Issue 01 / 2024

SWIRENEWS

We know how
Why Cathay Cargo is making a difference to the world

Thinking differently
Bringing pride and passion to The Upper House

'New Drive Shared Future'
Swire China Conference 2023

SWIRENEWS

contents

ISSUE 01 / 2024

In this edition of *Swire News*, we take to the skies with Cathay Cargo to explore how the recent rebranding of the business has raised its profile in key markets. We also hear about some of the innovative solutions it has developed to attract new customers, as well as how the airline is adapting to the current boom in e-commerce.

02 NEWSWIRE

22 CENTRE STAGE

26 INSIDER

28 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. 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, beverages and beverage ingredients, with main areas of operation in the UK, USA, Europe, Papua New Guinea and Singapore.

Editor
James Tong

Deputy Editor
Charlotte Bleasdale

SWIRENEWS is published in Hong Kong, by the Swire Group Public Affairs Department.

To view the digital version, please go to www.swire.com/swirenews or scan the below QR code:

Copyright©2024

MIX
Paper from responsible sources
FSC™ C120915
FSC
www.fsc.org

Board appointment

Swire Properties Limited

Richard Sell has been appointed Non-Executive Director of Swire Properties Limited with effect from 17th October 2023. Mr Sell, aged 47, has been the Chief Executive Officer of Hong Kong Aircraft Engineering Company Limited and a director of Hong Kong Aero Engine Services Limited since July 2023. He is also a director of John Swire & Sons (H.K.) Limited.

Swire ESG Forum 2023

The Swire ESG [Environmental, Social & Governance] Forum 2023 took place over three days in early November, with over 350 staff members from across the Group attending in person or online. The event highlighted the collective effort required across Swire businesses to achieve the Group's ambitious sustainability goals and drive long-term value creation, and aimed to foster collaboration and knowledge-sharing between stakeholders.

Senior leaders from around the Swire Group, as well as external guest speakers, covered a wide range of topics that included emerging ESG risks, sustainable supply chains, climate justice, Scope 3 emissions [all indirect emissions (not included in Scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions] and procurement, effective communication on SD matters, health & safety, and green financing opportunities, as well as updates on the Group's progress against the five strategic pillars of SwireTHRIVE.

(Left to right) HAECO Group Chief Executive Officer Richard Sell, Swire Coca–Cola Managing Director Karen So and Swire Properties Chief Executive Tim Blackburn discuss challenges and opportunities in various industries.

Swire Group Chairman, Barnaby Swire (left) in a fireside chat with Mark Harper, Swire Pacific Group Head of Sustainability.

John Swire & Sons (H.K.) Limited Chairman, Guy Bradley, delivered the opening remarks, while John Swire & Sons Limited Executive Director, James E. Hughes-Hallett, presented an overview of the parent company's progress on sustainability, and Mark Harper, Swire Pacific Group Head of Sustainability, facilitated a fireside chat with Swire Group Chairman, Barnaby Swire, highlighting the need for innovation and digitalisation as part of the SD strategy. Senior leaders from across Swire's operating companies also took part in panel discussions looking at industry-specific challenges and opportunities and how ESG is embedded into their business strategies.

As an event centred around ESG, care was taken to ensure the forum itself was carbon-neutral, with carbon offsets purchased through Cathay's Fly Greener programme.

Belt and Road Forum

John Swire & Sons (H.K.) Limited Chairman, Guy Bradley, attended the Third Belt and Road Forum for International Cooperation, held in Beijing in October. As part of the Hong Kong SAR delegation led by Chief Executive, Mr John Lee, Guy joined Mr Lee and Financial Secretary, Mr Paul Chan, at the Forum's opening ceremony, to hear President Xi Jinping deliver his speech.

On the second day of the event, Guy took part in a forum on the theme of maritime cooperation, joining a panel discussion on developing a sustainable blue economy while protecting ocean ecosystems and supporting the livelihoods of coastal communities. The discussion also covered topics such as improving the health and resilience of ocean ecosystems, and promoting marine science, technology and innovation.

The Hong Kong delegation to the Forum. Guy is standing in the second row, second from left.

Meeting with Vietnam's PM

Chairman of John Swire & Sons (H.K.) Limited, Guy Bradley, met with Vietnam's Prime Minister, Mr Pham Minh Chinh, on 24th October. The Hanoi meeting follows Swire Coca-Cola's acquisition of Coca-Cola Beverages Vietnam Limited in January 2023. Swire Coca-Cola now owns and operates three beverage production facilities, 18 production lines and six distribution centres across Vietnam, with a direct and indirect workforce of over 3,500 people. Guy stressed Swire's commitment to long-term investment in Vietnam, highlighting the Group's strategies for sustainable development, green growth and the circular economy. The Prime Minister encouraged Swire to grow its business interests in the country and said that the Vietnamese government is committed to supporting and protecting the rights and interests of foreign investors.

'New Drive Shared Future'

The seventh Swire China Conference, and first since 2018, was held at Taikoo Li Qiantan in Shanghai in October. With the theme "New Drive Shared Future", the event hosted a record number of 230 participants, including Swire staff, government leaders, academics, industry experts, and business partners. In his opening speech, John Swire & Sons (H.K.) Limited Chairman, Guy Bradley, outlined the Group's latest initiatives and investments in the Greater Bay Area and in Shanghai and reiterated Swire's confidence in the long-term prospects for these businesses, as it aligns its strategy with the central government's "dual circulation" strategy. The use of AI to provide a simultaneous translation of Guy's speech underscored Swire's commitment to embracing technological innovation.

Keynote speakers included Ms Zhu Yi, Vice Chairwoman of the Shanghai Municipal Commission of Commerce, who addressed Shanghai's rapid transformation into an international consumer hub; Professor Huang Yiping, Deputy Dean of Peking University's National School of Development, who shared insights on the short-term challenges and long-term opportunities for China's economy; and Mr Gao Hongbing, Vice President, Alibaba Group, and Director of AliResearch, who interpreted the characteristics of China's digital economy and its evolution.

(Left to right) John Swire & Sons Limited CEO Merlin Swire, Chairman Barnaby Swire, Director Sam Swire and John Swire & Son (H.K.) Limited Chairman Guy Bradley propose a toast at the gala dinner.

