

# Environmental, Social and Governance Report





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1. Shareholders engage senior management at the CK Hutchison Annual General Meeting.
2. Hutchison Ports PPC and the Ministry of Education of Panama inaugurate the newly renovated kitchen and dining room at Porfirio Meléndez School in Colón of Cristobal.
- 3&4. Over 27,000 volunteers from 30 business units spend more than 66,500 hours to serve over 35,000 beneficiaries at A S Watson Group's ("ASW") Global Volunteer Day.
5. Husky Energy aspires to integrate wildlife conservation with sustainable development into its operations.
6. ASW and Operation Smile partner to launch "Give a Smile" to help children with cleft conditions around the world.
7. The fifth City Food Drive campaign, led by PARKnSHOP Hong Kong, collects over 63,700 food items worth over HK\$1.48 million for Food Angel, which serves hot meals to beneficiaries.
8. CKHH Volunteers take local elderly to visit Tai Kwun, a revitalised historical building converted from the former Central Police Station compound in Hong Kong.
9. UK Power Networks is the first power company in the UK to adopt load-balancing technology that adds the capacity to power up to 45,000 more homes without requiring installation of additional cables or substations.
10. 3 Ireland extends its sponsorship of 3Arena, Ireland's leading entertainment venue.
11. Hutchison Telecommunications Hong Kong Holdings sponsors the "Make our life easier with AI" App Enhancement Competition in Hong Kong.

# Environmental, Social and Governance Report

## About This Report

This Environmental, Social and Governance (“ESG”) Report provides an annual update on sustainability performance of CK Hutchison Holdings Limited (“CK Hutchison”, and together with its subsidiaries, the “Group”) for the year ended 31 December 2018.

This report aims to provide a balanced presentation on the Group’s ESG key issues and initiatives covering its five core businesses, namely Ports and Related Services, Retail, Infrastructure, Energy and Telecommunications.

The report incorporates the interests of various stakeholders as reflected to the Group during the year. Selected material quantitative data, detailed ESG requirements, as well as policies and programmes across the Group have been included to illustrate some of the many initiatives that are being implemented by Group companies making positive impact to the community and the environment.

This report is prepared in accordance with Appendix 27 of the Main Board Listing Rules, and the ESG Reporting Guide issued by the Stock Exchange of Hong Kong Limited in 2015.

## Approach to ESG Strategy and Reporting

The Group’s ESG philosophy is in alignment with the strategic development of the Group to create long-term value for its stakeholders.

As a multinational conglomerate operating in over 50 countries and a workforce of over 300,000 employees, CK Hutchison is committed to integrating ESG considerations in its daily operations, both at the Group and business levels. The ESG Committee, chaired by an executive director, sets an overtone from a corporate perspective and upholds the Group’s ESG philosophy when key business decisions are made. The ESG Committee instils a culture of risk awareness across the Group. Senior management and the Board discuss and review significant risks, as well as opportunities identified. Management of the Group and business unit levels review and evaluate policies and internal control systems periodically. ESG initiatives are driven by the Group’s businesses which are best in tune with their unique stakeholders. The businesses will regularly review their practices to identify opportunities for improving their performance and creating greater value for stakeholders.

## Stakeholder Engagement and Materiality Assessment

CK Hutchison maintains ongoing dialogues with its key stakeholders, including employees, shareholders & investors, customers, business partners, suppliers, professional institutions, non-government organisations, authorities and media partners. The Group regularly collects views from stakeholders through a variety of channels, such as meetings, liaison groups, panel discussions, workshops, surveys and feedback programmes. The following table summarises the channels established to engage and communicate with stakeholders to understand their views and expectations.

Stakeholders	Engagement Channels
Employees	<ul style="list-style-type: none"><li>• Employee surveys</li><li>• Focus groups</li><li>• Trainings and workshops</li><li>• Performance and development discussions</li><li>• Intranet platform for internal communications</li><li>• Business briefings</li><li>• Regular department meetings</li><li>• Employee newsletters</li><li>• Corporate Social Responsibility (“CSR”) programmes &amp; communications</li><li>• Staff engagement in CSR projects</li><li>• Graduate recruitment and Apprenticeship programmes</li><li>• Employee wellness programmes</li><li>• Health &amp; Safety programmes</li></ul>

Stakeholders	Engagement Channels
<b>Shareholders &amp; Investors</b>	<ul style="list-style-type: none"> <li>• Annual general meetings and other general meetings</li> <li>• Shareholder on-site visits</li> <li>• Corporate communications</li> <li>• Interim and annual reports</li> <li>• Announcements and circulars</li> <li>• Meetings and roadshows</li> <li>• Meetings with senior management</li> <li>• Investor relations meetings</li> <li>• Panel discussions</li> </ul>
<b>Customers</b>	<ul style="list-style-type: none"> <li>• Daily operations and storefront interactions</li> <li>• Relationship manager visits &amp; one-on-one meetings</li> <li>• On-site customer representatives</li> <li>• Company websites</li> <li>• Customer hotlines and email enquiries</li> <li>• Seasonal seminar/conferences</li> <li>• Customer loyalty events</li> <li>• Customer satisfaction surveys</li> <li>• Customer feedback programmes</li> <li>• Customer liaison groups</li> </ul>
<b>Business partners</b>	<ul style="list-style-type: none"> <li>• Regular business reports</li> <li>• Physical and virtual meetings</li> <li>• On-site visits</li> <li>• Regular gatherings and seminars</li> <li>• Relationship-building events</li> </ul>
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>• Supplier risk assessments</li> <li>• Supplier due diligence and audit processes</li> <li>• Supplier Code of Conduct/Code of Practice</li> <li>• Supplier CSR performance reviews</li> <li>• Supplier environmental assessments</li> <li>• Annual supplier performance reviews</li> <li>• Supplier meetings and conferences</li> <li>• Site visits</li> <li>• Signatory to the Charter on Preferential Appointment of OSH Star Enterprise by the Occupational Safety &amp; Health Council</li> </ul>
<b>Professional institutions</b>	<ul style="list-style-type: none"> <li>• Memberships</li> <li>• Committee/working groups</li> <li>• Meetings/visits/workshops</li> <li>• External audits</li> <li>• Index assessments/questionnaires</li> <li>• Company websites</li> </ul>
<b>Non-government organisations ("NGOs")</b>	<ul style="list-style-type: none"> <li>• Volunteer activities</li> <li>• Community investments and donations</li> <li>• CSR programmes/interviews</li> <li>• Staff workshops</li> <li>• Meetings</li> <li>• On-site visits</li> <li>• Strategic collaborations and joint-working groups</li> </ul>

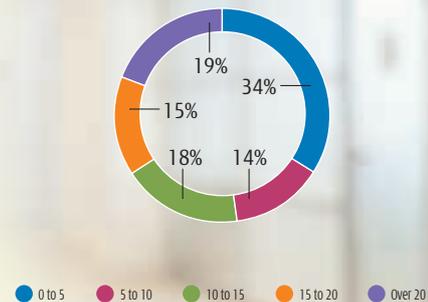
## Environmental, Social and Governance Report

Stakeholders	Engagement Channels
<b>Authorities</b>	<ul style="list-style-type: none"> <li>Regulatory meetings</li> <li>Compliance reporting</li> <li>On-site inspections</li> <li>Ad-hoc enquiries</li> <li>Circulars/guidelines</li> <li>Government liaison groups</li> </ul>
<b>Media Partners</b>	<ul style="list-style-type: none"> <li>Press conferences / briefings</li> <li>Media events</li> <li>Interviews</li> <li>Press releases</li> <li>Social gatherings</li> </ul>

ESG compliance and how it is leveraged with the Group's businesses to benefit the community are among the key interests of the Group's stakeholders. Given the diversity of the Group's business operations, the ESG aspects that are considered important and relevant by stakeholder groups vary. Key ESG issues range from sourcing practices to environmental emissions to employment and operating practices, as well as community involvement. The material aspects identified are reviewed annually by the Group's ESG Committee and Board and updated as appropriate.

