

# Governance, Policies and Management

## Governance

Good corporate governance is central to our management philosophy. It involves ensuring corporate fairness, transparency, accountability and ultimately safeguarding the interests of Swire Properties' stakeholders.

We have based our approach to governance on our five corporate values: Integrity, Commercial Responsibility, Commitment, Innovation & Creativity and Social Responsibility, which have guided us in attaining our reputation as a business leader.

Corporate governance is addressed at the highest levels within the Swire Group of companies. In 2003, Swire Pacific adopted a corporate code of conduct which sets out the operating principles, values and standards of conduct expected of management and staff throughout the Group. From an EHS viewpoint, it expressly commits us as a Swire company to:

- Ensure the safety and well-being of employees, customers and others with whom we interact
- Protect the environment from harm

## Policies

At Swire Properties, the corporate code of conduct underpins our policies and operating procedures. We have specific Environmental and Health & Safety Policies supported by detailed guidelines and procedures, which ensure that effective EHS management and good EHS performance remain as priorities.

We recognise that the achievement of our policy objectives and effective implementation of our procedures depends fundamentally on the efforts of our workforce. We therefore ensure that our staff are appropriately skilled, highly trained and motivated. We also implement a system of monitoring and auditing in relation to both property development and property management activities to ensure that our policies and procedures are being implemented effectively and consistently.

## EHS Management Structure

Designated management positions ensure EHS performance is addressed at all levels within the Company. The Environmental Affairs Manager and the Fire & Safety Manager are tasked with ensuring that EHS is considered in all aspects of our work. They proactively work with and support all departments within Swire Properties.

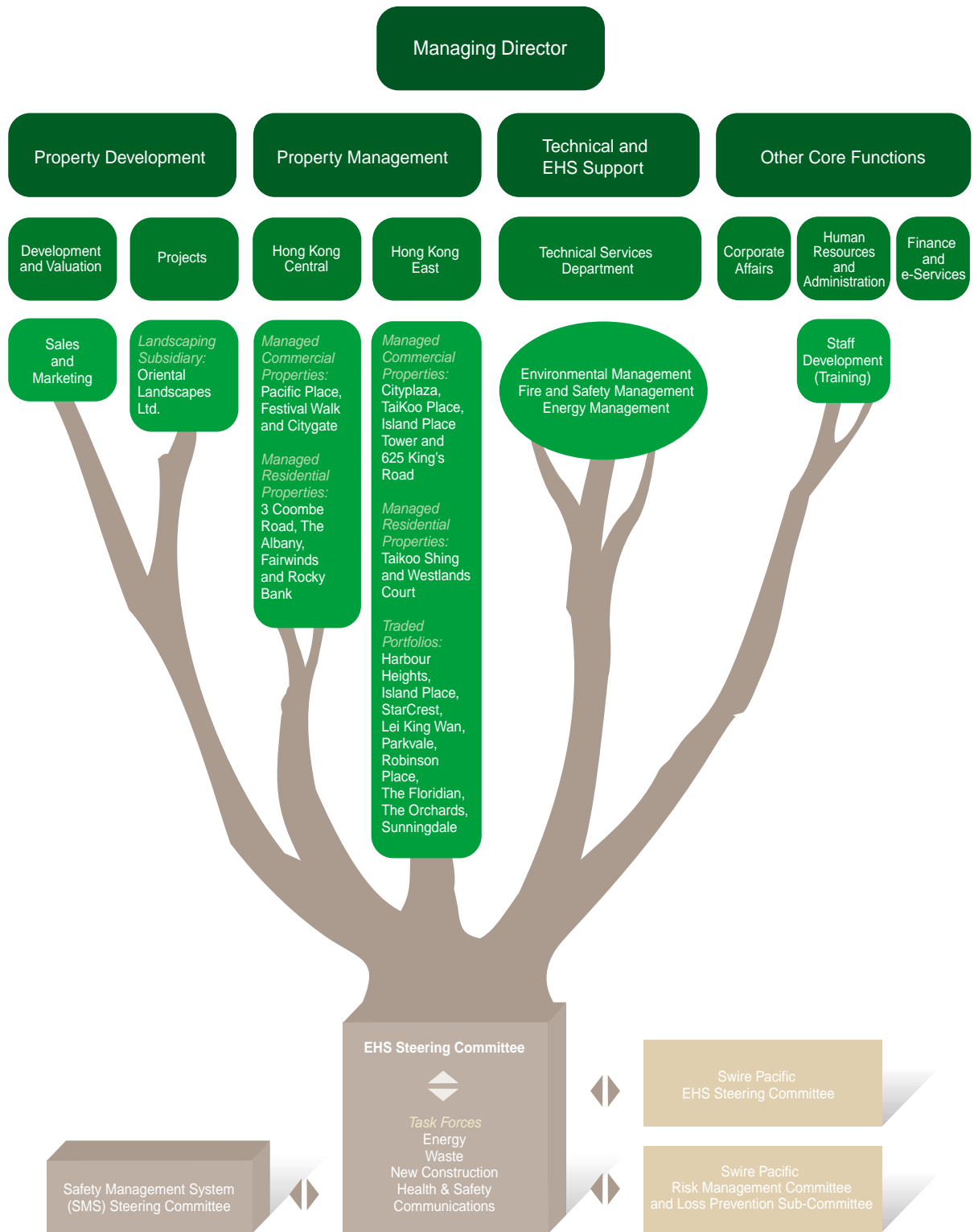
An EHS Steering Committee of twelve staff includes representatives from most departments, meets monthly and oversees recently established task forces on Energy, Waste Management, New Construction, Health & Safety and Communications and provides direction on other EHS matters. The Committee formulates EHS strategy at senior management level, and acts as a communication channel to all working levels; thus providing a conduit for feedback to improve existing EHS performance.



