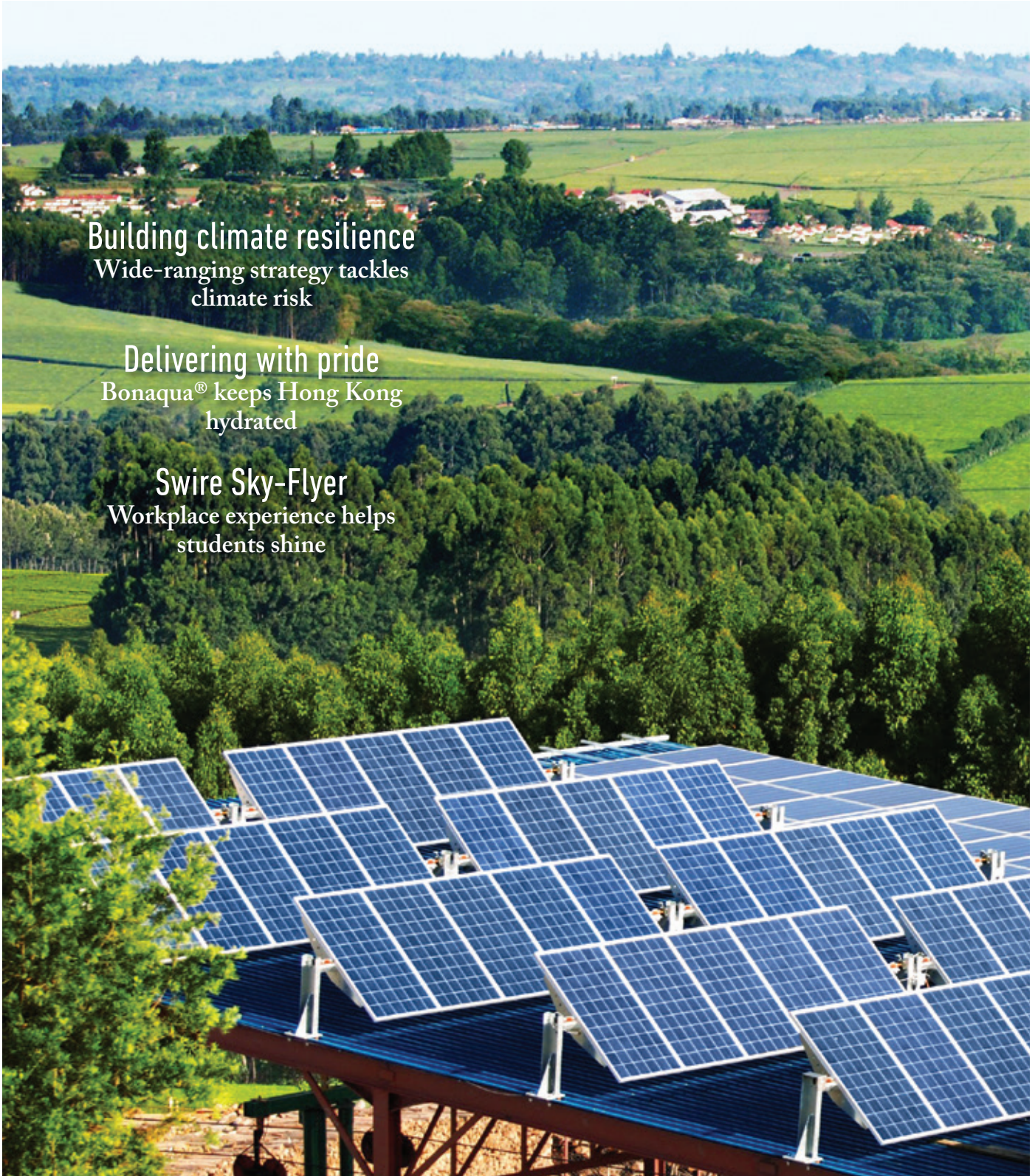


# SWIRE NEWS

**Building climate resilience**  
Wide-ranging strategy tackles  
climate risk

**Delivering with pride**  
Bonaqua® keeps Hong Kong  
hydrated

**Swire Sky-Flyer**  
Workplace experience helps  
students shine



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Sustainability is always at the heart of Swire's business operations. The Group is implementing radical measures to ensure its global operations are resilient to the impacts of climate change. The cover photo shows solar panels installed at Finlay's Kitumbe factory in 2014. They drive a ropeway that carries up to 70 tonnes of green leaf tea a day – making this James Finlay Kenya's first carbon neutral transport system. More on p.18.

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PEOPLE

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, which is engaged principally in property, beverages, and aviation businesses, as well as new areas of growth such as healthcare and sustainable foods. 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.

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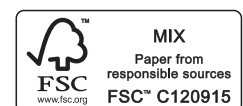
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## Board changes

### Cathay Pacific Airways Limited



**Ma Chongxian**, currently Non-Executive Director of Cathay Pacific Airways Limited, has been elected Deputy Chairman of the Board with effect from 3rd November 2022. Mr Ma, aged 57, has served as the Chairman and secretary of the Leading Party Members' Group of China National

Aviation Holding Corporation Limited, and the Chairman and secretary of the Communist Party Committee of Air China since September 2022.

**Song Zhiyong** has resigned as Non-Executive Director and Deputy Chairman of the Board of Cathay Pacific Airways Limited after eight years of service with the company.



**Augustus Tang** retired as Executive Director and Chief Executive Officer from Cathay Pacific Airways Limited on 31st December 2022. He has been appointed Director Corporate Affairs of John Swire & Sons (H.K.) Limited with effect from 1st January 2023.



**Ronald Lam** has been appointed Chief Executive Officer with effect from 1st January 2023, succeeding Augustus Tang. He will continue to serve as Chair of HK Express.



**Lavinia Lau** has been appointed Chief Customer and Commercial Officer and also Executive Director on the Board of Cathay Pacific with effect from 1st January 2023.



**Alex McGowan** will be appointed Chief Operations and Service Delivery Officer and also Executive Director on the Board of Cathay Pacific with effect from 1st April 2023. He will succeed Greg Hughes, who will be retiring from the Swire Group after 36 years of service.

## Senior management appointments

### Swire Properties Limited

**Fiona Shiu** has been appointed Director, TSSD & Facilities Management with effect from 1st January 2023.

**Craig Yan** has been appointed Director, Business Development (Chinese Mainland) with effect from 10th October 2022.

### HAECO Group

**Gerald Steinhoff** has been appointed Chief Commercial Officer with effect from 1st January 2023, succeeding Richard Kendall, who retired from the Swire Group after 38 years of service.

