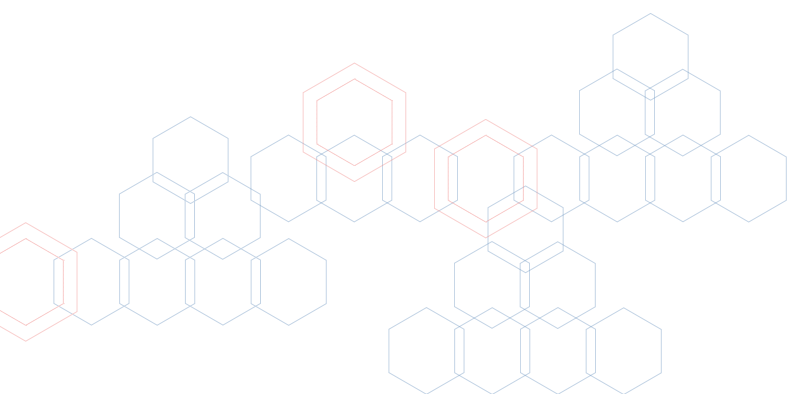
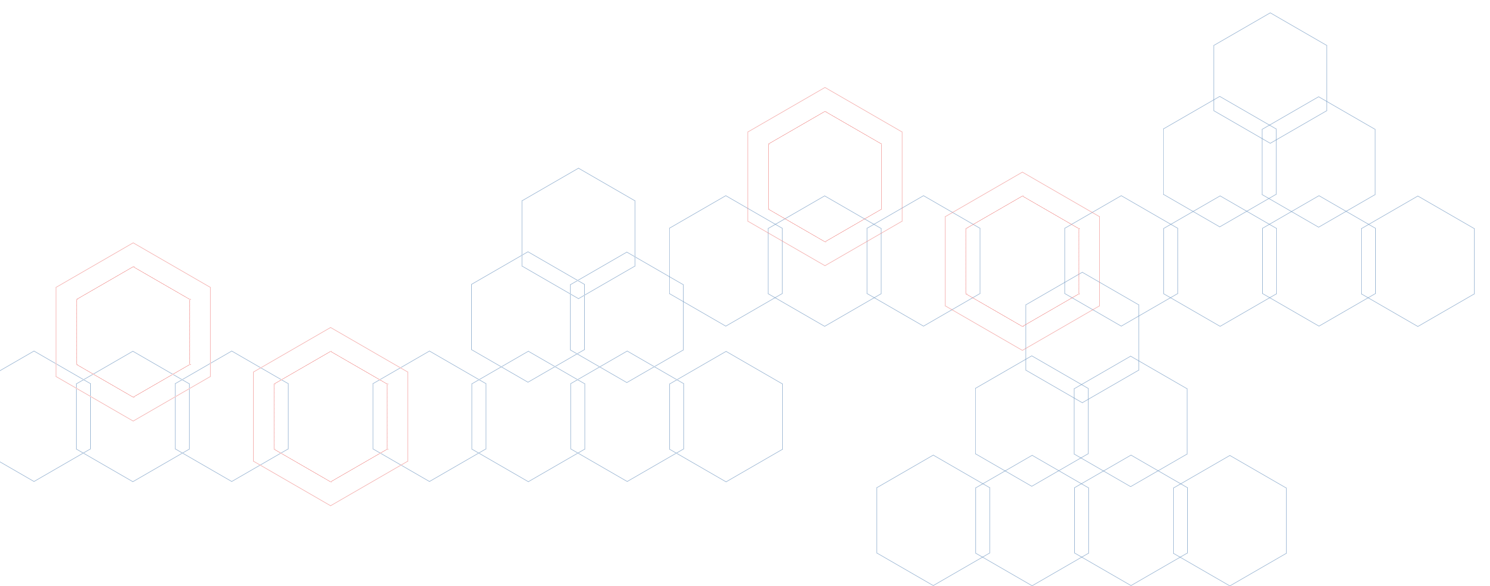


IN SAFE HANDS



SUSTAINABILITY REPORT 2015



We welcome your views on how to improve our reporting

John Swire & Sons Pty Ltd

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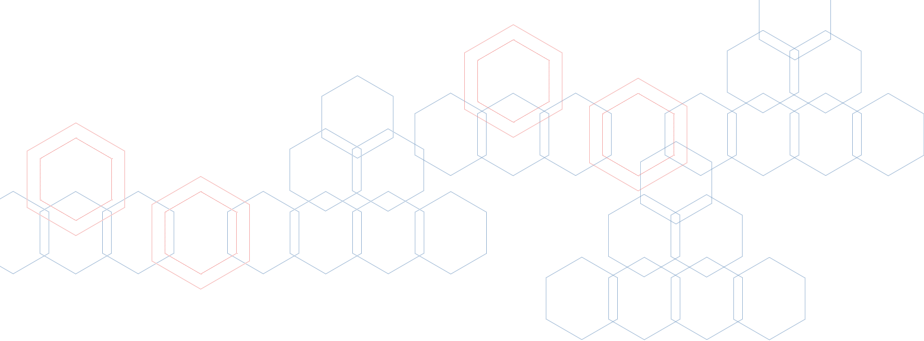
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MESSAGE FROM THE CHAIRMAN AND CEO

The challenging market conditions within the mining and resources sector have continued over the past year and there is a growing sentiment that the depressed conditions, while remaining within a volatile band, are the 'new normal' for the short to medium term. With two of our four subsidiary businesses facing this sector, the 2015 result was disappointing for our businesses. These conditions are driving cost competitiveness and in turn a greater focus on efficiency and productivity. Against this economic backdrop efforts to improve productivity and reduce costs through enhanced energy and fuel efficiency will flow through as positive environmental benefits.

AT SWIRE, IT IS OUR POLICY TO BE LEADERS IN SUSTAINABLE DEVELOPMENT IN THE INDUSTRIES IN WHICH WE OPERATE

In line with our belief that we invest for long-term growth, our businesses have continued to focus on leadership, talent and culture development; strategy enablement and execution; safety culture leadership and performance; community engagement and environmental sustainability in carbon (solar and vehicle efficiency), water and waste; and financial

growth and performance. During 2015 our businesses also assessed the key sustainability priorities for stakeholders and set specific long-term (2020) social, environmental and economic targets.

The challenges facing our businesses are complex and varied and require a highly motivated, diverse and skilled workforce to both meet these challenges and seize opportunities. We have continued to build our people's capability with more than 75 leaders completing leadership training in 2015. Attracting and retaining a diverse workforce is a significant challenge for the industries in

which we operate. While we have not set specific targets for 2016, we will be increasing our focus on how we can improve diversity, particularly Indigenous and female participation.

In 2015, Swire implemented global policies in the area of [sustainable development](#), occupational health and safety, sustainable procurement and sustainable building design. These policies reconfirmed our intent to be leaders in sustainable development in the industries in which we operate. During the year our businesses have focused on becoming the safest operators in our industries with a goal to incur zero harm. The key message on which we have focused is that safety excellence equals operational excellence and that zero harm is a realistic objective.

We are achieving satisfactory progress with our group safety targets being met and zero harm has been achieved in some operations; Swire Industrial Services reached 15 years without an LTI at Port Kembla in November 2015. In addition HSE Mining and Swire Cold Storage have more than halved their TRIFR, while Kalari and Swire Cold Storage also made significant progress. Despite this progress, too many of our people are still being injured and driving safety leadership will continue to be our number one focus in 2016.

The capability to think strategically, execute effectively and communicate our results has improved during the year and this is reflected in some positive internal survey results. Improving such capabilities is essential to thrive in the highly competitive, volatile and commoditised industries in which we operate.

We aim to bring value to the communities of which we are a part while respecting people's culture and heritage. We continue to support the Australian Indigenous Education Foundation's work, both through sponsorship, in kind donations and employees volunteering as mentors, as well as the Australian Wildlife



Conservancy. At the local level, our businesses strive to recognise the real or potential impact of their businesses on the communities where they operate and actively seek to mitigate their impact. Kalari and its customer Iluka Resources won the Premier's award for excellence in supporting communities at the 2015 South Australian Premier's Awards for its program to improve community awareness of road safety. In addition our businesses support a number of charities of local significance as chosen by employees.

Mitigating our impact on the environment is part of Swire's commitment to operating for the long-term. Our businesses made significant strides during the year to meet this commitment. Kalari installed solar arrays at six depots and installed LED lighting at nine sites, thereby reducing electricity consumption by 50 per cent. Kalari also secured a large contract as a result of an innovative truck design to maximise productivity, safety and performance whilst also reducing emissions as a result of fewer truck movements. This type of productivity improvement that also drives better environmental outcomes is a focus for each of our businesses in 2016 and beyond.

During the year, Alex Fraser, which supplies recycled civil construction materials to the infrastructure industry, achieved several major environmental milestones. It has cumulatively recycled more than 40 million tonnes of construction and demolition materials for use in infrastructure projects – roads, footpaths, water treatment and sewage plants, residential estates and more. The company diverted two million tonnes of Melbourne waste from landfill in 2015 – around a quarter of the waste recycled in Victoria each year and converted 141,000 tonnes of waste glass back to sand, an increasingly scarce commodity to source close to end users in the urban construction industry. Approximately

250,000 tonnes of glass is collected from Melbourne's kerbsides each year, of which 52 per cent cannot be recycled back into traditional glass usage and is stockpiled or sent to land fill. Alex Fraser has pioneered the development of processes to recycle glass back into a material suitable for the construction industry. Securing approvals for use of recycled materials continues to be an obstacle to Alex Fraser growing the conversion rate of waste glass to sand – lobbying efforts will continue to secure such approvals.

I hope you enjoy reading about our progress and welcome your feedback and ideas.

Geoff Cundle
Managing Director and CEO
John Swire & Sons Pty Ltd

GRI REPORTING COMPANIES



JOHN SWIRE & SONS



SWIRE COLD STORAGE



MANDATORY DISCLOSURES AND ORGANISATION OVERVIEW

ORGANISATIONAL PROFILE

John Swire & Sons Pty Ltd is a private holding company headquartered in Sydney which has managed Swire's interests in Australia since 1952. Swire established its interests in Australia in 1855 and over 161 years has operated companies in diverse industries.

Today, John Swire & Sons Pty Ltd provides strategic oversight and governance to four local subsidiaries: [Alex Fraser](#), [HSE Mining](#), [Kalari](#), and [Swire Cold Storage](#). Alex Fraser recycles waste materials for aggregate and provides asphalt services in Victoria and Queensland, Kalari provides specialised bulk logistics to the mining and resources sector and other selected industries across Australia, Swire Cold Storage and Swire Cold Storage Vietnam provide temperature-controlled storage and logistics to the food and beverage industries in Australia and Vietnam, while HSE Mining performs large-scale contract mining services.