Conference host, Zhang Zhuoping, Chairman of John Swire & Sons (China) Limited, highlighted Swire's deep roots in China, and the close relationship between Swire's business success and China's economy. He said that the Group believes China is the engine driving global economic growth and will continue to demonstrate this confidence through its long-term investment strategy.

Guy Bradley, Chairman of John Swire & Sons (H.K.) Limited, delivers the opening speech, with the use of AI to provide simultaneous translation.

Some of the conference attendees on a tour at ZHANGYUAN in Shanghai. Visits were also organised to Taikoo Li Qiantan, the Museum of Art Pudong, HKRI Taikoo Hui, and DeltaHealth Hospital.

Zhang Zhuoping (left) moderates a panel discussion on China's business environment.

Showcasing innovative new service offerings, the Cathay Group was amongst a number of Swire operating companies with exhibition booths at the conference, including Swire Properties, Swire Coca-Cola and HAECO Group.

(Left to right) Ms Zhu Yi, Vice Chairwoman of the Shanghai Municipal Commission of Commerce, Professor Huang Yiping, Deputy Dean of Peking University's National School of Development, and Mr Gao Hongbing, Vice President, Alibaba Group and Director of AliResearch.

Significant new Shanghai investments

Swire Properties is to develop two more mixed-use projects in Shanghai's Pudong New Area. The company holds 40% equity interest in each of the Yangjing and New Bund projects, in a joint venture with Lujiazui Group, its partner in the development of the landmark Taikoo Li Qiantan retail complex. The new large-scale developments will include retail, office, and premium residential components.

The Yangjing Plot offers extensive views of the Huangpu River and is historically significant for Swire, as it was the location of a wharf and godowns developed and operated by Taikoo from the 1890s. The new development will have a gross floor area of approximately 389,934 sqm (including 20,000 sqm of retail below ground) and will introduce Swire Properties' signature upscale residential brand to the Chinese Mainland.

The New Bund Plot is located at the intersection of three Metro lines and is directly opposite Taikoo Li Qiantan; it is expected to have a gross floor area of approximately 602,431.47 sqm.

As part of its HK$100 billion investment plan over the next decade, Swire Properties is aiming to double its attributable gross floor area on the Chinese Mainland.

The Yangjing Plot.

The New Bund Plot, adjacent to Taikoo Li Qiantan.

Taikoo Li Xi'an

Swire Properties and Xi'an Qujiang New District broke ground in November for their joint venture project, Taikoo Li Xi'an. Located within the city's Small Wild Goose Pagoda historical and cultural zone, the mixed-use development will be Swire Properties' fourth and largest "Taikoo Li" project on the Chinese Mainland. With an estimated gross floor area of 256,192 sqm, it will comprise a shopping mall, cultural facilities, and a luxury House Collective hotel.

Taikoo Li Xi'an will feature an innovative low-rise, open-plan architecture, paying tribute to its location within Anren Fang, one of the 108 "Fangs", or subdivisions, of Chang'an – the ancient name for Xi'an. Traditional urban fabric will be carefully integrated into the layout, with the world heritage Small Wild Goose Pagoda and Tang Dynasty Jianfu Temple as key focal points. Taikoo Li Xi'an is scheduled to be completed in phases from 2026.

In July, Swire Properties announced a donation of RMB 4 million to the Xi'an Museum, to help preserve and promote Xi'an's culture and history.

Artist's impression of Taikoo Li Xi'an.

New regional office

In September, Swire Coca-Cola opened a new regional office for its Southeast Asia, Hong Kong and Taiwan ("SEAHKT") markets. Located in Hong Kong, the creation of this new strategic hub follows on from the recent acquisitions of bottling businesses in Vietnam and Cambodia and aims to foster greater collaboration and unlock the immense potential of the SEAHKT markets. With the expansion into Vietnam and Cambodia, Swire Coca-Cola gained an additional franchise population of 114 million people, with volume increased by over 150 million unit cases a year.

Over 70 staff and guests attended the opening of the new SEAHKT regional office.

Giving plastic bottles a new life

New Life Plastics is a Swire Coca-Cola-led joint venture dedicated to creating a circular economy for plastic bottles in Hong Kong. The plant has the capacity to process two million bottles per day, which is equivalent to around 50% of all the plastic beverage bottles consumed in Hong Kong. The business turns used plastic bottles into food-grade ready PET flakes to be remade into new beverage bottles. The caps and rings are also suitable for a broad range of manufacturing applications. The facility has been designed to the highest sustainability standards for solar power generation and wastewater management and has a viewing gallery so that educational tour groups can learn how plastic waste is being diverted from landfill to begin a useful new life.

New Life Plastics' recycling facility at Tuen Mun EcoPark.

ISO 14001:2015 certification

Finlays Americas' facilities at Gonzales and San Antonio in Texas have both achieved ISO 14001:2015 certification, following an extensive, month-long audit process. This certification is the globally acknowledged standard that defines the criteria for an environmental management system. All Finlays Americas' manufacturing facilities and distribution centres are now ISO 14001:2015 certified, providing third-party validation of Finlays' efforts to continuously reduce its carbon footprint and operate in an environmentally responsible manner. By demonstrating the company's compliance with regulatory standards, it also provides assurance for customers who have selected Finlays as part of their supply chain.

The San Antonio production facility.

Key milestone on journey to rebuild

The Cathay Group has bought back 50% – HK$9.75 billion – of the HK$19.5 billion preference shares that were issued to the Hong Kong SAR Government as part of the Cathay Group's recapitalisation financing in 2020. The Group intends to buy back the remaining 50% by the end of July 2024, subject to market conditions and its business operations at the relevant time. Cathay Group CEO Ronald Lam said: "We are extremely grateful to the Hong Kong SAR Government and to our shareholders for the support they have provided during and since the pandemic. The investment by the Government was essential in supporting the Cathay Group and upholding Hong Kong's status as an international aviation hub through the COVID-19 crisis."

'Feels Good to Move'

"Cathay" was launched globally in September as a premium travel lifestyle master brand that in addition to flights, now encompasses a range of complementary categories, including holidays, shopping, dining, wellness, and payment, all facilitated through Asia Miles. The rollout was timed to coincide with the airline's 77th anniversary and was heralded by its first global campaign in three years: "Feels Good to Move", reflecting Cathay's vision of becoming one of the world's greatest service brands, and celebrating humanity's innate restlessness and urge to get moving.