### Cathay Pacific Group

**Erica Peng** has been appointed Director Customer Travel with effect from 1st January 2023.

**Mandy Ng** will be appointed Director Service Delivery with effect from 1st April 2023.

**Jeanette Mao** will be appointed Chief Executive Officer of HK Express with effect from 1st April 2023.

## Showcasing confidence in Hong Kong

In October, Swire relaunched its well-received “Believe in Hong Kong” exhibition at Cityplaza in Quarry Bay – once home to Swire’s Taikoo Dockyard and Taikoo Sugar Refinery, and today a thriving residential, retail, and global business hub, transformed by Swire. First staged in 2021 to mark Swire’s 150 years of doing business in Hong Kong, the exhibition was revamped to include more interactive, family-friendly installations and photo

opportunities, and was an accredited event celebrating the 25th Anniversary of the Establishment of the Hong Kong Special Administrative Region. “Believe in Hong Kong” attracted more than 20,000 people over 16 days – including residents and office workers from the local Taikoo Shing/Taikoo Place community, as well as shoppers and visitors from further afield.



The Portrait Gallery – a new digital installation – greeted visitors at the main entrance of the exhibition. On display was a nostalgic collection of photos featuring Swire’s businesses, milestone events, community projects and people.



Regina Ip, Convenor of the Hong Kong SAR Executive Council (back row, centre), was a VIP guest at the exhibition, and was welcomed by Swire Pacific Chairman Guy Bradley (third from right) and Patrick Healy, Chairman of Cathay Pacific Airways Limited and Swire Coca-Cola Limited (fourth from left).

## IBLAC 2022

The 34th annual meeting of the International Business Leaders’ Advisory Council for the Mayor of Shanghai (“IBLAC”) took place in October, with the theme “Promoting green, low-carbon development for urban sustainability.” Merlin Swire, CEO of John Swire & Sons Limited, was one of 40 executives from major multinationals who met virtually with the city’s top officials, including then Party Secretary, currently

member of the Standing Committee of the Political Bureau of the CPC Central Committee, Mr Li Qiang and Mayor Mr Gong Zheng. During the meeting, Merlin shared his thoughts on ESG (Environmental, Social, and Governance) practices and strategies for developing a vibrant ESG ecosystem within the industrial supply network.



### Hainan meeting

In November, John Swire & Sons (China) Limited Chairman, Zhang Zhuoping, attended a virtual meeting hosted by the Hainan Party Secretary, Mr Shen Xiaoming, to introduce the 20th CPC Congress report and communications on the

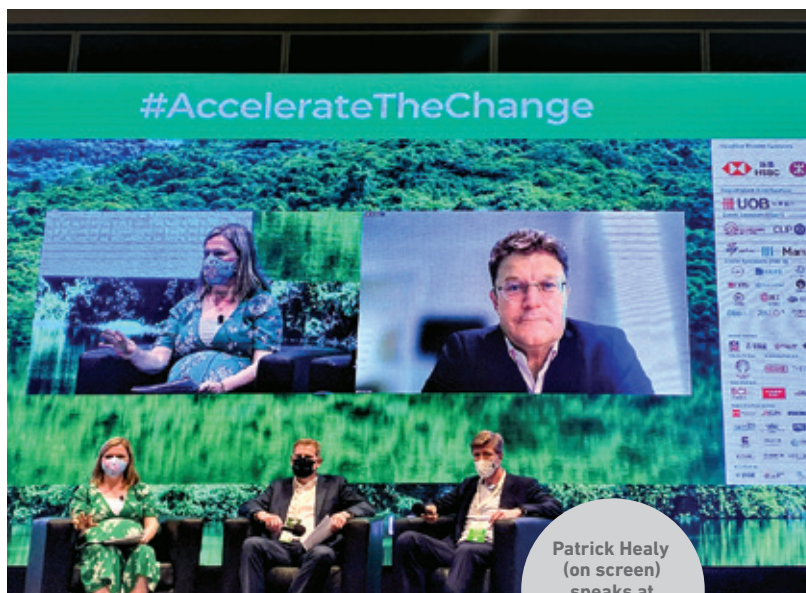
development of Hainan Free Trade Port. Zhuoping delivered a speech reiterating Swire's confidence in China's future development and outlining Swire's investments in Hainan to date.



### ReThink HK 2022

In October, companies from across the Swire Group took part in ReThink HK 2022 – Hong Kong's biggest annual conference on sustainable development. Patrick Healy, Chairman of Cathay Pacific and Swire Coca-Cola, was one of the keynote speakers on accelerating change in a conglomerate setting, while Mark Harper, Group Head of Sustainability of John Swire & Sons (H.K.), spoke at three sessions in the conference, covering topics from the business case for investing in climate adaptation and resilience to putting climate change at the heart of education.

ReThink HK is an opportunity to learn about sustainability best practice from industry peers and to be inspired to innovate and collaborate to build a sustainable future for business and the community.



Patrick Healy  
(on screen)  
speaks at  
ReThink HK  
2022.

### ZHANGYUAN – integrating luxury goods and art

Swire Properties and Shanghai Jing'an Real Estate (Group) Co., Ltd. ("Jing'an Real Estate") have opened ZHANGYUAN West Zone – a unique cultural and high-end lifestyle destination in the heart of Shanghai. The project brings together Swire Properties' expertise in commercial planning, property leasing and management and Jing'an Real Estate's extensive experience in the protection and rejuvenation of historic buildings. ZHANGYUAN is the most complete Shikumen heritage building complex in Shanghai, consisting of over 40 historic buildings – including Western style garden villas as well as traditional Chinese styles. Adopting an innovative approach to renovation, Swire Properties and Jing'an Real Estate have sensitively blended the protection of historical features with organic urban regeneration to repurpose ZHANGYUAN as a "first urban public space", where Shanghai citizens can work, relax, shop and be entertained.

Swire Properties has introduced a host of leading international brands to the area, including three

major luxury groups, LVMH, Richemont and Kering, and will be presenting a diverse range of events, exhibitions and arts and cultural activities, to establish the first urban regeneration commercial community in China that integrates luxury goods with art.



### Sanya retail project

Swire Properties is to develop its first resort-style retail complex at Sanya, in Hainan Province, in partnership with CDF Investment & Development Co. Limited – a subsidiary of China Tourism Group Duty Free Corporation Limited, the world's largest duty-free operator. Located in the heart of Haitang Bay National Coastal Recreation Park, the 200,000-square-metre site enjoys excellent road, rail and air connectivity and will feature arts and cultural elements alongside premium retail. This will be Swire Properties' eighth large-scale commercial development on the Chinese

Mainland and is expected to be completed in phases from 2024. Thanks to its tropical climate and accelerated by the Hainan Free Trade Port policy, Sanya has become one of the most popular travel and leisure destinations in China. Swire Properties will hold 50% of the joint venture company established to develop the new luxury retail project, which is part of its strategic plan to invest a total of HKD100 billion in core markets, including Southeast Asia, Hong Kong, and the Chinese Mainland, to drive growth over the next 10 years.