John Swire & Sons Pty Ltd is a wholly owned subsidiary of UK based John Swire & Sons Ltd, whose holdings include the publicly listed companies Swire Pacific, Cathay Pacific Airways, Swire Properties, Hong Kong Aircraft Engineering Company (HAECO) and the Papua New Guinea based Steamships Trading Company, in addition to a number of privately owned companies.

MATERIALITY APPROACH AND STAKEHOLDER ENGAGEMENT

The 2015 report is the fifth annual sustainability report produced by John Swire & Sons Pty Ltd. It encompasses the operational activities for the 2015 calendar year of John Swire & Sons Pty Ltd and its subsidiary companies: Alex Fraser, Kalari, HSE Mining and Swire Cold Storage (including Vietnam).

John Swire & Sons Pty Ltd reports on its commitments towards sustainable business practices on a voluntary basis. The 2015 report is the first to adopt the Global Reporting Initiative's G4 Sustainability Reporting Guidelines and contains standard disclosures.

The GRI G4 Framework categorises sustainability issues into a number of different 'Aspects' representing an organisation's economic, environmental and social performance.

We report on indicators within those 'Aspects' (an issue or area of impact) that have been materially tested and deemed most relevant to our businesses, as well as a number of indicators, which have not been deemed material but on which we report to maintain long-term consistency. In 2015 we held a pre-survey and a full-day workshop with senior leaders from our businesses to gain their input into which issues were of most significance to their business and to rank the perceived importance of the issue for stakeholders including staff, community, regulators, customers and suppliers.

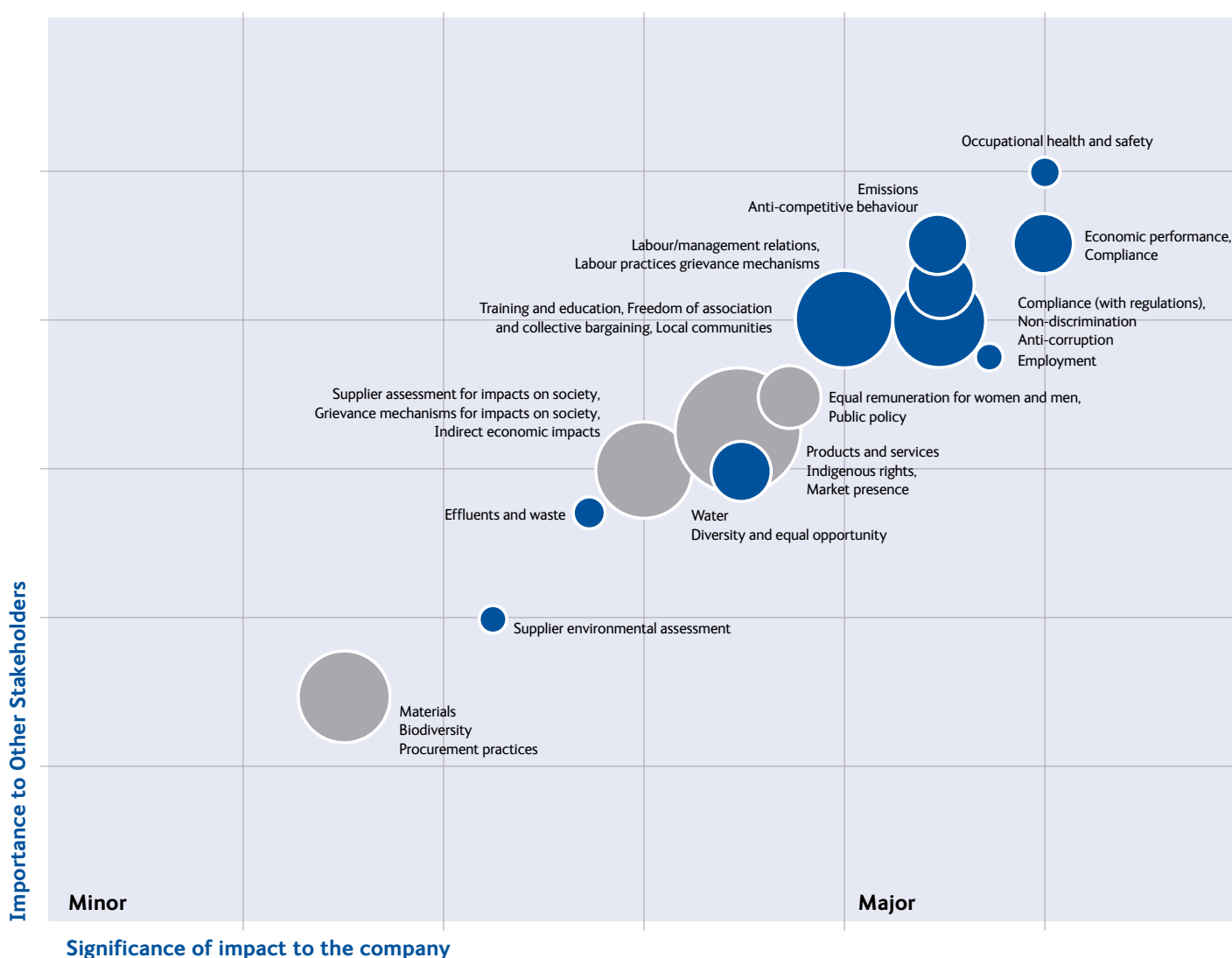
The perceived importance of issues for other stakeholders was based on feedback from existing engagement activities undertaken during the year. The 'Stakeholder Engagement' section provides an overview of these activities. There was no formal stakeholder engagement related to the GRI aspects and indicators. We will endeavour to improve this in 2016 and beyond.

The potential consequences for our businesses were based on their individual corporate risk rating matrix that measures risk in a number of categories including financial, community, health and safety, environment, legal and compliance.



SWIRE COLD STORAGE VIETNAM

The chart below highlights in blue the aspects we determined should be reported upon, based on their importance to the company and impact on stakeholders. The circles in blue classified as of minor significance are those we continue to report upon because they are relevant to our parent company and we have been collecting data for some time.



GOVERNANCE AND ENGAGEMENT

John Swire & Sons Pty Ltd has a unitary board structure. During 2015 two executive officers resigned and were replaced by two non-executive officers.

At the end of the year the board comprised a chair who is also the chief executive officer, one executive officer, two non-executive officers and three independent non-executive officers. The board's composition is 43 per cent aged 30-50 years old, 57 per cent over 51 years old and 14 per cent female. The board provides strategic oversight and leadership and focuses on enhancement of shareholder value and the long-term sustainability of the company as well as setting the strategic goals for subsidiary companies.

STAKEHOLDER ENGAGEMENT

Each of our operating entities maintains a stakeholder map which is reviewed yearly by its leadership team and approved by its board of directors. Stakeholders identified either have the ability to affect how each entity does business or are affected by our operations and commonly include customers, employees, suppliers, investors, government and regulators, local communities, non-government organisations and other business partners.

Below is a summary of major stakeholder groups and the way in which we worked together in 2015.

Further details on stakeholder engagement have been detailed in this Sustainability Report and on our companies' websites.

| GROUPS | STAKEHOLDERS | CONSULTATION METHODS |
|----------------------------------|---------------------------------------|--|
| Government & Industry | Government and regulatory bodies | Consultation and proposals for new products and services Ongoing compliance with state and federal legislation |
| | Industry associations | Consultation and contribution to governance committees |
| Suppliers | Suppliers | Ongoing supplier agreements and Code of Conduct compliance |
| Employees | Employees | Health, wellbeing and safety initiatives Employee engagement surveys and initiatives Internal communication via toolbox talks, announcements, bulletins, newsletters, videos, roadshows and committees |
| | Contractors | Ongoing Code of Conduct and contractual agreements |
| Customers | | Ongoing consultation to meet and exceed contractual obligations Partnerships to ameliorate potential community impacts |
| | | |
| Community | Local communities | Community consultation and engagement in remote and/or affected communities |
| | Charities and community organisations | Community donations Employee involvement and company support for activities such as Oxfam Trailwalker events and Ride to Conquer Cancer Major partnership with the Australian Indigenous Education Foundation (AIEF) Training assistance for Search and Rescue Dogs Association (SARDA) |
| | | |
| | Environmental groups | Five-year partnership with Australian Wildlife Conservancy (AWC) |

CHARTERS AND MEMBERSHIPS

John Swire & Sons Pty Ltd is a member of the Business Council of Australia. As a member of the Infrastructure and Sustainable Growth Committee and the Global Engagement Task Force, Chairman Geoff Cundle actively helps support the Australian business community's perspective on sustainable, responsible development for Australia. Our subsidiary businesses are also members of a number of industry, business and safety forums. The Swire Australia group of businesses does not provide substantive funding to any other national or international advocacy groups.

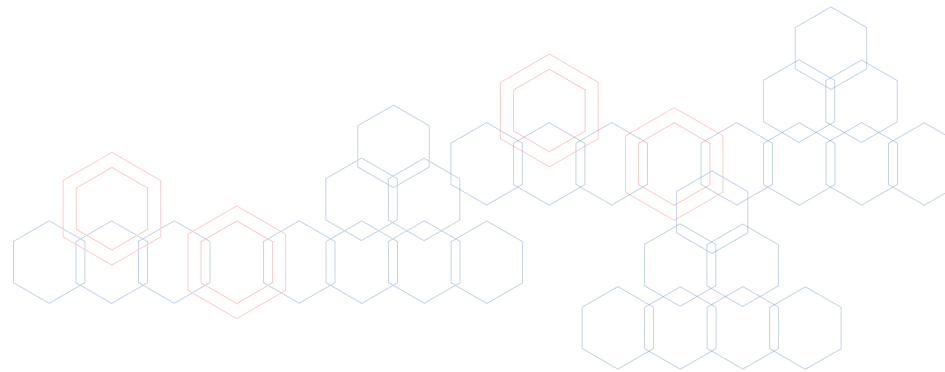
ETHICS AND INTEGRITY

At Swire our values – Integrity, Excellence, Humility, Endeavour and Continuity – guide the way we do business and how we interact with each other. It is a strong adherence to our values that have guided Swire through nearly 200 years of business activity and which will help ensure the continued success of the business.

In addition to our values, the Swire Australia group of businesses also adheres to the [Swire global Code of Conduct](#), which was communicated to all employees in Australia and Vietnam in 2015. More information on the way we do business is included under the 'Develop' section in this report.

| | JSS Pty Ltd | Alex Fraser | HSE Mining | Kalari | Swire Cold Storage |
|--------------------|---|--|---|--|---|
| Memberships | Business Council of Australia - Chairman Geoff Cundle is a member of the Infrastructure and Sustainable Growth Committee and the Global Engagement Task Force Australian Logistics Council British-Australian Chamber of Commerce | Australian Asphalt Pavement Association - subcommittee involvement in Sustainability, Safety and Technical Civil Contractors Federation Construction Material Processors Association Demolition Contractors Association Victoria Municipal Works Officers Association VicRoads Waste Management Association of Australia | Committee for Economic Development of Australia - Queensland and Western Australia state memberships Queensland Chamber of Commerce and Industry | Bowen Basin Mining Club Brisbane Mining Club Darwin Mining Club Melbourne Mining Club Mining & Energy Services Council of Australia Queensland Trucking Association South Australian Road Transport Association SACOME Victorian Transport Association - Managing Director Peter O'Shannessy is a Board member | National Safety Council of Australia Refrigerated Warehouse & Transport Association of Australia |





REDUCE

At Swire, our commitment to improving efficiency, consuming less resources, reducing and transforming waste into quality products and ultimately minimising our impact on the environment is integral to the way we do business; indeed it is the way we uphold our value of continuity.

