



長江和記實業有限公司
CK HUTCHISON HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)
Stock code: 1



2023
SUSTAINABILITY
REPORT

CONTENTS

About CK Hutchison Holdings Limited	2	Social Inclusion	42
Message from the Chairman	4	Digital Inclusion	43
About this Report	6	Sustainable Product Choices	44
Reporting Scope	6	Consumer Preferences	44
Reporting Frameworks	6	Customer Engagement in the Circular Economy	45
Sustainability at CK Hutchison	8	Environment	48
Reporting What Matters	8	Decarbonisation	50
Materiality	9	Climate Action Strategy	50
Group Sustainability Framework	10	GHG Emissions Reduction Targets	51
Progress Highlights and Plans	12	Renewable and Other Clean Energy	54
Governance	14	Clean Transportation	59
Integrated Governance Structure	16	Energy Efficiency	61
The Board	16	Biodiversity Protection	63
Sustainability Committee	17	Environmental Net Gain	64
Audit Committee	17	Sustainable Sourcing and Anti-deforestation	65
Sustainability Working Group	17	Water Management	67
Governance Working Group	17	Water Data	67
Cyber Security Working Group	17	Water Risk	69
Internal Audit Assurance	17	Water Use	69
Risk Management	18	Air Quality	72
Sustainability in the Core Businesses	18	Air Emissions	72
Internal Control Framework	19	Circular Economy	74
Governance Policies	19	Waste Data	74
Communication and Training	21	Waste Management Services	75
Due Diligence	21	Diverting Waste from Landfill	76
Ongoing Assessment	21	Focus on E-Waste	78
Monitoring and Review	21	Focus on Plastics	79
Whistleblowing	21	Social	80
Data Privacy and Cyber security	22	Employer of Choice	82
Personal Data Governance and Information Security	23	Talent Attraction and Identification	85
Cyber security Strategy and Performance	24	Employee Engagement	86
Labour and Human Rights	27	Learning and Development	87
Supply Chain Responsibility	28	Inclusion and Diversity	91
Supplier Code of Conduct	28	Equal Opportunities	91
Supplier Screening and Assessments	28	Strength in Diversity	91
Sourcing Guidelines	28	Health, Safety and Well-being	95
Sustainable Investing	30	Creating a Culture of Safety	95
New Investments	30	Safety Risk Management and Mitigation	97
Capital and Operating Expenditure	30	Holistic Well-being	99
Debt Financing	31	Contractor Safety	100
Sustainable Business Model & Innovation	32	Community Investment	101
Service Excellence	34	Addressing the Challenges of Today	101
ISO Management Systems	34	Targeted Community Contributions	104
Quality and Safety Standards	36	Appendix 1: Environmental and Social Performance Indicators	106
Business Continuity Planning	37	Appendix 2: Hong Kong Stock Exchange ESG Guide Content Index	118
Customer Relationship Management	37	Appendix 3: Full List of Reported Business Units	123
Climate-Resilient Business	38		
Embracing Innovation	38		
Climate Adaptation	40		
Climate-related Financial Disclosures	41		

ABOUT CK HUTCHISON HOLDINGS LIMITED

CK Hutchison Holdings Limited (CKHH or the Group) is a multinational conglomerate committed to development, innovation, technology, leadership and sustainability in four core businesses: Ports and related services, Retail, Infrastructure and Telecommunications.

Ports and Related Services

The Group's Ports division includes Hutchison Port Holdings Limited (Hutchison Ports) and Hutchison Port Holdings Trust (HPH Trust). It is the world's leading container port network and engages in container terminal, cruise terminal and river trade operations as well as ports-related logistic services.

Retail

AS Watson Group (AS Watson) is the Group's Retail division operating a diverse retail portfolio comprising well-recognised consumer brands in health and beauty, supermarkets, consumer electronics and electrical appliances, wine and luxury perfumeries & cosmetics. It also manufactures and distributes bottled water and beverage products in Hong Kong and Mainland China.

Infrastructure

CK Infrastructure Holdings Limited (CKI) is a global infrastructure company with diversified investments in energy infrastructure, transportation infrastructure, water and household infrastructure, as well as waste management, waste-to-energy and infrastructure related businesses. In addition to its controlling interest in CKI, the Group also co-owns six infrastructure assets with CKI.

Telecommunications

The Telecommunications division is a pioneer in mobile data communication technologies and a leading global operator and innovator of converged telecommunication and digital services around the world.

CKHH global investments and operations

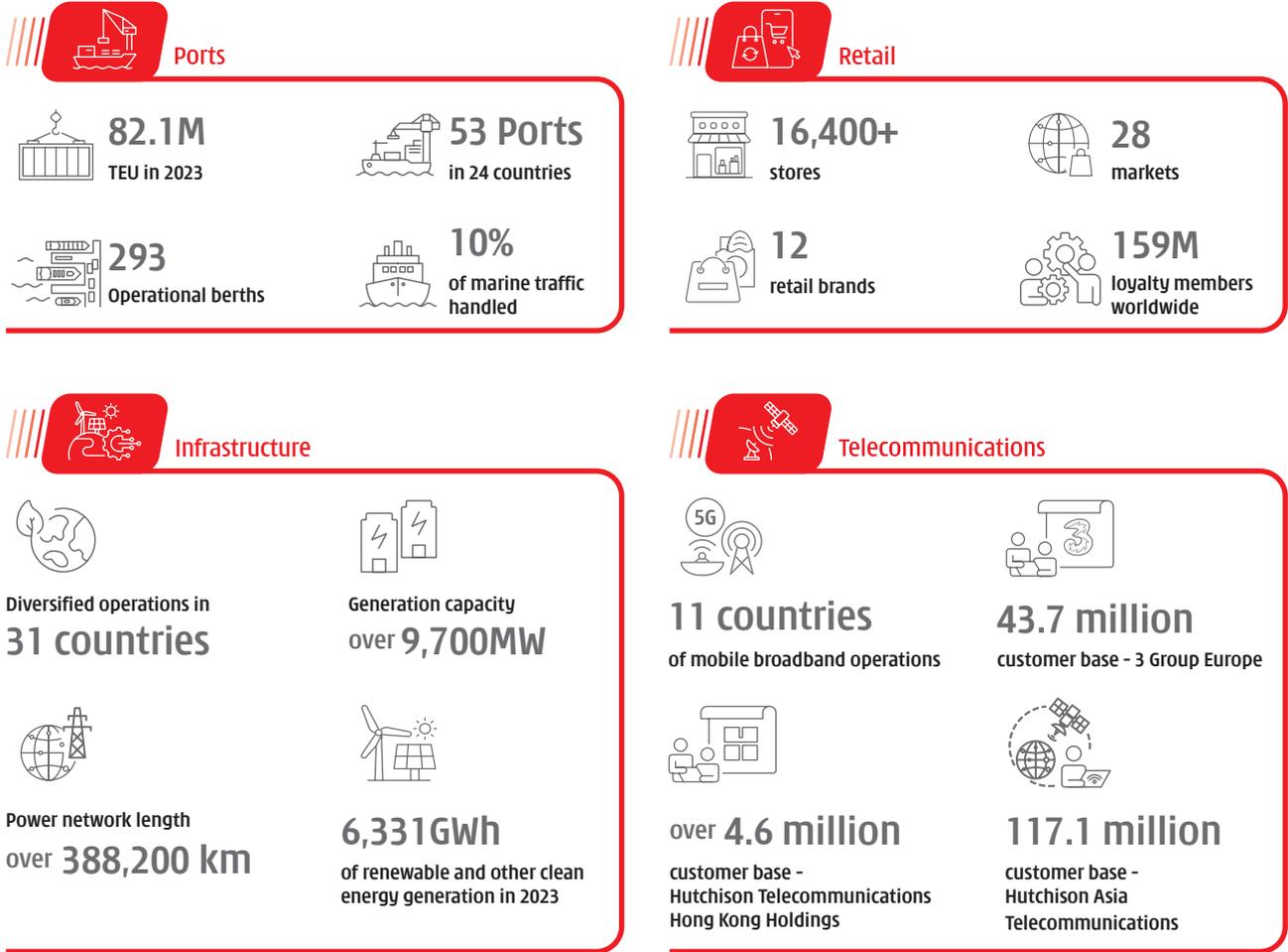
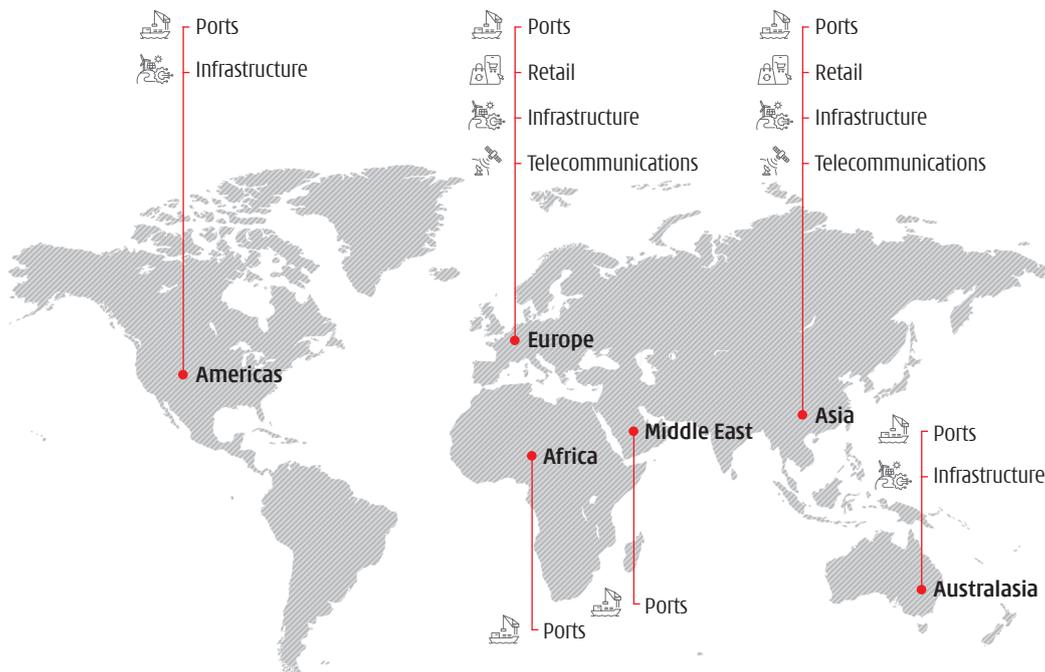


Figure 1 Core businesses distribution map



MESSAGE FROM THE CHAIRMAN

I am pleased to provide the progress report for this year on the sustainability journey and achievement of CK Hutchison. As a global operator with a portfolio of businesses operating in different regions, our Group recognises the importance of addressing potential climate-related risks to our businesses, staying resilient and driving towards our overall objective of being a sustainable business.

The year 2023 had many uncertainties and challenges for businesses including increased operations and financing costs. Despite this, we remained focused on investing in sustainable development initiatives and were continuously progressing towards our set goals and targets. In the 2022 Sustainability Report, the Group introduced its overall emissions reduction target, underpinning a group-wide commitment of reducing scope 1 and 2 emissions by 50% versus a 2020 baseline. As we continued to pursue net-zero greenhouse gas (GHG) emissions in operations, I am pleased to advise that we are making good progress collectively and are on track to achieve these targets. During the year, there were many division-level achievements in emissions reduction and low-carbon transition planning:

- Hutchison Ports received Science Based Targets initiatives (SBTi) validation of its near-term, long-term and net-zero targets in December 2023, including to reduce scope 1 and 2 GHG emissions 54.6% by 2033 from a 2021 base year; reduce absolute scope 3 GHG emissions 32.5% within the same time frame, and achieve net-zero across the value chain by 2050. Underpinned by the Hutchison Ports decarbonisation strategy, the Ports division continued the electrification of machines and equipment and procurement of renewable energy. As a result, approximately 93,000tCO₂ of emissions reduction on scope 1 and 2 emissions have been achieved in 2023, representing a reduction of around 19% versus the 2021 baseline emissions.
- The Retail division reduced approximately 167,000tCO₂ of emissions in 2023, well on its way to meet its SBTi validated emissions reduction target. This represents an approximately 26% reduction as compared to its set target. To further reduce its emissions, AS Watson increased the use of electric vehicles in its fleet and continued the procurement of renewable energy across Asia, Europe and the UK. The division also implemented supplier and industry engagement projects to improve its scope 3 data accuracy.

- The Infrastructure division developed its first division-wide emissions reduction targets in 2022, including halving emissions by 2035 versus 2020, and committing to the continued pursuit of net-zero by 2050. In 2023, the division achieved approximately 740,000tCO₂ reduction in emissions against its target, and reached around 18% of its reduction targets. To achieve these objectives, the division focuses on decarbonising energy generation, modernising infrastructure and embracing cleaner energy use.
- CK Hutchison Group Telecom (CKHGT) has SBTi validated targets to reduce scope 1 and 2 emissions by 50% by 2030 and reduce scope 3 emissions by 42% by 2030 versus a 2020 baseline. In 2023, a reduction of approximately 194,000tCO₂ in emissions of scope 1 and 2 has been achieved, around 80% of its targets. CKHGT is also committed to setting a long-term net-zero target, to be validated by the SBTi. It has developed a Climate Action Plan with focuses on increasing use of renewable energy and energy efficiency through networks and data centres and transitioning to an electric vehicle fleet. 3 UK, partnering with Ekkosense, won the "Digital Innovation of the Year" award at the EMAP 2023 Energy Awards, which is in recognition of its 12.5% reduction in data centre cooling energy consumption. In addition, CKHGT has been recognised the Sustainability Top-Rated ESG Companies List.

In response to heightened government regulatory requirements and expectation in sustainability, the Group regularly holds sustainability committee and workgroup meetings. These meetings aim to keep our management informed of the latest market intelligence and the Group's performance, while updating the Group's strategy as well. A prime example of the Group's strong commitment to sustainability and nature-friendly operations is our newly adopted Biodiversity Policy, which outlines the Group's vision in natural resource protection, biodiversity impact minimisation of our business activities, and overall environmental protection awareness.

As a multinational Group, we are conscious about the impact of our operations and our future investments. Our 10 net-zero transition opportunities have already identified risks and opportunities and guided our business divisions to implement new investment

sustainably. For instance, the Group's Infrastructure division in electricity distribution networks, including UK Power Networks, SA Power Networks, Victoria Power Networks, United Energy and Wellington Electricity, is leading the way in adopting low-carbon technologies such as network digitalisation, use of electric vehicles, heat pumps and renewable energy generation. The gas distribution companies, Northern Gas Networks, Wales & West Utilities and Australian Gas Networks, are at the forefront of the hydrogen transition, demonstrating the potential of hydrogen as an alternative energy source to reduce the carbon footprint in powering households. The Ports division is committed to investing in fully electric machines or machines supplemented with other forms of clean energy. In 2023, Hutchison Ports KICT in Pakistan and Hutchison Ports MITT in Myanmar developed their own clean energy support with 80kW and 100kW of on-site solar PV installation, powering operation sustainably with renewable energy sources. The Telecommunication division is also taking impactful reduction measures by investing in the transition to 5G including network equipment upgrades, implementing energy-efficient network features and virtualisation networks, all of which are leading to more efficient processing of data traffic and energy savings.

From our regular engagement with customers around the world, we appreciate their shared concerns about the environmental impact of the products they use. In response, our Retail division continued to review the products we offer, as well as improve the existing supplier screening process and expand the sustainable products list, offering more choices of environmentally friendly products. In 2023, AS Watson became a member of the EcoBeautyScore Consortium, an alliance that includes over 70 cosmetics industry stakeholders; it also supports using a harmonised scoring system to enable our consumers to better compare and evaluate the environmental impact of our products.

Of course, employees are our greatest assets, so developing safe workplaces where employees with different backgrounds feel supported, recognised and included continued to be one of the core priorities. We are proud to be able to maintain a diversified and talented workforce and to offer our employees many opportunities for success. Our work in this area is well recognised by our stakeholders. For example, AS Watson and Wind Tre are recognised by awards schemes as being among the best national employers, while 3 UK is recognised as one of the Top 50 Employers for Gender Equality. Equality at work is also one of our core values, and we are proud to see Wind Tre recognised by the Equal Salary Foundation with "Equal Salary" Certification since 2022. Safety-wise, we are operating with the highest standards across the Group. Our Ports division regularly organises safety workshops and sets craft-customised guidelines according to international standards, such as ISO 45001.

Looking forward, we strive to meet the expectations of our stakeholders as well as all applicable regulatory requirements and standards.

Finally, I would like to express my appreciation to our sustainability team members across the world for their hard work and dedication.

Victor T K Li

Chairman, CK Hutchison

19 April 2024



ABOUT THIS REPORT

Embedding the elements of Environmental, Social and Governance (ESG) principles into the Group's operations and business model has become utmost essential as part of the Group's ongoing commitment to sustainable development. While the Group will continue to focus on the success of its core businesses, operating sustainably, creating a positive impact on the environment and contributing to local communities are also an integral part of its long-term vision. This report outlines the Group's sustainability strategies and management approaches to material topics, and also covers the Group's sustainability performance for the year from 1 January to 31 December 2023.

This report continues to adhere to the four pillars of the Group Sustainability Framework, and the structure reflects the Group's approach across the material topics and the Group's collective efforts in contributing to sustainable development over the past year. This report should be read in conjunction with the 2023 Annual Report, which provides a comprehensive review of the Group's financial performance and corporate governance frameworks and practices.

The Group welcomes feedback and suggestions. Please contact us at sustainability@ckh.com.hk.

Reporting Scope

The Company reviews its reporting scope from time to time to ensure completeness and proper coverage of the material topics of the Group's overall portfolio. The scope of this report includes business units in the Group's four core businesses over which it has operational control. GHG emissions data has been consolidated in line with the Greenhouse Gas Protocol, excluding associates and affiliates over which the Group does not have operational control. The [full list of business units](#) included within this report is summarised in Appendix 3.

Reporting Frameworks

The Stock Exchange of Hong Kong Limited ESG Guide

This report has been prepared in accordance with mandatory disclosure requirements and "comply or explain" provisions of the ESG Reporting Guide as set out in Appendix C2 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (HKEX). Please refer to the [HKEX content index](#) in Appendix 2 for information on the location of specific disclosures.

Global Reporting Initiative

This report references selected standards from the Global Reporting Initiative.

Task Force on Climate-Related Financial Disclosures

The Group has adopted reporting recommendations from the Task Force on Climate-Related Financial Disclosures (TCFD). Its latest standalone [TCFD report](#) is available on the corporate website, and this report also makes reference to information in the standalone TCFD report. With the commitment and encouragement from the Group, CKHGT has also completed and published its standalone TCFD report in 2023.

United Nations Global Compact

The Group continues to be a signatory of the United Nations Global Compact, a voluntary multi-stakeholder platform aligned with 10 principles concerning the environment, anti-corruption, human rights and labour standards.

Additional information

The content of this report is supplemented by additional information in the [sustainability section](#) of the Group's corporate website, where relevant sustainability and related governing policies can be found.



Solar panels at Bran Sands Sewage Treatment Works, Northumbrian Water

SUSTAINABILITY AT CK HUTCHISON

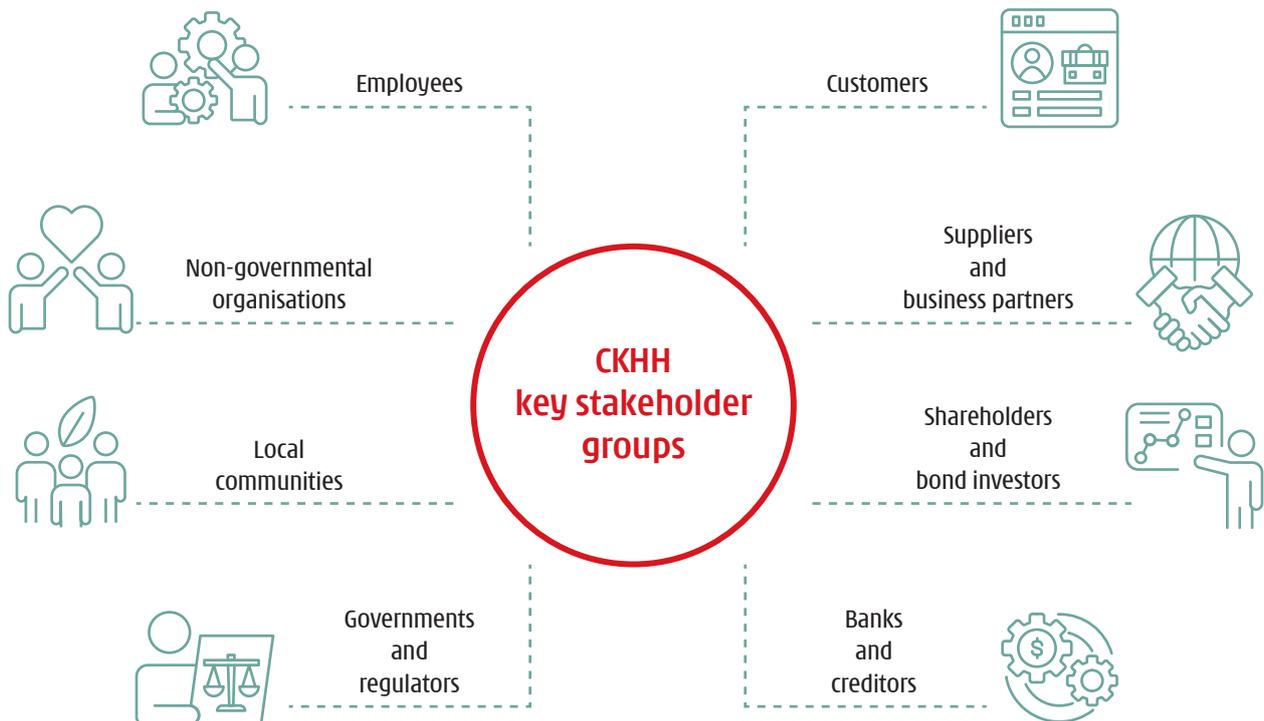
Reporting What Matters

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

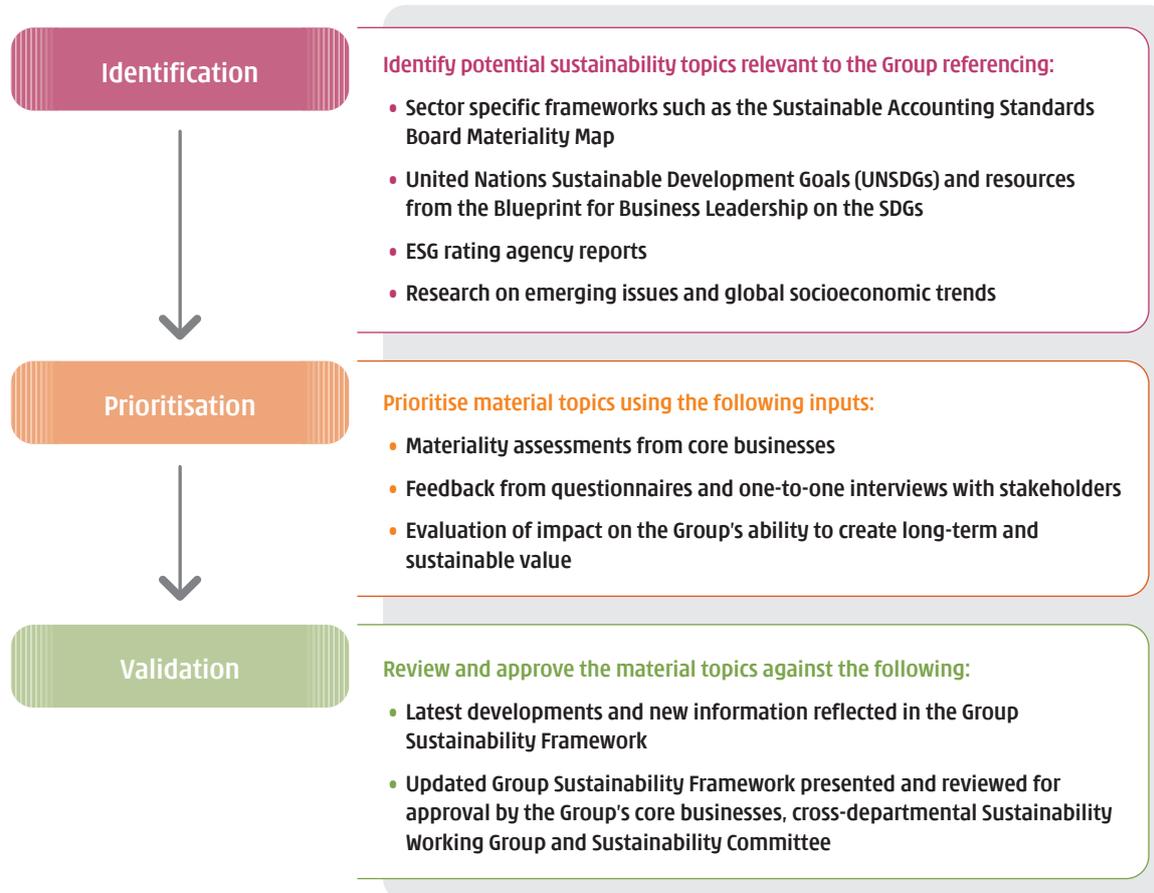
disclosure alone but also on the overall performance on all aspects of sustainability topics, and looks to address information requests from these agencies. In 2023, and notwithstanding the market challenges, CKHH has been able to maintain a BBB rating from MSCI*, with a score of 27.3 from Sustainalytics#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

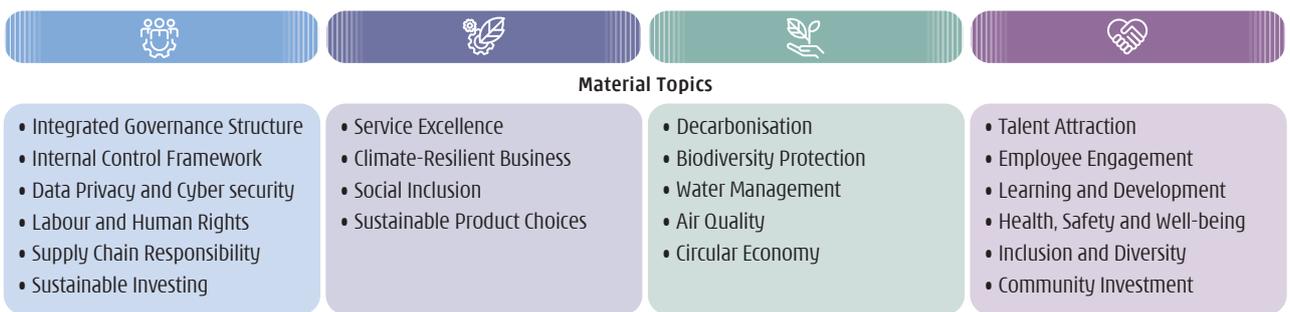
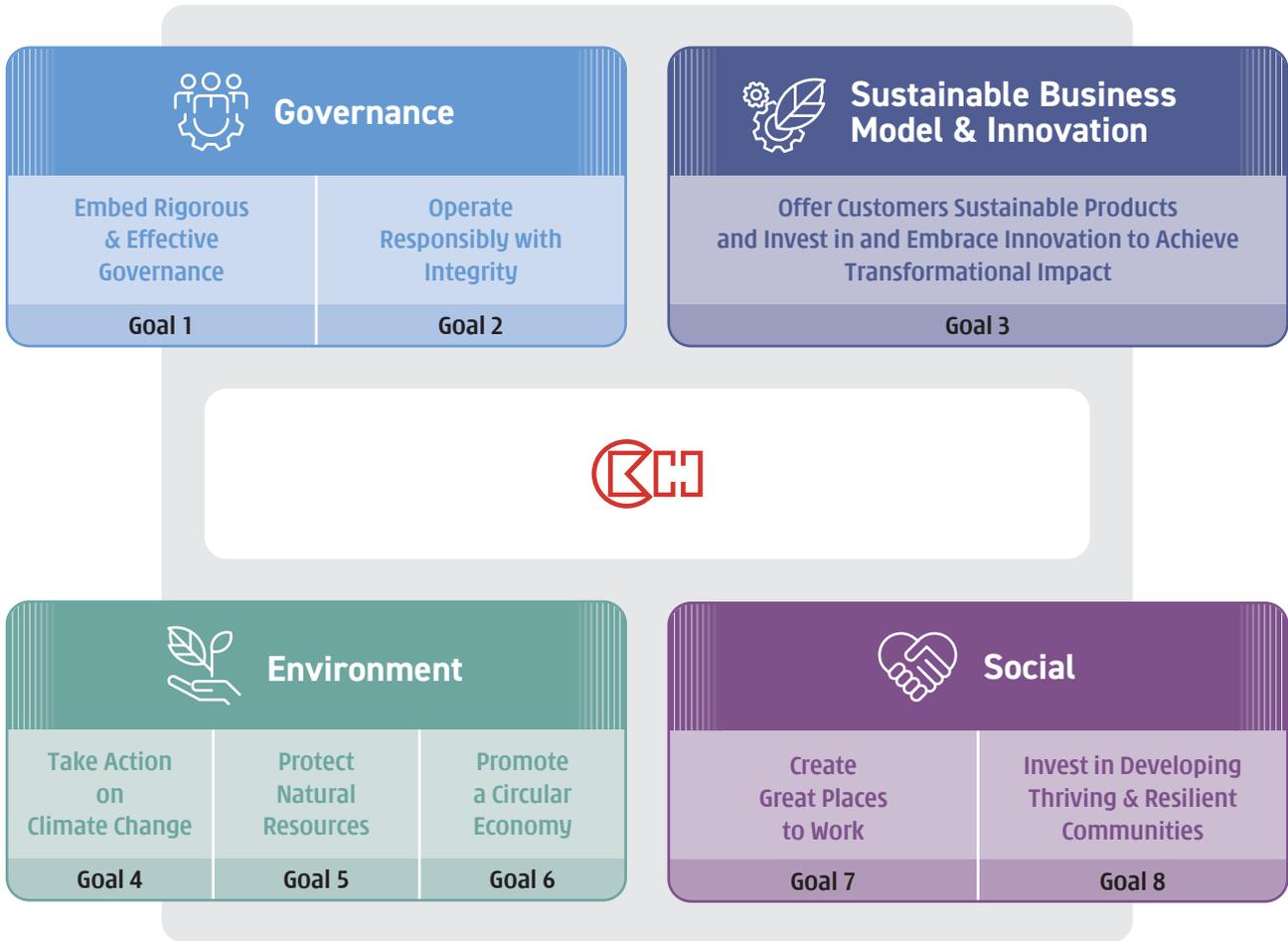
As illustrated in the Group Sustainability Framework, these goals have been arranged into four sustainability pillars and mapped to the UNSDGs. How these goals are achieved and how these material

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

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

Highlights

	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

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

Highlights

	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						
	10 net-zero transition opportunities 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





GOVERNANCE

The Group recognises its duty to ensure that its business is conducted responsibly with a view to avoiding adverse impacts from direct and indirect operations and promoting sustainable development. Good governance underpins the overall direction, effectiveness, supervision and accountability of the Group, guiding its business units to act with integrity and in the best interests of stakeholders through informed, effective, open and ethical decision-making. Reviews and updates on relevant procedures and mechanisms are also conducted regularly to ensure their effectiveness according to market changes and to comply with the latest regulatory requirements.