## Six Pacific Place

Swire Properties has named its latest Grade-A office building "Six Pacific Place". Located opposite Three Pacific Place, at 46-56 Queen's Road East, the new tower offers 24 storeys of premium office space with a total area of around 218,000 square feet. Six Pacific Place will enjoy superb connectivity via a planned extension of the Three Pacific Place underground pedestrian link to the Admiralty MTR interchange station and to other parts of the Pacific Place portfolio. The new development has been built to the highest sustainability standards, achieving pre-certified platinum ratings from LEED, WELL and BEAM Plus, and has also received WiredScore and SmartScore platinum certification for best-in-class digital connectivity. With Six Pacific Place due to be completed later this year, around 23% of the office space is already preleased. The adjacent tower at 28 Hennessy Road, which is currently undergoing renovations, is to be renamed "Five Pacific Place" and will share amenities with the new tower, including carpark spaces, podium and sky gardens, and food and beverage outlets.



The completion of Six Pacific Place in 2023 will mark a significant expansion of the greater Pacific Place portfolio.

Computer rendering



Swire Properties showcased a specially commissioned botanical art installation at Taikoo Place during November-December. "Seasons in Continuum" revolved around its 50th anniversary theme, "ORIGINAL. ALWAYS.", reflecting five decades of original thinking and creative placemaking. Hong Kong-based floral artisan Kirk Cheng created four spherical artworks, representing the cycle of seasonal change. Hand-sculpted from over 50 species of fresh, dried, and treated flowers, they formed a colourful and immersive playground for the public to enjoy.

### Expansion into Southeast Asia

In November 2022 and January 2023, Swire Coca-Cola Limited completed the purchases of Coca-Cola bottling businesses in Cambodia and Vietnam.

The acquisitions of the Cambodia Beverage Company Limited and Coca-Cola Beverages Vietnam Limited mark Swire Coca-Cola's first investments in Southeast Asia and reflect the company's vision to expand its footprint into this dynamic and vibrant region, which has immense growth potential. The completion of the transactions means Swire Coca-Cola welcomes around 4,400 new employees to its thriving team.

A Coca-Cola bottling plant in Vietnam.



### RED BOX distribution centre

In August last year, Swire Coca-Cola HK opened its new RED BOX distribution centre at Kwai Chung Container Terminal, adding a vital component to its expanding logistics business. At over 300,000 square feet, the RED BOX distribution centre can support around 10,000 pallets of product, with ample parking

and facilities for the company's distribution fleet and logistics team. It is also strategically located, connecting Swire Coca-Cola HK with most corners of Hong Kong within minutes, and so enabling faster and more efficient deliveries to customers.

Swire Coca-Cola's Managing Director Karen So (centre) with the team at the RED BOX recognition party.





### Ozone water treatment

Finlays Americas' tea production facility at Cranston, Rhode Island, has recently installed an ozone generator to the reverse osmosis system that supplies water for products and process cleaning. Ozone generators create aqueous ozone, which kills bacteria over 3,000 times faster than chlorine, but leaves no residue or by-products in the water.

Previously, the team at Cranston needed to clean the system weekly – a four to five-hour process that used large quantities of chlorine, and massive amounts of water to rinse. During the cleaning process, the team were unable to run production, clean-in-place the production equipment, or run trials for new products, so the ozone generator is helping facilitate safe, sustainable processes, while contributing to cost efficiencies.



### Sustainable fuel

Cathay Pacific has signed an agreement to purchase 38 million US gallons of Sustainable Aviation Fuel ("SAF"), bringing the airline closer to its target of 10% SAF usage by 2030. The blended fuel supplied under this agreement will be 40% SAF and 60% Petroleum Jet A-1 fuel, to meet international blending standards. The SAF will be produced at the Aemetis Carbon Zero plant currently under development in Riverbank, California, using waste wood combined with wastes and non-edible sustainable oils. The fuel is scheduled to be delivered to Cathay Pacific from 2025. SAF provides up to 100% reduction in greenhouse gas emissions and is a vital solution in the decarbonisation of aviation over the next few decades.

### Cadet pilot programme

Cathay Pacific and The Hong Kong Polytechnic University ("PolyU") are collaborating on a new integrated course as part of Cathay Pacific's cadet pilot training programme. Under the new agreement, PolyU provides a 150-working-day Theoretical Ground Training course that includes a minimum of 750 hours of instruction and examination. Successful candidates then commence flight training overseas, before returning to Cathay City for multi-crew simulator training.

Speaking at the signing ceremony for the new agreement, former Cathay Pacific Chief Executive Officer Augustus Tang said: "There is huge potential for Hong Kong to become a leading centre for aviation training; this new integrated course will provide world-class instruction and training for prospective pilots. Overall, Cathay Pacific aims to train more than 1,000 cadet pilots by 2025."



On the steps of a Cathay Pacific Boeing 777-300ER simulator, are (left to right): outgoing Cathay Pacific Chief Operations and Service Delivery Officer Greg Hughes, PolyU Council Chairman Dr Lam Tai-fai, Secretary for Transport and Logistics Mr Lam Sai-hung, former Cathay Pacific CEO Augustus Tang, PolyU Deputy President and Provost Professor Wing-tak Wong, and Assistant Director-General of Civil Aviation (Flight Standards) Ms Clara Wong.



Cathay has opened its first retail space, launching an innovative, premium travel lifestyle “online to offline to online” shopping experience for customers. Located in the Cityplaza shopping mall, the exclusive new space has been designed with every part of the shopping journey in mind, from product curation – including the creation of Cathay-branded merchandise – to flexible payment and delivery options and the opportunity to earn reward miles with every purchase. To celebrate the opening, Cathay gave away six million Asia Miles.

### Pharma Handling Centre

In November, Cathay Pacific Services Limited (“CPSL”) opened a new temperature-controlled facility at the Cathay Pacific Cargo Terminal dedicated to handling pharmaceutical products. Built to IATA CEIV Pharma standards, the new 1,250-square-metre Pharma Handling Centre is capable of processing 235,000 tonnes of pharmaceuticals a year – doubling the terminal’s existing cold storage area and capacity. It is directly connected to the Container Handling System to ensure prompt acceptance, storage, and delivery of temperature-sensitive airfreight. Features include web-based, real-time temperature and humidity management, temperature-controlled truck docks, multiple power points to accommodate active container charging, as well as a non-ozone depleting, energy efficient cooling system.

