

# SUSTAINABILITY AT CK HUTCHISON

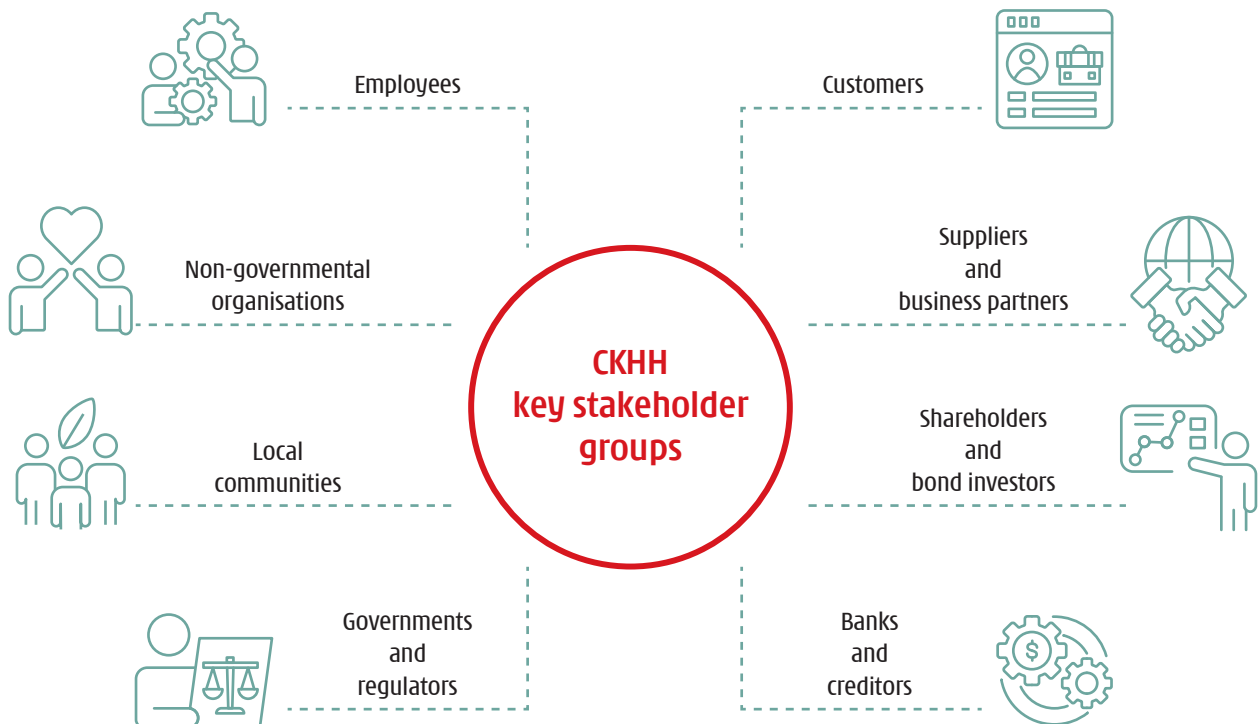
## Reporting What Matters

Understanding stakeholder views is essential for businesses to define and implement development strategies that safeguard people and the planet. The Group maintains close dialogue with its key stakeholder groups to evaluate the sustainability impact of its wide-ranging business interests and global scale of operations. The guiding disclosure principle and material topics covered in this sustainability report are kept consistent with the Group's 2022 Sustainability Report, which should ease understanding of the Group's sustainability journey.

## Stakeholder engagement

The Group engages with a broad range of stakeholders on an ongoing basis through a variety of channels, including meetings, liaison groups, panel discussions, workshops and surveys. The outcome of structured stakeholder engagement activities helps to guide the development of the Group's sustainability strategy.

Figure 2 CKHH key stakeholder groups



The ESG rating agency assessments support investors and other stakeholder groups to evaluate the Group's sustainability efforts. With the tightening disclosure requirements, the Group's communications with major stakeholders, such as investors and ESG rating agencies, are becoming even more important in understanding market expectation of the Group. Based on the feedback, the Group has further enhanced its effort, not only on