This section also covers governance approaches to specific cross-cutting sustainability topics that the Group identifies as important and that should be integrated and mainstreamed under the governance framework to ensure all business units across the Group operate responsibly with integrity. These include Data Privacy and Cyber security, Labour and Human Rights, and Supply Chain Responsibility. How the Group allocates capital to ensure the achievement of its sustainability goals and targets is also important to effective governance and therefore covered in this section.

GROUP GOALS

- EMBED RIGOROUS & EFFECTIVE GOVERNANCE
- OPERATE RESPONSIBLY WITH INTEGRITY

CONTENT IN THIS SECTION

- INTEGRATED GOVERNANCE STRUCTURE
- INTERNAL CONTROL FRAMEWORK
- DATA PRIVACY AND CYBER SECURITY
- LABOUR AND HUMAN RIGHTS
- SUPPLY CHAIN RESPONSIBILITY
- SUSTAINABLE INVESTING

Linked SDGs

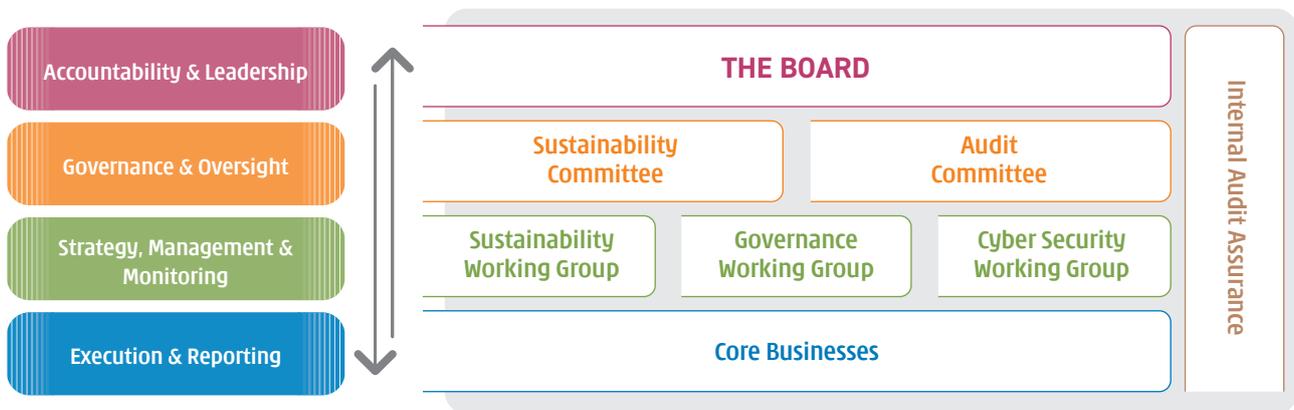


INTEGRATED GOVERNANCE STRUCTURE

The Group integrates environmental and social governance into its corporate governance structure, providing a solid foundation for sustainability strategy, management, monitoring and assurance to be embedded throughout its operations.

This section should be read in conjunction with the [Corporate Governance Report of the 2023 Annual Report](#), which is the primary source of information on the Group's corporate governance framework and practices. For more information about governance roles and mechanisms specifically in relation to climate change, please refer the Group's 2021 [TCFD Report](#).

Figure 6 CKHH's integrated governance structure



The Board

The Board has oversight and ultimate accountability for the sustainability strategy of the Group, as well as its management, performance and reporting, with the support of the Sustainability Committee and the Audit Committee which play complementary roles in sustainability management. Directors are charged with the task of promoting the long-term sustainable success of the Group and making decisions in the best interests of the Group with due regard to sustainability considerations.

The Board examines and approves the sustainability goals, objectives, policies and frameworks and reviews progress towards their implementation and achievement, while ensuring alignment with the Group's business strategy.

The Sustainability Committee and the Audit Committee report to the Board on sustainability risks, opportunities and assurance, which the Board examines and reviews with the committees periodically, as well as their impact on business strategy and new investments.

Board diversity

As at the publication of this report, the Board comprises 19 directors, including eight Executive Directors, four Non-executive Directors and seven Independent Non-executive Directors. The Nomination Committee, chaired by Dr Wong Yick Ming, Rosanna, an Independent Non-executive Director, with the Chairman Mr Victor T K Li and Independent Non-executive Director Mrs Leung Lau Yau Fun, Sophie as members, is responsible for reviewing the structure, size, diversity profile and skillsets of members of the Board.

Female representation at the Board stands at a relatively high level (31.5%, six out of 19 Directors) amongst companies listed on The HKEX, increasing from 29.4% in 2022. [Upon the retirement of Dr Rosanna Wong](#) from the Board at the conclusion of the annual general meeting of the Company to be held in May 2024, the female representation at the Board will decrease to 27.7% (five out of 18 Directors). The Company cements its commitment to gender diversity within its business so it continues to review and assess the appropriate level of gender diversity and composition that aligns with the strategy of the Company. The Company targets to maintain about 30% female directors on its Board. This target will be reviewed on an annual basis and from time to time by the Nomination Committee as warranted.

Sustainability Committee

The Board level Sustainability Committee is currently chaired by Mr Frank Sixt (Group Co-Managing Director and Group Finance Director), with Ms Edith Shih (Executive Director and Company Secretary) and Dr Rosanna Wong (Independent Non-executive Director) as members. With the retirement of Dr Rosanna Wong from the Board at the conclusion of the annual general meeting of the Company to be held in May 2024, the composition of the Sustainability Committee will change, as Ms Ruth Tsim (Independent Non-executive Director) will be appointed as member. The Sustainability Committee oversees, reviews and evaluates actions taken by the Group to progress its sustainability priorities and goals, and it also drives and incorporates sustainability practices into the Group's strategy plans. The Sustainability Committee also reviews and reports to the Board on sustainability risks and opportunities, and assesses emerging sustainability issues and trends that could impact the business operations and performance of the Group. Moreover, it considers the impact of the Group's sustainability initiatives on its stakeholders and advises the Board on external communication, disclosure and publications with regard to its sustainability performance.

In 2023, the Sustainability Committee continued to assess progress on sustainability targets and actions committed by the Group. It reviewed and approved the sustainability report published in April 2023. The Sustainability Committee also closely monitored changes on global and regional sustainability-related regulatory requirements and implemented necessary actions to ensure the Group's full compliance. In addition, the Sustainability Committee examined, and considered satisfactory, the adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's sustainability performance and reporting. Following each Sustainability Committee meeting, a progress report, signed off by the Chairman of the Committee, is submitted to the Board. An agenda item is in the Board meeting for Directors to receive the report from the Committee and ask questions as needed.

Audit Committee

The Audit Committee oversees the effectiveness and adequacy of the Group's risk management and internal control systems, covering financial, operational and compliance aspects, as per the Audit Committee Terms of Reference.

The Audit Committee currently comprises four Independent Non-executive Directors. It is chaired by Mr Wong Kwai Lam with Ms Chow Ching Yee, Cynthia (appointed on 14 December 2023), Mr Paul Joseph Tighe and Ms Tsim Sin Ling, Ruth (appointed on 2 January 2024) as members. Ms Lee Wai Mun, Rose ceased to be a member of the Audit Committee upon her resignation from the Board on 14 December 2023.

Sustainability Working Group

Supporting the Sustainability Committee is the Sustainability Working Group, comprising two Executive Directors as Co-Chairs, as well as other senior executives from key departments that influence the materials sustainability impact of the Group. Members are updated with trends on the latest sustainability topics that are material to the Group (i.e. disclosure standards and regulatory requirements), and potential implementation and strategy sustainability plans would be guided with professional input.

Governance Working Group

To assist the Audit Committee and the Sustainability Committee in discharging their responsibilities, a Governance Working Group chaired by the Executive Director and Company Secretary, and comprising representatives from key departments of the Company, provides timely updates, identifies emerging matters of compliance, and establishes appropriate compliance policies and procedures for Group-wide adoption.

Cyber Security Working Group

The Cyber Security Working Group is chaired by the Group Co-Managing Director and Group Finance Director and comprises technical specialists from the core businesses, as well as representatives from Internal Audit and the Group Information Services Department. It oversees the cyber security defences of the Group to ensure that the Group's tools and measures in managing cyber risks are effective, coherent and well-coordinated. Employee education and ongoing training in cyber security are arranged to increase knowledge of cyber threats and the best practices for safeguarding digital assets and data. It also makes recommendations as it deems appropriate to the Audit Committee as per the Cyber Security Working Group Terms of Reference.

Internal Audit Assurance

Internal Audit, reporting directly to the Audit Committee and administratively to the Group Co-Managing Director and Group Finance Director, provides independent assurance as to the effectiveness of the risk management activities and controls of the Group, including those related to sustainability. Internal Audit also has an important role throughout the year in sustainability data quality oversight, as well as performing ongoing audits of operations to ensure the effectiveness of sustainability-related controls.

Risk Management

As part of its enterprise risk management, the Group adopts a top-down and bottom-up approach to managing sustainability risks. The Sustainability Working Group seeks insights from the Executive Directors and the Board, via the Sustainability Committee, about the latest developments in the external and internal environment, and how the Group responds to these emerging risks and opportunities. Meanwhile, half-yearly, each core business is required to formally identify and self-assess its risks and the necessary control procedures that are in place. Subject to independent audit assurance by Internal Audit, these self-assessment results are submitted to the Executive Directors and the Audit Committee and Sustainability Committee for review and approval. Relevant assessment results are also shared with external auditors.

Full information on how the Group identifies, assesses and manages climate-related risks is available in the latest [TCFD Report](#).

Sustainability in the Core Businesses

Each of the core businesses operates in unique sectors and geographies and are therefore supported by their own sustainability leads, governance structures and programmes. As a common standard, each core business has set up its own cross-departmental Sustainability Working Group which is chaired by senior management. Periodic cross-business divisions meetings are also arranged, ensuring that the Group's sustainability directive, targets and goals are fully explained. During the year, Group-wide initiatives on the pursuit of net-zero targets and transition plans were discussed and progress was reported from all divisions. Details of which can be found in the "[Environment](#)" section of this report.



Sustainability team meeting, SA Power Networks

INTERNAL CONTROL FRAMEWORK

The internal control framework, which encompasses governance policies, communication and training, ongoing assessment, due diligence, and monitoring and review, guides and supports the Group's core businesses to act with integrity throughout all areas and aspects of daily operations.

Through the Audit Committee, the Board has ultimate oversight of business ethics and compliance efforts and also regularly reviews the effectiveness of the risk management and internal control systems of the Group on an ongoing basis.

Governance Policies

The Group's business ethics are guided by its governance policies which are available to download on the internal portal or Group's corporate website. Where necessary to their industry and

geography, additional policies are adopted by the core businesses to further complement the policies of the Group.

Figure 7 Internal control framework



Governance Policies

Sustainability

- [Sustainability Policy](#)
- [Biodiversity Policy](#)
- [Environmental Policy](#)
- [Health and Safety Policy](#)
- [Human Rights Policy](#)
- [Modern Slavery and Human Trafficking Statement](#)
- [Supplier Code of Conduct](#)

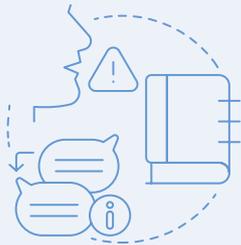
Corporate Governance

- [Anti-Fraud and Anti-Bribery Policy](#)
- [Board Diversity Policy](#)
- [Code of Conduct](#)
- [Corporate Communications Policy](#)
- [Director Nomination Policy](#)
- [Information Security Policy](#)
- [Policy on Appointment of Third-Party Representatives](#)
- [Policy on Personal Data Governance](#)
- [Policy on Securities Dealings and Handling of Confidential and Price-sensitive Inside Information](#)
- [Whistleblowing Policy](#)
- [Shareholders Communication Policy](#)



A zero-tolerance approach to fraud and corruption

The Board sets a tone of zero-tolerance towards fraud and corruption.



The [Code of Conduct](#) (the Code) sets out professional standards of the Group in all business dealings. It applies to subsidiaries and controlled affiliates, demanding strict adherence from every director and employee to the Code and applicable laws, rules and regulations in the jurisdictions in which the Group operates. Employees serving as directors are also expected to encourage non-controlled affiliates to adopt and follow the Code.



The [Anti-Fraud and Anti-Bribery Policy](#) provides guidance for employees on recognising and avoiding unethical behaviour in a range of business contexts, including procurement of goods and services, accepting and offering corporate gifts or hospitality and making political or charitable contributions. The Group further promotes its commitment to anti-corruption through its selection of third-party representatives via its Policy on Appointment of Third Party Representatives.

Communication and Training

The Group provides training to employees on its governance policies. Employees are required to self-declare their compliance with the [Code of Conduct](#) on an annual basis and new joiners receive training as part of their induction programmes. Training on specific governance topics, such as anti-fraud and anti-corruption, is provided to employees in accordance with their roles and areas of responsibility at least once every two years. Other operational or functional training courses are also offered throughout the year, with topics from data analysis to leadership and career skills development. These are available for all levels of employees to subscribe to.

Due Diligence

The Group's commitment to anti-fraud and anti-corruption is also reflected in its management of business partners, suppliers and third-party representatives such as advisers, agents and consultants. The Group conducts due diligence on the selection and renewal of new and existing business partners or suppliers based on an assessment of risk factors including transaction size, product or service nature, financial and compliance status, qualification, potential conflict of interest and country risk.

Further, the Group adopts a comprehensive set of procurement and tendering procedures to ensure that related activities are carried out in a fair and transparent manner. Approval from the Head Office is generally required before engagement of third-party representatives generally and material capital expenditure projects (in excess of predefined thresholds) also requires Head Office review and approval prior to any binding commitment.

Ongoing Assessment

Core businesses are also required to self-assess their control measures at least bi-annually to further drive improvement. In particular, any material control deficiencies identified will entail an action plan being formulated and progress monitored closely. The results of this self-assessment are discussed in meeting, reviewed by Internal Audit and reported to the Executive Directors and the Audit Committee.

Monitoring and Review

The Group has implemented sound financial controls, including adequate segregation of duties, authorisation controls, records logging, supporting documentation and audit trails, to prevent and

detect irregularities or misconduct. This control system is subject to regular review and audit. In particular, Internal Audit, which is responsible for assessing the effectiveness and adequacy of the internal control system of the Group, conducts independent audits of the Group's ethical standards and policies in the areas of anti-corruption, fraud incident management, supplier code of conduct, fair dealing with suppliers, donations/sponsorships, handling of confidential/inside information, personal data governance, anti-trust, workplace safety, and accuracy of books and records. The audits run in a typical three-year cycle and are Group-wide. Business units exposed to higher fraud and corruption risks are subject to more frequent and intensive audits, generally once per year. All audit findings are reported to the Audit Committee and the Executive Directors and are also shared with external auditors.

Whistleblowing

The Group encourages its employees and other stakeholders, including customers, suppliers, creditors and debtors, to raise concerns about suspected improprieties, misconduct or malpractice. It operates various confidential reporting channels in local languages via the Group's corporate websites.

In accordance with the [Whistleblowing Policy](#), the Group responds to each reported incident in strict confidence, and provides reassurances on protection for whistleblowers against unfair dismissal, victimisation or unwarranted disciplinary action. Each core business has internal procedures for handling reports. All core businesses must report any actual or suspected material incidents within one working day to the Group Co-Managing Director and Group Finance Director and Head of Internal Audit.

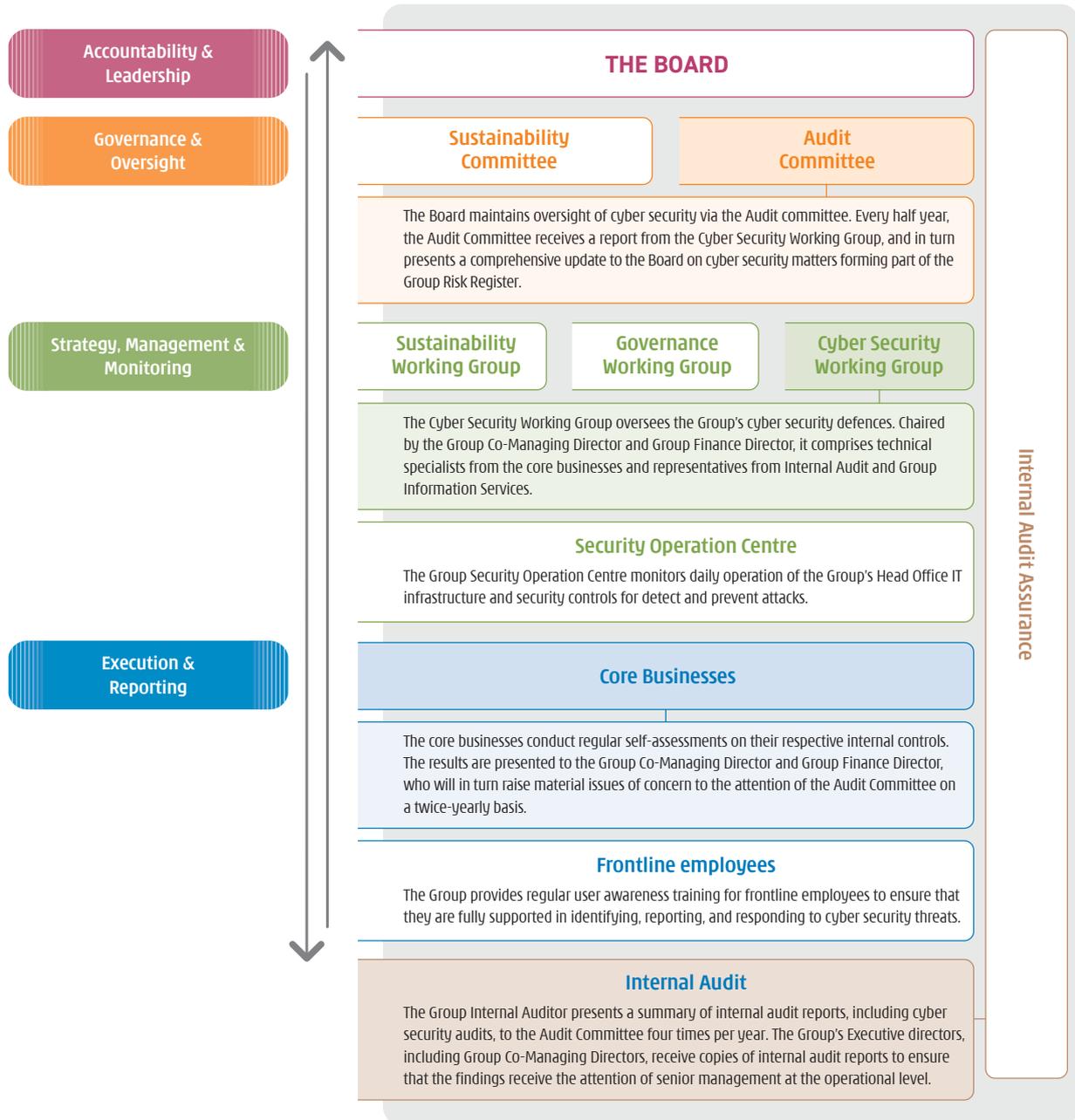
Reported incidents of fraud and corruption will receive a comprehensive investigation. Internal Audit is responsible for reviewing reported incidents, seeking relevant stakeholders for direction or comment, determining which incidents require in-depth investigation and escalating its findings to the Executive Directors and the Audit Committee, as applicable.

The Executive Directors receive a summary of reported incidents and relevant statistics, including results of independent investigations and actions taken every quarter and at Audit Committee meetings. Substantiated complaints will result in disciplinary action following due management consideration, including verbal or written warnings and termination of employment. Violation of laws and regulations will be reported to law enforcement authorities, as applicable.

DATA PRIVACY AND CYBER SECURITY

Digitalisation is a powerful megatrend creating opportunities for automation, integration, data analytics and innovation across all business areas. Ensuring data protection and effective control of cyber security risks are of paramount importance for the Group, as reflected in its comprehensive governance structure and mechanisms.

Figure 8 Cyber security governance and oversight



Personal Data Governance and Information Security

The Group recognises its responsibility to keep personal data and sensitive information safe by implementing technical and organisational measures that demonstrate its compliance with legislation in relevant jurisdictions, including the EU's General Data Protection Regulation.

The Group's [Policy on Personal Data Governance](#) protects consumers and employees by enshrining the principles of respect for individual rights, procedural transparency, lawful processing, use and retention, and information security. It contains provisions on legitimate purposes for data collection, data usage and retention, sharing and transferring personal data and safeguards

for data processing by third parties. The [Information Security Policy](#) outlines the Group's approach to protect data confidentiality, integrity and availability, including personal data, as well as managing and escalating security incidents. It forms the basis for core businesses to formulate supplementary policies and procedures at the operational level.

With the ever-increasing cyber security challenges, such as phishing emails, text messages, malware and inappropriate websites, the Group's businesses will continue to work hand-in-hand with its customers, offering a range of resources and solutions to safeguard their businesses.



Retail

CYBER SECURITY AND ENCRYPTED CUSTOMER DATA

The Retail division's O+O (Offline plus Online) worldwide platform strategy is built on a trust-based model underpinned by its highly advanced IT systems and cyber security service. For instance, data on the shopping behaviour of AS Watson's 159 million loyal customers is maintained in dedicated and encrypted environments where access is strictly controlled. The data is only made available for the design and delivery of personalised promotions. To further protect data from unauthorised usage, all modern cyber security technologies, including advanced AI threat detection mechanisms, are applied.



**159
million**

Data on the shopping behaviour of the 159 million AS Watson loyal customers are maintained in dedicated and encrypted environments where access is strictly controlled.





Telecommunications

SAFER BROWSING WITH THE SENIORS

The first cyber security internal faculty, #Cyber4Seniors, was built and dedicated to the parents and grandparents of Wind Tre employees. In line with Wind Tre's value of responsibility, it is the intention to contribute through this initiative to breaking down the digital gap, placing a particular focus on the issues of

IT security, which are increasingly important in the digital world, but at the same time exposed to cyber security issues. The programme was launched in 2023, through which 221 seniors received training from experts and gained understanding on topics such as scams and other forms of online dangers.



Infrastructure

CYBER SECURITY INCIDENT RESPONSE PLAN AND DISASTER RECOVERY TEST

United Energy and Victoria Power Networks have implemented the "Cyber security Incident Response Plan" demonstrating commitment to enhancing cyber security measures within business operations. This plan provides operational guidelines for effectively identifying and promptly addressing cyber security incidents.

Disaster recovery tests are also carried out by United Energy and Victoria Power Networks to mitigate potential disruptions and ensure the continuity of business operations. By regularly evaluating their disaster recovery plans, United Energy and Victoria Power Networks can identify any weaknesses or gaps in systems and processes and make necessary improvements to maintain the integrity of their information assets.

Cyber Security Strategy and Performance

Digitalisation increases the scope, scale and frequency of opportunities for intruders to penetrate the Group's IT networks as more and more applications and devices go online. The Cyber Security Working Group assists the Audit Committee in reviewing and managing cyber security and related areas.

The principal mandates of the Cyber Security Working Group are to oversee the Group's cyber security defences, monitor the cyber security threat landscape and provide strategic oversight. The Group "Cyber Security Policy" provides a framework for defining the baseline for cyber security practices, and managing cyber

security risks to ensure that the Group's tools and measures in this area are effective, coherent and well-coordinated. The Group Cyber Security Incident Reporting Policy provides guidelines for reporting and responding to cyber security incidents, in order to minimise impact and prevent future occurrences. These frameworks elevate the Group's information security measures and the adequacy of actions proposed or taken to protect against cyber security threats.