As a large consumer of fuel, energy and water, we recognise we have a responsibility to be at the forefront of using efficient technologies and engineering design to do more with less. Wherever possible we aim to generate our own resources to minimise the use of state and municipal resources through the capture of rain and storm water and solar energy generation. We also practice reducing the amount of waste we generate as well as aim to divert waste from landfill back into high quality products wherever possible, either directly or through other suppliers.

2015 OVERVIEW

- ✦ Alex Fraser reached the milestone of 40 million tonnes of industrial waste recycled
- ✦ Implemented Electronically Controlled Operating (ECO) spray systems on HSE Mining's water trucks, minimising water usage
- ✦ HSE Mining completed engine upgrades on its 793F trucking fleet, thereby substantially reducing fuel burn
- ✦ Kalari installed LED lighting at nine Kalari sites and installed six solar arrays, thereby halving mains electricity usage
- ✦ A 100kW solar array installed at Swire Cold Storage Lurnea cold store

2016 GOALS

- ✦ Extend Alex Fraser's ability to accurately measure the amount and source of water usage at the Archerfield, Queensland, recycling facility
- ✦ Install LED lighting at a new Kalari facility at Port Augusta
- ✦ Upgrade the truck wash facility at Kalari's Portland, Victoria, depot to reduce mains supply water usage and reduce the potential for water containing mineral sands to overflow into storm water drains
- ✦ Investigate the use of Penske Power Packs to replace engines in HSE Mining's dump trucks
- ✦ Retrofit LEDs at Cannon Hill, Queensland, Swire Cold Storage cold store
- ✦ Begin the build of a new LEED gold rated cold store near Hanoi, Vietnam



CARBON

CUTTING EMISSIONS WITH THE HELP OF SOLAR ARRAYS AND THE SWIRE SUSTAINABILITY FUND

The temperature-controlled storage and logistics industry is resource intensive and has the potential to have a major impact on our environment. Swire Cold Storage and Kalari have taken steps towards reducing their environmental footprint through investment in solar panel and LED lighting upgrades.

During 2015, Kalari installed solar panels at six sites around the country and upgraded to LED lighting at nine of its sites.

Swire Cold Storage completed the installation of solar panels at its Lurnea 3 site in Sydney. The 100kW Photovoltaic solar power system on the site's roof includes 327 panels and will generate approximately 140,000kWh per year, reducing reliance on mains electricity supply and reducing carbon emissions by 126 tonnes (the equivalent of removing 26 cars per year from our roads).

OPTIMISING FUEL EFFICIENCY ON HSE MINING'S 793F TRUCK FLEET

Starting in 2014 and completed in 2015, HSE Mining partnered with its supplier to upgrade engine software across its 18-strong 793F fleet. After the software upgrade, each truck is estimated to burn 41,600 litres less fuel per year, which equates to a total of 748,800 litres per year across the fleet and a five per cent efficiency gain, depending on work cycles. This reduction in fuel usage represents not only a cost saving to the business but a significant reduction of HSE Mining's carbon footprint.

SUPPORTING THE AUSTRALIAN WILDLIFE CONSERVANCY

Now in its third year, Swire's partnership with Australian Wildlife Conservancy (AWC) continues to set new standards in conservation at Brooklyn Wildlife Sanctuary – the most biodiverse parcel of private land in Australia. Under the partnership, AWC is implementing strategies to control key threats to wildlife (fire, feral animals, weeds) and undertaking an extensive scientific research and monitoring program.

Controlling key threats to wildlife

Prior to acquisition by AWC, Brooklyn typically experienced destructive late dry season wildfires across large parts of the property. AWC's fire management continues to deliver exceptional outcomes, dramatically reducing the extent of such late season fires.

In 2015, AWC delivered effective prescribed burning by helicopter and on ground operations over more than 185 kilometres. The result was more than 20,000 hectares (19 per cent) of Brooklyn was exposed to ecologically friendly fire.

No major wildfires occurred, which is a very positive outcome. One of its key metrics – the proportion of the property burnt in wildfires over a rolling three-year period – has now reduced to six per cent from a baseline (pre-acquisition by AWC) of 55 per cent.

This fire management is delivering a mosaic of vegetation of different age classes, which is great habitat for a range of threatened mammals and birds. Avoiding wildfires also limits the impact of feral cats, with AWC research showing that areas burnt by wild fires are favoured by feral cats for hunting.



Implementing a world-class science program – biodiversity surveys

AWC is the only conservation organisation to conduct a data-based audit of the ecological health of its property. In 2015, the biodiversity audit of Brooklyn involved more than 5,020 trap nights and 40 vegetation surveys. This level of scientific effort is significantly higher than the level of effort in any comparable national parks. The data gathered provides a snapshot of the ecological health of Brooklyn and gives an indication of the ecological return from investment in fire management, feral herbivore control and weed eradication.

2015 biodiversity survey highlights

Survey highlights included the rarely seen Green Ringtail Possum, Red-legged Pademelon and Musky Rat-kangaroo and the nationally threatened Spotted-tail Quoll and Serrated-armed Tree Frog. While additional data over a longer period is required to be confident about some trends, the results to date suggest the ecological health of Brooklyn is strong (in the wetter areas which are more resilient) and improving (in the savanna country, which across northern Australia has suffered severe biodiversity loss in recent decades).

Brooklyn stands out as a 'showcase' for land management and science in north Queensland and is providing a catalyst for regional conservation initiatives such as fire management and scientific research. Through AWC's partnership with Swire, AWC is demonstrating that it is possible to halt and reverse the decline of Australia's native wildlife.





WATER

HSE MINING INTRODUCES THE ECO SPRAY SYSTEM

Electronically Controlled Operating (ECO) spray systems are used to achieve consistent, measurable water coverage for dust suppression on haul roads.

The water truck spray system is vehicle speed dependant. It regulates the amount of water sprayed onto the haul road through variable pump speeds and spray control. The amount of water dispensed is precisely managed through a digital control in the water truck cab.

After implementation, the system has not only seen a reduction in overall water usage, but a decrease in over-watering of haul roads that has greatly reduced HSE Mining's instances of truck slides.

The new vehicles also have the added benefit of using less fuel, as the water trucks need to return to the water fill point less often.

HARVESTING RAINWATER AT SWIRE COLD STORAGE

In a dry continent like Australia, water and its limited supply becomes increasingly important. The harvesting of rainwater simply involves the collection of rainwater from surfaces on which rain falls, then storing this water for later use. Swire Cold Storage collects water from the roof of its cold store buildings by directing the flow of rainwater from gutters to rainwater storage tanks, instead of down storm water drains.

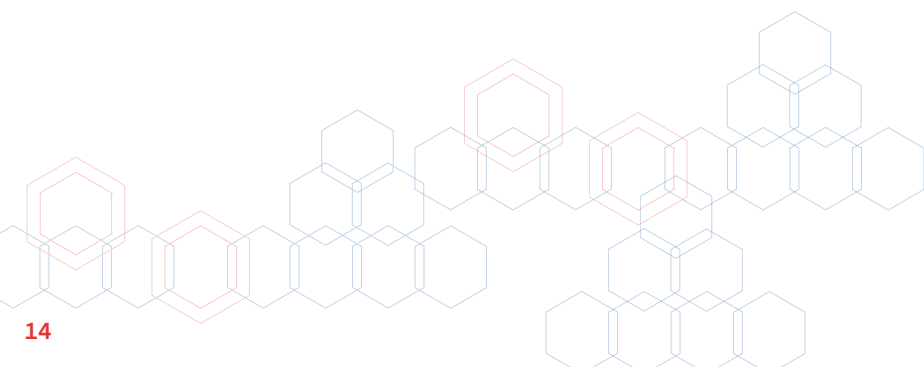
Rainwater has a very low measure of Total Dissolved Solids, so it can be used in refrigeration evaporative condensers when available, saving the use of mains water from city reservoirs.

In 2015, we harvested thirty million litres of rainwater.

This is equivalent to 12 Olympic size swimming pools.

Based on an average personal usage of 150 litres per day the amount of water that Swire Cold Storage reclaimed would supply 110 households of families of five people for a whole year.

IN 2015, WE HARVESTED THIRTY MILLION LITRES OF RAINWATER.
THIS IS EQUIVALENT TO 12 OLYMPIC SIZE SWIMMING POOLS.





WASTE

Everyone is familiar with the concept of glass recycling, but not many are aware of the fact that not all glass collected from our kerbsides can be recycled back into glass containers. There is approximately 100,000 tonnes of glass per year in Melbourne alone that cannot be recycled, which either ends up in landfill or on stockpiles with no real use.

Alex Fraser found a solution to this problem by developing a process that recycles this excess glass into a useful product that can replace traditional quarried sand in certain applications.

The support for the use of recycled construction materials is constantly increasing. In 2015, City West Water, one of three government-owned retail water businesses in Metropolitan

Melbourne, approved the use of Alex Fraser Recycled Sand as pipe embedment material for gravity sewer pipelines.

After receiving approval from Yarra Valley Water in late 2014, City West Water was the latest on a growing list of water authorities to recognise recycled sand as a sustainable alternative to quarried material. With every approval, the door is opened further to broader recognition of the product.

The company's aim is to work through existing glass stockpiles in Melbourne, efficiently process the material through its plants and keep exploring new uses for the end product. By doing this, the company actively contributes to improving our communities and the environment.

How does Alex Fraser recycle glass in to sand?



Harnessing the our electricity

The project and its objectives:

Kalari operates a specialised fleet of nearly 200 prime movers and 1,000 trailers in different combinations across a vast geographical area servicing more than 100 mining and industrial sites across Australia.

We recognise that we need to mitigate the environmental impact of this resource intensive operation, and with the help of the Swire Sustainable Development Fund Kalari has installed solar panel arrays on its depots at Portland, Victoria; Moranbah and Gladstone, Queensland; and Adelaide, Port Pirie and Ceduna in South Australia in 2015. Another installation is slated for Port Hedland, Western Australia, in 2016.

LEDs for brighter light and less energy consumption

Kalari has upgraded to the latest lighting technology with LEDs to deliver a further 16% reduction in energy usage.