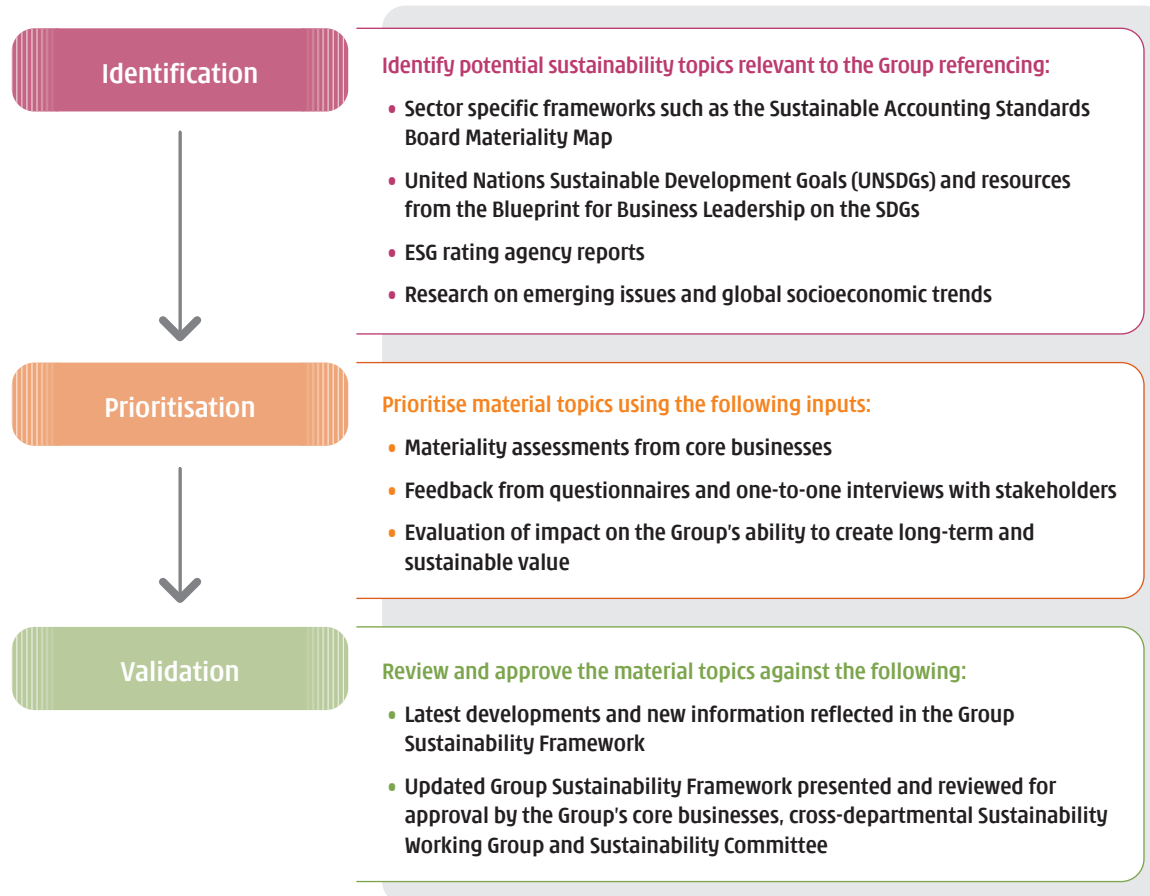
disclosure alone but also on the overall performance on all aspects of sustainability topics, and looks to address information requests from these agencies. In 2023, and notwithstanding the market challenges, CKHH has been able to maintain a BBB rating from MSCI\*, with a score of 27.3 from Sustainalytics# as at the publication of this report.

## Materiality

The Group's core businesses each face their own set of sustainability challenges and opportunities, requiring tailored approaches to impact identification and prioritisation, which must be validated, consolidated and refined at the Group level. Befitting

an organisation of its size and level of complexity, the Group deploys an iterative process for frequently updating its materiality assessment to take into account latest developments and new information.

**Figure 3** A three-step iterative process for Group materiality assessment



## Group Sustainability Framework

The Group has identified eight goals to guide its strategy on sustainable development across all core businesses.

