

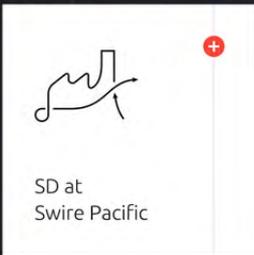
2016

SUSTAINABILITY REPORT

We operate in changing and complex markets. Globalisation and technological progress is increasing the pace of change. For Swire to succeed in creating long term value, sustainable development should be a strategic imperative.

JOHN SLOSAR
Chairman

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CARBON

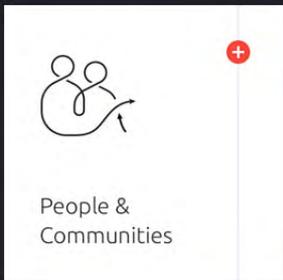
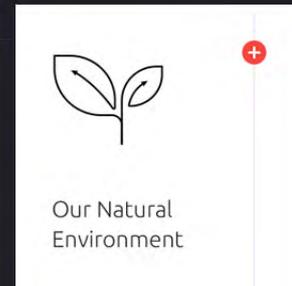
+24.9%

Fuel efficiency improvement in relation to revenue tonne kilometre (RTK) since 1998.

ENERGY

-17.8%

Absolute reduction in energy usage in Swire Properties from 2001 to 2016 despite a 16.6% increase in gross floor area managed.



WATER

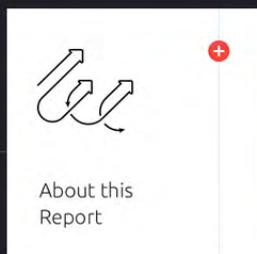
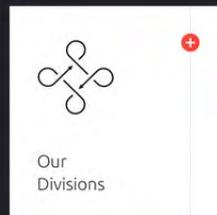
+37%

Improvement in water efficiency in relation to a litre of beverage production since 2004.

SAFETY

-41%

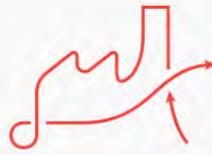
Cumulative decrease over the past 5 years in the number of injuries per 100 full-time equivalent employees (Lost Time Injury Rate - LTIR).



COMMUNITY

HK\$55.7M

Donated by the Swire Trust to over 60 charities. Its principal focus is on education, the environment, arts and culture, and those facing extreme hardship.



Sustainable Development at Swire Pacific

Laying strong foundations for the business to thrive

At Swire Pacific, we invest in sustainable development, not just because it is the right thing to do, but because it helps to achieve long-term growth through innovation and improved efficiency. We think long-term and are responsible stewards of resources. All this informs our approach to daily operations, strategic planning, investment decisions, relationships with employees, community involvement and the environment. Our aim is to integrate economic, environmental and social sustainability into our business and management practices.

NEXT

Sustainability
Governance

Chairman's Statement



Swire Pacific's 2016 financial results were affected by difficult economic conditions. This did not affect our commitment to sustainable development. Our new environmental sustainability strategy, Thrive, which was introduced in 2016, is part of that commitment. It is intended to enable us to identify, track and accelerate our progress in the sustainability areas which are most material to our group.

Swire marked its 200th anniversary in 2016. This provided an opportunity not just to reflect on our achievements but to look forward as well. We operate in changing and complex markets. Globalisation and technological progress is increasing the pace of change. For Swire to succeed in creating long term value, sustainable development should be a strategic imperative.

By emphasising sustainable development, both as a concept and in practice, we will be a more robust, competitive and resilient business in the long term. This is why, despite the current economic challenges, we continue to invest in sustainable development in order to make our business more sustainable. This year, for example, we announced our intention to offer, from 2017, additional central support for projects which can deliver long term benefits in terms of sustainable development, but which would otherwise fall short of our cost of capital targets. Such support is intended to encourage innovation and to improve our overall environmental performance and contribute to long term growth in shareholder value.

Swire Pacific is part of the individual economies and communities in which it operates and therefore of the global economy and community. In order to continue to succeed, we need to play a part now in protecting the environment by addressing climate change, water scarcity and waste. We also need to address biodiversity, sustainable materials and resilience to climate change. These matters are key areas of focus at the heart of Thrive.

We are focused on the greenhouse gas emissions of our aviation and marine services businesses, on material usage by our trading and industrial businesses, on water consumption by our beverages business and on energy consumption by our property business. There are no quick-fixes. But, in line with our motto, "Esse quam videri – to be, rather than seem to be", we will search for ways to make our businesses more sustainable and to work with others who share our sustainability values.



John Slosar
Chairman



Head of Sustainable Development Statement



In 2016, we continued our efforts to incorporate sustainable development principles, tools and approaches into our businesses. We developed a strategy intended to mitigate operational risk and to build long-term resilience by improving environmental efficiency and innovation. We called the strategy Thrive. It was developed by the Swire group sustainability committee, which includes representatives from all our operating units. The aim of Thrive is that our businesses should have a positive environmental impact while continuing to succeed in the long term. When the natural environments that we depend on thrive, so do we. Thrive identified six areas that are material to all our operating units. They are carbon, water, waste, materials, biodiversity and climate resilience. There are commitments, indicators of progress and targets in relation to each of them. We have agreed on the indicators of progress and are developing short and long term targets.

We are extremely grateful for the time and effort put in by all involved to develop Thrive. It represents a comprehensive plan for the Group to 2020 and beyond and could provide a blueprint for the right approach by conglomerates to sustainability.

Thrive was introduced at our Sustainable Development Forum in November 2016. It recognises the importance of environmental matters, in that Swire can only continue to flourish in the long term by playing a part now in protecting the environment by addressing climate change, water scarcity and waste. We also need to address biodiversity, sustainable materials and resilience to climate change.

Our businesses differ in respect of their sector, size and location. We underestimated how difficult it would be to develop a sustainability strategy that works for all of them, and in ways which are consistent with our values and resonate with our employees. We do not have all the answers and are learning as we go. We are still working on environmental targets and on tracking and managing performance. We will report on these matters next year.

Our intention to offer additional support to innovative sustainability projects from 2017, as referred to in the Chairman's statement, is a welcome development. We will use this mechanism to further encourage support for Thrive and will report on our progress in next year's report.

Financial investors are increasingly interested in sustainability. Our Sustainable Development Office is working more closely with investors and external analysts and with our own finance people accordingly.

We are constituents of the Dow Jones Sustainability Asia Pacific Index, the Hang Seng Corporate Sustainability Indices, and the MSCI World ESG and MSCI Global SRI Indices. We want to do more to publicise our sustainable development efforts and challenges. This report is a start.

We have come a long way in addressing sustainability issues, but we have a long way to go. We face challenges in managing our use of natural resources and in reducing our emissions. We are committed to sustainable development. We have solid foundations on which to build and, in Thrive, a sound strategy for the future. We look forward to reporting on our progress in future reports.



Mark Watson
Head of Sustainable Development





Sustainability Governance

Responsible governance for future success

← **BACK**

SD at Swire
Pacific

NEXT →

Assessing
Materiality

Sound corporate governance is essential to long term success. Our Board is responsible for establishing and maintaining our governance structures and systems. Our approach to governance can be seen in the following links.

- [Corporate Governance Code](#)
- [Memorandum and Articles of Association](#)
- [Board Diversity Policy](#)

We comply with the Corporate Governance Code in Appendix 14 to The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Our governance practices are described in the [Corporate Governance Report](#) section of our 2016 Annual Report.

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

Swire Values

The Swire motto is "Esse quam videri – to be, rather than seem (to be)". We value integrity, humility, endeavour, excellence and continuity. We believe this motto and these values to be central to the long term success of our businesses and that operating our businesses in a socially and environmentally responsible way is fully consistent with them and with such long term success.

Our Corporate Code of Conduct requires employees to maintain high standards of business ethics and to deal appropriately with each other, with those with whom we do business and with the communities in which we operate. The Code includes provisions dealing with business ethics, conflicts of interest, bribery, procurement, record keeping, whistleblowing, health and safety and the environment, equal opportunities, diversity and respect in the workforce, and privacy. All employees receive training on our Code of Conduct, which is incorporated in the conditions of their employment.

We work closely with our own businesses and with those with whom we do business with a view to maintaining an appropriate level of oversight and control over sustainability matters.

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.

Sustainable development and our corporate policies

The 1987 Brundtland Commission defined sustainable development as “development that meets the needs of the present without compromising the ability of future generations to meet their own needs”. Our sustainable development policy and aims are intended to be consistent with this definition.

OUR AIMS

- We aim to create long term value for our shareholders. Achieving this depends on the sustainable development of our businesses and the communities in which we operate.
- To achieve sustainable development, we aim:
 - To minimise our impact on the environment;
 - To cause zero harm; and
 - To excel as corporate citizens

OUR POLICY

- Industry leadership: We aim to be leaders in sustainable development in the industries in which we operate.
- In our operations, we aim to:
 - Be a good steward of the natural resources and biodiversity under our influence and to identify and manage appropriately the adverse impact of our operations on the environment
 - Do our best to safeguard the health and safety of our employees, those with whom we do business and our visitors
 - Provide an environment in which all employees are treated fairly and with respect and can realise their full potential
 - Encourage our suppliers and contractors to promote sustainable development
 - Encourage the responsible use of our products and services by our customers and consumers
 - Bring value to the communities in which we operate, enhance their capabilities and respect their culture and heritage.

MAKING IT HAPPEN

- All operating companies (Opcos) in which Swire Pacific has a controlling interest have plans for applying our policy and aims in a way which is relevant to their businesses. We encourage other companies in which we are interested as shareholders and our suppliers and contractors to have similar plans
- We encourage our staff to be active in sustainable development matters at work and outside work
- We monitor our performance and intend to report on it
- We will review this policy periodically, having regard in particular to discussions with those with whom we engage on sustainability matters

Other policies covering sustainable supply chains, green buildings and health and safety are covered in the appropriate sections of this report.

Our sustainable development governance structure

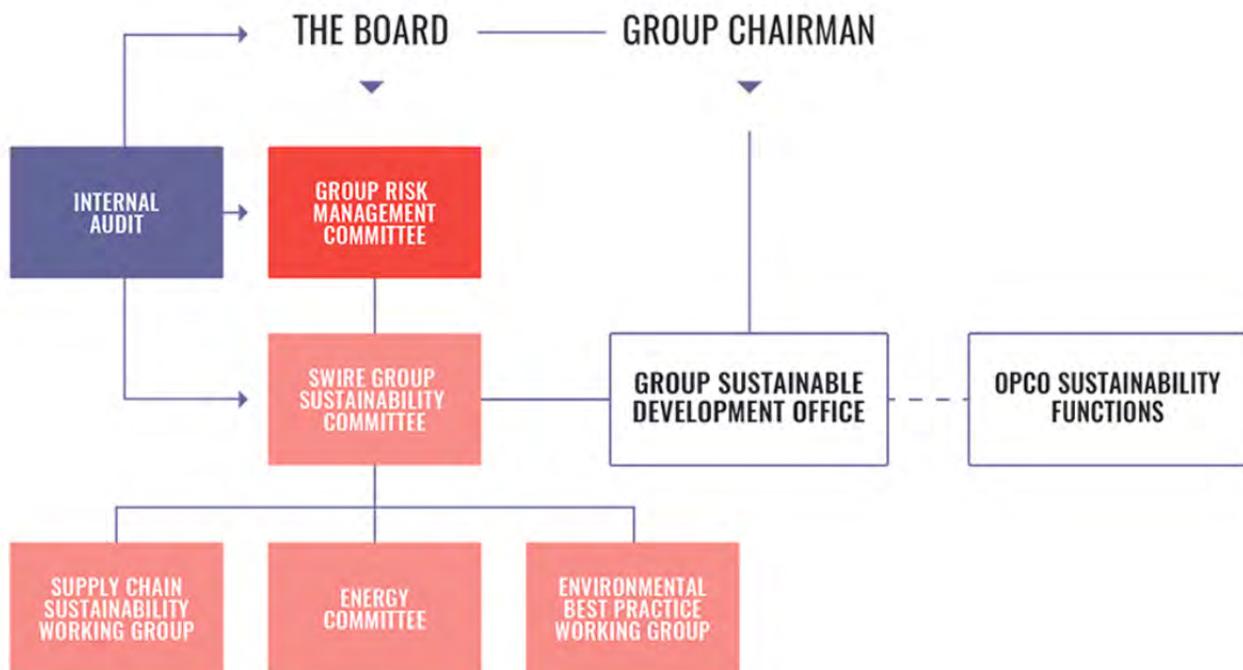
Swire Pacific's highest governance body is its Board, which is led by an Executive Chairman. Our corporate governance (including the operations of the Board and its committees, audit and communication with shareholders and investors) is reported on in the [Corporate Governance Report](#) in our 2016 Annual Report.

Our Board, led by its Chairman, is ultimately accountable for sustainability matters. Information on sustainability risks and performance is reported to the Board via the Group Risk Management Committee (GRMC), which has five members and is chaired by the Corporate Development and Finance Director. The GRMC is advised by the Swire Group Sustainability Committee and by working groups which include an Environmental Best Practice Working Group.

Our Sustainable Development Office, which reports directly to the Chairman, is responsible for setting policy, for monitoring the implementation of policy and for the implementation of our new Group sustainability strategy, Thrive.

The management of each operating company is responsible for managing its own sustainability matters. Each operating company is responsible for:

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



External Commitments

Swire Pacific

- WWF HK – Member of the Conservation Advisory Committee
- Hong Kong Business Environment Council – Board member
 - Member of the Energy Advisory Group
 - Member of the Environmental Social and Governance (ESG) Advisory Group
 - Member of Climate Change Business Forum (CCBF) Advisory Group
- Hong Kong Management Association Sustainability Committee
- City University Advisory Committee of the School of Energy and Environment

External commitments of our businesses are below:



- BEAM Society - Founding Member
- Business Environment Council – Board of Director and Council Member
- Green Cross - Occupational Safety & Health Council - Group Member
- Harbour Business Forum - Patron Member (through the Swire Group)
- Hong Kong General Chamber of Commerce – Member
- Hong Kong Green Building Council – Patron Member
- The Hong Kong Management Association - Charter Member
- The Lighthouse Club Hong Kong – Corporate Member
- The Real Estate Developers Association of Hong Kong - Corporate Member
- Urban Land Institute (ULI) - Regional Corporate Sustaining Member
- WWF- Gold Member
- Business Environment Council (Climate Change) and Business Forum Advisory Group - Building Energy Pledge
- Environmental Protection Department, Hong Kong Special Administrative Region (SAR) Government - Carbon Reduction Charter
- Environment Bureau, Hong Kong SAR Government - Charter on External Lighting
- Hong Kong General Chamber of Commerce and Hong Kong Business Coalition on the Environment - Clean Air Charter
- Friends of the Earth (Hong Kong) - Dim It Charter
- Environment Bureau and Electrical and Mechanical Services Department, Hong Kong SAR Government - Energy Saving Charter
- Environment Bureau and Electrical and Mechanical Services Department, Hong Kong SAR Government - Energy Saving Charter on “No ILB”
- Environment Bureau, Hong Kong SAR Government - Food Wise Charter
- Environmental Protection Department, Hong Kong SAR Government - Friends of EcoPark
- Development Bureau, Hong Kong SAR Government - Greening Partner Charter
- Green Council - Hong Kong Green Purchasing Charter
- World Business Council for Sustainable Development - Manifesto for Energy Efficiency in Buildings
- Environmental Protection Department, Hong Kong SAR Government - Waste Check Charter



- IATA – International Air Transport Association Environment Committee - Member
- IATA Airline Cabin Waste Working Group - Member
- IATA Wildlife Task Force - Member
- IATA CORSIA Working Group - Member
- WWF HK – Corporate member Pearl
- Global Market-Based Measure Technical Task Force (GMTF) – Member
- Oneworld Procurement Best Practices Working Group - CSR – Member
- SEDEX - Member
- SAFUG - Sustainable Aviation Fuel Users Group
- RSB – Roundtable on Sustainable Biomaterials
- CAAFI - The Commercial Aviation Alternative Fuels Initiative
- AAPA - Association of Asia Pacific Airlines Environmental Working Group – Member
- United for Wildlife Transport Taskforce Buckingham Palace Declaration - Signatory
- HK EPD Food Wise Charter
- HK EMSD Energy Saving Charter
- Airport Authority Hong Kong Carbon Pledge

HAECO Hong Kong and HAECO Xiamen

- IATP - member

HAECO Americas

- ARSA - Corporate member
- North Carolina Chamber of Commerce
- Columbia County Chamber of Commerce
- Greensboro Partnership



- Swire Coca-Cola Beverages Zhengzhou
 - Henan Provincial Foreign Investors Association (Vice Chairman)
 - Henan Provincial Enterprise Federations (Vice Chairman)
 - Zhengzhou Municipal Food Industry Association (Vice Chairman)
- Swire Guangdong Coca-Cola
 - Guangdong Provincial Quality Inspection Association (member)
 - Guangdong Provincial Food Safety Association (member)
 - Guangdong British Chamber of Commerce (member)
- Swire Coca-Cola Beverages Xiamen
 - Fujian Provincial Science & Technology Association (member)
- Swire Coca-Cola Beverages Zhejiang
 - Zhejiang Provincial Beverages Association (Vice Chairman)
 - Zhejiang Provincial Foreign Investors Association (member)
 - Hangzhou Food Industry Association (member)
- Swire Coca-Cola Beverages Jiangsu
 - Nanjing Foreign Investors Association (Vice Chairman)
 - Nanjing City Food Industry Association (Vice Chairman)
 - Nanjing Food Chamber of Commerce (Vice Chairman)
- Swire Coca-Cola Beverages Hefei
 - Anhui Provincial Foreign Investor Association (member)

Hong Kong

- The Hong Kong Beverages Association Limited (Chairman)

**USA**

- American Beverage Association
- State Beverage Associations
- Coca-Cola Bottling Association
- Dr. Pepper Association
- Bonneville Environmental Foundation
- Business for Water Stewardship
- Change the Course – water conservation program
- Trout Unlimited
- River Network
- Colorado Water Trust
- Utah Clean Air Partners (UCAIR)
- Clean Utah, a program of Utah DEQ for air quality

Taiwan

- Taiwan Beverage Industry Association
- Taiwan Food Industry Development Association
- American Chamber of Commerce in Taipei
- European Chamber of Commerce Taiwan (Joined under the name Swire Beverages)



- AMMA – Australian Mines & Metals Association
- British Chamber of Commerce (Denmark)
- British Chamber of Commerce (Singapore)
- Danish Wind Energy Association
- EWEA – European Wind Energy Association
- IFAP (Perth, WA) – Industrial Foundation for Accident Prevention
- IMCA – International Marine Contractor Association
- IMEC – International Maritime Employers' Council (Director)
- IMSF – International Marine Simulator Forum
- ISCO – International Spill Control Organisation
- ISOA – International Support Vessel Owners' Association
- ISU – International Salvage Union
- MarineSafe (Western Australia)
- MIAL – Maritime Industry Australia Limited
- NPF – Norwegian Petroleum Association
- NRF – Norwegian Shipowners Association
- RenewableUK
- RTP Asia - Nautical Institute Regional Training Providers' forum
- Global Compact Network Singapore
- SSA – Singapore Shipping Association
- Brasil ABEAM (Associação Brasileira das Empresas de Apoio Marítimo)



- HKRMA (Hong Kong Retail Management Association)
- HKMA (Hong Kong Management Association)
- iHRM (Hong Kong Institute of Human Resource Management)
- HKGCC (Hong Kong General Chamber of Commerce)
- Hong Kong Waste Management Association
- Hong Kong Suppliers Association
- Federation of Hong Kong Industries
- Hong Kong Brand Development Council
- Taipei Automobile Distributors Association
- Taiwan Transportation Vehicle Manufacturers Association
- Kaoshiung Automobile Dealers Association



Assessing Materiality

An in-depth approach, following the Global Reporting Initiative

← **BACK**

Sustainability
Governance

In this report, a material topic is one which reflects the significant economic, environmental and social impact of our businesses or substantively influences the assessments and decisions of stakeholders. In identifying and assessing material topics, we follow guidance from and report with reference to the Global Reporting Initiative (GRI), including the requirement to report by reference to GRI G4 Aspects.