Use the sun to halve energy usage

The outcome:

- o 7 solar panel installations:
 - Adelaide (100kW)
 - Port Hedland (100kW)
 - Moranbah (60kW)
 - Gladstone (15kW)
 - Portland (10kW)
 - Port Pirie (16kW)
 - Ceduna (36kW)
 - Port Hedland (100kW) *to be installed 2016*
- o LED lighting upgraded at 9 sites
- o Electricity consumption reduced by 50%
- o Carbon emissions cut by 468 tonnes, equivalent to 361 cars removed from the roads each year
- o A step towards helping Swire be net carbon neutral.



TALKING HEALTH, THINKING SAFETY

ZERO HARM

- At Swire Cold Storage we are committed to achieving zero injuries, zero environmental damage and zero asset damage.
- We make sure that 'worker health' is as important as 'worker safety.'
- We are creating a team approach to site health & safety.



FREE ON-SITE PHYSIOTHERAPY

- At Swire Cold Storage we provide all our staff with free in-house Physiotherapy treatment.
- Early intervention physio treatment benefits all aspects of worker health and wellbeing.
- This initiative is part of a larger plan to inspire positive lifestyle changes – including diet, exercise and stress management.



SUSTAIN

SAFETY MANAGEMENT

- We have recently implemented a 'Best in Class' Incident Investigation tool kit that identifies the root cause, and prevents reoccurrence.
- We are creating a platform to improve performance by measuring the right markers in real time.
- We have developed a Safety contact framework in-house to observe real work activities, which aims to increase the engagement of our workforce.



SWIRE C

NET ZERO CARBON OPERATIONS

NABILITY

ZERO CARBON

- At Swire Cold Storage Lurnea we have successfully trialled a 100kW Solar PV system. In just 8 months we have avoided over 120 Tonnes of CO2 emissions.
- We are continuing to investigate Solar PV and Green Power alternatives to reach our goal of Net Zero Carbon Operations by 2022.



WATER HARVESTING

- In 2014, SCS Cold Stores captured and reused 23,534,000 Litres of water in 2014.
- Captured rainfall in New South Wales and Western Australia has reduced demand for town mains water by over 20%.



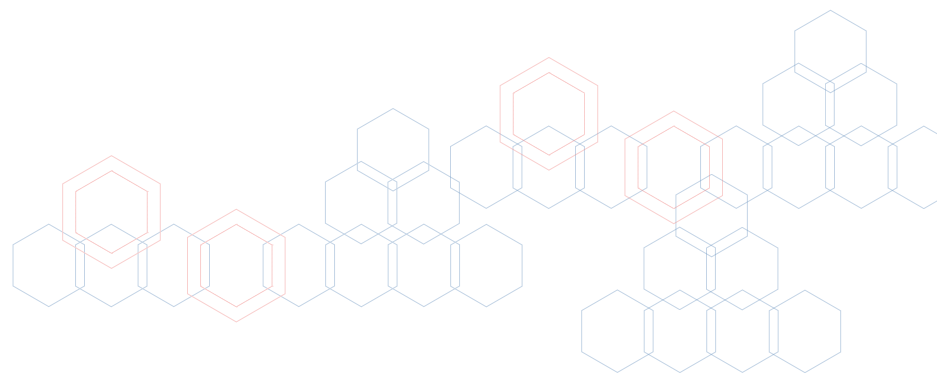
ENERGY EFFICIENCY

- At our Cold Store in South Australia, we are in the final stages of implementing an energy efficiency project that is anticipated to reduce total energy cost by 8% in the first year alone (2016).
- We are continuing the rollout of LED lights across Australia. So far at 9 sites we have reduced total energy costs by 10%.



COLD STORAGE





ENRICH

For nearly 200 years Swire has recognised that the long-term prosperity of its companies depends on enriching and protecting the communities in which it operates. Our businesses share this philosophy. We seek to add value to our communities by maintaining integrity in the way we operate our businesses, excelling in the service we provide and building meaningful partnerships with organisations who share our passion and commitment for positive change.

Achieving this requires a deep understanding of community needs, which we gain by nurturing relationships through ongoing engagement and conversation.

2015 OVERVIEW

- ✦ HSE Mining implemented an employee community engagement program whereby employees choose the charities to support upon the achievement of key safety targets
- ✦ Engagement with Australian Indigenous Education Foundation (AIEF) strengthened with the first employee admitted to the mentor program

2016 GOALS

- ✦ Swire Cold Storage to implement an employee community engagement program as per HSE Mining
- ✦ Alex Fraser to enhance its support of the Search and Rescue Dogs Association (SARDA)
- ✦ Swire Cold Storage Vietnam to assist local schools upgrade facilities
- ✦ Continue to increase support of AIEF



YOUTH AND INDIGENOUS

PARTNERING WITH AUSTRALIAN INDIGENOUS EDUCATION FOUNDATION

In 2014 Swire announced a \$1 million, six year partnership with the Australian Indigenous Education Foundation (AIEF).

AIEF provides scholarships that enable Indigenous students to attend leading Australian schools and universities, as well as mentoring and career support to ensure AIEF Scholarship Students make a successful transition from school to careers.

93 per cent of AIEF Scholarship Students stay at school and complete Year 12 and 93 per cent of scholarship graduates are productively engaged in career pathways including university study and full time employment.

Through the partnership, Swire aims to provide more than just financial support to AIEF and in 2015, the AIEF Mentor Program welcomed the first volunteer mentor from Swire in Brisbane. Swire also hosted Melbourne-based students and their mentors in the Swire corporate box at the MCG during National Reconciliation Week 2015 for the second consecutive year.

Groups of students and mentors enjoyed the annual Indigenous round match between Essendon and Richmond on 30 May, also known as 'Dreamtime at the 'G', which celebrates the contribution of Indigenous footballers to the game; and the thrilling 31 May match between Collingwood and North Melbourne.

Swire continues to work with AIEF to identify training and employment opportunities for AIEF Scholarship Students and Alumni and to promote volunteer opportunities to Swire staff.

"Swire is committed to creating long term sustainable change and positive outcomes for Indigenous students," commented AIEF Executive Director Andrew Penfold AM.

"Swire has made a long term commitment to support the sustainable growth of our program and this is embodied by the staff who have become volunteer mentors in 2015, committing to support AIEF Scholarship Students through their senior years at school and beyond."

"SWIRE HAS MADE A LONG TERM COMMITMENT TO SUPPORT THE SUSTAINABLE GROWTH OF OUR PROGRAM AND THIS IS EMBODIED BY THE STAFF WHO HAVE BECOME VOLUNTEER MENTORS IN 2015, COMMITTING TO SUPPORT AIEF SCHOLARSHIP STUDENTS THROUGH THEIR SENIOR YEARS AT SCHOOL AND BEYOND."



COMMUNITY SAFETY AND WELLBEING

RACQ CQ RESCUE

For almost 20 years, RACQ CQ Rescue has been providing rapid response critical care and aeromedical retrieval services to a 300-kilometre radius from Mackay in Central Queensland, 24/7, 365 days a year.

Operating at the Saraji, South Walker Creek, Peak Downs and Caval Ridge mine sites that fall within this area, HSE Mining recognises the important work of RACQ CQ Rescue. Each time an onsite team reaches a safety milestone, they are awarded a sum of funds to donate to a charity that is of importance to the team. In 2015, a total of \$10,000 was donated to CQ Rescue through this initiative.

DYSART GOLF DAY

It became apparent that several families in Dysart, Queensland, had been personally affected by a diagnosis of Leukaemia in recent months. The support these families received from the Leukaemia Foundation and Childhood Cancer Support organisation had proved to be invaluable and the local community organised a charity golf day to raise funds and show their gratitude.

Held at the Dysart Golf Club in October, 51 golfers brought the local community and businesses together to show their support. HSE Mining provided a \$500 voucher for 'nearest to the pin on the 9th hole', a \$500 raffle voucher and a cheque for \$1,000 dollars for the Leukaemia Foundation. The day was a huge success with \$14,000 in total being raised for the charities.

SARDA

Alex Fraser regularly allows the volunteers at Search And Rescue Dogs Australia (SARDA) and their canines to use its facilities in Victoria and Queensland to conduct canine training and assessments. SARDA, a non-profit organisation, plays a critical role in finding people in the event of a natural disaster such as an earthquake or bushfire.

In September, a SARDA rescue dog team ran tests and drills at the Archerfield, Queensland site. The Nudgee site is also being reviewed for use as a training site. Alex Fraser's long-term relationship is an important one for SARDA and the training on its sites has been one part of the journey towards the recent decision by the Federal Government to establish a National Working Group and database to control all accreditation and deployment of search and rescue canines in Australia.

The training undertaken at Alex Fraser sites readies SARDA for emergencies such as the 2009 Black Saturday bush fires, when two SARDA handlers provided assistance to the Victoria Police Forensics to locate victims, for which they were awarded the National Emergency Medal.

THE TRAINING UNDERTAKEN AT ALEX FRASER SITES READIES SARDA FOR EMERGENCIES SUCH AS THE 2009 BLACK SATURDAY BUSH FIRES, WHEN TWO SARDA HANDLERS PROVIDED ASSISTANCE TO THE VICTORIA POLICE FORENSICS TO LOCATE VICTIMS, FOR WHICH THEY WERE AWARDED THE NATIONAL EMERGENCY MEDAL.

Ceduna Community Safety Award

Kalari and Iluka increasing community connection

Road safety: a significant community issue

Specialist bulk haulage company Kalari, together with its major customer Iluka Resources, is a significant employer in the remote South Australian community of Ceduna, population 3,480. Ceduna is located some 800 kilometres from Adelaide on the edge of the Nullarbor Plain and 2,000 kilometres from Sydney.

The two companies recognised a local road safety issue and have worked together to increase safety for all users of major roads within the Ceduna township and its surrounds.



A triple road train can take up to 500 metres to stop when fully loaded



Ceduna is a remote township located some 800 kilometres from Adelaide and 2,000 kilometres from Sydney

Outcome: Public recognition for improving road safety

The project has been a success and demonstrates Kalari's efforts to engage with the communities in which it operates. In recognition of this effort Kalari and Iluka were jointly awarded the 2015 South Australian Premier's Community Excellence Award for Excellence in Supporting Communities, a fantastic effort and public recognition of the value of the efforts put in. Iluka Resources meanwhile have acknowledged Glenn Dunn's contribution in personally championing the issue.

Tangible outcomes include:

- Kalari road train / pedestrian interactions have declined by 90% since October 2014
- Positive community reaction and improved community understanding and behaviour towards road safety
- Government and key stakeholders support and engagement obtained
- Kalari and customer Iluka Resources have worked together to improve a community issue, and produced a joint Kalari/ Iluka video about community awareness around road transport called "Paving the Way"
- Dramatically improved community safety.

awareness Project: connections to improve road safety



Actions taken: Increased community connections to improve services and education

Given Kalari's position in this community, our local Operations Manager, Glenn Dunn, personally championed improving road safety for the communities and residents of Ceduna and its surrounds. Glenn initiated a process of reaching out to Iluka Resources, Kalari's senior management, the local community and state government. Glenn's role in bringing all stakeholders together is a remarkable achievement which is credit to him and his team's commitment to community safety.

