

HEALTH AND SAFETY

Health and safety is taken very seriously at Swire Pacific. We try to conduct our operations in a way which safeguards the health and safety of our employees, those with whom we do business, our visitors and the communities in which we operate. Over the last six years, the number of lost time injuries (“LTIs”) per 100 full-time equivalent employees (“FTE”) per annum has fallen from 4.12 to 2.73. This is a considerable achievement, but we will still try to do better.

HEALTH AND SAFETY MANAGEMENT

Health and safety risks are identified by a health and safety committee, which reports regularly to the Swire Pacific group risk management committee. The group risk management committee reports to the Board of Swire Pacific.

Representatives from each division sit on the health and safety committee, which monitors health and safety issues and developments. Health and safety priorities are recorded in a risk register.

Important steps which have been taken in health and safety management in recent years are shown below.

VEHICLE AND ROAD SAFETY

Vehicle and road safety is a priority. We cannot control everything that happens on the roads, but we can try to ensure that our own vehicles and drivers meet high safety standards. Swire Beverages in Mainland China provides defensive driving training. HAECO has installed devices in its vehicles to assist with reversing and to record and alert drivers to speeding. In 2012, we focused on bus safety. A working group chaired by HAECO developed a staff transportation safety policy and specific guidelines on bus safety. The policy is designed to improve the safety of staff when using all forms of transportation.

IMPORTANT STEPS IN HEALTH & SAFETY MANAGEMENT





MAINLAND CHINA

Health and safety regulations change frequently in Mainland China and differ from province to province. We are preparing an on-line database which staff in Mainland China will be able to use in order to keep track of health and safety regulations. We are also putting more health and safety information on the Swire Pacific intranet.

Formed in 2010, the China health and safety working group has grown from nine members from nine companies to 22 members from 15 companies. It oversees health and safety matters for our companies in Mainland China. In 2012, it raised awareness of health and safety and established a framework for a standardised approach to the development of safety management systems. This is intended to ensure consistent safety management and accident reporting in Mainland China.

IMPROVED HEALTH AND SAFETY REPORTING

Accurate safety data and appropriate analyses of it are essential to maintaining a safe working environment. In 2012, we tried to make our safety data more robust and to be more transparent and accountable. The quarterly health and safety reporting system developed in 2011 was implemented in 2012. Divisional chief executives report on what their divisions are doing to reduce accidents. Swire Properties has started to report on health and safety matters at board meetings.

A SAFETY CULTURE

Safety regulations and equipment cannot be fully effective if staff do not know what the regulations are or how to use the equipment. A safety culture must be developed. Regular training is essential. On-site awareness campaigns intended to change attitudes to health and safety are also required. Staff must be made aware of the importance of effective safety practices in the workplace.

In 2012, health and safety training was extended to more employees. Cathay Pacific now requires all staff to undergo online health and safety training. Swire Properties distributes health and safety handbooks to all staff and offers workstation safety training to staff who use workstations. Swire Properties also uses competitions intended to make staff more aware of safety matters and encourages staff to do exercises before work in order to reduce the chance of injury.



HAESL's I Care I Report safety programme was introduced in 2011 and extended to I Care I Report I Resolve in 2012. It encourages employees to report unsafe acts and conditions. It helps to identify and mitigate safety risks and encourages employees to discuss safety and to suggest solutions to safety problems. Employees who submit high quality reports and solve safety problems can receive rewards. Over 800 reports were submitted in 2012. In 30% of these cases, solutions to safety problems suggested by employees themselves were adopted.

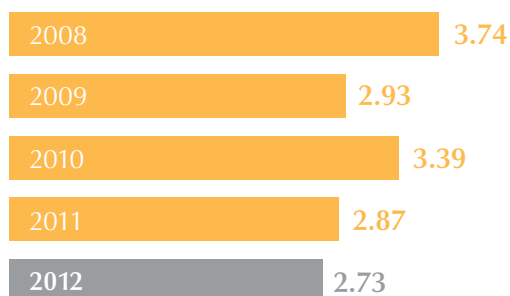
Swire Resources monitors its premises for potential hazards. In 2012, an environment health and safety team visited all its stores and identified unsafe retail racks, which were replaced with safe ones. The team noticed that a particular type of screw used in rack layers caused injuries. The screws were replaced with a different, safer type of screw.

LOST TIME INJURIES

In 2012, LTIs decreased by 0.2% to 2,192 cases. There were 2.73 injuries per 100 FTE, compared with 2.87 LTIs per 100 FTE in 2011. This represents a decrease of 5%. This was mainly due to 42% and 35% decreases in the reported lost time injury rates at TAECO and Taikoo Motors respectively.

LTIR

(No. of injuries per 100 full-time equivalent employees)



FATALITY

Regrettably, there was one fatality in 2012. A SPO employee was killed while working on a vessel off the coast of Angola. The matter has been fully investigated and relevant safety procedures have been improved.

2012 Aims and Progress

Aims	To implement the quarterly reporting system developed in 2011
Progress	Done
Comments	Quarterly reporting on occupational health and safety performance (with sign off by divisional chief executives) has been implemented
Aims	To extend health and safety training to more employees, including frontline staff at Swire Properties in Mainland China
Progress	In progress
Comments	Safety handbooks have been distributed to and relevant training has been conducted for Swire Properties staff in Mainland China
Aims	To share health and safety experiences more broadly across the Group and to develop more health and safety initiatives
Progress	In progress
Comments	Experiences were shared through the Mainland China health and safety working group, the bus safety working group and participation in a sustainable development forum. A framework for a standardised safety management system for Mainland China was established
Aims	To develop a Group policy in relation to contracted buses
Progress	Done
Comments	A Group staff transportation safety policy has been established

2013 Aims

To conduct a review of safety management systems at our companies in Mainland China

To compare our safety performance with that of comparable companies

To extend health and safety training to more of our employees

To improve the monitoring of safety management by our contractors