Cadet pilot programme marks 35 years

On 5th December, Cathay Pacific celebrated the 35th anniversary of its Cadet Pilot Training Programme; more than 1,000 of the airline's current corps of pilots are graduates of the scheme. The event also marked the graduation of the first group of cadets from its integrated programme developed and conducted in collaboration with the Hong Kong Polytechnic University ("PolyU") and its new flying training partner, AeroGuard Flight Training Center in Arizona. The 21 cadet pilot graduates have joined the airline as Second Officers, following completion of their training.

In 2023 and 2024 combined, Cathay plans to recruit a record number of more than 800 cadet pilots and, for the first time from the Chinese Mainland, bearing testament to the Group's commitment to youth development.

Hosted by Cathay Group CEO, Ronald Lam (back row, eighth from left), the 21 new graduates from the integrated training programme celebrate with guests from the Civil Aviation Department, PolyU and AeroGuard.

Delivering the future

Cathay Cargo has selected the next-generation Airbus A350F freighter to meet its future fleet requirements; Cathay has placed an initial firm order with Airbus for six aircraft, with options to acquire 20 more. The fuel-efficient freighters will be delivered from 2027 and will link Hong Kong and the Chinese Mainland with long-haul destinations in North and South America as well as Europe, further strengthening Hong Kong's status as the world's leading air cargo hub.

Cultivating new talent for the aviation industry

Cathay Pacific has signed MOUs with the Civil Aviation University of China ("CAUC") and with the Civil Aviation Flight University of China ("CAFUC") to collaborate on developing the talents of gifted Chinese Mainland students for future careers in the aviation industry. Under the terms of the MOUs, Cathay Pacific and the universities will explore innovative approaches to training and developing professionals in various sectors of civil aviation, including flying, inflight services, engineering, airport operations and technology. Special scholarships will be established to encourage and support high-calibre students and Cathay Pacific will actively engage in on-campus recruitment and offer internships to enhance university students' understanding of operations and development trends in the aviation industry. The airline will also welcome experts, professors, technicians, and students from both institutions to visit its Hong Kong headquarters, Cathay City, to share knowledge and foster the exchange of aviation talent between Hong Kong and the Chinese Mainland.

(Left to right) Civil Aviation Administration of China Deputy Administrator Mr Cui Xiaofeng and the Hong Kong SAR Government's Deputy Financial Secretary Mr Michael Wong witnessed the signing ceremony on 15th December between CAFUC President Mr Guan Lixin, Cathay Group CEO Ronald Lam and CAUC President Dr Ding Shuiting.

Shekou lounge

Cathay Pacific has opened its first ferry lounge at Shekou Cruise Home Port. Passengers bound for destinations worldwide can now relax and enjoy panoramic sea views, while they savour Hong Kong and regional flavours, ahead of the 30-minute direct ferry ride to the SkyPier at Hong Kong International Airport.

HAECO has introduced e-tow tractors to its aircraft pushback fleet at Hong Kong International Airport, making it one of the pioneers in adopting this technology at the airport. The first tractor went into service in July and HAECO anticipates it will reduce CO_2 emissions by up to 126 tonnes per year when in full operation. As part of its ongoing commitment to reducing its carbon footprint, HAECO plans to introduce more e-tractors in the future.

'Gotta Go with Greener Travel'

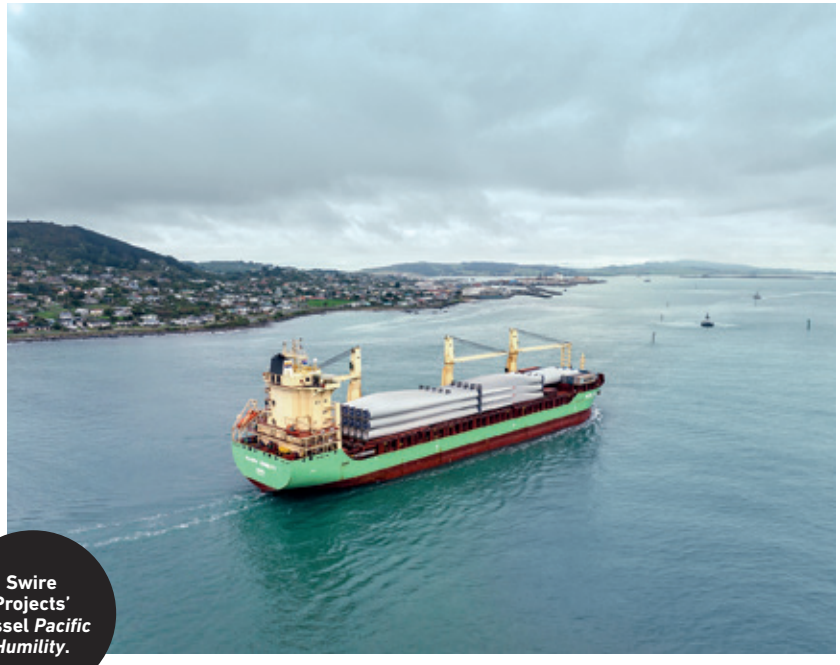
HK Express has introduced an innovative customer carbon offset programme in partnership with CHOOOSE, the leading SaaS [Software as a Service] platform empowering businesses to integrate climate action into the customer experience. The programme enables customers to understand their flight-associated emissions and offset their carbon footprint. The programme selects high-quality carbon removal or reduction projects in Asia that meet internationally recognised standards and align with United Nations sustainable development goals. Current offset projects include a new power plant in Guangxi that uses discarded sugar cane bagasse and other biomass residue to generate clean electricity, and the Theparak Wind Farm in Thailand, which is estimated to reduce carbon emissions by an estimated 156,000 tCO_2e [tonnes of carbon dioxide equivalent] annually.

Photo courtesy: Victoria Priessnitz on Unsplash

The Guangxi project also helps prevent uncontrolled burning of sugar cane stubble – once a source of air pollution in the region.

Enhancing cargo connectivity

Swire Projects, Swire Shipping's projects and heavy lift division, has launched a dedicated semi-liner service connecting East Asia with the West Coast of North America. Previously offered on an ad hoc basis, the service will provide enhanced cargo connectivity and support the growing demand for reliable breakbulk and project cargo transportation to the West Coast that avoids routing cargo via the Panama Canal. The new service connects the base ports of Qingdao and Taicang on the Chinese Mainland with Everett, Washington, and Vancouver in British Columbia. The service will offer inducement calls at various ports in Southeast Asia, the US West Coast and Mexico, ensuring comprehensive coverage for its customers.