The new Pharma Handling Centre further strengthens Hong Kong’s status as a leading international aviation hub for temperature-controlled shipments.



The new CPSL facility is Hong Kong’s largest dedicated air cargo pharma handling centre.



For the first time since 2018, young innovators gathered physically at Cathay City to take part in the annual Cathay Hackathon, alongside a team of coaches, mentors, and industry experts.

### Fifth annual Cathay Hackathon

In November, this signature 24-hour event saw 80 tech-savvy university students teaming up to develop innovative solutions to enhance customers' lifestyle and travel experience and promote sustainability. Working with industry professionals to refine their ideas, the winning team of five students, Cathay Green, shortlisted from a total of 500 applicants, proposed the use of currency systems and AI algorithms to facilitate sustainable practices and carbon-offsetting. Each team member won a

Business Class return ticket to any destination within the Cathay Pacific network; they also shared a total of 100,000 Asia Miles and will have the opportunity to join Cathay Pacific as Digital & IT Summer Interns to further their ideas.

The Cathay Hackathon is part of Cathay's ongoing commitment to nurturing and developing local talent and promoting aviation, travel lifestyle, sustainability, and tech innovation in Hong Kong.



In June, HAECO Hong Kong carried out its first "C" check on a Boeing 737 for newest customer, Air Vanuatu, marking a successful beginning to its business relationship with the national flag carrier.

### Greener cargo services

Leading global bulk shipping operator, Swire Bulk, has partnered with Cathay Pacific to launch SailGreener, a carbon offset programme that offers its customers the opportunity to offset the carbon footprint of their shipments by contributing to projects that have verified carbon reduction, as well as societal and developmental benefits.

The carbon credits are purchased in partnership with Cathay Pacific's Fly Greener programme, which was

recently extended to the airline's air cargo services. Registered customers can now use the Cathay website to offset their shipments by air waybill number, with the carbon emissions calculator working out the emissions of each shipment and the cost to offset it in just a couple of simple steps. The initiatives are part of Swire's commitment to achieving net-zero carbon emissions by 2050.



### New branch office in Tonga

In October, Swire Shipping opened a branch office in Nuku'alofa, in Tonga; it is the company's 24th office in the South Pacific, strengthening its commitment to customers, partners, and communities around the region. Swire Shipping has operated cargo services to the island nation for more than six decades. The company currently serves Tonga via two liner services, Pacific North Asia and New Zealand Eastern Pacific. The new office is conveniently located at the Ma'ufanga Business Centre, providing customers with easy access to Nuku'alofa Port and the Ports Authority Tonga.



The new Swire Shipping Tonga team.

### Enhanced NZ coastal service

Pacifica Shipping, New Zealand's leading coastal shipping operator, has introduced *MV Takutai Chief*, a 1,300TEU container vessel built in 2010 that will complement the existing inter-island domestic freight services provided by *MV Moana Chief*. This significant investment reflects Pacifica Shipping's commitment to serving New Zealand's supply chain needs with environmentally sustainable transport solutions, by encouraging modal shift of heavy cargo off road and rail. In September, *Takutai Chief* commenced a fixed-day weekly service calling at Auckland, Lyttelton, Tauranga, and Timaru or Marsden Point on alternating weeks. With two vessels deployed in tandem, Swire Shipping subsidiary, Pacifica Shipping now serves Auckland, Lyttelton and Tauranga twice a week on a market-leading 3.5-day frequency.

*MV Takutai Chief*. In Te Reo Māori "Takutai" means "coast" or "seashore" reflecting Pacifica's commitment to developing NZ coastal shipping.



### New strategic partnership

Global energy services provider, Swire Energy Services ("SES"), has entered into a strategic partnership with Transportation and Logistic Consulting ("TLC"). Under the multi-year agreement, TLC will supply SES' full range of DNV 2.7-1 certified offshore cargo-carrying units, including containers, baskets, waste skips and tanks, as well as a range of SES' aviation, engineering, and lifting services in support of drilling and production operations for the oil and gas industry in Equatorial Guinea. Swire Energy Services has been operating in the Sub-Saharan African region since 2001, and today provides its diversified package of services to locations including Nigeria, Angola, Ghana, Cameroon, Equatorial Guinea, Côte d'Ivoire, Congo, Gabon, and Senegal.

### Argent to help fuel new cruise liners

Wholly owned Swire subsidiary, Argent Energy, is to become a sustainable marine fuel supplier for new cruise line, Virgin Voyages. Argent is a leading European manufacturer of biodiesel made from waste organic fats and oils. Argent's biodiesel, which delivers around 90% reduction in CO<sub>2</sub> emissions, can be blended into marine fuel to be a drop-in replacement for straight fossil fuel, helping Virgin towards their Net Zero ambitions. Erik Rietkerk, CEO of Argent Energy, said: "Decarbonisation of the marine sector is an oceanic task and Virgin Voyages' decision to use Argent Energy demonstrates the importance of waste-based biodiesel as a key strategy in that task."



Photo credit: Virgin Voyages

TRUST  
TOMORROW

## Helping youngsters build their careers

Launched in 2020, the Swire Sky-Flyer Work-integrated Learning Programme is a TrustTomorrow initiative aimed at helping Hong Kong youngsters build their careers. A partnership between Swire Trust and the Vocational Training Council (“VTC”), Swire Sky-Flyer is a three-year pilot scheme designed to enhance the employability of VTC students who aspire to pursue careers in engineering, aviation logistics and services, and hospitality. It leverages Swire’s highly diversified business portfolio, with companies from across the Group – including HAECO and Swire Hotels – providing students with workplace training opportunities, as well as professional mentoring, to enhance their employment prospects.

The scheme also helps students with financial grants and scholarships recognising outstanding performance. Overseas training and learning opportunities, as well as talks and seminars led by industry professionals, will also help broaden their exposure and elevate their understanding and skills. A total of 750 students have received vocational training on aircraft maintenance, airport ground operations, hotel operations, and catering services, since the programme’s inception two years ago; meanwhile, 350 students have benefitted from financial grants totalling HK\$1.35 million.

Yeung Wai-lam (pictured, above) is one of the students who has had the chance to apply textbook knowledge to real-life aircraft maintenance during her placement with HAECO. “Being in the field of aircraft engineering has been a dream for me since I was a kid. It felt like hitting the jackpot the first time I set foot inside a freighter aircraft. From the outside it looked just like a passenger aircraft, but once I got inside it was so impressive – like a massive, empty tunnel!” Her internship with HAECO has made Wai-lam even more determined to be a part of this industry after graduation.



