

MESSAGE FROM THE CHAIRMAN

Welcome to the first standalone Sustainability Report of the CK Hutchison Group. This is a pivotal step in the Group's sustainability reporting journey that began decades ago. Through this Report, the Board hopes to provide higher transparency on what the Group has been doing in the sustainability arena.

The long-term sustainability of the Group's businesses has always been our concern. As a multinational conglomerate, the Group has implemented numerous measures to strengthen governance and mitigate risks over the past years. For the businesses to be successful, they have to actively engage stakeholders, conduct business the proper way, and fulfil their duties as good corporate citizens. The actual activities take different forms depending on the industry and jurisdiction, but the premise is the same. We have to give our customers value for money, treat our employees fairly, ensure the long-term health of the environment, and create returns for our shareholders.

The frameworks and strategies that are designed and implemented are sector and country specific and are constantly adapted to reflect evolving market landscapes and ensuing sustainability risks. The Board has mandated the business divisions to develop best in class sustainability frameworks to mitigate these risks and to compare with peers in their industries.

Even though this is a 2019 report, the COVID-19 pandemic had an unprecedented effect on businesses and the world in 2020. Many of the Group's businesses provide essential services to the community from pharmaceuticals to electricity and water. Safety and hygiene measures have been introduced for retail customers including ensuring adequate supply of daily necessities. For many people working from home or video conferencing school lessons, the Group's telecom networks are instrumental in keeping people connected. In response to the unstable global supply of hygienic face masks, in a short number of months, A.S. Watson transformed part of its distilled water and beverage manufacturing factory into a dust-free clean plant for producing Own Brand face masks with ASTM Level 3 certification and aims to produce 10 million masks a month. The Company is also taking great care of the employees who have to work to provide these essential services, and continue to improve the hygiene and work policies to reflect the latest information and guidelines.

It is hoped that this Report will provide readers a better understanding of the progress of the Group's major divisions to-date and where the Group is heading.

The appendix of this Report contains some of the major philanthropic initiatives my family, through the Li Ka Shing Foundation, engages in. For many years, the Foundation seeks to inspire societal improvement through supporting education and healthcare initiatives. We also believe these initiatives are personal and should not involve the Company's resources unnecessarily. Some of the Foundation's latest projects are included at the end of this Report, with further details available at www.lksf.org.

Thank you,

Victor T K Li
Chairman, CK Hutchison
30 June 2020