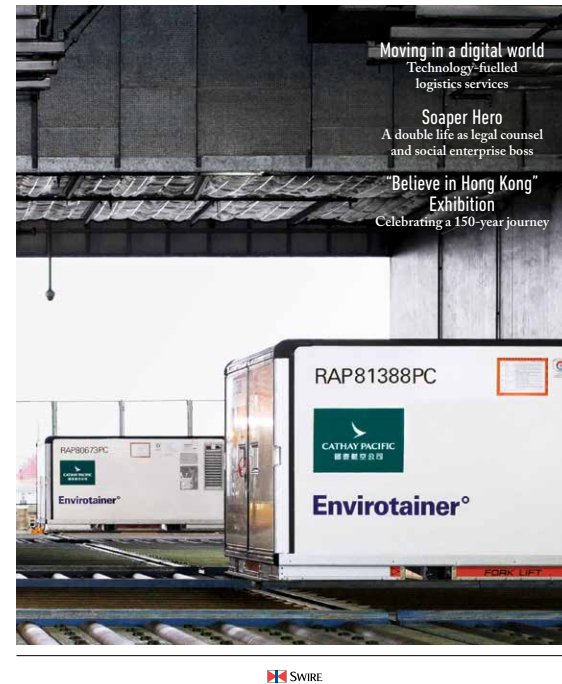


# SWIRE NEWS



## contents

ISSUE 03 / 2021



Cathay Pacific Cargo's Ultra Track solution is just one example of how Swire companies are using digital technology to address customer needs and grow their businesses. More on page 22.

01

NEWSWIRE

22

CENTRE STAGE

27

INSIDER

29

PEOPLE

30

150TH  
ANNIVERSARY  
IN HK

The Swire group is a multinational, multi-disciplined commercial group, with its principal areas of operations in the Asia Pacific region, and centred on the Greater China area. Hong Kong is home to publicly quoted Swire Pacific, whose core businesses are grouped under five operating divisions: property, aviation, beverages, marine services, and trading & industrial. John Swire & Sons Limited, headquartered in the UK, is the parent company of the group. In addition to its controlling shareholding in Swire Pacific, John Swire & Sons Limited operates a range of wholly-owned businesses, including deep-sea shipping, cold storage, offshore and road transport logistics services, waste to energy, mining services, and beverage ingredients with main areas of operation in Australia, Papua New Guinea, East Africa, Sri Lanka, the USA and the UK.

**SWIRE NEWS** is published in Hong Kong, by the Swire Group Public Affairs Department.

To view the digital version, please go to [www.swire.com/swirenews](http://www.swire.com/swirenews)

Copyright©2021

**Editor**  
Cindy Cheung

**Deputy Editor**  
Charlotte Bleasdale

**Design | Production**  
Format Ltd.



## Board appointment



**Xu Ying** has been appointed Independent Non-Executive Director of Swire Pacific Limited with effect from 25th August 2021. Ms Xu, aged 57, is the president of Wumei Technology Group, the holding company of a leading online and offline retailing group in the Chinese Mainland. She joined this group in 2004 and from 2010 was president and an executive director of Wumart Stores, Inc.

## Senior management appointment

## WesTech Engineering

**Greg Holt** has been appointed Chief Executive Officer.

## SwireTHRIVE 2.0

Swire Pacific's 2020 Sustainable Development Report has outlined a refreshed and expanded sustainable development strategy, reflecting the need for increased ambition and action from the global business community to help address some of the world's most pressing challenges. The latest iteration of SwireTHRIVE builds on the company's 2016 environmental strategy and covers five priority areas: Climate (decarbonisation and resilience), Waste, Water, People (diversity and inclusion and health and safety), and Communities. The strategy is underpinned by targets to reduce carbon, water and waste, and to strengthen diversity and inclusion. As a group, Swire Pacific commits to achieving the following targets by 2030:

- 50% reduction in greenhouse gas emissions from direct operations (excluding Cathay Pacific's jet fuel) from a 2018 base year.
- 27% reduction in water withdrawal from a 2018 frozen efficiency baseline.
- 55% waste diverted from landfill.
- 30% women in senior management roles by 2024.

Beyond 2030, Swire Pacific will continue to reduce its carbon emissions to achieve net zero by 2050. This level of ambition is in line with the 1.5°C goal of the Paris Agreement and supports national and local decarbonisation commitments. The company has also set targets to achieve water neutrality and zero waste to landfill by 2050. Swire continues to actively promote diversity and inclusion in the workplace and wider community.



Swire Pacific's 2020 Sustainable Development Report can be found at: <https://www.swirepacific.com/sdreport/2020>



The latest sustainability reports from other Swire group companies can be viewed at: [https://www.swire.com/en/sustainability/sd\\_overview.php#sd\\_reports](https://www.swire.com/en/sustainability/sd_overview.php#sd_reports)



## 2021 Interim Results

### Swire Pacific Limited

COVID-19 continues to make the business environment very difficult, but our businesses have proven themselves to be resilient. After making losses in 2020, Swire Pacific made a recurring underlying profit of HK\$786 million in the first half of 2021, compared with a loss of HK\$123 million in the same period last year. Contributing factors included a significant increase in profits at Swire Coca-Cola, a strong performance from the Property Division in the Chinese Mainland and reduced losses from Cathay Pacific. The first interim dividends for 2021 are HK\$1.00 per 'A' share and HK\$0.20 per 'B' share, an increase of 43% over the first half dividends in 2020.

Commenting on the future of the Company, Merlin Swire, outgoing Chairman of Swire Pacific said, "We are focusing on delivering our corporate strategy, are well positioned for a recovery and have strong growth opportunities in Greater China.

"We expect Swire Properties to continue to perform well, particularly in executing its placemaking strategy in the Chinese Mainland. We have announced exciting new property projects there, including a joint venture to revitalise the historic Zhangyuan shikumen compound in the Jing'an District in Shanghai, and a cooperation with municipal authorities in Beijing in relation to the transformation into a cultural and commercial landmark of a site adjacent to our Taikoo Li Sanlitun development. Swire Coca-Cola's strong performance is expected to continue. We will continue to invest in healthcare. We are focused on the repositioning of our aviation business, and whilst the short-term outlook is poor, Cathay Pacific has significant liquidity and targets cash burn of less than HK\$1 billion per month for the remainder of 2021. It will be leaner and more efficient when the recovery comes.

"Consistent with our strategy, we continue to shape our portfolio by reducing our exposure to non-core businesses. This started with significant disposals in the Trading & Industrial Division. This year, we have down-sized our Marine Services Division. We agreed to dispose of our interest in the HUD group and reduced further the size of Swire Pacific Offshore's fleet. We have also reduced our interest in its

	Six months ended 30th June	
	HK\$M	Change
Revenue	46,738	+20%
(Loss)/profit attributable to the Company's shareholders		
As reported	(792)	-90%
Underlying profit/(loss)	1,256	N/A
Recurring underlying profit/(loss)	786	N/A
	HK\$	Change
(Loss)/earnings per share		
Underlying		
'A' share	0.84	N/A
'B' share	0.17	N/A
	HK\$	Change
First interim dividends per share		
'A' share	1.00	+43%
'B' share	0.20	+43%

European windfarm installation business. These disposals will help us to concentrate on three core divisions, Property, Beverages and Aviation, all deeply embedded in Greater China. We see a bright future for all of them, despite current problems in the Aviation division. We are, in addition, determined to build a significant business in healthcare services."



### Swire Properties Limited

Swire Properties recorded an increase in attributable underlying profit from HK\$3,753 million to HK\$4,513 million in the first half of 2021, which principally reflected the sale of car parking spaces in Hong Kong earlier in the year.

Recurring underlying profit was HK\$3,716 million in the first half of 2021, compared with HK\$3,702 million in the first half of 2020. This primarily reflected higher retail rental income resulting from strong retail sales in the Chinese Mainland and reduced losses in the Company's hotel business, largely offset by lower retail rental income in Hong Kong and the loss of rental income from the Cityplaza One office tower.

In Hong Kong, Swire Properties' office portfolio remained resilient, despite the weak market, with high occupancies and stable rents. The Company saw some recovery in retail sales in Hong Kong, reflecting greater local consumption. However, the overall market remains challenging.