Swire Projects' vessel *Pacific Humility*.

New healthcare investment

Swire Pacific and the Indonesia Investment Authority have entered into a strategic partnership with the state-owned Indonesia Healthcare Corporation ("IHC"). IHC includes 37 majority owned hospitals, and also owns and operates 66 clinics throughout Indonesia. The investment is part of Swire Pacific's strategy to identify new opportunities in the healthcare sector and adds to the Group's growing healthcare portfolio, which is currently focused on the Chinese Mainland and in Hong Kong.

The Pertamina Central Hospital, a hospital in South Jakarta managed by IHC.

Photo courtesy: Indonesia Healthcare Corporation

Pat Healy, Chair of the Philanthropy Council of John Swire & Sons (H.K.) Limited and Ms Charmaine Lee, Director of Social Welfare of the Hong Kong SAR (both at the centre), launch the "TrustTomorrow Community Funfair" in November.

Making a positive impact into the future

The Swire Group Charitable Trust's ("Swire Trust") three-year TrustTomorrow funding programme – launched in 2020 to celebrate the Group's 150th anniversary in Hong Kong – has aimed to motivate positive change in the community by supporting forward-looking initiatives that connect people and provide opportunities for a better tomorrow. Since its inception, TrustTomorrow has worked with over 100 NGOs, funding more than 70 projects that have touched the lives of over two million people. All this has been made possible through the commitment of TrustTomorrow's partners from the city's philanthropy sector, as well as the Hong Kong SAR Government.

Towards the end of last year, Swire Trust marked the success of TrustTomorrow by hosting a series of "grand finale" events, beginning in September with "Connecting for a Brighter Tomorrow", which acknowledged the hard work of the Trust's partners in the initiative. This event was followed in October by an in-house gathering to celebrate the efforts of 3,000 Swire staff and their families and friends who volunteered their time and talent to make a difference through TrustTomorrow. In November, the "TrustTomorrow Community Funfair" was an opportunity for NGOs (and some beneficiaries of the initiative) to showcase a diverse array of workshops, performances, and display booths. Around 1,500 people – including many families with young children – attended this event. The fair was followed by a range of branded activities, hosted by non-profit partners that took TrustTomorrow to all corners of Hong Kong.

But rather than marking the culmination of the initiative, these events herald a new beginning – one that will see the long-lasting, positive change brought about by TrustTomorrow continue to resonate for many years to come. Tina Chan, Group Head of Philanthropy, said: "TrustTomorrow was launched as a way of 'connecting the dots' between NGOs, our operating companies, staff, beneficiaries and the general public through the meaningful projects we support. Although the initiative has reached its conclusion, its connect-the-dots vision will continue through our philanthropic work. Now, as Swire Trust enters its 40th year of philanthropy, we look forward to working with our community partners on sustaining and amplifying TrustTomorrow's impact into the future."

The Hong Kong Philharmonic Orchestra's free annual outdoor mega-concert, Swire Symphony Under The Stars, attracted an audience of nearly 12,000 to the Central Harbourfront on 18th November. This iteration of the renowned musical extravaganza transported the audience to the worlds of film and theatre, with music composed by John Williams, Leonard Bernstein, and George Gershwin and then took them on a nostalgic journey to the golden era of Hong Kong films, with specially arranged music. As always, the event closed with a spectacular fireworks display, against the backdrop of Hong Kong's iconic skyline.

Remembrance Day

Cathay Director Cargo, Tom Owen, attended the Remembrance Day service in Hong Kong on 12th November, laying a wreath at the base of the Cenotaph in Statue Square on behalf of the Swire Group. The ceremony commemorates those who lost their lives in defence of freedom in two World Wars and various conflicts since.

White Christmas 2023

Swire Properties' popular year-end community celebration, the White Christmas Street Fair, returned to Taikoo Place with all-new elements, including digital F&B coupons, rentable tableware, and an original theme song. The fair was the largest to date and, for the first time, took place over two weekends. Designed and run by ten university students from the Swire Properties Placemaking Academy, the fair had the theme "CHOCOLAND!". Once again, the event raised funds for Operation Santa Claus, one of the largest charity drives in Hong Kong.

Vula'a Elementary School redevelopment

Steamships and the Embassy of the Federal Republic of Germany are leading a community-based partnership to redevelop the Vula'a Elementary School in Hula, Central Province, in Papua New Guinea.

Steamships representatives meet with school board members, teachers and students, and the Hula Ward Councillor.

The project includes the construction of a double classroom, with funding supplied for building materials, freight and cartage, and other project-related costs, while new classroom furniture will be provided by members of the local community.

The collaborative approach aims to not only provide essential infrastructure, but also empower the community by fostering a sense of pride and enthusiasm amongst students, educators and members of the community who contribute to the project. The improved facilities are expected to encourage greater attendance and participation by students.

Second 'Carbon Reduction Farmland'

Last year, Swire Coca-Cola partnered with the China Green Foundation to establish a "Carbon Reduction Farmland" at Maodao Village, in Hainan Province. As part of Swire Coca-Cola's sustainable development strategy, this initiative aims to create a low-carbon community that boosts rural revitalisation, while preserving local characteristics. Following on from an initial project in Yunnan Province, the company plans to develop five Farmlands by 2025.

The majority of villagers at Maodao belong to the Li ethnic group, whose traditional spinning, dyeing, weaving, and embroidering techniques are recorded on UNESCO's Intangible Cultural Heritage List. To help preserve these traditions while empowering youth, the project provides textile and e-commerce courses to enable locals to start their own businesses. It also encourages farmers to replace rubber trees with higher-income fruit trees and teaches them to convert straw waste to organic fertiliser. Swire Coca-Cola has also funded the installation of solar-powered streetlights in the community.

Fostering arts and culture

The West Kowloon Cultural District Authority ("WKCDA") has signed a three-year partnership agreement appointing Cathay as its exclusive Travel Partner. Since July 2023, Cathay has been providing air travel services for overseas and local artists participating in West Kowloon performing arts programmes and transporting exhibits for exhibitions hosted by the Hong Kong Palace Museum and M+. The partnership also provides support to enhance the content and quality of WKCDA exhibitions and programmes and promote WKCD as a must-see destination in Hong Kong. To date, Cathay has sponsored two exhibitions and a jazz fest, and has plans to support more activities in the future. The partnership aims to cement Hong Kong's position as an East-meets-West centre for international cultural exchange, as well as giving a significant boost to tourism.

