

PORTS AND RELATED SERVICES

Serving society

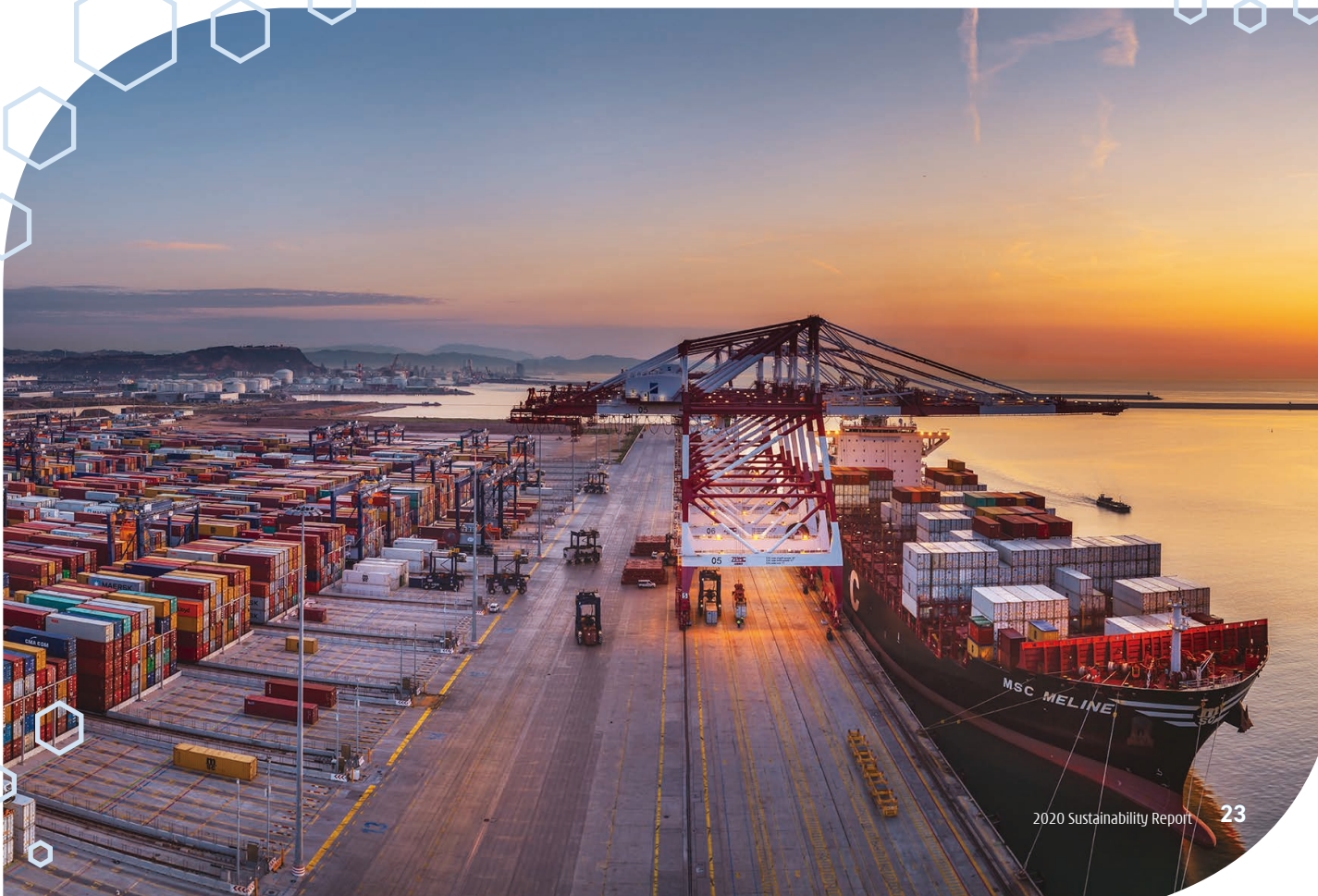
The global ports network is well recognised as the backbone of international trade and globalisation. Ports act as catalysts for economic development as they facilitate trade, support supply chains and serve as important sources of employment. Operating 11% of containerised marine cargo globally, the Ports division ("Hutchison Ports"), has a network of ports strategically located along the most important trade lanes in the world today.

During the COVID-19 crisis, it has been more important than ever to keep supply chains open and to allow trade and cross-border transport to continue. Together with the global maritime transport industry, Hutchison Ports has been playing a critical role in the response in maintaining the vital movement of food, medical supplies and energy around the world.

The pandemic has spotlighted how important a role the division plays in ensuring the healthy functioning of society as well as the significance of its aim to be –





The preferred partner for a sustainable supply chain.

Hutchison Ports BEST, Spain



Material topics, goals and progress

The following table highlights the material topics identified for Hutchison Ports, as well as the relevant UN Sustainable Development Goals ("SDG"), division goals and progress made.

| Material topics & SDGs | Goals | Highlights |
|---|--|--|
| Creating future-fit ports   | <ul style="list-style-type: none"> Promote a culture of technological innovation. Invest in digitalisation and automation across the network in building the smart port of the future. Embed sustainability considerations in new ventures, projects and developments. Build climate resiliency into terminal developments and redesign. | <ul style="list-style-type: none"> Developed the Smart Network Strategy utilising proprietary systems and tools to enable a smart port transformation, e.g. the Next Generation Terminal Management System and ubi, the customer-facing app. Innovating in remote-control connectivity: Rolled out 42 remote-control quay crane units, and 57 remote-control rubber-tyred gantry cranes ("RTGCs") globally. Bringing 5G to Hutchison Ports Port of Felixstowe and reviewing implementation at Hutchison Ports Stockholm in collaboration with the Telecommunications division. Piloting electric autonomous trucks at Hutchison Ports Thailand. Re-tooling and training employees in latest technologies. Completed a climate change adaptation report at the Hutchison Ports Port of Felixstowe. |
| Taking action on climate change   | <ul style="list-style-type: none"> Set global reduction targets in greenhouse gas ("GHG") emissions from port related activities. Convert equipment and infrastructure to electric alternatives, with a priority to reduce diesel consumption. Between 2021-2023, target a 3% cumulative reduction in total CO₂e/TEU through lower diesel use and 11% by 2030. Increase renewable energy production and green electricity uptake. Be at the forefront of hydrogen-fuelled technology in port operations. | <ul style="list-style-type: none"> Reduced scope 1 and 2 emissions by 65,254 tonnes CO₂e in 2020 versus 2019. Continued large-scale replacement of low carbon equipment and infrastructure. As of December 2020, Hutchison Ports operates: 668 electric, 328 hybrid, and 31 combined electric + hybrid RTGCs – a 66% conversion rate to greener RTGCs. Plans for a widescale replacement of conventional diesel terminal tractors with electric tractors from 2023. Pilots launched in Hutchison Ports Port of Felixstowe in the UK and Hutchison Ports Gwangyang in Korea to test feasibility and operations. Renewable energy installations generating 720 MW in 2020. Testing hydrogen fuel cell tractor technology in Hutchison Ports Yantian. Partnering to make Freeport East a green hydrogen hub and centre for excellence in sustainability in the UK. |

