise bargaining agreements in accordance with Maritime Labour Convention 2006. See our operating companies' sustainability reports for details.
102-42	Identifying and selecting stakeholders			<a href="#">About our report – Stakeholder engagement</a>	
102-43	Approach to stakeholder engagement			<a href="#">About our report – Assessing materiality</a>	
102-44	Key topics and concerns raised			<a href="#">About our report – Assessing materiality</a>	Also see Stakeholder engagement section
<b>Reporting Practice</b>					
102-45	Entities included in the consolidated financial statements				<a href="#">Swire Pacific Reporting Methodology 2020</a>
102-46	Defining report content and topic Boundaries			<a href="#">About our report</a>	<a href="#">Swire Pacific Reporting Methodology 2020</a>
102-47	List of material topics			<a href="#">About our report – Assessing materiality</a>	<a href="#">Swire Pacific Reporting Methodology 2020</a>
102-48	Restatements of information			<a href="#">Appendices – Performance data</a>	
102-49	Changes in reporting				<a href="#">Swire Pacific Reporting Methodology 2020</a>



GRI Standards General Disclosures	GRI Standards description	Item	HKEX ESG reporting guide reference	Report section	Remarks
<b>Reporting Practice</b>					
102-50	Reporting period			<a href="#">About our report</a>	
102-51	Date of most recent report				Our 2019 Sustainable Development Report was published on 26 June 2020
102-52	Reporting cycle			<a href="#">About our report</a>	
102-53	Contact point for questions regarding the report			<a href="#">About our report</a>	
102-54	Claims of reporting in accordance with the GRI Standards			<a href="#">About our report</a>	
102-55	GRI content index			<a href="#">Appendices – GRI and HKEX index tables</a>	
102-56	External assurance			<a href="#">About our report</a>	<a href="#">Independent Practitioner's Limited Assurance Report</a>



## I GRI Standards and HKEX

GRI Standards topic-specific standard	GRI Ref.	Description	HKEX ESG Ref.	Description	Report section	Remarks
<b>Economic</b>						
GRI 201: Economic Performance 2016	103-1	Explanation of the material topic and its boundary	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="#">Swire Pacific Annual Report 2020 – Financial Review</a>
	103-2	The management approach and its components				
	103-3	Evaluation of the management approach				
	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 – TCFD</a>	
GRI 205: Anti-corruption 2016	103-1	Explanation of the material topic and its boundary	General Disclosure B7	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	<a href="#">Our ESG Disclosures – Governance</a>	It is not considered that any individual laws or regulations have a significant impact on the Swire Pacific Group.
	103-2	The management approach and its components				
	103-3	Evaluation of the management approach				
	205-2	Communication and training about anti-corruption policies and procedures	KPI B7.3	Description of anti-corruption training provided to directors and staff.	<a href="#">Our 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 Standards topic-specific standard	GRI Ref.	Description	HKEX ESG Ref.	Description	Report section	Remarks
<b>Economic</b>						
GRI 206: Anti-competitive Behaviour 2016	103-1	Explanation of the material topic and its boundary			<a href="#">Our ESG Disclosures – Supply chain</a>	It is not considered that any individual laws or regulations have a significant impact on the Swire Pacific Group.
	103-2	The management approach and its components				
	103-3	Evaluation of the management approach				
	206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices				
<b>Environmental</b>						
GRI 301: Materials 2016	103-1	Explanation of the material topic and its boundary	General Disclosure A2, A3	Policies on the efficient use of resources, including energy, water and other raw materials.	<a href="#">Our ESG Disclosures – Supply chain</a>	It is not considered that any individual laws or regulations have a significant impact on the Swire Pacific Group.
	103-2	The management approach and its components		Policies on minimising the issuer's significant impact on the environment and natural resources		
	103-3	Evaluation of the management approach				
			KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.		This was deemed to not be material at group level, by our materiality assessment.
GRI 302: Energy 2016	103-1	Explanation of the material topic and its boundary	General Disclosure A2, A3	Policies on the efficient use of resources, including energy, water and other raw materials.	<a href="#">SwireTHRIVE – Climate</a>	It is not considered that any individual laws or regulations have a significant impact on the Swire Pacific Group.
	103-2	The management approach and its components		Policies on minimising the issuer's significant impact on the environment and natural resources		
	103-3	Evaluation of the management approach				
	302-1	Energy consumption within the organisation	KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	<a href="#">Appendices – Performance Data</a> <a href="#">SwireTHRIVE – Climate</a>	<a href="#">Swire Pacific Annual Report 2020 – Sustainable Development Review</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 Ref.	Description	Report section	Remarks
<b>Environmental</b>						
GRI 303: Water and Effluents 2018	103-1	Explanation of the material topic and its boundary	General Disclosure A2, A3	Policies on the efficient use of resources, including energy, water and other raw materials.	<a href="#">SwireTHRIVE – Water</a>	It is not considered that any individual laws or regulations have a significant impact on the Swire Pacific Group.
	103-2	The management approach and its components		Policies on minimising the issuer's significant impact on the environment and natural resources		
	103-3	Evaluation of the management approach				
	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		
	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 Annual Report 2020 – Sustainable Development Review</a>
303-5	Water consumption			<a href="#">Appendices – Performance Data</a>		
GRI 304: Biodiversity 2016	103-1	Explanation of the material topic and its boundary	General Disclosure A2, A3	Policies on the efficient use of resources, including energy, water and other raw materials.	<a href="#">Other ESG Disclosures – Biodiversity</a>	It is not considered that any individual laws or regulations have a significant impact on the Swire Pacific Group.
	103-2	The management approach and its components		Policies on minimising the issuer's significant impact on the environment and other raw materials.		
	103-3	Evaluation of the management approach				
	304-2	Significant impacts of activities, products, and services on biodiversity	KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.		<a href="#">Swire Pacific Sustainable Development Policy and related policies</a>