NEXT →

Risk
Management

Our in-depth assessment

In 2015, we conducted an in-depth materiality assessment. Topics that reflect the internal and external impact of our businesses were initially identified by reference to our enterprise risk management (ERM) framework.

Since 2012, we have collected views from those with whom we engage in accordance with a 5-year plan. The views that we have collected do not always directly contribute to our reporting. However, they do help us to focus on the right things and to validate our materiality assessment.

We have obtained views from directors, managers and employees in the Swire Pacific group, financial institutions, regulators, non-governmental organisations, academics, communications professionals, other Hong Kong companies, the media and Hong Kong government departments and chambers of commerce. These stakeholders were invited to elaborate on the impact of what we do in the industries and regions in which we operate and to give their views on sustainability trends. We conducted interviews, focus groups and hosted conferences, including an annual Swire Sustainable Development Forum. We undertook routine media scanning and kept track of sustainability developments, in order to identify issues which may have affected or related to our businesses, for example carbon market developments and climate negotiations.

The output from this analysis is shown below:



MATERIALITY MATRIX



■ Social
 ■ Environmental
 ■ Economic

Aligning our materiality assessment with the GRI

For 2016, we conducted a further materiality assessment, building on our 2015 assessment. We reviewed our existing GRI disclosures grouped by material topics. We identified the material topics that were considered as being most relevant for this year's report, the boundaries of those topics and the GRI G4 Aspects which corresponded to them.

The table below shows the GRI G4 Aspects which correspond to the material topics which we identified for 2016 and whether they have an impact inside our organisation, outside our organisation or both.

GRI G4 ASPECT	IMPACT INSIDE THE ORGANISATION	IMPACT OUTSIDE THE ORGANISATION
Emissions and Energy (EN3, EN15, EN16)	●	●
Water (EN8)	●	●
Effluents & Waste (EN23)	●	●
Occupational Health & Safety (LA6)	●	●
Diversity & equal opportunities (LA12)	●	
Employment (LA1)	●	
Training and Education (LA9)	●	
Supply chain		●
Local Communities	●	●

For each of the eight material topics, we have provided a section in this report which indicates why the topic was material in 2016, our approach to managing the risks and opportunities associated with the topic and our performance in relation to the topic.

The sections of the report in which we discuss the sustainability performance of our divisions highlight the areas where they have a significant material impact on the Group, as follows:

PROPERTY	AVIATION	BEVERAGES	MARINE SERVICES	TRADING AND INDUSTRIAL
ENERGY	EMISSIONS	WATER CONSUMPTION	HEALTH AND SAFETY	HEALTH AND SAFETY

New material topics in 2016

Supply chain and training and education are new material topics in 2016. Neither is among the most significant of our material topics. However, we consider it important that our suppliers adhere to high sustainability standards and that our commitment to remaining an employer of choice for our 90,000 plus employees should be demonstrated by reporting on our training programmes.

Boundaries and scoping

A list of companies and parts of companies which have provided information for this report, and a list of companies and parts of companies which have not provided information for this report can be found here http://www.swirepacific.com/en/sd/sd/gri_report2017.pdf. Performance indicators are reported on a 100% basis and therefore do not make reference to Swire Pacific's shareholdings in operating companies.

Looking ahead

Later this year, we plan to review our materiality assessment process and to update our material topics. Our intention is that our reports should continue to deal with topics which properly reflect the most significant economic, environmental and social impacts of our businesses.



Risk Management

Securing the viability of the business into the long-term

← **BACK**
Assessing
Materiality

Effective risk management is key to ensuring the continued long-term viability of the Group. It is embedded throughout all of our operating companies. Sustainability issues, including climate change, political and regulatory risks and emerging risks such as climate resilience and biodiversity, are particularly relevant in this respect. The Board of Directors and the management of each division are responsible for identifying and analysing the risks (including those relating to sustainability) underlying the achievement of business objectives and for determining how such risks should be managed and mitigated.

NEXT →
Our Natural
Environment

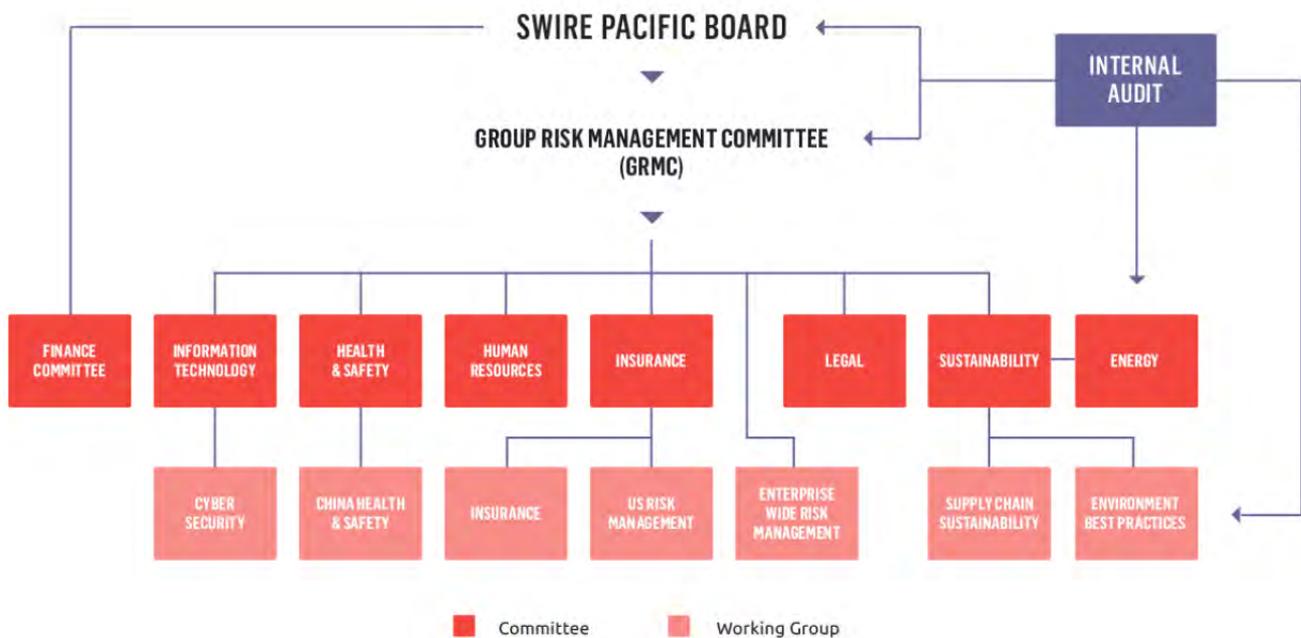
There are two key management committees which seek to monitor the risks to which the Group is subject; the Group Risk Management Committee ("GRMC") and the Finance Committee. These are comprised of members of senior management and both are chaired by the Corporate Development and Finance Director, who reports significant matters to the Board as they arise.

The GRMC is made up of divisional chief executives and managing directors, who also report directly to the Board. Duties of the GRMC include reviewing risk registers from management concerning the implications of new and emerging risks, including:

- Physical and reputational issues that arise from the social and environmental impact of our business decisions;
- Setting Group risk management policies and strategies;
- Advising the Board on Swire Pacific's overall current and future risk appetite; and
- Overseeing the Group's committees and working groups the responsibilities of which are relevant to risk management.



RISK GOVERNANCE STRUCTURE

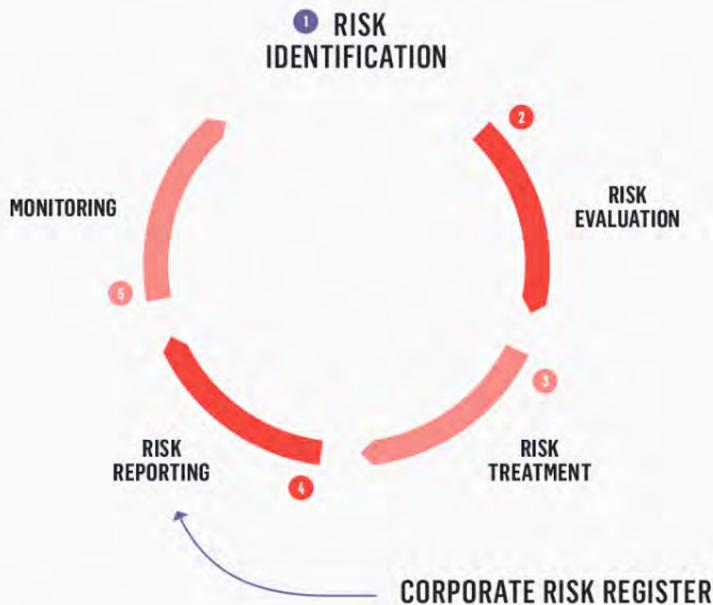


Enterprise Risk Management

We use a comprehensive Enterprise Risk Management (ERM) system to identify, aggregate, monitor and manage risks. The implementation and execution of the ERM system follows our Enterprise Risk Management policy. The objective of the policy is to ensure that robust and effective risk management systems are in place to enable management to identify, prioritise and mitigate the full range of risks to which our operating companies are exposed.

Under the ERM policy, each division and major operating company is required to implement the ERM process by, at a minimum, annually assessing, prioritising, mitigating and/or managing the existing and emerging risks it faces.

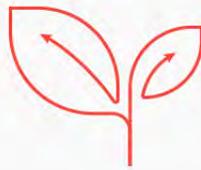
As part of this policy, operating companies are required to submit corporate risk registers to Swire Pacific on an annual basis. In order to ensure consistency of approach, these registers are prepared using the Group's standard methodology, format and risk ranking criteria.



Policy Review Process

We conduct regular reviews of our policies with input from the relevant governance bodies and our Board. The management of risks and the implementation of sustainability policies is subject to scrutiny by our Internal Audit department, with support from specialist external consultants where necessary.

Further discussion of our approach to risk management and financial risk management is in the [Risk Management](#) section of the Corporate Governance Report in the Swire Pacific Annual Report 2016.



Our Natural Environment

When we help the world in which we operate to thrive, so do we

← **BACK**
Risk
Management

We are in an era of rapid environmental change. If our business is to thrive in the long term, we need to play a part in protecting the environment upon which we depend. We have taken our environmental responsibility seriously for many years. This commitment has led to consistent progress in emissions reduction, water management and waste recycling.

NEXT →
Carbon

PERFORMANCE HIGHLIGHTS

24.9%

Improvement in the CO₂ efficiency of our Aviation Division in relation to revenue tonne kilometres (RTK) since 1998

29%

energy intensity reduction in relation to gross floor area managed in Hong Kong (excl. hotels) since 2001

37%

improvement in water efficiency in relation to a litre of beverage production since 2004



Each of our divisions has operations which comply with ISO 14001 standards. In 2016, HAECO Xiamen became one of Mainland China's first aircraft maintenance and repair organisations with an environmental management system which complies with the ISO 14001:2004 standard.

Our new strategy

In 2016, we developed a strategy intended to mitigate operational risk and to build long-term resilience by improving environmental efficiency and innovation. We called the strategy Thrive. It was developed by the Swire group sustainability committee, which includes representatives from all our operating units.

The aim of Thrive is that our businesses should consider their impact on the environment while continuing to succeed in the long term. When the natural environments that we depend on thrive, so do we.

Thrive has identified six areas that are material to all our operating units. They are Carbon, Water, Waste, Materials, Biodiversity and Climate Resilience. Thrive, sets out commitments, indicators of progress and targets in relation to each of them. We have agreed on the indicators of progress and are developing short and long term targets.



Carbon

Pursuing a long-term ambition of decarbonisation

← **BACK**
Our Natural Environment

NEXT →
Waste

The world needs to act decisively to mitigate climate change. To play our part in this, we aim to decarbonise our operations progressively.

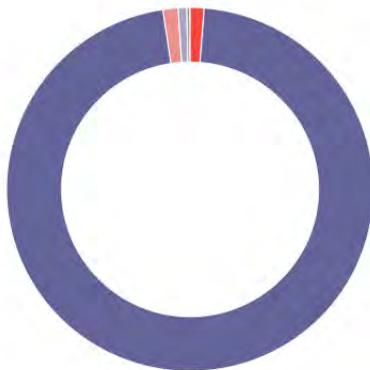
Our ambition is to be leaders in improving energy efficiency and reducing greenhouse gas emission in the industries in which we operate. This will contribute to the fight against global warming and reduce our own costs.

We aim to reduce our emissions in line with international carbon reduction goals. Innovation and adoption of new technologies will be key to this.



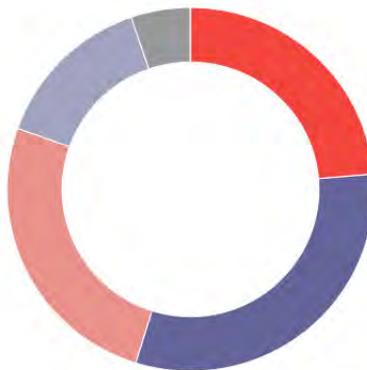
GROUP PERFORMANCE

TOTAL GREENHOUSE GAS EMISSIONS BY DIVISION
(Thousand Tonnes of CO₂e)



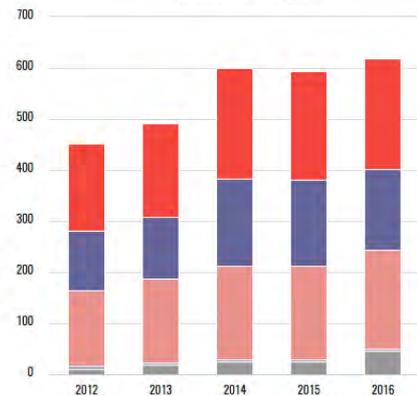
■ Property ■ Aviation ■ Beverages
■ Marine Services ■ Trading & Industrial

TOTAL GHG EMISSIONS BY DIVISION (WITHOUT JET FUEL)
(Thousand Tonnes of CO₂e)



■ Property ■ Aviation ■ Beverages
■ Marine Services ■ Trading & Industrial

INDIRECT GHG EMISSIONS BY DIVISION
(Thousand Tonnes of CO₂e)



■ Property ■ Aviation ■ Beverages
■ Marine Services ■ Trading & Industrial

Climate change through extreme weather is a material risk to our businesses, so mitigating its effects is a major business imperative. To reduce the risks associated with climate change, greenhouse gas emissions must be reduced. We work with industry groups and regulators to support emissions reductions.

Greenhouse Gases

The Aviation Division accounts for 96% of our total emissions. In 2016, our total greenhouse gas emissions were 18.6 million tonnes of CO₂e, an increase from 18.3 million tonnes of CO₂e in 2015. This increase is due to more jet fuel consumption by the Cathay Pacific group, as a result of more flights being operated.

Cathay Pacific has set a target of improving fuel efficiency by 2% per annum up to 2020 and achieving carbon neutral growth thereafter. This exceeds the agreed industry target of 1.5% per annum. In 2016, Cathay Pacific increased fuel efficiency by 1%, principally as a result of using more fuel efficient aircraft. Ten Airbus A350-900 aircraft were delivered in 2016.

We encourage the long term use of sustainable biofuels in the engines of our aircraft, vehicles and vessels and have taken our first important steps. Cathay Pacific is a member of the Round Table on Sustainable Biomaterials and of the Sustainable Aviation Fuel Users Group Asia.

Carbon Offsets

Carbon offsets are purchased by Cathay Pacific and Swire Pacific Offshore. In 2016, under Cathay Pacific's FLYgreener carbon offset programme, 14,400 tonnes of CO₂ were offset by investments in carbon credits certified under the Voluntary Carbon Standard (VCS) including wind farms in Taiwan and clean biomass stoves in Mainland China. In 2016, Swire Pacific Offshore purchased credits worth 250,000 tonnes of CO₂ (tCO₂) emissions from two dual accredited projects.

- 150,000 tCO₂ carbon credits came from the Ecomapuá Amazon REDD (reducing emissions from deforestation and forest degradation) project in Brazil.
- 100,000 tCO₂ carbon credits came from a wind farm project in the Inner Mongolia autonomous region.