| Material topics & SDGs | Goals | Highlights |
|--|---|---|
| Creating a great place to work <div>      </div> | <ul style="list-style-type: none"> Attract, develop and retain high-performing talent. Create an inclusive and diverse culture. Work to level the ratio of male/female port personnel. Develop gender-neutral hiring practices. Improve health and safety awareness of employees through training and communication. Promote healthcare and wellbeing initiatives in the workplace. | <ul style="list-style-type: none"> Employee engagement surveys in place to encourage two-way feedback. Supports leadership development at all levels through the Regional Development Programme and MYPOR. Formalises inclusion and diversity as a global focus area in 2020 and collecting a new set of KPIs to track and monitor progress. In 2020, Hutchison Ports Port of Felixstowe became the first major port to achieve the Women in Maritime Charter Status. Rolled out a three-year safety training programme in 2020 focusing on high impact safety areas. 17% decrease in lost days due to work injury in 2020 versus 2019. Employee Assistance Programme launched for Hutchison Ports UK. Employee safety measures in light of the pandemic implemented as the highest priority. |
| Investing in local community development and environmental protection <div>    </div> | <ul style="list-style-type: none"> Be active members of the communities in which we operate. Work with local schools and universities, to promote sponsorships and port visits. | <ul style="list-style-type: none"> Ongoing Hutchison Ports' Dock School Programme since the 1990s sponsoring scholarships, school materials and equipment and other educational initiatives. Established "Start Your Journey @ Port Programme" at Hutchison Ports HIT to encourage the younger generation to pursue opportunities in the Ports industry. Supported local community hospitals with PPE and hospital equipment during the pandemic. Environmental protection initiatives underway through volunteer programmes and biodiversity conservation initiatives. |
| Ensuring responsible business practices <div>   </div> | <ul style="list-style-type: none"> Grow responsibly through ethical and sustainable business practices. Implement sustainable procurement standards. | <ul style="list-style-type: none"> All employees receive training on anti-corruption on new-joiner orientation, with refresher training provided annually. All employees must declare compliance with the Code of Conduct. Whistleblowing mechanisms and hotlines in place. Cyber-attack security plans, programmes and drills carried out. Hutchison Ports HIT, Hutchison Ports Yantian, Hutchison Ports BACTSSA and Hutchison Ports ECT accredited to ISO 27001 certification. Contractor evaluations underway at Hutchison Ports UK. |
|  | SDG 17, "Partnerships for the goals", underpins action on all material topics and enables the best possible impacts through collaboration and working with relevant partners. | |



“The application of the latest technologies in our operations has been the cornerstone of our success. We are committed to investing in digitalisation across our network, such as AI and other technological solutions to enhance our terminal operations. We have introduced the use of remote-controlled equipment, autonomous trucking and the proof-of-concept for blockchain solutions, where we are working with a number of companies across the supply chain.”

Ruth Tsim,
Group Chief Financial Officer, Hutchison Ports

Creating future-fit ports

For long-term business success, Hutchison Ports understands the need to be ready, resilient and prepared for what the future brings: both digitally and physically. The division needs to be agile and adapt to the demands of maritime transport and landside logistics as well as be prepared for what climate change may bring.

Technological innovation

Hutchison Ports stands at the forefront of technological advancement in the ports industry. Through continuous investment and exploration, and promoting a culture of innovation, the division has developed cutting-edge solutions that contribute to greater efficiency across every aspect of port operations.

Digitalisation

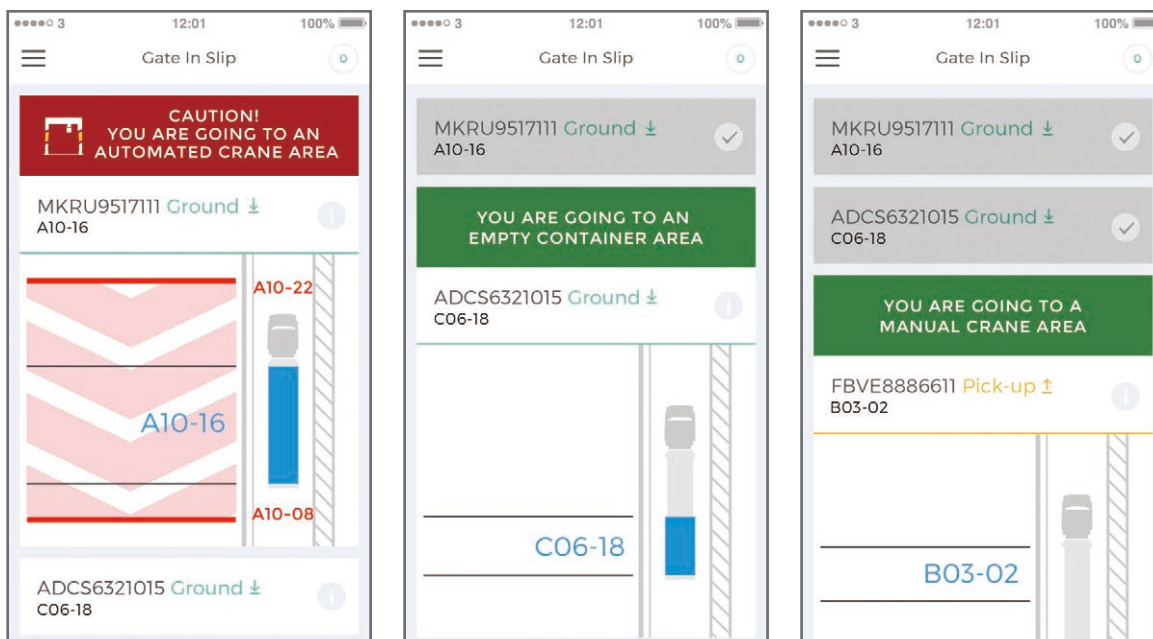
The COVID-19 pandemic has highlighted just how critical digitalisation is to: keeping supply chains moving; enabling the continued smooth operations of transportation networks, shipping and ports; and reducing human-to-human contact to lower the risk of virus transmission.