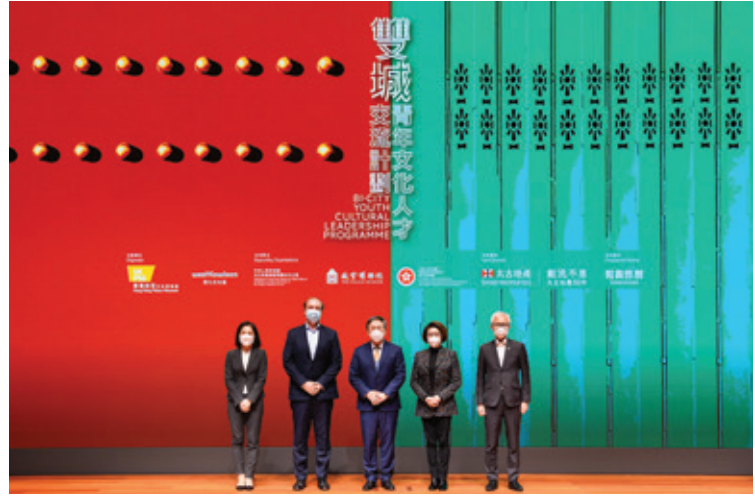
Photo credit: HK01



Another student, Dicky Law (pictured, below), says he has become more outgoing and proactive and has enhanced his communication skills through his placement with Swire Hotels at The Upper House. “I was quite nervous at the beginning, as I had zero experience, and I was worried that I might mess up! But with encouragement from my placement instructor, I am now confident in a variety of tasks from F&B to housekeeping. I’ve actually become like a picky hotel customer myself: I feel that even small details, like whether the bedsheets are properly tucked, reflect the quality of a hotel.”

### Promoting cultural exchange

Swire Properties is lead sponsor of the Hong Kong Palace Museum's ("HKPM") two-year "Bi-city Youth Cultural Leadership Programme"- an initiative supported by the Ministry of Culture and Tourism of the People's Republic of China, the Palace Museum, and the Office of the Government of the Hong Kong Special Administrative Region ("HKSAR") in Beijing. Designed by Hong Kong-based charity, Ednovators, the programme aims to provide a platform for young people in Beijing and Hong Kong to connect, share, and exchange cultural ideas, with a wider vision of promoting Chinese arts and culture locally and globally. Around 40 university students from each city were selected to join the first year of the programme, which commenced in November with an exploration of new perspectives on museums and city innovation.



Officiating guests at the launch ceremony for the "Bi-city Youth Cultural Leadership Programme" on 3rd November included (from left): Ms Betty Fung, Chief Executive Officer of West Kowloon Cultural District Authority; Tim Blackburn, Chief Executive of Swire Properties; Mr Cheuk Wing-hing, Deputy Chief Secretary for Administration of the HKSAR Government; Ms Winnie Tam, Chairman of the Board of the HKPM and Dr Louis Ng, Museum Director of the HKPM.

The Hong Kong Philharmonic Orchestra's ("HK Phil") free annual outdoor mega-concert, Swire Symphony Under The Stars, attracted an audience of nearly 12,000 to the Central Harbourfront on 12th November. Under the baton of HK Phil Principal Guest Conductor Yu Long, the concert presented an Italian-themed extravaganza, with works by Berlioz, Rossini, Vivaldi, Willson and Respighi, along with Rhapsody on a Theme of Paganini by Rachmaninov. With Hong Kong's iconic skyline as a backdrop, the event closed with a spectacular fireworks display.



**Supporting rural education**

In October, John Swire & Sons (China) Limited signed an agreement with the China Development Research Foundation (“CDRF”) pledging RMB 2 million to CDRF’s China Rural Education and Child Health Programme (“China-REACH”), to support the establishment of the Rural Child Development Demonstration Zone in Bijie Pilot Area, in Guizhou Province. Swire’s donation will primarily fund the China-REACH Programme for children under three in Linkou, in Qixingguan District. Zhang Zhuoping, Chairman of John Swire & Sons (China) Limited, said: “We are excited to work with CDRF to promote early childhood development and education in less developed locations and revitalise rural areas through our joint initiative.”



John Swire & Sons (China) Limited Chairman Zhang Zhuoping (left) and CDRF Vice Chairman and Secretary General Dr Fang Jin at the signing ceremony in Beijing.



**Remembrance Day**

On 13th November, Richard Kendall, former HAECO Group Chief Commercial Officer, attended the Remembrance Day service in Hong Kong on behalf of the Swire Group. The service marked the first time since the onset of COVID-19 that wreaths could be laid in person at the base of the Cenotaph in Central’s Statue Square. The ceremony commemorates those who lost their lives in defence of freedom in two world wars and various conflicts since. Richard commented: “It was a privilege to commemorate those who lost their lives – in particular, during the Battle of Hong Kong in December 1941. For me personally, it was a poignant reminder of friends lost during the Falklands War 40 years ago, when I served in the Royal Navy prior to joining Swire.”

**“Connect for a Cause”**

COVID-19 has encouraged many companies to refocus the way they do things – not just in terms of business strategy, but also within the sphere of corporate social responsibility. United States Cold Storage (“USCS”) established Connect for a Cause in late 2020. This is a campaign within USCS’s Cold Crew Cares Programme that enables regional offices to choose a meaningful local non-profit to support. Employees then raise money and awareness and can participate by donating time, talent, or “treasure”. Connect for a Cause is highly collaborative, with participating staff bringing their own ideas and skills to designing and building the programme, so it reflects both company and employees’ values. It aims to connect co-workers to each other, to the community and to their cause. At a time of profound social isolation during the pandemic, it offered employees a way to reconnect, do good and feel good.



A breast cancer fundraiser by staff from Tulare, CA is among many local causes supported by Connect for a Cause.



## White Christmas 2022

The White Christmas Street Fair, Swire Properties' four-day, year-end community celebration, returned to Taikoo Place in December. Designed and run by eight Swire Properties Placemaking Academy students, the Street Fair turned green with a theme

of "Bloom & Beyond – A Swire Properties Christmas Garden", in celebration of the company's 50th anniversary. Once again, the event raised funds for Operation Santa Claus, one of the largest charity drives in Hong Kong.



Guy Bradley, Chairman of Swire Properties and Tim Blackburn, Chief Executive of Swire Properties (left and right respectively to Santa), Mr Adrian Lee, Senior Vice President of Marketing of South China Morning Post (sixth from left) and students of the Swire Properties Placemaking Academy at the opening ceremony.