Key actions undertaken:

- Documented a video library of safety issues and concerns
- Brought together local council, government agencies, police, hospital, and the Department for Communities and Social Inclusion
- Escalated concerns with parliamentary representatives and direct discussion with Premier of South Australia Mr Jay Weatherill
- Outlined a solution with local police to increase road patrols
- Facilitated a government-funded bus service
- Presented to Ceduna and local communities, emphasising the importance of safety as a community issue
- Provided feedback on infrastructure details to local government
- Lobbied for commitment to ongoing funding from Premier of South Australia on behalf of the community
- Produced a pedestrian safety video for local communities (provided with this poster).



Glenn Dunn, Ceduna Operations Manager, has been instrumental in driving this community project

"In a joint application for the Excellence in Supporting Communities category, Kalari and Iluka demonstrated the communications networks they have established have increased safety for all users of major roads within and surrounding Ceduna."

*Jay Weatherill,
Premier of South Australia*

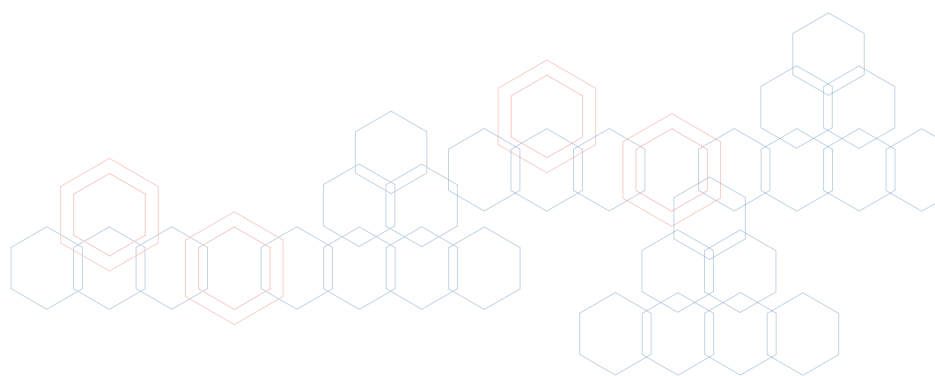


Community engagement and education has seen road safety for the Ceduna and surrounding region dramatically improve



Kalari and Iluka jointly received the 2015 South Australia Premier's Community Excellence Award for Excellence in Supporting Communities. From left to right: Leeroy Bilney of Iluka Resources, Premier of South Australia Jay Weatherill and Ceduna Operations Manager Glenn Dunn





DEVELOP

The Swire group takes a long term approach to business sustainability and a key pillar to this approach has been a strong focus on the development of its people. This focus has consistently delivered results over a prolonged period of time, with nearly all of the most senior roles within the Swire group being filled with internal talent. It is the intent of the John Swire & Sons Pty Ltd Executive, the John Swire & Sons Pty Ltd Board, and our shareholders in London that we, in Australia, take strides to replicate these successes. Further, the strategy review process conducted in 2014 resulted in objectives for each business relating to increasing leadership capability and improving our cultural effectiveness. Activity in 2015 focused on supporting progress against these objectives.

Leadership capability activity has seen continued attendance at the Operational Leadership Development Program (OLDP), first launched in 2014, targeted at general management and senior leaders. In 2015, the Team Leader Development Program (TLDP) was rolled out to mid-level managers with more than 60 leaders attending across the year. Both of these programs focus on skills and capability in leading people and creating and sustaining high performing teams, with the dual purpose of upskilling individual leaders so they are then able to motivate, coach and develop their workforce.

Cultural effectiveness activity centred on alignment and engagement surveys, administered through Insync Surveys, to assess the levels of employee engagement across the business. HSE Mining and Alex Fraser, in September and November respectively, conducted their first surveys. Surveys in 2015 were conducted through a coordinated and consistent process, ensuring a strong focus on developing action plans to respond to the feedback and results.

In 2016, we will continue to focus on leadership capability and cultural effectiveness as key levers to drive business performance. There will be added emphasis on integrating and embedding our values into our systems and processes. The Swire values have underpinned Swire's global performance and success. 2016 will be Swire's 200th anniversary and provides a great opportunity to highlight how our values have contributed to this history and the sustainability of the Swire businesses.

2015 OVERVIEW

- ✦ Two operating company employee alignment and engagement surveys conducted
- ✦ Team Leader Development Program implemented
- ✦ Roll out of values and Code of Conduct to all staff

2016 GOALS

- ✦ Action plans to address identified gaps from the 2015 employee alignment and engagement survey to be implemented
- ✦ Two operating company employee alignment and engagement surveys to be conducted
- ✦ Review roles and identify capability gaps to improve long-term talent and succession planning
- ✦ Implement a group-wide Human Resources Information System
- ✦ Relaunch values as part of a program to improve cultural effectiveness

ENGAGEMENT



THE SWIRE WAY

Following the launch of the Swire values across HSE Mining in late 2014, the values were shared across the remaining subsidiary business in 2015, in addition to a full roll out of the Code of Conduct video. This was achieved through a number of activities including face-to-face Toolbox Talks, newsletter articles and in some cases, the distribution of USBs. Expectations regarding behaviours were clearly outlined to every employee, helping to build on and strengthen culture:

Integrity - We are ethical and honest, we deliver on commitments and we create trusting relationships.

Excellence - We are dedicated to innovation and excellence in everything we do.

Humility - We respect others and learn from them, we are aware of our own limitations and we listen to others with an open mind.

Endeavour - We relish challenge, we are resilient, and we know lasting success is hard won and nurtured with solid, responsible, hard work.

Continuity - We take the long-term view, and have the privilege and responsibility of growing our businesses along sustainable lines.

REWARD AND RECOGNITION OF OUTSTANDING PERFORMANCE

Kalari's Extra Mile program recognises employees who go above and beyond – in 2015 there were 47 recipients of the Extra Mile award.

The HSE Mining Safety Recognition program formally recognises individuals and teams that have shown exceptional safety performance. In addition to the program, HSE Mining recognises an individual as a Safety Champion when they have shown their personal commitment to safety excellence. In 2015, there were nine HSE Mining Safety Champions.

Swire Code of Conduct video





COMMUNICATION AT HSE

In 2015, HSE Mining moved to streamline their employee communication into three distinct areas.

The **Be Heard** brand denotes all employee engagement initiatives. This was launched in the lead up to HSE Mining's first alignment and engagement survey in September, administered by Insync Surveys.



FUTURE SIGHT

The **Future Sight** brand was created to deliver HSE Mining's five-year strategy to employees at all levels. It was first used in a presentation to staff during December 2015.

HALO Program

Further branding was created for Continuous Improvement initiatives. HALO stands for HSE Advancement through Learning and Output.

These brands seek to reinforce the area of focus of employee communications, through the visual representation of the logo.

DEVELOPING LEADERS' CAPABILITY

Safety and operational excellence can only be achieved through strong and visible leadership. Investment in the development of our leaders is a critical requirement for a sustainable business and the ability to achieve long-term strategic goals. Over time, all leaders in the business will participate in a leadership program.



Ian Jolliffe

A number of leaders participated in development courses during 2015 including Project Manager Peak Downs/Caval Ridge Ian Jolliffe:

"There were so many learnings for me in the Operational Leader Development Program (OLDP). It helped me to understand how my actions and communication style affect others, as well as the importance of proactive listening and asking questions to get to the root of issues. After OLDP I stop and take more time to assess a situation and try to consider all angles before I act. Developing my senior leaders and work groups is now also in the forefront of my mind. This is a long-term goal and is essential to work on regularly. There has been excellent feedback about these programs so far."

Swire Cold Storage Chief Financial Officer Daryl Roe also took part in leadership development:

"I was looking to understand more about myself, how I can be more effective and improve as a leader in the business. It helped me to identify areas where I can change my style to improve my leadership effectiveness, but even more so highlighted personal preferences and behaviours that are not constructive. I am now better attuned to noticing these tendencies when they arise, and have developed personal tools to help me overcome them – hopefully helping me to become more effective in my role and as a leader. The OLDP training was a fantastic experience for self-development and the structure and approach of the program allowed us to learn from others in the program. The combination of participants from across the Swire group provided the additional benefit of building networks with our Swire peers."



Daryl Roe



WELLBEING

BRINGING HEALTH AND WELLBEING TO FRONT OF MIND AT CANON HILL

Swire Cold Storage's Cannon Hill site in Queensland held their 'Health and Wellbeing Week' in August 2015. This local initiative built upon other measures such as weekly onsite physiotherapy, on-the-job manual handling coaching, competency-based manual handling training and work station ergonomic assessments. A 'Healthy Options' barbeque was held onsite to kick-start the week, with health services provider CIM on hand to answer people's questions about how to maintain physical and mental health. Each employee was given the opportunity to attend a 30-minute consultation to check blood glucose, blood pressure, Body Mass Index and muscular/skeletal health.

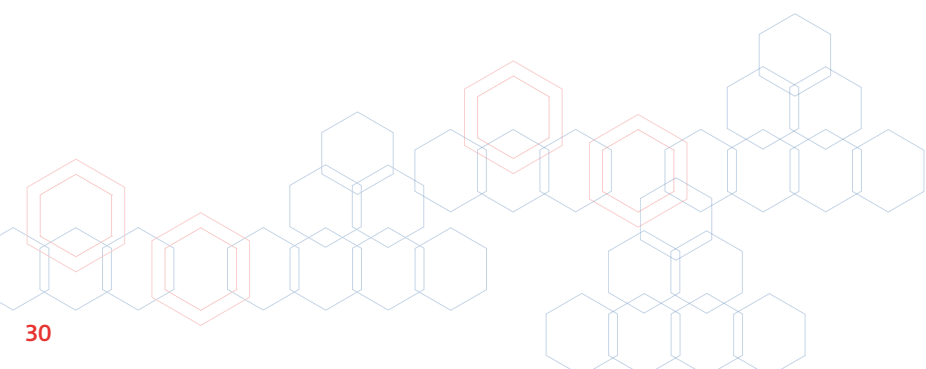
Findings from the consultations were subsequently aggregated in an anonymous summary to help tailor future initiatives.

'KALARI FLEET FEET' STEPPING UP TO THE CHALLENGE

Each year, Iluka employees nationwide participate in the Iluka Team Walk Challenge that encourages employees to increase their daily activity through walking, cycling or swimming. Their level of activity is tracked and recorded by a pedometer that is worn continuously for eight weeks.

In 2015, Kalari employees were invited to participate and joined forces as the 'Kalari Fleet Feet' team. The increased physical activity around the Iluka sites was noticeable and the friendly competition between staff encouraged everyone to increase their number of steps each week.