The six sections set out in this report summarise the Group's commitments to Employees, Customers, Supply Chain, Anti-corruption, the Environment and the Community. In each section, key initiatives and activities conducted by representative businesses have been included to demonstrate and highlight our efforts in creating long-term value for the Group's stakeholders.

### Years of Service of Head Office Employees



## Commitment to Employees

With more than 300,000 employees in over 50 countries, the Group has continued to grow during 2018. Employees are key to consistent delivery of quality and reliable products and services to our customers. Good talent management is integral to sustaining the long-term success of the Group. CK Hutchison aspires to be an employer of choice through effective talent acquisition, systematic training and provision of an inclusive working environment.

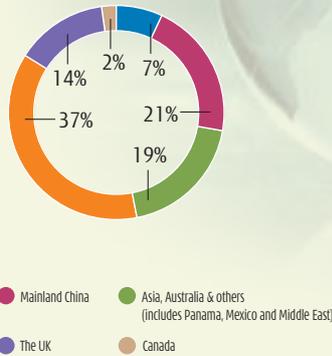
### Recruiting, Engaging and Retaining Talent

The Group's success depends heavily on the ability to attract, retain and motivate suitable talent in the competitive labour markets. The Group works closely with educational institutions to recruit young talent that can support the Group's growth.

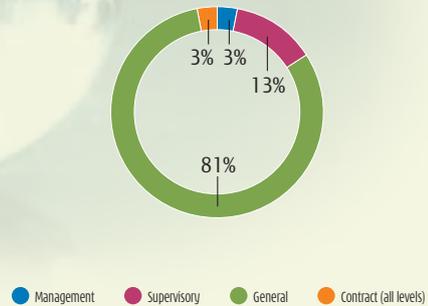
Where possible, different businesses across the Group conduct workshops, site visits, and internships to introduce their industries or professions to the younger generation. At the Head Office, short-term internship opportunities are offered to legal, chartered secretary and accounting students.

In Canada, Husky Energy Inc. ("Husky") offers Summer, Co-Op/Internships and New Graduate opportunities throughout the year. These programmes last from four to 16 months, giving students and new graduates the opportunity to gain career-related experience, with support and guidance from mentorship programmes and experienced professionals.

### Headcount by Geographic Region as of 31 December 2018



### Headcount by Grade as of 31 December 2018



As a market leader in Hong Kong, Hongkong International Terminals Limited ("Hutchison Ports HIT") is keen on nurturing future talents for the industry. One of the initiatives is the establishment of "Start Your Journey @ Port Programme", a programme that provides a series of learning opportunities for students who are pursuing tertiary education. It aims to increase students' industry knowledge and nurture passion towards developing future careers in the logistics industry through seminars, placements, scholarships and terminal visits. Hutchison Ports HIT also offers structured development programmes to groom young graduates to embark on a career with the company.

A S Watson Group ("ASW") operates two Hybris Academies in Milan and Italy in partnership with SAP Hybris and the Umana recruitment agency. The programme aims to identify young digital talent and provides an eight-week Hybris training tailored to the needs of eLab Technology, which was established in early 2015 as a centralised in-house digital team to offer global support to the retail group's eCommerce businesses. These Academy students would be further selected for a six-month contract at the end of the programme. In Hong Kong, ASW launched the territory's first ASW Retail Academy. The first graduating class saw 120 staff completed their Level 4 and 5 courses under the Hong Kong Qualifications Framework.

Denmark has created an internal education "3Academy" with support from SVU (The National Adult Education), where employees from customer service, shops and the sales departments can earn an Academic Profession Degree in Trade and Marketing during working hours. The programme aims to increase employee motivation and career opportunities.

In 2018, the Graduate Trainee Programme of ista International in Germany was awarded the prestigious seal of approval from Absolventa GmbH. Through this trainee programme, ista International offers an all-round experience across finance, operations and sales management functions within the business, depending on the aptitude and interests of each trainee.

### Diverse Culture

Respecting and being inclusive of colleagues of different cultures have been crucial to the sustained growth of the Group over the past several decades.

The Group is continuously expanding awareness on equality-related issues across the Group. In the Ports division, female representation is encouraged. In order to prepare the port for more female operations personnel, Hutchison Ports Gdynia in Poland is in the process of modernising the existing washing facilities and dressing rooms by separating female areas, which are expected to be ready in 2019. Hutchison Ports Pakistan, the country's first and only deep-water container terminal, trained and licensed two female engineering management trainees to operate remote-controlled ship to shore gantry cranes as the country's first female Certified Crane Operators.

## Environmental, Social and Governance Report

CK Hutchison hires and rewards staff for their performance and follows a stringent anti-discrimination employment policy by which staff is employed regardless of race, gender, physical ability or faith. The Group reviews the remuneration package annually to ensure that it stays competitive with the market and that employees are rewarded equitably. CK Hutchison values diversity and talent is hired solely based on the merits of candidates. The Group has adopted policies that provide equal employment opportunities to recruit, promote and assign employees based on their skillset, abilities and how these fit the job requirements. For instance, Watsons Singapore has signed up and adopted the Singapore government initiative of Tripartite Alliance for Fair and Progressive Employment Practices since 2017.

### Valuing Employees

The Group respects the rights of employees in expressing their views and has established various channels to facilitate communications among Group businesses and employees. Businesses conduct regular seminars and forums to share views and collect ideas from employees. Feedback from employees through the many channels help improve and enhance talent management practices.

Recognising the benefits of healthy industrial relations, the Ports division has continued to promote the sharing of good practices across the division. Staff and management from a wide range of business functions channel key learning to business unit management to proactively address issues, concerns, or process improvement recommendation.

Many of the Group's businesses are lauded for their employee programmes. Apart from being recognised as the "Top Employer" in the Netherlands and Belgium for three consecutive years since 2016, ASW was awarded the "Family-Friendly Employers - Grand Award" in 2018, by the Family Council in Hong Kong, to recognise its remarkable achievements in introducing innovative family-friendly employment policies and practices. It has also been selected by HR Asia as one of the Best Companies to work for in Asia this year.

In Australia, SA Power Networks is recognised for its apprenticeship programmes while Reliance in Canada is recognised as one of the "Best Places to work". In Sweden, 3 Sweden is ranked one of the "Best Large Workplaces in Europe". These recognitions have demonstrated the commitment to talent retention and motivation to have employees build their careers with the Group.

The Group upholds labour standards and complies with the relevant employment guidelines and regulations throughout its businesses. The Group's policies strictly prohibit the use of child labour and forced labour, rigorous measures and audits are taken to prevent such practices in the Group's operations. For example, since 2016, ASW has become one of the Mekong Club members to help it develop a set of tools in raising awareness towards modern slavery. The awareness toolkit is shared with different business units and suppliers, with a target to cover all own-brand ("OB") suppliers.

### Investing in Training and Development

It is a top priority of the Group to ensure that employees at all levels are developed and motivated to deliver the Group's commitments to its stakeholders. Each division develops its training programmes to meet specific business needs. Trainings include orientations, sharing sessions, workshops and internal-external courses. Employees are also entitled to various subsidies and sponsorships for job-related training courses to encourage lifelong learning. For example, 3 Ireland launched a Graduate Programme, which creates paid learning opportunities in various areas including IT and network, finance, marketing, business, human resources and customer relations.

At the Retail division, ASW for UK, Switzerland and Italy continued its ACTIVATE programme to provide Managers and Team Leaders with practical skills training to support their roles. Apart from retail business knowledge, the programme also includes training over other key competency areas such as self-management and influencing, people management and presentation skills. The programme is structured with four workshops, and also supported by pre-work, psychometric testing and on-the-job activities.