GRI Standards topic-specific standard	GRI Ref.	Description	HKEX ESG		Report section	Remarks
			Ref.	Description		
<b>Environmental</b>						
GRI 305: Emissions 2016	103-1	Explanation of the material topic and its boundary	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>	It is not considered that any individual laws or regulations have a significant impact on the Swire Pacific Group.
	103-2	The management approach and its components				
	103-3	Evaluation of the management approach				
	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 Annual Report 2020 – Sustainable Development 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					
305-5	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 Ref.	Description	Report section	Remarks
<b>Environmental</b>						
GRI 306: Effluents and Waste 2016	103-1	Explanation of the material topic and its boundary	General Disclosure A1, 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>	It is not considered that any individual laws or regulations have a significant impact on the Swire Pacific Group.
	103-2	The management approach and its components				
	103-3	Evaluation of the management approach				
GRI 306: Effluents and Waste 2016	306-2	Waste by type and disposal method	KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	<a href="#">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).		
			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.		
GRI 307: Environmental Compliance 2016	103-1	Explanation of the material topic and its boundary				It is not considered that any individual laws or regulations have a significant impact on the Swire Pacific Group.
	103-2	The management approach and its components				
	103-3	Evaluation of the management approach				
	307-1	Non-compliance with environmental laws and regulations				





GRI Standards topic-specific standard	GRI Ref.	Description	HKEX ESG 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>		
	103-2	The management approach and its components						
	103-3	Evaluation of the management approach						
							KPI B5.1	Number of suppliers by geographical region.
							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.					
			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	103-1	Explanation of the material topic and its boundary	General Disclosure B1	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	<a href="#">Other ESG Disclosures – Talent management</a>	It is not considered that any individual laws or regulations have a significant impact on the Swire Pacific Group.		
	103-2	The management approach and its components						
	103-3	Evaluation of the management approach						
	401-1	New employee hires and employee turnover					KPI B1.2	Employee turnover rate by gender, age group and geographical region.