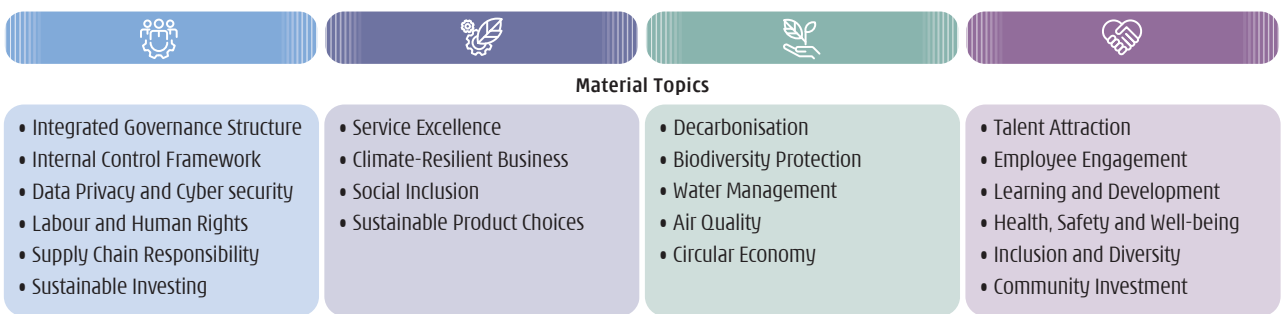
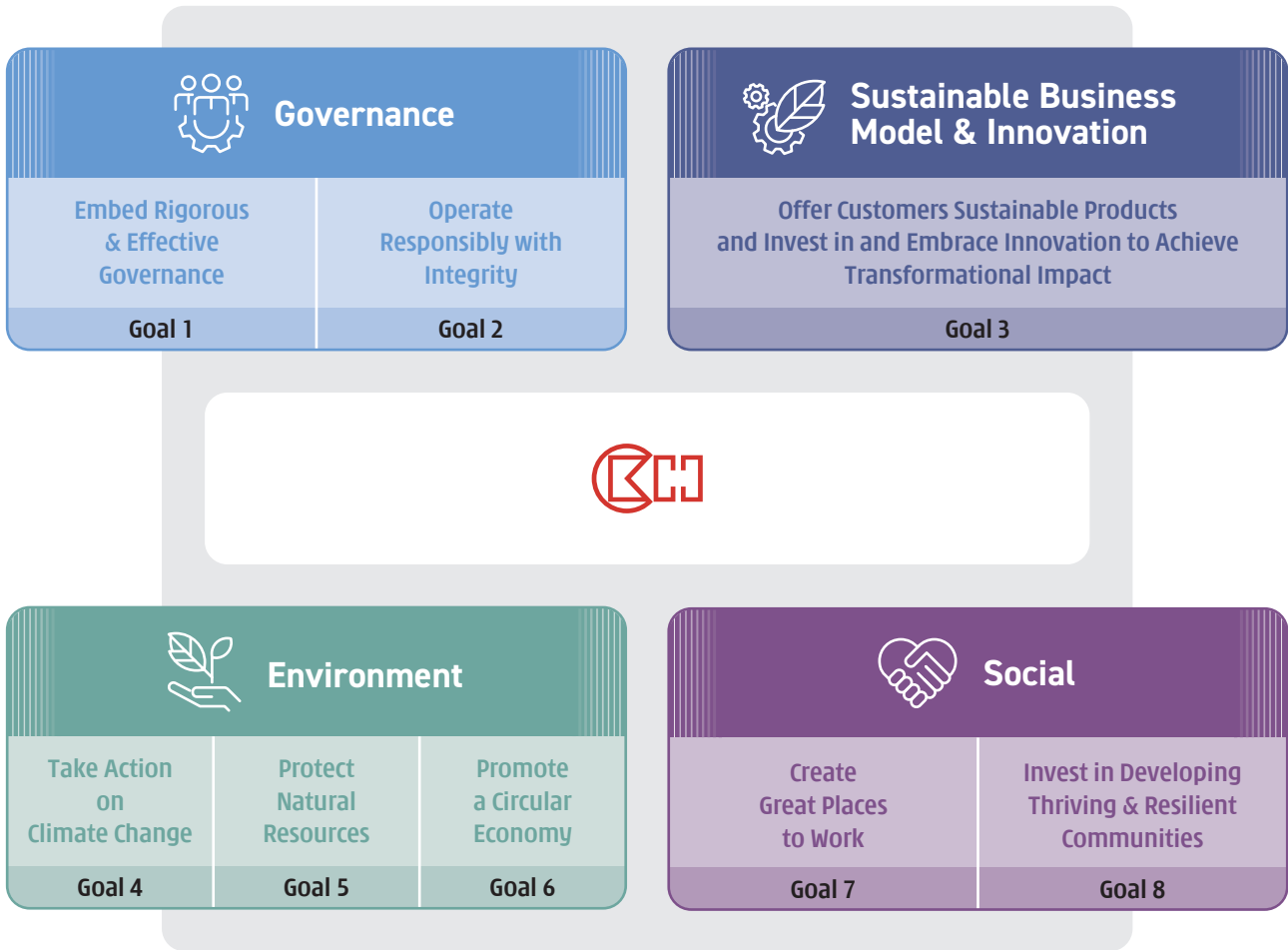
As illustrated in the Group Sustainability Framework, these goals have been arranged into four sustainability pillars and mapped to the UNSDGs. How these goals are achieved and how these material

topics are impacted across the Group will differ depending on the nature of the business sectors and geographies in which each core business operates. While this report is focused on material information from the Group perspective, further details are presented in the sustainability reports prepared by the core businesses.

\* This information may not be used for corporate financing purposes (including, without limitation, ESG-linked loans, credit facilities, securities or structured products), as a basis for any financial instruments or products (including, without limitation, passively managed funds and index-linked derivative securities) or other products or services, to manage any funds or portfolios, to verify or correct data in any other compilation of data or index, to create any derivative works, nor to create any other data or index (custom or otherwise), without MSCI's prior written permission.