Digitalisation brings many benefits environmentally, socially and economically. Advances in automation and new innovative technologies, such as big data and AI, enable a new “smart port” era, offering great opportunities to Hutchison Ports.

Hutchison Ports is also increasingly utilising AI and big data to analyse terminal traffic to optimise and maximise terminal productivity. Being in the volume business, Hutchison Ports looks to big data for a wide spectrum of its business decisions including investments and operations. For example, its proprietary operating system, Next Generation Terminal Management System (“nGen”), collects container and ship data and puts together plans using algorithms and AI for the most optimal and efficient use of terminals. These plans will then be used in the execution of shipside and landside operations.

Using 3D animation, Hutchison Ports is able to simulate different operational scenarios. By comparing performance indicators and resource utilisation, Hutchison Ports can find the ideal smart port design and equipment levels before committing to investments.

Paperless operations are now migrating to digital cloud platforms to enable processes such as online goods registration, invoicing, payment, and assigning pickup points through QR code notification. All processes are centralised to a unified platform allowing quick and easy access with greater efficiency and flexibility. This interconnected digitalised terminal operation is quickly becoming the new norm in port operations.



Introducing ubi

ubi is Hutchison Ports' proprietary customer-facing app. It is powered by nGen and integrates waterside, yard and landside operations, allowing customers to receive the latest updates and information on their smart phones and devices at any time.

Since the launch in 2017, ubi has offered powerful features in port digitalisation providing carriers, service providers and yard operators with greater visibility, efficient landside processes and safer working environments. Example benefits include:

- Enables immediate updates such as shipping, haulier and terminal information to help customers with enhanced decision making;
- Provides an electronic Gate-In Slip and Equipment Interchange Receipt, eliminating unnecessary paper use while enabling more timely distribution and visibility of container status;
- The "Truck Appointment" function allows for more streamlined collaboration between the terminal and the customer leading to reduced terminal traffic congestion and idling time, as well as associated fuel consumption and air emissions; and
- The "Safety Alert" for Remote-Controlled RTGC function alerts drivers from gate-in to gate-out by detecting the truck's location and provide warning notifications.

Collaboration to accelerate the digital transformation

In 2020, Hutchison Ports joined eight leading ocean carriers and terminal operators to form a consortium to develop the Global Shipping Business Network (“GSBN”), an industry body seeking to drive and accelerate the adoption of digital operations within the shipping industry. The Group also seconded one of its leading data scientists to lead the GSBN. The network’s unique combination of carriers and terminal operators provides a balanced perspective, generating new ideas to transform the industry by going beyond the conventional carrier-centric business model to create value for all stakeholders in the supply chain.

Cutting-edge equipment

Advancing technology in equipment automation and remote-control connectivity offers many benefits.

In a remote-controlled environment, equipment can be deployed dynamically to meet peaks in demand and locating operators, vessel controllers and supervisors in close proximity also contributes to operational and fuel efficiencies.

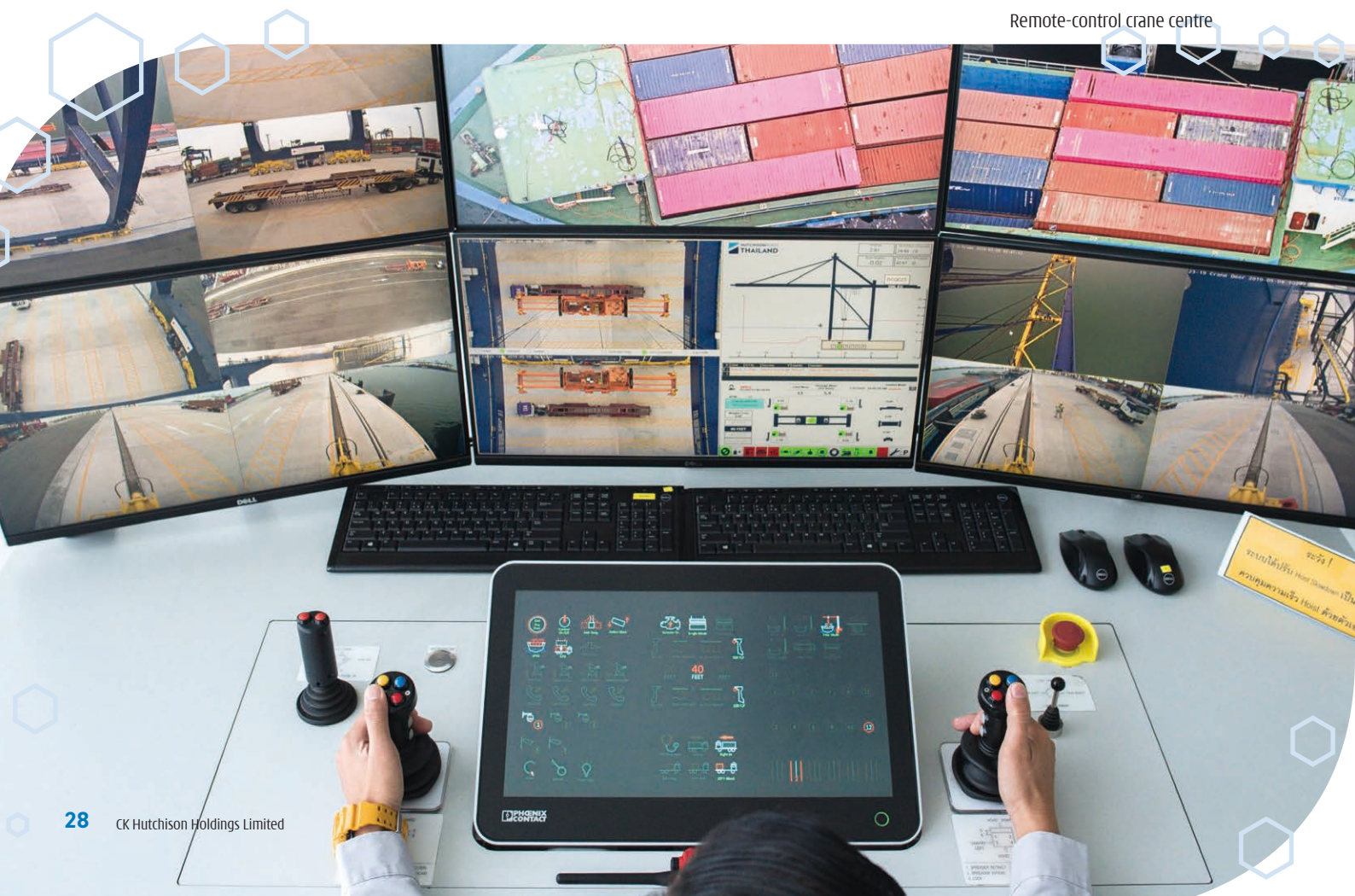
Further, in a traditional crane operation, drivers may experience physical stress to their back, neck and shoulders. From the comfort of the remote-control crane centres, drivers can have a better quality of workplace wellbeing. This less physically demanding work environment also opens up opportunity to a more diverse talent pool.

