



Corporate Code of Conduct

Purpose of the Code

For over a century, the Swire group of companies has been recognised as acting responsibly in the course of achieving its commercial success. Our reputation for fair dealing and integrity is a great asset: preserving this asset depends on maintaining our high standards.

Swire's Code of Conduct sets out our commitment to our stakeholders and puts our employees and Directors (all referred to hereafter as "Relevant Persons") under specific obligations.

The Code of Conduct applies to all Relevant Persons of Swire and its subsidiaries. In the case of joint ventures, the Swire representatives concerned are expected to act in accordance with this code themselves and to use reasonable endeavours to influence those with whom they are working to ensure they also act to similar standards of integrity and ethical behaviour.

Operating Principles

Swire's Operating Principles commit the businesses and Relevant Persons to:

- provide high quality products and services
- maintain high standards of business ethics and corporate governance
- ensure the safety of employees, customers, suppliers, business associates and the general public as a whole
- meet the highest standards in discharging our corporate social responsibility commitments
- behave with courtesy and respect to everyone we encounter within the course of our business
- respect the privacy of personal and business data

Business Ethics Policy

Swire is committed to conducting all its business with integrity and fairness. Relevant Persons are expected to maintain the highest standards of professionalism in all their dealings with others. They seek mutually beneficial relationships with contractors, suppliers and joint venture partners. They are required to promote the application of this Code in all dealings and to give preference to business partners who adhere to similar business ethics.

All Relevant Persons must comply with all applicable legal requirements and company policies.

The privacy of others and the confidentiality of information received in the course of business dealings are respected.

Procurement principles

In procurement Swire requires Relevant Persons to support the following principles:

- Each company in the group should develop policies as to the size of the purchase above which tendering should be carried out. For purchases exceeding this limit, suppliers should be selected on the basis of competitive tendering including the impartial selection of appropriately qualified suppliers.
- Whenever competitive tendering above the size thresholds is not carried out a file note explaining why such tendering was not done should be produced and kept on the supplier file.
- Re-tendering should in general take place at least every three years.
- Monitoring systems should be put in place to ensure the proper fulfilment of contractual obligations and to provide reasonable assurance that fraudulent or corrupt activities are prevented.
- Suppliers should be encouraged to make an annual statement that no personal benefit accrues to Swire personnel or supplier personnel from this business arrangement and that they have complied with all legal requirements.

Gambling

Relevant Persons are advised not to engage in frequent or excessive gambling of any kind with persons having business dealings with the Company. In social games of chance with clients, suppliers or business associates, they must exercise judgment and withdraw from any high stake games.

Keeping of Records

Swire is committed to keeping proper records and following sound accounting policies. All company books, invoices, records, accounts must be created and maintained to reflect fairly and accurately and in reasonable detail the underlying transaction and disposition of company business. All relevant expenses should be properly approved and captured in the financial records.

This Code prohibits all Relevant Persons from making any false or misleading statements or other entries in financial records. This Code also prohibits Relevant Persons from creating, maintaining and using any off-the-record accounts with banks or any third parties from destroying company records before the normal destruction date.

Use of Information/Company Property

This Code strictly prohibits Relevant Persons from providing or making available confidential or insider information to anyone outside Swire without proper authorisation. Similarly, this Code strictly prohibits Relevant Persons from making use of confidential or insider information to secure advantage personally or for another party.

Directors and Officers of Swire are subject to more stringent requirements regarding transactions in shares of Swire and other listed companies and these are set out in the “Code for Securities Transactions”.

The unauthorised appropriation of goods and services belonging to Swire for personal use or resale and the unauthorised use of company assets for personal benefit are strictly prohibited.

Relevant Persons should not alter equipment or facilities or install software without specific authorisation or develop their own applications without management approval. Security precautions should be exercised when using personal computers, and all computer software should be used in strict compliance with the laws of copyright.

Conflicts of Interest

A conflict of interest arises where a person’s private interests interfere with the proper discharge of his official duties. Swire is committed to conducting its business without conflicts of interest and this Code requires all Relevant Persons to avoid any situation which may lead to an actual or perceived conflict of interest.