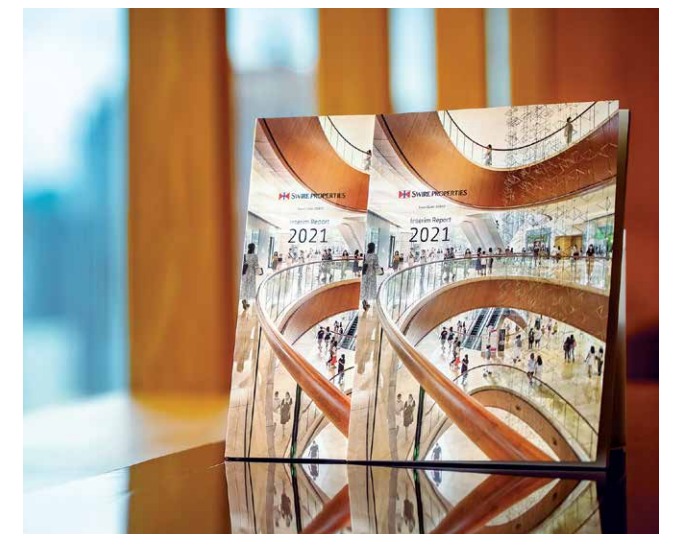
Swire Properties' Chinese Mainland malls delivered excellent results, with a strong growth in retail sales, robust occupancy and high footfall, reflecting strong local demand. The Company recorded an impressive 38% year-on-year increase in attributable gross rental income generated by its Chinese Mainland malls in the first half of the year.

Despite COVID-19, Swire Properties achieved strong residential sales in the first half of the year. In Hong Kong, 26 out of 37 units were sold in the EIGHT STAR STREET development. All units in the EDEN development in Singapore have been sold, as have most of the remaining units at Reach and Rise in Miami. Results from the Company's Swire Hotels arm also improved in the first half of 2021, due to better performances in the Chinese Mainland and the USA. In the USA, retail sales are recovering strongly from the adverse effects of COVID-19.

The Board declared a first interim dividend of HK\$0.31 per share, representing a 3% increase from the first interim dividend paid in 2020.

	Six months ended 30th June	
	HK\$M	Change
Revenue	9,068	+38%
Profit attributable to the Company's shareholders		
Underlying	4,513	+20%
Recurring underlying	3,716	0%
	HK\$	Change
Earnings per share		
Underlying	0.77	+20%
Recurring underlying	0.64	0%
First interim dividend per share	0.31	+3%

"Our fundamentals remain strong and our business continues on a sound financial footing. Our successful placemaking strategy continues to underpin everything we do. We are sharply focused on growing our portfolio, and the initiatives taken over the past few years have paved the way for future growth. We remain deeply committed to the Hong Kong and Chinese Mainland markets while looking for new opportunities that fit with our business strategy," said Merlin Swire, outgoing Chairman of Swire Properties.





Cathay Pacific Airways Limited

COVID-19 continued to pose significant challenges for the Cathay Group in the first half of 2021 and this continues to be the toughest period in our history. The emergence of new virus variants led to the tightening of travel restrictions and quarantine requirements in Hong Kong and several of our key markets.

The Cathay Group’s attributable loss was HK\$7,565 million in the first half of 2021 (2020 first half: loss of HK\$9,865 million). Cathay Pacific’s loss after tax was HK\$5,031 million in the first half of 2021 (2020 first half: loss of HK\$7,361 million), and the share of losses from subsidiaries and associates was HK\$2,534 million (2020 first half: loss of HK\$2,504 million).

The loss for the first half of 2021 includes impairment and related charges of HK\$500 million mainly relating to 11 aircraft that are unlikely to re-enter meaningful economic service before they retire or are returned to lessors and HK\$403 million restructuring costs. This compares to impairment and related charges for 16 aircraft (HK\$1,242 million) and certain airline service subsidiaries’ assets (HK\$1,223 million) in the first half of 2020.

Passenger revenue was severely affected by COVID-19-related travel restrictions and quarantine requirements. It decreased by 92.8% to HK\$745 million in the first half of 2021 compared with the first half of 2020. Revenue passenger kilometres (“RPK”) decreased by 95.8%. Passenger capacity decreased by 85.0%. We carried 157 thousand passengers in the first half, an average of 868 passengers per day, 96.4% fewer than in the same period in 2020. The load factor was 18.9%, compared with 67.3% in the first half of 2020.

	Six months ended 30th June	
	HK\$M	Change
Revenue	15,854	-42.7%
Loss attributable to the shareholders	(7,565)	-23.3%
	HK cents	Change
Loss per ordinary share	(122.1)	-46.5%
	HK\$	Change
Dividend per ordinary share	–	–

Cargo performance was limited by capacity restrictions resulting from crew quarantine requirements and lower cargo capacity as a result of fewer passenger aircraft being flown. Available cargo tonne kilometres (“AFTK”) decreased by 31.9%. Total tonnage decreased by 17.7% to 549 thousand tonnes. Revenues were HK\$11,112 million, a decrease of 0.6% compared to the first half of 2020. Revenues were strong considering the circumstances, sustained by cargo yield increases of 24.4% to HK\$3.37 and record load factors of 81.4% (2020 first half: 69.3%).



This document may contain forward-looking statements that reflect the Company’s beliefs, plans or expectations about the future or future events. These forward-looking statements are based on a number of assumptions, estimates and projections, and are therefore subject to inherent risks, uncertainties and other factors beyond the Company’s control. The actual results or outcomes of events may differ materially and/or adversely due to a number of factors, including the effects of COVID-19, changes in the economies and industries in which the Group operates (in particular in Hong Kong and the Chinese Mainland), macro-economic and geopolitical uncertainties, changes in the competitive environment, foreign exchange rates, interest rates and commodity prices, and the Group’s ability to identify and manage risks to which it is subject. Nothing contained in these forward-looking statements is, or shall be, relied upon as any assurance or representation as to the future or as a representation or warranty otherwise. Neither the Company nor its directors, officers, employees, agents, affiliates, advisers or representatives assume any responsibility to update these forward-looking statements or to adapt them to future events or developments or to provide supplemental information in relation thereto or to correct any inaccuracies.

**Meeting in Fujian**  
In June, Zhang Zhuoping, Chairman of John Swire & Sons (China), led a delegation to Fujian, where representatives from HAECO Xiamen, Swire Coca-Cola, and Cathay Pacific attended a meeting and luncheon hosted by Vice Governor Guo Ningning. Ms Guo expressed her appreciation for Swire’s investments in the province to date and said that the government looked forward to further cooperation with the group.



Zhang Zhuoping, Chairman of John Swire & Sons (China) Limited meets Vice Governor of Fujian, Ms Guo Ningning.

**Jing’an Zhangyuan urban regeneration project**  
Swire Properties and Shanghai Jing’an Real Estate Group have formed a 60:40 joint venture management company to collaborate in the revitalisation of Shanghai’s Zhangyuan district. The project aims to transform the area into a unique international cultural and commercial destination in the heart of the city.

Zhangyuan sits on four parcels of land in the Nanjing Road West area and is currently owned by Shanghai Jing’an Urban Renewal Construction Development Co., Limited, a subsidiary of Jing’an Real Estate Group. With a rich history dating back to the 1870s, when it was first developed as an area of garden villas, Zhangyuan later came under the ownership of entrepreneur Zhang Shuhe who turned it into a popular entertainment district, attracting the public for exhibitions, Chinese opera, magic shows, dining, and socialising. Today, the area comprises 43 shikumen blocks of around 170 historic buildings in 28 different styles. It is the largest, best preserved, and most architecturally diverse shikumen compound in Shanghai, with a wide variety of styles, ranging from garden villas with Western elements, to shikumen with traditional Chinese interiors.

The two companies aim to revitalise Zhangyuan into a vibrant lifestyle hub, by restoring and preserving the shikumen houses, and also making full use of the area below ground level. With an expected gross

floor area (above ground) of approximately 60,000 square metres, the project will include the creation of high-end office space, unique residential apartments, a boutique hotel and a wide variety of exciting retail and dining options. The underground area of more than 70,000 square metres will connect to three Metro lines (2, 12 and 13) at Nanjing Road West station, enabling seamless access from nearby communities and neighbourhoods.



Located in the Nanjing Road West area, Zhangyuan provides a valuable snapshot of Shanghai’s rich architectural heritage.





Senior representatives from the Beijing Chaoyang District Government, Beijing Public Transport Corporation and Swire Properties at the signing ceremony in August.

### Further development of Sanlitun Business Circle

Swire Properties has signed a framework cooperation agreement with the Chaoyang District Government and Beijing Public Transport Corporation ("BPTC") to transform a BPTC maintenance plant into a new cultural and commercial destination. The site is located just to the north of Swire Properties' Taikoo Li Sanlitun development at Xindong Road in the Chaoyang district of Beijing, and the company will collaborate in the planning, design, positioning, operational and management aspects of the project, drawing on its expertise in urban regeneration and creative approach to transformational placemaking.

The initiative will transform the BPTC site into an international consumer hub for "first" and flagship retail stores, as well as a cultural precinct. "We are honoured to be participating in the long-term development of Chaoyang District and excited to have this opportunity to play our role in contributing to the government's vision for the development of Cultural Sanlitun," said Tim Blackburn, Swire Properties' Chief Executive.

### Swire Properties engages tenants in sustainability challenge

Swire Properties has partnered with Spare-it, a Boston-based cleantech start-up, to introduce a Smart Waste Reduction Pilot Programme, engaging office tenants and its own staff in a challenge to reduce waste generated in the workplace. "Tenants and building users account for about 90% of the waste generated in our portfolios," says Elizabeth Kok, Director & Senior Advisor of Swire Properties. The six-month programme involves 15 teams drawn from tenants in seven of Swire Properties' office towers in Hong Kong, as well as its own offices. The programme is supported by the Swire Pacific Sustainable Development Fund.

