

COMMUNITY INVOLVEMENT

We have a long history of community involvement. We believe that when the communities in which we operate prosper, so do we. We support those communities in two ways, through charitable donations by the Swire Group Charitable Trust ("Swire Trust") (which we fund) and by supporting the community initiatives of the staff in our operating companies.

THE SWIRE GROUP CHARITABLE TRUST

Swire Trust was established in 1983. It is overseen by a Philanthropy Council chaired by a director of Swire Pacific. Swire Trust receives almost all its income from companies in the Swire Pacific Group and provides long-term funds for charitable purposes to non-profit making organisations, mainly in Hong Kong and Mainland China. Its principal focus is on education, the environment and arts and culture. Swire recognises the importance of education and started to support education in the early part of the 20th century. In 1911, it provided the first endowment for a professorship at the University of Hong Kong. In 1923, it established the Taikoo Primary School for the children of its staff.

In Mainland China, Swire Trust supports educational projects which will provide good quality education for vulnerable students in remote areas (for example orphans or those with learning disabilities or from families affected by HIV, AIDS or drugs). In Yunnan, Swire Trust supports Right to Play, which operates centres where young children can learn and play.

The Trust supports environmental projects intended to protect natural resources and biodiversity. Xiamen University is developing a marine research centre with the assistance



of funds provided by Swire Trust. The centre aims to monitor marine ecosystem responses to global and regional environmental changes. In September 2012, Swire Trust co-organised a marine conservation and philanthropy forum in Hong Kong. The objective of the forum was to inform and update donors about current and emerging issues facing the marine environment, the role of Asia and the growing Hong Kong philanthropic community, and to share experiences and knowledge in this specific area of philanthropy.

Swire Trust supports the Arts with the Disabled Association in Hong Kong, which aims 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.

Swire Trust funds to a limited extent organisations operating in areas which are outside the educational, environmental and arts and culture areas but which are underserved by charities generally.

Swire Trust tries to build the capacity of the organisations which it funds, including, where appropriate, with the help of Swire Pacific's businesses and their staff. The aim is to help these organisations to become self-sufficient and to be more effective in benefiting those whom they support.

In 2012, Swire Trust donated funds to the Ignite programme organised by Asian Charity Services. The objective of Ignite is to equip leaders of non-governmental organisations to serve the Hong Kong community more effectively. Two seminars on branding and public relations have been held so far and 74 organisations have attended.

Applications to Swire Trust for funding are reviewed in accordance with international best practice. If funds are granted to an organisation, the organisation is required to meet qualitative and quantitative targets.

STAFF AND THE COMMUNITY

Staff of Swire Pacific's operating companies are encouraged to participate in community activities. There is an internal volunteering newsletter and time off is given for volunteer activities. Representatives from operating companies and the Swire Pacific head office meet on a regular basis to discuss and co-ordinate the Group's community programmes. Best practices are shared and new projects are identified during the meetings.



Swire Properties' Community Ambassadors support the elderly, the disabled, children and disadvantaged families, particularly in Hong Kong's Eastern District, where Swire Properties has its headquarters. There are more than 1,000 volunteers. Families, friends and those with whom Swire Properties does business are involved. Ambassadors have logged almost 50,000 volunteer hours and have received several volunteering awards. Community Ambassadors organise the annual Books for Love programme. Second hand books are collected in boxes in Swire Properties' Hong Kong properties. Community Ambassadors sort the books, which are then sold, with the proceeds being donated to charity. In 2012, the Books for Love programme raised over HK\$100,000 for the Boys' and Girls' Clubs Association of Hong Kong.

Companies in the aviation division are active in the community of Tung Chung, which is close to Hong Kong International Airport. Cathay Pacific volunteers work with The Neighbourhood Advice-Action Council Tung Chung Integrated Services Centre to support underprivileged people living in Tung Chung. In 2012, various programmes were organised for the Tung Chung community; they reach a total of 800 elderly residents, young people, students and children. These programmes included charity sales, home visits, Christmas parties for children, and an English On Air programme. The latter provides opportunities for young people in Tung Chung to practise spoken English on visits to the Cathay Pacific headquarters and in mock interviews. Since its launch in 2007, the English On Air programme has benefited 1,700 Tung



Chung students, which accounted for approximately one-quarter of Tung Chung's secondary school population. Cathay Pacific volunteers pick up rubbish from Tong Fuk beach on Lantau Island in Hong Kong as part of a coastal clean-up programme. Volunteers from Cathay Pacific Catering Services work with Hong Kong Sheng Kung Hui Tung Chung Integrated Services in a programme for the elderly called Together We Fly. Volunteers organise tours to the company's flight kitchens and provide logistics and catering support for days for the elderly.