## Promoting Well-being, Health and Safety

The Group cares about the well-being of its employees. The Group promotes work-life balance and provides a range of paid leave entitlements to employees. Where operation needs allow, many businesses are exploring and offering staff greater flexibility in managing their work and free time. For example, Hutchison Ports BEST in Spain offers the option of a flexible working schedule to employees with children under 12 years old, to assist with their child-care needs.

In the interest of employees' health, the ASW Group Office in Europe introduced a Well-Being App which enables employees to track and improve their overall well-being. The App has an information library providing advice on managing physical conditions and fitness priorities. The retail group also launched a fitness competition "Beat The Exec" to encourage office employees to walk more, and a total of around seven million steps were taken at the end of the competition.

3 UK believes a culture of wellness can inspire and align the workplace. The company then creates opportunities and space for employees to look after their physical, emotional and mental well-being. "Wellness Wednesday" has been introduced to encourage employees to spend two hours doing something for their well-being.

The Group strives to create a safe workplace for all employees. Many businesses have implemented safety management systems in accordance with national or international standards, such as OHSAS 18001, to protect employees from occupational hazards. Safety training programmes are provided to our employees based on work nature and safety standards are also applied consistently in the workplace.

A safe workplace relies on the establishment of a safety culture, policies and procedures and employee behaviour. In addition to implementing industry best practices for safety, businesses are tasked with providing employees with periodic refresher courses to ensure the importance of following the guidelines are truly engrained into the operations' culture.

All of the Group's businesses strive to minimise accidents and continuously work to improve workplace safety and educate employees on proper procedures. Since 2016, Hutchison Ports instituted a policy in which serious workplace safety incidents were to be reviewed and investigated by externally trained personnel. The aim is to go as far as practicable in order to take effective measures to strengthen workplace safety and share the lessons learned across the business units of the Ports division. This system has helped several ports improve their safety management processes over the course of the year.



## Environmental, Social and Governance Report

To protect its workers, Husky changed its business practice to help prevent "gas-and-dash" incidents that put gas station staff and the public at risk. Husky introduced a pre-pay policy at its Alberta locations in September 2017 to enhance the safety of attendants. By the end of December 2017, all Husky fuel stations across Canada were only selling fuel by pre-payment.

### Regulatory Compliance

The Group is committed to ensuring its businesses are operated in compliance with local and international laws, rules and regulations. Regulatory frameworks within which the Group operates are analysed and monitored, internal policies are prepared and updated accordingly. Tailor-made workshops are also conducted where necessary so as to strengthen the awareness and understanding of the internal controls and compliance procedures of the Group.

During the reporting period, the Group was not aware of any non-compliance with laws and regulations that have a significant impact on the Group relating to employment, occupational health and safety, or labour standards.

### Commitment to Customers

CK Hutchison's diverse products and services support the day-to-day lives of millions of people globally. The Group focuses on providing quality products and services to create an excellent customer experience.

### Building Trust through Reliability and Quality

By placing reliability, safety and quality at the heart of the Group's businesses, CK Hutchison aims to create value for its customers that better their lives and provide sustainable solutions.

### Delivering Reliable and Quality Services

Service reliability and public safety are critical to the Group's businesses. Individual and corporate customers depend upon the Group's services in telecommunications, ports services, power, energy, water and waste management operations. These businesses have dedicated significant efforts and resources in improving their practices, infrastructure and technologies to prevent interruptions from occurring in the first place. Operational conditions and practices are monitored around the clock and asset maintenance and replacements are instituted to uphold the highest safety and reliability commitments. In addition, professional teams are committed to identifying, testing and introducing new products and procedures that implement good practices to maintain and improve service reliability. Should incidents occur, the best measures are taken to minimise interruption, investigate the cause and quickly resume service. HK Electric of our Infrastructure division achieved over 99.999% supply reliability for 22 consecutive years since 1997.



The Telecommunications division embraces a service-oriented culture and is committed to delivering the highest possible levels of service quality and customer satisfaction. In order to encourage continuous improvement, 3 Ireland published its first Connected Ireland Report in October 2017, a four-part research project to identify how the Irish public wants mobile services to develop in the future. The second and third part of the report were published in February and June 2018 respectively. In the period between these two reports, 3 Ireland announced a three-year partnership with Jigsaw, the National Centre for Youth Mental Health in Ireland which will see the delivery of eJigsaw, a one-of-a-kind digital portal to support the mental health needs of young people. 3 Ireland will continue to monitor the evolution of Ireland's economy and society as mobile technologies and services drive transformation in the lives of consumers, workers and citizens.

## Enabling Sustainable Options

To deliver sustainable value to stakeholders, the Group continues to invest strategically in research and development on technology. This allows the Group to provide innovative solutions and enable customers to make environmentally responsible choices in how they live and work. Many consumer billings have included e-billing options to reduce paper waste. For instance, HK Electric has implemented an incentive system to promote electronic bill payment services. A new round of e-Bill and Autopay promotion campaign was launched in May 2018 in which a one-off HK\$50 incentive was offered to customers that switched to e-Bill and Autopay during the promotion period.

In the area of sustainable sourcing, PARKnSHOP, ASW's supermarket arm has increased the number of sustainable options for its consumers such as cage free and free range chicken and eggs, organic beef and pork selections and a range of organic vegetables.

## Improving Customer Experience

To continuously improve customer experience, members of the Group implemented policies and procedures to regularly solicit customer feedback and make the effort to follow up and act on their advice.

At the Retail division, guidelines have been established to handle customer enquiries and complaints at the stores, and staff are trained to professionally address customer concerns. Complaints received are acknowledged, investigated and duly followed up. Reviews and analyses of complaints received are conducted periodically. The lessons learned from these sessions are shared with quality assurance and procurement teams for continuous improvement.

The Telecommunications division fosters a culture of continuous improvement by benchmarking and publishing its service performance statistics regularly. They have also received numerous awards and third party assessment that attest to their exemplary network performance and service excellence.

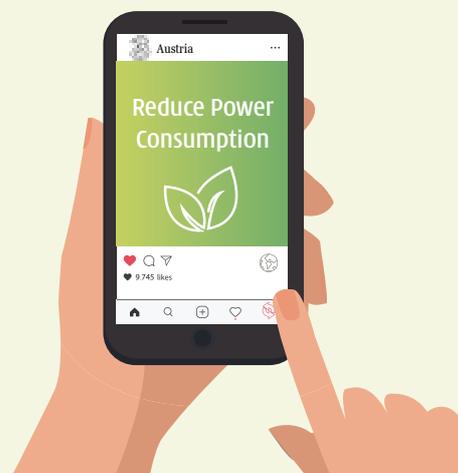
## Protecting Customers

CK Hutchison believes accurate and factual product information provides transparency and help customers make informed purchasing decisions. Products are labelled and advertised in compliance with the requirements of the destination countries.

The Group's commitment to complying with data privacy laws and regulations and protecting the personal information of customers is well supported by its corporate strategies and policies. In ASW, policies on personal data protection are established, and reviewed every half year by its Financial Control Services team with inputs from the relevant Group Functions, such as Legal Department.

Furthermore, robust systems and processes are in place to control the collection, access, update, security and retention of data received, and the processes are audited regularly.

Additionally, awareness campaigns with periodic internal communications, workshops for customer-facing employees, dedicated education website for colleagues are used to reinforce the importance of customer data protection. For example, at Hutchison Ports (UK), workshops and online trainings were delivered to ensure the team is ready for the requirements of the General Data Protection Regulation, which came into effect from May 2018.



## Environmental, Social and Governance Report

### Regulatory Compliance

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The Group was not aware of any incidents of non-compliance with laws and regulations that have a significant impact on the Group concerning product responsibility during the year.

### Supply Chain Management

The Group's diversified businesses are supported by a wide range of suppliers and contractors. Many of the policies within the Group are implemented in close collaboration with the Group's business partners. Through regular dialogue and cooperation, the Group and its partners are able to deliver sustainable value to all stakeholders.