# In March 2023 CK Hutchison Holdings Limited received an ESG Risk Rating of 27.3 and was assessed by Morningstar Sustainability to be at Medium risk of experiencing material financial impacts from ESG factors. In no event the Sustainability Report 2023 shall be construed as investment advice or expert opinion as defined by the applicable legislation.

Figure 4 Group Sustainability Framework







Autonomous electric trucks, Hutchison Ports Thailand

## Progress Highlights and Plans

The Group reports annually on progress to create value for its stakeholders in line with the Group Sustainability Framework. To sustain its momentum on implementing and refining the

framework, it has identified short-term objectives and targets for management priority under each pillar.

Figure 5 Group highlights and ambitions



### Governance



Ports



Retail



Infrastructure



Telecommunication

#### Objective and Targets

#### Highlights

Support divisions in rolling out sustainability strategies that address the impact and material topics specific to their industries
Continue to integrate sustainability into performance metrics and compensation schemes
Conduct first large-scale, Group-wide Sustainability Conference
Develop a Group sustainability portal for information-sharing and enhancing collaboration
Continue Group sustainability investment programme, embedding sustainability into core finance and investment planning
Evolve sustainability reporting in line with sustainability reporting frameworks such as the European Union (EU) Taxonomy and the Corporate Sustainability Reporting Directive

	Based on the Group Sustainability Framework, core business divisions develop their respective climate strategies and emission reduction targets
	Revision of remuneration policy and climate-related performance integration is underway, and updates to be provided in 2024 Sustainability Report
	The first Group-wide CK Hutchison Global Climate Action Conference was conducted in 2023
	The Group's internal sustainability portal development is underway, to be launched in 2024
	The enhancement on Group-wide green spend tracker is underway with details disclosed in this Report
	Evolved sustainability reporting in line with local and international sustainability reporting frameworks (i.e. HKEX ESG Reporting Guide, TCFD, etc.)



### Sustainable Business Model & Innovation



Ports



Retail



Infrastructure



Telecommunication

#### Objective and Targets

#### Highlights

Continue to build product services and solutions that help drive the net-zero transition; enable greater diversity and inclusivity; and solutions that drive sustainable sourcing and a circular economy
Collaborate and share solutions internally and externally, particularly in breakthrough scientific progress
Deliver digital inclusion benefits for target populations including senior citizens, remote community access and small businesses
Build climate resiliency into new projects and investments
Continue to enhance Group TCFD reporting

	Transition to electrifying equipment (i.e. cranes and trucks) is underway		Sustainable sourcing mechanism is in effect (i.e. RSPO palm oil adoption)		Waste reduction targets are set across different business units		Mobile devices take-back scheme across most markets
	Collaborative solutions in development across different areas, including energy efficiency, electric vehicles, etc.						
	The Group provided support on connectivity and digital accessibility to society, especially to the underprivileged and marginalised						
	<a href="#">10 net-zero transition opportunities</a> are in place and applicable across the Group						
	Standalone TCFD report was published by the Group and CKHGT. Other business divisions are engaging external consultants to develop standalone TCFD reports and working towards a publication in the subsequent years						





## Environment



Ports



Retail









Infrastructure



Telecommunication

### Objective and Targets

### Highlights

Publish a standalone Climate Transition Plan	 Group-wide standalone Climate Transition Plan under development
Develop a Group-wide renewable electricity strategy	 Group-wide renewable electricity strategy under development
Further expand/improve scope 3 emissions reporting	 Enhanced scope 3 reporting with additional online tools and details
Report on the Carbon Disclosure Project	 Carbon Disclosure Project survey shall be completed for 2024 corporate disclosure cycle
Develop a Biodiversity Policy	 Standalone Group-wide Biodiversity Policy was published
Continue expansion of biodiversity net gain philosophy into the operational ethos of businesses	 Biodiversity net gain philosophy is incorporated into the operational ethos



## Social



Ports



Retail










Infrastructure




Telecommunication

### Objective and Targets

### Highlights

Launch skills development programmes that develop future readiness	 MyPort talent development programme is successfully concluded	 Introduced Retail Analytics programme offering fresh graduates training on data analytics	 Future leaders training programme to continue upskilling high performers	 Continued to enhance the future skills academies
Continue to make progress in addressing gender imbalances, particularly in leadership roles, in addition to building wider inclusion and diversity strategies (beyond gender)	 Various measures were continuously implemented across the Group to ensure a diversified workforce (i.e. current gender ratio is 49:51)			
Maintain a zero-harm workplace and culture. Promote healthcare and well-being initiatives in the workplace	 Continue maintaining the occupational culture of zero-harm across the Group			
Be active members of the community, targeting investments to address the needs of the community	 The Group has contributed over HK\$100 million as donation to the local community			

 Completed/ On track

 Work underway, and progress updates to be provided in 2024 Sustainability Report

 Not yet started