The projects were selected having regard to their expected environmental, economic and social benefits.

Energy

Electricity consumption is our second largest source of greenhouse gas emissions. As the cost of electricity rises, making our buildings and operations more energy efficient is a priority. In 2016, our emissions from using electricity increased by 4% to 618,000 tonnes of CO₂e. This increase resulted from an increase in the scope of this report. All operating companies are encouraged to reduce energy use and to set energy efficiency targets.

Swire Properties achieved a 17.8% decrease in energy usage from 2001 to 2016 despite a 16.6% increase in gross floor area over the same period. Energy intensity per square metre decreased by 2% in Swire Properties' Hong Kong and Mainland China property portfolios in 2016.

It is Swire Properties' policy to try to obtain the highest or, as a minimum, the second highest international or local building environmental certification for its new and substantially renovated buildings. At the end of 2016, 70% of the total property portfolio had been certified or provisionally certified as green buildings under the Hong Kong BEAM Plus standard and the global LEED standard.

As part of its SD2030 strategy, Swire Properties is committed to the following by 2020:

- a 27% reduction in carbon intensity in its Hong Kong portfolio
- a 29% reduction in energy intensity in its Hong Kong portfolio
- A reduction in energy consumption in its Mainland China portfolio of 23 million kWh/year

Swire Properties offers free energy audits to tenants. Since 2008, audits have covered 433,000m² of commercial space, identifying savings of 6.3 million kWh per year.

The principal companies in the HAECO Group are required to carry out energy audits every five years, to manage their impact on the environment and to look for opportunities to save energy.

Swire Properties has obtained ISO 50001:2011 certifications for its energy management systems in its entire Hong Kong property portfolio and at its Taikoo Li Sanlitun, Beijing and Taikoo Hui, Guangzhou developments in Mainland China.

We work with others to provide innovative solutions to our energy needs. In 2016, Swire Beverages joined Swire Properties in establishing a partnership with Tsinghua University to explore energy efficiency and management at Swire Beverages' bottling plant operations in Mainland China. The Joint Research Centre for Building Energy Efficiency & Sustainability of Tsinghua University will provide onsite energy consumption monitoring, analysis and research. The aim is to reduce energy consumption and carbon dioxide emissions. The Centre will help to develop a code of practice, energy saving standards and operational guidelines and will provide staff training.

Renewable energy

We are exploring the use of renewable energy. 56 million kWh of electricity was generated from renewable energy sources at Swire Pacific Offshore, Swire Beverages and HAECO Xiamen in 2016.

At Swire Beverages, renewable energy has contributed 50,000 GJ of energy since 2004. In 2016, solar photovoltaic panels at the Hangzhou and Hefei bottling plants generated 8.15MWp of electricity, so saving the equivalent of 9,750 tonnes of greenhouse gas emissions.

For more information on how we manage our energy consumption and our greenhouse gas emissions in some of our operating companies please check out the [Property](#) and [Aviation](#) Division pages.

CASE STUDY 01



World's Longest Biofuel Flights by our New Airbus A350 Aircraft

In 2016, Cathay Pacific took delivery of 10 Airbus A350-900 aircraft. Advanced aerodynamics, lightweight composite materials and more fuel efficient engines result in a 25% reduction in fuel consumption compared to the wide-body aircraft which they replace, with corresponding reductions in CO₂ and NOx emissions and less noise.

All of Cathay Pacific's Airbus A350-900 aircraft are being delivered from Toulouse to Hong Kong using a 10% blend of biofuel. Sugar is fermented with yeast to produce hydrocarbons which are processed into jet fuel. Cathay Pacific's use of biofuels on delivery flights accustoms it to using such fuels ahead of them become available in large volumes in the future.

Cathay Pacific has a minority interest in Fulcrum BioEnergy Inc. (Fulcrum), a company based in the United States which converts municipal solid waste into sustainable aviation fuel. Cathay Pacific has entered into an agreement with Fulcrum for the supply of 375 million US gallons of sustainable aviation fuel over 10 years.

Installation of Innovative Oil-free Magnetic Bearing Chillers

In 2016, Swire Properties installed an oil-free magnetic bearing chiller at Lincoln House in Taikoo Place, Hong Kong. The design of the new chiller allows it to operate without lubricating oil, so reducing energy losses due to friction and increasing heat transfer efficiency. It is expected to save 117,500 kWh of electricity per annum. Three further such chillers are planned to be installed at Taikoo Place. They are expected to save 900,000 kWh of electricity per annum.

CASE STUDY 02



CASE STUDY 03



Contributing to Climate Change Science

Under the In-service Aircraft for a Global Observing System (IAGOS) programme, which is supported by the European Union, Cathay Pacific has equipped one of its Airbus A330-300 aircraft with instruments which record data on ozone, carbon monoxide, water vapour and clouds during take-off, cruise and landing. The results are sent to the IAGOS database, where they are available to scientists and policy makers. Since the equipment was installed in 2013, the aircraft has operated over 1,400 flights. Data collected is used in connection with weather prediction, air quality forecasting and climate models. More information can be found at www.iagos.org.



Waste Management

Turning today's waste into tomorrow's resource

← **BACK**
Carbon

NEXT →
Water

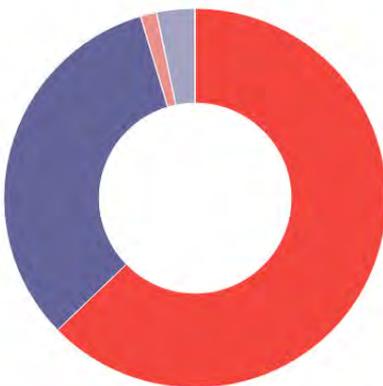
For our business to thrive, pollution must be reduced and natural resources must be protected. Using things for as long as possible and then recycling them helps to do this.

We aim to minimise our waste and to recycle, reuse, convert into energy or return safely to the environment as much of it as possible. This will reduce our impact on the environment, improve efficiency and reduce costs.



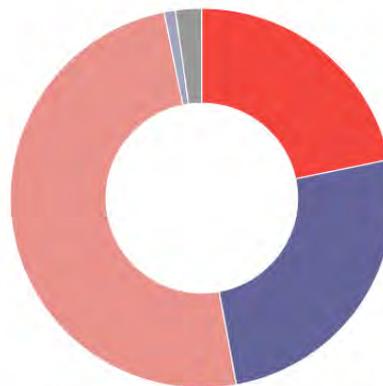
GROUP PERFORMANCE

WASTE DISPOSED OF BY DIVISION
(Tonnes)



■ Property ■ Aviation ■ Beverages ■ Marine Services ■ Trading & Industrial

WASTE RECYCLED BY DIVISION
(Tonnes)



■ Property ■ Aviation ■ Beverages ■ Marine Services ■ Trading & Industrial

We started reporting the amounts of waste disposed of and recycled at a group level in 2014. In 2016, we disposed of 4% more waste than in 2015 and recycled 12% more waste than in 2015. Swire Properties (including its tenants) generated more than half of our waste in 2016.

Reduce

We encourage operating companies to reduce waste by improving procurement and operations and by using less packaging and more sustainable materials.

As part of their SD2030 strategy, Swire Properties has set the following waste reduction targets:

- By 2020, achieve a 25% commercial waste diversion rate from landfills for its Hong Kong portfolio
- By 2020, achieve a 80% demolition waste diversion rate from landfills for its Hong Kong projects
- By 2020, achieve a 60% construction waste diversion rate from landfills for its Hong Kong projects

Swire Beverages has to use bottles, cans and other packaging. To reduce waste, Swire Beverages tries to use lightweight packaging and to minimise its amount. Since 2012, the weight of each aluminium can has been reduced by 22%, so saving about 513 tonnes of aluminium.

Recycle

We aim to recycle more paper, plastic, metal, glass, construction material, food and electronic items. In 2016, Cathay Pacific recycled 10,799 kg of plastic cups, 20,242 kg of plastic bottles, 22,066 kg of aluminium cans and 568,148 kg of glass bottles on inbound flights to Hong Kong. Regulations make recycling on outbound flights difficult. In 2016, Cathay Dragon recycled 3,826 kg of plastic bottles and 1,516 kg of aluminium cans.

Recover

Cathay Pacific has an investment in [Fulcrum BioEnergy](#), which is developing a technology for converting household waste into fuel.

We are improving our collection and monitoring of information about waste. As part of the new Group sustainability strategy Thrive, we are developing a road map for minimising our adverse impact on the environment caused by waste.

CASE STUDY 01



Food Waste

Landfills in Hong Kong are getting full. Approaching 40% of the waste which goes into landfills is food. Swire Properties has food decomposers at one of its Hong Kong shopping malls, at EAST, Hong Kong and at Taikoo Place. With Food Angel and the Foodlink Foundation Swire Properties donates excess food to people in need. Tenants' food waste is converted into fish feed and soil conditioner.

In 2016, guidelines for the management of food waste (including the separation of food from other waste) were provided to tenants at Cityplaza and Taikoo Place. 22 tenants sent over 160 tonnes of food waste for composting.

Waste Management Cathay Pacific Catering Services

Cathay Pacific Catering Services (CPCS) operates the principal flight kitchen in Hong Kong, catering to 45 international airlines in Hong Kong and producing an average of 83,000 meals a day.

Unopened juice, cereal and other pre-packaged food (237 tonnes in 2016) is collected from inbound flights and delivered to welfare centres. In 2016, 1,133 tonnes of food scraps and leftovers were converted into fish feed. Used cooking oil is made available for the production of bio-diesel. Food containers are collected, sorted and processed for recycling, reuse or disposal.

CASE STUDY 02



CASE STUDY 03



Aircraft Recycling

When Cathay Pacific retires an aircraft (six in 2016), they salvage, recycle or reuse as much of the aircraft as is practicable. When an aircraft retires from their fleet, they work with aircraft manufacturers, the Aircraft Fleet Recycling Association (AFRA), accredited companies, and other companies specialised in end-of-life solutions for aircraft in order to find ways of salvaging spare parts, and recycling or reusing aircraft parts and materials. Many components can be re-certified and reused, by Cathay Pacific or others. Some major components (engines, auxiliary power units and avionics components) can be retained as spares.

Eight retiring Airbus A340 - 300 aircraft have been dealt with under Airbus' PAMELA initiative (Process for Advanced Management of End-of-Life Aircraft). Up to 90% of their components can be recycled, reused, or recovered. Cathay Pacific's remaining three Airbus A340 - 300 aircraft are being or will be dealt with under PAMELA this year.



Use & manage water responsibly

Restoring water flows to protect ecosystems

← **BACK**
Waste

NEXT →
Emerging Issues

Water is one of the world's most precious and vital resources. But as populations grow, so does the pressure on water resources.

Our businesses depend on water. Some of them use it extensively. Water stress can affect our suppliers and the communities and biodiversity in the areas in which we operate. We aim to use water responsibly and sustainably and to protect our water sources. Where possible, we try to discharge water back into the environment in a clean and safe condition.

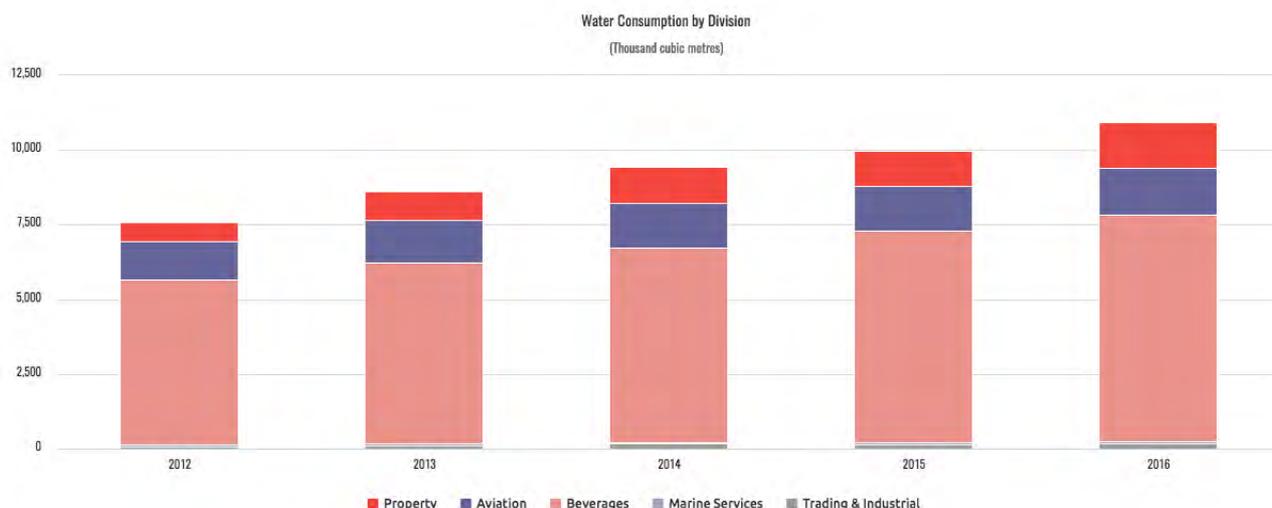
Water is the most precious ingredient in our products ... Although we have met our 2020 goal of replenishing 100% of the water we use; we do not consider our work complete. As our beverage sales volume grows, we intend to grow our replenishment projects to continue to balance the water use of our entire system across China.

Pat Healy, Swire Beverages' Managing Director

In this section, we share our progress, performance and goals for using and managing water responsibly.



GROUP PERFORMANCE



We manage our water use with a view to reducing water consumption and increasing efficiency. Our operating companies implement a wide range of water conservation initiatives in their operations and buildings, including automatic taps and automatic flush water basins and urinals. They use meters to monitor consumption.

Swire Properties has a grey water treatment system at Lincoln House in Taikoo Place, Hong Kong. Wastewater collected from tenants' pantries undergoes biological micro-filtration. The resulting grey water is used for irrigation of plants and to clean the car park at Taikoo Place. This reduces monthly consumption of water for these purposes by 17%.

HAECO group companies have wastewater treatment plants. HAECO Xiamen uses heavy metal monitoring equipment and detectors to check effluents before discharge. It uses treated wastewater for irrigation, car cleaning, and toilet flushing and watering its airside apron area.

The Beverages Division accounted for 69% of our water use in 2016. Whilst the total water used has increased due to business growth, its use of water has become 37% more efficient since 2004. Its aim as part of the Coca-Cola global system is to return to the environment the same amount of water as it uses.

REDUCE

We are committed to achieving World Class water use performance in each of our manufacturing locations.

The Beverages Division:

- Uses dry lubricants instead of soapy water to lubricate bottle conveyors.
- Saves about 185 million litres of water annually by recovering grey water.
- Saves about 150 million litres of water annually by reusing water which has rinsed bottles for toilet flushing and other non-production purposes.

REUSE

We are committed to wastewater treatment standards which require returning all water that is used in our manufacturing processes to the environment at a level that supports healthy aquatic life.

- The Beverages Division treated and returned to the environment all its Wastewater (385 million litres) in 2016.
- It complies with the Wastewater treatment standards of Mainland China and The Coca-Cola Company.

REPLENISH

Working with external partners, we are committed to support programmes to ensure healthy watersheds and sustainable community water with a goal to balance the water used in our finished beverages.

- Treated wastewater from Swire Coca-Cola Beverages Zhengzhou's bottling plant is transferred to Lianhu Park. This saves 200 million litres of fresh water annually – see Case Study 1 below for further details.

More information on how water is managed by the Beverages Division can be found [here](#).

CASE STUDY

CASE STUDY 01



Treated Wastewater for Community Use

Swire Beverages' Zhengzhou bottling plant collaborated with the municipal government of Zhengzhou City to reuse treated wastewater in the wetland in Lianhu Park. The wetland is an artificial lake. Zhengzhou suffers from droughts. The lake did not get enough water from the municipal water supply system and its water was of poor water. The lake now receives about 200 million litres of treated wastewater from the plant annually, equivalent to the annual water usage of 4,760 Zhengzhou residents. The project helps to alleviate Zhengzhou's water shortage, has restored a natural recreational area and facilitates environmental education activities.

The Zhengzhou bottler was one of the first manufacturers in Mainland China to achieve full reuse of treated wastewater.

In-stream Flow Restoration

The Beverages Division has participated in projects in Utah to restore stream flows. Partnering with the Bonneville Environmental Foundation, Trout Unlimited and The Nature Conservancy, stream flows of up to 11 million litres have been restored to the South Fork of Chalk Creek by removing a fish migrating barrier and upgrading an irrigation system.

On the Upper Bear River, improved irrigation diversions and fish screens are expected to restore 3.86 billion litres of water to the river annually. This project, funded partly by The Coca-Cola Company, will protect thousands of juvenile Bonneville Cutthroat Trout that would previously have been trapped in canals by restoring stream flows during a critical time of the year.

CASE STUDY 02



CASE STUDY 03



Environmentally Friendly Bathrooms at TaiKoo Hui, Guangzhou, Mainland China

Low flush water toilets and water-free urinals have been installed in the male bathrooms in Swire Properties' TaiKoo Hui property in Guangzhou. The toilets are expected to save 5-8 litres of water per flush. The urinals are expected to save 150 cubic metres of water annually. Energy efficient dryers are used instead of paper. Wastewater from sinks is used for flushing. The target is to save 1,080 cubic metres of water annually. There are plans for corresponding changes to the female bathrooms at the development.



Emerging Issues

Looking Ahead

BACK



Water

Sustainable sourcing, biodiversity and climate resilience are of major importance to the future sustainability of our businesses.

We are developing our understanding of the ways in which these three matters affect our different businesses. The intention is to put in place plans and targets with a view to sourcing materials responsibly, enhancing biodiversity and building lasting climate resilience.

NEXT



People & Communities





Source materials sustainably

We rely on a range of natural materials to create our products and services. Our aim is that, by 2030, all the key materials which we use should be sourced responsibly and sustainably. Our operating companies will continue to be responsible for managing their own supply chains. They have identified their key materials. Specific plans and targets are being developed with a view to meeting our 2030 aim.

