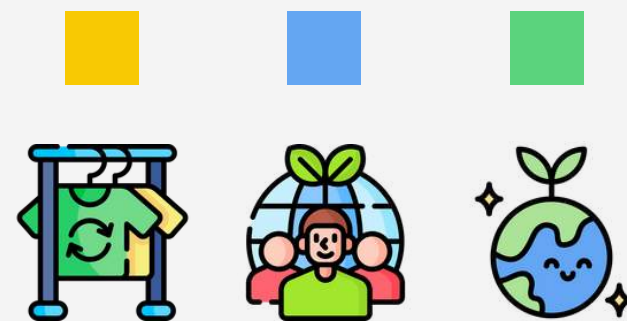




SUSTAINABLE DEVELOPMENT REPORT

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OUR SUSTAINABILITY PILLARS

At Swire Resources, sustainability is our defining aspect of business operations.
We focus on the three key areas:



PRODUCT



PEOPLE



PLANET

A MESSAGE FROM OUR MANAGING DIRECTOR

2023 was a year of embracing revival and new challenges. Swire Resources demonstrated strong teamwork and dedication to sustainable development in adapting quickly to post-COVID consumer behaviours and market trends.

Highlighted in this report are some key examples of how we remain agile and market-focused through collaboration and adoption of the latest digital tools and technologies. Our staff teams' agility and customer centricity are core drivers to move us all towards improving operational efficiencies, better employee and customer experience, and most importantly, a lower environmental impact to the planet. We have reorganized our report this year to echo our 3P sustainable development pillars - "Product", "People" and "Planet" which are fundamental to our business success.

With the establishment of the Sustainable Development Fund, we support initiatives that help drive resource circularity and efficiency, with the aim to encourage smart use of precious natural resources. In 2023, several of our brands launched greener product series made of recycled or environmentally preferred materials to reduce the use of virgin materials. After suspension of 4 years, we were glad to have the coming back of the Giga 10K running event, an initiative that incorporated sustainable elements lowered the event's environmental impact whilst raising public awareness.

We take pride as being a people-centric and safety-first employer. We organized leadership development program on coaching and communication for our managers, revamped our retail academy for progressive learning by the retail teams and developed new series of video based customer personas to enhance the service mindset and skillset of our frontline sales staff. We offered various recreational activities such as fitness classes, interest workshops and family-friendly tours to help our staff members building interpersonal bonds, interest and confidence which contribute significantly to their mental health. With the teams' collaborative efforts, I am excited to share that Swire Resources was recognised by the Occupational Safety & Health Council and Labour Department as the winner for the "Grand Award - Joyful@Healthy Workplace Best Practices Award 2023". Through all these efforts, we strive to create a positive, motivating and safe workplace to boost our staff's engagement level and sense of belonging.

We are pleased to continue working closely with our trusted NGO partners to support the communities around us. We organized nature clean-up activities for mentally-challenged women and underprivileged families and started a new multi-purpose clothing swap initiative "Swap for Good" internally for our staff. Beyond donations to communities in need, we were happy to have engaged wider staff participation in building awareness for fashion circularity.

When it comes to the most critical pillar - "Planet", staff participation is crucial in the success of various environmental measures across the company. For example, members of our logistics team were dedicated to transition to paperless delivery which eliminates a significant portion of our daily paper consumption. Our Company has set a long-term vision to achieve zero waste to landfill by 2050 and we will keep organizing various initiatives to encourage staff members building a sustainable habit diverting as much waste from the landfill as possible. Without a doubt, climate change is a growing threat to communities, we will strive our best to work together with different sectors in embracing sustainable and greener future.

Let's stay together in joint hands, demonstrate agility and resilience to embrace ongoing new challenges set forth by the ever-changing retail landscape and global trends in 2024!

Janis Tam
Managing Director



GOVERNANCE

Swire Resources Limited (SRL) developed its first Sustainable Development (SD) Policy in 2009 to guide the thinking and management decisions behind all our operations and help to enact our sustainable stewardship. We have also created an Environment and Health & Safety (EHS) taskforce which includes representatives from various business units to oversee the adherence to this policy and enhance internal communication of EHS matters.

ABOUT SWIRE RESOURCES

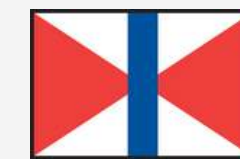
Swire Resources, a wholly owned subsidiary under the Trading & Industrial Division of Swire Pacific Limited, is a leading brand management, retail and distribution company in Greater China.

Founded in 1990, we have evolved dynamically to meet changing consumer preferences and market trends. Our expertise in brand building, marketing, distribution and retailing has enabled us to establish premiere sporting names like Reebok, Puma and Columbia in Hong Kong and the Chinese mainland in the early days. Swire Resources has gone from strength to strength over the years, expanding our portfolio to include casual footwear, outdoor and contemporary lifestyle, representing a range of renowned international brands in the region, inclusive of Arena, Speedo, Columbia, Teva, Cath Kidston, Chevignon, Crocs, Jockey, Repetto, Rockport, UGG and Havaianas.

Apart from being a leader in Brand Representation, Swire Resources is also a leading sports retailer in Hong Kong and Macau. Our four multi-brand chains, namely Marathon Sports, GigaSports, Catalog and Go Wild, are positioned uniquely to serve a wide spectrum of sporting needs ranging from hardcore performance, outdoor activities, and casual athleisure to fashion sports. The brands we represent benefit from this strong inter-group synergy.

At the end of 2023, we operate 161 retail outlets in Hong Kong, Macau and the Chinese mainland, consisting of brand concept stores for brands we present, multi-brand sports stores under the four banners, as well as franchise stores of leading sports brands such as Nike, Adidas and New Balance.