Participating teams are advised on optimising the design and layout of waste bins in their offices. Individual desk-side bins are replaced with centralised collection and sorting stations fitted with smart scales to collect waste disposal data. Digital dashboards enable teams to monitor and benchmark their waste reduction progress in real time against fellow participants – helping them visualise the cumulative impact of their current disposal habits and meet collective waste reduction goals. Regular forums are conducted to encourage teams to share ideas and overcome challenges collaboratively.

### Swire Properties supports new museum

Swire Properties is supporting Shanghai's new Museum of Art Pudong ("MAP"), as Principal Patron. The 40,000-square-metre public art museum, designed by renowned French architect and Pritzker Prize winner Jean Nouvel, and developed by Shanghai Lujiazui Group, is set to become a new cultural landmark on the historic waterfront at Pudong. MAP opened to the public in July with exhibitions staged by Tate Britain, Chinese fireworks artist Cai Guoqiang and Spain's Fundació Joan Miró.

Tate Britain will offer professional guidance to assist MAP to become a world-class museum, holding exhibitions there over the next three years. The first exhibition, "Light: Works from Tate's Collection", will run until 14th November and will feature more than 100 pieces, including renowned works such as Claude Monet's "The Seine at Port-Villez", John Martin's "The Destruction of Pompeii and Herculaneum", and Sir John Everett Millais' "Ophelia" – one of the Tate's best-loved paintings. It will also feature contemporary works by artists such as Dan Flavin, James Turrell, Anish Kapoor, Tacita Dean, Olafur Eliasson, Bridget Riley and Yayoi Kusama.

Swire Properties and Lujiazui Group are poised to open a new retail development, Taikoo Li Qiantan, in the heart of the Qiantan International Business District in Pudong. Also known as "The New Bund", this area is set to become one of the city's landmarks for arts and culture, entertainment, business, residential, sports and leisure activities.



### Another Swire Properties development achieves "net zero carbon"

Taikoo Hui Guangzhou, Swire Properties' flagship development in the Greater Bay Area, is now powered by 100% renewable electricity. The company is one of the first real estate developers in Guangdong Province to accomplish "net zero carbon" in its annual electricity consumption for landlord and tenants' operations. With effect from 1st July, the entire development, including the premium shopping mall, two Grade-A office towers and the Mandarin Oriental Hotel, has been powered by electricity generated via off-site wind power or purchased from a third party. This was possible due to a new policy introduced by the Guangdong Provincial Government in June, which allows businesses to procure renewable electricity from a registered energy provider.

This milestone will allow Swire Properties to reduce Taikoo Hui Guangzhou's annual CO<sub>2</sub> emissions by over 12,000 tonnes and increase its mix of renewable electricity on the Chinese Mainland to over 37%. "This is a significant achievement and a highlight for Taikoo Hui Guangzhou's 10th anniversary celebrations this year," said Tim Blackburn, Swire Properties' Chief Executive. "Our work at Taikoo Hui Guangzhou and across the Chinese Mainland, will contribute to the Central Government's pledge to achieve carbon neutrality before 2060."

In January 2020, Sino-Ocean Taikoo Li Chengdu became the company's first retail mall on the Chinese Mainland to be powered by 100% renewable electricity, and the adjoining Swire Hotels' The Temple House achieved net zero for electricity consumption in January this year.



Places Impact Report on Taikoo Li Sanlitun

Swire Properties and Tsinghua University's School of Architecture have jointly published a Places Impact Report, "The Creative Transformation of Taikoo Li Sanlitun", which assesses the positive impact that Swire Properties' placemaking and place-keeping efforts have had on the neighbourhood and surrounding area over the past 12 years. Designed as a low-density, open-plan retail complex, Taikoo Li Sanlitun has become one of the capital's most sought-after leisure and business hubs since its opening in 2008.

The Places Impact Report is a key initiative of Swire Properties' Sustainable Development (SD) 2030 Strategy and follows on from the first Impact Report on Taikoo Place in Hong Kong, published last year. It applies the "Places Impact Framework" exploring the four dimensions of place – Vibrancy, Livelihood, Wellbeing and Resilience – to assess the qualities of Taikoo Li Sanlitun, how they have changed over time, and how they compare to other commercial complexes in the city. These qualities include investment in hardware, such as infrastructure and public spaces, as well as software, such as engagement with local government, the local community and social initiatives. In addition to the spatial, economic and environmental perspectives, a key element of the report is the "people" indicator which illustrates how Taikoo Li Sanlitun is being used and experienced and highlights the connections people build with the place.



CT Ma, General Manager, Taikoo Li Sanlitun (second from the left), introduces the Places Impact Report, during the 2021 China Commercial Real Estate Community Impact Forum.



HK Phil musicians performing the 1.5°C theme song at Taikoo Park, Quarry Bay.

All in to fight climate change

Following the launch of its "Sustainability We All Count" campaign in 2020, Swire Properties has introduced the second phase of the campaign under the theme "Fighting Climate Change, We're All In" to spread the word amongst its staff, tenants, stakeholders and the wider public about the importance of reducing carbon emissions.

The latest campaign reinforces the company's commitment to the Business Ambition for 1.5°C campaign, which aims to help limit global warming to 1.5°C through a new and more aggressive set of science-based targets that are in line with the Paris Agreement goals and the quest to achieve net-zero emissions by 2050. Swire Properties is the first real estate developer in Hong Kong and the Chinese Mainland to endorse this commitment.

To encourage staff and stakeholders to show their commitment to the 1.5°C goal by "wearing their hearts on their sleeves", Swire Properties has produced a 1.5°C pin giveaway, and to maximise impact, the company has also created a 1.5°C theme song and music video, performed by a young a capella group and the Hong Kong Philharmonic Orchestra.

Life elevated

Cathay Pacific has launched a new premium travel lifestyle brand in Hong Kong. "Cathay" aims to combine the best elements of travel and everyday lifestyle, with a range of offers in spending, dining, shopping, hotels, and wellness. By bringing together Cathay Pacific, Marco Polo Club and Asia Miles, "Cathay" will simplify the way customers earn status and use miles and make a wider range of products and services available to them.

The first of these offers – a new "Cathay" co-branded credit card and an upgraded Cathay app combining one-stop dining and digital payments – have been launched in Hong Kong, and a refreshed customer relationship programme will follow soon. Initially, "Cathay" will only be available in Hong

Kong, while Cathay Pacific will continue to be the global brand. Over time, the airline aims to expand the "Cathay" premium travel lifestyle brand to other markets.



CATHAY MOVE BEYOND

The world's most enjoyable short-haul experience



The new Regional Business Class seat.

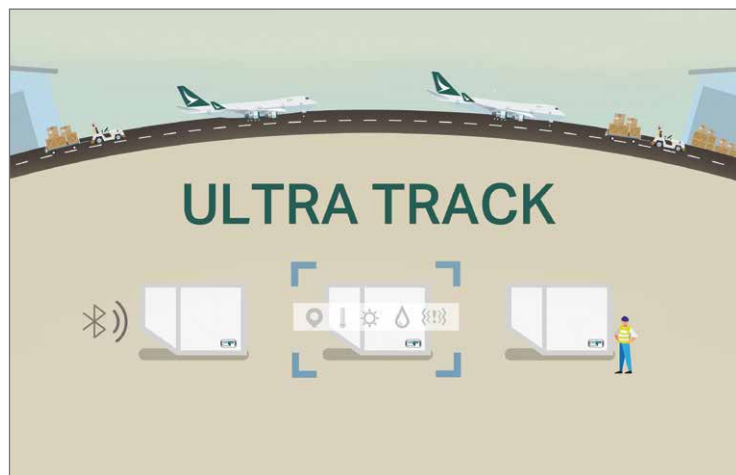
Cathay Pacific's state-of-the-art Airbus A321neo aircraft entered commercial service on 4th August, with its inaugural flight from Hong Kong to Shanghai (Pudong). Cathay Pacific has taken delivery of four A321neos; two more will arrive before the end of this year and a total of 16 A321neos will be deployed on regional routes by the end of 2023.

The single-aisle A321neo has 202 seats, including 12 in Business Class and 190 in Economy Class, and is the first aircraft to feature Cathay Pacific's newly designed Regional Business Class seat product. This next-generation, hard-shell recliner seat provides a cocoon-like environment, with divider screens for maximum privacy. Economy Class seats will also feature a generous recline, comfortable seat cushions and new adjustable headrests, while extra-large overhead storage bins in all cabins provide space for 60% more carry-on luggage.

With the A321neo, Cathay Pacific is the first airline in the world to provide 4K ultra-high-definition personal TV screens, a 4K video-on-demand experience as well as Bluetooth audio streaming (being introduced progressively) across all cabins. With high-speed Wi-Fi on board (also being introduced progressively), customers can catch up on emails or stay in touch with friends and family.