Our operating companies are supported by our supply chain sustainability working group, which shares best practices and develops sustainability policies and guidelines for suppliers.

Our [supplier corporate social responsibility code of conduct](#) has been adopted by all our operating companies. It sets out standards with respect to regulatory compliance, forced labour, child labour, health and safety, environmental issues, compensation and working hours, human rights, subcontractor management, ethics and reporting. Suppliers' compliance with the code is assessed.

Our operating companies use a risk matrix based on the above supplier code of conduct, with a view to managing and mitigating risks. Attention is focused on high risk suppliers and suppliers. The results determine which suppliers need to be audited in order to ensure compliance.

Under our [sustainable procurement policy](#), our operating companies are required to purchase where possible products which do not adversely affect the environment:

- Minimal use of virgin material in the product
- Replacement of disposables with reusables or recyclables
- Minimal environmental impact over the life of the relevant product or service
- Minimal packaging or elimination of packaging
- Reduced energy or water consumption
- Toxicity reduction or elimination

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

At Swire Properties over HK\$280 million worth of green products were procured in 2016. At the WHITESANDS residential development, pavers containing recycled material were used.

Cathay Pacific uses carpets made from regenerated nylon waste in its economy class cabins. Its economy class blankets are made from recycled plastic bottles and its napkins are made from sugar cane residue.

CASE STUDY



Sustainable inflight catering

Cathay Pacific is increasing the amount of sustainably sourced seafood which it uses. It aims to buy more products which comply with the requirements of the Fairtrade Foundation, the Forestry Stewardship Council (FSC) and the Marine Stewardship Council (MSC).



Protect and enhance biodiversity

We operate in a wide range of locations, from highly urbanised environments to coastlines and rural landscapes. Biodiversity is the cornerstone of a resilient natural environment on which our business and local communities rely. We want to ensure it is protected and even enhanced, wherever we operate. Whether it is thinking carefully about how to design buildings to better support wildlife, or taking clear action to help combat the trade in endangered species, we can make a difference.

Our operating companies are developing plans accordingly, so as to identify risks to biodiversity and the steps needed to be taken to protect and enhance it.

Our [sustainable food policy](#) gives guidance about foods that should not be served at our own events or to customers. The policy reflects the provisions of the WWF Seafood Guide and the Convention on International Trade in Endangered Species of Wild Fauna and Flora.

In 2016, Cathay Pacific signed the United for Wildlife Transport Taskforce Buckingham Palace Declaration, which aims to reduce the illegal trafficking of wildlife with the support of aviation and shipping industry companies and organisations. Cathay Pacific's cargo policy adheres to the Convention on International Trade and Endangered Species (CITES) requirements for the transport of endangered plants and animals. In 2015, Cathay Pacific stopped carrying hunting trophies and racing greyhounds. In 2016, it stopped carrying ivory, ivory products and shark fin.

CASE STUDY



Partnership with Endangered Species International to protect critically endangered Philippine forest turtles

Swire Pacific Offshore (SPO) is working with Endangered Species International to protect critically endangered Philippine forest turtles on Mount Matutum in South Mindanao in the Philippines. SPO supports mangrove and coastal reef conservation, management and rehabilitation activities in the Sarangani Bay area, also in South Mindanao. SPO sponsors its Filipino seafarers to do volunteer work on the rehabilitation of forests and mangroves.



Build lasting climate resilience

From designing buildings to withstand extreme weather events to addressing rising sea levels at ports and airports, lasting climate resilience is essential to the long-term health of our businesses. Our operating companies are developing long-term strategies accordingly. We will start with identifying the risks and for each of our businesses by 2020 and then we will define the best strategies to mitigate those risks.

As part of its SD 2030 strategy, Swire Properties plans to conduct climate risk assessments for all its portfolios by 2020.

Swire beverages bottling plants prepare water source vulnerability assessments in order to understand better the quality of their water sources and to build good relationships with local governments and communities in the areas in which they operate. On the basis of these assessments, the bottling plants develop water source protection plans, which are reviewed every five years.



People & Communities

When our people and communities prosper, so do we

[← BACK](#)
Emerging Issues

We understand the importance to our businesses of the economic, social and environmental health of the communities in which we operate. As neighbours and employers, we aim to be responsible members of those communities.

Our community involvement reflects our belief that, when the communities in which we operate prosper, so do we. We concentrate on doing things where we believe we can make a difference. Our emphasis is on education, arts and culture and the environment. We support our communities with money, with products and services and with the time and energy of our staff.

Our success depends critically on our over 90,000 employees. By providing an environment in which all employees are treated fairly and with respect, we aim to be an employer of choice that attracts the most talented employees. We aim to recruit the best people, to offer competitive remuneration and benefits, to have a diverse workforce that represents the diversity of our local communities and to provide training to enable staff to realise their potential.

[NEXT →](#)
Diversity & Equal Opportunities

HK\$55.7M

Donated by The Swire Group Charitable Trust to 60 charities in 2016

28.45

Total average hours of training per employee in 2016

41%

Cumulative reduction in the Lost Time Injury Rate over the past five years



Diversity & Equal Opportunities

Diversity makes us who we are and strengthens the way we shape the future

← B A C K

People & Communities

Swire Pacific upholds traditional values and modern practices. We have been in business for 200 years. But to be an employer of choice for another 200 years, we must continually improve.

As we expand our businesses, we recognise more and more the importance of diversity. It generates creativity and supports competitiveness, so helping us to generate strong and sustainable long term growth. Our aim is that our workforce should reflect the diversity of the societies in which we operate.

We want to continue to be a responsible, respected and preferred employer. We aim to do this by promoting diversity and respect, by safeguarding health and safety and by offering equal opportunities and an appropriate balance between work and non-work elements of life. Our [Code of Conduct](#) supports these aims.

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

The majority of our staff is based in Hong Kong and Mainland China. In Hong Kong, there is no legal framework for collective bargaining with trade unions. In Mainland China, we are normally required to liaise with official trade unions. Employees can present grievances and report improprieties and breaches of the [Code of Conduct](#) through established channels.

N E X T →

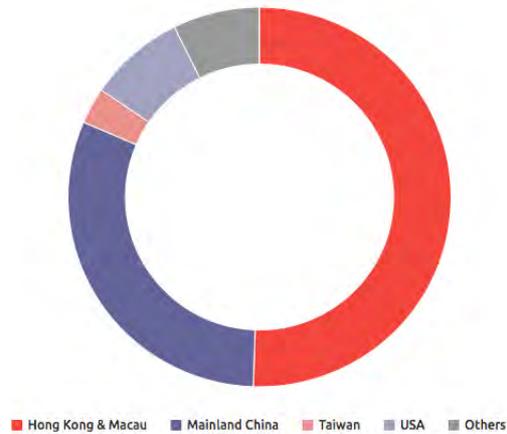
Training & Development

Channels for reporting harassment or discrimination

All at Swire Pacific have a responsibility to raise concerns about potential violations of the [Code of Conduct](#), including harassment and discrimination. Any such concerns can be raised by staff either with their immediate superior, their head of department, internal audit or human resources departments. If a substantive complaint is received, an impartial and prompt investigation is held. If the issue still remains unresolved, it is raised to the head of the relevant business unit. Any material concerns raised through the head of the relevant business unit are reported to the audit committee which ensures that appropriate investigative steps are taken. We make every effort to keep the identity of the reporting staff confidential. Information received is used only for the purposes of investigating and resolving the complaint or concern raised.

EMPLOYEE PROFILE

EMPLOYEE NUMBERS BY REGION



Equal opportunities for individuals all the way up to the board

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

To cope with the diverse challenges with which we are faced, our leaders need to be diverse. This strengthens decision making and makes us more agile and resilient. Our board diversity policy is available [here](#) on our website.

Increasing gender diversity

We operate in businesses and regions in which female participation in the workforce is low. Over the last three years the percentage of women in our workforce has increased from 36% to 38%. But we can still improve. To this end, we have an Equal Opportunities and Diversity Council, on which the heads of our operating divisions are represented. We also have a Gender Diversity Committee.

Employee Breakdown by Gender



The Equal Opportunities and Diversity Council has the following objectives:

- To formulate equal opportunities and diversity policies for all Swire Pacific group employees;
- To encourage and advocate equal opportunities and diversity within the Swire Pacific group;
- To monitor and measure our equal opportunities and diversity achievements;
- To communicate our achievements in providing equal opportunities and diversity within the Swire Pacific group ; and
- To create, monitor and oversee an appropriate organisational framework within the Swire Pacific group in order to facilitate the achievement of our objectives.

We encourage our employees to participate in formal and informal activities that contribute to creating a diverse and inclusive work environment.

CASE STUDY



Attracting female talent with the Swire Women's Network

In 2015 we established the Swire Women's Network. Its aim is to attract talented women to join the group and to develop and retain them within the group. It enables women working in the group to share experiences and ideas, to arrange events and activities relevant to career development, to develop coaching and training for women and to collaborate with women outside the group.

In September 2016, five speakers (four external and one from Cathay Pacific) spoke at a seminar about leadership, diversity, inclusion and the balance between work and non-work elements of life. Around 70 people attended this seminar. In December 2016, seven external speakers spoke at a seminar about flexible working arrangements within their own companies. Around 20 operational and HR managers attended this seminar. Such seminars aim to educate our employees (and through them our business units) about diversity and the balance between work and non-work elements of life.

Members of the Swire Women's Network meet with senior management under a mentoring programme.



Training & Development

Investing in our employees to develop an agile workforce

← **BACK**
Diversity & Equal
Opportunities

NEXT →
Health & Safety

We need an agile and well trained workforce in order to respond to changes in the business environment and increased competition. We need talented individuals to want to work for us. We aim to recruit a capable and competent workforce, by offering competitive remuneration and benefits and providing training to enable our employees to realise their potential.

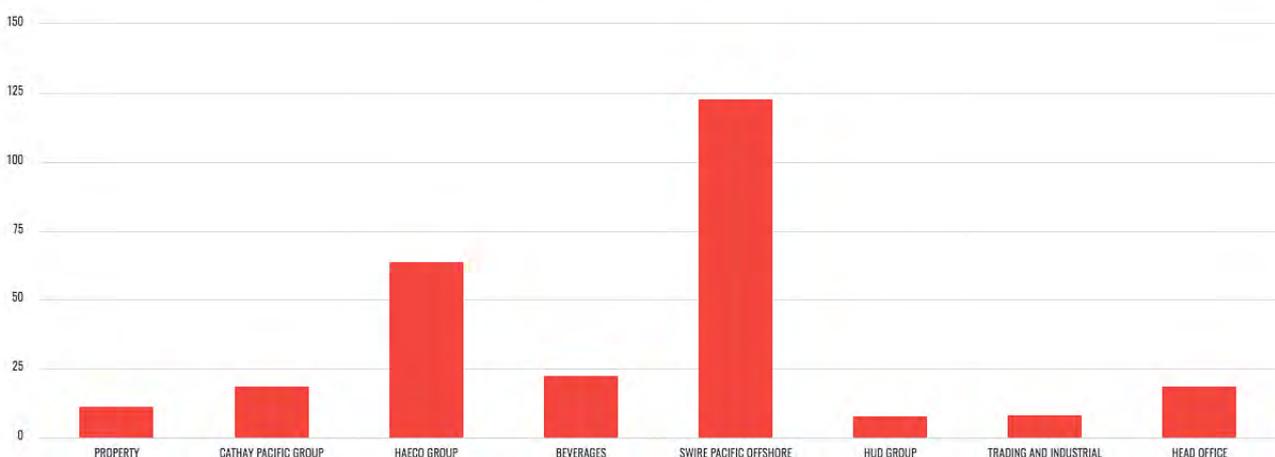
Looking after our employees

We offer competitive remuneration and benefits, even during difficult market conditions. Decisions on remuneration are made having regard to roles and responsibilities, individual and business performance, and conditions in the job markets and economies in which we operate. We communicate with staff through our intranet, newsletters, surveys and staff forums. The staff turnover rate which (which was 16% in 2016, compared with 13% in 2015) is monitored with a view to identifying and managing problems as they arise. A 24-hour counselling and consultation service is available for employees. More information about this can be found in the [Health and Safety section](#) of this report.

On the job learning

We develop our people through on-the-job learning, mentoring, classroom training, workshops and online learning. Our training programmes are designed to develop management, language and technical skills. Ethos International, Swire's in-house leadership development company, provides training programmes for promising staff. The programmes were developed in partnership with INSEAD and Forum for the Future. On average, we provided over 28 hours of training per employee in 2016.

AVERAGE TRAINING HOURS PER EMPLOYEE BY DIVISION (2016)



Developing for the future

We select high calibre graduates and existing staff members with high potential to work, initially as management trainees, in general management roles in our operating companies. Over a period of 15 years we coach and mentor them, send them on courses and plan the next steps in their careers. Our summer internship programme gives exceptional students the opportunity to gain experience of working at Swire. Interns first learn about what we do and our values. They are then posted to work on business projects at our operating companies. Interns are considered for selection as management trainees.

By providing our employees with the right opportunities, we aim to enable them to develop their abilities and so to perform well within the Group. We review the development and performance of individuals (considering their competence, skills and experience) with a view to identifying what training and further development opportunities would suit them best.

CASE STUDY

CASE STUDY 01



Ethos International's leadership training

Ethos International, Swire's in-house leadership development company, provides a leadership programme for management trainees and promising leaders in the group. The programme is designed to enable participants to develop the capabilities needed to perform well and progress. There are assessments and tailored training. Selected individuals are sent on business management and executive programmes at INSEAD, IESE and Stanford. Ethos' training emphasises sustainability, a strong corporate culture and leadership consistent with Swire's values.

We accept about 20 graduates per year into our management trainee programme. Ethos operates over 80 courses per year, offering places to more than 1,000 participants. Participants consistently rate these courses highly.

Cathay Pacific's Learner's World – online training

Learner's World permits employees to access work related training (including in relation to compliance matters) and personal development opportunities online when and where they want. A course on cultural awareness covers taboos, social norms, languages, different religious values and cultural sensitivity. The course aims to demonstrate the importance of respect and sensitivity to other cultures and of avoiding behaviour which others might find offensive. There are language courses and courses on effective communication.

CASE STUDY 02



CASE STUDY 03



The Propeller Club of Manila

40% of the maritime employees of Swire Pacific Offshore (SPO) are from the Philippines. SPO supports The Propeller Club of Manila, a non-profit organisation offering residential scholarships to young persons from underprivileged families in the Philippines enabling them to be trained for employment in the maritime industry. SPO funds the participation of 12 young persons per intake into the programme. The participants receive technical and vocational training at the Don Bosco technical institute in Manila over 18 months designed to enable them to become fitters, mechanics or cooks. Where possible, SPO offers employment to participants who have completed the course. The training of 90 young persons under the programme has been funded by SPO to date.



Health & Safety

Keeping our people safe is our greatest responsibility

← **BACK**
Training & Development

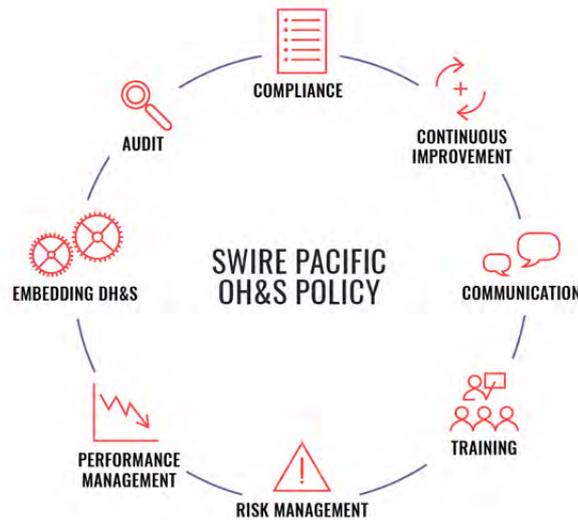
NEXT →
Community Involvement

The health and safety of our employees, visitors and partners is of critical importance. Recognising our responsibility to identify and mitigate health and safety risks, we aim to conduct our operations in a manner that safeguards the health and safety of our employees, those with whom we do business, visitors to our business premises and the communities in which we operate. We believe that all incidents are preventable. We aim to improve our health and safety management systems continuously with a view to causing zero harm.

The Swire Pacific Zero Harm Framework focuses on five areas: management commitment, a safe workplace, safe behaviour, continuous improvement of management systems and effective injury management.

Ensuring a healthy and safe workplace

Each operating company has an occupational health and safety (OH&S) policy, which is monitored by our Internal Audit Department.



Establishing a strong safety culture, where employees take responsibility for their own safety and the safety of others, is key to achieving zero harm. We aim to identify and manage potential hazards before an incident occurs by reporting near misses and conducting regular safety audits.

The Swire Pacific Health and Safety Committee reports to the Group Risk Management Committee, which in turn reports via the Audit Committee to the Board. The members of the Health and Safety Committee are senior representatives from each of the five divisions who are responsible for health and safety. The committee is responsible for developing group health and safety policy and guidelines, monitoring divisional performance, promoting education and training, sharing best practice and developing internal health and safety capabilities. In order to evaluate our performance, we record lost time injury rates and lost day rates and set annual targets for improvement. The divisions report on safety quarterly to the Group Risk Management Committee and the Board receives regular updates on safety from the Audit Committee. There is a separate China health and safety working group, which deals with health and safety in Mainland China, where regulations can vary between provinces and change regularly.

The annual Swire Pacific Health and Safety Conference took place in November 2016. The theme was "Safety is good for business". The conference addressed human factors, the Internet of Things in the workplace, proactive change management, health and safety management and techniques in risk management and incident investigation. It was attended by representatives from group companies in Hong Kong, Mainland China, Taiwan, Singapore and the USA.

Moving Towards Zero Harm

At Swire Pacific, we track our safety performance by measuring our Lost Time Injury Rate (LTIR) and the Lost Day Rate (LDR). LTIR is the number of injuries per 100 full-time equivalent employees. LDR is the number of work days lost to injuries per 100 full-time equivalent employees.