Experts from the Group's Cyber Security team will remain vigilant in monitoring and addressing external cyber security threats to ensure operations are free from disturbance.

Figure 9 Monitoring to inform continuous evolution of the Group's Cyber Security Strategy

GROUP CYBER SECURITY POLICY

Defines the baseline for protection against cyber security threats and supports development of protection controls and programmes to strengthen the Group's cyber security maturity

Group Cyber Security Incident Reporting Policy

Provides guidelines on reporting cyber security incidents to minimise impact and prevent future occurrence by feeding intelligence to Risk Assessments and Threat Intelligence



GROUP CYBER SECURITY STRATEGY



Risk assessments of various security domains among all business units (twice per year)



Ad hoc independent cyber security assessments e.g. "ethical hacking"



Threat intelligence from trusted external sources to identify potential security loopholes or incidents



Employee cyber security awareness campaigns



Infrastructure

CYBER SECURITY AWARENESS STRATEGY, DELIVERY PLAN AND TRAINING

Similar to other business divisions across the Group, SA Power Networks has in place a cyber security awareness strategy and delivery plan, including regularly disseminating at least one article per fortnight through electronic media channels and twice-yearly refreshments of posters at various sites. A monthly online awareness session and monthly phishing exercises are organised for all employees. Employees are also required to complete an annual training course online. The primary objective of implementing these comprehensive measures is to enhance its employees' awareness regarding cyber security threats and best practices and emphasise users' critical role in preventing them.

As part of its cyber security programme, Alliance Construction Materials and Wales & West Utilities also provides regular online awareness training to all its employees, and it is compulsory for every employee to attend the training and complete an assessment. The objective is to equip employees with the knowledge and ability to identify and respond to cyber security incidents proficiently. The online cyber security awareness course offered by Wales & West Utilities is also a UK National Cyber Security Centre accredited course and is a mandatory course for all employees upon joining the organisation.



Group

PHISHING AWARENESS

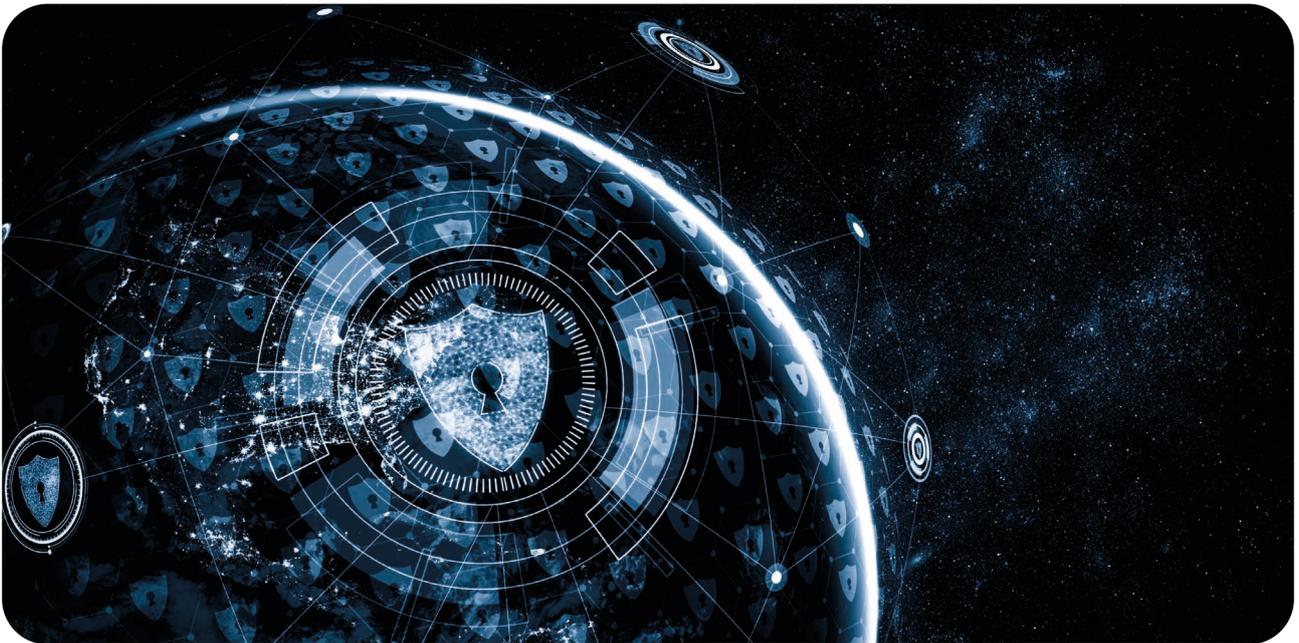
Phishing poses a significant threat by tricking individuals into revealing sensitive information such as passwords and confidential data. It could lead to identity theft, financial losses and unauthorised access to personal and corporate accounts through malicious emails and exploits human vulnerability through social engineering techniques to deceive unsuspecting victims.

The Group understands the cyber security threats that arise from phishing attacks and maintains a high awareness level among

all employees by conducting regular phishing simulations and training campaigns. The Group Cyber Security team manages related activities on a monthly basis and measures their effectiveness through dedicated metrics. The team also shares information or articles with all employees on the latest cyber security trends and best practices on a regular basis. By doing so, general cyber security awareness to defend against cyber criminals is upheld.

Cyber security risks

The Group's cyber security risk governance structure collects, consolidates, verifies and escalates information from the operational level with additional assurance provided by Internal Audit.



Responsible use of AI

While AI, such as OpenAI and ChatGPT can reduce time and efforts spent on producing work-related content, it should be used responsibly and in compliance with applicable laws and regulations to avoid legal issues and information leakage. The Group has reviewed and updated the internal "Group Cyber Security Acceptable Use Policy", providing guiding principles of use and responsibilities for senior management and employees in business units in general. The Group will continue to monitor progress regularly and update the relevant policy to ensure its effectiveness.

Cyber security collaboration

The Cyber Security Working Group has a sub-working group focused on operational technology to enhance collaboration and leverage the deep knowledge offered by specialists working in different areas across the Group. Colleagues further exchange ideas and experiences through the Global Cyber Security Collaboration Platform.

LABOUR AND HUMAN RIGHTS

The Group respects and promotes human rights as a fundamental principle in its operations and engagement with stakeholders, as it values the diversity and inclusion of the individuals with whom it works. It is committed to equal opportunity and to maintaining workplaces that are free from discrimination or harassment. Its [Human Rights Policy](#) affirms the following priorities and approaches throughout its direct operations and supply chains as guided by the Universal Declaration of Human Rights and the United Nations Guiding Principles on Business and Human Rights:



Treat people with dignity and respect, free from discrimination and fear of harm or abuse



Prohibit unlawful child labour or any kind of forced or bonded labour (see also the Group's [Modern Slavery and Human Trafficking Statement](#))



Adhere to local laws and regulations governing working hours, equal and fair compensation, and rights to freedom of association and collective bargaining



Prevent and limit redundancies and include respect for human rights considerations in transition planning such as re-deployment and outplacement services for impacted workers



Engage with communities on human rights, including indigenous people and other vulnerable or disadvantaged groups

This topic of Labour and Human Rights is closely linked with other material topics in the Group Sustainability Framework, including:

- [Social Inclusion](#)
- [Inclusion and Diversity](#)



Employee at work, Northern Gas Networks

SUPPLY CHAIN RESPONSIBILITY

The Group's efforts to embed rigorous and effective governance also extends to its supply chain engagement.

Supplier Code of Conduct

The Group has implemented a Supplier Code of Conduct which is enforced across our business, requesting its business partners to uphold the same ethical standards as the Group. Under the Group's [Supplier Code of Conduct](#), business partners working with the Group are expected to comply fully with local laws and regulations, promote ethical standards, protect the rights of all employees and operate responsibly.

Core businesses implement tailored codes of conduct for suppliers based on the model provided by the Group and incorporate detailed operational protocols relevant to their respective industries. The Retail division has launched an enhanced Supplier Code of Conduct, including an improved due diligence screening process for new suppliers, evaluating 23 risk indicators across five categories, including reputation and sanctions, financial, environmental, social and governance. As of 2023, more than 8,600 suppliers have completed the process. The Ports division has also launched similar initiatives across business units, pre-screening business partners' compliance according to its sustainable procurement guideline.

The Group implements effective systems and controls to ensure slavery and human trafficking are not taking place in its supply chains. It has various measures in place to ensure third parties implement anti-corruption policies and compliance programmes in accordance with relevant provisions in the Group's procurement contracts.

Supplier Screening and Assessments

As the Group operates across industries and regions, its overall consumption footprint can be significant. A comprehensive sustainable procurement guideline that assesses suppliers' performance, such as product safety and quality, can be of great assistance to the Group's approach in sustainable material sourcing. Business divisions have been implementing additional measures and leveraging on external platforms to further implement supply chain screening. For example, 3 UK and 3 Ireland have been working with EcoVadis since 2022, the global leader in independent supply chain sustainability ratings, to support the understanding of supply chain practices across a broad range of sustainability topics. As a result, over 90% of total third-party sourcing activities are currently covered by the

EcoVadis assessment in the UK, as compared to 55% in 2022, and both the 3 UK and 3 Ireland target to achieve 95% of coverage in the near future.

As a significant procurer of goods and services, the largest supplier assessment programme within the Group belongs to the Retail division, which has been a member of amfori, working towards improving working conditions and environmental management in global supply chains. As part of its supplier assessment programme, all Exclusive Brands suppliers in high-risk countries undergo audits referencing amfori's social and environmental requirements or other leading frameworks such as Sedex Members Ethical Trade Audits or the Initiative for Compliance and Sustainability. The AS Watson sustainable supply chain programme continued the audits in 2023 covering 308 factories worldwide.

Sourcing Guidelines

As a major consumer of goods and services, the Group seeks to leverage on its purchasing power in support of sustainable consumption and production by choosing environmentally and socially preferable options. In 2023, to facilitate the achievement of the vision of Hutchison Ports to be "the preferred partner for a sustainable supply chain", a group-wide initiative was rolled out by requesting suppliers and business partners to complete a "Supplier Sustainability Self-Assessment Questionnaire" for assessing their conformance on the Supplier Code of Conduct (covering sound environmental performance, social well-being and governance practices) and developing corrective plans for any non-conformances. In addition, the Procurement and Shared Services team at SA Power Networks also regularly reviews summary reports to evaluate the risk of modern slavery within its supply chain. These reports are subsequently utilised to refresh the organisation's internal dashboard, enabling the continuous monitoring of suppliers and the corresponding levels of risk.

Since 2022, Wind Tre from the Telecommunications division has implemented sourcing guidelines that align procurement decisions with its decarbonisation targets. In 2023, the tendering rules regarding energy consumption in the selection of microwave network equipment have been tested, formalised and applied to other similar tenders. Wind Tre will continue to explore similar tendering rule applications with other kinds of purchases in the future.



DD

DD

EE

各員工注意
在架區執貨時
小心地滑

各員工注意
在架區執貨時

小心地滑

SUSTAINABLE INVESTING

Capital allocation is crucial to effective sustainability governance. Sustainable investing can deliver strategic benefits such as enhanced financial returns while providing tangible positive impact for society and the environment. The Group identified "Focusing on Sustainability" as one of its key corporate strategic pillars and considered the elements of sustainability during investment decision-making, capital and operating expenditure and debt financing.

New Investments

Sustainability considerations play an integral role in determining the Group's approach to new investments, particularly with regard to advancing its low-carbon transition plans. Having committed to becoming a net-zero port operator by 2050, Hutchison Ports will opt for electric models for equipment and/or truck replacement and for any approved new purchase, which will be supplemented with other forms of clean energy such as green hydrogen. As a result, over 25% of the division's equipment and trucks are powered either by electric or hybrid source up until the end of 2023. The Infrastructure division has identified sustainability as one of its four key long-term development strategies and continues to grow its business both organically and inorganically with new investments in companies and assets that support the energy transition. For further details, please refer to the "Sustainable Business Model and Innovation - [Climate Resilient Business](#)" section of this report.

Capital and Operating Expenditure

The Group has enhanced the tracking mechanisms for monitoring and reporting capital and operating expenditure aligned with the Group's sustainability objectives. The numbers and analysis

are regularly reported to senior management to ensure effective monitoring. Details can be found in the "Disclosure on Green Spendings" section below.

Disclosure on Green Spending

During 2023, the Group's subsidiaries and associates spent over US\$ 1.8 billion in green spending. The spend categories include energy efficiency, renewable and other clean energy, sustainable transport, sustainable water management, circular economy and design, biodiversity protection and small amounts in the sustainable supply chain. To enable stakeholders to understand the potential implication of climate change on the Group's operations, the Group will progressively disclose the anticipated material impact from climate-related risks and opportunities, the expected financial impact over the short, medium and long term, and strategy and resource required to pursue its net-zero transition plans. More descriptive and quantitative disclosures will be available in the Group's subsequent sustainability reports as appropriate. Details are set out below:

Table 1 Green Spending in 2023

Project Category	Amount in 2023 (US\$, million)	Accumulated Amount 2019 to 2023 (US\$, million)
Energy Efficiency	920.52	2,024.35
Renewable and Other Clean Energy	546.92	2,995.86
Sustainable Transport	156.90	365.81
Sustainable Water Management	113.77	372.05
Circular Economy and Design	56.47	148.02
Biodiversity Protection	46.58	93.00
Sustainable Supply Chain	0.07	0.07
Total Green Spendings	1,841.23	5,999.16

Debt Financing

Under the [CKHH Sustainable Finance Framework](#), the Group and its subsidiaries may raise bonds, loans or related financing for specific assets, projects and investments that it believes will catalyse positive environmental and/or social impact. In developing and implementing this framework, the Group has engaged various stakeholders to solicit input and has taken reference from leading standards such as the EU Taxonomy and Climate Bonds Standard. Sustainalytics was contracted to provide a [Second Party Opinion](#) on the Sustainable Finance Framework and complete an [Annual Review](#) in May 2023.

The Group will regularly review its position on green financing against the prevailing market conditions. In November 2021, the

Group issued its first green bond of EUR500 million guaranteed notes due in 2033 aimed at influencing the environmental footprint of its operations. As of 31 May 2022, net proceeds from the 2021 Green Bond were fully allocated towards financing new projects and refinancing existing projects. In determining the allocation of the proceeds, the Group conducted multiple meetings with debt investors to understand areas of focus and preferences towards allocation. The Group published its first [Green Bond Report](#) which provides an overview of capital allocation and expected impact and will continue to monitor market conditions for further activity in the future.



Ports equipment electrification, Hutchison Ports UK





SUSTAINABLE BUSINESS MODEL & INNOVATION

The Group's core businesses play a significant role in supporting the daily lives of tens of millions of people by operating some of the world's biggest ports and retailers, infrastructure companies and mobile multimedia telecommunication networks. As innovation and technology are ever-changing and impacting the market, the Group continues to look for opportunities to create and capture value for all stakeholders by incorporating elements of social, environmental and market conditions into the investment process, and ensuring that both a sustainable and innovative business model can be achieved.

The Group is committed to protecting and promoting the interests of its customers by delivering its essential services with excellence. In the face of many complex and unprecedented challenges, the Group's core businesses are embracing innovation and collaboration to address sustainable development challenges and opportunities, such as building resilience to climate change, reaching underserved communities and engaging with customers to live and shop more sustainably.

This section of the report is linked with additional content in the Environmental and Social pillars and serves to emphasise how the Group is using sustainability as a lens to adapt its current and future business models as a source of value creation. In doing so, it is building a more successful and resilient business for many years to come.

GROUP GOALS

- OFFER CUSTOMERS SUSTAINABLE PRODUCTS AND INVEST IN AND EMBRACE INNOVATION TO ACHIEVE TRANSFORMATIONAL IMPACT

CONTENT IN THIS SECTION

- SERVICE EXCELLENCE
- CLIMATE-RESILIENT BUSINESS
- SOCIAL INCLUSION
- SUSTAINABLE PRODUCT CHOICES

Linked SDGs



SERVICE EXCELLENCE

The Group's core businesses work tirelessly to achieve excellence in serving and satisfying the daily needs of their customers. While business units continue to engage regularly with customers and gain insights into areas of interest or concern, the Group will remain flexible in adapting to evolving market conditions and will ensure the high quality of services and products provided. Safety is also one of the top priorities. The Group employs a robust and change-adaptable management system, to ensure that environmental, safety, and security hazards can be mitigated.

This topic on Service Excellence is closely linked with other material topics in the Group Sustainability Framework, including:

- [Supplier Screening and Assessments](#) 
- [Data Privacy and Cyber security](#) 
- [Health, Safety and Well-being](#) 

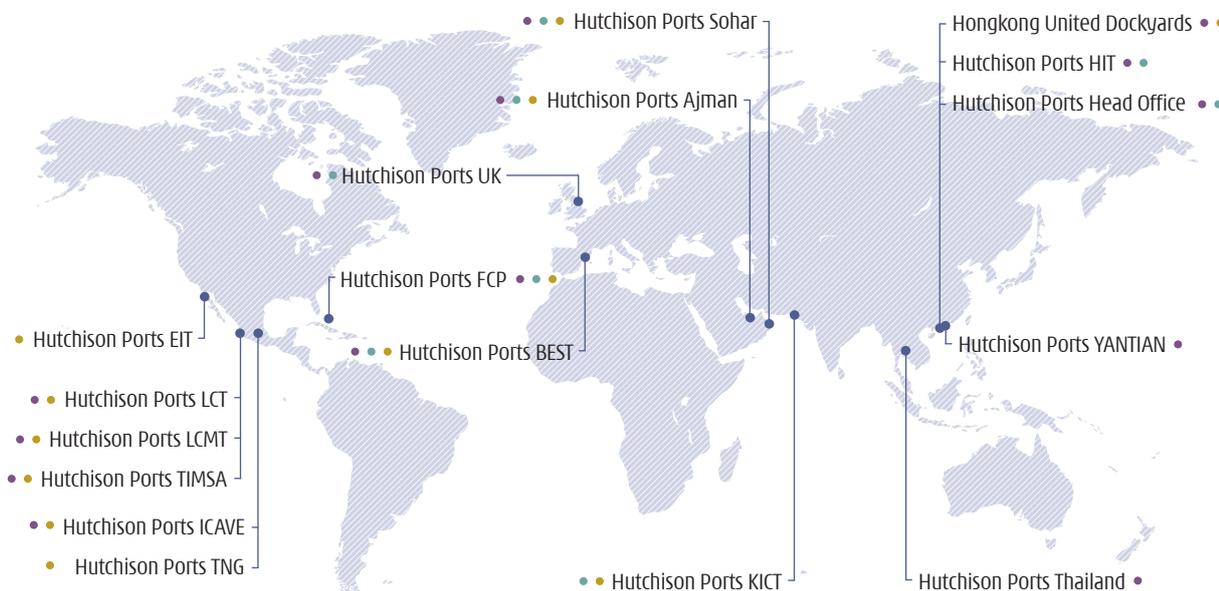
ISO Management Systems

The Group's business spans across industries and regions. Ensuring the quality, safety and protection of employees' well-being are critical elements in daily operations. International guidelines and standards, such as Quality Management Systems (QMS), Environmental Management Systems, Safety Management Systems and Information Security Management Systems guide the Group's business units to perform their daily operations in a consistent and reliable way by establishing and administering a set of robust processes and procedures incorporating management reviews, data analysis, corrective actions and audits. To provide additional assurance for customers and regulators, many of the Group's business units obtain certification for their management systems

in accordance with international standards, and according to areas of need in line with industry impact. For example, the Retail division implements QMS throughout its manufacturing operations. Watsons Water China and Hong Kong achieved ISO certifications. PARKnSHOP continues to maintain an ISO 17025 certification for its in-house chemical laboratory, which affirms technical competence in testing and calibration. Twelve ports of Hutchison Ports Network have received ISO 9001 certification, with further significant support for ISO 45001 and ISO 14001. Data centres and transmission in 3 Austria are ISO 27001 certified, ensuring that the technical environment adheres to quality or safety standards. 3 UK is certified to the ISO 14001 standard.

Figure 10 ISO certification at Hutchison Ports (Business units with ISO certificates contribute to 64.8% of 2023 total throughput of Ports)

- ISO 14001 Environmental Management Systems
- ISO 9001 Quality Management Systems
- ISO 45001 Occupational Health & Safety Systems





Hutchison Ports BEST

Quality and Safety Standards

The quality and safety management systems in place across all core businesses encompass senior management oversight, clear delineation of responsibilities, appointment of dedicated personnel, coordination of Emergency Response Planning, and well-defined processes and procedures for record keeping and documentation. They also focus on hazard identification and safety risk assessment and mitigation.

Many of the Group's business units have published performance standards exceeding regulatory requirements and reflecting market-leading practices.

For the Retail division, all of the Exclusive Brand products are tested at external laboratories, and the Exclusive Brand manufacturers are screened for social/environmental risks if it is located in medium and high-risk countries. 3 Hong Kong of the Telecommunications division also implements a set of comprehensive [Performance Pledges](#)  aimed at upholding the highest standards of service quality for network availability, service restoration and customer complaints handling.



Ports

IDENTIFYING AND ADDRESSING OPERATIONAL SAFETY ISSUES

Since 2014, Hutchison Ports has defined a set of Global Minimum Safety Standards (GMSS), which has been continually refined and updated (the current issue is version 7) to address emerging risk areas and raise the bar of expected performance. Monitoring against the GMSS includes deploying the Group's

Internal Control and Risk Management tool, whereby business units self-assess and report their status. Safety audits are also carried out by the Group Safety Committee which involves site visits to assess compliance with ratings issued using the standard Satisfactory/Acceptable/Inadequate criteria.



Infrastructure

DELIVERING WORLD-CLASS STANDARDS OF SERVICE

HK Electric has achieved world-class supply reliability ratings, consistently exceeding 99.999% since 1997. Its commitment to service excellence has been codified in its corporate policies on quality, customer services, complaints handling and corporate security that guide its workforce to achieve total customer

satisfaction through continuous improvement. Its Customer Services Steering Committee monitors service performance with reference to specific and measurable targets and its Stakeholder Satisfaction Steering Committee reviews customer complaints to ensure full and timely resolution.

Business Continuity Planning

With the increasing risk of regional incidents or even conflicts, business units are putting in place continuity plans to ensure that operations are subject to minimum disruption. Business continuity planning across the Group contains many common elements focused on resilience, recovery and contingency, with plans tailored to the industry needs of each core business. For example, the “Emergency Response Plans” are developed to maintain operations and to follow in the event of fire, flood or medical emergency; the “Cyber security Incident Response Plan” is put in place to provide operational guidelines for effectively identifying and promptly addressing cyber security incidents. All divisions also have a customised “Business Continuity Management Policy” as a guideline in case of disruption in operations.

Customer Relationship Management

The Group's core businesses implement various mechanisms for measuring customer satisfaction and monitoring feedback to follow up on complaints and implement corrective actions. The Retail division, for example, conducts regular customer surveys in each market, enabling dynamic incorporation of feedback on many aspects of customer satisfaction, including store environment, product range, prices and loyalty programme benefits, staff conduct and “Net Promoter Score” (the benchmarking tool for customer satisfaction). The Telecommunications division also adopts various customer engagement systems to gauge customer loyalty, satisfaction and enthusiasm, while the Infrastructure division implements a comprehensive and streamlined customer complaints handling system to address customer concerns.



Infrastructure

CUSTOMER-ORIENTED SERVICES

Australian Gas Networks recently reviewed and updated its “Complaint and Dispute Resolution Procedure” in 2023, which outlines the set of procedures that apply to “small customer” complaints to ensure compliance with Australian Standard 10002:2022 guidelines for complaints management in organisations. As part of these updates, Australian Gas Networks has established a comprehensive definition of the complaints handling process, which serves as a clear guideline to ensure that Australian Gas Networks' customer handling process is clearly defined and accessible to its customers.



Employee handles a customer's enquiry on site, Australian Gas Networks

CLIMATE-RESILIENT BUSINESS

Climate change and related extreme weathers are occurring at an alarming rate as compared to the past decade. Recognising the risk presented by climate change, the Group has taken a proactive approach by identifying climate-related issues and alternative opportunities as an adaptive solution, which is subsequently consolidated into the transition and decarbonisation strategy for the Group.

The Group has identified ten net-zero transition opportunities for achieving the transformational change of its businesses over the long term based on current business expectations and structure. Please refer to the [Decarbonisation](#) section of this report for more information about the Group's management approaches to reducing or eliminating GHG emissions in its direct operations and wider value chain.



On-site solar panels, Hutchison Ports KICT

Embracing Innovation

The Group is at the forefront of delivering breakthrough innovations that support customers to make progress in meaningfully reducing their GHG emissions.

Aligned to the Group's [10 net-zero transition opportunities](#), the business opportunities outlined in the following table demonstrate how the Group is investing in new business models and solutions to ensure that it remains a partner of choice for customers in their pursuit of net zero.

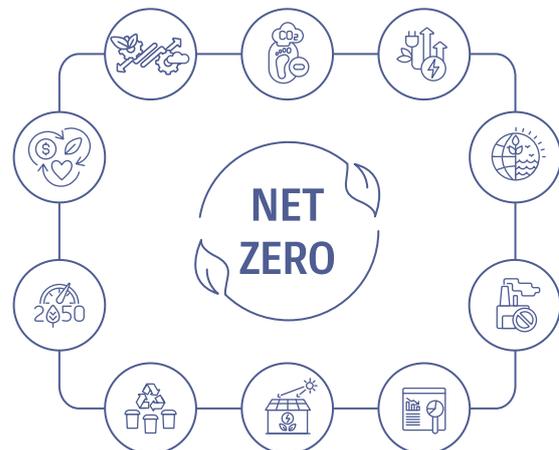


Table 2 Summary of business opportunities



Renewable and other clean energy generation

- Solar panel installation projects are installed at various Ports locations, such as Hutchison Ports MITT in Myanmar and Hutchison Ports KICT in Pakistan, Hutchison Ports BEST in Spain and HIT in Mainland China, aiming to reduce the dependency on fossil fuels and lower the carbon footprint at the terminal.
- Northern Gas Networks, Wales & West Utilities and Australian Gas Infrastructure Group (AGIG) are among the first to conduct real-world trials demonstrating how existing gas networks in the UK and Australia can be converted safely and affordably to 100% hydrogen. All three business units have long-term aims to transition their gas networks to zero carbon.
- The Group's electricity network operators are establishing as Distribution System Operators and driving innovation to enable industry-leading levels of renewable energy connections to the grid through distributed energy resources.
- Northumbrian Water is the first water company in England to successfully convert 100% of its sewage sludge into renewable energy through advanced anaerobic digestion. It currently has seven sites with solar arrays, with plans to install more. One recent site contains an array of 3,600 solar panels. It is anticipated that these developments will generate 12 million kWh of green energy per year.
- EDL and AVR helped customers to abate and avoid over 4.1 million tonnes of GHG emissions in 2023 across their large portfolios of landfill gas, waste coal mine gas, waste-to-energy and hybrid renewable sites globally.
- Wind Tre and 3 Austria are working together with local partners to offer customers renewable electricity and certified carbon-neutral gas.