Swire Resources, being a trusted partner to brand owners and suppliers, continues to grow and expand into new categories. We are committed to connecting our partners to their customers in this part of the world. We regard the success of our brands as our success. Our proven track record is a testament to our capabilities and commitment to our partners and consumers.



SWIRE RESOURCES



PRODUCT

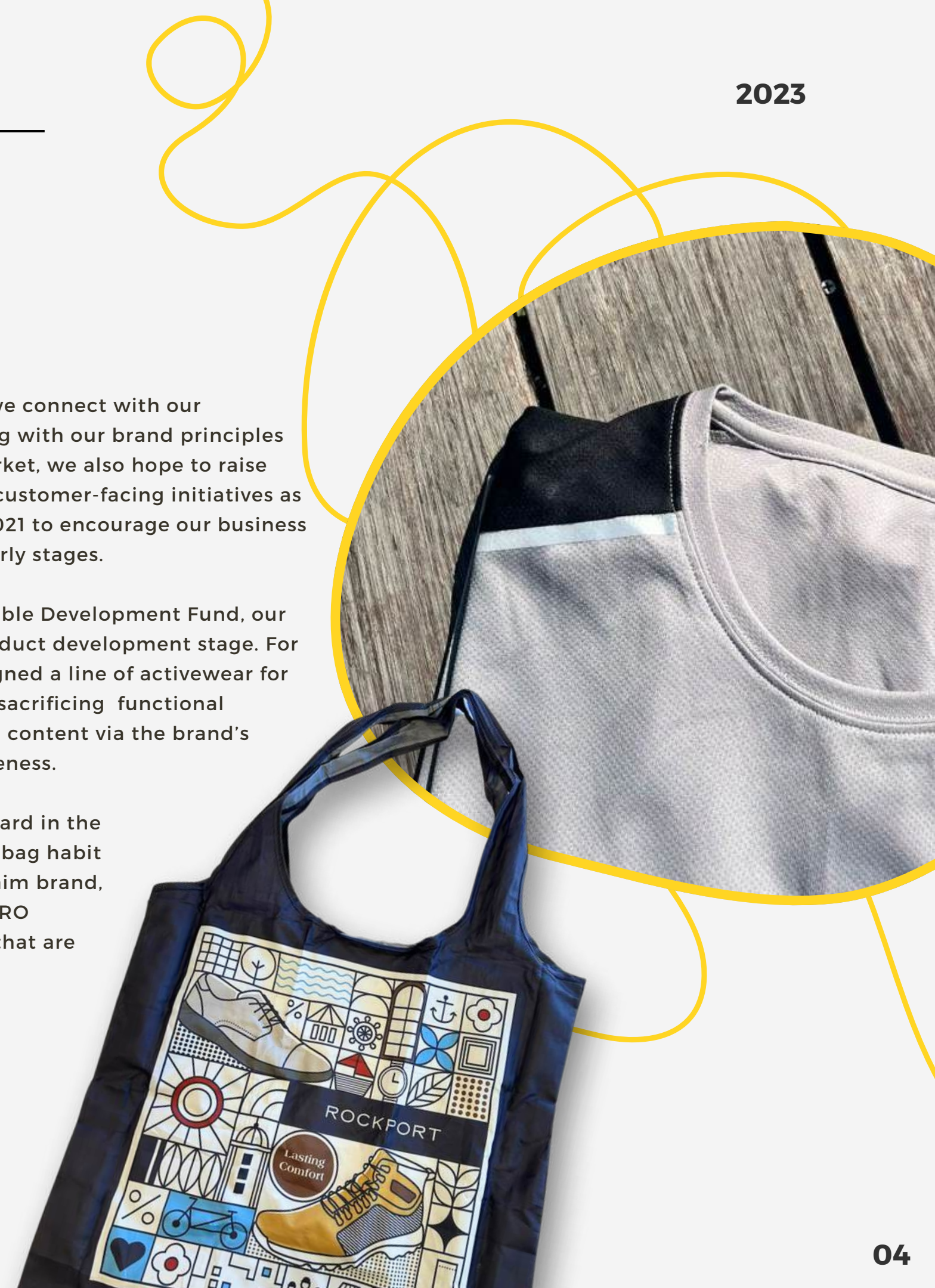


Sustainable Development Fund

As a leading sports and lifestyle brand manager, retailer and distributor, we connect with our customers through providing high quality products. Apart from partnering with our brand principles to introduce more environmentally-preferred product offerings to our market, we also hope to raise environmental awareness and minimize our impacts in our products and customer-facing initiatives as much as possible. We introduced the Sustainable Development Fund in 2021 to encourage our business units and brands to incorporate sustainable practices starting from the early stages.

“Resource circularity” is one of the core evaluation criteria for the Sustainable Development Fund, our brands are encouraged to consider adopting recycled materials in the product development stage. For example, the Marathon Sports’ team sourced rPET from Repreve and designed a line of activewear for the Fall-Winter 2023 collection that is environmentally-preferred without sacrificing functional performances. The team also communicated benefits of applying recycled content via the brand’s social media platform to further raise our customers’ environmental awareness.

Rockport, our footwear brand also adopted rPET of Global Recycled Standard in the production of its promotional premium gift to encourage bring-your-own-bag habit among its customers. Meanwhile, circularity goes beyond plastics, our denim brand, Chevignon, launched a new Whoval collection which utilizes Japanese BORO technique to turn leftover denim fabric leftovers into new clothing items that are ready to be loved again.