In 2016, our LTIR decreased to 1.62 from 1.64 in 2015 (a 1.2% annual decrease and a cumulative 41% decrease over the past 5 years). In 2016, our LDR decreased to 46.77 from 53.99 in 2015 (a 13.4% annual decrease). Cathay Pacific, Swire Properties, Swire Beverages and Swire Pacific Offshore all reported significant LDR reductions in 2016. During 2016:

- Safety became the first agenda item for key management and committee meetings within the Group
- Swire Beverages adopted interview-style job safety analyses to identify hazards with a view to improving workplace safety
- Cathay Pacific and HAECO engaged in campaigns to reinforce safe behaviour and reduce injuries related to manual handling
- All HAECO group companies in Hong Kong achieved OHSAS18001 safety management certification
- Swire Properties and Swire Resources reviewed each other's safety procedures in order to share best practices
- Rehabilitation service providers were appointed to improve staff injury management and to implement a return-to-work programme

Regrettably, there was one fatality in 2016. An employee at Qinyuan Bakery in Mainland China was struck by a vehicle while he was delivering goods to a store. Following a full investigation, road safety procedures were improved and relevant training enhanced to raise staff safety awareness.



For more information on how Health and Safety is managed in some of our operating companies please check out our [Marine](#) and [Trading and Industrial](#) Division pages.

Sustaining a Life Well Balanced

We care about our employees' mental as well their physical well-being. Under our Employee Assistance Programme (EAP), we have a 24-hour Professional Personal Counselling and Consultation (PPCC) hotline for colleagues to use in order to help them deal with stress management, relationships, parenting, coping with trauma and grief and preparing for retirement. Employees approaching retirement age are invited to pre-retirement workshops. The PPCC (and the coaching service referred to below) are conducted by experienced counsellors, social workers and clinical psychologists. All information is kept in strict confidence.

Under the EAP, seminars have been provided on the following topics: "Chinese Herbal Cuisine and Physical Health", "Diet Wise – Spring & Summer Series", "Have a Good Night Sleep", "Say Goodbye to Sub-health", "Low Pressure Relaxation through Drama", "The Power of Positive Thinking" and "Back and Neck Care".

Maintaining a sustainable balance between work and non-work elements of-life is important for wellbeing. Swire Pacific encourages an approach to work which fits with this aim. We provide a free coaching service which advises employees how to cope with the challenges they may encounter in their life within and outside Swire.

We encourage our employees to lead active lifestyles through participation in physical well-being programmes arranged by our Staff Association. There are family outings to Ocean Park and Disneyland in Hong Kong and inter-company sporting competitions. We sponsor Hong Kong's King of the Hills Mountain Marathon Series.

CASE STUDY 01



Cathay Pacific and Cathay Dragon Inflight Medical Support'

All Cathay Pacific and Cathay Dragon aircraft are able to call for aero-medical advisory assistance at any time by telephone. This ensures that, regardless of where an aircraft is flying, there is normally access to medical personnel who can offer assistance with the diagnosis and treatment of passenger and crew illnesses and injuries. All crew are trained in basic first aid and cardiopulmonary resuscitation. We carry automated external defibrillators (AEDs) on all our Cathay Pacific passenger aircraft, which all crew are trained to use. We will carry AEDs on all Cathay Dragon aircraft from later this year.

HAECO Xiamen – Safety Management via WeChat

HAECO usually provides safety training in classrooms or workshops. This is labour intensive, limits the number of staff that can be reached and can lead to inconsistent messages.

In 2016, HAECO Xiamen started to provide safety management training via WeChat. The following safety management tools are made available in this way: safety news, safety culture surveys, safety suggestions, a safety knowledge competition, a safety inspection record, a training schedule and behaviour observations. This has facilitated fast and consistent communication of safety messages to over 4,500 staff. It saves 4,500 sheets of paper per year and reduces administration by the equivalent of three full-time employees.

CASE STUDY 02





Community Involvement

Investing in our communities to help shape a better future

← **BACK**

Health & Safety

We believe that, if the communities in which we operate prosper, so do our businesses. We support the communities in which we operate directly and through the Swire Group Charitable Trust (the Trust). In 2016, the Trust donated HK\$55.7 million to over 60 charities, supporting projects to help disadvantaged children, promote diversity and inclusion, encourage creative learning opportunities, offer preventative health care for young people and support marine life and biodiversity. In total, we invested HK\$79.8m in community activities in 2016.

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Our Divisions

Recognition

In 2016, Swire Pacific was awarded the 15+ Caring Company Award by the Hong Kong Council of Social Service for good corporate citizenship.



The Swire Group Charitable Trust

The Trust was established in 1983. Its principal focus is on education, the environment, arts and culture, and those facing extreme hardship. The Trust receives all its income from companies in the Swire group and provides funds for charitable purposes to non-profit organisations, mainly in Hong Kong and Mainland China. It is overseen by a Philanthropy Council, which is chaired by an Executive Director of Swire Pacific.

Arts and Culture
/ Arts for ALL

Education / Special Education
Needs and Creative Teaching

Environment / Sustainable
Marine Ecosystems

PROJECT NAME

Arts and artistic talent among persons with disabilities

To promote the arts and artistic talent among persons with disabilities, to create equal opportunities for them in the world of art and to foster social integration.

GRANT AMOUNT

HK\$1.5 million annually

to Arts with the Disabled Association Hong Kong



PROJECT NAME

The Magic of Audio Description

To develop and provide pre-recorded or live audio descriptions for movies and performances.

GRANT AMOUNT

HK\$3.1 million

to The Hong Kong Society for the Blind



PROJECT NAME

Spark! Arts Programme for Children in Small Group Homes

To nurture disadvantaged children by building their creativity and self-confidence through the arts and offering visual and performing arts activities.

GRANT AMOUNT

HK\$2.3 million

to Hong Kong Youth Arts Foundation



PROJECT NAME

World Voice II

To provide primary school teachers with singing tools intended to provide a creative and inclusive learning environment for students with special educational needs.

GRANT AMOUNT

HK\$1.9 million

to British Council



PROJECT NAME

Support Unit for Special Education Needs under the Centre for Special Education Needs and Inclusive Education

To establish a specialised education unit to provide future teachers with practical experience in teaching children with special needs, to provide services for children with special needs and to develop new and creative teaching methodologies for children with special needs.

GRANT AMOUNT

HK\$10 million

to The Education University of Hong Kong



PROJECT NAME

Life Education Activity Programme

To help prevent substance abuse by providing health-based education programmes to young people.

GRANT AMOUNT

HK\$6.0 million annually

to Life Education Activity Programme



PROJECT NAME

Village Model in Rural China

To foster early childhood development through learning centres, family skills training and community building for left-behind children and their families.

GRANT AMOUNT

HK\$4.6 million

to OneSky



PROJECT NAME

Taikoo Primary School

To strengthen the school's English and Mandarin language teaching and to fund special projects.

GRANT AMOUNT

HK\$2.0 million annually

to Taikoo Primary School



PROJECT NAME

Ocean Asia Project II

To build public knowledge of and demand for sustainable seafood by fostering the sustainable seafood market in Hong Kong and through fisheries research in the East and South China Seas.

GRANT AMOUNT

HK\$2.9 million

to ADM Capital Foundation Limited



PROJECT NAME

Juvenile Horseshoe Crab Rearing Programme

To promote biodiversity and habitat conservation through a school-based horseshoe crab rearing project and annual releases of the crabs to their natural mudflat habitats.

GRANT AMOUNT

HK\$1.6 million

to Ocean Park Conservation Foundation, Hong Kong



Note 1: Some of the figures above are estimates. In these cases, final grant amounts will depend on exchange rates and/or actual expenditure.

Note 2: A majority of the grants extend over a number of years.

CASE STUDY 01



Cooking demonstration at launch (at EAST, Hong Kong with EAST, Hong Kong chef) for the project's sustainable seafood website



Sustainable seafood festival logo

The Oceans Asia Project II

Some of the richest and most diverse fisheries in the world are in Asia. However, Asia's oceans and seas are under severe pressure from rapid regional economic and population growth, pollution and illegal or unregulated over-fishing. Even as Asian economies continue to industrialise, fisheries remain an important source of revenue and a crucial component of regional food security, coastal livelihoods and the export trade.

The Oceans Asia Project II, undertaken by ADM Capital Foundation with our support, aims to build public knowledge of, and demand for, sustainable seafood. Key project activities supported by us are:

- 1 A comprehensive consumer survey on sustainable seafood;
- 2 Development of Hong Kong's first sustainable seafood website;
- 3 A sustainable seafood festival;
- 4 A sustainable seafood symposium for suppliers, the food and beverage industry, academics and NGOs; and
- 5 Fisheries modelling for the East China Sea and research on unregulated bottom trawl fishing in the East and South China Seas.

Support Unit for Special Educational Needs

The Trust is funding the establishment of a Support Unit for Special Educational Needs ("SUSEN") within The Education University of Hong Kong's Centre for Special Education and Inclusive Education ("CSENIE"). SUSEN supports children and families and builds relevant professional capacity among teachers in the teaching sector, which is vital as Hong Kong has a lack of these specialised skills and experience in this area. Key project activities are:

- 1 Refurbishment of the training centre;
- 2 Unit-based and school-based services for children (and families of children) with special educational needs;
- 3 Development of effective teaching tools and approaches; and
- 4 Workshops and seminars for student teachers and parents.

CASE STUDY 02



Services for children with special needs



Parent workshop

More information on the community work of our operating companies can be found in their annual sustainability reports [here](#).



Our Divisions

Respect for the past, while being focused on our future

BACK

Community Involvement

From a modest Liverpool-based, import-export company established 200 years ago in 1816, the Swire group has grown into a highly diversified global conglomerate. Headquartered in Hong Kong and listed on The Stock Exchange of Hong Kong Limited, Swire Pacific Limited (SWRAY 00019 and SWRBY 00087), is a key part of the Swire group.

Swire Pacific is one of the leading companies in Hong Kong, with five operating divisions: Property, Aviation, Beverages, Marine Services and Trading & Industrial. The Group's operations are predominantly located in greater China, where the name Swire or太古 has been established for over 150 years.

We take a long-term perspective when formulating strategy and this is reflected in the nature of our investments. We are proud of our long history but we are also focused on the future. We pride ourselves on being forward-looking and innovative. These qualities have helped us grow and enabled us to set benchmarks in the industries in which we operate.

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Property Division

SWIRE PACIFIC GROUP OVERVIEW 2016

Property Division

The Property Division comes under Swire Properties Limited. Established in 1972, Swire Properties is one of Hong Kong's largest commercial landlords and operators of retail space. It has significant investment properties completed and under development in Mainland China and the USA. It also has a property trading portfolio and interests in hotels.

[Read more on Property](#) →



REVENUE

HK\$16,792M

UNDERLYING PROFIT / (LOSS)

HK\$5,776M

EMPLOYEE NUMBERS

5,772

PROPERTY DIVISION - TOP MATERIAL TOPIC AT A GROUP LEVEL

ENERGY USE



Aviation

The Aviation Division comprises significant investments in the Cathay Pacific group and the Hong Kong Aircraft Engineering Company ("HAECO") group. The Cathay Pacific group operates its own airlines and cargo terminal and has interests in other airlines and in companies providing flight catering and ramp and cargo handling services. The HAECO group provides aviation maintenance and repair services.

[Read more on Aviation](#) →

REVENUE *

HK\$13,760M

UNDERLYING PROFIT / (LOSS)

HK\$441M

EMPLOYEE NUMBERS

51,189

AVIATION DIVISION - TOP MATERIAL TOPIC AT A GROUP LEVEL

GREENHOUSE GAS EMISSIONS

Beverages Division

The Beverages Division comes under Swire Beverages. Swire Beverages has the exclusive right to manufacture, market and distribute products of The Coca-Cola Company in Hong Kong, Taiwan, 7 provinces in Mainland China and an extensive area of the mid-western USA.

[Read more on Beverages](#) →



REVENUE

HK\$18,421M

UNDERLYING PROFIT / (LOSS)

HK\$813M

EMPLOYEE NUMBERS

21,170

BEVERAGES DIVISION - TOP MATERIAL TOPIC AT A GROUP LEVEL

WATER USE



Photo credit: Swire Blue Ocean A/S

Marine Services Division

The Marine Services Division comprises Singapore-based Swire Pacific Offshore group, which operates offshore support vessels servicing the energy industry in every major offshore production and exploration region outside the USA, and a 50% interest in Hongkong United Dockyards, which provides engineering, harbour towage and salvage services in Hong Kong.

[Read more on Marine Services](#) →

REVENUE *

HK\$4,238M

UNDERLYING PROFIT / (LOSS)

HK\$(3,013)M

EMPLOYEE NUMBERS

2,914

MARINE DIVISION - TOP MATERIAL TOPIC AT A GROUP LEVEL

HEALTH & SAFETY

Trading & Industrial Division

The Trading & Industrial division has interests in footwear and apparel retailing, motor vehicle sales, food, cold storage, paint, waste management and early stage sustainability businesses.

[Read more on Trading & Industrial](#) →



REVENUE

HK\$9,350M

UNDERLYING PROFIT / (LOSS)

HK\$114M

EMPLOYEE NUMBERS

9,098

TRADING & INDUSTRIAL DIVISION - TOP MATERIAL TOPIC AT A GROUP LEVEL

HEALTH & SAFETY

* The revenue figure does not include the revenue of companies in the group which are not subsidiaries of Swire Pacific. They therefore exclude the revenue of Cathay Pacific group and Hongkong United Dockyards group.

More information on the group structure and our economic performance can be found on this [factsheet](#) and in the [2016 Swire Pacific Annual Report](#).



Property Division

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→ Aviation Division

Established in 1972, Swire Properties Limited ("Swire Properties") is a leading developer, owner and operator of mixed-use, principally commercial properties in Hong Kong and Mainland China, with a record of creating long-term value by transforming urban areas. Swire Properties' business comprises three main areas: investment properties, hotel investment and property trading. The shares of Swire Properties were listed on The Stock Exchange of Hong Kong Limited in 2012.

SWIRE PROPERTIES' BUSINESS COMPRISES THREE MAIN AREAS

01

Investment Properties

The property investment portfolio in Hong Kong comprises office and retail premises and serviced apartments and other luxury residential accommodation in prime locations. In Mainland China, Swire Properties owns and operates major commercial mixed-use developments in Beijing, Shanghai, Guangzhou and Chengdu. In the USA, Swire Properties is the primary developer of a mixed-use commercial development at Brickell City Centre in Miami, Florida.



02

Hotel Investment

Swire Properties wholly owns and manages, through Swire Hotels, two hotels in Hong Kong, The Upper House and EAST, Hong Kong. It has a 20% interest in each of the JW Marriott, Conrad Hong Kong and Island Shangri-La hotels at Pacific Place and in the Novotel Citygate in Tung Chung.

In Mainland China, Swire Hotels manages three hotels. The Opposite House at Taikoo Li Sanlitun in Beijing is wholly owned by Swire Properties. 50% interests are owned in EAST, Beijing at INDIGO in Beijing and in The Temple House at Sino-Ocean Taikoo Li Chengdu. At TaiKoo Hui in Guangzhou, Swire Properties owns a 97% interest in the Mandarin Oriental, Guangzhou.

In the USA, Swire Properties wholly owns and manages, through Swire Hotels, EAST, Miami and owns a 75% interest in the Mandarin Oriental in Miami.

Property Trading

Swire Properties' trading portfolio comprises a luxury residential development fully pre-sold on Hong Kong Island and completed developments available for sale in Hong Kong, Mainland China and Miami, USA. There are also land banks in Miami and Fort Lauderdale in Florida in the USA.



Approach to Sustainability

Swire Properties aims to be the leading sustainable development performer in its industry by 2030. To this end it has adopted its SD 2030 strategy. The strategy has five pillars: Places, People, Partners, Performance (Environment) and Performance (Economic).

The Taikoo Place redevelopment in Quarry Bay, in the Eastern District of the Hong Kong Island, is an example of the SD 2030 strategy in action. Swire originally had sugar and dockyard businesses in the area. The dockyard closed in the 1970s. The area has since been transformed into a major mixed use commercial centre. The current redevelopment of Taikoo Place continues that transformation. Under the redevelopment:

- Elevated walkways and better street design will improve connections between buildings and to and from public transport;
- Buildings have been placed so as to create wind corridors which will permit natural ventilation. Green spaces and planted areas are intended to reduce temperatures;
- Tenants' used cooking oil will be converted into biodiesel. The biodiesel will generate energy equivalent to 2% of the development's energy requirements; and
- With the National University of Singapore and the Hong Kong Polytechnic University, a dual-level roof combining green areas and a solar photovoltaic system is being developed.

For a full account of Swire Properties' SD 2030 Strategy and its sustainability performance in 2016, please refer to the [Swire Properties Sustainable Development Report 2016](#).

PERFORMANCE HIGHLIGHTS

HEALTH & SAFETY

41% ↓

Lost day rate reduction in 2016 compared with 2015

DIVERSITY & INCLUSION

50%

of senior management positions held by women in 2016

TRAINING & DEVELOPMENT

> 65,000

Total training hours in 2016

ENERGY

18.9% ↓

reduction in energy consumption despite 16.1% increase in gross floor area of the Hong Kong portfolio (from 2001 to 2016)

WASTE

3,317

Tonnes of waste recycled in Hong Kong commercial portfolio in 2016

TENANTS

~2.8

Free energy audits offered to Hong Kong office tenants since 2008, identifying potential annual energy savings of ~2.8 m kWh

COMMUNITY

1,500

community ambassadors volunteered 75,200 hours of service in 2016

COMMUNITY

75,000

650 community activities benefited around 75,000 people in 2016

Group Level Material Topics

Performance in relation to the material topic which is highly significant at a group level is shown below:

Energy

Swire Properties designs, constructs and operates properties with a view to reducing electricity use. Ambitious energy reduction targets are set and monitored.