To date, Hutchison Ports has deployed 42 remote-control quay crane units worldwide, with an additional six units in progress. Fifty-seven remote-control RTGCs have also been deployed globally and an additional 30 units will be commissioned in 2021.

Hutchison Ports Thailand has introduced six electric autonomous terminal tractors as part its technology transformation. The further use of automated transfer carriers is under development for Hutchison Ports Stockholm.

It is important to note that while digitalisation and automation may change the nature of some jobs, they also create new job opportunities for equipment operators to be trained on the latest technologies as well as offering better workplace safety and wellbeing.

With the right focus, a future-fit port will offer even more employment and be even more inclusive than it is today.





Autonomous truck technology at Hutchison Ports Thailand

In 2020, Hutchison Ports Thailand began piloting cutting-edge technology in truck automation with the commissioning of six fully electric and autonomous trucks at the Terminal D facility at Laem Chabang Port, Thailand.

Equipped with advanced AI machine-learning technology and a data transmission system, the autonomous trucks can operate non-stop for more than 24 hours. The trucks utilise

an advanced light detection and range technology, through which they can instantaneously detect and survey their surroundings in all directions, generating a precise, internal 3D map enabling them to accurately analyse and avoid obstacles and collisions.

“ The autonomous trucks use the latest technology and innovation and is part of our ongoing plan to transform Terminal D into the most technologically advanced and efficient container terminal in the region. ”

Stephen Ashworth, Managing Director, South East Asia, Hutchison Ports

5G

The advent of 5G and IoT technology will bring the technological and smart capabilities of a port to a new level. A partnership between the Telecommunications division and Hutchison Ports Port of Felixstowe will test the potential of 5G in a port environment, a project which was chosen as part of the UK Government's 5G Testbeds and Trials Programme. The project will begin in 2021 and test two use cases: enabling remote-controlled cranes via the transmission of CCTV; and deploying IoT sensors and AI to optimise the predictive maintenance cycle of the Ports' 31 quay-side and 82 yard cranes. Harnessing the speed, low-latency and high-capacity of 5G, the project will demonstrate the productivity and efficiency gains of such technology both operationally and in terms of reduced GHG emissions as a result of fuel efficiencies.

Further, with the use of automated transfer carriers in development for Hutchison Ports Stockholm, low latency in wireless transmission is a critical requirement for safe and effective operations. Hutchison Ports is therefore also collaborating with the Group's Telecommunications division to review the pathway to updating the terminal to 5G.

Climate risk and resilience

Cyclones, hurricanes and storm surges coupled with rising sea levels are increasingly realistic threats to port infrastructure, security and operational efficiency. The impacts of higher ambient operating temperatures for ports may impact operating parameters and working conditions. For example, higher temperatures may require more frequent equipment calibration as well as the possibility of heat-related illness amongst the workforce. The potential impact and severity of these issues will vary from port to port through the 26 countries in which Hutchison Ports operates.

In recent years only one extreme weather event, namely Hurricane Dorian, the category 5 Atlantic hurricane that hit Hutchison Ports FCP in the Bahamas in September 2019, has caused damage to port infrastructure and the cessation of port operations. Aside from this event, extreme weather events have not caused major damage to Hutchison Ports' network. However, Hutchison Ports is aware that once in a hundred year events are becoming more frequent and that it needs to be prepared for a more extreme weather future; it is therefore committed to studying this long-term risk more closely.

Hutchison Ports Port of Felixstowe completed a climate change adaptation report in 2016 and a further follow-up assessment will be released in 2021. The Port of Rotterdam has also been proactively studying the influence of sea level rise and Hutchison Ports ECT will work collaboratively with the port authority on counter measures as that study continues to take shape.

Hutchison Ports is also aware of climate transition risks that will also be impacting operations in the near future. For example, legislative shifts are increasingly changing the way the ports industry must do business. For example, the UK government has released the Clean Maritime Plan outlining the UK's pathway to zero emissions shipping. The Port of Rotterdam has committed to becoming net zero by 2050 and as a port operator, Hutchison Ports ECT will collaborate with the port authority to make this vision a reality.



RTGs at Hutchison Ports Port of Felixstowe

Taking action on climate change

Further to the discussion on climate risk and resilience, there are many actions Hutchison Ports is taking to lower its carbon footprint.

GHG management

Hutchison Ports' scope 1 and 2 emissions relate to:

- Scope 1: on-site fossil fuel combustion from equipment operation and in-house power generation in the terminals; and
- Scope 2: emissions associated with the purchase of electricity, steam, heat, or cooling.

Scope 1 and 2 emissions decreased by 65,254 tonnes CO₂e in 2020 versus 2019, representing a 13% reduction in emissions. While other parts of the Group have needed to shut down as a result of COVID-19 lockdowns, Hutchison Ports has largely continued normal operations. Therefore, while some emissions are certainly attributable to a drop in business ⁽¹⁾, these emissions reductions remain for the most part representative of Hutchison Ports' ongoing emissions reduction programme. More specifically, scope 1 emissions decreased by 30,046 tonnes CO₂e, predominantly due to a reduction in diesel consumption from the

Note 1: Hutchison Ports experienced a 2% drop in throughput in 2020 versus 2019, excluding the cessation of Dammam Port during 2020.

rollout of an electric fleet, and scope 2 emissions have reduced by 35,208 tonnes CO₂e as a result of LED lighting upgrades, HVAC optimisation and behavioural change campaigns.

In 2020, Hutchison Ports rolled out an online sustainability data management system, which has further streamlined GHG reporting as well as improved ongoing data monitoring and accuracy.