Apart from our product offerings, the team also incorporated sustainable elements in public events. The annual Giga 10K running event finally returned after being on pause for four years due to social unrest and COVID uncertainties. This year, the team has put in extra efforts from the concept stage to incorporate as many environmental elements as possible to minimize the overall impact of the event. While medals are often a non-negotiable souvenir for a running event, we offered two greener options for runners. Runners may opt for a carbon positive tree-planting certificate issued by EcoMatcher as an alternative to a physical medal. For those who still prefer a keepsake souvenir, our team designed a low-carbon medal made of wood complete with a lanyard made of recycled plastic (rPET). Furthermore, it is our first time to use recycled materials in the production of the official running shirt. On the day of the event, we also minimized the environmental impact of the water stations. Instead of offering bottled water or plastic cups like we previously did, we switched to providing paper cups at the water station where runners could easily place used cups in the recycling bin to divert as much waste away from the landfill as possible.



Business Partner

We engage suppliers and contractors who share our commitment to Sustainable Development. Currently, around 85% of stock purchases come from international brands, all of which comply with international manufacturing practice standards. To ensure that all our suppliers meet Swire Resources Limited’s standards, all 59 factories from which we source products have signed up to our code of conduct.

2023 Objectives		Results
<ul style="list-style-type: none"> Request factories that have not performed third party audits to perform self-audit to monitor their compliance with our code of conduct. 		<ul style="list-style-type: none"> All 59 factories have performed self-audit and also conducted third-party audits in 2023.

2024 Targets
<ul style="list-style-type: none"> We will continue to engage 64 factories with our code of conduct. We will keep up regular internal audit follow up with all factories to ensure all our suppliers meet Swire Resources Limited’s standards.



PEOPLE



Employee Development

We hold a strong belief that our people are the key for success. A happy, capable and engaged workforce supports business growth. Through attracting, developing and engaging our employees, we are committed to fostering a people-centric culture and providing our employees with an environment where they can deliver their work effort with ease, develop their career and maintain their well-being.

In 2023, our Company carried out various initiatives to attract talent, develop high-potential employees, while maintaining a diverse and inclusive environment. We continue to derive value from sincere communication with our staff at all levels, and develop effective learning programs for our employees. These efforts have helped to build the talent pipeline and foster a positive workplace.



In 2023, we continued facing a huge challenge in attracting and retaining talent due to the shrinking workforce and population, the rising “slash” economy, the high employee turnover and the rising expected salary from candidates. To attract and connect with talented individuals, our Company adjusted our strategies flexibly to implement diversified talent acquisition programs. We expanded our talent search beyond Hong Kong to the Greater Bay Area (GBA) in mainland China, successfully hiring in Guangzhou to support our Hong Kong business in functions including marketing, fashion graphic design, and business intelligence analysis. We continued to retain previous resigned or emigrated key leaders using flexible part-time project roles to allow for the smooth transition and succession by our home groomed managers for the leadership positions. We also continued with our Summer Internship and Buying Trainee Program to identify young university graduates for potential roles expanding our buying and product management talent pool.



We connected not only with universities and VTC, but also with secondary schools to recruit students to join our part-time workforce during their holidays and leisure time. We got hold of the opportunity to be one in the first batch of retail companies in Hong Kong participating in the Enhanced Supplementary Labour Scheme (ESLS) applying for imported labour from mainland China to alleviate the local supply shortage of retail and warehouse frontline candidates.

Talent development is another key focus. We give high priority to support our employees' career progression through improving their skills and capabilities and home groom our managers to fast track to leadership roles for succession plans. We performed learning needs analysis and surveys to understand the learning priorities of our managers. Based on the results, we decided to roll out our Leadership Development Program to enhance the leadership competence of our managers. The first module of the Leadership Development Program was completed in 2023, concentrating on coaching and collaboration. We will continue with the program's second module in 2024.

Within our organization, we pay attention to the skill development and career progression of our frontline employees and understand the importance of such in attracting and retaining staff. Our Retail Academy has been in place for years, offering a structured training roadmap and a progressive learning journey, and providing employees with relevant skills and knowledge to excel in their careers. In 2023, we made a major revamp in the curriculum in order to meet the learning needs specific to the new normal environment after the COVID-19 pandemic. With this in mind, we have redeveloped a number of courses, covering topics such as sales and services, positive communication, and problem-solving were redeveloped in 2023. In line with our commitment to excellent customer service, we developed a video learning series based on customer personas. These videos provide our retail frontline employees with tactics and tips tailored to different customer personas, including local and mainland customer groups.

Eight of the fourteen customized learning videos were completed and the rest will be completed in 2024. In addition, we organized team-building workshops for logistics supervisors and retail store supervisors, cultivating strong teamwork and enabling the supervisors to effectively manage teams of frontline employees. Through outdoor high-impact exercises and problem-solving team games, the participants understood better the value of trust and collaboration. These activities contribute to enhancing performance, increasing engagement, and fostering strong team culture.