'Kalari Fleet Feet' finished 9th out of 39 teams. This was a great result, but the biggest win was the increased focus on people's health and wellbeing through simply getting up and taking a few extra steps each day.





SWIRE COLD STORAGE VIETNAM - STOP SMOKING CAMPAIGN

Statistics show that nicotine addiction is more prevalent in Asia than anywhere else in the world, with Vietnamese men having one of the highest smoking rates for men in the world. In 2015, Swire Cold Storage Vietnam launched their 'No More Smoke' campaign and set a target of zero smokers at its site by 1 January 2016. Some actions that were taken to reduce smoking included:

- separating the smoking and recreation areas
- placing smoking areas in inconvenient locations

- providing employees with nicotine supplements, and
- encouraging volunteers to enter the campaign and commit to quit smoking.

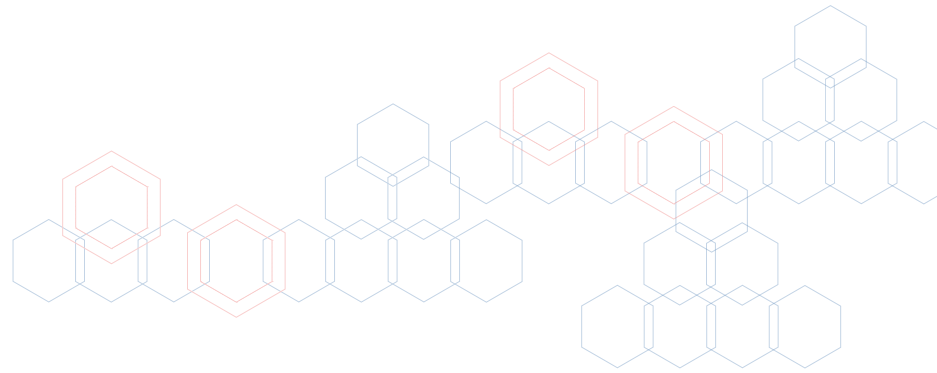
Positive results were seen, with many employees noting they had quit or reduced smoking. One employee previously smoking forty cigarettes per day reduced to zero during work hours and one employee previously smoking ten cigarettes per day was able to quit altogether.

Swire Cold Storage Vietnam won the Staff Engagement Award at the 2015 Swire Sustainable Development Forum for their submission regarding this initiative.

[Stop Smoking Campaign Video](#)







PROTECT

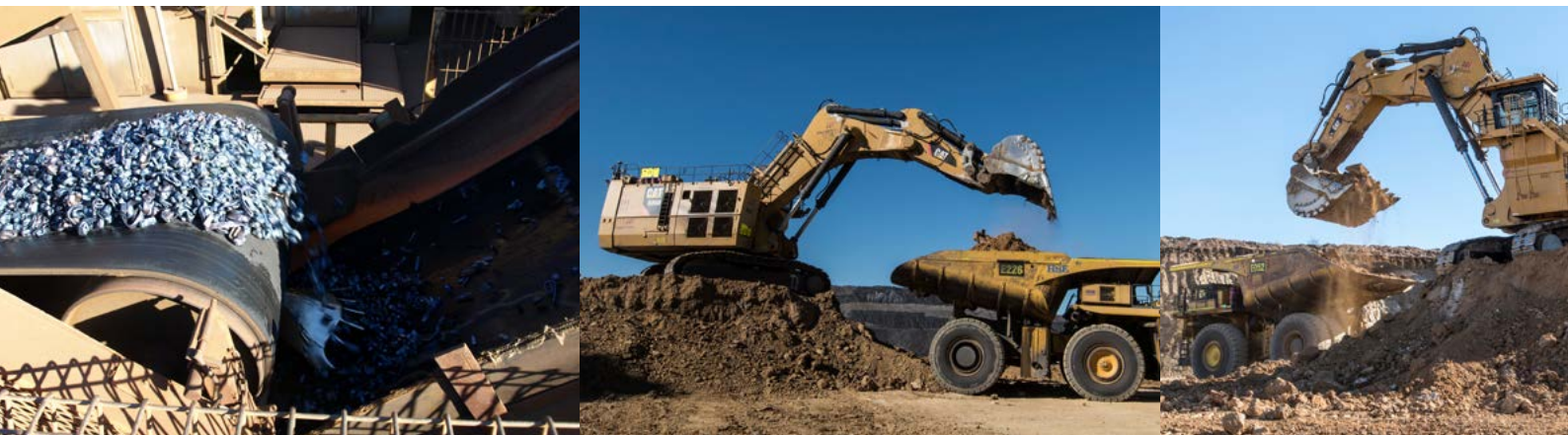
The industries in which we operate are hazardous and as such the safety of our people, our contractors, our customers and members of the public is our fundamental concern. We believe all injuries are preventable and zero harm is achievable and the only acceptable goal. Our businesses have clear targets to meet this goal, and actively work to communicate, engage, train and learn from those with whom we work, and to continuously improve the safety of our workplaces and the wellbeing of our people.

2015 OVERVIEW

- ✦ Achieved 15 years LTI free at Swire Industrial Services
- ✦ Held safety summit for leaders and managers within each business
- ✦ Significant training, implementation of tools and safety leadership development undertaken in each of the businesses to mitigate identified areas of risk
- ✦ Achieved TRIFR target of less than 7.00
- ✦ Group LTIRF of 1.50 did not meet the target of 0.0, however two businesses (Alex Fraser Group and Kalari) met the target
- ✦ Swire Cold Storage reduced TRIFR from 29.72 to 11.98, HSE Mining reduced TRIFR from 10.38 to 4.55
- ✦ The group did not meet several lead indicators targets – workplace inspections, safety system reviews and committee meetings – for the year. This will be a focus for 2016. The group did exceed several other lead indicators – incident reports, toolbox talks and safety contacts.

2016 GOALS

- ✦ TRIFR of 5.5
- ✦ LTIRF of 0.0
- ✦ Meet lead indicator targets
- ✦ Continue investment in safety training and well-being programs
- ✦ Continue to identify potential and mitigate potential risks



CONTINUOUS IMPROVEMENT

SWIRE INDUSTRIAL SERVICES ACHIEVES 15 YEARS LOST TIME INJURY FREE

The Swire Industrial Services team onsite at BlueScope Steel at Port Kembla achieved the milestone of 15 years Lost Time Injury (LTI) free in November. In addition to this, it had been more than three years since the team recorded a medical treatment. This achievement serves as an endorsement of the team's efforts to maintain a state of 'chronic unease' and vigilance on safety of its employees and contractors.

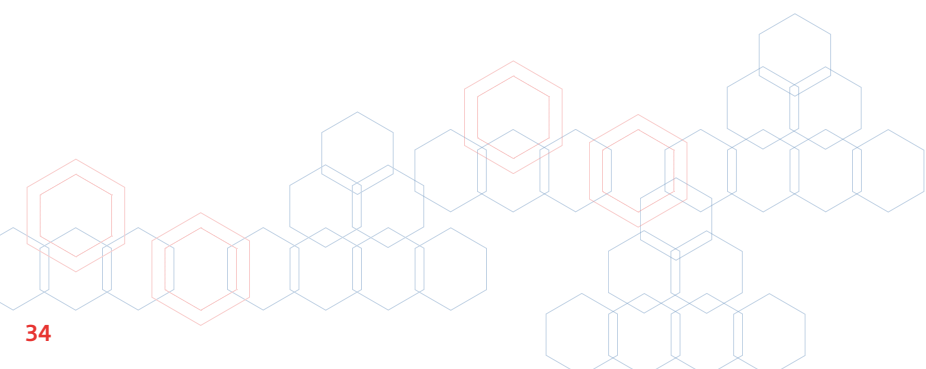
SOUTH WALKER CREEK SETS PRODUCTION RECORD AND MAINTAINS HIGH SAFETY PERFORMANCE

The HSE Mining team at South Walker Creek team moved a record amount of material in September, while maintaining focus on safety and early reporting of hazards.

Using the client-owned Cat 6060 machine, the previous record of 1.00M bank cubic metres (BCM) was surpassed with the excavator achieving 1.04M BCM and 50kT of coal at an average dig rate of 2,050 BCM per hour. The excavator achieved 541 productive hours, an overall utilisation of 91 per cent of available hours.

This high level of productivity can be attributed to the crews who safely adapted to a new prestart process and hot seating program. In August, the team recorded 12 months Lost Time Injury (LTI) free and by the end of September had lowered Total Recordable Injury Frequency Rate (TRIFR) to 4.66, in line with the year's goal of TRIFR<5.

The team also improved hazard reporting, with 134 hazards identified and resolved during the month.



OUR COMMITMENTS



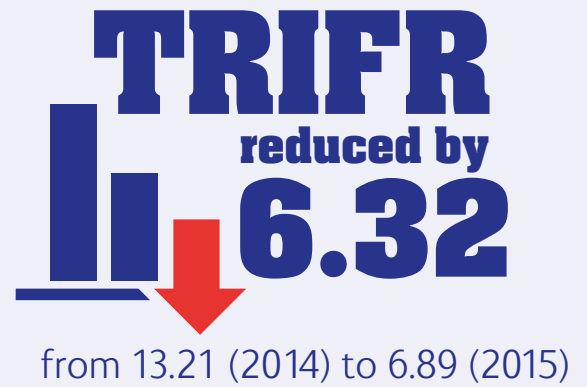
SWIRE COLD STORAGE WINS INDUSTRIAL SAFETY AWARD

Swire Cold Storage was named joint winner of the 2015 Queensland Trucking Association (QTA) Industry Safety Award, announced at the annual awards and dinner event held in October 2015.

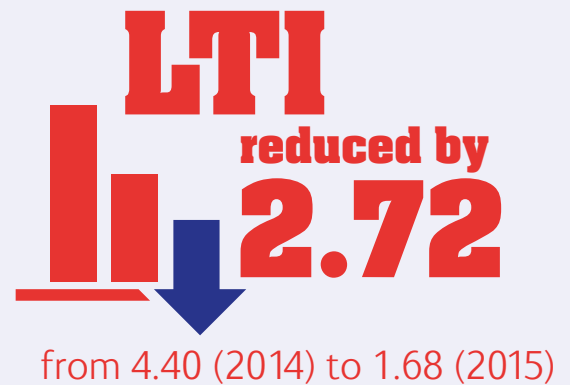
The judges cited Swire Cold Storage's willingness to share safety initiatives with the industry and highlighted three examples:

1. High intensity LED lights fitted beneath all Swire Cold Storage truck turntables ensures drivers can clearly see the relationship between the king pin and turntable locking jaw when connecting trailers..
2. The introduction of a safety strap used to safely unlatch container doors and test if the product is leaning against the doors.
3. The prototype for replacement of the traditional 'pogo stick' load restraint bars.