The partnership was announced on 2nd December at the West Kowloon Cultural District Art Park.

Two hundred and eighty budding young entrepreneurs – selected from a record-breaking 1,500 applications – took part in Cathay Hackathon 2023 over the weekend of 18th-19th November.

Record entries for Cathay Hackathon

Cathay Hackathon 2023 saw 280 tech-savvy students take part in the highly energised, 24-hour event to develop, prototype, and pitch to a judging panel of industry experts, creative solutions designed to enhance customers' travel experience, elevate Cathay's premium lifestyle brand, and improve its cargo services.

The winning pitch from team NAAR involved leveraging artificial intelligence and computer vision-based dimensioning systems to optimise cargo space, thereby increasing accuracy and profitability, and reducing the need for manual labour. NAAR won round-trip Cathay Pacific Business Class tickets to destinations of their choice, and a combined 100,000 Asia Miles. They have the opportunity to join Cathay as IT Summer Interns, with fast-track access to the IT & Digital Graduate Trainee Programme.

Cathay Hackathon is part of Cathay's ongoing commitment to nurturing and developing young talent for the aviation industry in Hong Kong.

Empowering teachers

The Swire Chinese Language Foundation is a UK philanthropic initiative that funds the teaching of Chinese language in British state schools, supported by a ten-year, £25 million commitment from John Swire & Sons Limited that marked the Group's 200th anniversary and 150th anniversary of doing business in China. Over the course of last year, the Foundation collaborated with Swire Shipping's Digital Products Team, supported by the Swire Digital Centre in India, to develop an online resource sharing platform for teachers of the Chinese language. The web-based resource offers teaching materials, lesson plans, multimedia content, assessment tools and many other features, so teachers can exchange ideas and best practices and access an extensive repository of educational materials. The platform's intuitive design ensures that teachers can easily navigate and utilise its features, regardless of their technical proficiency. The streamlined application created in collaboration with the shipping company and its web developer seeks to foster a strong sense of community among teachers of Chinese, enhancing their capabilities and enabling them to make a lasting impact on their students' language learning abilities.

Supporting the local community in Tonga

Swire Shipping recently undertook two pro bono charity shipments to Tonga. Firefighting equipment and two fire trucks donated to Tonga Fire & Emergency Services by the Southern Australia Metropolitan Fire Service Adelaide were shipped from Brisbane to bolster Tonga's fire and cyclone response capabilities. One of the fire trucks serves the southern area of Tongatapu, while the other is stationed in Nuku'alofa.

With the support of Vanguard Logistics and Steamships, Swire Shipping also assisted in the shipment of school furniture donated by Bethany College and Regina Coeli Primary School in Sydney to Her Majesty Queen Nanasipau'u's Charity. The shipment was distributed to three schools in Tonga: 'Apifo'ou College, 'Ahopanilolo Technical Institute, and St. Francis of Assisi Kindergarten, and included desks, chairs, shelves, and cabinets.

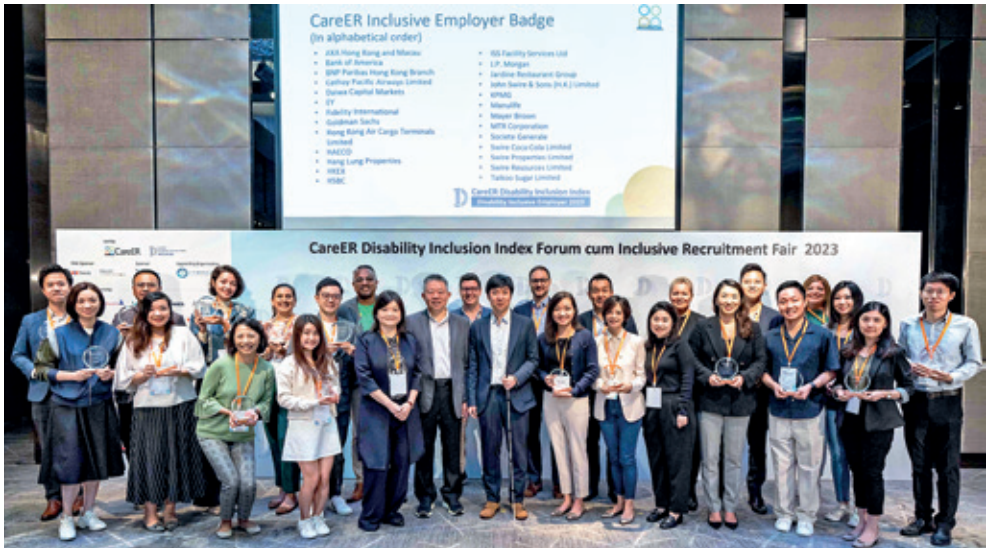
Christina Heng, Country Manager Tonga, Swire Shipping (left), presenting the donated school furniture to Mrs Maletina Hiliate, Principal of 'Ahopanilolo Technical Institute.

Rocking Harvest

In October, Taikoo Motorcycle Limited, the sole agent for Harley-Davidson in Taiwan, sponsored "Rocking Harvest Month" – an event centred on Fuli, in Hualien, which is renowned as one of the best rice-growing regions in Taiwan. Over 2,000 Harley-Davidson riders gathered in the township to celebrate the 2023 harvest with Fuli residents and take part in a number of Taikoo-sponsored events.
This initiative aims to forge connections between urban riders and the rural community and promote tourism to this beautiful area, thereby providing locals with an additional income stream.

Inclusive recruitment opportunities

Swire Group companies recently took part in the CareER Disability Inclusion Index Forum and Inclusive Recruitment Fair 2023. CareER is Hong Kong's first charitable job-matching platform and peer support community for people with disabilities and special educational needs. John Swire & Sons (H.K.) Limited , Swire Properties, Swire Coca-Cola, Cathay Pacific Airways, HAECO, Swire Resources and Taikoo Sugar have all been recognised as CareER Disability Inclusive Employers, underscoring the Swire Group's commitment to promoting workplace disability inclusion.



Group-wide ESG awards

Swire Pacific, Swire Properties and Cathay Pacific Airways have all been recognised in the Hong Kong Institute of Certified Public Accountants Best Corporate Governance and ESG Awards 2023.