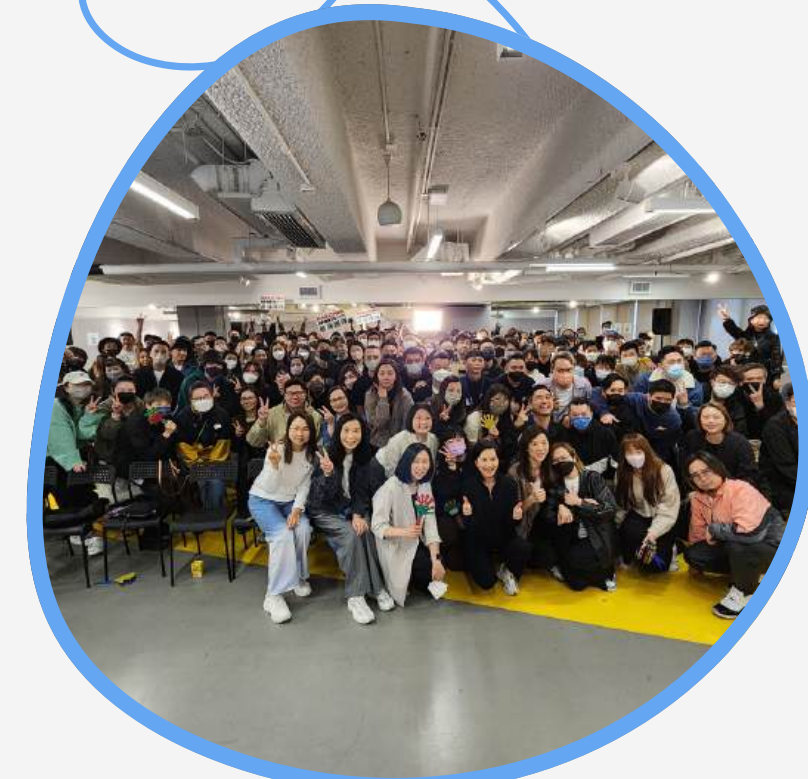


Creating a positive, productive, and inclusive work environment has remained a priority in our people strategy. After the three-year hiatus caused by the COVID-19 pandemic, we resumed our long-awaited Town Hall Meeting, Commitment Days and Annual Dinner to reunite and connect with each other, in face-to-face manner. These events provided excellent opportunities to cherish the sense of togetherness, reflect on the progress and achievements we have made so far, and learn more about the business outlook, vision, and plans shared by the Senior Management team. Embracing diversity and inclusion, we celebrated events like Pink Friday and International Men's Day. Furthermore, we actively promote our employer brand by celebrating milestones and experiences on our company LinkedIn page.

We continued with our footprint in the digital acceleration journey, streamlining workflows and enhancing the overall employee experience. In 2023, we started the implementation of a new human resources information system (HRIS) and a new employee APP, scheduled for a full launch in the second quarter of 2024. We all look forward to optimizing HR processes, improving its functionality, enhancing workflow efficiency, and expanding the system accessibility by our employees through these new digital tools.



2023 Objectives		Results
<ul style="list-style-type: none"> To attract and connect talents from effective channels and explore new talent search channels from different regions. 		<ul style="list-style-type: none"> Continued the Summer Intern and Buying Trainee Program to expand the talent pool. Expanded talent search to GBA, we successfully hired 5 employees in Guangzhou to support HK business. Connected with universities and VTC, as well as secondary schools to recruit students to join our part-time workforce. Applied for import labour from Mainland China for retail positions through the Enhanced Supplementary Labour Scheme (ESLS).
<ul style="list-style-type: none"> Improve employees' skills and capabilities through training programs, workshops, and leadership development initiatives to enhance their performance and increase engagement and retention. 		<ul style="list-style-type: none"> Our managers completed the first module of the Leadership Development Program on coaching and collaboration. Organized team-building events for our logistics supervisors and retail store supervisors enhancing performance, increasing engagement, and fostering strong team culture.
<ul style="list-style-type: none"> To revamp the retail academy so that the learning journey ties in with career progression of our retail frontline employees to equip them with relevant skills. 		<ul style="list-style-type: none"> Made a major revamp in the curriculum meeting the updated learning needs under the new normal environment after the COVID-19 pandemic. Completed the redevelopment of five courses, covering sales and services, positive communication, and problem-solving.
<ul style="list-style-type: none"> To develop e-learning videos on customer service tactics and tips for different customer personas. 		<ul style="list-style-type: none"> Developed a new series of video learning based on different customer personas, 8 out of 14 videos were completed in 2023.
<ul style="list-style-type: none"> To foster a positive, productive and inclusive work environment by keeping transparent mutual communication and organizing cultural building initiatives. 		<ul style="list-style-type: none"> Resumed physical Town Hall meeting, Retail Commitment Days as well as Annual Dinner. Embraced D&I culture and organized employee activities for Pink Friday and International Men's Day. Promoted employer brand by actively sharing our milestones, happy moments & celebrations, and staff activities on Company LinkedIn page.
<ul style="list-style-type: none"> To promote digital acceleration involves implementing new HRIS and employee apps to streamline workflows, enhancing overall employee experience. 		<ul style="list-style-type: none"> Kicked start the implementation of a new human resources information system (HRIS) and a new employees APP, scheduled for a full launch in the second quarter of 2024.



2024 Targets

- To continue talent search in the Greater Bay Area and explore new talent search channels.
- To hire and train the import labour to fill the manpower needs in retail and warehouse operations.
- To improve selling and servicing skills of retail employees through retail academy, customer persona video training and other training initiatives.
- To groom our managers through leadership development programs, workshops and initiatives to enhance their performance, engagement, and their readiness for succession plan.
- To foster a positive work culture, a productive and inclusive work environment and build employee branding through various company initiatives and transparent communication.
- To launch the new HRIS and employee apps to streamline workflows, enriching overall employee experience.





Employee Health & Safety

As a responsible employer who cares deeply for our employee's health & safety, we continued to implement regular and new precautionary measures in order to provide a safe workplace for all of our employees. Aside from ensuring our shops are renovated to serve as a safe workplace following a standardized fit-out checklist, we have added further enhanced our safety measures for renovation sites. In addition, we introduced the Personal Protection Equipment (PPE) kit across our works hoarding sites so that staff who are required to enter these hoarding sites are provided with PPE to minimize risks of work injuries. With the vision to achieve zero work injury, we also continued to issue safety reminders of different themes and have representatives perform regular shop inspections to enhance our frontline staff's safety and the overall sense of safety consciousness among staff from all levels within the company.

Besides safeguarding our staff at work, we initiated two campaigns that are closely related to the retail industry to raise our staff's health awareness in 2023. In support of 'World No Tobacco Day' on 31 May, we launched the "You're Not Alone!" campaign to encourage staff with smoking habit to consider quitting. All staff were welcome to share their experiences, their tips on quitting and words of encouragement, and obtained educational facts about the harms of smoking and ways of quitting smoking through an online interactive canvas. We also displayed the QR code to access the online canvas in smoking areas of company events to further deepen staff engagement.