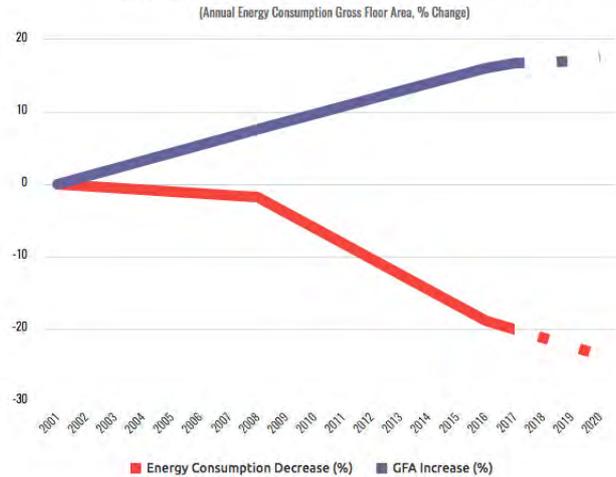
Hong Kong

From 2001 to 2016, Swire Properties achieved an 18.9% reduction in energy consumption despite a 16.1% increase in gross floor area of its Hong Kong portfolio. In 2015, it set a target to reduce the annual energy consumption in its Hong Kong portfolio by 64 million kWh per year by 2020, from its amount in 2008. By the end of 2016, a reduction of 49 million kWh had been achieved.

Energy use per square metre in the Hong Kong portfolio decreased by 30% to 152 kWh per year between 2001 and 2016.

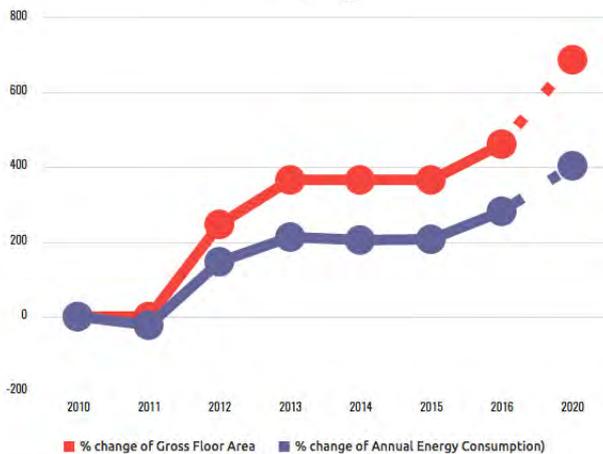
Improvements have been made in the energy efficiency of airconditioning, lighting and elevators. An ISO 50001 compliant energy management plan helps tenants to manage energy use and reduce energy consumption. Free energy audits are offered to office tenants.

ENERGY CONSUMPTION AND GROSS FLOOR AREA TREND IN HONG KONG PORTFOLIO



ENERGY CONSUMPTION AND GROSS FLOOR AREA TREND IN MAINLAND CHINA PORTFOLIO

(% Change)



Mainland China

Swire Properties has set a target to reduce the annual energy consumption in its Mainland China portfolio by 23 million kWh per year by 2020, from its annual amount when data were first collected. Energy use per square metre in the Mainland China portfolio decreased by 30% to 156 kWh per year between 2010 and 2016.

In 2016, the energy management systems at Taikoo Li Sanlitun in Beijing and at TaiKoo Hui in Guangzhou achieved ISO 50001:2011 certification.

Solar photovoltaic panels have been installed at INDIGO in Beijing and at TaiKoo Hui in Guangzhou. The panels are expected to generate 81,000 kWh per year of electricity. Free energy audits have been provided to tenants at Taikoo Li Sanlitun in Beijing and at TaiKoo Hui in Guangzhou.

More information on sustainability matters related to the Property Division can be found in other sections of this report and in the individual companies' sustainable development reports, which can be found [here](#).



Aviation Division

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Property
Division

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Beverages
Division

The Aviation Division comprises significant investments in the Cathay Pacific group and the Hong Kong Aircraft Engineering Company ("HAECO") group. The Cathay Pacific group operates its own airlines and cargo terminal and has interests in other airlines and in companies providing flight catering and ramp, passenger and cargo handling services. The HAECO group provides aviation maintenance and repair services.

The Cathay Pacific group includes Cathay Pacific, its wholly owned subsidiary Hong Kong Dragon Airlines Limited ("Cathay Dragon"), its 60%-owned subsidiary AHK Air Hong Kong Limited ("Air Hong Kong"), an associate interest in Air China and an interest in Air China Cargo Co. Ltd. ("Air China Cargo"). Cathay Pacific also has interests in companies providing flight catering and ramp and cargo handling services, and owns and operates a cargo terminal at Hong Kong International Airport.

The HAECO group provides aviation maintenance and repair services. Its primary activities are aircraft maintenance and modification work in Hong Kong (by HAECO Hong Kong), in Xiamen (by HAECO Xiamen) and in the USA (by HAECO Americas).

PERFORMANCE HIGHLIGHTS

HEALTH & SAFETY

26% ↓

Cathay Pacific group:
Lost day rate reduction in 2016 compared with 2015

TRAINING

64.17

HAECO group:
Average hours of training per employee in 2016

ENERGY

24.9% ↑

Cathay Pacific group:
Fuel efficiency increase since 1988

ENERGY

58.8

Solar panels at HAECO Xiamen generated enough renewable energy in 2016 to power 58.8 Homes (~793MWh)

EMISSIONS

7% ↓

HAECO group:
Reduction in CO₂e emissions compared with 2015

WASTE

~90%

Three Airbus A340-300s retired in 2016 were sent to a recycling facility in France, ~90% of their components were recycled, reused or recovered

COMMUNITY

1,300

Cathay Pacific Staff volunteered 1,300 hours of service in 2016

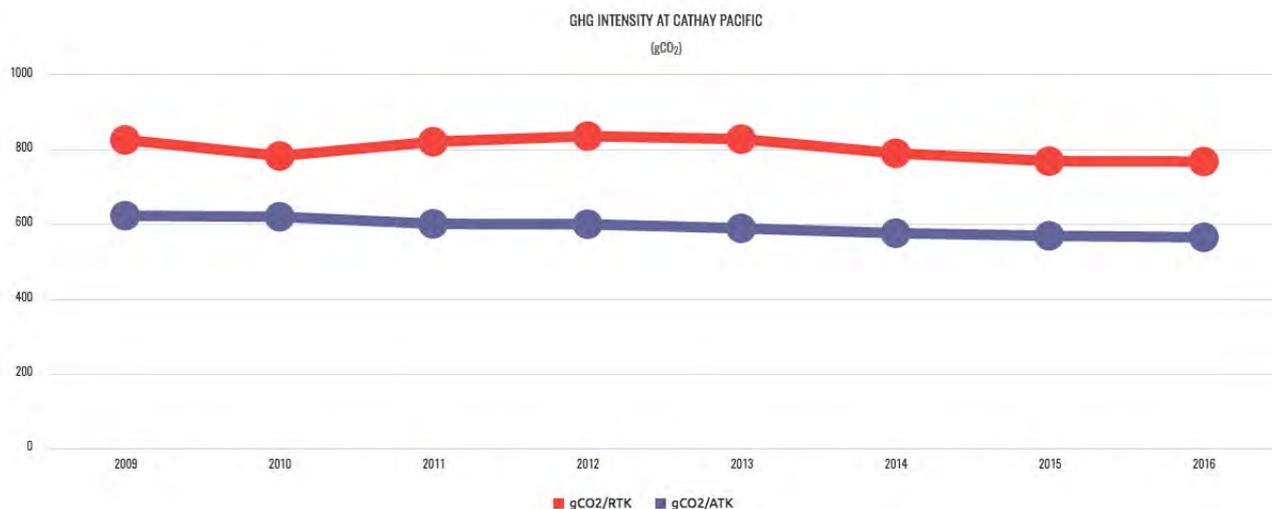
COMMUNITY

HK\$6.6M

donated to good causes by all companies in the aviation division in 2016

Group Level Material Topics

Performance in relation to the material topic which is highly significant at a group level is shown below:



Emissions

The use of non-renewable fossil fuels is a major operating cost and has a significant environmental impact. In 2016, emissions from our Aviation Division accounted for 96% of our total emissions, mostly from burning jet fuel.

Cathay Pacific aims to reduce its carbon emissions and to mitigate the impact that they have on the environment. Increasing fuel efficiency (including by buying more fuel-efficient aircraft) and using biofuels are key ways to achieve this aim.

Cathay Pacific aims to improve fuel efficiency by 2% per annum up to 2020, and to achieve carbon neutral growth thereafter. This exceeds the agreed aviation industry target of 1.5% per annum. Cathay Pacific intends to do this by following IATA's four pillar strategy (see <http://www.iata.org/policy/environment/pages/climate-change.aspx>).

In 2016, Cathay Pacific increased fuel efficiency by 1%, principally as a result of using more fuel efficient aircraft. Ten Airbus A350-900 aircraft were delivered in 2016. These aircraft are 25% more fuel efficient than the existing wide-body fleet, with corresponding reductions in CO₂ and NOx emissions.

Fuel saving initiated by the The Flight Efficiency Working Group by the following:

- Regular engine core washing removes contaminants that reduce engine efficiency. It has saved fuel equivalent to 105,700 tonnes of CO₂ since 2010.
- Reduced use of engines when taxiing saves fuel equivalent to 21,900 tonnes of CO₂ per year.
- Lighter food carts and cutlery have saved fuel equivalent to 78,460 tonnes of CO₂ per year since 2004.

In 2016, HAECO's emissions amounted to 105,000 tonnes of carbon dioxide equivalent (CO₂e), a reduction of 7% from 2015. Electricity consumption accounts for approximately 74% of the HAECO group's emissions. Energy audits are carried out every five years in order to look for opportunities to save energy.

Fueling the Future

Cathay Pacific aims to use biofuels to power its aircraft engines and vehicles. The first Cathay Pacific flight powered by biofuels arrived at Hong Kong airport in May 2016. With a flight distance of nearly 10,000km, at the time this was the world's longest biofuel flight. All delivery flights of Cathay Pacific's Airbus A350-900 aircraft use a 10% blend of biofuel. Cathay Pacific is a member of the Round Table on Sustainable Biomaterials and of the Sustainable Aviation Fuel Users Group Asia.

Cathay Pacific has a minority interest in Fulcrum BioEnergy, Inc., a company based in the United States which converts municipal solid waste into sustainable aviation fuel. Construction of the first phase of Fulcrum Bioenergy's first commercial scale plant was completed in May 2016. Construction of the second phase of the plant is scheduled to begin later this year.

Carbon offsetting

In 2016, under Cathay Pacific's FLY greener carbon offset programme, 14,400 tonnes of CO₂ were offset by investments in third-party validated, Gold Standard certified projects including wind farms in Taiwan and clean biomass stoves in Mainland China.

Cathay Pacific is a member of the Global Market-based Measure Technical Task Force (GMTF). GMTF is made up of representatives of the International Civil Aviation Organisation's (ICAO) member states, industry and non-governmental organisations. It deals with market based measures intended to reduce or offset the effect of carbon emissions by the aviation industry.

More information on sustainability matters related to the Aviation Division can be found in other sections of this report and in the individual companies' sustainable development reports, which can be found [here](#).



Beverages Division

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Aviation Division

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Marine Services Division

In 2016, Swire Beverages distributed beverages to a franchise population of over 470 million people. At the end of 2016, Swire Beverages had two wholly-owned franchise businesses, in Taiwan and the USA, and five majority-owned franchise businesses, in Hong Kong and in Fujian, Henan, Anhui and Shaanxi provinces in Mainland China. It had joint venture interests in three other franchises in Mainland China and an associate interest in a manufacturing company, Coca-Cola Bottlers Manufacturing Holdings Limited, which supplies still beverages to all Coca-Cola franchises in Mainland China.

PERFORMANCE HIGHLIGHTS

HEALTH & SAFETY

11% ↓

Lost time injury rate vs. 2015

HEALTH & SAFETY

18% ↓

Lost day rate vs. 2015

ENERGY

9,750

8.15MWp generated through solar panels saving 9,750 tonnes of CO₂ in 2016

WATER

37% ↑

water efficiency since 2004

WASTE

60.6%

recycled material in cans

COMMUNITY

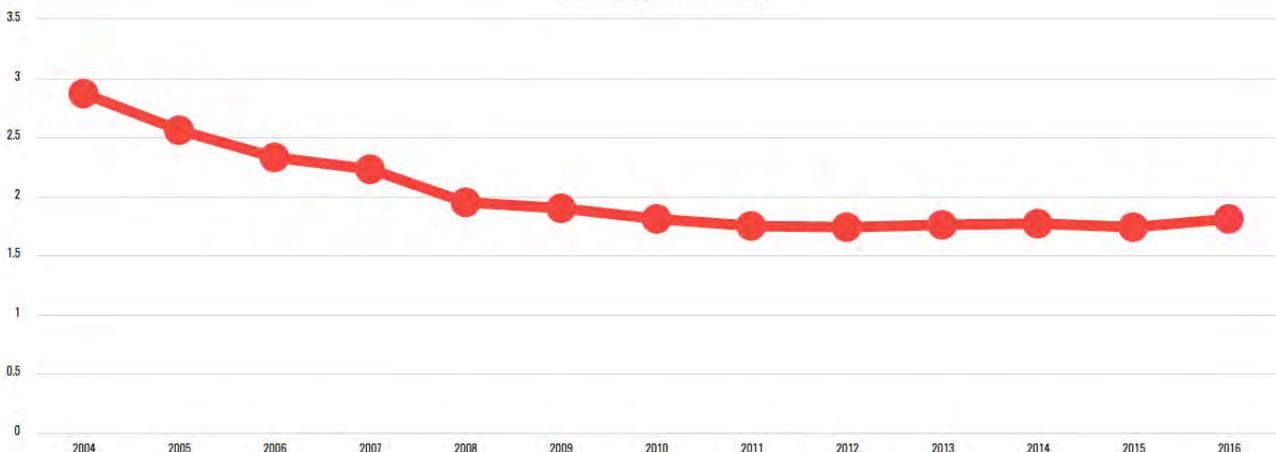
HK\$3.7M

donated to good causes in 2016

Group Level Material Topics

Performance in relation to the material topic which is highly significant at a group level is shown below:

WATER EFFICIENCY AT SWIRE BEVERAGES
(Litres of Water Used per Litre of Production)



Water is the main ingredient of Swire Beverages' products and is used in their manufacture. It is a precious resource, but it is also a limited and stressed resource in areas where Swire Beverages operates. Water scarcity and the deterioration of the quality of our water sources can constrain production and increase costs and can adversely affect the communities in which Swire Beverages operates. Swire Beverages identifies ways to reduce water used in the production process and participates in educational and awareness programmes intended to contribute to sustainable use of water.

The company's water conservation goal is to return to communities and nature an amount of water equivalent to what we use in all of our beverages and their production.

Their water stewardship efforts are guided by commitments under the three guiding principles – "Reduce, Reuse, Replenish".

Reduce – Improving Plant Efficiencies

Since 2004, Swire Beverages has increased its water efficiency by 37%. In 2016, water efficiency (measured as the amount of water used to produce a litre of beverage) decreased slightly, from 1.74 litres to 1.81 litres. This reflected calibration of new production lines in Fuzhou, an increase in the frequency of new product trials and a slight increase in production of still products. Swire Beverages has a target to improve water efficiency by 25% between 2010 and 2020.

The company has invested in process optimisation and water saving technologies, including using dry lubricants instead of soapy water to lubricate bottle conveyors, using air for cleaning instead of water where possible and recovering water used to rinse containers.

Reuse – Treating and returning our wastewater

Swire Beverages complies with the wastewater standards of The Coca-Cola Company and of the areas in which it operates. The Coca-Cola Company requires treated water to be clean enough to support aquatic life.

Annual water savings of 500 million litres followed an evaluation of Swire Beverages' bottling plants' wastewater treatment operations in Mainland China with a view to minimising or eliminating discharges and optimising the reuse of water.

Replenish – Returning water to the environment

The global Coca-Cola system works towards replenishing the water used in its finished beverages through replenishment projects such as reforestation, protecting watersheds and river revitalisation. As part of this global approach, Swire Beverages, in partnership with the Coca-Cola system, has met its target of returning to the environment as much water as it uses by 2020 early. In 2016, Swire Beverages returned 353 million litres of clean water to the environment, equivalent to 6% of the water included in total sales volume.

With a view to achieving its replenishment target, Swire Beverages supports source water protection, sustainable agriculture, water and soil erosion control, wetland protection and recovery and water reuse. Swire Beverages' Zhengzhou bottling plant collaborated with the municipal government of Zhengzhou City and the United Nations Development Programme (UNDP) to reuse treated wastewater in a wetland in a park in the city. With the World Wildlife Fund (WWF) and the Xiamen government, Swire Coca-Cola Beverages Xiamen is building small wetland sites that will treat around 900,000 litres of sewage water per month. More information on Swire Beverages' replenishment projects can be found in the section on how we [use and manage water responsibly](#).

In 2016, "Walk for Love" events hosted by Swire Coca-Cola Beverages Zhejiang, Xiamen and Guangdong raised over RMB6.8 million to buy water purification equipment for 33 schools, giving nearly 16,000 students access to clean drinking water every day. Over 108 million bottles of water were donated to people affected by disasters in Anhui, Fujian and Jiangsu provinces in Mainland China.

More information on sustainability matters related to the Beverages Division can be found in other sections of this report.



Marine Services Division

BACK

Beverages
Division

The Marine Services Division comprises the Singapore-based Swire Pacific Offshore (SPO) group, which operates offshore support vessels servicing the energy industry in every major offshore production and exploration outside the USA, and a 50% interest in Hongkong United Dockyards (HUD), which provides engineering, harbour towage and salvage services in Hong Kong.