In addition to superior comfort levels, the new A321neos are also more efficient, delivering a 22% reduction in CO<sub>2</sub> emissions on a per-seat basis, when compared to the previous A321 aircraft. They are also quieter, with an almost 15% reduction in the level of noise generated.





### Ultra Track launches worldwide

Cathay Pacific Cargo is introducing Ultra Track to its network, with a phased introduction at 29 ports across the globe. The multidimensional Ultra Track system uses Bluetooth technology to offer Cathay Pacific Cargo customers near real-time monitoring of shipments through the airport-to-airport leg of the air-cargo journey.

Ultra Track is suitable for pharmaceutical, perishable and other vulnerable shipments. Data-loggers record and transmit information to Bluetooth readers in the cargo terminal and on the airside ramp area. Data includes GPS location and temperature, and depending on the type of shipment, can be expanded to include light, humidity (for example, for cut-flower shipments), and also vibration; this is important for sensitive, specialist cargo such as stepper machines, the printing presses for microchips.

While customers can monitor their own shipments, shipments are also monitored 24/7 by Cathay Pacific Cargo's OCC (Operations Control Centre), a dedicated team of cargo professionals who are able to instruct ramp and cargo terminal staff to make proactive or corrective interventions, if necessary. Customers can communicate with the OCC team directly, using live chat. (More on page 22.)

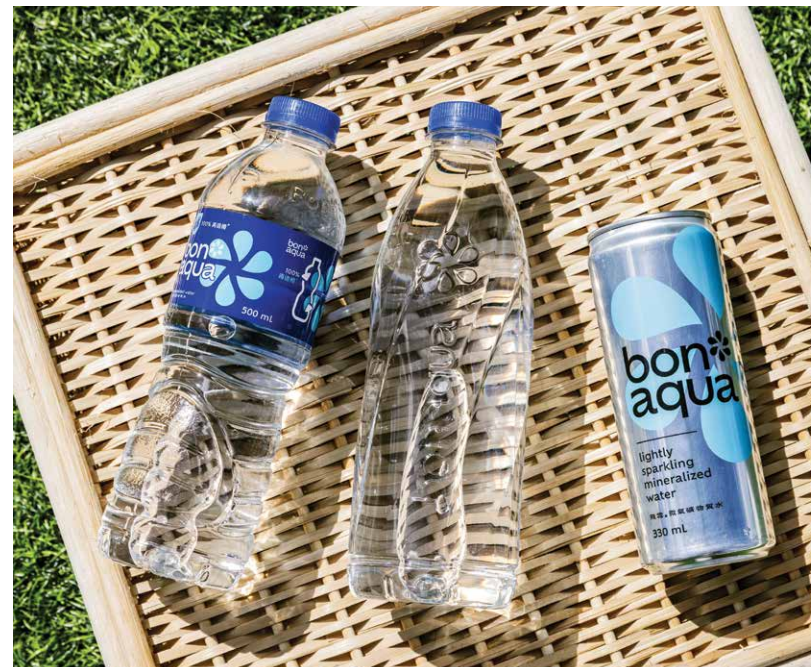
### Vector Light

HAECO Cabin Solutions has obtained FAA Technical Standard Order (TSO) certification for its Vector Light, the latest member of the Vector seating family, which sets new benchmarks in terms of weight and comfort. The Vector Light weighs just 7.9kg per fully-equipped passenger seat. The lightweight seat is optimised for single-aisle aircraft, with the option of recliner or fixed-recline versions.

Matching comprehensive ergonomic design with a patent pending primary structure and advanced materials such as titanium and flexible, slotted, body-contouring carbon fibre, this "design-forward" seat offers industry-leading living space at a narrow pitch. Building on HAECO's reputation for high-quality cabin products that maximise passenger comfort and exceed reliability standards, the Vector Light also helps to reduce airline operating costs, by reducing aircraft operating empty weight. The company expects to begin delivering the new product to customers in the fourth quarter of this year.



The new Vector Light seat.



### Bonaqua® launches greener packaging

Swire Coca-Cola HK ("SCCHK") has unveiled a refreshing new look for leading mineralized water brand, Bonaqua®, with an expanded product range and more sustainable packaging choices designed to inspire consumers to embrace greener lifestyles. Bonaqua® has switched to clear plastic bottles to enhance recyclability and water bottle labels now carry clearer information about material components, to ensure appropriate recycling. SCCHK is also producing its first label-less bottles for Bonaqua® which aid efficient recycling, by eliminating one packaging material. Providing Hong Kong consumers with a new taste, new look and a greener concept in one package, Bonaqua® has also ventured out of the still category for the first time, launching a lightly sparkling mineralized water that is available in aluminium cans, to provide consumers with yet another recycling option.

### Swire Coca-Cola launches new digital production lines

Swire Coca-Cola has continued to ramp up investment and the digitalisation of its businesses on the Chinese Mainland. Two new production lines came on stream at its facilities at Jiangsu and Xiamen in late May. Both production lines are fully digitalised and equipped with advanced technology, enabling them to collect real-time data during production, and undertake dynamic, multidimensional data analysis in terms of efficiency, energy consumption, safety, quality, and error forecasting; this data can be accessed in real time from any location and at any time, using a mobile app. Each production line can produce up to 15 bottles per second and 54,000 bottles per hour, with a maximum production capacity of nearly 1.3 million bottles of soft drinks a day; total investment exceeds RMB 250 million.



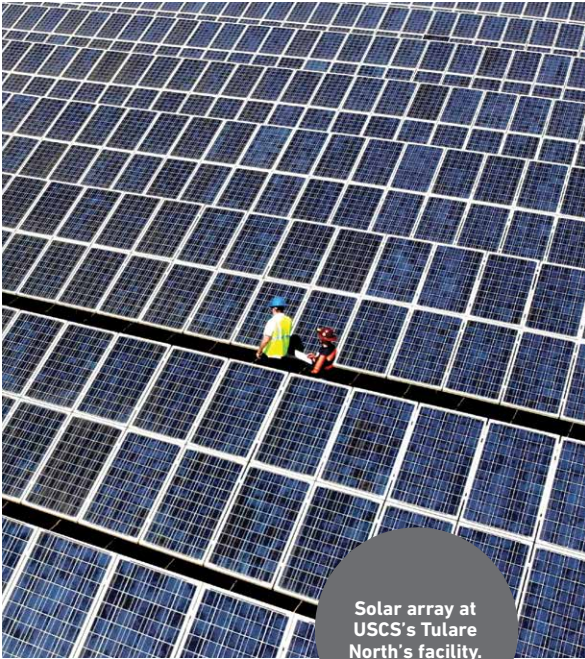
The new digital production line at Swire Coca-Cola's Jiangsu plant.



Here comes the sun

United States Cold Storage ("USCS") is installing or expanding solar arrays at three of its California facilities, in a move that will dramatically reduce its carbon footprint at those locations by 2022. The new projects involve its warehouses at McClellan (Sacramento), Fresno, and Tulare.

USCS McClellan will install a microgrid generating an estimated 2.4 million KWh per year. This could reduce the facility's Scope 2 carbon footprint by around 34% and eliminate 1.2 million lbs of carbon dioxide per year. USCS Tulare's Phase 3 solar array expansion will generate an additional 3.1 million KWh per year and eliminate 1.5 million lbs of CO<sub>2</sub>, helping Tulare reduce its total Scope 2 carbon footprint by 46.4%. The three phases combined will generate approximately 77.7% of electricity consumption. Meanwhile, USCS Fresno plans to install solar panels across a 19-acre site to generate an estimated 13.2 million KWh per year. This could reduce 79% of its Scope 2 carbon footprint and eliminate 6.5 million lbs of carbon dioxide per year and a projected 79 million lbs of CO<sub>2</sub> over the technology's 25-year lifespan.



Solar array at USCS's Tulare North's facility.



Finlays is already a major player in cold brew coffee in the US and Asia, and is now venturing into the European market.

Major investment for Finlays Europe

Finlays is to build a coffee extraction facility at Hull in the UK, on the same site as its existing tea decaffeination plant. Finlays is already a global player in the cold brew coffee market, with a major stake in the US and a growing share in Asia. The US cold brew coffee market has seen phenomenal growth over the last decade and the European market is forecast to see similar expansion from US\$80 million in 2020 to around US\$350 million by 2027 – a compound annual growth rate of over 20%. Ian Bryson, Commercial Director of Finlays Europe, says: "Finlays is ideally placed to help European brand owners capitalise on this opportunity. Not only does it have over 111 years of experience in coffee roasting and grinding, it has also recently made a major investment in a new coffee roaster."

Offshore wind sector investments

Swire Energy Services has recently made two new strategic investments in the renewables sector, with the acquisition of Danish offshore wind services company, ALL NRG, and a majority stake in Portuguese wind technology company, BladelInsight.