### Sourcing Responsibly and Engaging Suppliers

The Group addresses supply chain challenges through risk management, responsible sourcing, supplier engagement and oversight.

### Approach to Supply Chain Management

The Group's procurement activities follow a set of fair and transparent tendering process. Tenderers are required to declare any conflict of interest and take a firm stance against fraud and misconduct. Supplier relationships will be suspended or terminated if contravention is found.

The Group strives to bring a positive influence in the business community by setting expectations in environmental, social and governance related matters with key suppliers. For instance, ASW, the world's largest international health and beauty retailer, has been upholding the Business Social Compliance Initiative ("BSCI") Code of Conduct since 2008. With a goal to drive compliance, fair business practices and environmental performance, suppliers have been invited to acknowledge and endorse the BSCI Code of Conduct. ASW joined the Mekong Club, an association that provides valuable information and resources to combat modern slavery. The retail group is rolling out training for its employees as well as its suppliers.

Since 2017, UK Power Networks has introduced a new Supplier Relationship Management ("SRM") framework approach with an active policy reinforcing the importance of Health & Safety in all aspects of work activity. It includes equipment supply and installation, seeking and sharing innovation, technological advances and continuous improvement. The SRM framework has been introduced across business units including Victoria Power Networks. Apart from adopting the SRM, UK Power Networks has paused the normal operations during safety stand-down days to engage in safety education. Meetings are held to monitor Lost Time Incidents and Very Serious Incidents. Regular project review and site safety inspections are also carried out.

### Delivering Safe and Quality Products and Services

ASW builds trust with its customers from the get-go, starting with managing the reputation of OB products. For example, in PARKnSHOP, the five-step process guides the OB development cycle at the business unit level:

- **Social and governance** : Protect operations against unfair business practices
- **Supplier due diligence** : Encourage suppliers to adopt responsible operations and practices and comply with health, safety and worker welfare guidelines
- **Quality Assurance** : Ensure the quality, value and safety of products
- **Distribution** : Provide products that comply with all legislations in their distribution markets
- **Customer care** : Listen actively to customer feedback and respond to complaints

By providing guidance to suppliers of OB retail products and helping them meet the ASW expectations on product safety and quality requirements, suppliers are steered towards developing more sustainable and responsible products. In an effort to pioneer higher standards of health and hygiene, PARKnSHOP has set up Asia's first multi-temperature distribution and processing centre, as well as Hong Kong's first dedicated Food Safety Laboratory.



## Anti-corruption

The Group values and upholds integrity, fairness, transparency and accountability. The Group has zero-tolerance for corruption and fraud. Anti-bribery and anti-corruption standards are important parts of the Group's policies and operating practices which are reinforced by the Group's employees and communicated to relevant stakeholders with dealings with the Group. Whistle-blowing policies apply to all stakeholders including employees, shareholders, customers and suppliers. The whistle-blowing mechanisms allow stakeholders to report suspected misconduct, malpractices or fraudulent activities with confidence. Cases reported are followed up independently; all cases will be reported by the Group's Internal Audit function to the Audit Committee and executive management.

## Regulatory Compliance

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During the year, the Group was not aware of any breach of laws and regulations that have a significant impact on the Group relating to anti-corruption.

## Commitment to Our Environment

CK Hutchison believes it is crucial for businesses to thrive in a sustainable environment, without which, no business would survive in the long term. Therefore, the Group understands that without determination, any environmental protection plans would be futile. The message is not only sent across the boardroom, but it is also spread to employees across more than 50 countries. By engaging business units in minimising carbon emissions and planning creative strategies most efficient to their industries, they make sustainable development a reality.

## Managing Emissions

Below are some of the initiatives to reduce and control emissions of greenhouse gas ("GHG") and waste. CK Hutchison's business units monitor the progress of existing environmental initiatives as well as explore new projects to further the initiatives.

### Air and GHG Emissions

Managing air and GHG emissions remains one of the top priorities.

It is challenging for a power utility to continue reducing carbon emissions; but environmental protection is a crucial long-term process with no shortcut. The Group's Infrastructure division has taken steps to integrate this priority in as many units as possible. Incorporating advanced technologies to cut pollutants, HK Electric has been making strides to optimise its fuel mix by increasing the usage of natural gas. The fuel mix diversification strategy is to improve air quality, combat climate change whilst meeting the tightening emissions allowances set by the Hong Kong Government. HK Electric continued to meet the stipulated emissions allowances in all categories, and also worked with the government to agree

## Environmental, Social and Governance Report

on new and more stringent emissions allowances from 2022 onwards. In 2018, two new gas-fired generating units under construction were equipped with the Selective Catalytic Reduction systems and are on schedule for commission by 2022. The new systems would reduce nitrogen oxide ("NO<sub>x</sub>") emission levels during power generation. Furthermore, under the HK Electric 2019-2023 Development Plan, three more gas-fired generating units are scheduled for production and expected to be commissioned in the next five years. With the three additional units, the electricity produced from gas-fired generators will rise from 33% in 2018 to 70% in 2023.

Reducing the carbon-footprint from fugitive emissions produced during the gas distribution process is another target from the Group. Northern Gas Networks in the UK has implemented a reduction programme aiming to reduce such emissions by replacing old, leak prone metallic pipes with robust plastic pipes, to effectively manage gas pipe pressure, and applying Monothylene Glycol on metallic joints to prevent gas leakage. This programme has proven effective, with fugitive emissions decreasing year on year from 360 GWh in 2016, to 332 GWh in 2017, and 329 GWh in 2018.

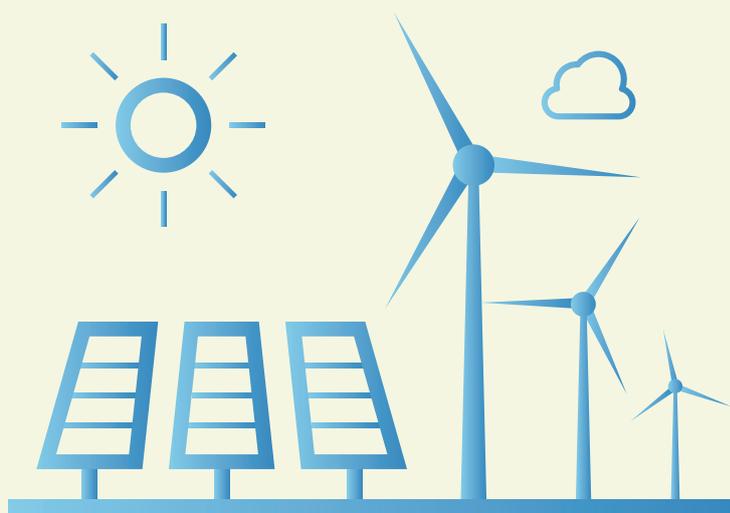
Husky has a Fugitive Emission Management Program to detect fugitive emissions and ensure the timely repair of leaking equipment. As part of its GHG emissions risk management approach, Husky researches new ways to capture carbon dioxide ("CO<sub>2</sub>"). For instance, it has implemented a second pilot project at its Pikes Peak South thermal project testing carbon capture technology. The captured CO<sub>2</sub> is then used for enhanced oil recovery.

Besides the tremendous efforts dedicated by the Infrastructure division and Husky in managing air and GHG emissions, the Ports division has also taken actions with the same objective, such as adopting cleaner energy sources and using its operations equipment and vehicles in a more efficient manner.

### Renewable Energy

The Telecommunications division attaches great importance to reducing cellular networks energy consumption. In recent years, 3 Austria has taken many initiatives to reduce power consumption and increase energy efficiency to more than 44% through the adoption of renewable power sources, LTE deployments and optimisation of network infrastructures. Up to 90 % of the used power for 3 Austria's network is CO<sub>2</sub> neutral energy sources, such as hydro, wind power and photovoltaic energy.