Clean transportation

- 3 Denmark is leveraging the combined power of data and connectivity to provide insights into efficient transport network planning and tools supporting the optimisation of public transport, electric vehicle infrastructure and energy systems.
- With around 80% of its rolling stock already electric or bi-modal, UK Rails is well-positioned to be a partner of choice in the UK transport industry's journey to net zero. In 2023, the company conducted a series of investigations exploring emissions reduction opportunities on diesel-electric trains, including engine efficiency modifications, new lithium-ion batteries, replacement of existing cabin heating, ventilation and air conditioning (HVAC), and dual fuels and alternative fuels. UK Rails also proceeded with its study on the feasibility and safety of hydrogen-powered trains and an upgraded engine to minimise operational emissions. In the coming year, the company is targeting a first-in-class trial on an intelligent engine start-stop system and completing its investigation on opportunities for enhanced HVAC on eco-mode.



Energy efficiency and smart city solutions

- CKDelta, the Group's data innovation and artificial intelligence business, has built expertise in understanding how all elements of the electric vehicle ecosystem interact, helping market participants such as power distributors, charge point operators and other companies in this complex rollout, thereby acting as an enabler of the transition to electric vehicles.
- Hutchison Telecommunications Hong Kong Holdings Limited (HTHKH) launched DIGIBOX with seven dedicated zones showcasing innovative 5G applications that empower enterprises to transform digitally.
- ista is one of the world's leading companies in providing products and services for greater energy efficiency, specialising in digital sub-metering and energy management systems. It offers innovative energy efficiency solutions for customers to monitor their consumption and carbon footprints.
- Wind Tre has continued to expand its programme of partnerships with Italian cities, to integrate digitalisation for smart cities. The programme supports a green transition, leveraging 5G-connected innovation to drive energy efficiency and smart mobility, alongside other solutions. This programme is delivering on Wind Tre's business goal to be the "smart partner of 100 smart cities", and has engaged over 25 city projects up until 2023.





Telecommunications

SHOWCASING SMART CITIES APPLICATION

Recognising the importance of mobile networks and IoT connections in the smart city transition of Hong Kong, DIGIBOX, the solution hub of 3 Business which is the corporate business brand of HTHKH, was launched to showcase state-of-the-art 5G solutions, creating unprecedented and future-shaping opportunities for enterprises. From technologies like AI, blockchain, the cloud and big data to edge computing, 5G plays a vital role in the functioning of these applications and enabling ever more possibilities. DIGIBOX features seven dedicated zones, namely Smart City, Smart Port, Smart Retail, Smart Education, Smart Care, Smart Restaurant, and AI & Future. Each zone showcases innovative 5G applications that empower enterprises to transform digitally, which includes solutions such as the convergence of mobile and technologies.



Climate Adaptation

It is essential for the Group to protect its employees and assets by adapting to the unavoidable consequences of climate change. All divisions are conducting separate assessments according to their business environment.

Adaptation measures are equally important for robust risk management against climate-related risks. The Group's Infrastructure division has advanced the technical design standard to enhance resilience and implemented flooding mitigation solutions such as water-resistant bunding, flood gates and temporary flood barriers at affected UK Power Networks assets in the event of a flooding emergency. In addition, the Infrastructure division has completed a climate scenario analysis assessment

and worked diligently to align to the recommendation of the TCFD, identifying the climate-related risks and opportunities that it may encounter, which has helped the assessment of the potential financial implications of these factors on operations. For details, please refer to the CKI's [Sustainability Report 2023](#).

Hutchison Ports has completed a global climate risk assessment, and alongside other business divisions of the Group, has engaged an external consultant in 2023 to assist in enhancing its and conduct a gap analysis, with the aim of reinforcing its current climate-related strategy to align with the highest standards so as to disclose its ESG-related issues in its subsequent sustainability reports.

Climate-Related Financial Disclosures

The Group has aligned its approach to reporting on climate change with the framework from the TCFD. Its inaugural [2021 TCFD Report](#) was published in 2022, structured around 11 recommended disclosures and covering four core thematic areas of Governance, Strategy, Risk Management and Metrics & Targets. The Group is also committed to continuously improving the coverage and quality of each iteration of its TCFD Report.

Following the footsteps of the Group, the Infrastructure and Telecommunications divisions also engaged external consultants

to conduct its TCFD assessment. CKHGT also published its first standalone [TCFD report](#) in 2023, and worked with a third-party expert to further prioritise material climate risks and opportunities and perform high-level quantitative modelling in 2023. CKHGT will further report on the outcome of this analysis during 2024. Other business divisions are also engaging external consultancy in working on their own TCFD report towards a subsequent year disclosure.



Infrastructure

ALIGNING WITH THE TCFD REPORT RECOMMENDATIONS

In 2023, the Infrastructure division took another step forward after completing its TCFD report in 2022. Aligning with recommendations from the TCFD assessment, it has started implementing initiatives to review and enhance its Sustainability Framework, policies and disclosure and to conduct a standalone climate scenario analysis. The analysis exercise provides an insight into business resilience against inherent uncertainty, and it identifies climate-related risks and opportunities that stem from the physical and transition impact of climate change. The result also helps reveal potential financial implications for strategically significant businesses over time, as it can enhance the strategy and decision-making processes and further improve the sustainability of the operation.

Implementing initiatives to review and enhance its Sustainability Framework, policies and disclosure and to conduct a standalone climate scenario analysis



Group

MANAGING UPCOMING DISCLOSURE CHANGES

Corporate ESG and sustainability performance has become increasingly important for the Group's stakeholders. Emission reduction, goals and targets and circular economy are topics of concern for investors and rating agencies, as the result can potentially impact the availability of economical financing options.

Stricter and more comprehensive disclosure requirements are under development, with the requirements varying

from jurisdiction to jurisdiction. For example, the Corporate Sustainability Reporting Directive from the EU and the adoption of the International Sustainability Standards Board by the HKEX were both introduced and were added to the local regulatory disclosure requirements, to be implemented in 2024 and 2025 respectively. As a global operator, the Group is closely monitoring these changes and has engaged an independent consultant to assist in conducting a gap analysis and preparing the necessary actions to ensure full compliance.

SOCIAL INCLUSION

Sustainable businesses recognise their roles in improving opportunities for marginalised groups and seek to respond proactively by nurturing diversity and inclusivity in the way they manage their operations and through the products and services they deliver to their customers.

The Group understands its role in promoting social inclusion and working with local partners to support targeted groups in the community. Young children and seniors are often excluded and unable to fully embrace the ongoing evolution in the digital world. The Group's business units look to outreach to these under-supported groups and are dedicating resources to minimise the digital divide.



Telecommunications

SERVING YOUNG CHILDREN

NeoConnessi is a digital and media education project aimed at spreading awareness within Italian primary schools about the risks and opportunities of being online. With the key initiative of Wind Tre's ESG Plan Goal 1 "Families 100% aware and protected", the project is not only offering insights, technical prevention and safety guidance but also a Facebook group which allows users to converse and find answers to questions related to the most current online-related issues for children, providing valuable support to start a constructive dialogue on the use of digital assets, even at home.

In 2023, Wind Tre launched "The Decalogue of NeoConnessi" which listed 10 principles for improving the awareness of internet users, regardless of their age or experience. This is a commitment of shared responsibility that aims to help and encourage respectful behaviour when online, with the aim of making the internet a welcoming and safe place for everyone, offering ideas to the educational community that allow them to set up and manage a relationship with their children (a Trust-based network).

Since 2018, the project has benefited over 1 million students, reaching more than 38,000 classrooms and training over 6,700 teachers. The Decalogue is a resource that can be consulted by everyone and is available [online](#).



Digital Inclusion

As the world gradually recovers from the impact of COVID-19, people have also got more comfortable working remotely and accessing various services through the assistance of digital connected devices. The topic of connectivity and digital accessibility has become more integrated into people's daily lives, but certain groups, especially the under-privileged, are at a disadvantage regarding the digital movement due to online inaccessibility and data poverty. The Group has recognised this issue, and the Telecommunications division has been providing support, especially to vulnerable groups, to provide solutions and ease their daily needs.

Senior and disadvantaged citizens

One area of focus in the Telecommunications division is reducing barriers for senior citizens. Wind Tre, for example, has launched a "senior" version of NeoConnessi aimed at actively contributing to the digital inclusion of older people by training them in basic digital skills. Wind Tre is also collaborating with Comarch Italia to improve the quality of life and daily safety of the most fragile by providing SIM-enabled bracelets to connect disabled people with their caretakers through digital health monitoring devices. 3 Hong Kong has extended its Lo-Yau-Kei Monthly Service Plan Sponsorship in 2023, aiming to continue supporting the elderly to access its services through "Safety Phones and data" services. It also works with the Tung Wah Group of Hospitals and provides a 12-month free mobile service to members of the Victim-for-Victim Project.

Remote community access

Helping to close rural-urban connectivity gaps that persist in many markets serviced by the Group is another priority for the Telecommunications division.

3 UK has a target to reach 90% geographical coverage of the UK by 2027. It is working with the UK government and other mobile operators on the Shared Rural Network to provide guaranteed coverage which will involve 280,000 additional dwellings and 16,000 additional kilometres of rural roads. 3 UK is also extending its partnership with UK National Databank, run by digital inclusion charity Good Things Foundation, by doubling its pledge to 2 million GB of data, which will help an estimated 80,000 people to get connected over the next few years. Similarly, Wind Tre has also participated as a partner to the festival of "Borghi più belli d'Italia" (most beautiful villages in Italy) and is acting as one of the main sponsors, with a Panel on its Goal "Connected Villages" to accompany the growth of small Italian municipalities through digital connectivity and smart technologies.



Mobile phone workshop for senior citizens, 3 Hong Kong

SUSTAINABLE PRODUCT CHOICES

The Group strives to source and design products with circular economy principles in mind, and to offer its customers sustainable product choices in their everyday lives. As part of the Group's commitment under the Group Sustainability Framework, which is under SDG 12 (Responsible consumption and production), it focuses on identifying solutions to decouple business growth from environmental degradation by "doing more and better with less".

This topic on Sustainable Choices is closely linked with other material topics in the Group Sustainability Framework, including:

- [Supply Chain Responsibility](#) 
- [Circular Economy](#) 

Consumer Preferences

The Retail division has observed that shoppers are becoming more cautious about the sustainability-related details on purchased products, as information such as environmental impact, product recyclability and its production process are becoming general concerns shared by its customers. A previous survey conducted by Superdrug, which measures brand values and customer connection,

revealed that more than 50% of respondents prioritise the ethics of beauty and personal care brands when making their selection. In response, the Group's Retail division has been regularly reviewing its supply chain and the production process according to the customers' needs.



Retail

SUSTAINABLE CHOICES AT WATSONS

Watsons relaunched its Sustainable Choices campaign in 2022 to highlight products with reduced environmental impact from both Watson's Exclusive Brands as well as other brand partners.

In close collaboration with brand partners, including Procter & Gamble, L'Oréal, Shiseido, Beiersdorf, GlaxoSmithKline, Johnson & Johnson, Kao, Reckitt, and Unilever, Watsons continue to increase the number of sustainability attributes to market both in-store and online, from 9,000 products in 2022 to 9,700 products in 2023. Its Sustainable Choices filter and labelling system organises the products into four categories:

- Clean beauty - formulated with ingredients shoppers can trust and with additional reduced environmental impact
- Refill, reuse or replace - resulting in less waste
- Better ingredients or materials - ingredients (formulated) or materials (non-formulated) that help to protect biodiversity and/or reduce waste
- Better packaging - options that help to protect biodiversity and/or reduce waste





SUSTAINABLE CHOICES IN COMMUNICATION

Wind Tre has adopted a new type of SIM since 2022, as it is 50% smaller than a standard SIM and is made with 100% recycled plastic, which employs a production process that eliminates CO₂ emissions. The plastic with which this SIM card is made comes from the polystyrene recovered from refrigerators disposed of by consumers. The recycled product is broken down into raw material, which will later be used to make the “finished” SIM card.



100% recycled plastic SIM card, Wind Tre

Customer Engagement in the Circular Economy

Consumer participation is essential for driving the circular economy. Take-back programmes, for example, are an increasingly important way for businesses with retail operations to engage with consumers on implementing shared solutions to environmental challenges.



Active engagement with retail customers, Drogas Latvia



Retail

INTRODUCING REFILL AND TAKE-BACK SERVICES THROUGHOUT ASIA

The Group's Retail division is leading the way on collecting and recycling empty containers for personal care and cosmetics products, and water bottles. In partnership with major brands, such as Proctor & Gamble and L'Oréal, it has introduced take-back schemes in both the Asia and Europe markets. In 2023, over 500 refill stations of Selective Brands and Supplier Brands were available.

Market	Collection of empty containers	In-store Refill*
Asia		
Hong Kong	Watsons, PARKnSHOP	Watsons, PARKnSHOP
Indonesia	Watsons	-
Malaysia	Watsons	Watsons
Philippines	Watsons	Watsons
Singapore	Watsons	Watsons
Thailand	Watsons	-
Europe		
Belgium	ICI Paris XL	-
Netherlands	ICI Paris XL	-
United Kingdom	Superdrug, The Perfume Shop	The Perfume Shop

Note *: for a selection of products

In Hong Kong, Watsons has implemented plastic packaging collection and recycling for cosmetic and makeup products in all stores city-wide under its "Beauty for the Future" campaign. In 2023, it collected over 19.6 tonnes of empty containers, mainly glass (57%) and plastic containers (43%). The division has also launched a city-wide plastic bottle container collection programme in Hong Kong, placing reverse vending machines in public spaces throughout the city.

Watsons Philippines continues to partner with Plastic Bank and collected 50 tons of plastic waste in 2023. Since the partnership began in 2022, 100 tonnes of plastic has been collected. This is equivalent to 5,000,000 plastic bottles prevented from polluting the oceans. Moreover, the collaboration has provided a means of livelihood to members of coastal communities by employing them as plastic collectors. Over 600 lives have been changed from more than 80 communities through this programme.

over
13,400
tonnes

Across AS Watson, over 13,400 tonnes of empty containers (mainly plastic) were collected and recycled in 2023



Plastic packaging and bottle container collection station in Watsons Hong Kong.

The Telecommunications division has implemented take-back programmes for mobile devices in most major markets. In response to changing consumer expectations, it is also embracing new business opportunities in the sharing economy, exploring device-as-service solution models that transform the life-cycle dynamic of device use and maintenance beyond the point of sale.

3 Austria, 3 Denmark, 3 Sweden and Wind Tre continue to provide a sustainable choice of smartphone trade-in option for their customers, offering refurbished smartphones at a

discounted price, which can result in lesser e-waste generation from raw materials and final products being delivered to the landfill. 3 UK offers "Three Recycle" and "Three Reconnected" as device take-back solutions, and 3 Hong Kong continues to offer recycling services for its customers through the "Recycling Handsets and Accessories Programme". Items collected under this programme (such as batteries, chargers, headphones, earpieces, USB cables and stylus pens) are passed on to the Computer and Communication Products Recycling Programme, run by the government, or are donated to people in need.



Telecommunications

DONATIONS FOR SECOND LIFE

Cooperating with the organisation "PCs for All", 3 Austria has been collecting refurbished hardware and IT equipment and providing a second life for these used items. In 2023, the programme collected over 1,300 laptops and monitors and benefited the same amount of disadvantaged group members.







ENVIRONMENT

Heatwaves and extreme cold weather are among the increasingly frequent and devastating effects of climate change. In 2023, North America, Europe and even Mainland China experienced both extreme heatwaves and freezing temperatures, causing business disruption, hospitalisation, and even deaths. Climate risk has become a critical issue for corporations that must be understood and mitigated as part of an integrated management approach to restoring resilient natural ecosystems and facilitating a just transition for regions, industries and communities that are facing the greatest challenges.

With the real threat from extreme weather, the Group has taken proactive steps to ensure the impact of its businesses on the environment can be minimised and the businesses can stay resilient. Strategies have been developed to both manage climate risk and identify decarbonisation opportunities, as investment in the likes of renewable and clean energy usage, clean transportation and efficient energy consumption were completed throughout the year. While topics such as biodiversity and protection of nature, water conservation and land, water and air pollution prevention, as well as waste management are at the core of the Group's corporate strategy, respective policies are already in place as an overarching framework, guiding business divisions towards sustainable operations. Moving forward, the Group will continue to monitor its environmental performance, operating in line with its sustainable framework, adopting circular approaches in production and consumption, and reviewing and updating the strategy as appropriate.

GROUP GOALS

- TAKE ACTION ON CLIMATE CHANGE
- PROTECT NATURAL RESOURCES
- PROMOTE A CIRCULAR ECONOMY

CONTENT IN THIS SECTION

- DECARBONISATION
- BIODIVERSITY PROTECTION
- WATER MANAGEMENT
- AIR QUALITY
- CIRCULAR ECONOMY

Linked SDGs



DECARBONISATION

The Group supports the 2015 Paris Agreement, which aims to mitigate the worst effects of climate change by limiting global warming to below 2 degrees – preferably below 1.5 degrees Celsius. Charting the course on a global pathway towards net-zero GHG emissions by 2050 will entail an unprecedented transformation of how energy is produced, transported and used, bringing both challenges and meaningful opportunities to the Group.

Climate Action Strategy

In 2021, the Group identified 10 net-zero transition opportunities for climate adaptation and mitigation to achieve transformational change over the long term based on current business expectations and structure. Owing to the interconnected nature of the Group's

management approaches to climate change and related topics, links are provided in the following table to relevant information located elsewhere in this report.

Table 3 10 net-zero transition opportunities

Transition opportunities & strategies



Renewable and other clean energy

- Invest in and grow the Group's renewable energy portfolio.
- Transition gas to hydrogen network.
- Connect market-leading levels of renewable energy to the grid.
- Increase the procurement of renewable electricity.
- Adopt carbon capture and storage where relevant to waste-to-energy operations.



Finance and investment

- Continue to align capital expenditure towards a net-zero pathway.



Clean transportation

- Scale up electric and hybrid-electric vehicles and infrastructure.
- Lead the way in being first-adopters of hydrogen vehicles and equipment.
- Support the modal shift to sustainable rail transport.



Collaboration, partnerships & advocacy

- Partner with peers, customers, government and other relevant organisations to accelerate the transition.



Circular economy & design

- Reduce, reuse and recycle all forms of waste.
- Design products and systems with circular economy principles in mind.



Climate adaptation

- Protect Group members and assets and be ready for a changing climate.
- Conduct periodic climate-risk assessments of high-risk assets.
- Protect biodiversity to restore healthy ecosystems and further strengthen adaptation.



Transitioning high-carbon assets

- Phase out coal-fired power generation globally by 2035.



Supply chain engagement

- Further develop supplier engagement policies.
- Develop scope 3 emissions reductions targets.



Energy efficiency

- Exhaust all feasible options for energy efficiencies.
- Embrace digitalisation and innovation to transform distribution networks, increase grid flexibility and decrease distribution losses.
- Be a leader in innovation in 5G, IoT applications and smart city solutions.



Carbon offsets

- Reduce the Group's direct carbon footprint as the first priority. Carbon offsets neutralise residual emissions attributable to the Group that are not possible to eliminate.

GHG Emissions Reduction Targets

With the Group's core businesses having set emissions reduction targets, underpinned by expansive action plans, the Group has established its own Group-wide commitment of reducing scope 1 and 2 emissions by 50% by 2035 versus a 2020 baseline, as well as committing to the long-term pursuit of net-zero carbon emissions across its value chain by 2050.

Given that transitioning high-carbon assets will be important to this aim, the Group has also committed to phasing out coal-fired power generation globally by 2035.

Division-level progress

In 2020, the Group tasked all four divisions to undertake three key steps towards action on climate change: assess the pathway to setting science-based targets ideally validated by the SBTi⁽¹⁾; assess the pathway to net zero; and calculate scope 3 emissions.

Divisions have also taken initiatives on conducting separate assessment, updating workplans and aiming towards achieving, or even exceeding the respective reduction targets according to key milestones. In 2023, the Group's core business continued to make substantive progress on their respective action plans as detailed below.



Ports



Hutchison Ports is committed to setting both near-term and long-term targets in line with the SBTi net-zero standard. In 2023, Hutchison Port Holdings Limited received the approval from SBTi for GHG emissions reduction targets, covering scope 1, 2 and 3 emissions by 2033 as compared with a 2021 baseline as follows:

- Reduce scope 1 and 2 emissions by 54.6% versus the 2021 baseline
- Reduce scope 3 emissions by 32.5% versus the 2021 baseline

To conform with SBTi's latest net-zero criteria, the validated targets were set to be more ambitious than the targets published in the 2022 Sustainability Report.

Hutchisons Ports is also committed to achieving a net-zero emission operation by 2050. To achieve these targets, among other initiatives, all of Ports' new investments in mobile and stationary machinery will be fully electric or supplemented with other forms of clean energy going forward. Procuring renewable electricity via Power Purchase Agreements (PPAs) and Energy Attribute Certificates (EACs) will also be widely adopted over time.



Retail

The Retail division received the SBTi validation on its near-term reduction targets in 2022, covering scope 1, 2 and 3 emissions by 2030 compared with a 2018 baseline as follows:



- Reduce scope 1 and 2 emissions by 50.4%
- Reduce scope 3 emissions from purchased goods and services, upstream transportation and distribution, and use of sold products by 58% as per Hong Kong dollar value added
- 33% of supplier emissions from purchased goods and services, upstream transportation and distribution will be subject to science-based targets by 2027

Note 1: SBTi drives ambitious climate action in the private sector by enabling organisations to establish and implement science-based emissions reduction targets.



Infrastructure

The Infrastructure division, which accounts for over 80% of the Group's total scope 1 and 2 carbon footprint, has committed to reducing its scope 1 and 2 emissions by 50% by 2035 versus a 2020 baseline and has further committed to the pursuit of net-zero emissions before 2050. Its major business units have committed to further targets as follows:



AGIG

10% renewable gas by volume in distribution networks by 2030; 100% renewable gas in its distribution networks no later than 2050



Northern Gas Networks

Net zero in operations by 2031, excluding gas shrinkage
Net zero across the value chain by 2050



Dutch Enviro Energy Holdings B.V. (owns AVR-Afvalverwerking B.V. (AVR))

Net zero in operations by 2050



SA Power Networks

Net zero in operations by 2035



HK Electric

Net zero before 2050



UK Power Networks

Net zero for directly controlled operational emissions by 2028, excluding network losses



ista

Net zero in scopes 1, 2 and selected scope 3 categories by 2030



Wales & West Utilities

Net zero by 2050



Northumbrian Water

Net zero for all emissions (scope 1, 2 and 3) by 2050



Telecommunications

CKHGT received its SBTi validation approval in 2022, where near-term reduction targets cover its scope 1, 2 and 3 emissions by 2030, including:



Reduce scope 1 and 2 emissions by 50% by 2030 versus a 2020 baseline

Reduce scope 3 emissions by 42% by 2030 versus a 2020 baseline

CKHGT has committed to net zero in its operations (scope 1 and 2) by 2040 and to setting a comprehensive net-zero target to be validated by the SBTi, which will also incorporate scope 3 emissions.

Group Carbon Footprint

In 2023, with the committed effort in managing emissions, the Group is overall on track to achieve its previously set emission targets. In 2023, total scope 1 and 2 emissions were reduced by 10% versus the 2020 baseline year. These savings were achieved predominantly through transitioning to alternatives that are less carbon intensive during power generation by the Infrastructure division. According to the [10 Net-Zero Transition Opportunities](#)

[strategy](#), it is part of the Group's overall aim to phase out all coal-fired power generation globally by 2035 and reduce gas leakage through gas pipeline replacement programmes. The Ports and Retail divisions are also implementing low-carbon transition programmes, such as decarbonising the generation portfolio, electrification of mobile and stationary equipment, green transportation and other energy efficiency measures across the Group.

Figure 11 Group scope 1 and 2 GHG emissions (tCO₂e) 2021-2023

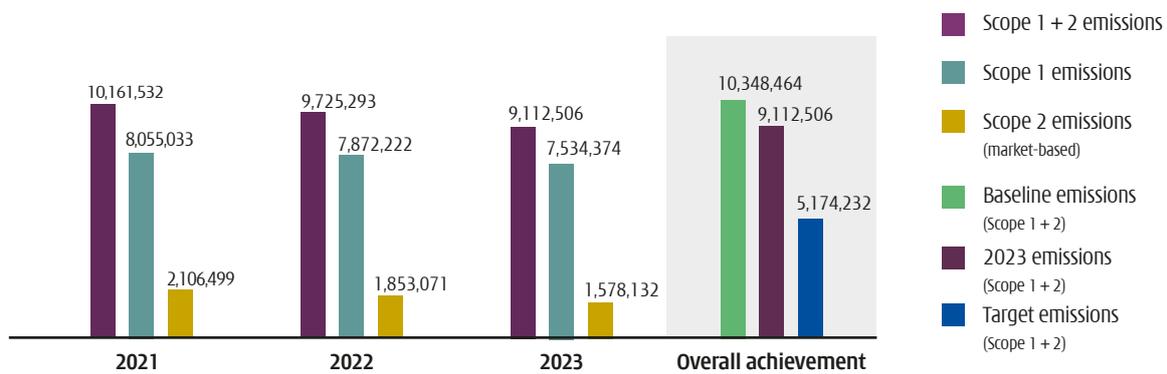
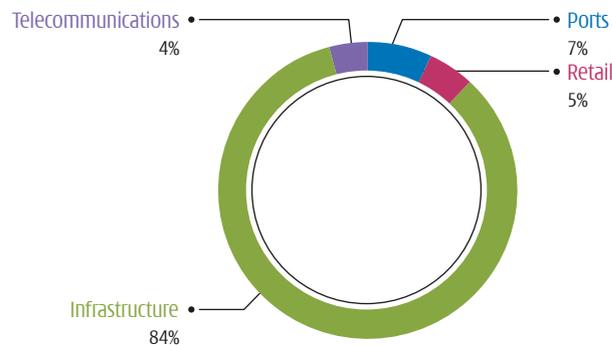


Figure 12 Group breakdown of scope 1 and 2 GHG emissions in 2023



Scope 3 inventory

In view of the complexity on reporting scope 3 emissions, the Group has implemented a series of measures in 2023 to ensure that a comprehensive and accurate inventory can be developed. Specialised engagement programmes and workshops were conducted to involve suppliers and stakeholders throughout the value chain, and progress was made on different business division levels. The Ports division has been managing and establishing its scope 3 inventory since 2022, covering eight categories according to the guidelines from the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard. The Telecommunications division has also started its scope 3 inventory development programme. Wind Tre has started initiating a goal-focused sustainable supply chain programme, aiming to better manage scope 3 emissions by integrating ESG criteria in the supplier evaluation and the tender mechanism, while collecting

the relevant data points. 3 UK is also partnering with independent platform EcoVadis, sourcing accurate ESG data and positively influencing the supply chain.

The collective scope 3 emissions effort is consolidated and presented in Appendix 1. Use of sold products remain the most dominant scope 3 category across the board and the Group's core businesses are taking steps to mitigate these emissions by assigning additional weight to sustainability criteria in procurement practices and engaging with suppliers on opportunities for decarbonisation.

Learn more about the Group's approach to [Supply Chain Responsibility](#).