ALL NRG has built up a strong reputation in the offshore wind service market, with a presence in Denmark, Germany, Poland, the Netherlands, the UK and Asia. The company specialises in providing technicians, project and full-service contracts for the construction and operations phase of offshore wind farms. Its current customer base includes major turbine manufacturers such as Siemens Gamesa Renewable Energy and Vestas, as well as owners/operators like Ørsted, Vattenfall, and RWE.

BladelInsight specialises in wind turbine blade maintenance, combining autonomous turbine blade inspection using drones and robotics, with advanced analytics to reduce the need for manual inspections. Through its licensees, BladelInsight currently services the wind markets in Portugal, Spain, Central Europe,



ALL NRG management – including CEO, Manfred Vonlanthen (fourth from left) and VP Offshore Wind, Sabine Weth (second from right) – celebrate the acquisition.

Brazil, and the US, and the technology has so far been used to inspect over 20,000 blades.

The combination of ALL NRG's competence and market position with the technology and analytical capabilities of BladelInsight will enable Swire Energy Services to offer innovative, sustainable, and cost-efficient services to the renewables sector.



Swire Energy Services' newly procured fleet of ten electric forklift trucks.

Electric forklifts

Swire Energy Services ("SES") has recently replaced its UK diesel-powered forklift truck fleet with electric forklifts. Replacing the diesel fleet removes the equivalent of 250 tonnes of CO<sub>2</sub> from the atmosphere annually and makes a significant contribution to achieving the 2019-2021 target to reduce emissions by 27% within SES' journey to net-zero by 2030. The project is a great example of the Swire Sustainability Fund supporting the reduction of Scope 1 emissions through investment in technology.

Electric forklifts have been used for lighter applications for several years, but only recently have machines been developed that are suitable for SES' heavy lift requirements. The new fleet also boasts state-of-the-art safety features that restrict access to approved drivers only, alert pedestrians with vibrating proximity sensors and hazard lights; provide visual and audio assistance to drivers with 360-degree cameras and hazard alerts and maintain a record of vehicle driving history and pre-use checks.



### Swire Shipping takes positive action against climate change

Swire Shipping is giving its support to a proposal to establish a universal mandatory greenhouse gas levy on international shipping. The proposal has been submitted by the Republic of the Marshall Islands and the Solomon Islands to the International Maritime Organisation (IMO), the UN agency that regulates the safety, security and environmental impact of international shipping.

Swire Shipping serves the many communities in the Pacific that are directly impacted by global warming. It is implementing measures to reduce its own greenhouse gas footprint to net zero before 2050. "With many communities at risk of disappearing we must drive change," said James Woodrow, Managing Director of The China Navigation Company, Swire Shipping's parent company. "Whilst we have already invested US\$650 million over the last seven years to renew our fleet to be more carbon efficient, ultimately we will not be able to sufficiently reduce our contribution to global warming until a sustainable alternative – low or zero carbon fuel – becomes technically and financially viable".

Swire Shipping is looking into options with the longer-term aim of developing a low or zero carbon fleet, starting by at least 2030, using sustainable alternatives such as green ammonia, biofuel, hydrogen or methanol, once safety, scalability, technological and training issues have been mitigated. In the meantime, the company will be

implementing further technical and operational measures, offsetting any outstanding Scope 1 and 2 emissions, and will be launching a "Sail Greener" programme later this year, through which it will offer Swire Shipping clients the opportunity to offset carbon emissions on a voluntary basis.

Swire Shipping is a partner in Project Cerulean, which will build the first of a new class of low-carbon, low-cost, sail-assisted inter-island cargo vessels to serve communities in the Pacific that lack cargo handling infrastructure. The pilot vessel is expected to go into service next year.



Swire Shipping is funding Project Cerulean to promote low-carbon shipping in the Pacific.

Photo credit: Initial Design © VPLP Project Cerulean prototype

### Wuquan Volkswagen grand opening

Taikoo Motors unveiled its flagship Wuquan Volkswagen dealership in April, marking the occasion with a presentation to unveil the new Volkswagen "People First and Digital First" branding. The dealership has enhanced customer facilities such as a lounge, and children's playroom, as well as a streamlined car showroom, and is the first store to feature the new Volkswagen signature design, providing more colour, warmth, and light, to enhance customers' experience. Taikoo Motors has been a leading Volkswagen retailer for more than 20 years.



Taikoo Motors' flagship Wuquan dealership.

### Welcome back to double silver Olympian Siobhán Haughey

In August, Swire Resources hosted homecoming events for Hong Kong swimmer Siobhán Haughey, arena Swimming International's Elite Team member, who won two silver medals at the Tokyo 2020 Olympics. The first event was a reception at The Upper House, where Siobhán shared her memorable experiences and reflected on her Olympic journey with guests who included Swire group management and the arena team. She also expressed her gratitude to Swire Resources for their continuing support for local athletes and sport, as well as to arena for their ongoing sponsorship of her swimming apparel.

On the following afternoon, Siobhán met the public at a welcome session held in Pacific Place and was mobbed by dozens of young swimmers, who were thrilled to meet the double silver medalist, ask her advice on training techniques, and get her autograph. A special surprise for Siobhán, was a guest appearance by her former coach, Michael Fasching, who first introduced her to the world of competitive swimming.



Siobhán shows her silver medal to youngsters.



Swire Resources Managing Director, Janis Tam, presents a souvenir, including two swimsuits designed by Siobhán.



### Volvo Construction Equipment

Taikoo Motors Group has established a new business, Volvo Construction Equipment ("VCE"), which will exclusively import and market large construction and earthmoving equipment manufactured by leading international brands, Volvo and SDLG. VCE will expand on Taikoo Motors' existing Volvo Truck product-line and will set new standards in construction safety by introducing innovative new machinery to the market, such as the Volvo EC750DL professional excavator, which boasts a reach of 33 metres.



### Equal Opportunity Employer

Swire Pacific was one of 14 corporations in Hong Kong to receive an Equal Opportunity Employer Gold Award in the Equal Opportunities Commission's ("EOC") annual recognition scheme, announced in May. The company was recognised for its stance on gender, diverse abilities, family status and race. The award recognises Swire's efforts in promoting diversity and inclusion in the workplace, and also highlights the company's market leadership, in using its influence to create positive impact in the Hong Kong community.

John Swire & Sons (H.K.), Cathay Pacific, HAECO, Swire Coca-Cola and Swire Properties were also recognised as two-year charter signatories to the Racial Diversity & Inclusion Charter for Employers drawn up by the EOC. This year, Swire Trust is partnering with the Zubin Foundation in their Emerging Talent Internship Project to provide ethnic minority university students with corporate exposure that will give them confidence to pursue their career aspirations. HAECO has also established the first employee resources group focusing on racial



Olivia Wong, Group Head of Diversity & Inclusion, receives the award from Mr Erick Tsang Kwok-wai, Secretary for Constitutional and Mainland Affairs (left) and Mr Ricky Chu Man-kin, Chairperson of the Equal Opportunities Commission.

inclusion. This progress would not have been possible without the collective support of all operating companies within Swire Pacific, and the group as a whole will continue to demonstrate its commitment to building a diverse and inclusive work environment.



Photo credit: Adrian Fu

### The Orchestra Academy Hong Kong selects candidates

The Orchestra Academy Hong Kong ("TOA") is a co-project of the Hong Kong Philharmonic Orchestra ("HK Phil") and The Hong Kong Academy for Performing Arts ("HKAPA"), supported by the Swire Trust's TrustTomorrow initiative. TOA, which aims to provide professional training for HKAPA music graduates, and facilitate their career development in the orchestral field, recently announced that candidates have been selected for its Fellowship Programme and Young Pro Platform.

In the Fellowship Programme, the six Fellows will undergo training with the HK Phil in its 2021/22 season, performing a wide-ranging symphonic repertoire. Each Fellow will be paired with a HK Phil musician as mentor, so they can gain insights into

the professional life of members of an orchestra. The Young Pro Platform offers a versatile season-long programme of full ensemble concerts with Philharmonia APA and a series of chamber concerts. Students will be required to take an active role in curating specially designed concert programmes, and during their audition, the 16 players were asked to perform works from both the classical and non-classical/contemporary repertoire. TOA Fellows and players will also have the opportunity to "pay it forward" through skilled volunteering, allowing them to spend time teaching young people, as well as playing music to underprivileged groups. TrustTomorrow has pledged funding of approximately HK\$9 million over three years to support TOA.

### RICS Awards China 2021



Swire Properties has received two awards at the 2021 RICS Awards China for its retail-led, mixed-use developments in Beijing. INDIGO won the "Facility Management Team of the Year" category, while Taikoo Li Sanlitun was commended for excellence in the "Sustainability Achievement of the Year" category. The awards are sponsored by the Royal Institution of Chartered Surveyors (RICS), the leading global professional body in land, real estate, infrastructure and construction.

