



OVERVIEW

At Swire Pacific, sustainability is not just a set of good intentions. Sustainable development is one of our key strategic objectives. It helps to fulfil our aim to create long-term value for our shareholders by safeguarding our natural resources, creating a positive impact in the communities in which we operate, concentrating on the wellbeing of our staff and encouraging our suppliers to maintain ethical and environmental standards similar to our own.



Strategy

Swire does not view sustainability as a cost, but as an opportunity for innovation, growth and improved efficiency. Sustainable development is part of our long term strategy. Our ultimate goal is for our operating companies to achieve zero impact on the environment. We call this goal net zero. We also aim to achieve zero harm to those involved in our operations. In the short term, we are concentrating on achieving operational excellence, increasing efficiency and reducing our environmental impact. In the medium to long term, we plan to achieve our goal through innovation and investment. A strong governance framework underpins our strategy and we engage with others to make sure we are effectively communicating our efforts. We believe that by measuring the sustainability impact of our businesses, we can manage them better, so we report regularly and transparently on key sustainability performance indicators.

Governance

Operating companies take due account of sustainability matters in the same way that they take account of other relevant matters. Business units have their own sustainability targets. In 2013, we reported against these targets in the Swire Pacific management accounts on a quarterly basis.

Each operating company is in charge of its own sustainability matters, but the principles governing the way that this is done are the same throughout the group. Through its sustainable development office, Swire Pacific sets policy and monitors its implementation by business units. Policies are set to reflect key sustainability trends, the risks to which the group is subject and opportunities in sustainability available to the group.

Sustainability matters are overseen at a group level by a sustainability committee, which reports to the group risk management committee, which in turn reports to the board of Swire Pacific. The sustainability committee consists of representatives from each operating division and is chaired by a Swire Pacific executive director. Working groups and committees dealing with energy, environmental best practice and the supply

chain report to the sustainability committee. Through our enterprise risk management system, we identify risks to be managed in order to facilitate the sustainable development of our businesses.

Engagement with Others

We communicate with others in order to seek their opinions about what we do in relation to sustainability. Their views are used to guide our strategy, identify areas of concern and provide feedback on specific initiatives. Relevant matters are often outside our control and require engagement with governments, non-governmental organisations and others.

We identify and select those with whom we wish to engage in accordance with our five-year engagement plan. In 2013 we held a workshop with people from inside and outside the group in order to seek their views on our responses to key sustainability issues. Those attending from outside the group were from academic institutions, non-governmental organisations and businesses (including financial and communications businesses). Those attending were asked to rank identified sustainability matters in order of importance and to identify new sustainability matters. Concerns were expressed about environmental, regulatory and social matters which could affect the group. The results of our engagement with others are used to determine what we report on.

Matters Raised at the Workshop



- Greenhouse gas emissions
- Water usage
- Waste
- Health and safety management
- Safety culture
- Accident prevention
- Staff retention and well-being
- Training and development
- Diversity and equal opportunities
- Community impact assessment
- Sustainable procurement
- Supplier codes of conduct

The Five Sustainability Pillars

Sustainability matters are considered under five headings, which we call pillars: environment, health and safety, community involvement, staff and working with others.

Reporting Our Progress

This is Swire Pacific’s third integrated report. We believe that by measuring and reporting our sustainability impact, we can manage the impact better. In this report we have reported on the aims set in 2012, and have set new aims for 2014. This report is prepared to a GRI G3.1 level C+ standard. We expect our 2014 report to be prepared to a GRI G4 standard. We voluntarily report to the Carbon Disclosure Project and the score awarded to us under that project has increased from 60 in 2011 to 90 in 2013. In 2013, Cathay Pacific was admitted to the Dow Jones Sustainability Index. Swire Pacific and Cathay Pacific remained on the Hang Seng Corporate Sustainability Index and Swire Properties was included in the Hang Seng Corporate Sustainability Benchmark Index for the first time.

Recognition

Swire Pacific Offshore received the “Achievement of Excellence” award, under the Sustainable Business Awards, Large Enterprise category, at the Singapore Sustainability Awards 2013. Swire Properties was ranked the best energy efficient developer in Hong Kong in a survey released by Greenpeace.

AIMS FOR 2014
To further integrate sustainability reporting data into mainstream reporting
To report to a GRI G4 standard