Swire Pacific and Swire Properties each received an ESG award in the Non-Hang Seng Index (Large Market Capitalisation) category, while Cathay Pacific garnered a Special Mention in the same category. These awards signify a concerted effort across the Swire Group to enhance ESG performance and disclosure.

Sustainability recognitions

Swire Properties has been named Global Sector Leader (Mixed Use Sector) for the seventh year in a row and Global Development Sector Leader (Mixed Use Sector) for the fourth consecutive year in the Global Real Estate Sustainability Benchmark. In 2023, there was a 15% increase in participation by more than 2,000 companies globally – covering approximately 170,000 assets across 75 countries, with a gross asset value of US$7.2 trillion.

At a local level, Swire Properties ranked first in the Hang Seng Corporate Sustainability Index for the sixth consecutive year, achieving the highest score amongst more than 500 Hong Kong-listed companies, while maintaining the highest "AAA" rating – a distinction that was only awarded to two companies.

Top Five global hotel ranking

Swire Hotels' The Upper House in Hong Kong has been ranked fourth in the world in the inaugural World's 50 Best Hotels list, which identifies the finest luxury hotels based on votes from over 580 travel industry experts and includes properties from 35 locations across six continents. Only two Hong Kong hotels made it onto the list: The Upper House at Pacific Place and Rosewood Hong Kong, located in Tsim Sha Tsui, which achieved an incredible second place in the global ranking. The two held a joint celebration at the Hong Kong Palace Museum in October, attended by guests from the media, hospitality, tourism, and public sectors. Guest of Honour, Mr Kevin Yeung, Secretary for Culture, Sports and Tourism, said the recognition "speaks volumes for the professionalism of our hospitality industry".

Tim Blackburn, Chief Executive of Swire Properties and Chairman of Swire Hotels and Mr Kevin Yeung, Secretary for Culture, Sports and Tourism (seventh and sixth from left), raising a toast with other guests at the event.

Finlays Colombo took home the Health and Safety Excellence – Bronze Award, multinational category, from the National Institute of Occupational Safety and Health ("NIOSH") Awards, held in Colombo in November. Finlays reached the final shortlist from a field of 200 applicants, recognising the company's dedication to maintaining the highest standards of occupational safety and the well-being of its employees, whilst also setting an example for the wider Sri Lankan business community.

Trio of awards for Cathay Cargo

Cathay Cargo has won three leading industry awards. In September last year, Cathay was named Best Green Air Cargo Carrier at the 2023 Asian Freight, Logistics and Supply Chain ("AFLAS") Awards. The award recognises the Corporate Sustainable Aviation Fuel ("SAF") programme, as well as the extension of the Cathay Group's Fly Greener initiative to include cargo shipments. In October, the carrier was voted Best Cargo Airline – Asia by the readers of *Air Cargo News*, one of Europe's leading trade titles, and in the same month, Cathay Cargo was named Global Carrier of the Year in the Payload Asia Awards 2023. This ultimate accolade follows on from winning the regional award for Asia Pacific at 2022's ceremony.

Cathay Cargo's Regional Head of Cargo Europe, Jansen Stafford (centre) receives the Best Cargo Airline – Asia award at the *Air Cargo News* awards ceremony in London.

We know how

When it comes to moving complicated or sensitive freight by air, Cathay Cargo has the answers. Whether it's live cattle heading to Dhaka in Bangladesh, fresh cherries harvested at the height of New Zealand's soft fruit season, or medicine manufactured in the USA that needs end-to-end cold storage, Cathay Cargo has both the expertise and the solutions to cater to all demands. Here, we find out how the business has responded to changing customer demand and take a look at its recent rebranding campaign.

Cathay Pacific Airways began life in 1946 with two propellor-driven Douglas DC-3 aircraft, *"Betsy"* and *"Niki"*, that each carried just 15 tonnes of cargo per flight. A lot has changed over the nearly eight decades since. In 2022, Cathay Cargo carried 1.15 million tonnes of cargo in its dedicated fleet of 20 Boeing 747 freighters and in the bellies of the Cathay Group's 180-strong fleet of passenger aircraft.

During the recent pandemic, Cathay Cargo provided a vital service delivering vaccines and personal protective equipment around the world. It also bolstered the Cathay Group's overall business performance at a time when most people couldn't or wouldn't fly. Today, Cathay Cargo is globally renowned for its efficiency, expertise and reliability. It carries a wide variety of freight, ranging from thousands of tonnes of live lobsters to Formula 1 racing cars. But as that implies, this is a business that doesn't stand still, and Cathay Cargo is poised to make an even greater impact on the industry through innovation and exciting new solutions.

Playing to advantage

In fact, most of the world's freight is shipped by rail or sea – usually because of cost considerations. According to the International Air Transport Association ("IATA"), today's global air cargo industry represents less than 1% of global trade by volume. However, it represents 35% of its value: some US$6 trillion worth of goods. Customers see air freight as quicker, safer and more reliable for their high-value shipments.

"We move cargo that matters to the world," explains Tom Owen, Cathay's Director Cargo. "Everything that is transported by air is somehow vital to someone's life, somewhere. Whether it's a component for a construction project, a racehorse on its way to compete in Hong Kong, life-saving pharmaceuticals or fresh produce going to the supermarkets, air cargo matters."

What makes Cathay Cargo different is its expertise in moving challenging items – just one example being a helicopter shipped from Milan in Italy to Perth in Western Australia, to be deployed in the government's medical and emergency services. Helicopters are made up of fragile, complex, irregularly shaped and extremely expensive components that require special care when being shipped. Such was the intricacy of the operation that the team combined Cathay Expert, a customised freight service for unusual cargo, with Cathay Priority, a solution that provides optimal delivery speed, capacity and assurance. All partners involved – from the ground handling agents and the trucking company to the airport and regulatory bodies – worked in sync to ensure it was a success. The ability to deal with complexity means Cathay Cargo can achieve a higher yield by focusing on cargo that is difficult to ship. By doing so, the business aims to generate over a third of its revenue from specialist solutions, enabling it to stand out further from its industry competitors.

Another advantage for Cathay Cargo is that it is based in Hong Kong, which has been the world's busiest international air cargo hub since 1996. The city is blessed by its geographical location, which places it within five hours' flying time of half the world's population. Hong Kong enjoys an open economy, an easy-to-manage customs regime, and its airport's huge network of international destinations and flight frequencies. With this scale and capacity, Cathay Cargo is able to ship air cargo to most parts of the world quickly and efficiently.