### InnoESG Prize 2021

Swire Coca-Cola HK has been recognised for innovation, as well as its impact and influence on society, through its development of sustainable beverage packaging in Hong Kong. The company has won the InnoESG Prize 2021, co-awarded by UNESCO HK Association Glocal Peace Centre, SocietyNext Foundation and Rotary Action Group for Peace.

Swire Coca-Cola HK is continually enhancing packaging design to reduce materials such as plastic and enhance recyclability, as well as finding ways to provide more refillable options and recover post-consumer packaging for recycling. Its mineralized water brand, Bonaqua®, is recognised as the most sustainable and innovative option on the market.



Suzanne Cheung, Head of Sustainability, Swire Coca-Cola HK (left), receives the InnoESG Prize 2021.



The nine artistic volunteers from Swire.

### Adding colour to Sunnyside School

In June, a group of volunteers from different Swire operating companies helped paint a mural in the garden of Haven of Hope Sunnyside School – a TrustTomorrow volunteering event organised by the Swire Trust. The mural, referencing the Old Testament story of Daniel in the lions' den, which was requested by the school, was a collaboration with ADAM, a social enterprise established by Arts with the Disabled Association Hong Kong. The Haven of Hope Sunnyside School provides education for children who are severely intellectually disabled and is a long-term beneficiary of Cathay Pacific's Sunnyside Club.

In addition to giving long-term pleasure to the children and adding vibrancy to the school's garden area, the mural painting event was a great opportunity for people of different abilities to collaborate – and for the Swire volunteers to show off their artistic talent.



### My Construction Hero

The Swire Properties Community Ambassador team recently launched a new youth-engagement project designed to inspire the next generation of “place-makers” by teaching 50 little Ambassadors about what Swire Properties does best.

The children were able to watch construction work underway at Two Taikoo Place from the 64th floor of One Island East and learned about the HK\$15 billion Taikoo Place redevelopment project; they also played on-site Environment, Health, and Safety-themed games. The aim was to teach them about the importance of creating vibrant, sustainable communities where people will want to work, live and play. At the end of the programme, the young participants created thank-cards for their “Construction Heroes”.



The My Construction Hero programme include EHS-themed games.



### Swire Coca-Cola supports flood relief

On 20th July, floodwater submerged the city of Zhengzhou, in China’s central Henan province. A year’s worth of rain poured down on the city streets over three days, affecting millions of residents. Swire Coca-Cola Zhengzhou’s plant was also seriously flooded. To ensure the safety of its more than 2,000 employees, the power supply was shut off, and production temporarily suspended, during the storm.

In addition to looking after its own employees, Swire Coca-Cola Zhengzhou also responded swiftly to carry out disaster relief operations, teaming up with Coca-Cola China to activate its “Clean Water 24” emergency drinking water supply mechanism, to deliver bottled drinking water to those in need. A team of 52 volunteers from the Zhengzhou plant delivered more than one million bottles of drinking water and Swire Coca-Cola Zhengzhou also donated RMB 5 million through the Zhengzhou Charity Federation for disaster relief and post-disaster reconstruction.



At the launch of Finlays Community Trust (left to right): Dr Hillary Barchok, Governor of Bomet County, Simeon Hutchinson, Managing Director of James Finlay Kenya, Rt Rev Alfred Rotich, Chairman of Finlays Community Trust, Simon Chelugui, Cabinet Secretary for the Ministry of Labour and Social Protection, and Professor Paul Kiprono Chepkwony, Governor of Kericho County.

### Finlays Community Trust

James Finlay Kenya, Finlays’ Kenyan tea growing operation, has recently launched the Finlays Community Trust, an independent charity that aims to nurture sustainable growth and empower local communities. To ensure the community has an equal voice in deciding how funding is allocated to different projects, in order to achieve the greatest impact, the Trust has been structured to include three Trustees nominated by the local community, and three Trustees nominated by Finlays – overseen by an independent Chair.

James Finlay Kenya has invested significantly over many decades in welfare, infrastructure, conservation of the environment, sustainable energy, and education for local communities through a wide array of projects. Simeon Hutchinson, Managing Director of James Finlay Kenya, says: “This launch marks a new chapter in Finlays’ social, environmental, and economic commitment to Kericho and Bomet Counties.”

### Empowering women through sport

In July, Swire Shipping donated netball equipment for the senior and intermediate divisions of the 2021 Moresby South Motu-Koita netball tournament. Swire Shipping representative Emily Tau said the donation went towards creating opportunities for women in the Moresby South villages through sports. “We believe in supporting events like this that create a platform for people in Papua New Guinea to showcase their talents.” Twenty teams from five villages are competing in the tournament.



Swire Shipping representatives presenting netball equipment to the Minister for Moresby South, Hon Justin Tkatchenko, and the Motu Koitabu Netball tournament committee.



# Hope for a tidal change in marine conservation

*The recent expansion of the Swire Institute of Marine Science is part of a growing movement, involving a range of NGO partners, to understand and protect Hong Kong's ocean ecosystems.*



Officiating guests at the opening ceremony: (left to right) Professor Gray A Williams, Director of SWIMS, Merlin Swire, outgoing Chairman of Swire Pacific Limited, Professor Xiang Zhang, President and Vice-Chancellor of HKU and Professor Matthew R Evans, Dean of Science, HKU.

"A landmark development for marine ecology in Hong Kong" and "the beginning of a new era in marine research in our region". Those are the words of Tina Chan, Group Head of Philanthropy at Swire, when describing the expanded Swire Institute of Marine Science ("SWIMS") at Cape D'Aguilar Marine Reserve.

The Institute, which is part of the Faculty of Science at The University of Hong Kong ("HKU"), has been a leading centre for understanding coastal marine ecosystems since its inception in 1990. However, the newly extended SWIMS – unveiled in July in a ceremony attended by a diverse group of stakeholders including outgoing Swire Pacific Chairman Merlin Swire and Professor Xiang Zhang, HKU's President and Vice-Chancellor – takes both its research and knowledge transfer capabilities to a new level.

Echoing Tina's sentiments, Professor Gray A. Williams, Director of SWIMS, believes the centre's new facilities are truly state-of-the-art.

"New technology is revolutionising marine biology and the new centre puts us at the forefront of these developments," he says. "Our growing body of staff and research students, as well as visiting scientists from around the world, will benefit enormously from access to an on-site molecular laboratory, a biodiversity centre and indoor and outdoor seawater aquaria."

A key objective for the revamped institute will be establishing physical and electronic reference databases of Hong Kong's marine life – records that will be of use to scientists, government departments, environmental organisations, and NGOs.



The Swire Institute of Marine Science (SWIMS) protects Hong Kong's unique marine habitat via scientific research and education.

Swire's investment in SWIMS over the last three decades is indicative of an abiding concern for and commitment to the oceans. As Tina puts it: "The Swire group's beginnings are rooted in the shipping business, so caring about the marine environment is something that is encrypted in our DNA – and marine conservation has long been one of the three pillars of the Swire Trust's philanthropic endeavours."

The Trust's initiatives in that space involve, in turn, three strands: public education, scientific research, and advocating for change at a policy level.

"Learning more about marine life through research is the first step towards protecting it better," says Tina. "Equally, by engaging the public in appreciating the richness of our marine biodiversity we're helping to instil a desire to protect it. And by presenting a body of knowledge to decision-makers in government, we can help to shape good outcomes for the future."

Besides its association with SWIMS, since 2016 the Swire Trust has supported the Bloom Association Hong Kong, helping it to discover over 60 previously undocumented reef fish species. It also recently renewed its commitment to supporting studies by the Hong Kong Bird Watching Society of Hong Kong and Chinese Mainland waterbirds – studies which have so far involved the participation of more than 50 Mainland bird-watching societies and the recording of some 180 species.

Meanwhile, public engagement activities include partnering with National Geographic on the Oceans Tomorrow initiative, a series of multimedia projects



Scientific research on marine ecosystems.

showcasing Hong Kong's marine life in all its spectacular diversity, and also the Trust's support for the Hong Kong Maritime Museum. At the latter venue, a new Swire Marine Discovery Centre will provide a learning space to increase public awareness around marine conservation and biodiversity.

Another long-term partner, the World Wide Fund for Nature (WWF), is being funded by the Trust to develop "Sea for Future", a project to inform local communities of the importance of revitalising marine habitats, and to mobilise popular support for the long-term goal of having 30% of Hong Kong waters designated as marine protected areas.

Meanwhile, coinciding with its re-opening, SWIMS has launched an initiative to restore the baby fin whale skeleton that has graced the shore beside the institute for three decades, but which suffered damage during Super Typhoon Mangkhut in 2018.

Professor Williams explains: "The whale's original bones will be preserved in our biodiversity collection, while new bones that can withstand typhoon winds, salt spray and Hong Kong's summer sun will be printed on a 1:1 scale using 3D technology."