Globally, the Group is also able to harvest wind electricity from its wind farms generated with a know-how to best utilise technology maximising green electricity generation. One example is the Infrastructure division in Portugal, wind farms operator Iberwind, which optimises the control of wind farms by using the SCADA and condition monitoring systems, an extensive and comprehensive wind database.



## Waste and Pollutants

Cutting down waste and facilitating ways to encourage more reuse and recycling are on the agenda of the Group's operations.

3 Ireland involves employees and customers in developing measures to encourage recycling efforts and electronic waste reduction. 3 Ireland has adopted waste segregation bin system, which recycles nearly 65% of the office waste, and with an aim to increase 15% over the next 18 months. 3 Ireland also operates "Three Recycle", a corporate social responsibility programme to encourage customers and employees to recycle their old handsets.

Innovation on energy-from-waste management was taken further by the Infrastructure division. AVR of the Netherlands completed construction of a separation plant that separates plastics and drinks cartons from residual waste. The plant generates steam via the incineration of residual waste and uses the heat to warm 150,000 households and supply electricity for 190,000 houses.

HK Electric has been collecting ash and gypsum produced during the manufacturing process of cement. In 2018, about 181,000 tonnes of ash and 49,000 tonnes of gypsum were collected for reuse by third parties, compared to 235,000 tonnes and 61,000 tonnes respectively in 2017.

Husky also worked with a Calgary-based company, to combine sulphur from the base of a former sulphur pad at the Ram River gas plant with food waste to produce sulphur-rich fertilisers to be marketed in Western Canada. This agreement is expected to keep almost 500,000 tonnes of material out of the landfill.

In New Zealand, EnviroNZ's onsite Gas-to-Energy sites convert methane gas product in Hampton Landfill to energy. The plant produced enough energy to power Hampton PARRC and generated a surplus enough to be sold back to the grid. Hampton Landfill generated around 38,600 MWh of electricity in 2018 compared to around 26,600 MWh in 2017, indicating a 45% increase in electricity generation.

## Optimising Resource Use

As a responsible global citizen, CK Hutchison encourages its businesses to use resources cautiously. From energy, water to packaging materials, it is acknowledged that only an integrated and technological approach could make responsible consumption possible. ASW was awarded the Green Office and Eco-Healthy Workplace Awards Label by World Green Organisation for three consecutive years since 2015.

## Energy

CK Hutchison continues to lead the push for a circular economy through innovation. A hallmark example is the usage of a cutting edge technology in hydrogen electrolysis in the Group's infrastructure division. Australian Gas Networks is currently working with SA Power Networks and Siemens to establish Australia's first hydrogen park. Supported by the Australian Government, the hydrogen park pilot project aims to provide carbon-free hydrogen produced on-site to Australian citizens. Hydrogen will be produced from renewable electricity and recycled water using Polymer Electrolyte Membrane electrolysis, which would then be injected into the local gas distribution network in the award-winning Tonsley Innovation District. By leveraging the expertise of Australian Gas Network, the Group aims to showcase an innovative method for delivery of zero-carbon hydrogen gas to households. The park is currently in construction, and is scheduled for production in 2020.

Wales and West Gas Networks in the UK has continued incorporating energy saving measures to reduce electricity consumption. The number of depots, offices, and stores with LED lighting and active sensors increased from 80% in 2017 to 95% in 2018. As a result, electricity consumption measured in CO<sub>2</sub> equivalence is down 15% as compared to the same period last year, marking a significant decrease.

In Italy, the Group has also been greatly optimising energy usage across Wind Tre on a mass scale. Starting in 2018, Wind Tre has been decommissioning large numbers of sites with old and environment energy-inefficient technologies to be replaced by more modern, energy-efficient sites to reduce electricity consumption and optimise operational costs. In 2018, around 1,742 sites were decommissioned, saving 43.55 million kWh per year and around 10,200 sites were upgraded with Radio Network equipment, effectively saving seven million kWh per year, or by 20% from 2017 level.



## Environmental, Social and Governance Report

### Water

Husky recycles produced water at its Sunrise Energy Project and Tucker Thermal Project for use in steam generation. At Sunrise, Husky brings in process-affected water, which is industrial wastewater, from a neighbouring operator for use as a make-up water source, reducing the amount drawn from groundwater sources. At Tucker, Husky uses saline groundwater as a make-up water source.

HK Electric has been collecting rain water and plant processing water for reuse at the Lamma Power Station. In 2018, about 132,000 m<sup>3</sup> of rain water and plant processing water were collected for reuse compared to 112,000 m<sup>3</sup> in 2017. This marks a 20,000 m<sup>3</sup> year on year increase in water collection, or around 18%. Green Island Cement Hong Kong has also recycled wastewater from production and storm water for process cooling, thus minimising the amount of freshwater consumed.

Hutchison Ports has also initiated a series of projects and campaigns to better protect waterways during operations. Hutchison Ports Karachi in Pakistan is currently in the process of constructing a reverse-osmosis plant ("RO plant") to enhance water quality. RO plants minimise marine, shoreline and land impacts, thanks to pipe jacking of long and large diameter pipelines, smart structural design, and the removal of suspended solids from the brine before it is returned to the sea. Its sludge treatment also reduces energy and chemical consumption.

Seabank Power was able to increase the concentration factor of cooling water, effectively optimising water used for make-up and purging. As a result, water efficiency during cooling increased by approximately 26% this year. Water usage in cooling towers per load factor per equivalent operating hour reduced from around 800 m<sup>3</sup> per hour in 2017 to 590 m<sup>3</sup> per hour in 2018.

### Packaging Materials

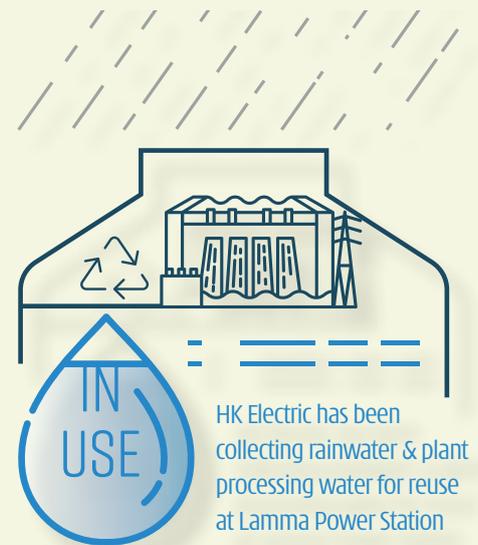
To meet UN Sustainable Development Goal No 12, which advocates sustainable consumption and production patterns, CK Hutchison has a set of sustainable guidelines established for employees and suppliers of the Retail division. The guidelines are set out to minimise material use, from greener packaging design in terms of size, thickness, and use of space to the application of recycled materials.

To tackle single-use packaging waste, ASW has joined forces with NGOs and key players in the beverage, retail, and waste industry to form a Single-Use Beverage Packing Working Group ("The Working Group") in 2018. The Working Group is a multi-stakeholder coalition aiming to develop practical solution to reduce, redesign, recover, and reuse single-use packaging, and to promote a circular economy in Hong Kong. The joint initiative, titled "Drink Without Waste", aims to increase single-use packaging collection rate to 70% in six years. In December 2018, The Working Group published a Strategies and Actions report detailing the "Drink Without Waste" initiative's goals, strategies, and planned action in the coming years.

### Electronic Products

Exponential digital growth comes with leftover old digital products, causing excessive wastage every year. As a responsible global citizen, the Group takes initiatives to reduce, recycle and reuse old electronic products.

The Group's telecommunications business, Hutchison Telecommunications Hong Kong Holdings ("HTHKH") collected over 1,000 reusable electronic equipment. 3 Sweden has also initiated an electronic product refurbishment programme for reselling. The programme was successful, with 100% of office computers refurbished for reselling.