Bearing in mind the importance of occupational health, and to prevent the occurrence of lower limb disorders, which is commonly found in the retail industry, a 2-month "Healthy Feet, Happy Life" program was offered to our frontline staff. Apart from gifting foot-care products to staff, the team curated a series of informative self-care contents focusing on the lower limbs to raise awareness on how to prevent certain bodily disorders during their day-to-day routine.



2023 Objectives (Hong Kong)		Results
<ul style="list-style-type: none"> To maintain Lost Time Injury Rate vs 2022. 	✓	<ul style="list-style-type: none"> Lost Time Injury Rate reduced by 39.2% vs. 2022.
<ul style="list-style-type: none"> Continue to promote a positive safety culture & work life balance. 	✓	<ul style="list-style-type: none"> Maintained a pre-work exercise routine at shops. Shared safety tips and videos with shops to raise awareness. Organized various fitness programs to encourage active lifestyle.
<ul style="list-style-type: none"> Continue to maintain a safe workplace. 	✓	<ul style="list-style-type: none"> Reviewed 3 years' work injury cases and to perform analysis for safety program development. Continue to run a joint task-force with Facilities, Sustainable Development and Operation teams to enforce the fit-out guidelines for new shop openings.
<ul style="list-style-type: none"> Continue to manage work injury cases effectively i.e. lower LDR. 	✓	<ul style="list-style-type: none"> Regularly reviewed cases with senior management to manage work injury cases effectively.
<ul style="list-style-type: none"> Continue to appoint safety consultants to focus on warehouse safety improvements. 	✓	<ul style="list-style-type: none"> Launched our Safety Management System with monthly safety reviews and safety committee meetings to drive for improvement.
2023 Objectives (Chinese Mainland)		Results
<ul style="list-style-type: none"> To drive for zero work injuries. 	✓	<ul style="list-style-type: none"> Achieved zero work injuries.



2024 Targets (Hong Kong)

- To maintain Lost Time Injury Rate vs 2023.
- Continue to promote positive safety culture & work life balance.
- Continue to maintain a safe workplace.
- Continue to manage work injury cases effectively i.e. lower LDR.
- Continue to appoint safety consultants focusing on warehouse and retail shop safety improvements.

2024 Targets (Chinese Mainland)

- To drive for zero work injuries.



Employee Wellbeing

Beyond professional development and work-related health and safety initiatives, our employees' physical and mental wellbeing is another key component in our People pillar strategy. As a sports retailer, we are driven to promote an active lifestyle amongst our staff. To encourage our staff to take more exercises, we have organized different recreational sports classes including roller skating, Thai boxing, and dance series so that staff can recognize the importance of building up their physical strength while enjoying the exercises. Considering that the workplaces of our staff are located in various districts across Hong Kong and that they all have different working schedules, we have partnered with a multi-location fitness centre and a dance studio in carrying out our monthly "Move-It" program, so that our staff can opt to attend different fitness classes based on their availability and location preferences. By providing our staff with a variety of sports activities, not only do we hope that they can train up their physical fitness, but also boost their confidence and mental health.

Maintaining a healthy diet is an essential factor in one's well-being as well. In our office's pantry, we offer different options of better-for-you products that are low in sodium, high in fibre and protein contents so that staff can have easy access to nutritious snacks and beverages. Furthermore, our staff also enjoyed a sweet surprise of fresh fruits on a hot summer day which we also took the opportunity to educate staff on the health benefits of adequate fruit consumption in everyday diets. In addition, by introducing workshops and online talks led by healthcare and nutrition professionals, our staff had the opportunity to learn about various health-related topics such as how to manage digestive health, stress management and herbal tea, encouraging staff to maintain a well-balanced healthy lifestyle outside of work.





At Swire Resources, we also take pride in providing a family-friendly working environment. Alongside work-from-home and parental leave policies, we regularly organize afterwork recreational activities and tours where staff may participate and bring along with their friends and family, so that we may strengthen staff's sense of belonging without sacrificing precious family time. While having a supportive social circle is proved to lower the risks of mental disorder, we also subscribed in an Employee Assistance Program which staff may receive professional consultation and counselling when facing difficult work or personal issues. We also nominate several representative to become certified Mental First Aider who are trained to identify symptoms of common mental disorders and provide support to those who are at risks of mental illness so that professional treatment can be arranged during early stages. With joint-efforts across the company, we are honoured to be recognized by the Occupational Safety & Health Council and Labour Department as the winner for the "Grand Award - Joyful@Healthy Workplace Best Practices Award" under the Enterprise/Organisation Category. Going forward, we will continue our efforts to promote mental wellness and create a workplace with positive energy.



Community

Following the removal of COVID-related restrictions, we have fully resumed our community service programme since 2023 so our volunteer team may serve and interact with those in need within our community. Apart from direct manpower support and material donations, providing the opportunity to build connections through different shared experiences is just as valued by our service targets and volunteers. By collaborating with our NGO partners, a variety of activities were organized this year targeting different vulnerable communities and causes within and outside of Hong Kong.

To build confidence amongst mentally challenged women and raise our volunteers' awareness on mental health, we resumed our rice dumplings making workshop this Tuen Ng festival. Our volunteer team also shared a fun experience playing golf with the women group, giving the participants a chance to explore outside of their comfort zone and connect with others. On the other hand, we collaborated with a social enterprise, A Soul Room, which drives inclusion for people with disabilities to host a leathercraft workshop, offering leadership opportunities to the disabled members in the community.

Children development is another target area in our community service strategy. We believe that every child deserves the opportunity to get outside and explore. Several family-friendly educational and outdoor tours were held for underprivileged families which allowed children to learn outside of their schools and homes, while strengthening their bonds with their family and peers. To spread the love to children within our community over the holiday seasons, we continued to support Swire Properties Community Caring Fund's "Boxful of Love" initiative in which children's clothing and toys were donated to the underprivileged children with special education needs.