Set out below is a non-exhaustive list of circumstances that would potentially give rise to a conflict of interest:

- Working for a non-Swire company or non-affiliated organization at the same time as having employment in a Swire Group company.
- Becoming a member of a Board of any non-affiliated commercial, financial or industrial organisation
- Negotiation or transactions by a Relevant or Connected Person for business with any Swire company (other than with respect to his employment contract or retail purchase of Swire products at market or employee group rates).

Political Contributions

Swire as a normal business activity, will lobby government and inter-governmental bodies either directly or through trade associations to promote policies that encourage business and achieve workable legislation.

Bribery

Swire is committed to abiding by, or even exceeding, all relevant laws in order to prevent bribery whenever Swire undertakes business. This applies to:

- Relevant Persons not accepting bribes: That is they should not solicit any advantage from any person having business dealings with the Company. Nor should they accept any such advantage if such act could affect their objectivity in conducting the Company's business or induce them to act against the interest of the Company, or lead to allegations of impropriety. Further they should ensure that the appropriate managers in the Company are informed of any advantage they have accepted.
- Relevant Persons not giving bribes: They must not offer a bribe to any person or company for the purpose of influencing their actions. Any advantage given in the conduct of the Company's business should be with the prior written approval of the head of the respective business unit.

Items considered bribes are advantages which include money, loans, fees, rewards, gifts, employment, offices, contracts, services or other favour for the Relevant Persons or connected persons given to persons without their principals' knowledge when they are acting as agents. There is, of course, no restriction on normal loans from banks or other financial institutions made at prevailing rates and terms, nor does bribery include traditional gifts of nominal value given during festive seasons.

Although entertainment is an acceptable form of business and social behaviour, Relevant Persons should not accept lavish or frequent entertainment from persons with whom the Company has business dealings if, by doing so, it might be perceived that they are placing themselves in a position of obligation to the offeror. When giving entertainment, company functions are preferable to entertaining individuals.

Relevant Persons should therefore exercise good judgement and practise moderation in giving and receiving business gifts and entertainment. These should not be given in cash, cash equivalent, or loans; they should not be excessive in frequency or value. The details of any individual gifts or entertainment valued at more than HK\$5,000 must be disclosed to the company secretary and appropriate director or officer of Swire; failure to report such a transaction is a breach of this code. Gifts bearing a Swire or subsidiary company logo are preferred.

Environment, Health and Safety

Swire is committed to conducting its business in a manner which fosters the sustainable use of the earth's resources, minimises as far as commercially practicable any adverse impact on the environment, and protects the health and safety of its employees, customers, business associates, community neighbours and the general public.

Respect in the Workplace

Swire is committed to providing an inclusive work culture and appreciates and recognises that all people are unique and valuable and should be respected for their individual abilities. Swire will not tolerate harassment or discrimination on the basis of gender, religion, race, nationality or ethnic origin, cultural background, social group, disability, sexual orientation, marital status, family status, age or political opinion. The Code requires all Relevant Persons to behave with courtesy and respect towards everyone encountered in the course of business.

The Code promotes the following principles:

- Upholding all applicable legal and corporate occupational health and safety standards
- Not permitting any breaches of employment law or the use of child or forced labour
- Reporting unacceptable conduct to line management or the business unit head
- Not condoning bullying and harassment
- Complying with any legal requirements concerning the collection, holding, processing, disclosure and use of personal data
- Respecting intellectual property rights, including copyright, belonging to others

Compliance with the Code

Relevant Persons should not seek to avoid these provisions by using agents, partners, contractors, family members or parties acting on their behalf.

Anyone who is in breach of the Code will be subject to disciplinary action, including termination of employment. In cases of suspected corruption or other criminal offences, a report will be made to the ICAC or the appropriate authorities.

All Relevant Persons have a responsibility to raise concerns about potential violations of the Code, including possible improprieties in financial reporting and internal controls. Any such concerns should be raised in the first instance by staff with their immediate superior and if no satisfaction is gained then the head of the department. If a substantive complaint is received, an impartial and prompt investigation will be held. If the issue still remains unresolved, it will be raised to the head of the respective business unit. Any material concerns raised through the head of the respective business unit will be reported to the audit committee which will ensure that appropriate investigative steps are taken. All information received will be kept confidential.