## Safeguarding Environmental and Natural Resources

As a multinational corporation, CK Hutchison aspires to take the lead and be a positive role model for its stakeholders in protecting the environment and the ecosystems. The Group policies ensure caution is applied and discipline in actions that may impact natural resources.

In recognition of threatened species conservation and environmental protection, PARKnSHOP in the Retail division committed to WWF-Hong Kong's "No Shark Fin Corporate Pledge" by pledging not to consume and sell shark fin.

CK Hutchison's Infrastructure division continues to protect the wildlife and natural habitat through award-winning projects. For example, Northern Gas Networks has an innovative land remediation project underway at the Redheugh Gas Holder Station, which uses only solar power to recover coal tar from nine metre deep below the surface. To date the project has recovered over 4,500 litres of hazardous coal tar for safe offsite disposal, thereby reducing environmental risks associated with the site. This project won the "Best in situ treatment" category at the 2018 national land remediation awards ("Brownfield Briefing Awards") in the UK. Furthermore, in 2018, Northern Gas Networks has completed an additional three land remediation projects, summing up to 12 total projects completed to date. This is in accordance to the Group's yearly forecast performance.

Hutchison Ports Sydney also constantly tracks and monitors noise disturbance within the area and frequently engages community stakeholders for feedback. In 2018, noise disturbance expressed as the number of community complaints or exceeding specified thresholds was 2.6 per 100,000 TEU.

HTHKH organised a tree-planting scheme in 2018 and sought to boost biodiversity and maintain woodland by planting native tree seedlings. A terrarium workshop and competition was also initiated to raise staff's interest in greening the environment. Staff took part in a lunch time workshop and created their own terrariums. Staff voting for the best terrarium received free mini potted plants or seeds and greening their office or home.

## Regulatory Compliance

The Group is committed to ensuring its businesses are operated in compliance with local and international laws, rules and regulations. Regulatory frameworks within which the Group operates are analysed and monitored, internal policies are prepared and updated accordingly. Tailor-made workshops are also conducted where necessary so as to strengthen the awareness and understanding of the internal controls and compliance procedures of the Group.

The Group was not aware of any non-compliance of laws and regulations that has a significant impact on the Group relating to air and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste during the reporting period.



## Environmental, Social and Governance Report

### Commitment to the Community

With dedication and commitment, CK Hutchison has the responsibility to make the community a better place which will also provide long-lasting benefits to stakeholders. In 2018, the Group's approach in community activities focuses on youth empowerment, relief for the needy and environmental conservation. The CKHH Volunteer Team in Hong Kong has arranged community activities and contributed over 8,700 service hours and positively impacted over 96,400 service recipients.

#### Empowering the Youth

Hutchison Ports supports education and creates opportunities for youth through its "Hutchison Ports Dock School Programme". This programme aims to match a school to each port in the Group's global network, and provides assistance by sponsoring scholarships, improvement of education facilities and other educational initiatives.

ASW contributes to the growth and development of young athletes in Hong Kong. It organises annual challenges for junior athletes at the Watsons Athletic Club ("WAC"). The WAC Annual Challenge had over 3,000 outstanding junior athletes participating.

HTHKH senior executives shared their insight and experience with students during visits to the company and career sessions.

#### Supporting those in Need

##### Serving the Community

About one in three senior citizens in Hong Kong is living in poverty and one in four deprived children does not have three meals a day. To help alleviate hunger among the needy, and as part of the Retail division's efforts to achieve UN Sustainable Development Goal No. 12, PARKnSHOP donates edible surplus food to the local social enterprise Food Angel. In addition, PARKnSHOP Hong Kong has been organising the "City Food Drive" programme which helps Food Angel collect grocery food items and funds from the public since 2012. As of 2018, the programme helped raise more than 510,000 food items for Food Angel. When food items and cash donations combined, it has to date raised more than HK\$6.1 million and donated more than 1,600 tonnes of edible surplus food to help Food Angel prepare over 4.8 million of hot meal boxes to feed the needy in Hong Kong.

In May 2018, PARKnSHOP and Food Angel announced to strengthen their collaboration with the launch of the "Food Rescue@PARKnSHOP" programme. This programme aims to further promote the message of treasuring food to a wider public. For example, PARKnSHOP joins hands with Food Angel and food container supplier ClipFresh to create Smart Food Recipe and video of delicious dishes made with leftover food, and creatively display the ingredients appear in the Smart Food Recipe in selected stores.

ASW has launched the global CSR signature campaign "Give a Smile" in 2018, encouraging business units worldwide to support the work of Operation Smile to provide free surgery to those who suffer from cleft lips and palates. The first ASW's mission was carried out in Guizhou, China in November 2018 which benefited 92 patients in three surgery days. HK\$3.9 million was raised from all markets to carry out medical missions, and is targeted to help 1,000 patients around the world by 2019.





## PARKnSHOP donates edible surplus food

On community service, ASW has multiplied its CSR activities up to 400 in 2018, counting 34,000 volunteers serving over 166,000 people in more than 87,000 hours. In 2018 alone, the Retail division donated 278 tonnes of edible surplus food which helped produce 832,000 meals to beneficiaries.

In supporting the vision of being a responsible corporate citizen, UK Power Networks has made a commitment to grant up to HK\$3 million per annum to benefit communities through the "Communities Matters" Programme. Through the initiatives such as "Charity Matched Funding", "Team Sport Awards", "Give As You Earn", "Donate A Day" volunteering and other charity donations, UK Power Networks have provided an estimated total value of HK\$3.5 million funding for local charities and communities this year.

### Bridging the Digital Divide

Since 2017, CK Hutchison has extended efforts to narrow the digital divide not just for the crisis-affected refugees or displaced people, but also to the underprivileged and those who feel they have been left out by the society.

Drei Hilft, a non-profit organisation managed by the Corporate Communications team of 3 Austria, launched various initiatives against poverty, for people with disabilities, against violence against women and children and for education since 2015. As a UNICEF emergency partner, apart from financial assistance, Drei Hilft also provided assistance through the provision of free communication equipment and connectivity, including but not limited to WLAN-routers, SIM-cards or mobile phones. Employees from 3 Austria also volunteered with personal engagement and worked for a range of corporate volunteering projects. In 2018, an estimated total value of HK\$1 million has been contributed in supporting those in need.

3 Ireland secured 100Mhz spectrum nationally so that there will not be any urban-rural digital divide when 5G is rolled out.

HTHKH sponsored a "Make our life easier with AI" App Enhancement Competition where students look to make use of artificial intelligence to enhance application functionality and improve everyday lives.

### CK Hutchison Family

CK Hutchison takes pride in serving the community through its businesses and other initiatives. Providing the local communities with products and services they trust and can rely on is part of building sustainable businesses. In addition to ESG teams within individual Group companies and business units, the Group has different avenues to share these developments amongst the businesses. The Group's magazine, *Sphere*, periodically shares stories, trends and ESG activities by businesses with other group companies and staff. The latest issue of the magazine can be viewed on the CK Hutchison website at <https://www.ckh.com.hk/en/about/journal.php>.