Tom Owen, Cathay Director Cargo.

A new image

Last year, the Cathay Group announced that it was rebranding its cargo business as "Cathay Cargo", launching a branding campaign that featured the tagline "We Know How".

The essence of this campaign, aimed at shippers and forwarders, was to communicate that Cathay Cargo stands for innovative solutions, professional people, and efficiency and reliability; meaning it can deliver shipments that matter to the businesses that buy and sell them – as well as to the people who need them. "We're seeking to build awareness about our capabilities in destinations like the USA, Europe and Southeast Asia, where perhaps our name isn't so well known yet," explains Tom.

Central to this message are people – quite literally, in this case. Almost everyone appearing in the campaign videos and posters was a Cathay Cargo employee. "Using our staff for the campaign really emphasised our can-do spirit and our customer-centric approach. We are dedicated to finding solutions for our customers, no matter how complex their requirements. This comes down to both our expertise and anticipating what they want."

Investing in solutions

In recent years, Cathay Cargo has devoted a lot of time, effort and money to upgrading its offerings to customers, focusing on digitalisation of its services, as well as unveiling new innovations that create more value for shippers.

Examples include Cathay Pharma, which offers cold chain solutions to pharmaceutical manufacturers worldwide via Cathay Cargo's 100% owned Cathay Cargo Terminal and its revamped Pharma Handling Centre at Hong Kong International Airport ("HKIA"). Customers say how much they appreciate the availability of online tracking with temperature visibility and status updates, as well as excellent customer service at both origin and destination. The relaunched Cathay Mail service, meanwhile, enables post offices worldwide to track and trace their mail while also providing them with a simplified billing and reconciliation system.

Click & Ship is another game-changing solution. A few years ago, arranging a shipment involved piles of paperwork, and bookings were made over the phone. The new online booking system puts complete control in the hands of the customer, so that the process is just as simple as an airline passenger booking their seat online.

Opportunities in e-commerce

E-commerce has been around a long time, but the pandemic saw a

Cathay Pharma offers a comprehensive range of specialised and professional air cargo services for temperature-sensitive shipments, with IATA CEIV Pharma quality assurance.

very dramatic increase in the popularity of buying and selling goods online, to the extent it has become a major driver of the airfreight industry; and while normalcy has largely resumed, consumers' appetite for e-commerce remains undimmed.

According to IATA data, 80% of all cross-border e-commerce shipments are transported by air. Over half of all e-commerce traffic is from the Chinese Mainland, with much of it going to North America and Europe, so Cathay Cargo, with its base at HKIA, is ideally positioned to take advantage of the significant uptick in e-commerce transactions.

"When customers shop online," says Tom, "they ask three things: 'Where is my purchase?', 'Is it in top condition?' and, probably most importantly: 'Will it arrive soon?' That's where our range of solutions come into play, as well as the geographic and logistical advantages that come with being based in the Greater Bay Area ("GBA")."

Cathay Cargo has also sought to collaborate with industry partners. In September 2022, it trialled an e-commerce shipment to South America in collaboration with LATAM Airlines.

Preparing for the future

The air cargo industry, like any other, is affected by the ups and downs of the global economy, with high inflation in many countries currently impacting consumers' spending ability and thereby weakening demand for airfreight. Managing this challenge in the short term until markets pick up again means Cathay Cargo playing to its strengths as the logistics partner of choice for high-end, sensitive freight. To this end the business will continue to streamline the services it offers shippers through increased digitalisation, at the same time prudently managing its cost base, leveraging the benefits of the Cathay Group's extensive network, and maintaining an optimal mix of dedicated freighters and available cargo space in the holds of its passenger fleet.

This new app "Cargo Connect" is one of Cathay Cargo's digitalisation initiatives that improves the operational efficiency and employee experience for the cargo operation teams.

In the longer term, Cathay Cargo sees significant opportunities for further growth. In December 2023, Cathay announced that it has ordered six new-generation Airbus A350F freighters and has options to acquire 20 more, with delivery commencing in 2027. These commitments demonstrate the airline's confidence in both its long-term business model and in its home base of Hong Kong maintaining and growing its status as the world's busiest air cargo hub. Cathay Cargo is anticipating that further integration into the GBA will inevitably enhance Hong Kong's logistical capabilities – as evidenced by the airline's recent participation in a world's-first pilot, using IATA ONE Record data protocols for intermodal shipments accepted in Dongguan; meanwhile, the addition of the third runway at HKIA, operational by 2024, is also going to significantly expand capacity.

Cathay Group CEO, Ronald Lam, explains how he sees the future of the business: "Cathay Cargo has the vision of being the world's best air cargo carrier. Within the Group, Cathay Cargo is one of our four lines of business, the others being Premium Travel, Low-Cost Travel and Lifestyle – demonstrating how critical cargo is to us. I'm confident Cathay Cargo is on the right course to deliver the future for our customers as it continues to grow and excel."

Cathay's airfreight business has come a long way since 1946. Today, its range of capabilities and sheer reach would probably be unimaginable to those early pioneers of air cargo. But what hasn't changed is knowing how it's done and staying focused on innovation and striving to be the best in the industry. By those measures, today's Cathay Cargo is a true industry leader.

Thinking differently in everything we do

Kristina Snaith-Lense, General Manager of The Upper House, tells us all about her passion for hospitality, and how her team deliver the outstanding guest experience that has ranked the hotel amongst the top five in the world.

What initially drew you to the hospitality industry?
My late grandfather was pivotal. He used to own a men's tailoring shop in the old Hilton Hotel. My siblings and I would spend time with him there over the weekends and learn about service culture. He was such a kind person who took genuine interest in people, and that made a huge impact on me.

You joined The Upper House's Guest Experience Team in 2012. How did that experience shape you as the hotelier you are today?
I love every aspect of the guest experience. We talk about the House Collective being "houses", not "hotels", and that's what it's all about. How do we make our guests feel at home and taken care of?

At Swire Hotels, we are "thinking differently" in everything we do, and we take pride in delivering an unscripted guest experience.

What does your typical day look like?
Every day is different! I'm a mum of three boys – one, three, and five years old – so my day starts early. I get up at 6 am, get the kids off to school, go for a trail run, and then get to work by about 8:30 am.