Renewable and Other Clean Energy

As one of the 10 net-zero transition opportunities, the Group has already committed to investing in renewable and other clean energy projects. The investment has also enabled the Group to facilitate clean energy distribution to customers and communities by connecting alternative energy sources to the grid and transitioning its gas networks to embrace the hydrogen economy.

For example, 3 Austria consumes renewable energy at its 411 kWp solar plant, and Wind Tre self-generates approximately 345 MWh

per annum from its 13 solar installations. In 2023, 3 Ireland built on its solar photovoltaic proof of concept project that rolled out in 2022. 3 Ireland also installed solar generation facilities on an additional 90 sites resulting in an installed capacity of approximately 470 kW. In 2023, the Group generated around 6,331 GWh of renewable and other clean energy, and thus avoided over 4,690 ktCO₂e emissions with the displacement of carbon-intensive energy sources.

Table 4 Clean energy generated by the Group's businesses

Source	Installed capacity (MW)	Generation in 2023 (MWh)	Emissions avoided p.a. (tCO ₂ e)
Biogas*	212	1,698,161	2,234,924
Solar	4,560	1,932,685	488,106
Wind	888	537,947	245,405
Hydropower	7	50,050	13,879
Green hydrogen	1	27	-
Energy from waste	340	2,112,030	1,708,569
Total renewable and clean energy	6,008	6,330,900	4,690,883

Note *: Biogas produces electricity and renewable natural gas. These data include renewable natural gas converted from MMBtu.



Infrastructure

SUPPORTING OF LOW-CARBON HEATING AT HOUSEHOLDS

To help UK customers transition away from fossil fuels as quickly as possible, UK Power Networks kicked off the NeatHeat project to trial new boiler systems, Zero Emission Boiler, in 30 homes across London, the South East and the East of England, offering a low-emissions solution for homes which may be unable to install a heat pump.

Customers participating in the trial are anticipated to cut their emissions by 2.5 to 3 tonnes of CO₂ per year. The trial will also allow UK Power Networks to understand the charging pattern of the smart boiler and test optimisation mechanisms which will provide flexibility to the local electricity network and use existing infrastructure more smartly.



Zero Emission Boiler, UK Power Networks



Infrastructure

SHIFTING TOWARDS A LOW-CARBON FUEL MIX

HK Electric is able to acquire, through the Feed-in Tariff (FiT) Scheme, renewable energy generated by private sector customers at rates higher than the electricity tariff and offers Renewable Energy Certificates (REC) for the purchase of customers at the same time. Since the roll-out of the FiT scheme, the total capacity of grid-connected customers' renewable energy power systems has increased to approximately 10.8 MW. Meanwhile, over 29 GWh of zero-carbon electricity generated has been subscribed through the purchase of REC since its launch.



Solar panels at "A Square" Transitional House, HK Electric



Infrastructure

UTILISING WASTE COAL MINE GAS

EDL owns and operates a large portfolio of waste coal mine gas-powered stations in Australia. Waste coal mine gas is produced during coal mining as methane gas trapped in coal seams is released. As this product can be a safety hazard and a challenge to mining operations, it is extracted by mine ventilation and coal seam drainage. Historically a waste product that is vented or flared, the methane is now extracted and used by EDL as a power generation fuel - delivering reliable and affordable energy and significantly reducing GHG emissions.



Waste coal mine gas powered stations, EDL

Enabling the hydrogen transition

Hydrogen is a clean source of energy and can be a significant contributor to the transition away from fossil fuels and as outlined by the International Energy Agency in its Net-Zero Emissions 2050 Roadmap. In 2023, the Group, and especially the Infrastructure division, has continued committing resources to invest in this clean energy source by implementing projects such as introducing hydrogen into local fuel mixes and modernising local networks for hydrogen distribution and thus bringing a positive impact to the global decarbonisation movement.

The Group has made remarkable progress in transforming untested concepts into practical solutions in recent years. Several of the Group's business units excel in reducing barriers to large-scale and widespread hydrogen adoption by demonstrating the technical and commercial feasibility of hydrogen adoption and addressing safety concerns. Notably, the Group's gas networks have achieved significant milestones in establishing the feasibility of adapting their existing infrastructure to usher in the new hydrogen economy.



Infrastructure

INTRODUCING RENEWABLE HYDROGEN GAS INTO AUSTRALIA NETWORK

In support of the Australian state and territory ambitions of being net zero by 2050, AGIG is committed to delivering at least 10% renewable gas across its distribution networks by 2023, and with a vision of 100% renewable gas by no later than 2050. During 2023, AGIG has proactively partnered with governments and industry to deliver renewable hydrogen projects across the country and the value chain.

AGIG has expanded the supply of blended renewable hydrogen in South Australia, increasing from 700 homes to nearly 4,000 homes and businesses in Mitchell Park, Clovelly Park and parts of Marion. This expansion is a significant endorsement of the success of this pioneering project, as it marks two years since it began delivering blended renewable hydrogen to homes in the southern part of Mitchell Park in May 2021, demonstrating the ability of the existing gas network to transport renewable gas to homes and its compatibility with existing gas appliances.

AGIG has unveiled Australia's first 100% hydrogen-powered home, HyHome, providing a window into future low-carbon energy solutions for Australia. HyHome, with many of its

appliances running off hydrogen, demonstrates future energy use whereby natural gas is replaced entirely by carbon-free hydrogen. The showcase reflects a critical step in providing customer choice in energy transition.

AGIG received development approval for the Hydrogen Park (HyP) Gladstone project, which puts Gladstone on track to become the first gas network in Australia where the entire gas distribution network will supply homes, businesses and industries with a blend of up to 10% (by volume) of renewable gas. The project is now under construction and is expected to blend into the Gladstone gas distribution network in 2024.

AGIG signed an arrangement to power a South Australian government two-year hydrogen bus trial. Begun in August 2023, the trial's hydrogen fuel cell buses are powered by green hydrogen generated at AGIG's HyP South Australia. The bus trial will carry out over 80,000 customer journeys within the first 12 months and save approximately 90 tonnes of CO₂ emissions per year, at a minimum.



Infrastructure

ENABLING LOW-CARBON HYDROGEN PRODUCTION AND NETWORK DEVELOPMENT

Wales & West Utilities is investing GBP400 million into its gas network from 2021 to 2026 to advance towards net-zero emissions. The goal for Wales & West Utilities is to prepare a network by 2035 that is ready for net zero in regions most poised for a switch to hydrogen, with the ambition to transform the entire network by 2040.

Additionally, Wales & West Utilities has announced a feasibility study to evaluate the capability of existing North Wales infrastructure to transport hydrogen as part of its

future network planning strategy. The study will provide a detailed assessment of the infrastructure needed to advance opportunities for hydrogen in Wrexham and Deeside. The project will also explore supply and demand scenarios to understand the extent of hydrogen roll-out required in the low-carbon future. It will also develop options for changes to the current method for implementing industrial cost-sharing schemes, which allows customers to share the cost of adopting a hydrogen network and could reduce the cost of rolling out hydrogen for industry.

Modernising and digitalising electricity networks

With the increasing number of distributed and standalone powering sources being developed, especially with the increasing popularity of small and rooftop scale solar photovoltaic units, the need for a more adaptable electricity network is needed. The modernisation and digitalisation of the current grid and electricity networks are viewed as one of the factors in furthering community-based

decarbonisation. The Group's electricity distribution businesses are actively supporting connections for distributed renewable energy sources through appropriate mechanisms, such as FiT schemes and EACs. As of 2023, Both UK Power Networks, SA Power Networks, Victoria Power Networks, and Hong Kong Electric have collectively connected over 23GW of distributed renewable energy sources in their respective networks.



Infrastructure

TRANSITIONING TO A FLEXIBLE TWO-WAY NETWORK

SA Power Networks has released its Draft Regulatory Proposal for the 2025-2030 period, detailing plans to complete the transformation of its network into a "two-way" system, aiding South Australia's transition to 100% renewable energy. A key aspect of this proposal is the establishment of new systems to enable demand-side flexibility, progressing from existing work focusing on enabling more exports from rooftop solar systems.

With forecasts indicating continued growth in rooftop solar installations, the company expects reverse power flows to surpass the capacity of its network assets at certain times of the year, especially within the low-voltage network. To reduce the need to curtail exports from customer solar systems and ensure a secure electricity supply for all customers, the

company intends to introduce "flexible connection" services for both residential and commercial customers.

The proposal outlines the development of new systems and services to accommodate increased connections of customer loads and generation to the distribution network, such as solar systems, batteries and electric vehicles. These advancements will enable more dynamic balancing of energy import and export, aligning times of peak solar generation with flexible loads such as electric vehicles and hot-water systems. New value for customers will be realised as they utilise low-cost, renewable generation during the day, and respond to market price and network constraints during times of peak demand.

Procuring renewable electricity

In 2023, 32% of the Group's onsite and purchased electricity came from renewable sources, compared to 25% in 2022. Around 80% of renewable energy procured by the Group took place in Europe, where this market is most developed.



32%

of onsite and purchased electricity came from renewable sources

The Group's preference for renewable energy follows RE100 technical screening criteria which favours the use of PPAs, as well as onsite generation, as more "additional" in nature. In 2023, it has been actively exploring collaborative approaches to sourcing renewable energy through PPAs. The objective is to ensure stable, long-term supplies of clean energy while achieving economies of scale to reduce average costs.

Often, there are limited options for business units to procure renewable electricity through PPAs, particularly in Asia. The Group therefore encourages its business units to make a start with what is available in their local markets, including EACs and Green Tariffs, and then to continue to work towards developing higher-order options over time.



Ports



Retail



Infrastructure



Telecommunications

RENEWABLE ELECTRICITY UTILISATION & PURCHASES HIGHLIGHTS ACROSS CORE BUSINESSES

- In 2023, Hutchison Ports KICT in Pakistan developed its first solar system, which generated 140,000 units of electricity, helping to reduce 110 tCO₂ per year. Hutchison Ports MITT in Myanmar has also started its installation of a 100kW grid-connected solar system, while Hutchison Ports ECT Rotterdam in Netherlands has also started upgrading its electricity infrastructure, preparing for the electrical equipment and vehicle transition.
- Kruidvat, Trekpleister, ICI PARIS XL Netherlands have been powering their operations with a 100% renewable energy source. AS Watson has purchased Renewable Energy, through EACs, for its operations in China and Hong Kong as well, which accounts for about 20% of annual electricity consumption, and also in Malaysia, Indonesia, Philippines, Thailand and Turkey, which accounts for about 10% of their annual consumption. Additionally, starting from 2024, all Retail divisions will allocate a fixed budget for the purchase of EACs.
- HK Electric from the Infrastructure division is expanding its local renewable energy capacity in Hong Kong and aims to provide a 1.2Mwp photovoltaic (PV) system with targeted energy generation of 1.2GWh per year. In 2023, additional PV systems were installed at Lamma Power Station and expanded the local solar power generation of HK Electric to 2.4MW. A power optimiser is adopted at the newly installed PV system at 26 station buildings, which is estimated to enhance annual energy output by around 10-20%.
- **3** Austria is operating with 94% green electricity and plan to convert to 100% in the near future. **3** Austria has also installed an over 2,000m² rooftop PV system at their Vienna headquarters. **3** Ireland is powered by 100% renewable electricity through its electricity procurement. **3** UK is engaged in the procurement of renewable electricity through its energy contract. **3** Sweden achieved 78% purchased renewable electricity and **3** Denmark continued the two-year agreement to procure renewable energy from a local solar park. Also Wind Tre purchased EAC, covering 40% of its electricity consumption, while CKHGT as a group is also reviewing longer-term renewable energy procurement opportunities through Power Purchase Agreement.



Solar panel station at Lamma Power Station, HK Electric

Transitioning high-carbon assets

Natural gas is a cleaner and more reliable alternative energy source than coal, and it can support the Group's vision in reducing carbon emissions from the power generation businesses cost-effectively in the near term. Gas-fired power provides a reliable baseload for the local electricity grid and complements ongoing investment to accommodate the increasing renewable energy sources, such as solar and wind-power units, connecting to the grid network and stabilising overall grid harmony.

The Infrastructure division's investment in coal-fired power generation has reduced from 53% of installed capacity in 2016 to 31% in 2023. Since 2021, the Group has fully phased out coal-fired power generation in OECD countries. It is committed to continuing this process in non-OECD countries as HK Electric has been enhancing its equipment in the Lamma Power Station in Hong Kong to accommodate the coal to gas conversion transition. The full phase-out of coal-fired generation is expected to be completed by 2035.



Infrastructure

COAL TO GAS CONVERSION AT HK ELECTRIC

The L12 project, the last phase of three new 380MW gas-fired combined-cycle generating units under HK Electric's 2019-2023 Development Plan, will all be fully commissioned in early 2024. The unit will further augment gas-fired generation capacity.



Clean Transportation

As one of the identified 10 net-zero transition opportunities, the Group has committed to further investing in the clean transportation sector. In 2023, the Group has continued the electrification process, transitioning into clean energy equipment and electric vehicles, further lowering the carbon emissions of its operations. It is also the Group's objective to stay in line with the EU's strategy to achieve the European Green Deal in transport, which calls for a 90% reduction in transport-related GHG emissions by 2050.



Autonomous electric truck, Hutchison Ports Thailand



Ports



Retail



Telecommunications

LOW-CARBON TRANSPORTATION ALTERNATIVE

London Thamesport from the Ports division will be further enhanced with the launch of the new “Euro Maroc Service” by WEC Lines to provide an eco-friendly alternative to truck transport from West France to the UK. Thus, shippers can reduce their reliance on the heavily congested channel crossing and land travelling distance by utilising vessels, which helps save the distance travelled on land.

In the Retail Division, H&B Benelux, Watsons China and PARKNSHOP Hong Kong have already started using hybrid or plug-in electric trucks for warehouse to store deliveries. Watsons China has been expanding its electric vehicle coverage from Tier 1 cities (Beijing, Guangzhou, Shanghai, Shenzhen) to Tier 2 cities, Tianjin and Chongqing. For Online order deliveries, H&B UK and ICI Paris XL have been using electric vans and e-Cargo bikes for

deliveries in Central London and 13 emission-free zones in the Netherlands, respectively. Four other operations in Asia (Watsons China, Singapore, Taiwan and Thailand) have started using electric vans and electric motorbikes for country-wide deliveries.

To support the initiative of clean transportation, **3** Austria commits to transitioning to electric vehicles for its entire fleet by the end of 2027. While **3** Sweden also has a target of switching 70% of its vehicle fleet to either electric or hybrid power by 2025, this target was achieved by the end of 2023, with 76% of its vehicle fleet switched to electric or hybrid power. Wind Tre has also added 394 electrical vehicles to its entire fleet and has partnered with DHL to lower its carbon footprint, as DHL has already committed to pursuing net-zero emissions in all of its logistics-related activities by 2050.

Electrification progress of Hutchison Ports

Mobile and stationary equipment in operation globally in 2023			Electrification programme 2023-2024	
Type	Total # units	of which electric or hybrid	Locations	CAPEX
Rubber-tyred gantry crane	853	563	Pakistan, Egypt, Mexico, Thailand, United Kingdom, Poland	US\$171M
Straddle carrier	208	23	Bahamas, Netherlands	US\$22M
Automatic guided vehicle	362	85	Netherlands	US\$45M
Reach-stacker	194	2	Panama, Egypt	US\$2.5M
Empty container handler	182	12	Panama, Thailand, Egypt	US\$2.2M
Internal tractor	1,330	115	United Kingdom, Mexico, Oman, Netherlands, Egypt	US\$58M



Electric vehicle charging station, **3** Austria



Infrastructure

ADOPTING GREENER TRANSPORTATION

Aligning with the government's ambition to achieve carbon neutrality by 2050, Alliance Construction Materials has been driving the implementation of green logistics in Hong Kong. In February 2023, Alliance Construction Materials introduced the first electric concrete mixer truck in Hong Kong. The company kicked off a one-year trial of using a new energy mixer truck for concrete delivery to evaluate its performance, adaptation and challenges in the local construction industry, providing insightful information on the transition of new energy transportation in the future.

UK Rails continues to explore opportunities to future-proof its existing assets with low-carbon technologies, from hybridising diesel trains to reducing their emissions, to extending the ability of electric trains to operate outside of the electric network range for shorter distances by adding batteries. In 2023, the company conducted a series of investigations exploring emissions reduction opportunities on diesel-electric trains, including engine efficiency modifications, new lithium-ion batteries, the replacement of existing cabin HVAC dual fuels and alternative fuels. UK Rails is also continuing the exploration of a hydrogen-powered, zero-emission passenger

fleet, as well as developing the approval plan to support its future safety operation case. In the coming year, the company is targeting a first-in-class trial on a model C222 electric truck with an intelligent engine start-stop system and completing its investigation on opportunities for enhanced HVAC on eco mode.



Electric concrete mixer truck, Alliance Construction Materials

Energy Efficiency

As energy demand and expenses continue to rise, the Group continues to seek innovative options to enhance its overall energy efficiency. Specifically, the Group's Infrastructure division supports local communities served by its electricity distribution businesses to benefit from better access to affordable energy and enhance home energy efficiency through education campaigns and installing smart meters. Both Northern Gas Networks and HK Electric have launched community-based programmes to support and motivate youths and the general public to effectively

manage their gas and electric expenditure, foster awareness in energy efficiency and renewable energy and embrace green practices. In addition, HK Electric has been deploying smart meters for customers since 2020, with the initiative set to continue until 2025. Customers with smart meters installed can access the "Account-On-Line" Service via the HK Electric App, allowing user to conveniently monitor electricity consumption data at different intervals such as half-hourly, daily and monthly and better manage their consumption.



Infrastructure

ENERGY EFFICIENCY INSTALLATION AT BROOKLYN DEPOT

In 2023, Victoria Power Networks completed the large-scale 1.25MW solar panel system installation at its depot in Brooklyn to significantly reduce electricity consumption and GHG emissions. The depot is fitted with energy-efficient

fixtures, including LED lighting, battery storage connecting to solar installations and preparation works on electric vehicle charging facilities for anticipated growth in electric vehicle fleet requirements.



Ports



Retail

EXPLORING ENERGY SYSTEM UPGRADES

The Ports division has continued to review its decarbonisation strategy to improve overall energy performance and upgrades through its cross-functional working groups. Examples of such strategy include constantly reviewing and re-scheduling according to energy profile, exploring alternative fuels and renewable energy utilisation, modernising heating stations and expanding transformer stations.

With 16,491 stores worldwide, in-store consumption of electricity accounts for 89% of the Retail division's scope 2 carbon footprint. In order to promote the efficient use of electricity, smart meters are installed in UK stores so that energy usage could be regularly monitored and possible areas for consumption savings could be identified. PARKnSHOP partners with a third party to conduct an energy audit project on selected stores and to identify energy efficiency opportunities in refrigeration equipment. AS Watson will further leverage the successful experience of the project and increase the number of energy audits in 2024 by covering retail stores, distribution centres, head offices and other relevant locations, with the aim of identifying additional energy efficiency opportunities within the division. Details will be disclosed in the subsequent Sustainability Report.



Telecommunications

NEW RULES FOR ENERGY-EFFICIENT PURCHASES

In 2022, Wind Tre refined the sourcing phase to procure energy-efficient and sustainable purchases, which is in line with the decarbonisation plan and in compliance with the requirements of ISO 50001 certification. During 2023, these tendering rules were implemented in a tender for the purchase of microwave network equipment and evaluated the energy consumption of each product over time. The result contributed towards the final evaluation and assignment of the tender. Based on the result, a document has been written that formalises the rules, which can also be applied to similar or modified tenders.

All business units of the Telecommunications division have invested significantly in upgrading to more efficient mobile network equipment, virtualising the core network and network services. The testing and implementation of equipment features is also conducted to support optimisation of network performance. Wind Tre uses statistical Radio Access Network monitoring with smart sleeping functionality to reduce energy consumption, while 3 Denmark and 3 Sweden are decommissioning 3G capacities.

The Telecommunications division also virtualises applications and consolidates data centres to reduce data consumption. 3 UK has implemented "Ekkosense", an AI-driven data centre cooling optimisation software across four legacy data centre sites, delivering 12.5% cooling energy reduction in just ten weeks. 3 Austria has also implemented power monitoring software, renewed all cooling equipment for its main locations, replaced oil equipment, saving around 728,000kWh per year of electrical power and 10,000m³ of water per year.

BIODIVERSITY PROTECTION

Air, land, water and natural habitats are all valuable assets included within the bracket of biodiversity and should be protected and enjoyed by all. Being a responsible global citizen, protecting nature and respecting all lives on earth whilst operating responsibly is at the core of the Group's operation strategy. It is important to minimise the environmental impact while conducting the various types of business across the Group.

The Group has long been working with different stakeholders, to ensure that impact and concerns on biodiversity-related issues resulting from operations can be well managed. To further demonstrate the principle and direction adopted, the Group adopted its first standalone Biodiversity Policy in 2023, outlining the Group's strategy on the topic, which will also be applicable to all business units across the Group.

- [Biodiversity Policy](#) 

THE GROUP'S BIODIVERSITY POLICY

Protecting biodiversity is an essential part of a sustainable operation. The Group recognises the importance of the topic and to ensure the vision can be shared and conducted across the Group, the first standalone Biodiversity Policy was developed in 2023. The objective of the policy is to cover all business divisions and provide a framework of operation in considering biodiversity preservation and avoiding environmental disturbance. The policy includes the following principles:

1. Protect Natural Resources
 - Support anti-deforestation, biodiversity protection, conservation and restoration, and relevant and appropriate biodiversity conservation and environmental protection programmes and initiatives.
 - Prevent pollution to land, water and air, and undertake biodiversity assessments where relevant.
2. Minimise Impact of Business Activities
 - Operate responsibly and promote sustainable use of natural resources.
 - Actively develop, incorporate and implement environmentally sustainable products and processes with potential commercial applications where possible.
3. Enhance Awareness and Engagement
 - Enhance internal biodiversity protection awareness, while partnering with external stakeholders in promoting the topic.

For details, please refer to the [Biodiversity Policy](#) .



Environmental Net Gain

In accordance with the [Environmental Policy](#) and [Biodiversity Policy](#), all business divisions should complete biodiversity assessments to ensure that they protect, conserve and restore local biodiversity, wherever relevant to their operations.

Over 2023, the Group has been advocating the environmental net gain approach that leaves ecosystem services in a measurably better state across all divisions. Positive results are achieved across the Group, as biodiversity conservation and environmental protection programmes are successfully implemented. For example, the Ports division conducts regular monitoring isolation control for shorebird nesting areas in Hutchison Ports Sydney in Australia to minimise adverse impact on its habitat. It has also participates in a community ecological restoration project at the Sir Joseph Bank Park, aiming to remove invasive species to support the growth of native plants, restore habitats and improve biodiversity within the area.

The Telecommunications division is also working diligently to minimise its ecological impact. While complying with the Wildlife and Countryside Act, local planning, ecological or site provider requirements, special deployment arrangements are also attended

to annually in considering the disturbance caused to protected species (i.e. nesting birds) from surveying activities and how this could be avoided.

Across the Infrastructure division, business units such as SA Power Networks conduct regular inspections on assets at high risk of failure or of causing fires, and patrol the 49,800km network before the bushfire season, minimising the risk and severity of fire events. Trimming trees and branches near powerlines reduces the risk of bushfires, and also helps SA Power Networks to provide a safe and reliable electricity supply for customers and communities. The last three years of La Niña weather conditions have resulted in significant vegetation growth, and their vegetation management programme was required to trim vegetation on 70,911 spans of powerline across South Australia before the commencement of the bushfire danger season. AGIG is also working on risk assessments on vulnerable species and will continue to review its overall environmental footprint in order to craft its biodiversity targets by 2025. To further contribute to this aim, in 2023, AGIG participated in a pilot study with the Commonwealth Department of Climate Change, Energy, the Environment and Water on the adoption of the Taskforce on Nature-Related Finance Disclosure.



Infrastructure

SAFEGUARDING BIODIVERSITY

UK Power Networks has continued its long-standing relationship with nine Wildlife Trusts to develop its Environmental Action Plan commitments associated with biodiversity enhancement, which focuses on safeguarding and improving the environment. UK Power Networks has identified, surveyed and assessed the biodiversity score of 100 substations with the support of wildlife trusts and is targeting to improve biodiversity scores by up to 30% for the initial 100 sites with biodiversity improvement work.

Furthermore, UK Power Networks has also declared its commitment to identify and assess an additional 100 sites for biodiversity enhancement in its 2023–2028 business plan. So far, around 70 potential sites have been highlighted, and 25 of them have been visited by an ecologist. From the visit, the baseline biodiversity score is determined based on biodiversity metrics from the Department for Environment, Food & Rural Affairs (DEFRA), relevant biodiversity improvement initiatives are recommended and the potential

biodiversity scores for each site are projected once the recommendations have been implemented.



Invasive laurel clearance, UK Power Networks

Sustainable Sourcing and Anti-deforestation

A wide range of products is needed to sustain business across the Group, and the procurement process involves sourcing from its long list of suppliers. The Group has in place relevant policies, guiding all business units to procure and operate sustainably, while engaging with credible and responsible suppliers. Supplier pre-assessment procedures are in place from the Retail division,

ensuring that procured products are manufactured according to sustainable production standards such as the Roundtable on Sustainable Palm Oil (RSPO), Forest Stewardship Council (FSC), Programme for the Endorsement of Forest Certification (PEFC), etc., in an attempt to minimise the Group's impact on deforestation and achieve protection for the environment.



Retail

RESPONSIBLE SOURCING

The Retail division has committed to providing and promoting a sustainable choice of products to customers with options such as a better selection of ingredients and packaging materials from sustainable sources. As part of efforts to protect the forest, the following commitments were made:

- **Wood-pulp:** All Exclusive Brand paper products and packaging to be made exclusively from sustainable materials (FSC, PEFC or recycled) by 2030
- **Palm oil:** All Exclusive Brand products to include RSPO-certified palm oil by 2030
- **Beef & Soy:** Committed to sourcing deforestation-free meat and soy-based Exclusive Brand products by 2030

TAKING STEPS TOWARDS FUTURE-PROOF PALM OIL

As a member of the Roundtable on RSPO since 2016, the Retail division has been operating according to the RSPO initiative and strives to achieve incorporating 100% RSPO standards palm oil by 2030. An annual RSPO scorecard has also been issued, where AS Watson has achieved a score of 6.9 out of 10, above the retail sector average score of 4.4. In 2023, 80.7% of the division's total palm oil and derivatives volume are RSPO-certified sustainable palm oil.

Kruidvat has participated in the "FAIR Company-Community Partnership" model since 2020. This initiative, led by Dutch non-governmental organisation (NGO) Oxfam Novib, offers a re-design of development models in palm oil production and trade with the objective of fostering economic opportunities while reducing adverse impact on local communities. It is intended to demonstrate proof-of-concept, showcasing a viable and sustainable alternative business model with the potential to achieve economies of scale in the palm oil sector and beyond.

By participating in this programme, Kruidvat aims to enhance its insight into and influence over all linkages in the palm oil supply chain. Each FAIR partnership project is enacted locally, with participants working together to generate positive impact for smallholders and other community stakeholders. Kruidvat participates specifically in a multi-stakeholder partnership project in Southeast Sulawesi, Indonesia.