## Scholarship scheme

The Finlays Community Trust has awarded scholarships to 30 Kenyan students through the Swire Masters Scholarship and Undergraduate Scholarship programmes. The Trust aims to empower communities and nurture sustainable growth in the Kericho and Bomet Counties, where

James Finlay Kenya operates. Under the Swire Masters Scholarship programme, two students annually are admitted to universities of their choice in the UK, while 2022's Undergraduate Scholarships were awarded to 28 local beneficiaries, including six dependents of Finlays employees.



James Finlay Kenya Managing Director, Simeon Hutchinson (front row, third from right), with beneficiaries and trustees of the Finlays Community Trust.



Swire Properties' Senior Advisor, Elizabeth Kok, receives the award on behalf of the company.

### Best annual reporting

Swire Pacific and Swire Properties have won top accolades in the Hong Kong Management Association's 2022 Best Annual Reports Awards. Swire Properties' Sustainable Development Report 2021 won the Best Environmental, Social and Governance Reporting Award in the Property Development & Investment category; meanwhile, Swire Pacific received an Excellence Award in Environmental, Social and Governance Reporting for its Sustainable Development Report 2021. Both companies' 2021 Annual Reports won Bronze Awards in the "General" category.

### Major industry awards

Swire Properties' strong focus on reducing its carbon footprint has seen the company named Global Sector Leader (Mixed Use sector) for the sixth year in a row in the Global Real Estate Sustainability Benchmark ("GRESB") 2022. Additional GRESB 2022 accolades include Global Development Sector Leader (Mixed Use sector) for the third consecutive year, and Public Disclosure (highest "A" rating) for the sixth consecutive year.

In the 2022 Royal Institution of Chartered Surveyors ("RICS") Awards Hong Kong, Swire Properties won the Sustainability Award for its decarbonisation efforts in establishing 1.5°C-aligned Science-Based Targets covering emissions from building operations and new projects; meanwhile, Senior Manager, Portfolio, Francis Lo was named "Young Achiever of the Year".

In the 2022 RICS Awards China, Swire Properties was commended for "Excellence – Regeneration Project of the Year" for its Taikoo Li Sanlitun West extension.



Swire Properties' decarbonisation efforts were recognised at the 2022 RICS Awards Hong Kong.

### Swire Properties tops sustainability index

Swire Properties has been ranked as No.1 on the Hang Seng Corporate Sustainability Index for the fifth year in a row. The company achieved the highest total score amongst over 500 Hong Kong-listed companies in three of seven core assessment criteria, including "Labour Practices", "Fair Operating Practices" and "Community Involvement and Development". Swire Properties has maintained the highest possible rating of "AAA", which was awarded to only two companies

this year. The achievement underlines the company's commitment to becoming the leading sustainable development performer in the real estate industry. The company was also listed in the Hang Seng ESG 50 Index for the third consecutive year, showcasing it as one of Hong Kong's top 50 ESG leaders. Meanwhile, Swire Pacific has received an "AA+" rating from the Hang Seng Corporate Sustainability Index, recording the highest score for an industrial conglomerate.

### Sustainable solutions

Swire Coca-Cola HK ("SCCHK") has received a Distinction Award in the 2022 Hong Kong Management Association's Hong Kong Sustainability Awards. The accolade recognises SCCHK's dedication to finding innovative sustainable solutions for the beverage industry – such as the world's first Bonaqua® label-less bottled water for individual sales and the relaunch of returnable glass bottle Coca-Cola® beverages. SCCHK's sustainable development strategy, "Our Choice, Our Future!", covers seven key focus areas of Climate, Water, Packaging and Waste, Product Choice, Sourcing, Our People, and Community.



The Upper House regularly wins accolades as one of Hong Kong's leading hotels.

### Swire Hotels win leading awards

Swire Hotels was well represented in *Condé Nast Traveller's* 2022 Readers' Choice Awards, with The Upper House ranked third in the Best Hotels in Hong Kong category, while The Temple House in Chengdu, The Opposite House in Beijing, and The Middle House in Shanghai were all named in the Best Hotels in China category. Lifestyle business hotels, EAST

Miami and EAST Hong Kong were ranked 14th and in eighth place in their respective categories. Meanwhile the Mi Xun Spa at The Temple House was named as China's Best Wellness Retreat, and The Upper House was named Hong Kong's Best Wellness Retreat in the 2022 World Spa Awards.



# Building climate resilience

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*While climate change poses an existential threat to humanity in the longer-term, global economies and businesses will face their most acute challenges over the next decade, according to a World Economic Forum report published earlier this year. Swire is implementing radical measures to ensure its global operations are resilient to the impacts of climate change.*

*What we do now will help to determine whether we can prevent the worst consequences of climate change. We must act!*

As companies and financial institutions come to terms with the fact their very survival will be determined by their exposure to current and future climate-related risk, they also face mounting regulatory, stakeholder and societal pressure to assess, disclose and mitigate their vulnerability.

Like many multinationals determined to “do the right thing”, Swire has an ambitious programme for decarbonising its portfolio. But this is just one part of a much wider strategy to ensure that the Group is resilient to the impacts of climate change across all its diverse operating companies and geographical markets. “Swire is a 200-year-old company and we have had to adapt to a changing operating environment many times over that history,” says Swire Pacific’s Group Head of Sustainability, Mark Harper, based in Hong Kong. “Climate change is the next challenge and arguably one of the most difficult the business has faced.”

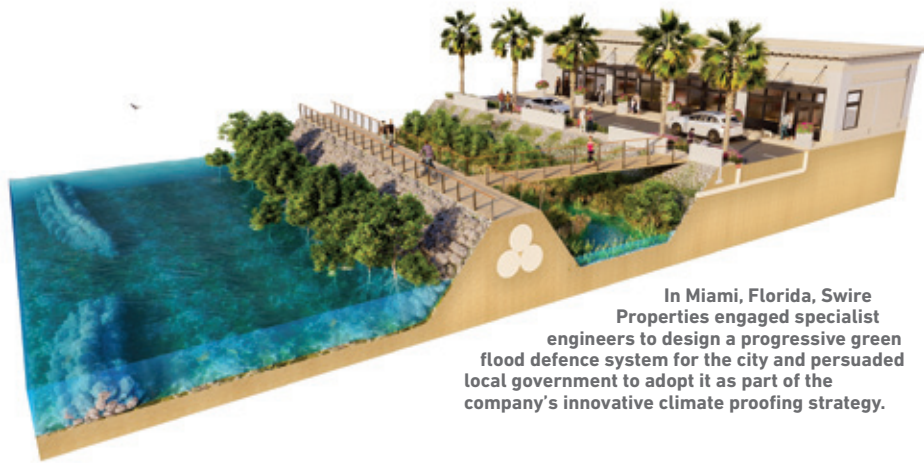
### **Understanding the risks**

Subathra Vaidhiyanathan, Group Head of Sustainable Development, John Swire & Sons, based in London, explains that both “physical” risk (droughts, flooding, extreme weather events, etc.) and shorter-term “transitional” risk (associated with changing strategies, policies, or investments to effect rapid decarbonisation) already impact on various aspects of the Group’s global business activities and inform Swire’s overall strategy and response to climate change. “The big question is how do we ensure that Swire remains a functional business across multiple sectors in many regions, in the face of the worst effects of climate change?” she says.