Low carbon equipment and infrastructure

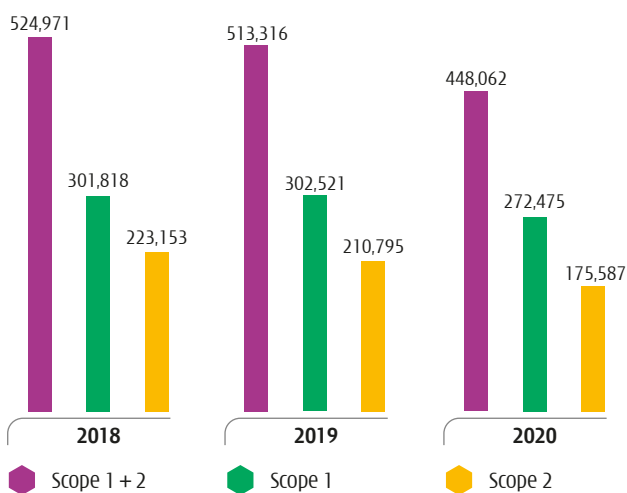
Over 80% of a ports' energy consumption relates to the fuel and electricity consumed by container handling equipment (forklifts, RTGCs, quayside container cranes, and internal tractors, for example) and terminal vehicles (shuttle buses and passenger vehicles, for example).

Advancements in the electrification and adoption of hybrid alternatives of existing equipment have allowed Hutchison Ports to transition away from traditional diesel combustion, a significant source of carbon emissions.

Rubber-tyred gantry cranes ("RTGCs")

RTGCs are the primary method for moving containers in terminal yards. As large, energy-intensive structures, RTGCs represent more than 40% of the total fuel consumption at a typical port. Conventional RTGCs are equipped with diesel generators to power electric motors that are necessary for the movement and stacking of containers in ports. Converting a conventional RTGC into a fully electric RTGC means shutting down the diesel generator and instead powering it with electric power directly from the power grid. This conversion delivers energy savings of nearly 50%.

Scope 1 and 2 emissions performance (tonne CO₂e)



In 2007, Hutchison Ports began a long-term equipment upgrade to replace diesel-powered RTGCs with electric or hybrid alternatives. Hybrid power typically composes of lithium ion battery banks coupled with a much smaller diesel engine. As of December 2020, Hutchison Ports operated 668 electric, 328 hybrid and 31 combined electric + hybrid RTGCs globally. With a total fleet size of 1,555, this represents a 66% conversion rate.

The following RTGCs were commissioned in 2020:

- 11 electric RTGCs in Hutchison Ports Pakistan;
- 8 fully electric RTGCs at Hutchison Ports Port of Felixstowe, UK; and
- 8 hybrid RTGCs Hutchison Ports Sohar, Oman.

Internal tractors

From 2023, Hutchison Ports plans to roll out a widescale replacement of conventional diesel terminal tractors with state-of-the-art electric internal tractors. Cumulatively, by 2030, the expected result will be an 11% reduction in Hutchison Ports' global carbon footprint.

To prepare for this rollout and new technology adoption, a pilot project of 24 electric terminal tractor vehicles will be launched at Hutchison Ports Port of Felixstowe in the UK. An additional feasibility analysis has been carried out at Hutchison Ports Gwangyang in Korea, which has been working on an electric terminal tractor development project with the local Government and development company, Seoho, between April 2018 and January 2020.

As an additional energy saving measure, Hutchison Ports Port of Felixstowe has introduced new internal tractors fitted with start-stop engine cut out technology. This has contributed to lower vehicle idling times, resulting in further fuel and emissions reductions.

Electric terminal tractors at Hutchison Ports Thailand



Terminal vehicles

In 2020, Hutchison Ports Sohar introduced four electric terminal passenger vehicles and Hutchison Ports Port of Felixstowe now has three electric passenger vehicles.

Mobile shore power

In 2020, the International Maritime Organization enforced a new limit on the sulphur content in fuel oil used on board ships. As a result, more vessels may look to switch to use shore electric power while at berth. Hutchison Ports Yantian has installed six mobile shore power units that cover the port's 16 berths. The learnings and realised benefits resulting from this project have been shared across Hutchison Ports to enable the planning of future additional shore power connections in other locations. Over the next two years (2021-2023), Shanghai Mingdong Container Terminals and Shanghai Pudong International Container Terminals will be installing shore power facilities.

Renewable energy uptake

Since 2012, Hutchison Ports has progressively been installing solar infrastructure. In 2020, about 720 MW of renewable energy was generated across the division's ports in the UK, Mexico, Spain, Australia and the UAE.



Solar array at Hutchison Ports Mexico

Beyond these projects, Hutchison Ports will continue to seek opportunities to increase the uptake of renewable energy consumption in the division's power mix, which accounted for 9.6% of electricity consumption as at end 2020.

Hydrogen

Recognising that hydrogen can play an exciting and innovative role in powering port terminal vehicles, Hutchison Ports has been exploring the use of green and blue hydrogen.

From 2021, Hutchison Ports Yantian will be trialling the use of hydrogen fuel cell terminal tractors in collaboration with the local government. Projects such as these require rigorous testing to ensure the highest level of standards and safety systems are in place. In general, the application of hydrogen fuel cells to power port equipment is still in prototype stage with technical and operational issues to be overcome.