The FAIR partnership is built on four key principles, as encapsulated by its acronym:

F	Freedom of choice
A	Accountability
I	Improvement of benefits
R	Respect for rights



WATER MANAGEMENT

As extreme weather events such as drought and flooding continue to increase in frequency and magnitude, climate change is expected to increase the challenges associated with sustainable water management. In response to water risks impacting its business and stakeholders, the Group strives to use water more efficiently and to help strengthen the resilience of the ecosystems in which it operates. To mitigate the impact of pollution affecting the quality of local water sources, the Group ensures that its water discharges are safe by meeting or exceeding local regulatory requirements.

Water Data

Figure 13 Group water withdrawal ('000 m³) 2021-2023

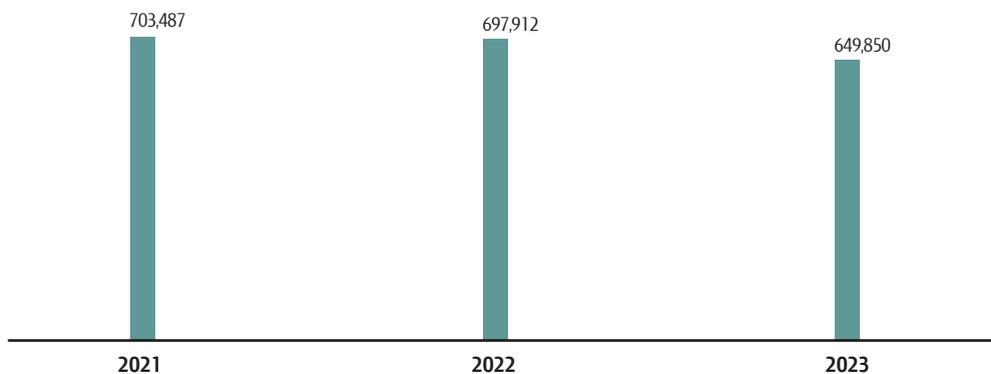
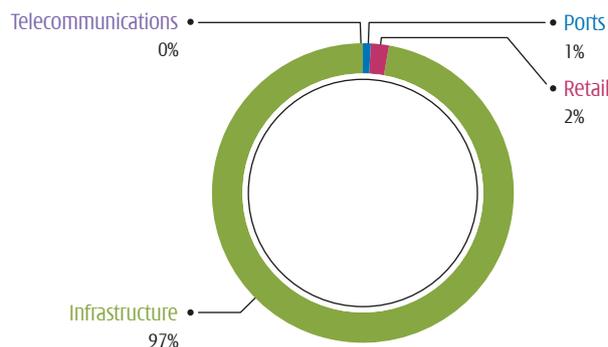


Figure 14 Group breakdown of water consumption in 2023



The Group's core businesses cautiously manage the use of water and the majority of water consumption is for cleaning and cooling assets and facilities and for providing services and products to customers. Over 97% of the Group's water consumption occurs in the Infrastructure division, mostly water used by its only water company, Northumbrian Water. As a water and wastewater operator, it takes water from the environment and treats it to the highest standards for consumers' use.



Infrastructure

COMMITTING TO WATER BODY PROTECTION

The care and respect of Northumbrian Water for the natural environment goes beyond the applicable regulatory requirements, working constantly to protect and enhance coasts, rivers and watercourses in all areas of operations.

Northumbrian Water sets out a "Vision for our Coast and Rivers", which outlines nine ambitious pledges committed to, and are currently on track to be delivered. These are the following:

1. We will work with the Environment Agency, Natural England, The Rivers Trust and Catchment Partnerships to identify, and have plans in place to eliminate, all impediments to our rivers achieving good ecological status caused by our operations.
2. We will invest in monitoring to provide 100% near real-time data on storm overflows by 2023.
3. We will introduce final effluent, in-river upstream and downstream monitoring to get a greater understanding of environmental impact of treated water by 2030.
4. We will implement Water Quality monitoring at the highest priority Storm Overflow locations by 2025.
5. We will reduce spills from storm overflows to an average of 20 per year by 2025.
6. We will work closely with the Rivers Trust through our strategic partnership and North East Catchments Hub to focus on river needs for investment through catchment and nature-based solutions, and to identify at least two inland bathing water sites where applications for designation can be made at the earliest opportunity. We are proud that already 95% of the North East population lives within an hour's drive from a beach with Good or Excellent bathing waters.
7. We will work with partners to achieve 100% of coastal bathing waters at Good or Excellent by 2030.
8. We will work in partnership to improve 500km of bluespaces (such as river banks and accessible water environments) for the public to enjoy in our regions by 2030.
9. We will double the number of our Water Rangers - our citizen scientist volunteers who are trained to help us monitor environmental conditions around rivers and take action to address wider river issues such as littering, fly-tipping or signs of pollution.

Details of the pledges can be found at the following link, [A Vision For Our Coasts and Rivers - An Update for 2023](#).



A vision for our coasts and rivers

An update for 2023

NORTHUMBRIAN WATER *living water*

ESSEX & SUFFOLK WATER *living water*

Water Risk

As documented in the [CKHH TCFD Report](#), the Group is strengthening its mitigation and adaption responses to climate change and associated water risks as part of its Enterprise Risk Management framework, and examples can be found across business divisions.

To evaluate water risk in a more systemic manner, AS Watson Industries has developed a water risk assessment framework with reference to the TCFD and the "Aqueduct" tool from the

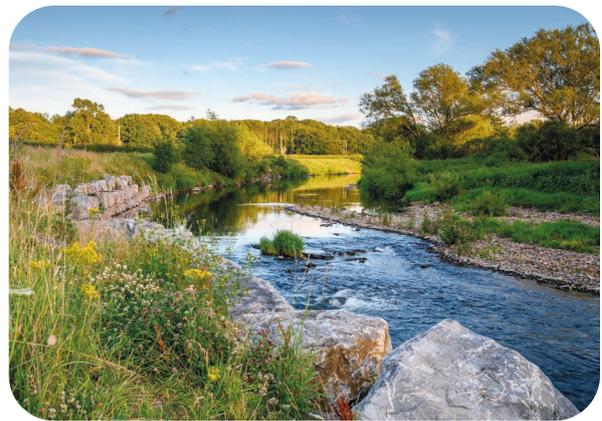
World Resource Institute, involving assessments of risk likelihood and impact from physical risks, regulatory risks and reputational risks. The assessment process is further strengthened through WWF's Water Risk Filter self-assessed risk rating exercise, as risks are also determined through structural discussions between the sustainability team, the key affected departments and senior management within the division. Annual reviews will be conducted to ensure the assessment results are up to date, as well as to increase resilience for potential water risks.



Infrastructure

ACHIEVING HIGH STANDARDS IN RIVER AND COASTAL WATER QUALITY

At times of heavy rainfall, all water companies (including Northumbrian Water) use storm overflows as relief valves within the sewerage system, helping protect the homes of customers and the environment from sewer flooding. During and after heavy rainfall, storm overflows discharge what is mostly rainwater, mixed with some of the contents of the sewerage system, from the area affected. Water companies receive permits from the Environment Agency, the environmental regulator in England, to allow this to occur. Operating in the North East of England, Northumbrian Water has some of the lowest levels of pollution and some of the cleanest rivers and beaches in the country. In the last Bathing Water classifications released by DEFRA in December 2023, 32 of the North East's 34 designated bathing waters achieved ratings of either "Excellent" or "Good" - the highest possible classification. This represents a leading position nationally.



Protecting water body and achieving high quality, Northumbrian Water

Water Use

As part of the Group's efforts in consuming one of the most precious global resources, business units are collecting, recycling and reusing wastewater and rainwater, as well as installing low-flow appliances to enhance its overall water consumption efficiency.

Northumbrian Water strives to achieve the lowest level of water leakage amongst all service providers in the UK. They are aiming to meet national targets to reduce leakage by 50% by 2050. This

means reducing leakage in the North East of the UK by 55% and in Essex and Suffolk, by 40%. Being the leading advocate of the UK Water's Worth Saving campaign, Northumbrian Water is running several programmes to engage and educate the public. Other business divisions are also undergoing various initiatives, looking to minimise water consumption during operation.



Ports



Retail



Infrastructure



Telecommunications

MAKING THE MOST OF A PRECIOUS RESOURCE

The Group makes collective efforts to conserve and recycle water.

Hutchison Ports TIMSA in Mexico has installed a closed-cycle system to reuse water to wash the port equipment and service the bathrooms to reduce the consumption of potable water. In addition, both Hutchison Ports Brisbane and Hutchison Ports Sydney in Australia are reviewing the application of a rainwater harvesting system to reduce the usage of purchased water.

AS Watson Industries has long been committed to the “Enterprises Cherish Water Campaign” organised by the Hong Kong Water Supplies Department and co-organised by the Green Council. The commitment includes adopting measures such as “participate in water efficiency benchmarking” and “promote and adopt efficient water-consuming devices”.

AS Watson Industries has also set a target to achieve a water efficiency ratio of 0.42 by 2025, and 0.44 by 2030. While it seeks continuous improvement on water efficiency

and other discharge management measures, the water risk management strategy and progress are reviewed each year.

Enviro NZ has installed mounted tanks at many waste collection and processing facilities to collect and reuse rainwater for site activities, such as truck wheel washes, road cleaning and dust control. Similarly, Alliance Construction Materials reduces freshwater consumption for plant and truck cleaning by installing wastewater recycling systems in all production sites. HK Electric also collects and reuses more than 100,000m³ of wastewater and rainwater at Lamma Power Station in 2023. A Brine Recovery Reverse Osmosis system to facilitate wastewater recovery at the site had also been installed and the equipment is being commissioned.

Wind Tre performs monthly monitoring of water waste through an external supplier. With the improvement in the efficiency of the office toilets and the recovery of the excess water from the evaporative towers used for air conditioning, which is reused for irrigation, water consumption in offices has decreased by about 33%, from 26,208m³ in 2021 to 17,598m³ in 2023.

Beyond mitigating the direct impact of its own operations, the Group also recognises the importance of positively influencing the behaviour of its suppliers, customers and other water users on water management in local communities. Northumbrian Water is the leading advocate of the UK's Water's Worth Saving campaign, running several programmes to engage and educate the public. For example, the Water Rangers community initiative was launched,

aiming to mobilise community volunteers to monitor 56 public access routes across the North East of England. Water Rangers are provided with training and tools to enable the patrol over 74km of waterways every week or fortnight, with the Rangers reporting findings on potential pollution which can be resolved in a timely manner.



Infrastructure

UPCYCLING WASTEWATER

In March 2023, Northumbrian Water launched a trial using a groundbreaking piece of equipment to help capture ammonia from wastewater, turning it into green fuel for vehicles at North Tyneside Sewage Treatment Works. This is the first time in the world that a water company has ever recovered ammonia from wastewater. The stripped ammonia can be utilised to generate fertiliser products, pharmaceuticals and green fuels that may be used in the emerging hydrogen economy in the future.



Ammonia capture from wastewater, Northumbrian Water



Abberton Causeway, Essex, Northumbrian Water

AIR QUALITY

The Group is committed to reducing emissions of local air pollutants such as nitrogen oxide (NO), nitrogen dioxide (NO₂), sulphur dioxide (SO₂) and volatile organic compounds (VOCs). Its management approach to improving air quality is linked with [Decarbonisation](#), particularly electrification and switching to greener energy sources.

Air Emissions

Figure 15 Group air emissions (tonnes) 2021-2023

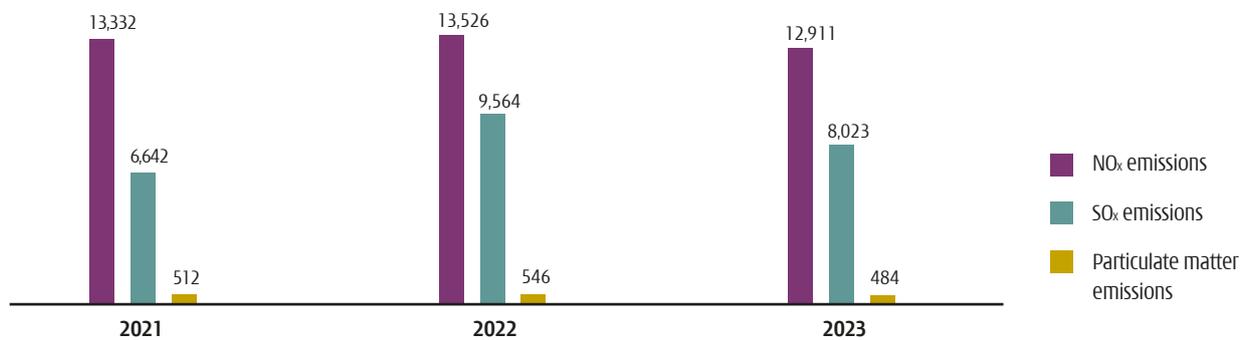
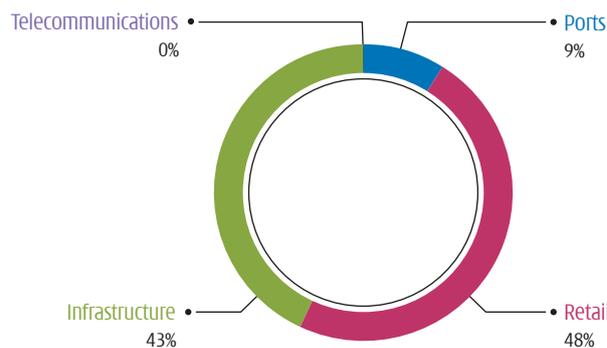


Figure 16 Group breakdown of air emissions



The Group recognises that air emissions are generated throughout its operations, and has therefore included air quality as one of the material topics under the Group Sustainability Framework, underpinning the effort in managing, monitoring and reporting on this topic. Well-established guidelines are in place to ensure effective and continuous air quality monitoring. Where material, divisions will invest in clean technologies to further reduce impact on air quality. The Group's extensive programme of transitioning high-carbon assets and rolling out clean transportation is also helping to reduce emissions of local air pollutants.



Ports

PROTECTING AIR QUALITY DURING OPERATIONS

Air pollutants such as NO_x, SO_x and particulate matter are among the identified side-products generated from the Group's operations. The Ports division has set directives to replace diesel-powered equipment with electrically powered ones such as electric terminal trucks, electric vehicles, electric rubber-tyred gantry cranes and mobile equipment to minimise air emissions.

Hutchison Ports UK has conducted their first 12-months of electronic continuous operation in the Hutchison Ports Port of Felixstowe for monitoring air quality and commissioned an expert consultant to update their air quality inventories. As a result, it has recorded a 93% reduction of SO₂ since 2009 and a 43% reduction of NO₂ since 2007. The Air Quality Strategy Report, which is produced on a three-yearly cycle, also showed an improvement in results.

Hutchison Ports Busan in Korea have installed a diesel particulate filter and selective catalytic reduction in the engines of the standard equipment to convert pollutants to harmless substances, which could achieve up to 81% particulate matter and 85% NO_x emission reduction.



Air quality monitoring unit, Hutchison Ports UK



Infrastructure

CLEANER AIR FOR HONG KONG

The three new gas-fired generating units at Lamma Power Station under HK Electric's 2019-2023 Development Plan, with the last one to be fully commissioned in early 2024, feature advanced emission control technology known as selective catalytic reduction that reduces emissions of nitrogen oxides by around 90%. In support of the Government's Clean Air Plan, HK Electric is switching to cleaner fuels and implementing advanced emission control systems, such as flue gas desulphurisation plants and low-nitrogen-oxide burner systems, in its remaining coal-fired plants.



CIRCULAR ECONOMY

“Promote a Circular Economy” is identified as one of the eight goals in the Group Sustainability Framework. The Group aims to enhance its waste mitigation, and seeks to redesign its products, systems and services to deploy resources in ways that are more durable, reusable, repairable and recyclable.

The Group is committed to reducing waste to a minimum, replacing higher impact materials with lower impact alternatives, reusing wherever possible, and recycling its waste when all other options have been exhausted. Its management approach to the circular economy is closely linked with other material topics and content in this report, including:

- [Supply Chain Responsibility](#)
- [Sustainable Product Choices](#)
- [Decarbonisation](#)

Waste Data

Figure 17 Group waste produced (tonnes) 2021-2023

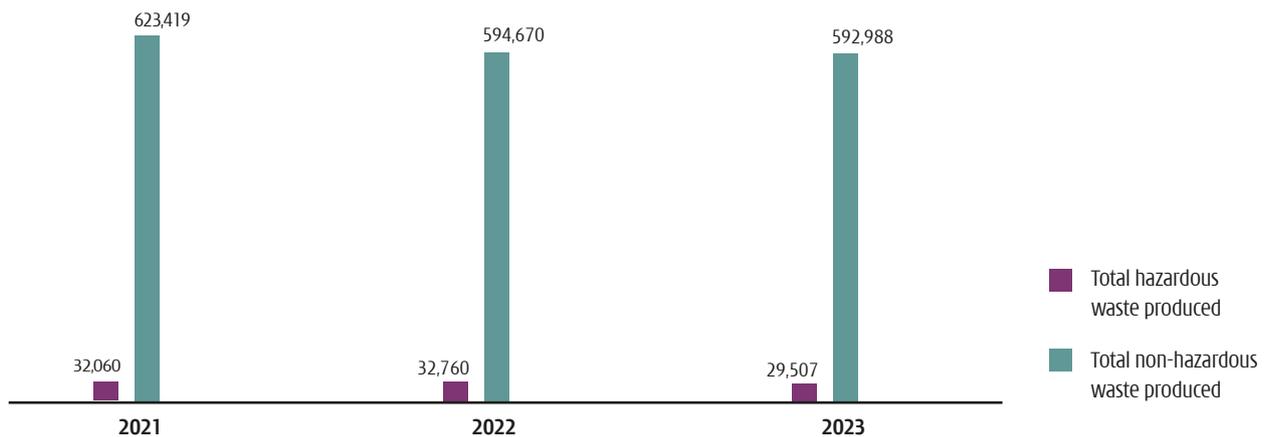
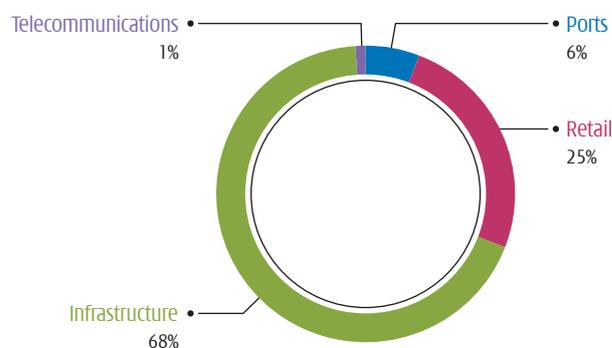


Figure 18 Group breakdown of waste in 2023



Waste Management Services

The Group is consistently identifying sustainable investment opportunities and exploring ways of transitioning the business to be climate resilient. Resource recovery and waste minimisation is an established and growing business area for the Infrastructure division and notably for its two waste management services providers, Enviro NZ and AVR.

Enviro NZ regularly seeks out opportunities to partner with local businesses and companies to support local circular economy efforts. Focusing on four streams of diversion infrastructure, which include organic waste, mixed recycling, concrete waste and timber waste, Enviro NZ's resource recovery facilities are capable of diverting over 150,000 tonnes of waste from landfill every year. These activities are also key to reducing greenhouse gas emissions. For example, the diversion of over 50,000 tonnes of organic waste (food waste, green waste and timber) in 2023 has resulted in the

avoidance of over 10,000 tonnes of CO₂e. Enviro NZ is expanding the number of resource recovery facilities in New Zealand to make low-carbon circular solutions more accessible.

Specialising in processing residual waste streams such as paper pulp residue, waste wood, household and commercial waste, and hazardous waste to achieve maximum recovery of energy and materials, AVR is an important contributor towards Dutch and European goals on climate and energy by supplying sustainable process steam, district heating and electricity. The utilised smart incineration technology is capable of transforming over 2.1 million tonnes of unrecyclable waste into 7.8GJ of energy per year. The process is further certificated with the ISO 50001 standard in energy management. Large-scale carbon capture and storage is the next step in AVR's journey, which will act as a crucial part of its net-zero transition plan.



Waste recycling facility, Enviro NZ

Diverting Waste from Landfill

Cutting the amount of waste sent to landfill is a key priority for many local authorities, which are imposing regulations and financial penalties to decelerate landfills reaching its capacity and constructing new ones. In the Infrastructure division, several business units are supportive of the movement and have ambitious targets to divert waste from landfill.

Business Units	Details of target	Progress
Alliance Construction Materials	<ul style="list-style-type: none"> Reduce solid waste extracted from plant yard washout to 0.02T/m³ of concrete produced 	Achieved
HK Electric	<ul style="list-style-type: none"> Reduce production of ash and gypsum at Lamma Power Station by 37% in 2024 as compared to 2019 Reduce waste generation of its key office premises by 10% in 2025 as compared to 2020 	In progress
Northern Gas Networks	<ul style="list-style-type: none"> Send less than 0.1% of total waste by mass to landfill annually by 2026 Reduce amount of office and depot waste created by 20% between 2018 and 2026 Use no more than 2.5% virgin aggregate annually by 2026 	In progress
Northumbrian Water	<ul style="list-style-type: none"> Achieve zero avoidable waste by 2025 	In progress
Reliance Home Comfort	<ul style="list-style-type: none"> Recycle 70% of residential and commercial waste 	In progress
SA Power Networks	<ul style="list-style-type: none"> Increase the total percentage of waste diverted from landfill to 80% compared with its baseline of 7.8% in 2011 	On track
UK Power Networks	<ul style="list-style-type: none"> Recycle 80% of office and depot and network waste by 2028 Recycle 99.5% of street works waste by 2028 	<ul style="list-style-type: none"> In progress, achieved 71.65% in 2022/2023 In progress, achieved 99.86% in 2022/2023
Wales & West Utilities	<ul style="list-style-type: none"> Send less than 20% excavated spoil materials to landfill by 2026 as compared to 2019 	In progress



Divert waste to recycling facility, Enviro NZ



Re-treaded tyres installed at the terminal trailer, Hutchison Ports MITT

To ensure terminal waste is being stored, transferred and disposed of responsibly in accordance with relevant legislation, the Ports division has established consistent approach across all ports and terminal operations worldwide through a Waste Management Standard. Monthly waste data is also submitted via the Environmental Information System for consolidated revision with periodic audits on relevant documentation and waste storage facilities at selected locations. In addition, periodic waste profile revision, reduction measures and programmes are regularly implemented within terminals, including recovering usable materials and delivering reusable consumables to local recyclers for upcycling treatment. Hutchison Ports MITT in Myanmar and Hutchison Ports YANTIAN in Mainland China have made use of the re-treading process to reuse worn tractors and empty handlers rubber tyres. Hutchison Ports TIMSA in Mexico have also collaborated with maintenance suppliers to install filters with longer service life and migrate from using mineral oil to synthetic oil in equipment to extend oil replacement intervals.

In the Telecommunications division, 3 Ireland have partnered with a facility management provider that has a zero waste-to-landfill policy, to deliver the generated waste as fuel to the heat recovery facility rather than directly to landfill. 3 Sweden, on the other hand, have continued with the “& Repeat” initiative, a solution which encourages employee engagement on circularity and helps to increase the recycling rate of takeaway packaging. As an incentive, employees can receive Repeat Credits which can be used in participating restaurants.

The Retail division is also committed to minimising its generated waste by working towards a “zero waste to landfill” operation direction by 2030. To achieve this, all operational waste from warehouses, stores and offices must either be recycled, reused or converted into energy, if technically feasible.

Responsible and Circular Devices and Accessories

The Telecommunications division generates waste from network equipment and mobile devices. A decommissioning project is therefore in place to recover and reuse old network equipment through third-party vendors. On mobile products and services, Wind Tre offers a wide range of Device Post Sales Services to customers, which include warranty and out of warranty repairs, fixed device substitution and device protection solutions, with the objective to improve customer satisfaction and extend the device lifecycle by providing options to reuse and repair products. Malfunction devices and equipment are recycled, and the raw materials are recovered by specialised companies for reuse purposes. In the UK, 3 UK works with partners to reuse and recycle the network and IT equipment located in the legacy data centres, and 3 Ireland also works with its partners to implement recycle or resell programmes on all of its decommissioned network equipment.

Focus on E-Waste

The Group is particularly focused on the responsible treatment of substances with intrinsic hazardous properties, such as e-waste. This rapidly growing waste stream presents a significant problem because it contributes to toxic substances accumulating in the soil, air, water and living organisms.

Hutchison Ports PPC in Panama participates in local battery recycling programmes and makes use of the spare parts from the broken equipment before final disposal.

In the Retail division, as a strategic partner of the "Laptop Transformation Programme", FORTRESS has partnered with a local NGO and collected over 793 used laptops and accessories from its customers and employees, for repair and donation to low-income families as of the end of 2023.



In 2023, CKHGT actively participated in GSMA committees and working groups, playing a role in industry dialogue on key issues for the sector.

CKHGT also took part in the GSMA's Circular Economy for Devices working group, which published the "Strategy Paper for Circular Economy: Mobile Devices". The paper discussed how the sector can evolve towards more circular business models based on two overarching principles of "maximised longevity" and "zero waste."

Reducing e-waste is also a focus for the Telecommunications division, which is replacing standard credit card-sized SIM holders with a new half-sized format in some markets and promoting more sustainable accessories and packaging. Following Wind Tre, 3 Denmark and 3 Sweden, in 2023, 3 Hong Kong, 3 Ireland and Vietnamobile also introduced a SIM card which is made of 100% post-consumer recycled plastic.

3 Ireland launched a referral "Trade-In" solution, a circular product take-back and recovery service whereby customers can return their old devices and help to reduce the end-of-life environmental impact of their handsets. This solution incorporates enhanced offers whereby a guaranteed monetary value on top of the trade-in value will be provided to incentivise participation. 3 Hong Kong has actively engaged in the Green Friends initiative for recycling waste lead-acid batteries, and it successfully recycled damaged or aged lead-acid batteries amounting to 62 tonnes in 2023.



Focus on Plastics

There is an increasing focus globally on the role of circular solutions to address the growing global plastics pollution crisis. As a signatory to the New Plastics Economy Global Commitment of the Ellen MacArthur Foundation, AS Watson discloses its performance on an annual basis, against several targets such as:



100% of plastic packaging to be reusable, recyclable or compostable by 2025 (including Exclusive Brand product packaging, eCommerce parcels and in-store carrier bags)

2023 status

 **55.4%** achieved
(51.5% in 2022)



20% recycled plastic content in Exclusive Brand packaging by 2025

2023 status

 **11.4%** achieved
(7.4% in 2022)

The Retail division overall is also making tangible progress against broader objectives to eliminate problematic or unnecessary plastic packaging, switching to alternative materials, and banning polyvinyl chloride. It is also offering in-store refill options for customers of its Exclusive Brand Natural by Watsons personal care range in Malaysia and Hong Kong.

In 2023, 3 Hong Kong introduced new initiatives to foster resource recycling and reduction. The staff canteen introduced biodegradable and recyclable lunchboxes to replace plastic lunchboxes, and ceased the provision of disposable tableware, thereby supporting reduction efforts and enhancing employee awareness of sustainable practices.







SOCIAL

Employees are important assets of the Group, and the Group remains committed to developing its workforce while fostering a positive, inclusive and safe workplace culture that attracts talents from diverse pools. Creating shared value for the Group's stakeholders and supporting local communities are also at the heart of the Group's operations. Recognising the importance of these elements, the Group has formulated the Group Sustainability Framework that addresses the priorities and concerns of key stakeholder groups.

