

WORKING WITH OTHERS

By working with suppliers, customers and consumers, we aim to encourage and influence the adoption and improvement of sustainable practices in the industries and places in which we operate.

Supply Chain Management

Our operating companies are responsible for their own procurement practices and for the way in which they manage their suppliers. Our supply chain sustainability working group assists operating companies by sharing best practices and developing sustainability policies and guidelines for suppliers.

We have a supplier corporate social responsibility code of conduct which has been adopted by all Swire Pacific operating companies. It deals with 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.

Some of our suppliers are based in countries which do not have high ethical, environmental or labour standards. We try to select suppliers which have standards similar to ours. We share values and knowledge with them and encourage them to adopt good sustainability practices.

Below is a description of our supply chain by division.

Description of Our Supply Chain by Division



PROPERTIES

Swire Properties' principal suppliers perform or assist in the planning, design, construction, marketing, sale, leasing, management, maintenance and demolition of properties.



AVIATION

The principal suppliers to our airlines are manufacturers of aircraft and engines and suppliers of fuel and engineering services.



BEVERAGES

Supplies obtained by the beverages division directly from TCCC include juices, concentrates and other ingredients, fountain packaging and advertising materials. Things which TCCC authorises third parties to supply to the beverages division include packaging, speciality merchandise, sales and marketing equipment, sweeteners and carbon dioxide.



MARINE SERVICES

The principal suppliers to SPO and HUD are shipyards, engine manufacturers and suppliers of fuel.



TRADING & INDUSTRIAL

The principal suppliers of footwear and apparel to Swire Resources and of vehicles to Taikoo Motors are international brand-owning companies, with their own sustainability policies and standards.

The supply chain working group uses a risk matrix with a view to managing and mitigating risks. Attention is focused on high risk suppliers and suppliers with whom we spend the most. SPO and HAECO Hong Kong rate suppliers in accordance with a sustainability risk management framework. SPO follows up with self-assessment questionnaires. The results determine which suppliers need to be audited in order to ensure compliance with the supply chain sustainability code of conduct.

Sustainable Procurement

Our sustainable procurement policy was endorsed in 2014 by the Group Risk Management Committee. This policy commits operating companies to purchasing where possible products which do not adversely affect the environment. It can be difficult to source sustainable products. Our guidelines on doing so are in accordance with international standards. We include sustainability criteria in procurement decisions where possible.

Our sustainable food policy prohibits the use of unsustainably produced food items specified by the World Wide Fund for Nature and the Convention on International Trade in Endangered Species of Wild Fauna and Flora. It is the policy of our airlines not to carry unsustainably harvested shark fins and other shark products. In 2014, with the assistance of the International Union for Conservation of Nature and others, our airlines developed a framework for the identification of sustainable sources of shark fins and shark products. Our airlines and Swire Hotels do not serve shark fins. Their seafood menus comply with the WWF sustainable seafood guide.

Working with Others

We are represented on the board of the Business Environment Council ("BEC") in Hong Kong and participate in three BEC advisory groups. In 2014 we contributed to a BEC handbook on sustainability reporting. Our head of sustainable development sits on the WWF-HK Conservation Advisory Committee and on the Hong Kong Management Association Sustainability Committee.

We support the sustainability programmes of four universities in Hong Kong. We are represented on the Advisory Committee of the School of Energy and Environment at City University in Hong Kong.

Cathay Pacific is involved in the Global Market-Based Measure Technical Task Force, under the auspices of the International Civil Aviation Organization. This task force is leading the industry's work to develop airlines' commitment to carbon neutral growth by 2020 and in developing proposals for a fair and equitable global agreement on emissions. Swire Properties is a founding member and is represented on the board of the Building Environmental Assessment Method Society and is represented on the board of the Hong Kong Green Building Council.



blueprint

In 2014, Swire Properties made available 20,000 square feet of space at Cornwall House for its blueprint accelerator programme, under which Swire Properties is providing B2B tech start ups with workspace, mentorship and professional support.