The public can donate funds to support the restoration, and outreach activities at SWIMS, via the "Restoring Hong Kong's Whale" page on the Faculty of Science section of the HKU website. The Swire Trust will match donations dollar for dollar up to HK\$60,000, and donors are to be given the chance to vote on a name for the whale.



The whale skeleton before it was damaged.





## Moving in a digital world

*Swire has logistics at the heart of many of its businesses, as it has for over 200 years. Since John Swire established himself as a merchant in Liverpool in 1816, Swire has moved products and people around the globe. One hundred and fifty years ago The China Navigation Company began shipping goods and passengers on China's rivers, before moving onto the China coast, around the Asia Pacific region, and eventually, across the globe. Seventy-five years ago, Cathay Pacific began regional cargo flights out of Shanghai and Hong Kong and now moves people and airfreight around the world. Our trucking and freight businesses in Australia, our cold storage business in the US and our Coca-Cola bottling franchises in Greater China and the US are all businesses with logistics at their core. But logistics is a developing discipline, and our customers are requiring more and more of us.*

*We are now starting to combine that business expertise with digital technology to create exciting new roles and meaningful change.*

We've all experienced how logistics are changing: we can receive groceries ordered online in London within the hour, electronic devices in Hong Kong the same day; or watch in real time as our parcel ships from Philadelphia to the Philippines. And mostly our interaction with this new world of logistics is through a digital interface such as a website or an app. It's what we've come to expect.

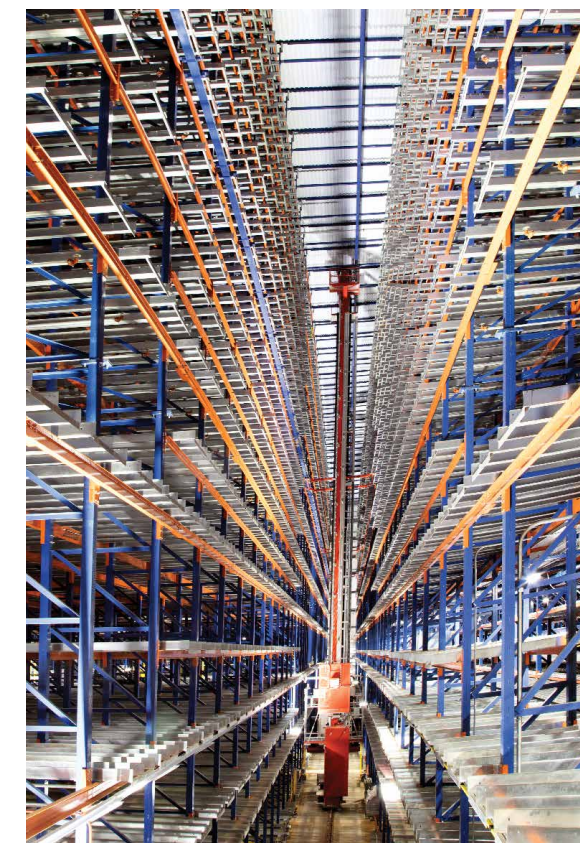
So, in terms of our businesses, we simply can't stand still: we must not only respond to, but anticipate our customers' requirements, and that means investing appropriately in technology and skills to ensure we are equipped to provide them with the best possible experience.

### Understanding what our customers really need

Many businesses talk of digitising their supply chains, but regularly limit their thinking to the consumer experience of e-commerce companies like Amazon and JD.com – resulting in a mind-set that tracking a package gives the customer the digital experience they need. "In reality, Amazon invested in warehousing, last-mile delivery, custom software and only then integrated this into a seamless service," says James Woodrow, China Navigation's Managing Director. "This focus on making our customer's lives easier across not just our vessels, but also our partners in trucking, ports and agencies, is how we see digital integration transforming our industry for the better."

The ability to deliver an agile and responsive approach to the evolving food supply chain is what Larry Aldafer, President and CEO of United States Cold Storage, hears when he

talks with customers: "This pandemic year has highlighted the criticality of the cold chain and the dynamic nature of getting food from the farm to our tables. Our customers continue to look to us as an extension of their brand and a partner in their supply chain. They look to us to provide flexible and data-driven solutions that can adjust to changing supply and demand patterns. We have invested for the past five years in our automation strategy to convert existing cold storage facilities with novel storage and retrieval solutions, as well as the complete automation of many of our new warehouses



Robotic warehouse technology at USCS's McDonough, Georgia facility accelerates the delivery of customer orders.





Cathay Pacific Cargo has played a vital role shipping COVID vaccines during the pandemic.

to improve productivity, service, accuracy, and safety. We are also continuing to develop data science tools and applications to enhance our customers' experience and drive operational excellence".

### How digital technology will transform logistics

The use of digital technology, delivered by the IT teams in our businesses, is really the logical extension of how we have moved with our customers' needs over the years. Technology has been used since the earliest days of the telegraph system to track the movement of goods around the world, so our customers can be kept informed.

According to David Jones, Chief Digital Officer for John Swire & Sons Limited in London, the group has been moving with the times for the past decade, tracking all forms of transport such as trucks, aircraft and vessels with GPS technology and managing schedules in real time to give customers transparency. "The next evolution of this technology is to link our own logistics with those of our partners, so customers can see their goods at all stages of the journey. We are also working with other partners to include services like finance and insurance that can

help us to stay ahead in a globally competitive market," he says.

"What is so exciting in the Swire group is our huge experience of logistics right across our businesses: transporting tea from estates in Argentina to the US or supporting the pandemic response by airfreighting COVID vaccines. We are now starting to combine that business expertise with digital technology to create exciting new roles and meaningful change."

### Streamlining processes

A good example of how Swire companies are using digital technology to address customer needs and grow their businesses, is Cathay Pacific Cargo, which has built a digital network across the Pacific and a new team in the process.

Tom Owen, Director Cargo, explains: "Cathay Pacific Cargo's vision is to be the most customer-centric air cargo service provider in the world, differentiated by expertise, quality, and innovation. Achieving this vision would be impossible without the Cargo Digital team, which was set up as an independent function one year ago. Cargo Digital is now an integral part of the airline business, working with the Commercial and Service Delivery cargo functions, as well as Cathay Pacific Digital

and IT, to enable the end-to-end digital transformation of our cargo business. The team aims to build industry-leading digital solutions that enable insight-driven decision making, high-quality customer interactions, and efficient, cost-effective operations." A great example of this is the recently introduced Ultra Track solution, a multidimensional tracking system which uses Bluetooth technology to offer near real-time monitoring for customers and proactive intervention by the service team, in the event there is any deviation from the conditions of carriage. "Overall, it means that Ultra Track offers both a damage-prevention and service-recovery process in one," says Tom.

Similarly, Swire Shipping has been in the process of reimagining its business through digital transformation. General Manager, Jeremy Sutton, says: "By combining our existing channels with an engaging e-commerce experience and a suite of productivity solutions, Swire Shipping ensures customers get the flexibility to engage with us through the medium they prefer, and we also help them reduce costs and save time with the integration of new value-added services outside of our traditional ocean transport. These systems integrate seamlessly with our streamlined ERP landscape [Enterprise Resource Planning business management software], enabling Swire Shipping to compete on cost and coverage with much larger competitors in our markets."

Swire Shipping's head of digital and technology, Rasmus Nagel, talks about opportunities for collaboration between Swire operational companies using digital technology solutions: "Cathay Cargo Digital



Swire Shipping Virtual Operations Centre in Singapore.

and Swire Shipping Digital are in the early stages of exploring synergies between our two businesses. First, it is about possible integration of solutions for clients across our combined networks on road, rail, sea, and air, and additionally we have opportunities to explore best practices in areas such as revenue management, network planning and execution, customer insights and loyalty programmes. The opportunity to use digital technologies to create new or additional value for our customers across our platforms has the potential to completely transform the way we work in the future."

As digital technology is increasingly embedded in our companies, it will change how we work in existing business functional roles, as well as creating brand new digital roles. The role of Product Owner is one example of these new digital functions and our sidebar interview with Rachel Ohol, provides a glimpse of what it means to be a Product Owner in the Swire Shipping Digital team.





Rachel Ohl –  
Digital Product Owner

**What is your current role in Swire Shipping?**

I am part of the Swire Shipping Digital team. I design and deliver digital products that create new value streams to complement our core business. The goal is to transform Swire Shipping from a shipping line into a trusted, integrated, logistics partner for our customers.

**What attracted you to the opportunity?**

The shipping industry has been slow to take advantage of digital technologies and so there is lots of potential to transform the way we work today. I know, with the vision and support that we have, that we can deliver real benefits to both the company and our customers.

**What is your favourite part of the role?**

I enjoy the responsibility and accountability. When our digital solutions reduce operating costs, we add to top line revenue. Our work involves plenty of research to understand customer requirements so that we deliver the right features, functionalities, and customer experience. It's very satisfying when we get it right.