We also incorporated environmental elements in our community initiatives. To minimize trash pollutions, clean-up events were held on two meaningful weekends. On World Clean-up Day, our volunteers enjoyed a kayaking trip to Ma Shi Chau and helped clear post-rainstorm debris from the precious UNESCO Global Geopark to minimize any ecological damages. We also experienced an eye-opening trial clean-up on Tai Mo Shan during the busy Trailwalker weekend in wintertime.

As a member of the sportswear and fashion retail industry, we also donated products to those in need in both the local and global communities. We organized donations to support those who were affected by the devastating earthquake in Turkey in early 2023. By partnering with Christian Action, we also managed several rounds of necessities donations to the refugee community in Hong Kong who are forced to flee their homes with minimal financial assistance.

A new initiative in 2023 was the "Swap for Good" event aimed at promoting fashion circularity in a meaningful and fun way. A multi-day clothing swap was held at our office where staff brought their used clothes to swap for write-off items that are out of season. Staff were also offered with the option to buy these items at a charity price, and the proceeds were then used to purchase meal boxes for the homeless as part of our annual visit volunteering activity. After the event, all remaining clothing items were sorted and donated so these preloved or unsold items may remain in the fashion cycle.



2023 Objectives (Hong Kong)		Results
<ul style="list-style-type: none"> To organize no less than 10 community program activities. 	✓	<ul style="list-style-type: none"> Organized 15 community activities in 2023.
<ul style="list-style-type: none"> To further promote family-oriented community program which is an important element under the Diversity and Inclusion (D&I) . 	✓	<ul style="list-style-type: none"> Organized parent-child community activities which successfully encouraged our staff to join with their family members
<ul style="list-style-type: none"> To incorporate recreation elements to enhance engagement and enrolment rate of broader staff population. 	✓	<ul style="list-style-type: none"> Our activities are experience focused with recreation elements which successfully attracted new volunteers.



2024 Targets
<ul style="list-style-type: none"> To organize no less than 10 community program activities. To further promote the family-oriented nature of our community program in support of the Diversity and Inclusion (D&I) culture. To incorporate recreation elements to enhance engagement and enrolment rate of broader staff population.

PLANET



Green Retail & Logistics

While our suppliers are continuously addressing changing consumers needs for greener products, we also strive to minimize our environmental impact through making changes to our retail operation and logistics across the entire company. Like previous years, we continued our support of WWF's annual Earth Hour campaign with a participation of 34 shops, where in-store decorative lighting and electronics devices were turned off for an hour to raise public environmental awareness. With the potential to avoid 70% of non-recyclable printed receipts, our outdoor enthusiast brands - Columbia and Go Wild, have adopted e-receipt for in-store member purchases. In 2023, we also performed a preliminary waste analysis to help us understand the waste composition at store level by brands so that we can strategically minimize waste and better prepare for the implementation of the Municipal Solid Waste Charging Scheme in 2024.

Besides encouraging the reuse and recycling of different materials throughout the company, our logistics team also put in tremendous efforts in minimizing logistics wastes that are passed downstream to shops and customers. With the adoption of digital handheld devices, our delivery team fully transitioned to paperless delivery since March 2023. The transition is estimated to avoid paper consumption that is equivalent to forty-four grown trees annually. We also actively trial and implement different reusable alternatives such as pallet wrap and packing boxes when possible. Our eCommerce team also optimized the use of packaging to minimize the waste burden passed to our customers and halved the paper usage on the documents that are included in the packages by switching to A5 paper. We will continue to collaborate internally and externally on our go green journey going forward.





Staff Education

Over the years, we continued to organize various environmental awareness programs to educate our staff, who then become pioneers in initiating different internal projects to minimize our environmental impacts across the company. We continued to issue internal emails to share conservation tips such as smart paper usage, waste minimization and trail clean-up so that staff may adopt a sustainable lifestyle in the workplace and beyond. We also encourage our staff to build hands-on experience in crafting daily and festive products using eco-friendly materials, such as portable water bag made of used t-shirts and natural wax mid-autumn lanterns. We also held a kids-friendly workshop where our staff and their family joined hands in crafting their own kinetic toy cars that are made of wood. In 2023, we resumed our very popular eco-tours and visited the precious Yim Tin Tsai and Gei Wai wetlands. These guided tours were rewarding experiences which motivated our staff and their family & friends to take actions in conserving our natural environment.

We also took the opportunity to educate our staff by incorporating green elements in our company events. One example is the adoption of reusable tableware at our long-awaited annual barbeque company party. We also provided a recycling station for inevitable waste, in addition to reminding staff to bring their own bottle, and to only take what they need with the goal to achieve zero food waste. To prepare for the implementation of the Eco-Product Responsibility Bill (Amendment), we held a “Bring-Your-Own-Container Reward Scheme” for our staff, during which we avoided over 300 single-use containers throughout the campaign period. Staff were rewarded with different eco-friendly gifts to further encourage sustainable habits beyond the campaign.



Landfill Diversion

To keep up with ever-changing fashion trends, stock write-off is an inevitable regular exercise within the industry. Apart from identifying downstream distribution partners to help minimize our landfill rate, we also organize limited time only warehouse sale which we invited our NGO partners to pick suitable items to be donated to those in need including the underprivileged families, elderlies, mentally challenged and homeless. We also want to raise the awareness of the fashion industry’s impact by utilising the written-off stock, selected items were also allocated to the “Swap for Good” event to raise funds to support the community that is previously mentioned in the People – Community session of this report.

