

Swire Pacific Sustainable Procurement Policy

All companies in which Swire Pacific has a controlling interest should commit to sustainable purchasing and give preference to sustainable products. The commitment should include identifying, selecting and purchasing products (i.e. goods and services) with significantly less adverse environmental and social impacts than alternative competing products. Sustainability performance of the supplier should also be considered in accordance with the Swire Pacific Supplier Code of Conduct.

Associated and Jointly Controlled companies are encouraged to follow this policy.

PROCEDURES

Companies should establish their own administrative procedure relating to this Policy and are encouraged to designate a responsible party to communicate and implement, including explaining to relevant staff and external parties the reason for the implementation.

The following factors should be considered, where appropriate, during procurement:

- Minimal use of virgin material in the product
- Replacement of disposables with reusables or recyclables
- Minimal environmental impact from the entire product or service life cycle
- Minimal packaging or elimination of packaging
- Reduced energy /water consumption
- Toxicity reduction or elimination
- Durability and maintenance requirements (avoid single-use disposable items)
- Waste disposal considerations (high recyclability)

Preference should be given to suppliers which have:

- A policy stating their sustainability values and commitments
- Sustainability certificates or awards
- Sustainability management systems or quality management systems that incorporate environmental and social considerations
- Full compliance with the Swire Pacific Supplier Code of Conduct and all applicable environmental and social regulations and legislation.

EXPLANATORY NOTES

As a Group we strive to be good stewards of the natural resources and biodiversity under our influence. We prefer to work with suppliers and contractors including financial institutions, consultants and professional advisors who promote sustainable development through their own business activities. When procuring products and services, due consideration shall be

taken into account to optimize the benefits in terms of the environment, social impact and cost, both from the point of view of the general public good and from enlightened self-interest.

Sustainable procurement helps achieving actual environmental and social benefits, promoting public awareness on sustainability issues and encourages manufacturers to introduce environmentally and socially responsible products.

Further sustainable specifications can be found in the relevant Swire Pacific guidelines.