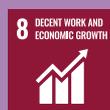
GROUP PRINCIPLES FOR PROGRESS

- CREATE GREAT PLACES TO WORK
- INVEST IN DEVELOPING THRIVING AND RESILIENT COMMUNITIES

CONTENT IN THIS SECTION

- EMPLOYEE OF CHOICE
- INCLUSION AND DIVERSITY
- HEALTH, SAFETY AND WELL-BEING
- COMMUNITY INVESTMENT

Linked SDGs



EMPLOYER OF CHOICE

The Group recognises the significance of its employees and aims to provide superior employment experiences and a great and safe working environment for its global workforce, which covers more than 300,000 people, including all joint ventures and associates, and 204,160 employees across the four core businesses (the scope of this report). With the Group policies providing a clear and overall direction, core businesses are encouraged to design and implement, a people-centric, fit-for-purpose human resource management approach tailored to their respective needs.



CREATING GREAT PLACES TO WORK - RECOGNITION RECEIVED IN 2023

Ports

- **Hutchison Ports HIT:** Caring Company - Hong Kong Council of Social Service
- **Hutchison Ports Pakistan:** "People Developer Port - Terminal of the Year 2023" acknowledgement
- **Hutchison Ports UK:** "Corporate Social Responsibility Pursuer Port - Terminal of the Year 2023" Awards

Retail

- **AS Watson:**
 - Diversity & Inclusion Awards under the category of "Mission", The Hong Kong HR Award - JobsDB
 - Employer of the Year (Grand Award) for the second consecutive year, CTGoodJobs
 - Best Corporate Social Responsibility Award (Grand Award), CTGoodJobs
 - the Best Talent Acquisition & Onboarding Strategy Award (Gold Award), CTGoodJobs
 - the Recruitment Team of the Year (Team Award), Best HR Awards - CTGoodJobs
 - Top Employer (Italy) - Top Employers Institute

Infrastructure

- **HK Electric:**
 - ERB Manpower Developer Award Scheme, Manpower Developer - Employees Retraining Board

Green Island Cement:

- Manpower Development Award - Employees Retraining Board

Northumbrian Water:

- World's Most Ethical Companies List / accreditation - Ethisphere

Reliance Home Comfort:

- Top 10 Most Admired Corporate Cultures Award - Waterstone Human Capital

Telecommunications

3 Hong Kong:

- 14th Asia's Best Employer Brand Awards - Asia's Best Employer Brand

Wind Tre:

- Top Employer Italy 2023 - Top Employer Institute
- EQUAL-SALARY Certification 2023 - EQUAL-SALARY Foundation

3 Austria:

- The "equalitA" seal of approval for industrial promotion of women - The Austrian Federal Ministry for Digital and Economic Affairs.

3 UK:

- The Times Top 50 Employers for Gender Equality 2023

The Times

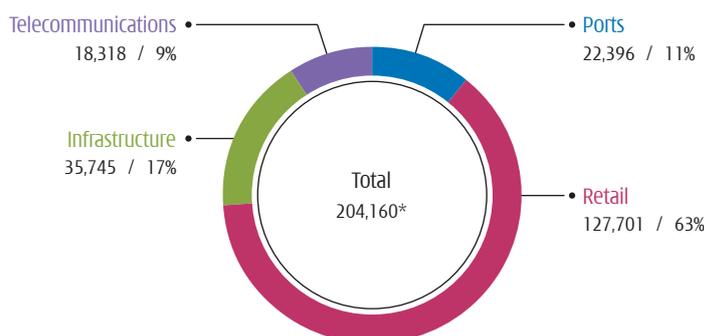
3 Sweden:

- Career Company 2023 - Career Company (Karriärföretagen)

- Top 10 Annual Great Place to Work® Sweden 2023

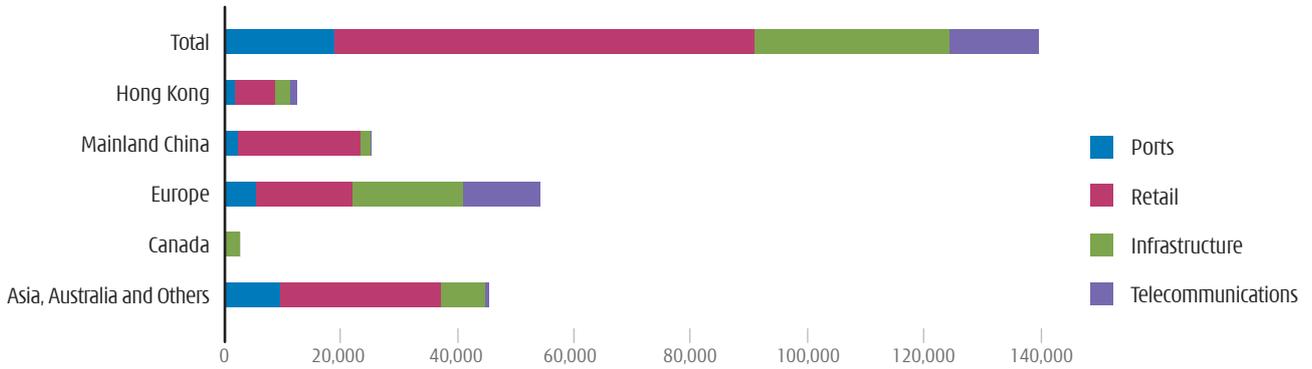
Figure 19 Core businesses employment profile 2023

By core business



* excluded about 100,000 employees from unscoped associates and the Finance & Investment and Others segment

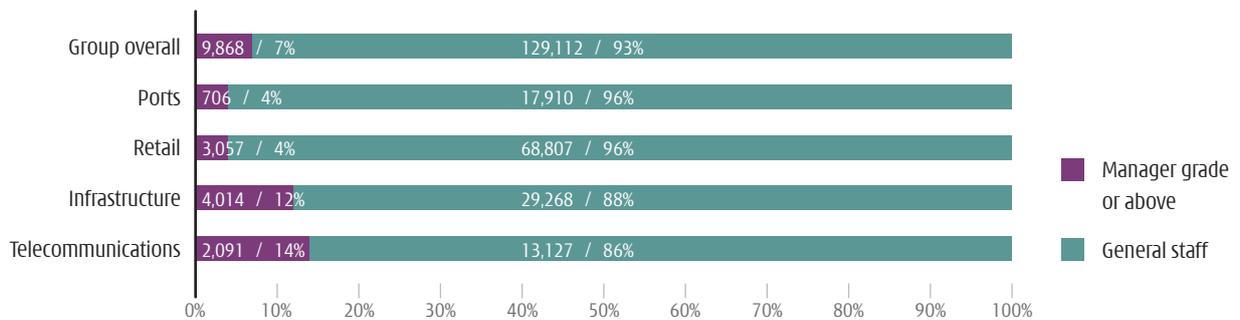
By location (full-time)



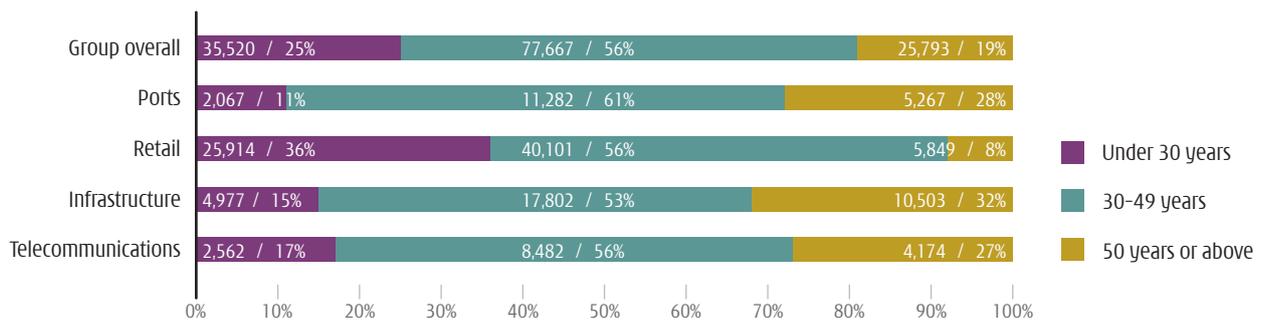
By employment type



By employee category (full-time)



By age group (full-time)





Woman employee at work, EDL

Talent Attraction and Identification

The Group understands that a successful workforce should be built on talent rather than background, culture, gender or race. The Group aims to recruit the best available talent, which reflects its commitment to diversity and inclusion, to support its wide customer base and local communities around the world.

With the world in flux due to regional conflicts, the Group continues to upscale its efforts responding to tight labour market conditions, organising multiple programmes and widening its engagement channels through social media, and partnering with educational institutions to attract young talent with diverse background. The Telecommunications division launched a cross-border recruitment campaign in Austria, offering the opportunity to work remotely,

and providing relocation support for employees moving to Austria for the job. The Ports division launched its "Apprenticeship Training Scheme", and joined the "Work Learning Assessment" and "Earn-and-Learn" Scheme of the Vocational Training Council of Hong Kong, aiming to attract young candidates and nurture future talents directly at school level. In addition, with the fierce competition for talent in the data analytics industry, the Retail division launched the "Retail Analytics Programme" to recruit and develop fresh graduates through a 18-24 month programme, offering broad cross-functional training and exposure to deliver insights through analytics to more than 30 business units in Asia, Europe and the Middle East.



Ports

APPRENTICESHIP PROGRAMME

The Group implements a variety of apprenticeship programmes to nurture its pipeline of young talents. Some business units partner with non-profit organisations specialising in delivering targeted support to young people from disadvantaged background, thereby aligning their talent development initiatives with the Group's broader community engagement objectives.

The Ports division has experienced increased competition in talent acquisition and thus launched various apprenticeship programmes within the division. Hutchison Ports UK launched a four-year Engineering Apprenticeship Programme, which saw ten new apprentices joining the business in 2023 and six existing employees beginning apprenticeship programmes in Q3 2023. Hutchison Ports FCP in Bahamas also conducted a two-year Facilities' Apprenticeship Programme. Upon successful completion of the programme, trainees transit into the areas of Plumbing, Electrical and Carpentry in 2024.

Summer Internship Programme

A total of 12 and eight summer interns from HIT in Mainland China and Hutchison Ports respectively successfully completed an eight-week programme which aimed at enriching interns' knowledge of the terminal industry and allowing them to acquire practical experiences.

Career fair/ Terminal visit

Hutchison Ports FCP in Bahamas actively engages in the High School Career Fair. At the fair, the team highlighted diverse career opportunities within the business unit and enthusiastically addressed students' enquiries about potential careers at the terminals.

Hutchison Ports Sohar in Oman hold a familiarisation visit for students aiming at pursuing their career in Logistics and Transport Management.



Internship programme, Hutchison Ports

Employment conditions and benefits

In line with the Group's [Human Rights Policy](#), all business units comply with relevant laws and regulations on working conditions and communicate clearly with employees about their established employment practices.

The Group's core businesses offer non-statutory benefits for all employees in order to remain competitive in their industries, such as maternity and shared parental pay (often exceeding legal requirements), childcare and educational support, staff discounts, smartphones for work and personal use, and long service awards. Pension plans, retirement benefits and performance-based bonuses are also offered to all eligible employees. The Group also offers non-statutory benefits linked to its management approach on [promoting health, safety and well-being](#), including onsite medical clinics and employee assistance programmes. The Group is adapting to emerging norms around flexible working and offers hybrid work arrangements for eligible employees where appropriate.

In the context of rapid and substantial increase in the cost of living experienced by employees, particularly in Europe and the UK, the Group focuses on finding fair and equitable solutions to protect job security. Pay reviews are conducted in the context of the local economy, interest rates considerations and market benchmarking.

The Group is committed to identifying, preventing and mitigating adverse human rights impact resulting from any business transaction of the Group, including any restructuring decisions. Central to these commitments are the following principles:

- Identify the potential impact of human rights issues on employees as early as possible.
- Communicate with employees and where necessary, the relevant labour unions at the earliest possible opportunity on potential impact, with due regard for human rights considerations.
- Prevent and limit redundancies where possible with compensation including severance payments (at or above statutory requirements) provided for redundancies.
- Include respect for human rights considerations in transition planning, such as redeployment and offering outplacement services to impacted staff where appropriate.



- Foster meaningful and constructive dialogue with employees, and take active steps in order to mitigate adverse effects on employees in the case of any ownership change or structural change to the business.

Support for employees regarding severance pay, assistance with outplacement, re-employment and retraining varies depending on the industries and geographies of operation. Tangible examples of Group assistance in relation to restructuring events include (in addition to providing severance pay): covering monthly health plan premiums for an extended period, providing extended notice period, and providing job opportunities in other parts of the business with retraining as needed.

The Group also respects its employees' right to join or form labour union without fear of reprisal, intimidation or harassment. Where employees are represented by a legally recognised union, the Group is committed to engaging in constructive dialogue with their chosen representatives. In 2023, approximately 33% of the Group's employees are covered by collective bargaining agreements.

Employee Engagement

Motivated employees are more willing to contribute their knowledge and experience towards shaping the future of the business. It is important to continuously listen and respond to employees' concerns, with business units undertaking employee engagement regularly. In general, employee surveys are conducted at least bi-annually, with results tracked over time. Where activities such as internal conferences or workshops are arranged, post-event surveys are collected for feedback to ensure the effectiveness and findings are shared for improvement. This feedback is supplemented with initiatives on specific issues as needed, such as understanding employee needs in returning to the office after long periods of lockdown. AS Watson launched its Colleague Engagement Survey in 2023, collecting viewpoints and feedback on the three elements of "Say-Stay-Strive": employees' advocacy, commitment and desire to stay, and their willingness to provide sustained additional effort for the organisation. A bottom-up approach to increasing employee engagement was adopted via Action Planning Workshops, which collected consolidated feedback and ideas from employees for department heads to follow up. Leveraging on digital channels, Watsons Hong Kong also introduced a communication WhatsApp Channel "You Speak, I Hear" looking to further engage with colleagues openly and at convenient times. In addition, it also hosted "Chit Chat Sessions with MD" for store and office staff to encourage open communication. Feedback is taken to the management team for further action. In addition, the Group communicates its achievements through channels such as the Group online journal, *Sphere*, and implements improvement plans to strengthen outcomes that need attention.

Learning and Development

The Group is committed to investing in its people, with regular and structured training programmes planned annually for all employees. The management team regularly reviews course content to accommodate market updates and future needs for employees. Workshops on reporting standards, leadership, negotiation and other soft skills are provided to keep employees abreast of industry trends to enhance their skillsets and advance their career development. The management team also receives regular training on specific topics of concern. Some of the topics covered include ESG market trends, regulatory and compliance requirements updates and other related information.

In 2023, three Sustainability Working Group and two Sustainability committee meetings were held to deliver the latest trends on ESG markets and content. The Group also provided a total of over 3,900,000 hours of training to its employees.

Performance appraisal

The Group has developed internal performance appraisal systems for all employees across divisions, with the aim to help employees understand their performance and areas of professional growth. Performance is reviewed periodically and may impact annual remuneration. In 2023, the Group started enhancing the remuneration revision metrics that include ESG performance, and a gradual implementation schedule at the management level is proposed. Further details will be revealed in the next Sustainability Report.

Investing in leaders

Investing in future leaders is essential for ensuring the Group's core businesses remain sustainable and resilient while nurturing the Group's talent pipeline to retain high-performers. Leadership development programmes are in place in each of the Group's divisions addressing different layers of management. Building

sustainable leadership and talent pipelines to support business success and the career development of employees has always been one of the Group's priorities. Senior management is committed to building human assets at each managerial level through assessing and reviewing leadership strength and sponsoring targeted development interventions to fulfil organisational needs. A robust succession planning and talent review is carried out annually for all business units across the regions to evaluate and formulate appropriate business and people strategies on both the regional and business unit levels. This is supported by a comprehensive performance management and reward process to ensure equality, engagement and retention.

The Hutchison Ports' Regional Development Programme which covers multiple regions, from Asia Pacific, Europe and Latin America to the Middle East, is a cross-port learning structure that plays a pivotal role in sharing expertise, facilitating collaboration and grooming for regional leaders. The value of the Regional Development Programme to the business is immense in developing future-ready and engaged leaders with inclusive mindsets and global, forward-looking perspectives.

The Retail division continues its talent development programme "AS Watson Agile Leadership Series", looking to develop a pool of executives with strong strategic leadership skills based on the AS Watson Leadership Capabilities framework that is updated annually. Both the Infrastructure and Telecommunications divisions also have ongoing initiatives for nurturing future leaders; such as, "the Manager to Leader Programme" at AGIG, "IGNITE" and "Breaking Ground" programmes at EDL. At 3 UK and 3 Ireland, the "Amplify development programme", consisting of six modules delivered over the course of six months (in person and virtually), is designed to give People Managers practical insights and tools to develop their skills further.



Telecommunications

NEW GENERATION PROGRAMME

Wind Tre's "New Generation Programme" has the goal to develop personal and professional growth in the first two years from hiring, focusing on skills and talent empowerment for young graduates (2019-20, 2021-22 and 2023-24), in partnership with an NGO, "Telethon and Walk of Life".

Another talent development programme, the "Future Leaders" programme has the goal to develop future leaders through initiatives such as the Company Training Programme "Jump&Stretch" for the pipeline of 2019-22, which was developed in partnership with Luiss Guido Carli University and Bocconi University. In 2023-24, the new edition of the Jump Development Programme again worked in partnership with Luiss Guido Carli University, and trained 34 young talents as future leaders.

Succession planning

The Group has a proactive and comprehensive approach to succession planning. Each year, the core businesses undertake a review of succession plans for multiple levels, and the results are submitted to the Group for approval by Directors. This activity is also carried out in a granular fashion covering more layers of the organisation at the division level.

Upskilling and reskilling

As the Group continues to expand and conduct business in different regions, the ability to adapt to complexities and changes is vital to the success of the business. With new and emerging technology, such as big data computation and AI, that is capable of facilitating operations, it is vital to offer upskilling or reskilling training to employees, addressing up-to-date issues that enable continuous

contribution. The Group encourages employees on continuous learning by offering funding support on job-related degrees and certification programmes, which is in accordance with the Group's Employment Policy. Various business divisions offer mentorship and staff development programmes, ensuring that talented colleagues receive the opportunity to learn on the job and are able to upskill from their skillsets. UK Power Networks has provided funding for its employees to pursue professional qualifications, such as in electrical engineering and accounting. It collaborates with external professional providers to ensure employees' access to high-quality education and training. The funding is allocated annually, covering courses from September to July. In 2023, it helped 371 employees (in addition to 320 employees in the previous year), empowering them to participate actively in their educational pursuits and cultivate their skills.



Telecommunications

ONSTAGE PROGRAMME



OnStage provides a six-month internship in different divisions offered by Wind Tre, and in order to take the first steps in the world of telecommunications, participants receive professional and personal training as well as the opportunity to develop their own networks. The internship programme offers a six-stage training through gamification and is designed in partnership with Laborplay and personal coach Peter Busby. The six training courses include the elements of "The WELCOME DAY" session as an ice-breaker; "Online mode" for group works; "Specific Skillset training" focusing on key company values, skills and abilities needed at work, among which are decision-making, trust, vision and emotional intelligence, and a wrap-up "Graduation" session which includes personalised feedback for future development.



Ports

ONLINE TRAINING OPPORTUNITIES

Global Connect is a virtual learning platform offered to colleagues by the Ports division, which reaches across geographies and disciplines to develop business knowledge and role-model approaches required now and in the future. A unique group of thought leaders from multiple disciplines are invited to share their experience, and participants are able to gain insight, come up with new solutions and collaborate to shape an agile and sustainable business. The theme of the programme in 2023 is "Best Practice", where topics related to business operations and future plans are shared and discussed with different business units in the division, fostering in-depth follow-up actions on standards, services and efficiency improvements, as well as exploration and proactive discussions of innovative approaches for organisational growth.



Global Connect, Hutchison Ports

As the global ESG landscape is in constant flux, risk and opportunities emerge, and it is important to keep all business divisions abreast of global developments, especially regional compliance requirements, such as ESG reporting standards. Different internal group conferences are organised on the topic in 2023 with over 800 attendees. Participants are debriefed on various ESG-related topics, and gain insight on practical examples regarding the latest ESG regulatory requirements.

Getting future-ready

The Group invests in its future-readiness by scaling up capabilities that will be most relevant for its core businesses to remain competitive and resilient. Top skillsets expected to increase in importance over the coming years include critical thinking,

problem solving and self-management. The Human Resources Department regularly offers a variety of courses to help employees update their knowledge and excel at work.

The Telecommunications division continually provides opportunities, in-person or online, for its employees to develop relevant skills to carry out their jobs with greater efficiency. It also provides training on emerging technologies and processes such as search engine optimisation, DevOps software systems optimisation, and DesignOps human systems optimisation. In 2023, 3 UK delivered over 475 training hours using Pluralsight digital tools. Its workforce has access to over 13,000 courses on a wide range of topics via LinkedIn Learning.



Ports

MYPORT TALENT DEVELOPMENT PROGRAMME

MyPort is a bespoke talent development programme offered by the Ports division for emerging leaders globally. It is a 15-month journey with multiple touchpoints to amplify participants' learning and engagement. The aim is to build employees' capabilities to be proactive in self-development, tackle conflict and challenges, and collaborate and innovate for the future. There are a total of three modules and a group project to consolidate skills and enhance cross-business units and cross-functional collaboration. Each module has three parts: a live learning session, a peer learning booster, and a fireside chat with leaders, along with a series of online/offline learning activities.

Topic	Sponsor	Champion
Sustainability: The Merits of Solar The Existing, against Upgrading and/or Increasing Capacity	Mark Taylor, Director - Hutchison Logistics & LTP	Clemence Cheng, Managing Director
Development of a Safe Solution to phase out Diesel Powered generators	Francois Bello, COO - ECT	Clemence Cheng, Managing Director
AI Science - Driven System for Enhance Customer Experience & Operation Efficiency	Carlos Del Castillo, COO - ICAVE	Jorge Lecons, Managing Director
Strategizing the Decarbonisation of HPH Trust (HIT & MTTAN)	Joe Ho, Director - Safety, Security & Environment, HPHCC	ST Pak, Group Operation Director
Enabling Technologies to the access of Operating a New Built Terminal on Shared Services	Mark Iu, General Manager - Program Strategy, HPHCC	ST Pak, Group Operation Director
Automate or Not to Automate, Next?	Anat Machima, COO - HPT	Stephen Ashworth, Managing Director

MyPort group project presentation, Hutchison Ports



Telecommunications

PREPARING FOR 100% “FUTURE-READY” PEOPLE

Wind Tre is dedicated to preparing its people for the challenges of the future by supporting their employability and investing in lifelong learning and self-development. The 100% “future ready” people initiative and the “Digital Mindset Development Programme” delivered over 340,000 hours of training in 2023 on topics such as empowering a common digital mindset for all people, cyber security, digital transition to support business, and more.



Retail

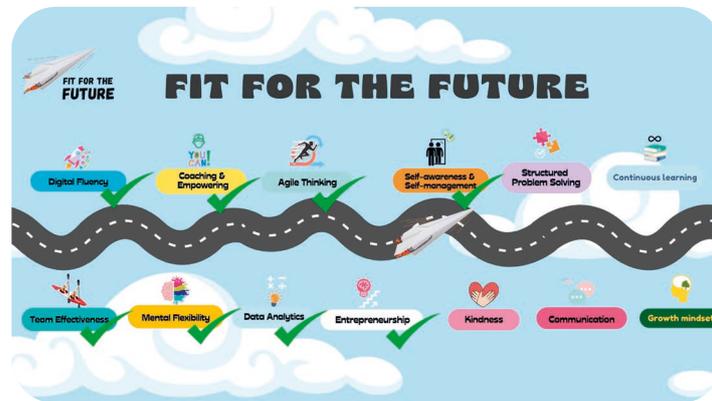
TRAINING FOR THE FUTURE-READY WORKFORCE

To support colleagues in delivering O+O and to continue to build a future-ready workforce, AS Watson rolled out an additional seven critical skills under the "Fit for the Future" campaign in 2023, which are identified as critical skills for success now and in the future.

Using the reskilling concept of "Unlearn, Learn, Relearn", the programme offers interventions through the Digital Gym mobile

app, toolkits and bite-size learning. This ensures that learning opportunities are available to all colleagues across AS Watson.

The Supply Chain Academy (eLearning) was also launched for colleagues in 73 supply chains across Asia and Europe business units, with the focus on reskilling and developing critical skillsets required in supply chains.



Training workshop, CKHH

INCLUSION AND DIVERSITY

Treating employees equally by ensuring an inclusive and diverse working environment is at the core of the Group's operation principles. While the Group has policies and programmes in place to ensure that the composition of its workforce reflects the diversity of the communities it serves, business divisions across the Group regularly conduct employee engagement activities and collect feedback for improvement. The management team is also regularly briefed on such engagement findings and review and update relevant policies as needed.

This topic on Inclusion and Diversity is linked to other material topics in the Group Sustainability Framework, such as [Labour and Human Rights](#) and [Social Inclusion](#).

Equal Opportunities

The Group is committed to promoting and protecting equal opportunities. In line with the [Human Rights Policy](#) and [Code of Conduct](#), the Group has zero tolerance towards discrimination on the basis of race, colour, national or social origin, ethnicity, religion, age, disability, sex, sexual orientation, gender, political affiliation or any other status protected by law. It handles all reports of impropriety and misconduct in accordance with its [Whistleblowing Policy](#).

Strength in Diversity

The Group recognises the value of embracing diverse perspectives, experiences and ideas, with a workforce which reflects the diversity of its customers, stakeholders and the communities it serves.

The Group's core businesses implement inclusion and diversity programmes suited to staff's needs and circumstances, including training, networking, mentoring, and senior-level sponsorships

ensuring that there is oversight regarding diversity performance to ensure the Group's workforce is in right balance. 3 UK, for example, adopts a diverse calendar of cultural and religious events with personal stories (i.e. Pride, Black History Month, International Women's Day, Global Accessibility Awareness Day, Windrush, Diwali). In addition, leadership ethnicity targets are introduced and planned to be achieved by 2030; that is, to have 20% of employees from ethnically diverse heritages in leadership positions, 5% of whom are black (including all black heritage). In similar fashion, Hutchison Ports Ajman in United Arab Emirates regularly monitors workforce composition in relation to job role and gender, age group and nationality mix, and reports to senior management on a regular basis via monthly dashboard reporting. Diversity and Inclusion training workshops and events are being held in Hutchison Ports Gwangyang and Hutchison Ports Busan in Korea to cultivate understanding and promote a fair and equitable organisational culture amongst all management and employees.



Telecommunications

MILANO PRIDE AND SUPPORT TO THE LGBTQ+ COMMUNITY



Milano Pride parade, Wind Tre

During 2023, Wind Tre's inclusion journey on LGBTQ+ topics moved forward through its first participation at the annual Milano Pride parade. The aim of the initiative was to demonstrate support for the LGBTQ+ community, disseminate awareness among colleagues on related themes and participate as a group at the parade. Donations of more than EUR2,600 from employees of Wind Tre were made to the ARCIGAY Association benefiting its helpline and psychological support services.