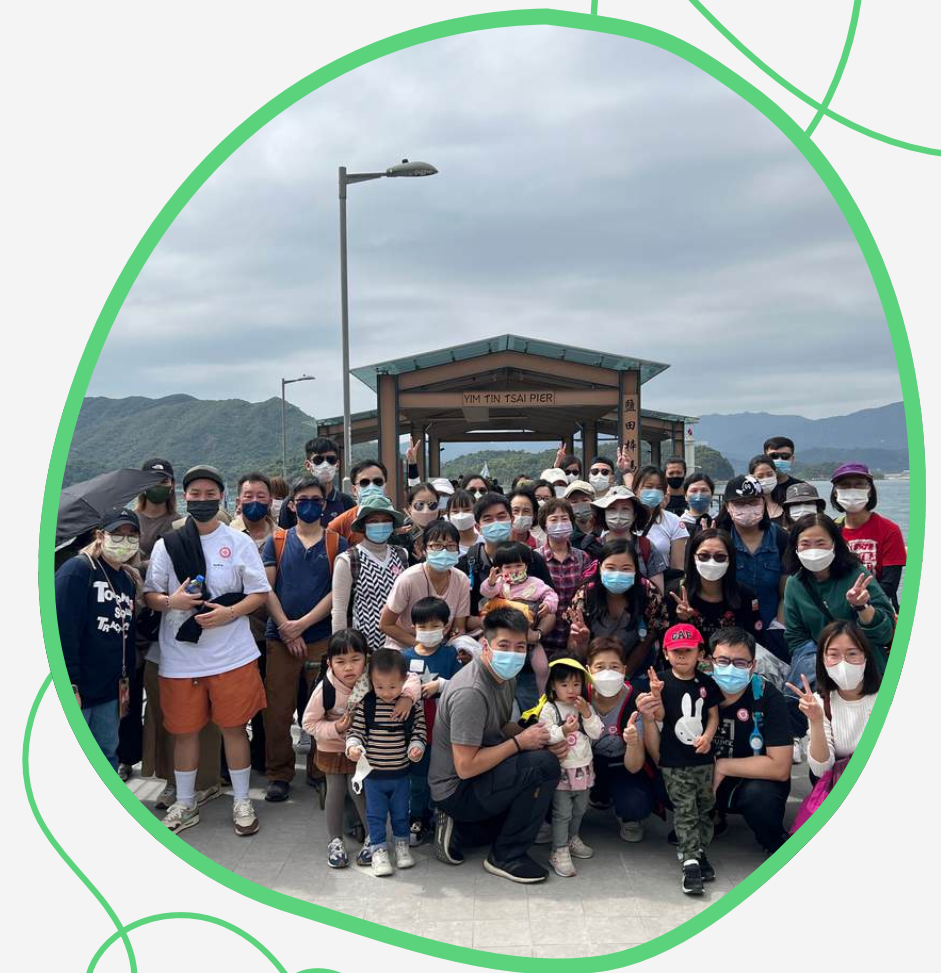


Since food waste represents the largest category in Hong Kong’s municipal solid waste, we have worked with different external social enterprises in 2023 to minimize food wastage within our company. Due to weather disruption, our annual dinner was rescheduled which resulted in unserved food ingredients that we later donated to Food Angel, a social enterprise who prepared meal boxes with the donation for those in need. Furthermore, we also donated our close-to-expiry inventory from our office’s pantry to Flash Price, a local eco-grocery store who promotes zero food waste and supports the underprivileged communities. With the Municipal Solid Waste Charging Scheme coming into effect in 2024, waste minimization at source will be a core focus in our staff education in coming years. We will also continue to identify and collaborate with different partners to help us divert as much resources from the landfill as possible.

We are beyond excited that our green initiatives on energy saving, reduction of municipal solid waste, green procurement and promoting social green behaviors throughout 2022 and 2023 have been recognized by Hong Kong Green Shop Alliance which is organized by Hong Kong Green Building Council. After several rounds of evaluation, Swire Resources was awarded the “Green Shop of the Year - Certificate of Excellence”, along with our fellow peers who are also putting in great efforts to make positive changes to our planet.



2023 Objectives (Hong Kong)		Results
<ul style="list-style-type: none"> Target to reduce GHG emissions from direct operations (scope 1 and 2) by 14% vs 2019 baseline, which makes reference to the reduction pathway of the science based targets initiative (SBTi). 	✓	<ul style="list-style-type: none"> Achieved 55% reduction compared to 2019.
<ul style="list-style-type: none"> Continue to organize sustainability-related workshops to encourage staff to adopt a sustainable lifestyle. 	✓	<ul style="list-style-type: none"> Organized green workshop and green campaign to encourage staff to adopt a sustainable lifestyle.
2023 Objectives (Chinese Mainland)		Results
<ul style="list-style-type: none"> Continue to organize environmental campaigns to promote environmentally-friendly measures. 	✓	<ul style="list-style-type: none"> Postponed due to COVID-19 and will continue whenever possible.
2024 Targets (Hong Kong)		
<ul style="list-style-type: none"> Target to reduce GHG emissions from direct operations (scope 1 and 2) by 14% from a 2019 baseline, which makes reference to the reduction pathway of the science-based targets initiative (SBTi). Continue to organize sustainability related workshops to encourage staff to adopt a sustainable lifestyle. 		
2024 Targets (Chinese Mainland)		
<ul style="list-style-type: none"> Continue to organize environmental campaigns to promote environmentally-friendly measures. 		





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Appendix 1

Sustainable Development Policy

Swire Pacific has established a formal Sustainable Development Policy which provides a policy direction and oversight to all group companies. In line with SPL's policy, Swire Resources and its subsidiaries and associated companies ("Swire", "we", "us", "our") adopts this policy because we recognize our long-term value creation depends on the sustainable development of our businesses and the communities in which we operate. We also wish to excel as corporate citizens.