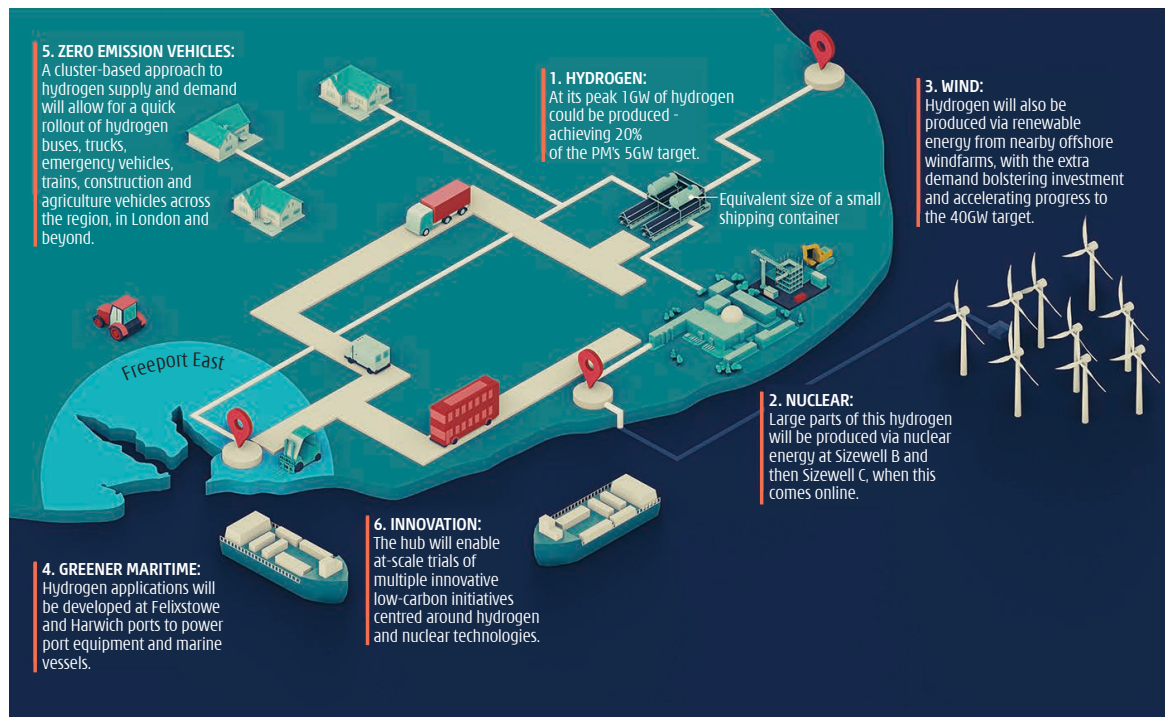


Hydrogen Fuel Cell Trial Tractor at Hutchison Ports Yantian

Freeport East Hydrogen Hub

Freeport East, centred upon the Port of Felixstowe and Harwich International Port (both owned and operated by Hutchison Ports), will be one of the eight new Freeports in the UK. Working closely with a consortium of partners, Hutchison Ports is helping to position Freeport East as a world-leading green hydrogen hub and centre for

excellence in sustainability over the next two years. At its peak, it is expected to produce 1Gw of hydrogen, 20% of the 5Gw target in the UK's Ten Point Plan for a Green Industrial Revolution. Among many other uses, the hydrogen produced will be used to power port infrastructure and equipment.



“ The development of the Hydrogen Hub will allow the Port of Felixstowe and Harwich International to lead in the development of alternative fuel port equipment. Establishing a test-bed to showcase hydrogen's potential in a port environment will establish the UK as a clear leader in developments that will help address climate change and the net zero agenda. ”

Clemence Cheng, Managing Director, Hutchison Ports Europe

Creating a great place to work

Hutchison Ports recognises the success of the ports business is inherently linked with the hard work and dedication of its workforce. Of top concern is to ensure that employee health, safety and wellbeing are maintained for all.

Occupational health and safety

Hutchison Ports works to ensure a safe environment for all Hutchison Ports employees and external users of its terminals and port facilities. In accordance with its Safety Policy in place, Hutchison Ports is committed to:

- Providing a safe working environment;
- Preventing accidents in the workplace; and
- Adopting preventive measures to eliminate hazards and safety risks.

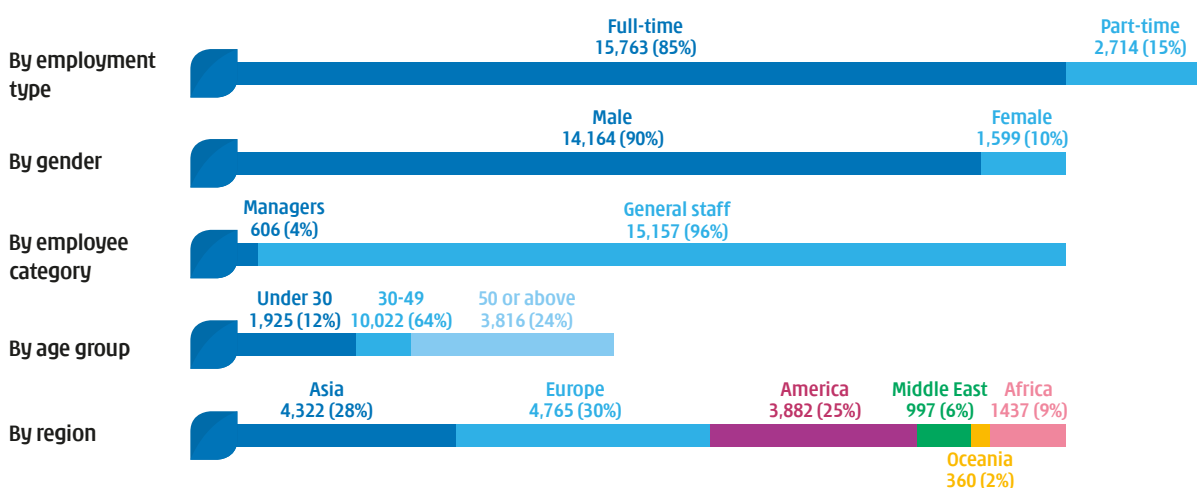
Further procedures for hazard identification, risk assessment and emergency preparedness are in place relating to the safety of all employees and contractors.

The Hutchison Ports Group Safety Committee ("SAFCOM") was established in 2011, with the headline remit to promote safe working and reduce accidents across the global network through the development of policies and procedures and the sharing of best practices.

SAFCOM is composed of the SAFCOM chairman, the secretariat (the Hutchison Ports Group Safety, Security & Environment team), six regional coordinators, as well as Hutchison Ports' head of Human Resources and the head of Engineering. The regional coordinators are the focal points for communicating decisions and recommendations made by SAFCOM within their respective regions. Every port is required to have its own Safety Committee to oversee performance management, monitoring and measurement of employees and contractors, and is responsible for liaison with the regional coordinators. Local Health and Safety teams are the teams on the ground and responsible for:

- Identifying occupational hazards employees may potentially be exposed to;
- Undertaking risk assessments; and
- Creating safe operating procedures to remove or reduce potential harm in all areas, in compliance with local legislations as a minimum standard.

Employee profile as at 31 December 2020





SAFCOM has established a safety audit programme in which safety specialists conduct on-site audits to monitor port safety performance and compliance. The safety audit team uses assessment templates based on leading international safety standards and Group internal audit requirements. Safety audit reports, including the findings and the safety improvement actions, are submitted to SAFCOM and port management for review. During the pandemic, SAFCOM's normal programme of port visits and auditing was temporarily adjusted. The Safety, Security & Environment team instead maintained close contact with the ports on safety matters and developed an online programme consisting of safety workshops, safety sharing sessions and safety training courses.

In 2020, Hutchison Ports also rolled out a three-year safety training programme including nine courses identified by SAFCOM based on feedback from each of the ports on high risk safety aspects facing the terminals. In 2020, 1,157 participants received new training on incident investigation, safety inspection and contractor safety management. In 2021, the areas prioritised for training include working at heights, electrical safety and risk assessment.

Hutchison Ports employees also take part in employee health screening programmes. Focus areas include the prevention of work-related illness and occupational diseases, ergonomics in the workplace, environmental health and noise protection.