Volunteers at Swire Beverages' bottling plants sponsor sports programmes at which the importance of exercise and a balanced diet are promoted. The bottling plant in Hangzhou organise an annual community walk to promote the benefits of walking. Endorsed by the local sports bureau, the event has attracted more than 20,000 participants, including consumers, staff and suppliers. Other plants have organised similar events.

2012 Aims and Progress

Aims	To provide greater support for environmental projects
Progress	In progress
Comments	Swire Trust approved a 10-year forest restoration project in Mainland China, valued at over HK\$30 million. Unfortunately, despite considerable effort, it was not possible to implement the project at the proposed site and accordingly it did not proceed. Swire Trust co-organised a marine conservation and philanthropy forum in Hong Kong for international and regional donors in order to encourage greater understanding of marine conservation issues in Asia
Aims	To develop our philanthropic work further
Progress	In progress
Comments	A part-time finance manager was recruited to review and update the Swire Trust's financial policies and systems. A conflict of interest policy was established. Systematic and standardised quarterly financial and narrative reports were put in place

2013 Aims

To refine the way in which we engage with the communities in which we operate

To designate a person in the head office of Swire Pacific to identify opportunities to engage with the communities in which we operate

To communicate our community efforts more effectively

MAJOR RECIPIENTS OF GRANTS FROM SWIRE TRUST IN 2012

Arts with the Disabled Association in Hong Kong



Purpose
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

Asian Charity Services

Purpose
To help leaders of NGOs develop their charities' organisational capacity

Grant Amount
HK\$630,000

Community English Language Laboratory

Purpose
To provide free English language training in Hong Kong

Grant Amount
HK\$2 million annually

Hong Kong Baptist University

Purpose
To provide six scholarships to enable students from Mainland China's Ministry of Foreign Affairs and China Foreign Affairs University to study for masters degrees in translation

Grant Amount
HK\$1.008 million

Hong Kong Maritime Museum

Purpose
To assist in the relocation of the Hong Kong Maritime Museum

Grant Amount
HK\$5 million

Hong Kong Philharmonic Orchestra



Purpose
To fund orchestral concerts, including Swire Symphony Under the Stars (a free outdoor concert) and the Swire Maestro, Swire Denim and Swire Family series of concerts

Grant Amount
HK\$39 million

Hong Kong University of Science and Technology (Chair of Aerospace Engineering)

Purpose
To endow a professorship in aerospace engineering

Grant Amount
HK\$10 million

Hong Kong University of Science and Technology (Swire International Young Fellows Programme)

Purpose
To promote internationalism in the university campus

Grant Amount
HK\$7.26 million

Life Education Activity Programme (LEAP)



Purpose
To help prevent substance abuse, particularly drugs, including alcohol and tobacco, by providing positive health-based education programmes for young people

Grant Amount
HK\$6 million annually

Right to Play

Purpose
To promote child welfare through the operation of pilot centres in Yunnan province in Mainland China where young children can learn and play

Grant Amount
HK\$16.2 million

St. James' Settlement

Purpose
To provide subsidised food to the disadvantaged in Hong Kong

Grant Amount
HK\$4.353 million

Taikoo Primary School

Purpose
To increase support for the teaching of English and Putonghua

Grant Amount
HK\$1.7 million annually

Teach for China



Purpose
To address educational inequality by providing US and Chinese graduates to teach in schools in Yunnan and Guangdong provinces in Mainland China

Grant Amount
HK\$3.5 million

Sustainable Lifestyle Target Education Programme, administered by World Wildlife Fund Hong Kong

Purpose
To educate primary school students in Hong Kong about sustainability

Grant Amount
HK\$9.35 million

Xiamen University

Purpose
To assist Xiamen University to develop a marine research centre

Grant Amount
HK\$6.9 million

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

Note 2: Grants may be awarded over a number of years.