## Environmental, Social and Governance Report

Environmental KPIs	Unit	Ports and Related Services		Retail	
		2018	2017	2018	2017
NO <sub>x</sub> emissions	tonne	292	2,023	–	–
SO <sub>x</sub> emissions	tonne	2	269	–	–
Particulate matter emissions	tonne	23	88	–	–
Total greenhouse gas (“GHG”) emissions	tonne CO <sub>2</sub> e	585,427	492,790	769,355	751,843
Total GHG emissions intensity	tonne CO <sub>2</sub> e / revenue (HK\$’000)	0.022	0.019	0.006	0.006
GHG Scope 1 emissions	tonne CO <sub>2</sub> e	324,123	286,456	327,673	329,402
GHG Scope 1 emissions and intensity	tonne CO <sub>2</sub> e / revenue (HK\$’000)	0.012	0.011	0.003	0.003
GHG Scope 2 emissions	tonne CO <sub>2</sub> e	261,304	206,334	441,682	422,441
GHG Scope 2 emissions and intensity	tonne CO <sub>2</sub> e / revenue (HK\$’000)	0.010	0.008	0.003	0.003
Total hazardous waste produced	tonne	3,420	10,391	–	–
Total non-hazardous waste produced	tonne	23,847	57,916	49,890	46,794
Total energy consumption	kWh	1,818,441,989	1,529,197,199	1,777,517,672	1,690,310,638
Total energy consumption intensity	kWh / revenue (HK\$’000)	68.396	59.807	13.307	13.661
Total direct energy consumption	kWh	1,284,732,629	1,112,680,501	855,050,895	869,477,565
Total direct energy consumption intensity	kWh / revenue (HK\$’000)	48.322	43.517	6.401	7.027
Gasoline/Petrol	kWh	36,541,049	7,659,571	2,138,693	8,957,551
Diesel	kWh	1,226,179,177	1,072,927,881	257,983,415	274,494,210
Gas (exclude town gas/gas works gas and natural gas)	kWh	6,551,271	3,076,702	520,225,402	506,724,636
Natural gas	kWh	12,110,408	8,084,016	74,703,385	79,301,168
Other fuels	kWh	3,350,724	20,932,331	–	–
Total indirect energy consumption	kWh	533,709,360	416,516,698	922,466,777	820,833,073
Total indirect energy consumption intensity	kWh / revenue (HK\$’000)	20.074	16.290	6.906	6.634
Electricity	kWh	533,709,360	397,904,098	900,070,204	814,088,101
Town gas/Gas work gas consumption	kWh	–	18,612,600	22,396,573	6,744,972
Water consumption	m <sup>3</sup>	1,356,871	2,603,889	3,238,995	2,605,878
Water consumption intensity	m <sup>3</sup> / revenue (HK\$’000)	0.051	0.102	0.024	0.021
Total packaging material used for finished products	tonne	19	1	57,177	42,749
Plastic	tonne	19	–	27,015	21,339
Paper	tonne	–	1	23,296	15,851
Metal	tonne	–	–	3,761	2,694
Glass	tonne	–	–	2,616	2,361
Other packaging material	tonne	–	–	489	504

Note 1: Environmental KPIs in this data table reflect the data of the Company and its subsidiaries for the year ended 31 December 2018, excluding those from acquisitions and disposals, unless otherwise specified.

Note 2: Husky Energy is a material associated company of the Group and we have included in this data table the Group’s proportionate share of its environmental KPIs for the year ended 31 December 2017. The environmental data for the year ended 31 December 2018 will be published at Husky’s corporate website at [www.huskyenergy.ca](http://www.huskyenergy.ca) in a later date.

Infrastructure		Telecommunications		Total		Energy	
2018	2017	2018	2017	2018	2017	2018	2017
1,800	2,118	1	1	2,093	4,142	4,163	3,927
58	146	–	–	60	415	2,508	3,555
224	332	–	–	247	420	237	–
1,753,659	1,753,074	561,471	571,814	3,669,912	3,569,521	5,384,522	5,372,066
0.090	0.105	0.007	0.009	0.014	0.016	0.120	0.176
1,402,170	1,378,727	62,798	74,516	2,116,764	2,069,101	4,492,124	4,517,036
0.072	0.083	0.001	0.001	0.008	0.009	0.100	0.148
351,489	374,347	498,673	497,298	1,553,148	1,500,420	892,398	855,030
0.018	0.022	0.006	0.008	0.006	0.007	0.020	0.028
19,240	18,556	3,397	1,294	26,057	30,241	–	–
67,234	40,670	122,947	110,556	263,918	255,936	–	–
4,699,244,344	4,646,480,001	1,050,437,862	1,134,761,701	9,345,641,867	9,000,749,539	16,639,341,600	16,889,439,778
240.715	278.613	13.299	17.746	36.129	39.147	370.191	554.356
3,981,333,643	3,924,554,749	24,741,373	171,409,356	6,145,858,540	6,078,122,171	15,726,452,000	15,940,410,500
203.941	235.325	0.313	2.681	23.759	26.436	349.881	523.206
15,015,373	12,843,859	10,115,371	1,404,984	63,810,486	30,865,965	–	–
227,212,393	255,208,542	14,626,002	63,329,107	1,726,000,987	1,665,959,740	–	–
10,939,739	10,335,936	–	–	537,716,412	520,137,274	–	–
22,446,240	19,593,234	–	–	109,260,033	106,978,418	12,161,280,600	15,164,824,889
3,705,719,898	3,626,573,178	–	106,675,265	3,709,070,622	3,754,180,774	3,565,171,400	775,585,611
717,910,701	721,925,252	1,025,696,489	963,352,345	3,199,783,327	2,922,627,368	912,889,600	949,029,278
36.774	43.288	12.986	15.066	12.370	12.712	20.310	31.150
717,910,701	721,925,252	1,017,805,519	958,929,769	3,169,495,784	2,892,847,220	912,889,600	949,029,278
–	–	7,890,970	4,422,576	30,287,543	29,780,148	–	–
79,312,888	78,487,767	120,974	100,516	84,029,728	83,798,050	12,737,060	13,018,320
4.063	4.706	0.002	0.002	0.325	0.364	0.283	0.427
3,528	4,480	418	688	61,142	47,918	–	–
–	–	152	425	27,186	21,764	–	–
3,528	4,480	266	263	27,090	20,595	–	–
–	–	–	–	3,761	2,694	–	–
–	–	–	–	2,616	2,361	–	–
–	–	–	–	489	504	–	–

## Li Ka Shing Foundation – Changing Times, Unchanging Promise

Mr Li Ka-shing recognises the importance of education and healthcare to societal development. Established in 1980, the Li Ka Shing Foundation (“LKSF”) has invested over HK\$21.8 billion to develop education and healthcare initiatives, with over 80% of the projects benefiting the Greater China region. After stepping down as Chairman of the CK Group on 10 May 2018, Mr Li donned a new coat of armour to focus on the philanthropic efforts of his foundations to effect positive change.

Below are some of LKSF’s major projects in 2018:

### Love Can Help

In August 2018, LKSF announced a contribution of HK\$100 million to launch “Love Can Help”, a healthcare subsidy scheme in collaboration with the Hospital Authority (“HA”), The University of Hong Kong (“HKU”) and The Chinese University of Hong Kong (“CUHK”). The programme offers financial assistance to self-sufficient patients with certain illnesses who fall outside of Government subsidy schemes.

HK\$30 million out of the contribution from LKSF to the HA will be used to subsidise Positron Emission Tomography – Computed Tomography (PET-CT) scan services and Percutaneous Coronary Intervention (PCI) Stents, and another HK\$35 million to establish a PET-CT Centre in New Territories West Cluster. Further, HKU Li Ka Shing Faculty of Medicine and CUHK Faculty of Medicine will each receive HK\$17.5 million to fund critical research and support patients suffering from certain illnesses in their respective teaching hospitals to alleviate their financial burden.



Mr Li Ka-shing (second from right) initiates the “Love Can Help” programme at a meeting with the management of the Hospital Authority and two universities.

### Pioneering Medical Services

LKSF donated HK\$10 million to finance a pilot study of personalised cancer treatment for the digestive system at CUHK. Hong Kong Sanatorium & Hospital also received a contribution of HK\$10 million to launch a Transcatheter Cardiovascular Intervention Subsidy Scheme to provide local residents with access to advanced medical technologies and services.

### Compassionate Guardians

From 2007, LKSF has contributed HK\$126 million towards the “Heart of Gold” Hong Kong Hospice Care Service Programme in collaboration with the HA. Providing a host of integrated palliative care services in hospice centres in 10 public hospitals, this innovative programme has served 38,000 terminally ill cancer patients and their family members.