The award was presented by the Hon. Mark Bailey, Minister for Main Roads, Road Safety and Ports and Minister for Energy and Water. It is recognition of the steps taken in Swire Cold Storage's safety journey and is encouragement to continue building on these achievements.



IMPROVEMENT IN SAFETY STATISTICS



LEAD INDICATORS





TRAINING

HSE MINING SAFETY PLAN PROMOTES SAFETY TRAINING AT ALL LEVELS

The HSE Mining 2015 Safety Plan established a framework to help identify operational risks and hazards, in addition to control measures and mitigation strategies. Objectives were to ensure:

- leaders visibly demonstrate safety leadership and engage employees to work safely
- systems provide the necessary capability to perform work safely
- behaviours reflect the business' commitment to safety and an injury-free workplace.

Starting off the new year with a fresh perspective, the plan and its strategies was presented to all employees at prestart meetings during January.

Three areas of focus:

The **HandSafe** program commenced in April, as it was detected that more than 23 per cent of injuries were hand-related injuries. Rolled out to all operational employees, key objectives of this program included:

- detailed analysis of hand and finger injuries to identify causes
- creating awareness of hand injuries and the impact they have on the individual through training programs and support materials
- a consultative review and trial of gloves for the activities that HSE Mining undertakes to identify the gloves best able to provide optimal protection from hand injury hazards
- provide training in the selection, fitting and use of gloves.

To support managers, supervisors and relieving supervisors in maintaining HSE Mining's commitment to safety excellence, the **Switched On Safety Leadership program** was developed. The program improves leaders' ability to engage and influence their team towards safer and more effective safety choices. Objectives include:

- defining safety leadership
- shifting focus from safety compliance to safety as a value
- exploring effective safety leadership habits
- identifying commitments that drive effective safety leadership practices.

The **Soft Tissue Injury Prevention program** was deployed to all HSE Mining employees as part of the 2015 Safety Plan, including a tailored program specific to administrative personnel. Previous to this, almost 60 per cent of HSE Mining's injuries were directly related to soft tissue trauma, with sprains and strains, damage to muscles, tendons and ligaments, and musculoskeletal disorders often occurring while doing manual tasks. Designed as a holistic approach to managing this risk, objectives included:

- provide job-specific training and awareness on manual tasks, focusing on:
 - identifying factors that increase the risk of soft tissue injuries
 - providing simple and practical solutions to minimise risk of injury
- review all task analysis with the intent of either eliminating or reducing the highest risk factors
- develop innovative ways to eliminate or reduce the risk of soft tissue injuries through consultation and engagement.





HSE SAFETY EXCELLENCE ROLES AND RESPONSIBILITIES

To achieve our vision of Zero Harm and an incident-free workplace, it is important that we all have a clear understanding what our responsibilities and accountabilities are. This is based on the foundation that every employee, supervisor, manager and senior manager (National Management Team and Project Managers) are responsible for their own safety and the safety of everyone else within their work area.

ALL EMPLOYEES

You are accountable for your own safety and actively participating in working safely.

Your responsibilities:

- Comply with all applicable safety standards, procedures, policies and regulations
- Follow and comply with all safety rules
- Take responsibility for your own safety and that of your co-workers
- Immediately report all injuries or illnesses to your supervisor or manager
- Report all near misses, incidents, hazardous conditions, faulty equipment or tools to your supervisor or manager
- Wear and use the correct prescribed personal protective equipment
- Participate in all safety training and prevent and reduce incidents
- Observe you and do not work every time you attend work

SUPERVISORS AND MANAGERS

You are accountable for implementing HSE's Safety Policy and the implementation of safe systems of work for all employees.

Your responsibilities:

- Monitor and control any hazardous condition in the workplace
- Regularly communicate safety information and issues to employees
- Consistently reinforce safe behaviours through coaching, counselling and discipline
- Immediately report all high potential incidents and all injuries to the appropriate manager
- Actively participate in workplace safety inspections, prevent and reduce incidents
- Arrange and participate in safety training
- Actively engage and participate with employees in hazard & risk identification and mitigation
- Ensure that all safety procedures and regulations are managed in accordance with HSE's Safety Standards
- Monitor the performance and competence of those people under your area of responsibility

NATIONAL MANAGEMENT TEAM AND PROJECT MANAGERS

You are accountable for HSE's safety performance.

Your responsibilities:

- The provision of a safe and healthy workplace
- Provide the right equipment and tools to safe working under
- The provision of safe systems and processes
- Hold supervisors and managers accountable for safety within their area of control
- The provision of the necessary resources to ensure safety within the workplace is managed effectively
- Be visibly committed to all aspects of workplace safety including:
 - Incorporating a safety discussion into every toolbox meeting
 - Being visible role models in safe behaviour
 - Incorporating safety within business planning
- Regularly review HSE's safety performance





TRAINING DRIVERS TO ACCESS AND EGRESS VEHICLES SAFELY

When one person was injured twice in two weeks getting in and out of a vehicle in Moura, induction training for new Moranbah and Moura-based drivers was designed and deployed.

The training encompassed the access and egress of all access areas of the trucks and plant and encouraged drivers to understand the changes of environment they encounter, for example, moving from a road, concrete or dirt surface onto metal steps and then into the cab. Drivers must always keep three points of contact and think how the placement of their body weight will impact the contact points required; and to always face the vehicle and empty hands before entering the cab.

Despite it being a highly repetitive task, the potential consequences of this hazard can be severe.



LEADERSHIP

THE SWIRE COLD STORAGE SAFETY LEADERSHIP PROGRAM

Designed to have each leader reflect, shape and determine what actions they can take to improve safety leadership and culture, the Swire Cold Storage Safety Leadership Program consists of eight modules.

The Incident and Investigation Management (ICAM) and Safety Fundamentals Workshop modules were completed in the first half of 2015. The Understanding Your Responsibilities module commenced in May, and the Risk Containment Workshop module was delivered in June and July. The remaining four modules, Injury Management, Chain of Responsibility and Compliance, Performance Management and Leadership by Visibility were delivered by the HSSE and People and Culture departments over the second half of the year.

SAFETY SUMMITS: DRIVING SAFETY AT ALL LEVELS

Each year, Swire businesses hold a Safety Summit, to review progress from the previous year, celebrate safety excellence, identify areas for improvement and plan activities for the following year.

In a visible commitment from Swire, Senior Leadership from John Swire & Sons Pty Ltd attended each event to address the teams, reinforcing that the safety and improved employee alignment and engagement was a priority across the group.

Safety Summits present an opportunity to share knowledge within Swire and ensure that the safety of our people, customers and the community in which we operate underpins everything we do. Meeting to develop the following year's Safety Plan enables the businesses to prioritise actions, allocate resources to and have a coordinated approach across the entire business.

HSE Mining

HSE Mining held its Safety Summit in Dysart in September. It was attended by 45 employees and guests, including the national leadership team, project managers, superintendents, supervisors and various employees from the site safety committees.

Each participant completed pre-work prior to the summit to identify major safety concerns from their perspective, based on experience at their workplace. The main topics discussed were engaging the workforce; leadership, injury and incident reduction strategies; and health and wellbeing. These areas are critical to develop a robust safety culture where safety is integral to everything that HSE Mining does.





Swire Cold Storage

More than 50 leaders attended the Swire Cold Storage Safety Summit in 2015, to gain a better understanding of how to lead, implement and communicate safety excellence to ensure Zero Harm. The summit, held over two days in Melbourne in July, encompassed best-practice learning from industry leader DuPont, presentations by the Health Safety, Security and Environment teams outlining improvement projects and a session on ergonomics and manual handling.

Participants were encouraged to take learnings from the summit back to their teams and lead safety excellence.

Kalari

Kalari held their sixth Safety Summit in the Barossa Valley in South Australia in October, bringing together 71 safety representatives. Communication, safety, leadership, systems/processing/reporting and training were identified to be key themes from the event. A key session addressed fatigue management and how Kalari can better support its people to manage fatigue.

A highlight of the event was the Best Practice Safety Initiatives competition, with attendees voting for best-in-class. In closing, attendees were encouraged to maintain high standards by carrying out safety contacts, conducting risk assessments and looking for ways to improve safety operating disciplines.

Alex Fraser

60 managers and supervisors from across Alex Fraser gathered in Melbourne in October, for its Safety Summit. Safety was discussed as part of the overall business strategy and the expectation was delivered that everyone was to become a safety leader. Recent efforts to improve safety received praise, but left no doubt that current safety performance was not acceptable with zero harm being the only acceptable goal.

Chain of Responsibility for heavy vehicles and implications for supervising, loading, scheduling and operating heavy vehicles to manage mass, maintenance, fatigue and speed were highlighted. The team worked in groups to identify ways to address the Top 5 causes of injury and serious near misses in 2015 and feedback on the ICAM process to date.

2015 GRI DATA – SWIRE AUSTRALIA GROUP OF COMPANIES

Economic value generated and distributed group (EC1)

| AU\$ | 2015 | 2014 | 2013* | 2012* |
|--|-------------|-------------|-------------|-------------|
| Revenues | 715,414,579 | 811,302,070 | 461,416,205 | 483,968,982 |
| Operating costs | 598,409,389 | 587,875,446 | 273,825,403 | 286,372,731 |
| Employee wages and benefits | 174,861,936 | 215,621,403 | 119,614,945 | 130,399,000 |
| Payments to providers of capital | 28,148,355 | 105,061,847 | 189,538,653 | 21,948,284 |
| Payments to government - gross taxes | 9,899,486 | 28,696,265 | 32,996,102 | 29,835,938 |
| Community investments including charitable donations | 273,848 | 360,664 | 387,769 | 254,000 |

*Excludes HSE and Clyde Agriculture

Workforce data for group (LA2)

| Total Number of Employees | 2015 | 2014 | 2013 | 2012 |
|---------------------------|-------|-------|-------|-------|
| AFG | 222 | 229 | 225 | 259 |
| HSE | 312 | 550 | N/A | N/A |
| Kalari | 486 | 415 | 510 | 511 |
| SCS | 603 | 626 | 611 | 573 |
| Vietnam | 326 | 342 | 314 | 138 |
| Group* | 1,971 | 2,182 | 1,682 | 1,511 |

*Group total also includes Head Office

| Total Number of new Employees | 2015 | 2014 | 2013 | 2012 |
|-------------------------------|------|------|------|------|
| AFG | 29 | 32 | 54 | 79 |
| HSE* | 23 | 25 | N/A | N/A |
| Kalari | 228 | 158 | 123 | 171 |
| SCS | 96 | 100 | 132 | 82 |
| Vietnam | 33 | 77 | 177 | n/a |
| Group** | 413 | 395 | 491 | 335 |

