

WORKING WITH OTHERS

The Swire Pacific Group deals with many people and organisations. We can share values and knowledge with them and can encourage them to adopt similar ethical standards and sustainability practices.

SELECTING AND INFLUENCING SUPPLIERS

We want our suppliers to share our approach to sustainability. To this end we have a supply chain sustainability working group, which evaluates risks and how to mitigate them and encourages sustainable procurement, and a supplier code of conduct, which has been adopted by all our business units. The code deals with the environment, health and safety, labour policies, ethics and community matters. Suppliers' compliance with the code is being reviewed. HAECO requires all new suppliers to comply with the code. To date, over 60% of HAECO's major suppliers have agreed to comply with the code.

Swire Beverages requires its suppliers (including of ingredients, packaging and promotional materials) to comply with its supplier guiding principles.

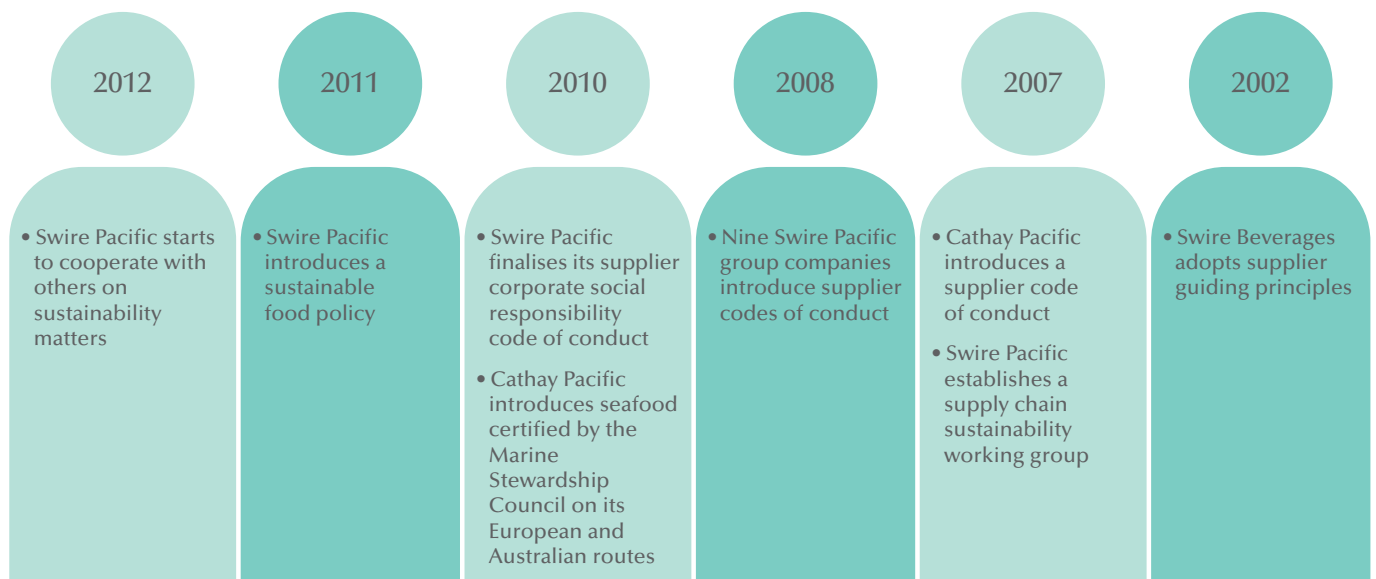
Important steps which have been taken in relation to suppliers in recent years are shown below.

COOPERATION WITH OTHERS

In 2012, Swire Pacific cooperated with the Business Environment Council and other organisations on sustainability and with leading companies in Hong Kong on supply chain sustainability. The Joint Research Centre for Building Energy Efficiency and Sustainability (which was established by Swire Properties in 2011 in conjunction with Tsinghua University) continued its work in 2012.



IMPORTANT STEPS IN SUPPLY CHAIN MANAGEMENT



ADVOCACY

Swire Pacific aims to raise awareness of sustainability and to encourage sustainable practices, including through the responsible use of the Group’s products and services. Cathay Pacific’s FLY greener offset programme allows passengers on Cathay Pacific and Dragonair flights to buy offsets for the carbon emissions of their flights. This enables passengers to contribute to projects which reduce CO₂ emissions (or take CO₂ out of the atmosphere) and supports the management of greenhouse gas emissions. 11,000 fewer tonnes of CO₂ were released into the atmosphere in 2012 as a result of FLY greener. Taikoo Motors Group supports Volvo Trucks’ Fuelwatch programme, which promotes fuel-efficient driving. In 2012, Cathay Pacific and Dragonair announced that they would stop carrying unsustainably harvested shark fins and other shark products. It is hoped that this will encourage other carriers to do the same. An advisory panel, which includes representatives of NGOs, advises Cathay Pacific on carrying animal products.

PURCHASING SUSTAINABLE PRODUCTS

The Swire Pacific Group tries to purchase sustainable products. Finding appropriate products is difficult, but, for example, all printing paper used in our offices is certified by the Forest Stewardship Council.

Important steps which have been taken in relation to purchasing sustainable products in recent years are shown below.

2012 Aims and Progress	
Aims	To develop a database containing information about compliance by suppliers with our supplier code of conduct
Progress	In progress
Comments	The information collected is being checked by business units and will be shared with other business units in 2013
Aims	To extend the purchasing of sustainable seafood and other certified products to all our businesses
Progress	In progress
Comments	The types and quantities of sustainable seafood products purchased by Cathay Pacific Catering Services in 2012 have increased compared with 2011. We are evaluating the use of toilet paper and paper hand towels certified by the Forest Stewardship Council
Aims	To continue to identify areas where progress is needed in sustainable seafood sourcing
Progress	In progress
Comments	We try to ensure that suppliers of our catering facilities supply only sustainably sourced seafood
Aims	To develop relationships with other organisations which have sustainability goals which are similar to ours
Progress	Done
Comments	We share relevant information with other leading Hong Kong companies
2013 Aims	
To develop a group policy on sustainable procurement	
To continue developing a database containing information about compliance by suppliers with our supplier code of conduct	

IMPORTANT STEPS IN RELATION TO PURCHASING SUSTAINABLE FOOD PRODUCTS

2012

- Cathay Pacific and Dragonair announce that they will stop carrying unsustainably harvested shark fins and other shark products

2011

- Cathay Pacific introduces seafood certified by the Marine Stewardship Council on its North American routes
- Swire Hotels stops serving shark fins and starts serving a menu according to the WWF Hong Kong’s Seafood Guide

2010

- Cathay Pacific introduces seafood certified by the Marine Stewardship Council on its European and Australian routes

2009

- Cathay Pacific and Dragonair stop serving shark fins