In 2020, Hutchison Ports had a 17% decrease in lost days due to work injury versus 2019, a trajectory the division is dedicated to maintaining. Tragically however, a fatal incident resulted in the death of one contractor. In 2020, an investigation has been carried out and changes were introduced to operational procedures including the use of additional equipment and supervisory safety.

In addition to Hutchison Ports Group-wide coordinated programmes, every port also has its own tailored programme of initiatives and ways to communicate and enforce safety measures.

Port-level safety initiatives in 2020

1. The Hong Kong Fire Services Department and Hutchison Ports HIT held a joint fire-fighting exercise at Terminal 9. The exercise simulated a real fire suppression operation of a dangerous goods container. The joint exercise provided both sides with an opportunity to test coordination and ensure swift and effective responses from government authorities during emergencies.
2. The Nanhai International Container Terminals in Mainland China organised a joint safety inspection together with Customs and Marine authorities. The exercise emphasises the importance of safety and self-protection against COVID-19.
3. Hutchison Ports Port of Felixstowe's Emergency Response Unit completed a training exercise to refresh skills and procedures for rescue from height. The exercise was held during Maritime Safety Week, a UK Government initiative to highlight the importance of safety across the maritime sector.
4. The Shanghai Mingdong Container Terminals held the 19th National Work Safety Month entitled "Eliminate Accident Potential & Build Up Safety Defences". A series of activities took place during the month, including a safety conference, safety inspections, incident case training and fire drills.
5. Hutchison Ports' programme of encouraging ports towards having their Safety Management System externally certified continued with Hutchison Ports UK successfully transferring its registration from OHSAS 18001 to ISO 45001.



Protecting the health of employees during the pandemic

As part of the division's ongoing response to the impact of COVID-19, Hutchison Ports has introduced stringent safety precautions to ensure that its terminals are safe places for employees to work.

Every port has developed business continuity plans to ensure that Hutchison Ports can continue to provide the port services that customers need. Response plans include protocols for temperature checking, on-site testing services, amended working practices, restricted travel, workplace access, social distancing and internal track and trace systems.

Local employee events were organised throughout 2020 to recognise employee and contractor efforts and to alleviate new stresses and pressures created by the pandemic. Hutchison Ports Busan held the "Stay Strong Campaign" promoted by the Korean Ministry of Foreign Affairs and Trade in March aimed at keeping spirits high and encouraging employee recognition. At Hutchison Ports UK, a new Employee Assistance Programme was launched to help employees deal with personal problems that might negatively impact their health and wellbeing as a result of the pandemic. The programme provides employees and their direct household members with 24/7 confidential access to professional counsellors, nurses, pharmacists, and life management advisors.

Attraction, retention and development

Hutchison Ports is committed to ensuring fair working practices, promoting an inclusive working environment, providing competitive remuneration and employee benefits, and offering rewarding learning and development opportunities.

Creating an open feedback culture and ensuring two-way communications are enabled through port-level employee engagement surveys and acting upon results. For example, Hutchison Ports FCP Bahamas conducts employee engagement surveys annually, communicates the results to all employees, holds focus group discussions with Employee Councils, and reviews the results with management.



Tree planting in the UK



Employee mentoring

Learning and development

Hutchison Ports' Regional Development Programme has been specially designed to identify and develop Hutchison Ports' future leaders. This two-year programme aims to help future leaders build the transferable skills and knowledge to support business growth and expansion through high impact experiential learning, senior executive mentoring, webinars and group work on business projects. In 2019, two cohorts spanning Europe, the Middle East & Africa and Asia completed the programme and another cohort began in 2020.

In 2020, a new talent development programme was launched to develop young talent: MYPOR. Through MYPOR, participants are engaged through a series of virtual learning topics on practical skills and tools in areas such as career planning, executive branding, network building and leadership skills development.

In addition to Hutchison Ports' division-wide initiatives, various training programmes are organised within each port to develop future talent in areas such as operations management, engineering and information services.

Inclusion and diversity

With a large and diverse team globally, Hutchison Ports aims for all employees to feel accepted, included and that they belong to a large family of diverse cultures and backgrounds.

In 2020, inclusion and diversity have been given added focus through new KPI setting to better monitor progress and identify opportunity areas for the global Ports Sustainability Committee to spearhead action. While Hutchison Ports knows there is more to do in this area across all of its ports, it is delighted to celebrate progress in some that can act as centres of excellence for others going forward.

Investing in local community development and environmental protection

The division's ports around the world support and benefit local and regional development through their roles in creating jobs and transporting goods. They also partner with community organisations to play an active role in making their surrounding communities and environment better places to live and work.

Leading on diversity in the UK maritime industry

In March 2020, Hutchison Ports Port of Felixstowe became the first major UK port to gain the Women in Maritime Charter Status. As a Charter company, the Port has committed to improving gender diversity and creating a diverse and inclusive environment within a historically male dominated business.

Hutchison Ports UK is leading the Group's approach in improving gender diversity. In 2019, a five-year plan was created outlining key commitments to improving the gender balance of its staff, which was subsequently expanded to other areas of inclusion and diversity.

Some of the ongoing steps being taken include:

- Updating the maternity and paternity policies to support new parents;
- Launching a Women's Network and Celebrating International Women's Day;
- Introducing a coaching programme for female leaders to support them in further advancing their career;

- Improving workplace accessibility to persons with physical disabilities and working towards attaining the "Disability Confident Employer" accessibility status;
- Developing a new diversity and inclusion training e-module;
- Working to assess the recruitment process to reduce possibilities for interviewer bias, including anonymising applications; and
- Establishing inclusive leadership training.



Community support

Hutchison Ports' Dock School Programme is one of the division's most long-standing community programmes, in which each port globally partners with at least one local school to provide support such as sponsoring scholarships, equipment and other educational initiatives. For example, Hutchison Ports HIT supports the Tsuen Wan Trade Association School and the Hong Kong Institute of Vocational Education Tsing Yi with scholarships for disadvantaged students, and through facilitating school contests and opportunities for local students to learn more about Hong Kong's supply chains and the logistics industry.

Attracting new employees to the ports business and developing a future pipeline of talent is also an aim of the Dock School Programme. In 2020, Hutchison Ports HIT continued its "Start Your Journey @ Port Programme", a programme that provides a series of learning opportunities for local university students. The programme aims to increase students' knowledge and interest towards careers in the logistics industry through seminars, placements, scholarships and terminal visits.