“To manage risk, you must first understand risk,” says Mark, “so conducting a climate risk assessment is vital for any climate resilience programme.” He explains that Swire Pacific has already assessed the physical risk to more than 850 of its most valuable assets (by insured value), using the S&P *Climanomics* analytics platform to model climate risk for each asset out to the year 2100.

Swire Pacific is also “walking the talk” on its science-based decarbonisation targets. “Lots of companies talk about achieving net-zero by 2050,” says Mark. “However, we have also set very aggressive decarbonisation targets to achieve a 50% reduction in CO<sub>2</sub> emissions by 2030 across all businesses where we have operational control.” As part of this strategy, the Group will be testing an internal carbon price methodology this year. This scheme will involve applying a fee to all carbon generated by our operations, with the proceeds being used to fund ongoing decarbonisation efforts. This will strengthen efforts to decarbonise and help build climate resilience into future investment decisions.

So how does Swire develop a policy that works for a spectrum of businesses as diverse as tea and shipping – all of which confront subtly different types of climate risk? Says Subathra: “We employ strategic thinking around systemic problems. We look at key sustainability issues and how they manifest in each operating company, the different sectors,



In Miami, Florida, Swire Properties engaged specialist engineers to design a progressive green flood defence system for the city and persuaded local government to adopt it as part of the company's innovative climate proofing strategy.

and geographies in which they operate. This Group-wide framework of ambitions, guidance and policies are then used by each individual Swire company as the basis for developing practical and innovative mitigation strategies accounting for the diversity of sectors and locations."

### **Swire Properties: innovative landscape engineering**

Swire Properties is recognised for its SD 2030 Strategy and its pledge to meet targets aligned with the Business Ambition for 1.5°C. For individual development projects, the team is also implementing tailor-made climate-proofing measures.

In Miami, Florida, a flood-prone coastal city, Swire Properties is partnering with Miami-Dade County authorities to develop a long-term flood defence system, using nature-based protections against storm surges and sea-level rise. These include a series of barriers to dissipate wave energy, using a combination of submerged oyster reefs and earthen levees.

A slightly different approach was applied to Savyavasa, a luxury residential development in low-lying

Jakarta, Indonesia, due for completion in 2024. Here, green landscaping is being used to create giant natural sponges that will absorb stormwater.

### **Swire Coca-Cola: safeguarding the essential ingredient**

The ready availability of clean fresh water is essential to Swire Coca-Cola, so understanding the impact of physical climate risk on its bottling plants and ensuring a sustainable, long-term water supply is top priority. "A comprehensive water risk assessment considers not just Swire Coca-Cola's needs, but also the projected demands from other users in the area, as well as water quality and availability," says Mark.

Swire Coca-Cola has developed a Source Vulnerability Assessment programme to assess production water supply reliability for all its plants. The bottler also collaborates with The Coca-Cola Company on water replenishment projects on the Chinese Mainland and in the US, with the goal of returning a litre of clean water to natural water systems for every litre of water used in its beverages.

### **Finlays: empowering communities**

Finlays is an agricultural business that relies on sustainable access to natural resources for the cultivation of tea and coffee and is highly vulnerable to physical risks such as heatwaves, flooding, and drought. The Group operates across several continents, including Asia, Africa and South America, making climate-proofing more challenging.

The company has used an award-winning solar wall technology at its Chomogonday tea factory in Kenya to reduce emissions and regulate temperature, and has installed a carbon neutral, solar-powered ropeway at Kitumbe that transports up to 70 tonnes of green leaf tea per day [see cover]. But beyond the protection of its physical assets, Finlays is also building climate resilience into critical supply chains and the communities associated with them. In Colombia, Finlays is working with local suppliers to improve agricultural practices and is training 7,800 farmers in climate-smart farming techniques; the company is also providing access to loans to make related investments in farm infrastructure. In Argentina, Finlays is working with farmers to improve soil health, by reducing the use of agrichemicals in favour of organic alternatives, and using sheep grazing management for weed control, as well as planting cover crops to reintroduce nutrients before tea is planted.

### **Cathay Pacific: committed to sustainable fuel**

Cathay Pacific is slightly less vulnerable to the physical risks of extreme weather and more exposed to transitional risks, often contingent on regulatory change. For example, future imposition of a carbon tax on aviation fuel could result in a massive additional cost burden.

Cathay Pacific has committed to achieving net-zero carbon emissions by 2050 – one of the first Asian airlines to set this target. To achieve this objective, Cathay is pioneering the use of Sustainable Aviation Fuel (“SAF”). The airline has pledged that by 2030, SAF will account for 10% of its fuel usage. That may not seem much, but when you consider that the current global supply of SAF is less than 0.05% of total EU aviation use, the target starts to sound a lot more ambitious. And Cathay is also addressing the supply issue: in 2014, the airline invested in Fulcrum Bioenergy Inc. – a US company that produces SAF from municipal waste. “Cathay has also been engaging in talks with other potential users and government on the Chinese Mainland and elsewhere, to promote the development of SAF infrastructure and opportunities,” says Mark.

### Swire Shipping: driving sustainability at an industry level

Swire Shipping is one operating company for which the threat from both physical and transitional climate risk is immediately apparent – on the one hand from potential loss of its core Pacific Islands markets to sea-level rise, and on the other from regulatory targets around decarbonisation.

Swire Shipping is committed to the International Maritime Organisation’s 2018 greenhouse gas (“GHG”) reduction strategy, which aims to reduce GHG emissions from shipping by at least 50% by 2050. The company is a strategic partner in the Mærsk Mc-Kinney Møller Center for Zero Carbon Shipping and has appointed its first secondee to work on “green corridors” for shipping. It is also exploring the



In Colorado, USA, Swire Coca-Cola supports the Taylor River Watershed Beaver Dam Analog and Restoration Project, which commenced in 2021.

possibility of building dual-fuel vessels for the Pacific–New Zealand coastal trade. Meanwhile, Swire Bulk is undertaking a pilot project with the Global Centre for Maritime Decarbonisation to trial third-generation algae biofuel, which has a negative production footprint.