Our policy:

- Industry leadership: We will work with others to promote sustainable development in the industries in which we operate.
- In our operation: We will meet or exceed all legal requirements and:
 - Reduce our carbon footprint by adopting industry best practices to improve energy efficiency, and by increasing the use of renewable energy whenever possible.;
 - Turn today's waste into a resource for tomorrow, contributing to the creation of a circular economy, where waste materials are no longer simply thrown away, but are retained and re-used as a future resource;
 - Use water responsibly and sustainably;
 - Be a good steward of the natural resources and biodiversity under our influence and to identify and manage appropriately the potential adverse impact of our operations on the environment;
 - Safeguard the health and safety of our employees and others with whom we interact, with the ultimate aim of causing zero harm;
 - Strive to be an employer of choice by providing an environment in which all employees are treated fairly and with respect and can realize their full potential;
 - Favour supplies and contractors who promote sustainable development and encourage the responsible use of our products and services by our customers and consumers;
 - Source materials responsibly and sustainably, including ensuring that our suppliers meet, and preferably exceed, the sustainability standards in our supplier guiding principles;
 - Bring value to the communities in which we operate and respect their culture and heritage;
 - Encourage our staff to engage actively in sustainable development matters at work and in the community;
 - Monitor the company's performance and report regularly.

Appendix 2

Summary of Statistics (Hong Kong)

Environmental		Unit	Quantity							
			2023	2022	2021	2020	2019	2018	2017	2016
Materials										
EN3	Direct energy consumption by primary energy source	GJ	589	525	878	1,123	1,472	1,525	1,594	1,532
	Indirect energy consumption by primary source	GJ	19,221	20,068	21,121	22,573	25,083	27,542	27,400	29,178
	Total energy consumption	GJ	19,810	20,593	21,999	23,696	26,555	29,067	28,994	30,710
EN8	Total water withdrawal by source	m ³	2,140	2,296	2,170	2,449	3,012	2,796	2,465	3,491
Emissions, Effluent, and Waste										
EN15 & 16	Direct greenhouse gas emissions by weight	Tons of CO ₂	42	37	62	79	103	108	109	108
	Indirect greenhouse gas emissions by weight	Tons of CO ₂	2,348	2,413	2,560	3,430	5,146	4,618	4,331	4,628
	Total greenhouse gas emissions	Tons of CO ₂	2,390	2,450	2,622	3,509	5,249	4,726	4,440	4,736
Labor Practices and Decent Work										
Employment										
LA1	Total workforce	No. of employees	2,129	1,919	2,106	1,764	2,253	2,865	2,626	2,761
Occupational Health and Safety										
LA6	Total working hours of employees	Thousand hrs	3,084	2,998	3,189	3,331	4,428	4,486	4,300	4,512
	Total injuries ^{Note(1)}	No. of employees	5	8	20	14	29	39	31	40
	Total fatalities	No. of employees	0	0	0	0	0	0	0	0
	Lost time injury rate ^{Note (2)}	-	0.32	0.53	1.25	0.84	1.31	1.74	1.44	1.77
	Lost days due to injuries	No. of days	118	416	941.5	329	661	1,330	1,678	1,868 ^{Note 4}
	Lost day rate ^{Note (3)}	-	7.65	27.75	59.04	19.75	29.85	59.29	78.03	82.79 ^{Note 4}

Notes:

(1) Total injuries are those which result in lost time of a minimum of one day.(In the above table total injuries includes fatalities).

(2) Lost Time Injury Rate = Total Injuries / Total Hours Worked X 200,000*. (*: This represents rate per 100 employees, based on 40 hours per week for 50 weeks a year.)

(3) Lost Day Rate = Total Days Lost / Total Hours Worked X 200,000*. (*: This represents rate per 100 employees, based on 40 hours per week for 50 weeks a year.)

Appendix 3

Summary of Statistics (Chinese Mainland)

Environmental		Unit	Quantity							
			2023	2022	2021	2020	2019	2018	2017	2016
Materials										
EN3	Direct energy consumption by primary energy source	GJ	-	-	-	-	-	-	-	-
	Indirect energy consumption by primary source	GJ	307	282	481	814	1,122	1,073	1,063	2,191
	Total energy consumption	GJ	307	282	481	814	1,122	1,073	1,063	2,191
EN8	Total water withdrawal by source	m ³	-	-	-	-	-	-	-	245 ^{Note 4}
Emissions, Effluent, and Waste										
EN15 & 16	Direct greenhouse gas emissions by weight	Tons of CO ₂	-	-	-	-	-	-	-	-
	Indirect greenhouse gas emissions by weight	Tons of CO ₂	52	48	84	140	196	196	125	458
	Total greenhouse gas emissions	Tons of CO ₂	52	48	84	140	196	196	125	458
Labor Practices and Decent Work										
Employment										
LA1	Total workforce	No. of employees	44	40	43	93	81	74	83	213
Occupational Health and Safety										
LA6	Total working hours of employees	Thousand hrs	84	78	143	171	167	168	265	526
	Total injuries ^{Note(1)}	No. of employees	0	0	0	0	0	0	1	1
	Total fatalities	No. of employees	0	0	0	0	0	0	0	0
	Lost time injury rate ^{Note (2)}	-	0	0	0	0	0	0	0.38	0.26
	Lost days due to injuries	No. of days	0	0	0	0	0	61	255	9
	Lost day rate ^{Note (3)}	-	0	0	0	0	0	45.98	96.95	2.32

Notes:

(1) Total injuries are those which result in lost time of a minimum of one day. (In the above table total injuries includes fatalities).

(2) Lost Time Injury Rate = Total Injuries / Total Hours Worked X 200,000*. (*: This represents rate per 100 employees, based on 40 hours per week for 50 weeks a year.)

(3) Lost Day Rate = Total Days Lost / Total Hours Worked X 200,000*. (*: This represents rate per 100 employees, based on 40 hours per week for 50 weeks a year.)

(4) SH warehouse closed in mid-2016.