*HSE April to December inclusive **Group total also includes Head Office

| New hires leaving the business | 2015 | 2014 | 2013 | 2012 |
|--------------------------------|------|------|------|------|
| AFG | 7 | 1 | 18 | 29 |
| HSE* | 7 | 29 | N/A | N/A |
| Kalari | 50 | 93 | 33 | 92 |
| SCS | 25 | 18 | 16 | 8 |
| Vietnam | 1 | 22 | n/a | n/a |
| Group** | 90 | 164 | 67 | 130 |

*HSE April to December inclusive **Group total also includes Head Office

| New hires by gender (% females) | 2015 | 2014 | 2013 | 2012 |
|---------------------------------|------|------|------|------|
| AFG | 7% | 16% | 7% | 37% |
| HSE | 17% | 28% | – | – |
| Kalari* | 9% | 17% | 15% | 13% |
| SCS* | 11% | 22% | 20% | 18% |
| Vietnam | 12% | 4% | 10% | – |
| Group** | 10% | 17% | 14% | 20% |

*Recording on this target commenced in July 2015 ** Group total also includes Head Office

| No. of labour grievances lodged with HR/No. of labour grievances resolved | | | | | |
|---|-------|---------|-------|--------------|---------|
| 2015 | | | | | |
| AFG* | HSE | KAL* | SCS* | SCS VIETNAM* | GROUP |
| – / – | 1 / – | 12 / 12 | 4 / 4 | – / – | 16 / 16 |

*Reporting on this target commenced in Q4 2015

Safety Performance Data

| Lost time Injuries | | | | | | | | | | | | |
|--------------------|-------------------------|-------|-------|-------|-------------------------|-------|------|------|-----------|------|------|------|
| | TRIFR (1,000,000 hours) | | | | LTIFR (1,000,000 hours) | | | | Days Lost | | | |
| | 2015 | 2014 | 2013 | 2012 | 2015 | 2014 | 2013 | 2012 | 2015 | 2014 | 2013 | 2012 |
| AFG | 9.89 | 4.96 | 20.15 | 23.90 | 0.00 | 0.00 | 3.10 | 1.19 | 0 | 41 | 20 | 15 |
| HSE | 4.55 | 10.38 | 7.86 | N/A | 1.30 | 2.79 | N/A | N/A | 17 | 26 | N/A | N/A |
| Kalari | 4.14 | 6.94 | 5.18 | 14.26 | 0.00 | 1.39 | 0.74 | 0.65 | 260 | 80 | 35 | 2 |
| SCS | 11.98 | 29.72 | 26.43 | 45.72 | 3.57 | 10.75 | 8.81 | 5.30 | 599 | 624 | 386 | 353 |
| Vietnam | 2.6 | 4.07 | 6.93 | 5.43 | 2.60 | 4.07 | 2.77 | 2.71 | 10 | 13 | 20 | 20 |
| Group* | 6.89 | 13.21 | 14.25 | 25.62 | 1.68 | 4.40 | 3.87 | 3.54 | 886 | 802 | 807 | 746 |

*Group total also includes Head Office, Clyde Agriculture and HSE from Sept 2013

Environmental Performance Data

| Total Consumption | | | | | | | | | | | | |
|-------------------|---------|---------|---------|---------|-----------|-----------|-----------|-----------|---------|---------|---------|---------|
| | tCO2-e | | | | GJ | | | | Water | | | |
| | 2015 | 2014 | 2013 | 2012 | 2015 | 2014 | 2013 | 2012 | 2015 | 2014 | 2013 | 2012 |
| AFG* | 21,222 | 18,015 | 17,573 | 19,702 | 250,676 | 214,910 | 207,780 | 235,631 | 31,162 | 50,664 | 47,626 | 48,358 |
| HSE* | 137,394 | 110,205 | N/A | N/A | 1,968,027 | 1,578,639 | N/A | N/A | N/A | N/A | N/A | N/A |
| Kalari | 52,853 | 67,265 | 53,192 | 64,898 | 746,902 | 953,189 | 744,753 | 909,489 | 12,914 | 27,966 | 11,416 | 13,573 |
| SCS | 78,390 | 76,046 | 76,213 | 72,972 | 503,484 | 453,338 | 422,399 | 378,506 | 200,675 | 173,489 | 190,683 | 198,510 |
| Vietnam | 4,866 | 5,199 | 4,939 | 4,538 | 31,051 | 32,960 | 32,524 | 29,014 | 43,840 | 38,971 | 44,576 | 41,521 |
| Group** | 294,776 | 277,868 | 151,917 | 162,110 | 3,500,356 | 3,237,878 | 1,407,456 | 1,552,640 | 288,591 | 291,090 | 294,301 | 301,962 |

*AFG 2011 includes SIS ^HSE commenced recording diesel usage and emissions from April 2014

** Group Total also includes Head Office from 2014 inclusive

GRI CONTENT INDEX

| GENERAL STANDARD DISCLOSURES | | | |
|--|--|---|----------|
| Aspect | GRI Reference | Report location | Page No. |
| Strategy and analysis | G4-1 | Message from the Chairman and CEO | 4 |
| Organisational profile | G4-3, G4-4, G4-5, G4-6, G4-7, G4-8, G4-13, G4-16 | Mandatory Disclosures and Organisation Overview | 6 |
| | G4-9, G4-10, G4-11 | Data table | 42 |
| | G4-12, G4-14 | not relevant | |
| | G4-15 | Sustainable Development Policy | 44 |
| Identified material aspects and boundaries | G4-17, G4-18, G4-19, G4-20, G4-21, G4-23 | Mandatory Disclosures and Organisation Overview | 6 |
| | G4-22 | not relevant | |
| Stakeholder engagement | G4-24, G4-25, G4-26, G4-27 | Mandatory Disclosures and Organisation Overview | 6 |
| Report profile | G4-28, G4-29, G4-30, G4-31, G4-32 | Mandatory Disclosures and Organisation Overview Content | 6 |
| | G4-33 | not relevant | |
| Governance | G4-34 | Mandatory Disclosures and Organisation Overview | 6 |
| Ethics and integrity | G4-56 | Mandatory Disclosures and Organisation Overview | 6 |
| ECONOMIC: SPECIFIC STANDARD DISCLOSURES | | | |
| GRI Material Aspect | GRI Reference | Report location | Page No. |
| Economic Performance | G4-DMA | Message from Chairman and CEO | 4 |
| | G4-EC1 | Data table | 42 |
| ENVIRONMENT: SPECIFIC STANDARD DISCLOSURES | | | |
| GRI Material Aspect | GRI Reference | Report location | Page No. |
| Energy | G4-DMA | Reduce | 11 |
| | G4-EN3, G4-EN5 | Data table | 42 |
| Water | G4-DMA | Reduce | 11 |
| | G4-EN8 | Data table | 42 |
| Emissions | G4-DMA | Reduce | 11 |
| | G4-EN15, G4-EN18 | Data table | 42 |
| Effluents and waste | G4-DMA | Reduce | 11 |
| | G4-EN24 | Data table | 42 |
| Products and services | G4-DMA, G4-EN28 | Not included in this report – only material to Alex Fraser and not reported as a group wide measurement | |
| Compliance | G4-DMA | Reduce | 11 |
| | G4-EN29 | Not included in this report as measurements vary across the operating entities | |
| Supplier environmental assessment | G4-DMA | Reduce | 11 |
| | G4-EN32 | Not included in this report as measurements vary across the operating entities | |

| SOCIAL: LABOR PRACTICES AND DECENT WORK | | | |
|---|-----------------|---|----------|
| GRI Material Aspect | GRI Reference | Report location | Page No. |
| Employment | G4-DMA | Develop | 27 |
| | G4-LA1 | Data table | 42 |
| Occupational health and safety | G4-DMA | Protect | 33 |
| | G4-LA5, G4-LA6 | Data table | 42 |
| Training and education | G4-DMA | Develop | 27 |
| | G4-LA9, G4-LA11 | Not available at group level | |
| Diversity and equal opportunity | G4-DMA | Develop | 27 |
| | G4-LA12 | Gender: data table. Other measures of diversity are not captured at group level | 42 |
| Equal remuneration for women and men | G4-DMA | Develop | 27 |
| | G4-LA13 | Not available at group level | |
| Labor practices grievance mechanisms | G4-DMA | Develop | 27 |
| | G4-LA16 | Data table | 42 |
| SOCIETY: SPECIFIC STANDARD DISCLOSURES | | | |
| GRI Material Aspect | GRI Reference | Report location | Page No. |
| Local communities | G4-DMA, G4-S01 | Enrich | 21 |
| Anti-corruption | G4-DMA | Mandatory Disclosures and Organisation Overview | 6 |
| | G4-S03 | All operations assessed for corruption | |
| | G4-S04 | All employees received anti-corruption communication and training | 6 |
| Anti-competitive behavior | G4-S05 | Nil incidents of corruption identified | |
| | G4-DMA | Mandatory Disclosures and Organisation Overview | 6 |
| | G4-S07 | Nil legal actions | |
| Compliance | G4-DMA | Mandatory Disclosures and Organisation Overview | 6 |
| | G4-S08 | Nil non-compliance | |



SUSTAINABLE DEVELOPMENT

Our aims:

- We aim to create long term value for our shareholders. Achieving this depends on the sustainable development of our businesses and the communities in which we operate.
- To achieve sustainable development, we aim:
 - » To achieve net zero impact on the environment
 - » To cause zero harm
 - » To excel as corporate citizens.

Our policy:

- Industry leadership: We aim to be leaders in sustainable development in the industries in which we operate.
- In our operations: We will:
 - » Be a good steward of the natural resources and biodiversity under our influence and ensure that all potential adverse impacts of our operations on the environment are identified and appropriately managed.
 - » Safeguard the health and safety of all our stakeholders in an environment of zero harm.
 - » Provide an environment in which all employees are treated fairly and with respect and can realise their full potential.
 - » Encourage suppliers and contractors to promote sustainable development.
 - » Encourage the responsible use of our products and services by our customers and consumers.
 - » Bring value to the communities of which we are a part and enhance their capabilities while respecting people's culture and heritage.

Making it happen:

- All companies in which John Swire & Sons has a controlling interest will have action plans for applying this policy in a way which is relevant to their business. We will encourage other companies in which we have an interest as a shareholder or through our supply chain to implement similar policies.
- We will encourage and empower our staff to be proactive on sustainable development matters both at work and in the community.
- We will monitor our performance and report regularly.
- We will review this policy periodically, having regards in particular to stakeholder dialogues.

*Sustainable Development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs. – “Our Common Future”, 1987 – World Commission on Environment and Development.

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**INTEGRITY****At Swire, we**

are ethical and honest, we deliver on commitments and we create trusting relationships.

EXCELLENCE

are dedicated to innovation and excellence in everything we do.

HUMILITY

respect others and learn from them, we are aware of our own limitations and we listen to others with an open mind.

ENDEAVOUR

relish challenge, we are resilient, and we know lasting success is hard won and nurtured with solid, responsible, hard work.

CONTINUITY

take the long-term view, and have the privilege and responsibility of growing our businesses along sustainable lines.