Swire Shipping is forging sustainability partnerships with local island communities, including a waste management project and mangrove restoration. “The challenges faced by the Pacific Islands are deeply felt by Swire Shipping employees, many of whom have been a part of these communities,” says Subathra. “This is one of the reasons for our ambition to be early movers on alternative fuels.”

### Global climate-proofing

By adopting a proactive, long-term strategic approach, Swire is ensuring it accurately assesses and manages climate resilience across its diverse operating environments. Robust mitigation of both physical

and transition risk is married with hard-hitting, science-based decarbonisation targets, as part of the Group’s overall sustainability commitment. And, says Mark, on the flip side of risk, real opportunities can arise as companies seek the best solutions for transitioning to a zero-carbon economy, in terms of development of new products and services. Crucially, however, the Group’s motivation extends beyond short-term ESG obligations, potential risk to reputation, or even the need to deliver long-term returns for shareholders, and is embedded as a core value at the heart of Swire’s businesses: the aim is to excel as a global corporate citizen.

“What we do now will help to determine whether we can prevent the worst consequences of climate change,” concludes Subathra: “Swire’s motto, ‘To be, rather than to seem to be’, speaks to the heart of the challenge we face. We must act!”

# Delivered with pride

*Working on the delivery team for Swire Coca-Cola HK's "At-Work and Home" ("AWH") service, Chung Kwong has delivered fresh water across Hong Kong for 15 years. Keeping the city hydrated is no small feat. From deftly navigating rush-hour traffic, to transporting heavy carboys to offices and remote country parks, the AWH service demands smart logistics and physical fitness.*



Swire Coca-Cola HK fresh water delivery man, Chung Kwong, takes pride in his work.

## Why does a developed city like Hong Kong need carboy water deliveries?

It's easy to take fresh water for granted because it is so accessible these days – but it wouldn't be that way without us. In Hong Kong, we don't drink water straight from the tap. People in offices tend to use bottled water to save the time and effort of boiling tap water, so we

deliver Bonaqua® carboy water to lots of offices. Cafes like to use bottled water to brew high-quality coffee with a consistent taste. And then there are places that are entirely lacking in fresh water supplies, like countryside hiking trails or construction sites. They rely on us to keep people hydrated, so I believe I contribute something essential to the city – and I am proud to do it.

## What does a typical day look like for you?

I usually catch the first train to work at 5:40 am. Once I arrive, my team and I plan our route carefully over breakfast. It's a complicated logistical puzzle, but essential to a smooth and successful day. My team oversees areas including Cheung Sha Wan, Lai Chi Kok and Kwai Chung in Kowloon, where there are lots of commercial and industrial buildings. We set out by 8 am to avoid peak traffic and we usually eat lunch on the go, in the truck, to save time. By 4 pm, we wrap up, report back to the company, and go home.

## How much water do you deliver each day?

There are 11 teams in AWH, each including a driver and three delivery people like me. On my team alone, we deliver 600-700 carboys of water to different destinations – or about 100-120 orders.

## Is it challenging to move hundreds of carboys so quickly?

Thanks to our morning prep, we can avoid bottlenecks and work efficiently. The biggest challenges are the time constraints, since we have to work around peak traffic hours in the morning and at lunchtime.



*Every day is different, but we are very well organised, and we work well together as a team – we have each other's backs.*

My work also requires a lot of physical strength. A full plastic carboy weighs a little over 18kg; due to Hong Kong's hilly landscape, we often have to push trolleys up steep hills or carry them up steps. We move eight to ten barrels at a time, which adds up to nearly 190kg of water. On top of physical strength, you also have to be smart and careful not to overload yourself.

### **How do you protect and refuel your body after work?**

Through exercise! I go for a 10km run a few times a week and do dragon boat paddling twice a week. In other words, my evenings are pretty busy! But exercise is essential: it helps me maintain the physical strength I need and gives me more energy. I also love to take hot baths to relax and recharge.

### **Any particular tricks to working more efficiently?**

Definitely. Since we know our assigned neighbourhoods inside-out, we can map out the most efficient route every morning. We divide up the districts based on the real-time situation and set drop-off points in different areas for better division of labour and use of time. When we deliver to high-rises, we start from the top, delivering the carboys floor by floor. This saves

time waiting for the lift and we pick up empties on the way down; we're careful to avoid lunch hours when many office workers are using the lifts. Every day is different, but we are very well organised, and we work well together as a team – we have each other's backs.

### **What do you love most about your work?**

My mentality is, "Try to be nice to everyone, and they'll treat you well,

too." I think that shows in the relationships I have built through my work. Our customers become like friends we look forward to seeing. Most of them appreciate our efforts and some are nice enough to offer a towel or cold drink when the weather is hot. Sometimes, they share snacks with us, or we have a quick chat. Some even keep in touch after they leave the company or retire. I even met my girlfriend through my work!



AWH teams use specifically modified trolleys to carry a maximum load.

# Pink Friday

In November, staff at Swire businesses in Hong Kong, Taiwan, and other Asia Pacific locations wore pink and organised a multitude of events to celebrate Pink Friday, which promotes LGBT+ inclusion in the workplace. Interactive booths, games and movie screenings helped educate employees about Pink Friday and other topics relating to the LGBT+ experience, while representatives from organisations such as Gay Games and Gender Empowerment were invited to talk about their work. First launched in 2014, Pink Friday is a multi-industry initiative that has expanded to over 100 organisations across the Asia Pacific region. Swire has pledged to create an inclusive environment where individuals can bring their whole selves to work without fear of discrimination or recrimination. By celebrating Pink Friday, we are visibly demonstrating our support for LGBT+ employees and encouraging all our staff to be visible allies.



Staff of John Swire & Sons (H.K.) Limited celebrate Pink Friday.

# Looking after Summer



The team who helped Summer and her carer receive their "Betsy" award from former Cathay Pacific CEO, Augustus Tang.

A cross-departmental Cathay Pacific team from Airport, Engineering, Flight Operations, and Inflight Service Delivery have won a "Betsy" award for their efforts in safely delivering Summer, a six-year-old girl with cerebral palsy, to her new adoptive parents in Los Angeles. Due to COVID-19 restrictions, her new parents couldn't fly to Hong Kong to collect Summer, so she was escorted by a representative from the adoption agency via flight CX882. Going above and beyond, the team across the departments displayed tremendous compassion and care, carrying their bags, creating makeshift beds, and solving a harness issue.