During 2020, Hutchison Ports prioritised backing up local healthcare systems including through supporting local hospitals with donations of PPE and supporting the procurement of larger scale equipment. For example, the division facilitated the construction of independent air-conditioning systems for COVID-19 hospital wards in Thailand and donated hospital beds and ventilators for intensive care units in Panama. Volunteer teams globally also worked to deliver food packages and other personal protective necessities to communities in areas that have been hit hardest by the pandemic in Pakistan, the UK, Hong Kong, Spain and Panama.



Supporting schools in Thailand

Environmental protection

Hutchison Ports has a responsibility to protect its surrounding environment. Activities underway to maintain local biodiversity include:

- In Mexico, Hutchison Ports Lazaro Cardenas Terminal and L.C. Multipurpose Terminal have collaborated with the local community to create a turtle protection programme. Every year, three endangered species of turtle, the pacific loggerhead, the pond slider and the leatherback sea turtles, visit the ports' local areas to lay their eggs on Michoacán's beaches. Once the turtles have laid their eggs, the nests are then carefully re-sited to protect them from predators until the eggs hatch before being released back into the sea;
- In Mainland China, Hutchison Ports Yantian worked together with the Yantian Port Group to release over nine million fish and shrimp fingerlings into the surrounding waters of Mirs Bay during 2020 in an effort to re-populate fish species in the local aquatic environment; and
- In the UK, Hutchison Ports Port of Felixstowe is home to a pair of nesting Peregrine Falcons. The pair, which are afforded UK legal protection status, have called the port home for the last eight years, returning each spring to lay eggs in the dedicated nesting trays provided by the port. The port carefully manages operations around the pair during the nesting season, limiting container storage and footfall in the immediate vicinity of the nest.

Hutchison Ports' volunteer teams also focus on local conservation efforts as part of the global GO GREEN campaign through planting trees and cleaning local green spaces for the community. Employees are also encouraged to adopt an eco-conscious mindset at work through landmark celebrations in the environmental calendar including Earth Hour and World Environment Day.

Ensuring responsible business practices

With a global ports network spanning 26 countries and an ever-increasing focus on digital technology to run its critical business processes, both anti-corruption and cyber security are among two of Hutchison Ports' highest priority business risks.

Further, ensuring a responsible supply chain is also increasingly of focus for Hutchison Ports as it continues to expand its scope of focus.

Anti-corruption

The board and executive management team at Hutchison Ports has a zero tolerance approach to bribery and corruption. Hutchison Ports' policies, guidelines and procedures are established in these



Protecting sea turtles in Mexico

areas in local languages to deliver high standards of business ethics and integrity. Every employee must adhere to the ethical standards and legal requirements set out in the Group's AFAB Policy, the Code of Conduct, and additional relevant policies and guidelines. All business partners, suppliers and third party representatives are actively encouraged to also adopt these standards.

Hutchison Ports has also developed a process to require all employees to self-declare their compliance with the Code of Conduct and related policies annually.

All employees are required to go through the Code of Conduct and AFAB training as part of the new-joiner orientation, which is supplemented with refresher training. Further, to ensure key personnel are familiar with the relevant laws and regulatory requirements, all managers and supervisors from the Human Resources, Commercial, and Procurement departments, along with other selected individuals, are required to attend online training every two years. Hutchison Ports also provides an e-learning platform for employees to have better access to the AFAB policy and to ensure the policy is communicated to all levels in the organisation. Where higher bribery risk exposure has been identified, ports also request suppliers to participate in training.

Hutchison Ports aims to create an environment where employees and contractors are encouraged to query, speak-up and report any alleged infringements of company policies and ethics standards. Throughout the division there are various confidential mechanisms for reporting. For example, at Hutchison Ports UK, the "Speak Up Line" was created to provide a confidential channel to employees for reporting any alleged AFAB incidents.

All reported incidents are recorded on a register and reviewed by the designated senior management team at the Hutchison Ports head office on a regular basis.

Cyber security

Being a key player in the global logistics industry, and with so many of the systems and equipment automated, Hutchison Ports invests heavily in cyber security to safeguard its operations from serious disruption.

Hutchison Ports' approach is first and foremost guided by the Group-level security policy as well as the Group's Cyber Security Working Group as discussed on page 19 of this report.

Across Hutchison Ports, cyber security frameworks are aligned to ISO 27001 with larger ports including Hutchison Ports HIT, Hutchison Ports BACTSSA, Hutchison Ports ECT and Hutchison Ports Yantian achieving certification.

Hutchison Ports maintains a division-wide security programme, covering key areas in security governance and risks. While email phishing is the prominent cyber risk, regular phishing simulations and security awareness training are delivered to employees in identified high risk positions globally. Regarding IT security, Hutchison Ports performs systems vulnerability scanning for all ports infrastructure and applications on a regular basis to maintain clear visibility of the vulnerabilities and deployment of security patches.

In 2017, the division began revamping its cyber security recovery programme with the aid of leading experts in cyber security to boost operational resilience against cyber-attacks and shorten the recovery time from possible ensuing interruptions. The revised programme, which sets a target Recovery Time Objective of

24 hours and makes adept use of cloud technology, is now being progressively rolled out to other ports having first been piloted in a small number of terminals with diverse geographical locations and operational characteristics. The project is strongly supported by the division's senior management, and multiple training events have been held in London and Hong Kong.

All ports are required to conduct regular mock cyber-attacks based on different scenarios in order to keep their recovery programme up-to-date. For these exercises, where law enforcement officers are often invited to observe, comment and participate, the port response times are analysed and assessed, and the results are used to further enhance programmes. These drills help personnel to stay calm and collected under the stress and strains that typically accompany a real life attack.

Responsible supply chain

Hutchison Ports is currently expanding its sustainable procurement guidance across its ports to assist with pre-screening business partners across a wide range of sustainability issues including: business ethics, biodiversity impacts, emissions management, and human rights. Expansive sustainable procurement practices are already implemented at Hutchison Ports UK with contractor evaluations in the areas of labour practices, modern slavery, environment, legal compliance and health and safety. In 2020, to further improve its practices, Hutchison Ports HIT held a knowledge exchange with COSCO-HIT for procurement teams to share experiences on integrating sustainability criteria.

Prevention of illegal wildlife trade

Hutchison Ports believes that all organisations working in cargo movement have a role to play in countering the threat to animal and plant species from illegal trade.

Hutchison Ports is a signatory of the Buckingham Palace Declaration, a commitment to take substantive steps to remove opportunities for wildlife trafficking by focusing on information sharing and secure reporting to law-enforcement authorities.

Hutchison Ports has also developed a partnership with TRAFFIC, the non-governmental organisation working globally on trade in wild animals and plants, and leverages their insights to deepen knowledge and understanding in how to flag potential incidents of illegal wildlife trade.