**What advice would you give to others who are inspired by the transformative role of technology?**

There may be little that can be done to increase prices, due to the risk of losing market share, but with thought and innovation so much can be done to improve profits through reduced costs. And with digital platforms we can deliver efficiencies while actively improving the customer experience. Innovation is critical to business success and we're the new innovators. We're increasingly being recognised for the value we deliver and being given the freedom to challenge the norm. It's a very satisfying role. Don't be put off by any old clichés about IT people. We're at the forefront – so just go for it.

**From merchant adventurers to digital pioneers**

A common theme is how the use of technology, combined with over 150 years of experience, is helping Swire businesses to see the future differently. For JS&S head of digital, David Jones, the deciding factor in whether Swire's approach to using digital technology will be a success story for the group will be how our customers benefit: "If digital technology is going to change the way we operate for the better, it cannot just be for our

own benefit, it has to make transactions more convenient, faster and more transparent for customers. If we achieve this, we will continue to thrive through this next wave of technological change, in the same way we benefitted from the invention of the telegraph and successive technological innovations through to the internet". He adds: "Hopefully, these changes will also create new and exciting roles that require both technological and business acumen and provide Swire employees with long and satisfying careers."

# Soaper Hero

*Legal Counsel for Swire Hotels, Justen Li, lives a double life. By day you find him in meeting rooms discussing the finer points of the law. In his spare time as Chairman of Soap Cycling, Justen rolls up his sleeves, recycles soap and redistributes it to people in need. Swire News spoke to him about the synergy of these two different roles.*



could redistribute them – but instead, we run them through a machine that breaks everything down, reheats and remoulds. It becomes a new bar of soap. We then distribute soap to the needy. We have very strong links to local, national, and international services.

That's the story of the soap, but for us the founding mission wasn't just the recycling bit. It was to engage with different parts of the community. The founding mission is on the empowerment side, for minorities, elderly and youth. We pay them to come into the warehouse and teach volunteers how to recycle soap. We want to give them a chance to connect with different sectors of the community.

**How did you get involved with Soap Cycling?**

In 2011, I was in my final year at university studying business and law. I was talking with one of my professors, David Bishop (Founder of Soap Cycling), and we agreed that there were not enough opportunities for students to learn on the ground. David suggested several ideas, including recycling soap. I thought that sounded interesting, so we got started and I was in the first batch of student interns in Soap Cycling. Once I graduated from university, I temporarily stepped away from

Soap Cycling, just volunteering occasionally. In 2018, David asked me to sit on the board and a year later I was asked to be the chairman of the organisation. This was around the time I joined Swire.

**How does Soap Cycling work?**

One of the best things about soap is that you don't get infected or transfer viruses through a bar of soap. We simply scrape the surface of the soap to remove any debris or dyes and to make it nicer and cleaner looking. In theory, once the scraped bars of soap are ready, we

**What is the relationship and synergy between Swire and Soap Cycling?**

There's a tremendous overlap between my day job and this project, simply by the nature of both. Over the last few years, Swire Hotels have been donating soap for recycling. During COVID, The Upper House also promoted staycation packages and part of the proceeds went to support projects that we were involved with fighting COVID. I really appreciated that.



*Soap Cycling was able to make a positive impact during a difficult time.*

Swire Trust and their volunteers are also very supportive to us. As we wanted to roll out a programme that helps minorities in Hong Kong, we employed members of the Pakistani community to teach Swire Trust volunteers how to recycle soap and make hygiene kits. We then went out on a community tour in Kwai Ching to distribute the kits to those in need. They got a chance to walk through the Pakistani neighbourhoods and enjoy good food together. This is an interaction with a vision: to empower ethnic minority community members with skills; to give them a wage they deserve and a chance to meet people from other communities in Hong Kong. We encourage Swire staff to get involved, not just to contribute to society, but to learn something new in their life. All in all, I really appreciate the support from Swire.

#### **What impact has Soap Cycling made for the environment and during the pandemic?**

Without Soap Cycling's intervention, the bars of partially used hotel soap would go to landfill. We have instead recycled millions of bars of soap over the last nine years and helped reduce such waste.



The finished product.

We also recycle small plastic bottles of toiletries, which cannot normally be recycled as they are too difficult to clean at major recycling plants. We utilize the power of volunteers, to squeeze out all the contents so our partner plastic recycler can recycle the plastic.

Soap Cycling was able to make a positive impact during a difficult time. During the first three months of COVID we went out to distribute soap, hand sanitiser and masks to 3,500 street cleaners.

#### **What are the challenges of maintaining your two roles?**

To combine a middle management job for Swire with a leadership position at Soap Cycling takes a lot of heart and mental strength. You need to balance your life and

take enough time off, as well as to balance controlling and expressing your emotions.

Every day there are difficulties. But it is also fun to work through problems. Lawyers like me are often better at paperwork – so it is good to have a chance to broaden my horizon and other soft skills. It's not a black and white thing, you need to get into the different mind-sets of different people and build connections.

I always find it enriching to join in projects, with people soldiering together. Everyone has their restrictions in terms of time and resources but when everybody shares just whatever they have – that's where the beauty is.

## Dramatic Effect

*Annie Ling, Cathay Pacific's Head of Customer Experience – Digital, explains how her love of theatre helps her be more customer-centric at work.*



Annie Ling, Head of Customer Experience – Digital at Cathay Pacific.



Annie (third from right) with her fellow actresses.



Annie performing on stage.

Annie Ling is a key member of the team behind many of Cathay's digital campaigns, with a professional background in both technology and business. Outside her day job, Annie is an active member of the Hong Kong theatre community. Annie says, "as a freelancer, I used to belong to an amateur theatre group named "Theatre Space" and I also worked with professional groups such as The Hong Kong Repertory Theatre.

"My passion for theatre started back at secondary school when I took English Literature classes. I remember my first scene work at school was from "The Importance of Being Earnest" by Oscar Wilde. I soon fell in love with acting."

Annie finds that her passion for acting has a positive impact on her career. There are a few lessons that she applies back to her work at Cathay Pacific.

Firstly, teamwork. "Although the attention is focused on the actor, the success of the production depends on the hard work and skill of the extensive team that looks after costumes, sets, lighting, sound, makeup, as well as backstage – it could be up to 100 people."

At work, Annie looks after a team of 50. She says: "The success that comes from teamwork makes me far prouder than any achievement that just comes from me."

Secondly, being customer-centric. Annie says, "The first thing an actor must do is to become the character he or she is playing. This skill has helped me to consider problems from a customer perspective, before coming up with solutions. From a single business traveller, to holidaying families, each passenger will need different things." Recognising the different requirements of passengers helped Annie develop a series of pre-departure communications that aim to help customers have a smooth, hassle-free journey in the midst of fluctuating COVID travel rules.

Thirdly, every performance is live and so is every customer interaction. "There are times you can feel the audience being so focused on the drama that you can hear them breathe! This kind of interaction and chemistry in the theatre reminds me that every customer touchpoint and experience matters."



# “Believe in Hong Kong” exhibition celebrates 150 years of commitment

“Believe in Hong Kong” is the title of a new exhibition, celebrating Swire’s more than a century and a half of doing business in Hong Kong and highlighting its commitment to the city.

The exhibition is being held at the Hong Kong Maritime Museum, with free admission to the public from 27th August to 12th October 2021 and a virtual tour available from 3rd September onwards. Six themed zones: “Early Entrepreneurship”, “Refining Industry”, “Maritime Evolution”, “Transforming Communities”, “Building an Aviation Hub” and “Realising Potential” tell the story of how Swire has grown and evolved with Hong Kong, since first opening an office in the city in 1870.

The final zone, “Realising Potential”, outlines the work of the Swire Trust in Hong Kong and the various projects funded by the HK\$150-million, “TrustTomorrow” initiative that was established to mark the group’s sesquicentennial anniversary in Hong Kong last year. All of these programmes aim to connect people with opportunities that will

help them to build a more robust, nurturing, and sustainable community – echoing the theme of the exhibition, “Believe in Hong Kong”.

Guy Bradley, Chairman of John Swire & Sons (H.K.) Limited, said: “Swire businesses touch the lives of most Hong Kong people. This exhibition reflects our confidence in the future of Hong Kong and our determination to see this city thrive for the long-term.” The family-friendly exhibition includes many historic photographs and artefacts from the Swire archives, as well as fun and educational interactive displays; in fact, plenty to entertain and enthrall both old and young visitors.

Take a virtual tour of the exhibition at: [exhibition.swire.com](http://exhibition.swire.com)



Numerous artefacts from the Swire HK Archive Service are on display.



By standing in front of the Magic Mirror, visitors can picture themselves in their ideal Swire career.



The interactive “My Swire City” exhibit lets visitors build an “ideal” city with their own choice of buildings and facilities – teaching them how to plan a thriving and sustainable neighbourhood.



Coca-Cola collectibles will bring back many happy memories across the generations. The Giant Dispenser offers a great photo opportunity for Coca-Cola fans.



Visitors can experience virtual travel on a Cathay Pacific Business Class seat while enjoying a medley of old and new aviation videos.