GRI Standards topic-specific standard	GRI Ref.	Description	HKEX ESG Ref.	Description	Report section	Remarks
<b>Social</b>						
GRI 403: Occupational Health and Safety 2018	103-1	Explanation of the material topic and its boundary	General Disclosure B2	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	<a href="#">SwireTHRIVE – People</a>	It is not considered that any individual laws or regulations have a significant impact on the Swire Pacific Group.
	103-2	The management approach and its components				
	103-3	Evaluation of the management approach				
	403-9	Work-related injuries	KPI B2.1	Number and rate of work-related fatalities.	<a href="#">Appendices – Performance Data</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.
		KPI B2.2	Lost days due to work injury.	<a href="#">SwireTHRIVE – People</a>		
		KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.			
GRI 404: Training and Education 2016	103-1	Explanation of the material topic and its boundary	General Disclosure B3	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	<a href="#">Other ESG Disclosures – Talent management</a>	
	103-2	The management approach and its components				
	103-3	Evaluation of the management approach				
	404-1	Average hours of training per year per employee	KPI B3.1	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 405: Diversity and Equal Opportunity 2016	103-1	Explanation of the material topic and its boundary	General Disclosure B1	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	<a href="#">SwireTHRIVE – People</a>	It is not considered that any individual laws or regulations have a significant impact on the Swire Pacific Group.
	103-2	The management approach and its components				
	103-3	Evaluation of the management approach				
	405-1	Diversity of governance bodies and employees	KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	<a href="#">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 Standards topic-specific standard	GRI Ref.	Description	HKEX ESG Ref.	Description	Report section	Remarks
<b>Social</b>						
GRI 406: Non-discrimination 2016	103-1	Explanation of the material topic and its boundary	General Disclosure B1	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	<a href="#">SwireTHRIVE – People</a>	It is not considered that any individual laws or regulations have a significant impact on the Swire Pacific Group.
	103-2	The management approach and its components				
	103-3	Evaluation of the management approach				
	406-1	Incidents of discrimination and corrective actions taken				
GRI 408: Child Labour 2016	103-1	Explanation of the material topic and its boundary	General Disclosure B4	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	<a href="#">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.
	103-2	The management approach and its components	KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	<a href="#">Other ESG Disclosures – Governance</a>	
	103-3	Evaluation of the management approach	KPI B4.2	Description of steps taken to eliminate such practices when discovered.		
GRI 409: Forced or Compulsory Labour 2016	103-1	Explanation of the material topic and its boundary	General Disclosure B4	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	<a href="#">Other ESG Disclosures – Supply chain</a>	
	103-2	The management approach and its components	KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	<a href="#">Other ESG Disclosures – Governance</a>	
	103-3	Evaluation of the management approach	KPI B4.2	Description of steps taken to eliminate such practices when discovered.		



GRI Standards topic-specific standard	GRI Ref.	Description	HKEX ESG Ref.	Description	Report section	Remarks
<b>Social</b>						
GRI 413: Local Communities 2016	103-1	Explanation of the material topic and its boundary	General Disclosure B8	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	<a href="#">SwireTHRIVE – Communities</a>	
	103-2	The management approach and its components				
	103-3	Evaluation of the management approach				
			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	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>	
	103-2	The management approach and its components				
	103-3	Evaluation of the management approach				
			KPI B5.1	Number of suppliers by geographical region.		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.
		KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.			
		KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.			
GRI 415: Public Policy 2016	103-1	Explanation of the material topic and its boundary			<a href="#">Other ESG Disclosures – Governance</a>	
	103-2	The management approach and its components				
	103-3	Evaluation of the management approach				
GRI 418: Customer Privacy 2016	103-1	Explanation of the material topic and its boundary	KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	<a href="#">Our business – Risk management</a>	
	103-2	The management approach and its components				
	103-3	Evaluation of the management approach				