NEXT

Trading &
Industrial
Division

PERFORMANCE HIGHLIGHTS

HEALTH & SAFETY

85% ↓

SPO group:
Lost day rate reduction in 2016 compared with 2015

HEALTH & SAFETY

14% ↓

HUD group:
Lost day rate reduction in 2016 compared with 2015

HEALTH & SAFETY

46% ↓

SPO group:
Lost time injury rate reduction in 2016 compared with 2015

HEALTH & SAFETY

18% ↓

HUD group:
Lost time injury rate reduction in 2016 compared with 2015

ENERGY

6% ↓

SPO group:
Reduction in total greenhouse gas emissions by weight (thousand tonnes CO₂e) in 2016 compared with 2015

ENERGY

5% ↓

HUD group:
Reduction in total greenhouse gas emissions by weight (thousand tonnes CO₂e) in 2016 compared with 2015

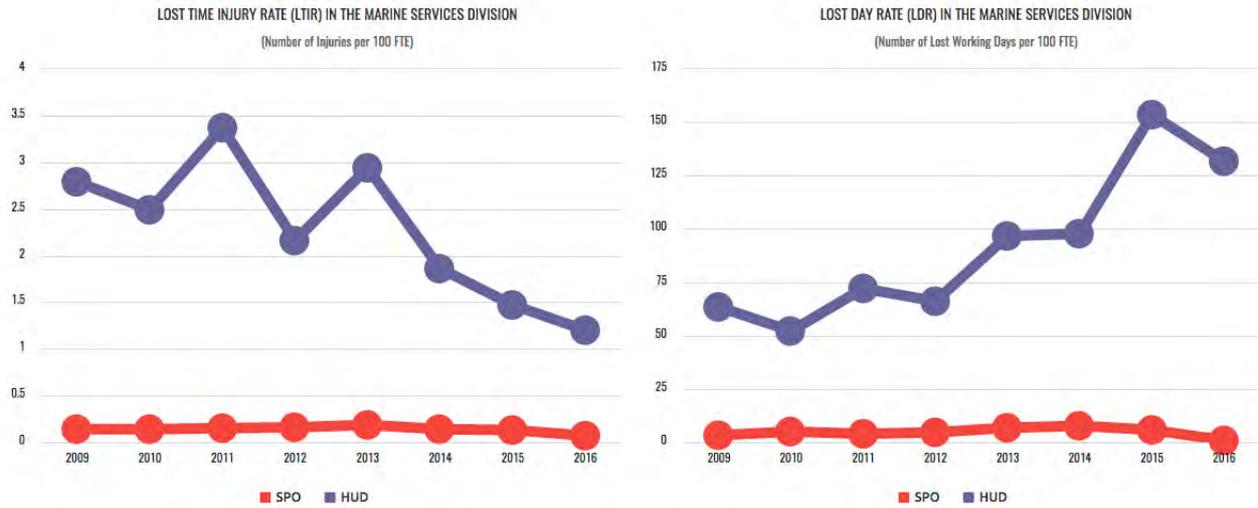
COMMUNITY

HK\$4.3M

SPO group:
Donated to good causes in 2016

Group Level Material Topics

Performance in relation to the material topic which is highly significant at a group level is shown below:



LTIR is the number of injuries per 100 full-time equivalent employees. LDR is the number of work days lost to injuries per 100 full-time equivalent employees. The LTIR at SPO decreased to 0.07 in 2016 from 0.13 in 2015. This represents a 46% decrease from 2015 and a cumulative 56% decrease over the past 5 years. The LDR at SPO decreased by 85% in 2016. The LTIR and LDR at HUD decreased by 18% and 14% respectively in 2016. Employees behaved more safely and rehabilitation programmes have been improved.

SPO's motto is doing "difficult jobs, in difficult places, safely". Its health and safety policies, procedures and training are regularly reviewed and updated. In 2016, SPO initiated a Health, Safety and Environmental improvement plan with a view to simplifying procedures and aligning and improving training. HSE policies were endorsed by the managing director of SPO.

SPO has a policy of zero tolerance to drug and alcohol abuse in the work place. Its safety policy includes the following statement. "It is the right, obligation, authority and responsibility of ALL employees and contractors, irrespective of position, seniority or discipline, to STOP work which they consider to be unsafe and that the company will fully support the decision to STOP Work".

SPO has quarterly safety campaigns, in which lessons learnt from experience are disseminated.

Safety Training

SPO provides safety training at the Swire Marine Training Centre. In 2016, deepwater anchor handling and practical ship management training courses were introduced. Training captains provide additional coaching, mentoring and support on board ship.

Senior SPO and HUD managers attended Kelvin TOP-SET incident investigation courses. The indicators below are used to provide a framework for planning and analysing the investigation of an incident, reporting its outcome and making recommendations. Direct and latent causes are identified with a view to preventing recurrence. Members of staff have been trained to conduct future courses.

T-Technology

O-Organisation

P-People

S-Similar Events

E-Environment

T-Time

This step-by-step process provides a systematic investigation structure for planning, investigating, analysis, creation of recommendations and reporting. The key management members in HUD and in SPO were trained as senior investigators by dedicated trainers. Both companies have also developed their own tutors for internally conveying subsequent one-day investigator course. The process instructs on a thorough incident investigation and root cause analysis of incidents so that both direct and latent causes can be addressed to prevent recurrence.

More information on sustainability matters related to the Marine Services Division can be found in other sections of this report and in the individual companies' sustainable development reports, which can be found [here](#).



Trading & Industrial Division

BACK

← Marine Services
Division

Swire Pacific's Trading & Industrial division has interests in the following companies:

NEXT

→ About this
Report

01

Swire Retail group

Swire Resources group

Swire Resources retails and distributes footwear, apparel and related accessories in Hong Kong, Macau and Mainland China.

Swire Brands group

Swire Brands has investments in brand-owning companies. It has an interest in an associated company with Columbia, which distributes and retails Columbia products in Mainland China and a 9.4% minority interest in Rebecca Minkoff, which sells apparel, handbags and accessories.



02

Taikoo Motors group

Taikoo Motors sells passenger cars, commercial vehicles, motorcycles and scooters. Its largest business is in Taiwan. It also distributes cars, motorcycles and commercial vehicles in Hong Kong, Macau, Mainland China and Malaysia.

03

Swire Foods group

Chongqing New Qinyuan Bakery Co., Ltd ("Qinyuan Bakery")

Qinyuan Bakery is a leading bakery chain in southwest China, with over 550 stores in Chongqing, Guiyang and Chengdu.

Swire Foods (including Taikoo Sugar)

Swire Foods distributes food products in Mainland China and Hong Kong. Taikoo Sugar packages and sells sugar in Hong Kong and Mainland China under the Taikoo Sugar brand.





04

Swire Pacific Cold Storage group

Swire Pacific Cold Storage wholly-owns cold storage facilities in Shanghai, Hebei, Nanjing and Ningbo and owns a 60% equity interest in a cold storage facility in Guangzhou.

05

Akzo Nobel Swire Paints

Akzo Nobel Swire Paints is a joint venture with Akzo Nobel which manufactures and distributes decorative paints, primarily under the Dulux brand, in Mainland China, Hong Kong and Macau.



06

Swire Environmental Services group

Swire Waste Management

Swire Waste Management is a 50:50 joint venture with a subsidiary of Waste Management Inc. The joint venture seeks waste management contracts in Hong Kong. It has contracts to provide waste management services to seven outlying islands and to the northwest New Territories.

Swire sustainability fund

The group has an associate interest in Green Biologics and minority equity interests in NanoSpun Technologies and Avantium. Green Biologics is a biotechnology company which is developing renewable chemical and biofuel technology. NanoSpun Technologies is a company which is developing a water treatment process using nanotechnology. Avantium is a biotechnology company that develops and commercialises bioplastics.

PERFORMANCE HIGHLIGHTS

HEALTH & SAFETY

33% ↓

Lost time injury rate reduction in 2016 compared with 2015

TRAINING & DEVELOPMENT

8.35

Total average hours of training per employee in 2016

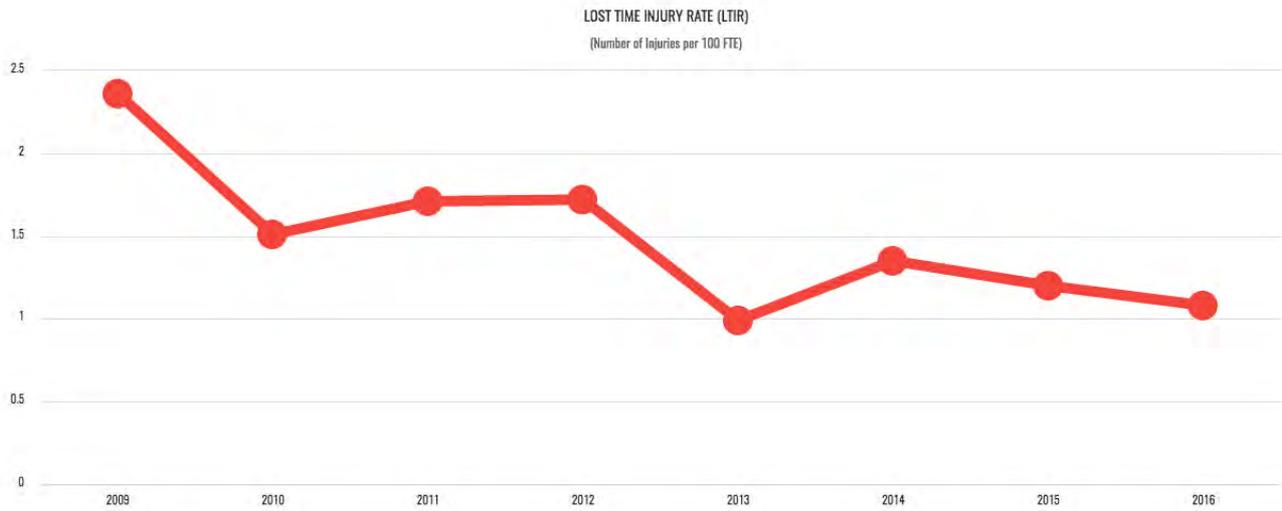
PHILANTHROPY

HK\$332,915

Donated to Good Causes in 2016

Group Level Material Topics

Performance in relation to the material topic which is highly significant at a group level is shown below:

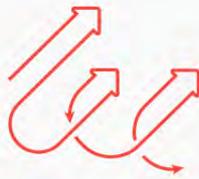


In 2016, the Lost Time Injury Rate at Swire Resources improved by 17.67%, falling from 2.15 in 2015 to 1.77.

In 2016, Swire Resources organised health and safety campaigns (including one for office employees) and sent monthly safety notices to its stores in Hong Kong and Mainland China. Safety issues are cross checked between stores carrying the same and different brands.

In compliance with new labour laws, senior management in Mainland China took part in relevant training courses in the three Mainland China regions in which Swire Resources operates. In Hong Kong, Swire Resources has nominated and trained office first-aiders.

More information on sustainability matters related to the Trading & Industrial Division can be found in other sections of this report and in the individual companies' sustainable development reports, which can be found [here](#).



About this Report

10 years of sustainability reporting

← **BACK**
Trading &
Industrial
Division

We began reporting on our environmental and social performance with the publication of the first Swire Pacific Sustainable Development Report (“SD report”) in 2007. Since then, our reporting has been based on Global Reporting Initiative (GRI) guidelines. Over the years our approach to reporting has evolved, going through a number of important changes and iterations as the GRI framework has changed and sustainability reporting has become a more exact science. This year, in addition to producing our normal annual report to shareholders (which includes sustainability material); we are producing this separate report, which aims to give a more detailed account of our sustainability performance. Next year, we will follow the new GRI reporting standard.

Our 10th SD report deals with our sustainable development policy and our new environmental sustainability strategy, called **Thrive**. The report sets out Swire Pacific’s corporate governance procedures, notes key areas of concern and reports on our sustainability performance and initiatives. We respond to enquiries from investors and provide information to the Carbon Disclosure Project (CDP), the Dow Jones Sustainability Index (DJSI) and MSCI, as organisations that assess the economic, environmental and social performance of companies. This helps us to identify specific issues that are most relevant to the industries in which we operate.

The content of this report is prepared in accordance with the core option of the GRI’s G4 guidelines and the requirements of the Environmental, Social and Governance Reporting Guide of The Hong Kong Stock Exchange Limited. The report focuses on Swire Pacific businesses as outlined in appendix one of the [reporting methodology guide](#) and includes a GRI Content Index.

This report, together with additional information available on our website (www.swirepacific.com) and within our [Annual Report](#), summarises our 2016 sustainability performance from January 1st 2016 to December 31st 2016. Our most recent previous SD report was published in April 2016.

Our Data

We support transparency and provide information and data in this report and on our website. Only data that was provided before the end of March 2017 is included in this report. If data or incidents are reclassified or confirmed after preparation of this report, they will be updated in future reports.

NEXT →
Performance
Data

Assurance

We have very clear standards and reporting requirements for our sustainability data. These standards are supported by internal audits and statistical checks.

PricewaterhouseCoopers has provided limited assurance in relation to the selected sustainability data for 2016 listed below and identified with the symbol [R] in the [relevant] data table[s].

- Total energy consumption
- Total greenhouse gas emissions by weight
- Total water used
- Total employee fatalities
- Total employee lost time injuries

The full assurance statement from PricewaterhouseCoopers can be found here: http://www.swirepacific.com/en/sd/sd/limited_assurance_opinion.pdf

Feedback

We welcome the views of those who read this report. Please send your feedback and other sustainability related enquiries to sd@swirepacific.com

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Assistant Manager, Sustainable
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Amy Hung
Executive Assistant

STATISTICS		Note	Property		Cathay Pacific group		HAECO group		Beverages		Swire Pacific Offshore		HUD group		Trading & Industrial		Swire Pacific (Head Office)		Total (Note 1)		
Environmental			2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	
Total Energy Consumption (thousand GJ)	Direct energy consumption		154	102	245730	244603	349	169	781	657	1337	1443	329	331	51	29	-	-	248730	247334	
	Indirect energy consumption		1023	982	682	464	481	464	1170	1034	5	6	19	22	244	131	-	-	3624	3103	
	Total	1	1177	1084	246412	245067	830	633	1951	1691	1342 ⁴	1449 ⁴	347	353	295	160	-	-	252354 (R)	250438	
	% Change year-on-year		9%	-	1%	-	31%	-	15%	-	-7%	-	-2%	-	84%	-	-	-	-	1%	-
Total Greenhouse Gas Emissions by Weight (thousand tonnes CO ₂ e)	Direct (Scope 1)	2	13	6	17702	17535	27	12	55	44	108	115	27	27	6	2	-	-	17938	17740	
	Indirect (Scope 2)		216	212	80	85	78	83	194	182	1	1	3	4	46	25	-	-	618	593	
	Total	1	230	218	17782	17620	105	95	249	226	108 ⁴	115 ⁴	30	31	51	27	-	-	18556 (R)	18333	
	% Change year-on-year		5%	-	1%	-	11%	-	10%	-	-6%	-	-5%	-	91%	-	-	-	-	1%	-
Total Water Used (thousands cbm)	Water Used	3	1522	1169	866	846	710	633	7585	7105	-	-	77	57	178	155	-	-	10938 (R)	9963	
	% Change year-on-year		30%	-	2%	-	12%	-	7%	-	-	-	35%	-	15%	-	-	-	10%	-	
Total Waste by Type and Disposal Method (tonnes)	Waste Disposed		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Hazardous		0	2	1	0	1,135	1,134	110	2,293	1,973	3,077	-	-	1	1	-	-	3,220	6,506	
	Non-Hazardous		38,185	32,302	13,794	13,532	4,921	4,599	722	3,052	-	-	-	-	-	-	-	-	57,622	53,485	
	Waste Recycled		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Hazardous		243	106	-	-	148	-	0	-	-	-	-	-	-	-	-	-	-	391	106
	Non-Hazardous		4,283	3,176	4,414	4,053	717	716	10,342	9,874	16	3	184	179	457	489	-	-	20,414	18,489	
	Total		42,711	35,584	18,209	17,586	6,921	6,449	11,175	15,219	1,989	3,080	184	179	457	490	-	-	81,647	78,585	
	% Change year-on-year		20%	-	4%	-	7%	-	-27%	-	-35%	-	3%	-	-7%	-	-	-	-	4%	-
Health & Safety			5																		
Thousand hours worked			11,674	9,689	69,059	66,135	39,415	33,884	45,304	42,328	12,194	15,443	1,995	1,765	17,767	9,808	84	77	197,492	179,130	
Total lost time injuries			105	92	970	916	299	238	113	119	4	10	12	13	96	79	0	0	1599 (R)	1467	
Lost time injury rate (LTIR)			1.80	1.90	2.81	2.77	1.52	1.40	0.50	0.56	0.07	0.13	1.20	1.47	1.08	1.61	0.00	0.00	1.62	1.64	
% Change year-on-year (LTIR)			-5%	-	1%	-	8%	-	-11%	-	-46%	-	-18%	-	-33%	-	-	-	-1%	-	
Lost days due to injuries			2112	2959	24304	31630	11650	7195	3396	3865	52	445	1314	1355	3357	905	0	0	46184	48354	
Lost day rate (LDR)			36.18	61.08	70.38	95.65	59.11	42.47	14.99	18.26	0.85	5.76	131.71	153.54	37.78	18.45	0.00	0.00	46.77	53.99	
% Change year-on-year (LDR)			-41%	-	-26%	-	39%	-	-18%	-	-85%	-	-14%	-	105%	-	N/A	-	-13%	-	
Total fatalities			-	-	-	-	-	-	-	-	-	-	-	-	1	-	-	-	1 (R)	-	
Staff																					
Workforce	Permanent and fixed term employees		5,711	5,461	32,253	32,030	14,859	14,794	20,377	18,656	2,264	2,726	650	471	9,098	5,304	45	43	85,257	79,485	
	Supervised employees		61	102	3,823	1,377	254	153	793	1,345	-	-	-	-	-	-	-	-	4,931	2,977	
	Male		3,559	3,452	17,058	15,082	12,242	12,320	16,572	15,599	2,013	2,490	592	433	3,593	2,869	14	13	55,643	52,258	
	Female		2,213	2,111	19,018	18,325	2,871	2,627	4,598	4,402	251	236	58	38	5,505	2,435	31	30	34,545	30,204	
	Total		5,772	5,563	36,076	33,407	15,113	14,947	21,170	20,001	2,264	2,726	650	471	9,098	5,304	45	43	90,188	82,462	
	Employees who are on Permanent Terms (%)		95%	94%	86%	93%	94%	96%	96%	93%	60%	59%	94%	94%	94%	93%	100%	100%	91%	92%	
	Permanent employees who work Full-time (%)		99%	99%	98%	98%	99%	99%	99%	100%	100%	100%	100%	100%	93%	87%	100%	100%	98%	98%	
	Workforce by region (%)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Hong Kong & Macau		57%	57%	83%	80%	48%	46%	7%	7%	-	-	100%	100%	33%	57%	96%	95%	51%	51%	
	Mainland China		43%	42%	2%	3%	34%	36%	68%	75%	-	-	-	-	53%	18%	4%	5%	31%	30%	
	Taiwan		0%	0%	2%	2%	0%	0%	4%	5%	-	-	-	-	13%	24%	0%	0%	3%	3%	
	USA		0%	0%	1%	3%	17%	18%	20%	14%	-	-	-	-	0%	0%	0%	0%	8%	8%	
	Others		0%	0%	12%	12%	0%	0%	0%	0%	100%	100%	-	-	1%	1%	0%	0%	7%	8%	
Voluntary Permanent Employee Turnover Data																					
By age group	Under 30 years old		35%	32%	15%	16%	14%	14%	29%	23%	12%	7%	10%	23%	67%	66%	0%	13%	28%	24%	
	30 to 50 years old		16%	15%	5%	5%	9%	8%	12%	11%	5%	3%	12%	8%	33%	25%	0%	4%	11%	8%	
	Over 50 years old		11%	13%	6%	5%	9%	4%	5%	7%	4%	2%	8%	2%	19%	15%	0%	13%	8%	6%	
By gender	Male		21%	19%	9%	7%	10%	9%	18%	16%	5%	3%	10%	9%	43%	43%	0%	15%	15%	13%	
	Female		22%	23%	7%	8%	12%	9%	13%	12%	12%	5%	9%	5%	52%	48%	0%	4%	17%	13%	
By region	Hong Kong & Macau		20%	17%	8%	8%	10%	9%	19%	22%	-	-	10%	8%	59%	63%	0%	8%	13%	14%	
	Mainland China		23%	24%	11%	7%	8%	5%	14%	12%	-	-	-	-	49%	29%	0%	0%	19%	12%	
	Taiwan		0%	0%	4%	1%	0%	0%	7%	8%	-	-	-	-	22%	16%	0%	0%	13%	9%	