We have our morning management meeting at 9:30 am which we often kickstart with everyone sharing any good news in their lives, setting a positive tone, then we get into business. We spend a lot of time discussing how we can delight our guests right upon arrival.

I believe in leading by example, and I spend much time with my team in operations so everyone feels a strong sense of shared purpose and clear vision. I usually spend the rest of the day meeting with our guests and our partners, so I usually save administrative work for the end of the day.

Keep going, focus on the positive side, and lean into what's going well.

The Upper House ranked 4th on the World's 50 Best Hotels 2023 list. What sets the hotel apart?
The award was such a huge surprise, like birthday and Christmas all rolled into one! It's a testament to the amazing people working here who make the magic happen. It goes back to the guest experience, the creative experiences we introduced throughout COVID-19, and how we've refreshed the hotel with our designer and architect, André Fu.

Can you tell us about some of those creative experiences?
In 2021, there were no signs of borders reopening. We had to be creative to serve a local market, so I convinced the team to ride with me on a few ideas. Wellness had become top-of-mind. To answer that, we came up with the idea of converting a guest room into a wellness studio that features workout programmes. Following its success, we then launched a series of permanent wellness residencies, including an in-house chiropractor, and an aesthetician doing laser facial therapy.

When you get time alone, how do you like to spend it?
Every day, I carve out an hour for myself between getting my boys off to school and going to work. We live by the start of some trails, so I can be outside running in minutes. It's refreshing and grounding. I also love doing Family Form [an intense, body-sculpting workout session also offered by The Upper House], sound healing, reiki, and meditation.

Any advice for the next generation of hospitality professionals?
This is the best industry in the world! It's hard work, and there will be moments when you question yourself on the journey, but it's worth it. Keep going, focus on the positive side, and lean into what's going well.

Kristina likes to be on the floor and spends the day meeting with guests, partners, and the team.

TaiFoong tournament

The 30th TaiFoong Trophy golf tournament between Swire and HSBC, took place on 14th November at the Shek O Country Club in Hong Kong. HSBC were the winners of the tournament. Pat Healy, Chair of Cathay Group and Swire Coca-Cola, and Martin Murray, Finance Director of Swire Pacific, both won nearest-to-the-pin awards. "TaiFoong" is an amalgam of the two organisations' Chinese business names: *Taikoo* ("Great and Ancient") and *Wayfoong* ("Abundance of Remittances"). The event, which was first played in 1993, celebrates the strong ties between two of Hong Kong's oldest companies.

In November, John Swire & Sons (H.K.) Limited held a Long Service Awards ceremony at One Taikoo Place. Awards were presented to staff who have served the Group from 10 years up to 35 years. Special guests included John Swire & Sons Limited Chairman, Barnaby Swire, CEO, Merlin Swire, and Director, Sam Swire, as well as John Swire & Sons (H.K.) Limited Chairman, Guy Bradley.

Xi'an visit

John Swire & Sons (H.K.) Limited Chairman, Guy Bradley, and John Swire & Sons Limited Director, Adam Fenwick, visited Swire Properties' Xi'an office in October. They enjoyed a traditional cultural performance, and also visited the Taikoo Li Xi'an site and Xi'an Museum to learn more about Swire Properties' three-year sponsorship programme to preserve and promote the city's cultural heritage.

Guy Bradley, Adam Fenwick (second and third from right) and the Swire Properties team gather for a group photo at the "City Wall Entrance Ceremony".

Pink Friday

Staff across Swire's businesses celebrated Pink Friday on 10th November, at events designed to promote diversity and inclusion in the workplace and demonstrate the Group's support for the LGBT+ community. The Group has also sponsored staff competing in five sports at the Gay Games, held in Hong Kong – the first time the tournament has taken place in Asia.

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 all employees are valued and can bring their whole selves to work without fear of discrimination.

Staff at Swire Properties marked Pink Friday with a rejuvenating yoga session.

Niki and *Betsy* Awards

***Betsy* and *Niki* Award recipients celebrate at the ceremony in October.**

Cathay Pacific's *Niki* and *Betsy* Awards – named after the airline's first two DC-3 aircraft – are annually awarded to staff members for outstanding acts of dedication and professionalism. The *Betsy* Award recognises excellent customer service, while the *Niki* Award acknowledges exceptional contributions behind the scenes. Last year, 10 winners for each award were selected from 1,566 nominations.

Niki Lee, Sonal Sud, and fellow crew members on a flight to London were amongst recipients of the 2023 *Betsy* Award for the outstanding care they provided to a three-year-old boy who suffered a severe asthma attack during the flight. Unable to divert the aircraft to another city because of the ongoing pandemic, the crew contacted MedLink and over eight hours provided constant care and attention to the boy: administering oxygen from an overhead mask, soothing the distressed child, and comforting his panic-stricken parents – all while minimising disruption for other passengers.

Meanwhile, cabin crew members Barbara Cheung, Moni Manmohan, and Belle Chan were presented with a *Niki* Award for helping to revive a male colleague, who collapsed in the terminal soon after disembarking from the aircraft. The team administered CPR, then used a defibrillator on the colleague, who is believed to have suffered a heart attack, before giving him oxygen.

Both instances illustrate how Cathay crews' training in essential first-aid techniques and how to stay calm and make the right decisions under pressure, coupled with sincere compassion and empathy, can help save lives.

HK Vertical 1000

Supported by Swire Properties and organised by Outward Bound Hong Kong, the HK Vertical 1000 is a test of both physical strength and mental fortitude. In November, Taikoo Place was once again the setting for this daring challenge. Thirty-one fearless abseilers descended the One Island East office tower to raise funds for Outward Bound Hong Kong, an organisation dedicated to the development of young people.

Don Taylor, Swire Properties' Director, Office, was one of the abseilers.

Kilimanjaro challenge

In September, a team from Swire Shipping and Swire Bulk celebrated victory at the end of a seven-day trek to the summit of Mount Kilimanjaro. The gruelling challenge was a major fundraiser organised by the Sailors' Society, a charity that provides support to the international maritime community. Team members came from all over the network and trained for six months to prepare for multi-day, long-distance hikes over steep and rocky terrain, coping with fatigue and altitude sickness along the way. As well as raising awareness of the invaluable service the Sailors' Society provides to the industry, the event proved to be a bonding exercise for the 15 teammates, who said that they came to Tanzania as colleagues and left as a family.

SWIRE