GRI Standards topic-specific standard	GRI Ref.	Description	HKEX ESG Ref.	Description	Report section	Remarks
<b>Social</b>						
GRI 419: Socio-Economic Compliance 2016	103-1	Explanation of the material topic and its boundary				It is not considered that any individual laws or regulations have a significant impact on the Swire Pacific Group.
	103-2	The management approach and its components				
	103-3	Evaluation of the management approach				
	419-1	Non-compliance in laws and regulations in the social and economic area				
<b>Product responsibility</b>						
N/A	N/A	N/A	General Disclosure B6	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	<a href="#">Other ESG Disclosures – Customer</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.		This was deemed to not be material at group level, by our materiality assessment.
			KPI B6.2	Number of products and service related complaints received and how they are dealt with.		
			KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.		
			KPI B6.4	Description of quality assurance process and recall procedures.		



# Glossary

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

## A

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

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

## B

### **Biogenic emissions**

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

### **Building Environmental Assessment Method or BEAM**

A method of assessing building sustainability performance in Hong Kong

## C

### **Carbon Dioxide Equivalent or CO<sub>2</sub>e**

A measure of the global warming potential of releases of the six greenhouse gases specified by the Kyoto protocol. These are carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs) and sulphur hexafluoride (SF<sub>6</sub>)

### **Carbon neutral**

The balancing of every unit of anthropogenic CO<sub>2</sub> emitted with an equivalent amount of CO<sub>2</sub> removed, for example by carbon sequestration

### **Carbon offsets**

Reduction, removal, or avoidance of GHG emissions from a specific project that compensates for GHG emissions occurring elsewhere

### **Carbon Offsetting and Reduction Scheme for International Aviation or CORSIA**

A scheme adopted by ICAO which aims to stabilise emissions from international civil aviation at 2020 levels

### **Certified sustainable seafood**

Seafood that comes from well managed and sustainable fisheries and is certified by the Marine Stewardship Council or other certification bodies

### **Circular economy**

An economic system in which resources are kept in use for as long as possible, recovered and reused at the end of their service lives

### **Climate-related risk**

The potential negative impact of climate change on an organisation

See also [Physical risks](#), [Transitional risks](#)

### **Cold drink equipment or CDE**

Includes vending machines, coolers and fountains

### **Cubic metres or cbm**

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

## D

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

A coalition (of beverages producers and bottlers, waste management enterprises and NGOs) which wants to reduce waste generated from beverage consumption in Hong Kong

## E

### **Ellen MacArthur Foundation's New Plastics Economy Group**

A group which aims to reduce the environmental footprint of plastics through better packaging and more recycling

### **Employee category**

Classification of employees into categories based on experience, seniority and responsibility

See also [Individual Contributor](#), [Team Leader](#), [Operational Leader](#), [Strategic Leader](#)

### **Enterprise Risk Management or ERM**

The identification, assessment, monitoring and management of risks that may interfere with an enterprise's operations and objectives

**Euro II / Euro III / Euro IIIA / Euro IV / Euro VI**

European emission standards that define the acceptable limits for exhaust emissions of vehicles

F

**Fly Greener**

A voluntary carbon offset programme which offers Cathay Pacific passengers the opportunity to offset their carbon footprint from air travel

**Frozen efficiency baseline**

A baseline from which performance is projected, assuming no improvement in current efficiencies

**FSC certified**

Certification for timber products that indicates it was sourced from responsibly managed forests or recycled sources in accordance with the Forest Stewardship Council Principles and Criteria

G

**Gender pay gap**

Measures the difference in pay between women and men. It is a measure across all jobs within a particular category, not of the difference in pay between men and women for doing the same job. 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

**International Maritime Organisation or IMO**

A United Nations agency with responsibility for the safety and security of shipping and the prevention of marine and atmospheric pollution by ships

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**

Is 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**

Is 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 about 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 CDP, the United Nations Global Compact, World Resources Institute and WWF 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

**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