### The Community Chest

LKSF and the CK Group jointly contributed HK\$10 million to The Community Chest of Hong Kong to mark its 50th anniversary and to support its charitable work going forward.

### Listening Angels

As at the end of December 2018, the Caritas Family Crisis Hotline and Education Centre had received over HK\$50 million from LKSF to offer a 24-hour hotline as well as crisis prevention workshops to meet public demand. Since 2008, the Centre has handled over 509,000 sessions.

### Hot Meals for the Elderly

In February 2018, Mr Li Ka-shing visited a Food Angel community centre in Sham Shui Po, Hong Kong and enjoyed a warm meal with the elderly. LKSF pledged HK\$10 million for Food Angel to expand its good work in the community.



Mr Victor T K Li (left) and Ms Ezra Pau (right) present a donation cheque to Mr Charles Lee (centre), President of The Community Chest of Hong Kong to mark its 50th anniversary.

## Tsz Shan Monastery – Clarity, Compassion and Action

Since its opening in 2015, the Monastery has welcomed almost one million visitors, including 269,286 visitors in 2018. Using the notions of clarity, compassion and action, Tsz Shan Institute focuses on Buddhist education, research and close examination to allow a holistic approach to learning about Buddhism.

“Loving-Care Project” life education services are spreading to hospitals, retirement homes, and even correctional facilities, girls’ homes, etc. The Buddhist Spiritual Counselling Centre strives to provide professional counselling services through Buddhist wisdom. Since its establishment in 2015, the Centre has provided counselling services for over 6,000 residents, and over 72,475 people have participated in workshops and other activities.

Moreover, the Tsz Shan Monastery Buddhist Art Museum will open to the public in May 2019. The Museum aims to nourish the spirituality of all generations through important Buddhist art objects gathered from different historical periods and regions expressing the beauty of Buddhist art. LKSF’s total donation of HK\$3 billion has supported the development of the Monastery and is also funding its daily operation.



Hong Kong SAR Chief Executive Mrs Carrie Lam (fourth from left), LKSF Chairman Mr Li Ka-shing (fourth from right), Director of Liaison Office of the Central People’s Government in the Hong Kong SAR Mr Wang Zhimin (third from right), Mr Victor T K Li and Mr Richard Li (third and first from left respectively) officiate at the ceremony celebrating the Grand Opening of Tsz Shan Monastery.

## Shantou University

Shantou University (“STU”) is a comprehensive tertiary institution co-developed by the Ministry of Education, the Guangdong Provincial Government and LKSF. As the only privately funded public university in Mainland China, STU is dedicated to promoting reform and innovation in Mainland China’s higher education sector. LKSF has made grants and commitments of over HK\$10 billion to support STU’s development.

In 2018, STU became the first university in Guangdong that was awarded “Guangdong Demonstration University for Institutional Reform”. STU initiated a collaboration with the University of Michigan to develop an undergraduate curriculum in Biomedical Engineering. The Clinical Medicine, Chemistry, Marine Science and Mathematics departments garnered grants under the Top-tier University Development Funding Programme of Guangdong Province. For the fourth consecutive year, STU has been recognised internationally with a spot on the Times Higher Education World University Rankings.

For the sixth consecutive year, the quality of STU’s freshmen class continued to improve. In 2018, 100% of enrolled freshmen from Guangdong Province chose STU as their first preference. The first-time employment rate for STU graduates has been the highest in Guangdong Province for the past three years.



Mr Li Ka-shing delivers a speech at the Shantou University Commencement Ceremony in 2018.



## Shantou University Medical College

Shantou University Medical College ("SUMC") is pioneering reforms in medical education in Mainland China based on student-centred education and internationalisation initiatives. For 21 consecutive years, all incoming students have selected SUMC as their first choice. SUMC has taken the lead in adopting the United States Medical Licensing Examination (USMLE Step 1) to evaluate students in the English-stream medical programme. Over the past seven years, SUMC students taking part in the USMLE Step 1 have passed with an average passing rate of over 92%, which is close to those of accredited medical schools in the US. In 2018 the employment rate of new graduates was among the highest for universities in Guangdong Province, a record for 18 consecutive years. The Clinical Medicine major has been in the global top 1% of ESI (Essential Science Index) for six years in a row.



The Foundation supports the University of Sydney to conduct Australia's first clinical trial testing CAR T-cell immunotherapy.

In 2018, SUMC earned a second prize in the National Higher Education Achievement Award with the HEART (Humanity, Empathy, Art, Respect, Team) teaching module for medical students, as well as a special recognition award for Clinical Medicine Programme Accreditation granted by the Ministry of Education. Eleven SUMC students out of 871 contestants made it through to the final round of the First Chinese University Student Academic English competition, winning two of the top prizes in the nation, along with other accolades.

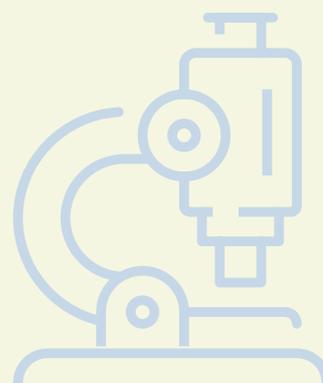
Currently under construction is a new 55,000 sq m research centre with an estimated development cost of RMB 476 million. The new Affiliated Cancer Hospital is being developed with a total investment of RMB1 billion. The new facility will cover an area of 150,000 sq m and have a capacity of about 700 beds.

Through the East-West Alliance programme, STU has expanded its international exchange and cooperation with 14 world-class universities such as Oxford University, Cambridge University, Stanford University and the University of California, Berkeley.

## Guangdong Technion Israel Institute of Technology (Joint venture between STU and Technion)

In 2018, Guangdong Technion Israel Institute of Technology ("GTIIT") recruited its second cohort of students, and began admitting students from Hong Kong and Macau through the Joint Entrance Examination. With the enrollment of 263 undergraduate students in 2018, there are now 479 students in GTIIT, which was the latest university to be listed in the "Guangdong High Level University Development Program" in 2018.

LKSF donated US\$130 million to Technion to promote the co-establishment of GTIIT by Technion and STU, which is fully supported by the People's Government of Guangdong Province and the Shantou Municipal Government.



### Cheung Kong Graduate School of Business

Since its founding in 2002, the Cheung Kong Graduate School of Business has aimed to cultivate business leaders with a global vision, a humanistic spirit, a strong sense of social responsibility and an innovative mind-set. After 16 years, the school boasts a growing network of 12,000 alumni who embody best practices in management education between the East and the West.

### Jiangxi Education and Women's Development

LKSF pledged RMB3 million to set up a collaboration between Nanchang University, its First Affiliated Hospital, and the Nanchang's Women's Federation to launch multifaceted initiatives in Jiangxi Province.

### Free Healthcare Services in Mainland China

Over the years, LKSF has contributed over RMB1 billion to support free medical care services, including "Heart of Gold" Nationwide Hospice Care Services, China Disabled Persons Federation's "Cheung Kong New Milestone" (three phases) to install prosthetics and provide rehabilitation support and training, Nationwide Medical Relief for the Poor, and the Kumbum Tibetan Medical Hospital Aid Programme. Over 17 million patients have benefited.

### Overseas Medical Research

In 2018, LKSF made new commitments of over HK\$250 million to support overseas projects. These include the following donations: HK\$7 million to Medecins Sans Frontieres to support the organisation's work in Bangladesh and an HIV/AIDs Project in the Republic of Congo; and HK\$25 million (approximately A\$4.5 million) to the University of Sydney to support Australia's first clinical trial testing Chimeric Antigen Receptor (CAR) T-cell immunotherapy.

LKSF will continue to cultivate a culture of giving as its unchanging promise.



Mr Li Ka-shing receives a Special Contribution Award from the Chinese Medical Association.