To view our Environmental and Health & Safety Policies, please visit our website at:

<http://www.swireproperties.com>

# EHS Responsibilities and Governance Tree



## Organisation and Staff

Our Technical Services Department has specific responsibility for EHS issues within the company. The Department discharges its responsibilities through:

- Establishing and implementing EHS policies and guidelines
- Carrying out audits and inspections relating to EHS systems
- Establishing and implementing an energy management system and a Safety Management System (SMS)
- Researching and applying new technology in our developments
- Carrying out EHS training

## Communication and Training

We recognise the importance of disseminating our values and policies to all levels of staff throughout the company. We place emphasis on communication and transparency and provide tailored training so our workforce is sufficiently knowledgeable and competent to fulfill all EHS related roles and responsibilities.

### *Training in Environmental Issues*

Environmental Awareness Training (EAT) is provided for all staff. This training provides an overview of environmental protection in the workplace and covers the company's Environmental Policy, the concept of sustainable development and environmentally preferable purchasing. Specific issues include pollution of air and water, noise, waste management and green buildings.

In 2002 and 2003, environmental monitoring and audit training for construction sites was also arranged for the construction project management staff. This involved a combination of classroom training with

on-site practical training at a Swire Properties construction site. The training covered legislation, environmental impacts associated with construction works, environment and waste management plans and conducting an environmental audit.

Continual professional development is also available for professional staff with specific environmental roles and responsibilities. These staff regularly attend and participate in industry seminars and conferences to exchange industry knowledge and experience in relation to latest developments in building design, new construction technologies and environmental management approaches.

### *Training in Health & Safety Issues*

In 2003, as part of our SMS, a series of in-house SMS training courses were provided to our staff, to ensure that relevant personnel are equipped with sufficient knowledge and skills to effectively implement the SMS, including the safety procedures and precautionary measures prescribed by the System.

**High Risk Activities.** Staff involved in higher risk activities, e.g. working at high level, are trained in government approved courses to become 'certified competent persons', which allows them to carry out or supervise these activities.

**Indoor Air Quality (IAQ).** Particularly in light of infectious diseases such as SARS, IAQ in public spaces has increasingly become a topic of concern (see later section). Key operational and technical staff have attended comprehensive certificated training on air-conditioning and mechanical ventilation systems. This training provides participants with the technical ability to effectively design, build, operate and maintain air-conditioning systems.



## Awareness Raising

Over the years we have organised and subsidised outings with an environmental focus for our staff, their families and guests. These outings suit our aim to build a green culture and have proven to be popular. We therefore intend to continue this practice and will identify other opportunities and means for awareness raising.

We also promote awareness through our staff newsletter, CornerStone, which is published bimonthly and includes information about EHS issues.

**Construction Work.** Our staff and contractors working on construction sites are required to undertake fundamental site safety training known as 'Green Card Training' in compliance with government requirements. To further ensure competence in general site safety and our in-house safety rules, our contractors provide internal safety induction training to site workers.

**Office Work.** Staff whose work involves prolonged use of display screen equipment, e.g. computers, are required to attend occupational health training on ergonomics and the safe use of display screen equipment. An individual risk assessment for relevant staff which addressed the layout of personal workstations and working postures was conducted. Corrective measures identified in the assessment were implemented to ensure compliance with best ergonomic practices.

**Health and Well Being.** Regarding general health issues, staff are given the opportunity to attend specific topic seminars. In 2003 seminars were held on smoking, stress management and work life balance.

## Rehabilitation Management

In 2003 we started implementing an Injury Management Programme tailored for our operations by an external expert in injury rehabilitation. The programme has since enabled us to:

- Systematically manage workplace-based injury
- Facilitate recovered staff's safe and early return to work
- Provide timely rehabilitation support and services for injured staff that have recovered after a prolonged period of rest / hospitalisation
- Obtain advice and provide education on various aspects of occupational health & safety

## Group Level Involvement

Swire Properties is the environmental coordinator for the Swire Pacific Group of companies. This involves contributing to a number of Group EHS activities and initiatives including:

- Chairing the Group EHS Steering Committee
- Contributing to the Group's EHS reporting
- Supporting the Group-sponsored annual EnviroSeries conferences
- Selecting and administering the bi-annual Group environmental event
- Representing the Group on the Board of the Business Environment Council
- Managing and administering the Group EHS database

The Swire Pacific Group of companies has collected a wide range of key EHS performance measures across 11 of the major business units within the Group. This is with the aim of establishing baseline performance measures, setting goals for continuous improvement and providing a useful business management tool on EHS matters.

Swire Properties established and continues to administer this EHS database which includes data on energy and resource consumption, greenhouse gas emissions, waste production and recycling efforts and health & safety aspects, in quantified terms wherever practical. Data collected for Swire Properties is given in the Key EHS Statistics section of this report.

EHS issues are taken very seriously and the Group EHS Steering Committee is chaired by the Group Deputy Chairman, who is also the Managing Director of Swire Properties. Meetings are attended by director level staff from each of the main Group companies.

## Training Statistics for 2003

- To date, 87% of our senior staff, have received EAT. We anticipate by the end of 2004, all staff will have been trained
- 31 professional staff attended 9 conferences and seminars focusing on environmental issues in the property sector
- 51 key staff attended SMS training
- 36 staff attended training relating to IAQ and ventilation systems
- 285 staff completed refresher site safety training and 57 staff completed first-time site safety training
- 84% of our staff have attended specific health & safety training and seminars relevant to their areas of work