	USA		0%	0%	10%	8%	17%	17%	29%	29%	-	-	-	-	0%	0%	0%	0%	22%	21%
	Others		0%	0%	6%	6%	0%	0%	0%	0%	6%	4%	-	-	56%	55%	0%	0%	7%	6%
Total Voluntary Turnover Rate of Permanent Employees (%)			21%	20%	8%	8%	10%	9%	17%	15%	6%	4%	10%	5%	48%	45%	0%	7%	16%	13%
New Hire Data																				
By age group	Under 30 years old		45%	51%	20%	29%	22%	19%	47%	33%	17%	26%	50%	40%	80%	75%	0%	14%	39%	34%
	30 to 50 years old		22%	24%	5%	4%	11%	7%	19%	12%	6%	10%	45%	28%	39%	40%	7%	19%	14%	10%
	Over 50 years old		16%	15%	5%	3%	9%	5%	28%	11%	3%	7%	49%	8%	29%	23%	0%	11%	12%	7%
By gender	Male		28%	28%	11%	10%	12%	10%	30%	21%	6%	12%	47%	23%	51%	55%	14%	15%	21%	17%
	Female		28%	35%	7%	11%	20%	11%	23%	15%	12%	12%	50%	18%	63%	59%	0%	17%	21%	17%
By region	Hong Kong & Macau		25%	26%	10%	11%	16%	12%	24%	28%	-	-	48%	23%	61%	70%	5%	15%	16%	17%
	Mainland China		31%	37%	1%	9%	4%	3%	19%	16%	-	-	-	-	64%	52%	0%	50%	25%	17%
	Taiwan		0%	0%	1%	3%	0%	0%	10%	12%	-	-	-	-	25%	29%	0%	0%	14%	17%
	USA		20%	0%	4%	17%	26%	20%	64%	35%	-	-	-	-	0%	0%	0%	0%	45%	26%
	Others		0%	20%	9%	10%	0%	0%	0%	0%	7%	12%	-	-	79%	75%	0%	0%	10%	11%
Total New Hires Rate (%)			28%	31%	9%	11%	14%	10%	29%	20%	7%	12%	48%	23%	58%	57%	4%	16%	21%	17%
Training Data																				
By employee category	Top / Senior Management		24.93	-	2.75	-	27.39	-	58.49	-	1.80	-	5.11	-	13.07	-	14.88	-	15.48	-
	Middle/ Junior management and supervisory		15.88	-	14.47	-	83.95	-	28.57	-	15.73	-	6.11	-	11.22	-	22.29	-	34.57	-
	Customer facing staff		10.02	-	26.62	-	40.88	-	15.15	-	0.00	-	0.00	-	6.49	-	0.00	-	22.42	-
	Non-customer facing operational / technical staff		13.06	-	12.30	-	62.19	-	32.95	-	4.41	-	8.48	-	13.25	-	0.00	-	30.41	-
	Others		6.88	-	1.13	-	163.54	-	22.25	-	155.71	-	0.00	-	6.06	-	1.00	-	74.29	-
Total Average Hours of Training			11.45	-	19.02	-	64.17	-	22.83	-	123.08	-	7.91	-	8.35	-	18.75	-	28.45	-

Notes:

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

2. For the Cathay Pacific Group, only CO₂ emissions for aviation turbine fuel are reported as there is no scientific consensus on the global warming effect of other emissions. Cathay Pacific monitors developments in these areas of atmospheric science, including studies from the UKs OMEGA aviation and environment project and the Institute of Atmospheric Physics at the German Aerospace Centre.

3. Virtually all water consumption by the Swire Pacific group is withdrawn from municipal water supplies provided by local water supply authorities. Swire Properties' buildings have installed rainwater catching facilities but the amount of rainwater caught is insignificant in relation to the Group's total water consumption.

4. This figure excludes on-hire vessel fuel consumption as this belong to scope 3 as defined by the Greenhouse Gas Protocol

5. Please refer to glossary for definitions

(R) Denotes sustainability data that has been reported on by PricewaterhouseCoopers. Please refer to the independent limited assurance report for further details.



GRI Table (HKEX)

BACK

← Performance Data

This content index can be used to find the relevant disclosures made in accordance with the GRI G4 reporting guidelines and the ESG Reporting Guide of Appendix 27 of the main board listing rules of the Hong Kong Stock Exchange.

GRI Table (HKEX)

DOWNLOAD PDF

Global Standard/Initiatives	Description	Report Section	Relevance
Strategy and Reporting			
64-1	Statement from the most senior decision-maker of the organization (such as CEO, Chair, or equivalent senior position) about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability.	Sustainable Development at Dawn	
Organizational Profile			
64-2	Name of the organization	Sustainable Development at Dawn	Annual Report 2018 - Corporate Statement
64-3	Primary brands, products, and services	Our Division	Annual Report 2018 - Corporate Statement , Performance Report and Outlook
64-4	Location of the organization's headquarters	Our Division	Annual Report 2018 - Corporate Statement
64-6	Number of countries where the organization operates	Our Division	Annual Report 2018 - Corporate Statement
64-7	Nature of ownership and legal form	Our Division	
64-8	Markets served (including geographic breakdown, sectors served, types of customers, and beneficiaries)	Our Division	Annual Report 2018 - 2018 Performance Review and Outlook
64-9	Scale of organization	Our Division	
64-10	The total number of employees by employment contract, gender and region	People and Communities - Diversity and Equal Opportunities Performance Data	
64-11	Percentage of total employees covered by collective bargaining agreements	People & Communities - Diversity and Equal Opportunities	
64-12	Describe the organization's supply chain	Emerging Issues	
64-13	Significant changes during the reporting period in size, structure, ownership or supply chain		Annual Report 2018 - Corporate Statement , 2018 Performance Review and Outlook
64-14	Whether and how precautionary approach principles is addressed	Risk Management	Sustainability Factsheet 2018 Annual Report - Risk Management
64-15	Externally developed economic, environmental, social standards, principles which the organization subscribes to	Sustainable Development at Dawn Our Values Statement	

General Standard Disclosures	Description	Report Section	Remarks
Strategy and Analysis			
G4-1	Statement from the most senior decision-maker of the organisation (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organisation and the organisation's strategy for addressing sustainability.	Sustainable Development at Swire	
Organisational Profile			
G4-3	Name of the organisation	Sustainable Development at Swire	Annual Report 2016 - Corporate Statement
G4-4	Primary brands, products, and services	Our Divisions	Annual Report 2016 - Corporate Statement; 2016 Performance Review and Outlook
G4-5	Location of the organisation's headquarters	Our Divisions	Annual Report 2016 - Corporate Statement
G4-6	Number of countries where the organisation operates	Our Divisions	Annual Report 2016 - Corporate Statement
G4-7	Nature of ownership and legal form	Our Divisions	
G4-8	Markets served (including geographic breakdown, sectors served, types of customers, and beneficiaries)	Our Divisions	Annual Report 2016 - 2016 Performance Review and Outlook
G4-9	Scale of organisation	Our Divisions	
G4-10	The total number of employees by employment contract, gender and region	People and Communities - Diversity and Equal Opportunities Performance Data	
G4-11	Percentage of total employees covered by collective bargaining agreements	People & Communities - Diversity and Equal Opportunities	
G4-12	Describe the organisation's supply chain	Emerging Issues	
G4-13	Significant changes during the reporting period in size, structure, ownership or supply chain.		Annual Report 2016 - Chairmans Statement; 2016 Performance Review and Outlook
G4-14	Whether and how precautionary approach/ principle is addressed	Risk Management	Swire Pacific 2016 Annual Report - Risk Management
G4-15	Externally developed economic, environmental, social charters, principles which the organisation subscribes or which it endorses	Sustainable Development at Swire Our Natural Environment People and Communities	
G4-16	List memberships in associations, national/international advocacy organisations that has positions in governance bodies; participates in projects or committees; provides substantive funding; or views membership as strategic	Sustainability Governance	
Identified Material Aspects and Boundaries			
G4-17	Entities included in the organisation's consolidated financial statements or equivalent documents		Swire Pacific 2016 Annual Report - Reporting Methodology
G4-18	Process of defining report content and aspect boundaries, and how the organisation has implemented the Reportine Principles for Defining Report Content	Assessing Materiality	Swire Pacific 2016 Annual Report - Reporting Methodology
G4-19	Material Aspects defined in the process of defining report content	Assessing Materiality	Swire Pacific 2016 Annual Report - Reporting Methodology
G4-20	For each material aspect, report the aspect boundary inside the organisation	Assessing Materiality	Swire Pacific 2016 Annual Report - Reporting Methodology
G4-21	For each material aspect, report the aspect boundary outside the organisation	Assessing Materiality	Swire Pacific 2016 Annual Report - Reporting Methodology
G4-22	Effect of any restatements of info provided by previous reports, and reasons for restatements		Not Applicable
G4-23	Significant changes from previous reporting period in Scope and Aspect Boundaries		Swire Pacific 2016 Annual Report - Reporting Methodology
Stakeholder Engagement			
G4-24	List of stakeholder groups engaged by organisation	Assessing Materiality	
G4-25	Basis for identification and selection of stakeholders with whom to engage	Assessing Materiality	
G4-26	Organisation's approach to stakeholder engagement	Assessing Materiality	
G4-27	Key topics and concerns that have been raised through stakeholder engagements, how the organisation responded	Assessing Materiality	
Report Profile			
G4-28	Reporting period for info provided	About this report	
G4-29	Date of most recent previous report	About this report	
G4-30	Reporting cycle	About this report	
G4-31	Contact point for questions regarding the report or its contents	About this report	
G4-32	The GRI G4 'in accordance' option the organisation has chosen	About this report	
G4-33	Organisation's policy and current practice with regard to seeking external assurance for the report	About this report	Independent Practitioner's Limited Assurance Report
Governance			
G4-34	The governance structure of the organisation, including committees of the highest governance body	Sustainability Governance	Swire Pacific 2016 Annual Report - Corporate Governance Report
Ethics and Integrity			
G4-56	The organisation's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics	Sustainability Governance	

Specific Standard Disclosure	GRI G4 Description	Item	HKEx ESG Reporting Guide Reference	Report Section	Remarks
Economic					
G4-EC1	Direct economic value generated and distributed	N/A	N/A	Our Division	Annual Report 2016 - Financial Review
Environmental					
Energy					
G4-DMA	Management approach to energy	General Disclosure A2, A3	<p>Policies on the efficient use of resources, including energy, water and other raw materials.</p> <p>Policies on minimising the issuer's significant impact on the environment and natural resources.</p>	Our Natural Environment - Carbon	During the reporting period, so far as the Directors were aware, the Group did not commit any violations of laws and regulations in material aspects that would have a significant impact on the Group.
G4-EN3	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).	Performance Data Our Natural Environment - Carbon	Annual Report 2016 - Sustainable Development Review
		KPI A2.3	Description of energy use efficiency initiatives and results achieved		
		KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.		
Water					
G4-DMA	Management approach to water	General Disclosure A2, A3	<p>Policies on the efficient use of resources, including energy, water and other raw materials.</p> <p>Policies on minimising the issuer's significant impact on the environment and natural resources.</p>	Our Natural Environment - Water	During the reporting period, so far as the Directors were aware, the Group did not commit any violations of laws and regulations in material aspects that would have a significant impact on the Group.
G4-EN6	Total water withdrawal by source	KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Performance Data Our Natural Environment - Water	Annual Report 2016 - Sustainable Development Review
		KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.		
		KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.		
Emissions					
G4-DMA	Management approach to emissions	General Disclosure A1, A3	<p>Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.</p> <p>Policies on minimising the issuer's significant impact on the environment and natural resources.</p>	Our Natural Environment - Carbon	During the reporting period, so far as the Directors were aware, the Group did not commit any violations of laws and regulations in material aspects that would have a significant impact on the Group.
G4-EN15	Direct greenhouse gas emissions (Scope 1)	KPI A1.1 KPI A1.2	<p>The types of emissions and respective emissions data.</p> <p>Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).</p>	Performance Data Our Natural Environment - Carbon	Annual Report 2016 - Sustainable Development Review
G4-EN16	Indirect greenhouse gas emissions (Scope 2)	KPI A1.5 KPI A3.1	<p>Description of measures to mitigate emissions and results achieved.</p> <p>Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.</p>		
Effluent and Waste					
G4-DMA	Management approach to effluents and waste	General Disclosure A1	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Our Natural Environment - Waste	During the reporting period, so far as the Directors were aware, the Group did not commit any violations of laws and regulations in material aspects that would have a significant impact on the Group.
G4-EN23	Total weight of 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).	Performance Data Our Natural Environment - Waste	
		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, reduction initiatives and results achieved.		
Materials					
N/A	N/A	KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.		Not material at Group Level.
Social					
Employment					
G4-DMA	Management approach to employment	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.	People and Communities People and Communities - Diversity and Equal Opportunities	During the reporting period, so far as the Directors were aware, the Group did not commit any violations of laws and regulations in material aspects that would have a significant impact on the Group.

G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region	KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Performance Data	
Occupational health and safety					
G4-DMA	Management approach to occupational health and safety	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.	People and Communities - Health and Safety	During the reporting period, so far as the Directors were aware, the Group did not commit any violations of laws and regulations in material aspects that would have a significant impact on the Group.
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	KPI B2.1	Number and rate of work-related fatalities.	Performance Data People and Communities - Health and Safety	
		KPI B2.2	Lost days due to work injury.		
		KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.		
Training and Education					
G4-DMA	Management approach to training and education	General Disclosure B3	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	People and Communities - Training and Development	During the reporting period, so far as the Directors were aware, the Group did not commit any violations of laws and regulations in material aspects that would have a significant impact on the Group.
G4-LA9	Average hours of training per year per employee by gender, and by employee category	KPI B3.2	The average training hours completed per employee by gender and employee category.	Performance Data People and Communities - Training and Development	We use employee category breakdown as measures of training. We do not report on our employees training by gender.
Diversity and equal opportunities					
G4-DMA	Management approach to diversity and equal opportunities	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.	People and Communities - Diversity and Equal Opportunities	During the reporting period, so far as the Directors were aware, the Group did not commit any violations of laws and regulations in material aspects that would have a significant impact on the Group.
G4-LA12	Composition of governance bodies and breakdown of employees by employee category according to gender, age group, minority group and other indicators of diversity	KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	Performance Data People and Communities - Diversity and Equal Opportunities	We use gender and age breakdowns as measures of diversity. We do not have a definition of minority status in our workforce. We do not report on our employees by age group, but will consider doing so in the future.
Local communities					
G4-DMA	Management approach to community	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.	People and Communities - Philanthropy and Charitable Giving	During the reporting period, so far as the Directors were aware, the Group did not commit any violations of laws and regulations in material aspects that would have a significant impact on the Group.
G4-S01	Percentage of operations with implemented local community engagement, impact assessments and development programmes	KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Our Performance People and Communities - Philanthropy and Charitable Giving	The specific disclosures required at GRI G4 are not considered applicable to Swire Pacific as a group.
		KPI B8.2	Resources contributed (e.g. money or time) to the focus area.		
Child Labour					
N/A	N/A	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.		Not material at Group Level.
Product Responsibility					
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.		Not material at Group Level.
Anti-Corruption					
N/A	N/A	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.	Sustainable Development at Swire - Sustainability Governance	During the reporting period, so far as the Directors were aware, the Group did not commit any violations of laws and regulations in material aspects that would have a significant impact on the Group.
Supply chain					
G4-DMA	Management approach to supply chain	General Disclosure B5	Policies on managing environmental and social risks of the supply chain.	Our Natural Environment - Emerging Issues	We are defining indicators to monitor our performance on supply chain and expect to start reporting by reference to them in 2017. During the reporting period, so far as the Directors were aware, the Group did not commit any violations of laws and regulations in material aspects that would have a significant impact on the Group.