Retail

BUILDING A DIVERSIFIED WORKFORCE

AS Watson continues to demonstrate its efforts in building a diversified workforce and has employed five interns from the Zubin Foundation and the Amber Foundation, which work with ethnic minority groups, as well as the CareER Association that works mainly with talented people with disabilities or special educational needs. In Hong Kong, PARKnSHOP formed a partnership with HOPE Centre (Harnessing Opportunities and Potentials for Ethnic Minorities), a support service centre to provide job opportunities for ethnic minorities to promote inclusivity in recruitment. As a result, 2% of the current workforce are from ethnic minorities, with 11 ethnic groups and 14 nationalities being represented.



Telecommunications

PROMOTING GENERATIONS FOR INCLUSION

To promote an open and inclusive culture, Wind Tre continues to stimulate dialogue, cooperation and feedback amongst employees belonging to different generations. The Generations 4 Inclusion is the first Wind Tre initiative fully dedicated to cross-generational teamwork on Diversity and Inclusion topics such as gender equality, age and life stages, parenthood and caregiving, disability, LGBTQ+, and inclusive language and behaviour.

Generations 4 Inclusion involves 72 employees grouped into 12 heterogeneous and inclusive teams, representing all ages, genders, skills, departments and offices. Each team works on one specific diversity and inclusion topic, with the aim of developing concrete projects and proposals. In February 2023, the projects were presented and evaluated by an internal jury, and two projects that focused on LGBTQ+ topics and inclusive language respectively won the competition.



Gender Equality

The Group has made efforts to maintain a gender balance, and gender-split policies have been put in place to ensure that gender equality can be achieved. While the overall split of male and female employees across the Group is relatively balanced, the core businesses themselves may face structural barriers to advancing gender equality. The employment profile of the Ports and Infrastructure divisions, for example, which involve significant amounts of fieldwork reflect entrenched gender stereotypes in their traditionally male-dominated fields. The Group has been

implementing various measures to resolve the issue and the hard work is starting to be recognised. For example, 3 Austria from the Telecommunications division was awarded the "equalitA" seal of approval for its efforts in promoting women within the industry.

The Group is working hard in parallel to overcome these barriers such as through anonymising job applications to help eliminate biases in selection processes and increased job advertisements across a broader range of platforms to reach a wider, more diverse audience.

Telecommunications

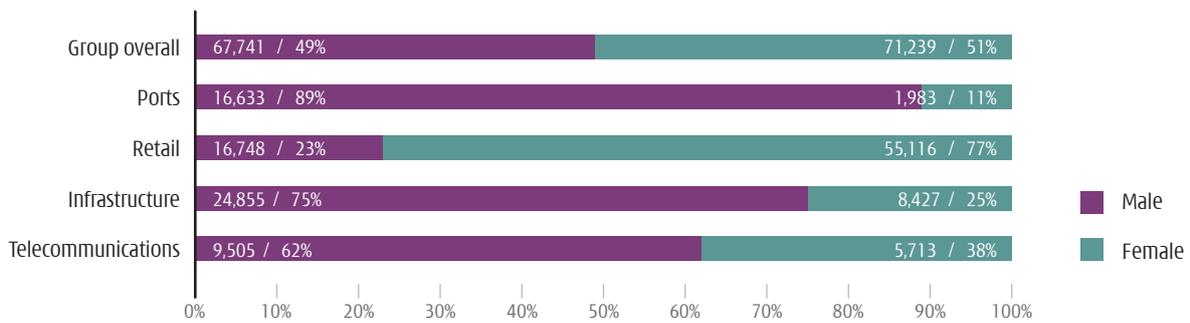
SUPPORTING WOMEN AT WORK

Wind Tre's two programmes of "Women Academy" and "Women Academy 4 Executives" continue to empower and support women's growth, helping women to develop self-awareness, to understand gender bias and its influence, build a career path, and strengthen female identity.

In 2023, follow-up meetings were organised to capitalise on the learning, looking to focus on new challenges and new needs, as well as to reflect on experiences of inclusion within the employee journey.

Figure 20 Core businesses employment breakdown in 2023 (full-time)

By gender



Ports

OPPORTUNITIES FOR A MORE DIVERSE TALENT POOL

Hutchison Ports UK has set diversity key performance indicators that focus on increasing the numbers of women, those with disabilities, people from ethnic minorities, and specific age brackets within the business. The purpose is to transform the makeup of the workforce to become more representative of the local demographics within which Hutchison Ports UK resides. The Human Rights Policy, which stipulates clear guidelines with respect to Equality, Diversity, and Inclusion have also been internally circulated and are available for all employees to ensure that these policies are well communicated.



Woman employees at work, Hutchison Ports UK

The Group promotes balanced work pay for all employees and particularly for disadvantaged groups. In recognition of its work, Wind Tre has been receiving Equal Salary Certification since 2022. This certificate is granted by an independent foundation (the Equal Salary Foundation with the support of Geneva University) to companies complying with the requirements on balancing

work pay between women and men, with external audit and annual corrective action activities on identified improvement areas. PARKnSHOP Hong Kong also adopts the “wage equality principle” based on the Minimum Wage Ordinance to all employees.



Infrastructure

SUPPORTING WOMEN TO THRIVE IN THE WORKPLACE

The Infrastructure division is aiming to create a more diverse and inclusive workplace where equal opportunities to thrive are offered to all employees. Aiming to nurture a workplace environment that embraces greater diversity, AGIG is revising its respective Diversity and Inclusion plan to address the afore mentioned topics, and the revised plan will be ready to launch in 2024. Progress and achievements are summarised in the following table:

Business Units	Details of target	Progress
EDL	<ul style="list-style-type: none"> 25% female in employment across workforce 	Achieved
Northern Gas Networks	<ul style="list-style-type: none"> Gather and report workforce diversity data and produce baseline by 2026 Focus recruitment methods to encourage applications from diverse backgrounds Embed effective Colleague Communities and provide executive-level support 	In progress
Northumbrian Water	<ul style="list-style-type: none"> Reduce gender pay gap to under 7% by 2025 	In progress, reduced to 10.5% in 2023
United Energy	<ul style="list-style-type: none"> 27% female in employment across workforce by 2026 15% female in management roles by 2026 	In progress, female in employment and management roles are 27% and 12% respectively by Q3 2023
Victoria Power Networks	<ul style="list-style-type: none"> 25% female in employment across workforce by 2026 22% female in management roles by 2026 	In progress, female in employment and management roles are 22% and 20% respectively by Q3 2023
Wellington Electricity	<ul style="list-style-type: none"> Achieve 50:50 gender balance across the business for new employees where possible by Q1 2024 	In progress

HEALTH, SAFETY AND WELL-BEING

The Group complies with or exceeds applicable health and safety laws and regulations and upholds industry-specific standards for best practice. In accordance with the [Health and Safety Policy](#), corporate safety standards setting out minimum requirements for health and safety apply to all workplaces and facilities.

The Group's management approach to this topic is closely linked with [Service Excellence](#).



Hutchison Ports Thailand

Creating a Culture of Safety

Comprehensive governance structures for health and safety have been established within all core businesses. These governance structures oversee the implementation of Safety Management Systems comprising clear delineation of responsibilities, including those of senior management and safety personnel, coordination of Emergency Response Planning, and record-keeping procedures.

In the Ports division, Hutchison Ports' Group Safety Committee (SAFCOM) advises and oversees the division's safety performance. The committee comprises of senior management from the

Human Resources, Risk Management and Engineering teams as well as regional coordinators who liaise with Safety Committees established in every port. In addition, the relevant safety policy clearly states that the responsibility of the Port's safety rests with the Head of the Business Unit, assisted by the Head of Safety, with a direct reporting line to ensure the necessary authority and priority is accorded.

Many business units in the Infrastructure division, including HK Electric, UK Power Networks, Wales & West Utilities, Seabank Power, SA Power Networks and AVR have obtained the certification for Safety Management System in accordance with international standards, such as ISO 45001.

Training is integral for engaging workers on health and safety topics. In accordance with the [Health and Safety Policy](#), all business units provide employees and contractors with job-related guidelines and training to promote a zero-harm occupational culture. Employees are encouraged to contribute to the Group's

safety performance by abiding with health and safety policies and only undertaking work for which they are trained, competent and medically and physically fit for.

The Infrastructure division continues to prioritise health and safety on the agenda for board discussion, adopt safety performance indicators in the compensation scheme for senior managers, and organise annual health and safety conferences with representatives from all business units. Other business divisions are also arranging similar training programmes and initiatives, ensuring the importance of a "safe operation" is communicated effectively to employees at all levels.



PROMOTING A CULTURE OF SAFETY THROUGH TRAINING

During 2023, HK Electric organised various health and safety training to promote and enhance employee awareness. These included: (1) the Health and Safety Forum "Safety is an attitude", (2) web-based training on the Safety Management System illustrated with an animation video, (3) "Manual Handling Operations and prevention of Back Injuries" and "Work and Cardiovascular and Cerebrovascular Diseases" webinars, and (4) demolition works and fire safety ambassador training. It also participated in the "Life First - Walk The Talk 2023" campaign, introduced by the Construction Industry Council, to enhance safety awareness in the division and raise health and safety standards.

Seabank Power's intranet-based training database comprises a comprehensive collection of health and safety courses that are mandatory for each employee to complete. These courses encompass various standard modules applicable to all employees, such as display screen equipment use, and specific courses designed for individual employees (i.e. confined space working). All employees must complete their assigned courses within the designated calendar year to uphold a productive and healthy workplace.



2023 major incident drill exercise, HK Electric



OFFERING SAFETY TRAINING PROGRAMMES

The Ports division held a Regional Safety Sharing session in Jakarta in December 2023. The aims were raising awareness of pedestrian and electrical safety, as well as providing relevant information on enforcement and preventative measures.



Regional Safety Sharing Session, Hutchison Ports

Business units from Indonesia, Thailand, Myanmar and Vietnam were invited to join the sharing session.

ICI PARIS XL from the Retail division also launched a five-year and a one-year training plans, providing both long and short-term focus and action points with regard to health and safety. The following are examples:

- Monthly health and safety advice session on different related themes
- A health and safety checklist completed by a district manager or health and safety advisor in each ICI Paris XL Belux
- Organising ergonomics training (i.e. lifting loads)
- Organising toolbox meeting on fire prevention and other related themes

Safety Risk Management and Mitigation

The Ports division has established a clearly defined set of Global Minimum Safety Standards to address emerging risk areas, and a new version has been issued in 2023 underscoring the importance of pedestrian safety in terminals and reinforcing the related safety control measures. To ensure the alignment of safety standards and practices, a regional safety workshop and safety audits were conducted by the Safety, Security and Environment team to raise safety awareness and identify potential hazards. In parallel, SAFCOM provides oversight and coordination on risk mitigating measures, such as introducing automated operations to reduce the interface between workers and machinery.

The Infrastructure division has adopted a well-established Health and Management System to maintain health and safety working conditions beyond mere regulations. The Health and Safety Committees manage and oversee risk assessments for respective operations, as well as monitoring and addressing work-related injury risks. Internal and external audit programmes are periodically implemented across different business units to facilitate continuous improvement and protect stakeholders from harm. Safety awareness training, covering topics such as emerging health and safety-related trends, occupational health and emergency rescue are also conducted to improve employees' health and safety knowledge and understanding.



PREPARING FOR UNEXPECTED RISK

In June 2023, Hutchison Ports YANTIAN in Mainland China recorded almost 8,000 participants in the YANTIAN Safety Month organised for staff and external contractors, including safety training utilising VR technology, emergency drill competition to raise typhoon preparedness, and quizzes and lectures on safety knowledge and skills.



Safety awareness activities, Hutchison Ports YANTIAN



Retail

HEALTH, SAFETY AND ENVIRONMENTAL MANAGEMENT SYSTEMS

In the UK, the Retail division complies with applicable health and safety legislation and regulations in relation to its retail stores, distribution centres and offices. A Health, Safety and Environment management system, model "HSG 65" was implemented, including four key areas - Plan, Do, Check, Act, to build a safe and sound working environment for the employees.

HEALTH, SAFETY AND ENVIRONMENTAL MANAGEMENT SYSTEM

Monitor performance of control measures

- Implement appropriate means for workers to report incidents, near misses or health and safety concerns.
- Monitor workplace conditions and worker health so far as is reasonably practicable.
- Engage with workers and their representatives when making decisions about procedures of monitoring.

Take action on lessons learnt

- Regular review of the effectiveness of control measures at scheduled periods.
- Review incidents or near misses and talk to the workers to check that the control measures are effectively eliminating/minimising work risks.
- Use the results of the reviews, investigations into incidents or near misses, and monitoring results to continuously improve control measures.



Assess risk and identify control measures

- Identify hazards that could give rise to work-related health and safety risks.
- Assess work risks to decide which risks to deal with, and in what order.
- Engage with workers and their representatives when identifying and assessing risk, and when making decisions about the ways to eliminate or minimise the risk.

Implement control measures

- Implement control measures that effectively eliminate or minimise the risk.
- Give preference to control measures that protect multiple at-risk workers at the same time.

The health and safety enforcement officers of local authorities were also invited along with the Primary Authority Partners, Slough Borough Council and Merseyside Fire and Rescue, to provide advice and guidance on current UK health and safety legislation from time to time.

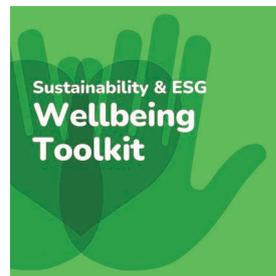
Holistic Well-being

Productivity can be boosted with the support of a healthy workforce, and the Group has implemented various measures to ensure the well-being of employees is well taken care of. The scope of the Group's management approach to occupational health and safety has incorporated a broader aspect of employees' well-being. Hutchison Ports' Well-being Framework adopts a whole-self perspective to ensure employees are well developed within the three core facets: Care, Contribute and Collaborate.

In 2023, Hutchison Ports continued its global well-being campaign "BEWELL", as employees experienced a wellness journey through initiatives on the "Wellness Challenge" checkpoint. It aims to motivate and encourage employees to develop well-being from a holistic perspective through a series of diverse challenges that drive their physical, psychological, emotional, social and intellectual well-being. Over 1,000 employees benefited from the initiative. Awards were presented to both individuals and business units to honour awardees' achievements in cultivating positive lifestyles and habits.

The Telecommunications division is also proactively supporting its workforce through the current economic hardships. Wind Tre launched the "Welfare Comete" counselling service, which allows employees and family members to seek professional psychological support to overcome moments of anxiety, situations of fragility, and so on. Other business units, such as 3 UK, 3 Sweden, 3 Ireland and 3 Austria also offer individual counselling services to support employee well-being.

The "ASW Well-being Toolkit" was introduced in 2023, offering practical advice to enhance mental, physical, social and financial well-being across business units and group functions in AS Watson, creating a healthier and more fulfilling work environment.



Employee well-being can be critical to workforce productivity and overall Group success. At AS Watson, fostering a culture of well-being is not just an individual effort but a collective journey that is undertaken as a team.

AS Watson Head Office and Watsons Thailand organised "Wellness Week 2023" with health checks, healthy breakfast sessions, seminars and workplace massage sessions to promote employees' awareness of well-being. In parallel, Watsons Singapore and PARKnSHOP Hong Kong provided an array of activities and wellness information through online portals to achieve similar objectives.

Superdrug and Savers in the UK launched a Digicare App in 2023, providing employees accessibility to digital General Practitioner services, mental health and nutritional consultations, second medical opinions and annual health checks. The App also provides guidance and support to help detect, manage and prevent physical and mental health issues. In addition, an extra staff discount was offered to support employees managing the cost of living crisis in 2023 (i.e. 40% off on Superdrug products and family and friends of employees also enjoy a 30% discount, plus 20% off branded products four times a year).





Retail

EXTENDED SERVICES FOR EMPLOYEES' WELL-BEING ACROSS ASIA

Since October 2022, the Retail division's eDoctor programme has been extended to include consultation by e-Chinese medicine practitioners in order to provide an overall comprehensive medical service. In 2023, a three-day wellness programme was conducted, covering health checks, sharing insights on physical and mental health and learning sessions to promote work life

balance and enhance the awareness of self-care. In considering the safety of the employee, the flexibility to work from home is also allowed during and even after an adverse weather condition has ended depending on individual circumstances and upon the approval of the line supervisor.

Contractor Safety

The Group's [Supplier Code of Conduct](#) aims to promote the safety of other workers, who are not employees, by integrating contractor safety into procedures for contractor tendering and selection, workplace policies and guidelines, and training programmes. Other activities undertaken by business units include overseeing contractor safety performance and including contractors in dedicated health and safety forums.

AS Watson includes general terms and conditions for working with suppliers, and in most agreements, there is compliance with applicable laws and regulations for both parties. Safety guidelines and regulations would be included under these compliance obligations, and based on the "AS Watsons Supplier Due Diligence Screening Process", suppliers and named contractors with

non-compliance on safety legislation and any public litigation or proceedings related to health and safety legislation would be excluded to help ensure safe operation throughout the entire project.

In the Telecommunications division, contractors, safety performance and risk are assessed according to the SA 8000 social accountability management system, which focuses on workers' conditions management (human rights, development, valorisation, training and professional growth of people, health and safety of workers, non-discrimination, work of minors and young people) and its requirements are also extended to suppliers and sub-contractors. Wind Tre, for example, does not admit suppliers who do not comply with the requirements of SA 8000 to its supplier registry.



Infrastructure

SAFETY TRAINING WITH CONTRACTORS

HK Electric's site safety supervision training take place regularly to ensure the highest health and safety standards. This comprehensive training programme also involves contractors' wardens and operatives associated with the organisation, to ensure that all individuals working on HK Electric's projects will have a deep understanding of and commitment to maintaining the highest health and safety standards.

United Energy in Australia provides its contractors with the Victorian Electricity Supply Industry (VESI) skills and training, serving as a fundamental component of its well-established safety systems. The training includes specifications for minimum qualifications, competency assessments and refresher training requirements for accessing the VESI Electrical Networks, as it aims to offer in-depth guidance on vital competencies, ensuring adherence to work standards and fostering a deeper understanding of current safety practices.

COMMUNITY INVESTMENT

As a responsible corporate operating in multiple regions, the Group understands the importance of sharing and contributing to the needs of local communities, and thus applies a broader strategy to communicate and engage with various community partners, such as local authorities, non-profits, schools and other educational organisations. The Group aims to identify critical issues where help is needed, and provides support to targeted beneficiaries to maximise the impact. In accordance with its [Human Rights Policy](#), the Group proactively engages, listens and learns from the perspectives of the local communities in which it operates.

Community engagement and investment initiatives undertaken by the Group's core businesses are linked with other material topics in the Group Sustainability Framework, such as:

- [Social Inclusion](#)
- [Biodiversity Protection](#)
- [Circular Economy](#)
- [Learning and Development](#)

Addressing the Challenges of Today

Even with the pandemic seemingly coming to an end, the risk of a "second-coming" and the after-effect can still be felt in people's daily lives. Alongside the ongoing regional conflicts, people's wellness (i.e. their physical and mental health, connections to others or even access to nature) can decline across communities. With the wide regional outreach through business activities, the Group is able to work with different partners, engaging targeted beneficiary groups and maximising its contribution to communities.

With poor mental health identified as one of the issues resulting from the pandemic, 3 UK has been working with the Samaritans since 2021 to leverage its technology, retail stores and expertise, to help more people with emotional support, 24/7, 365 days a year. As the official sponsor of Samarathon, and over the last three years, 3 UK has assisted the month-long fundraising event across its 300 stores and 4,300 employees, helping to raise vital funds and inspire more people to take on the challenge. A total of 12,094 miles were run, jogged or walked by 513 participants, with GBP15,500 raised as a result in 2023 by 3 UK employees.



Samarathon, 3 UK



Telecommunications

SOLUTIONS TO MAKE CITIES MORE DIGITAL AND SUSTAINABLE

Recognising the impact of technology on fostering the digitalisation and sustainable transformation of cities, Wind Tre continues to respond to the growing demand for solutions for digitalisation and resilience in the urban environment. In 2023, as part of the Smart City project, Wind Tre launched the "Smart City Transformation Academy", a complimentary digital education initiative developed in collaboration with Forum PA. It primarily caters to local administrations and encompasses a wide range of topics, such as digital technologies at the service of environmental improvement, energy saving and innovation, efficient mobility and tourism, and the optimisation of public services.



Retail

SUPPORTING THE PHYSICAL WELL-BEING OF THE YOUTH

Children and youth are the pillars of the community; and the Group always looks to contribute to their well-being by encouraging physical exercise. As a long-time sponsor of the event, AS Watson has recognised a record number of 962 outstanding student-athletes to the Hong Kong Students Sports Awards. Awardees include students from primary, secondary and special schools in Hong Kong, covering over 80% of all primary, secondary, and special schools. Since its launch in 2005, it has handed out 15,500 awards and has become one of the largest athlete recognition schemes in Hong Kong.

AS Watson has also been in collaboration with Operation Smile since 2012, reaching over 6,500 children with cleft lips and performing successful corrective surgeries. In 2023, AS Watson hosted a surgical programme in the Philippines sponsoring 60 surgeries, helping children with cleft lips and palates to live their best lives with bright smiles.



AS Watson Hong Kong Students Sports Awards awardees



PROTECTING THE ENVIRONMENT

The Ports division kicked off its “Go Green 2023” event and “Go Green x Dock School Campaigns” in 2023, in which 32 ports in 19 countries conducted 113 environmental activities, including tree planting, beach clean-ups, climate action card games (Climate Fresk Cards) and workshops with students, staff educational workshops and student terminal visits, spreading the message of climate protection worldwide.

In 2023, Wind Tre also continued working with its long-term partner in forestry protection, the WWF, by recovering 70,000m² of protected areas in the WWF “Oasis” of Macchiagrande, close to Wind Tre’s main office in Rome. It is a continuation effort of the “Oasis project” that has been supported by Wind Tre since 2021 to help conserve these protected areas.



“GO GREEN” CAMPAIGN

Working alongside the sustainability awareness campaign and with popular boy band MIRROR, the “Go Green” campaign looks to inspire 18 million of AS Watson’s loyal customers to Go Green across four Asian markets, including Hong Kong, Malaysia, Taiwan and Singapore. The objective is to encourage customers to take positive actions in their daily lives and to make more sustainable choices.

To extend its effort in engaging its customers, AS Watson has also developed a gaming section in its Watsons and MoneyBack app to promote sustainability whereby customers can create their own virtual Green Garden. By completing various green tasks over the course of six weeks, customers can establish a greener lifestyle through “Skip it” (Reduce); “Bring it” (Reuse) and “Keep it” (Recycle). The campaign also estimates the carbon emission savings for each green task and AS Watson will match those carbon emission savings by sponsoring relevant tree-planting projects. The project is estimated to offset 900 tonnes of CO₂ and make a bigger impact on the planet in parallel with its green actions.



Virtual Green Garden in Watsons & MoneyBack app, AS Watson

Targeted Community Contributions

The Group's core businesses implement community investment programmes tailored to their specific circumstances and community engagement objectives, involving corporate donations, fundraising and volunteering. A common management approach

across the Group is to seek input from employees on the selection of good causes and organisations to support in order to increase their sense of ownership and motivation to contribute.



Retail

SHARING THE GIFT OF A SMILE

AS Watson's "Project LOL" philanthropy programme aims to bring "Lots Of Love" and "Lots Of Laughs" to people in Hong Kong and around the world, focusing on three main areas of service, namely health, education and a caring community. AS Watson strives to spread the laughs and bring positive changes to local communities and 'the people living there'.

In 2023, AS Watson donated over HK\$100 million in cash and in-kind contributions to various charities, demonstrating its commitment to supporting the underprivileged and providing aid during emergency disasters through the philanthropy programme.

As Watson's "Smile for Good" corporate volunteering programme encourages its employees to join hands with NGOs worldwide to make positive impact on the community. Through this initiative, over 21,000 volunteers have contributed 26,000 hours serving over 210,000 individuals in need across the communities where AS Watson operates. In Hong Kong, AS Watson organised a

volunteering activity with 56 business partners and over 1,200 volunteers were invited to serve 2,000 senior citizens.



Project LOL senior citizen visit, AS Watson



Infrastructure

EMPLOYEE FOUNDATION

The SA Power Networks Group Employee Foundation was established in 2006 with the principal purpose of enabling employees, their families and friends to make positive contributions to the lives of people in the local community through payroll donations, fundraising and volunteering. It makes regular donations to many charities, and a full workday is also paid for each staff member to volunteer with a South Australian-based charity.



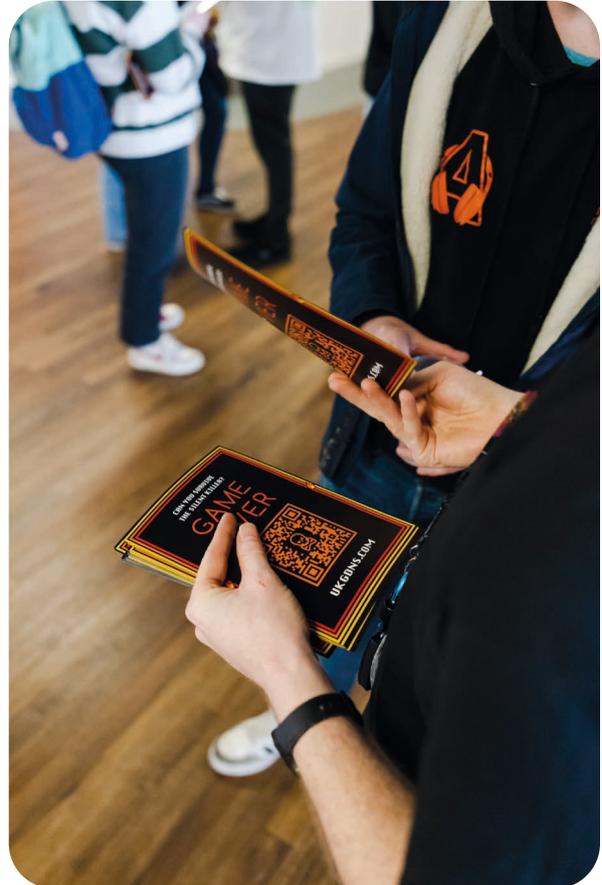
Community services, SA Power Networks



ORGANISING THE "GAME OVER" CAMPAIGN

Wales & West Utilities conducted research and discovered that young people, particularly individuals aged 16-24, require increased awareness regarding the significance of carbon monoxide alarms and regular gas appliance servicing compared to other age groups. In response, Wales & West Utilities organised various events to enhance young people's understanding of gas safety. To specifically target this demographic, it expanded the existing "Game Over" awareness campaign, which focuses on the risks associated with carbon monoxide. Recognising the high participation of young people in gaming, it has launched a digital campaign tailored to computer games to more effectively engage with this age group.

Moreover, Wales & West Utilities have introduced a student campus ambassador programme as part of its efforts to expand the outreach. These ambassadors play a crucial role in developing a collaborative gas network campaign, which proved to be an effective way of reaching out to young individuals. The digital gaming campaign, combined with the involvement of campus ambassadors, resulted in a notable increase in the campaign's reach amongst the target audience. So far, more than 77,000 young individuals have viewed the campaign content and engaged with student representatives advocating for gas safety.



"Game Over" campaign on gas safety, Wales & West Utilities



PROVIDING COST OF LIVING FUND FOR NEEDED CUSTOMERS

In response to the cost of living crisis, UK Power Networks established the Cost of Living Fund, providing GBP500,000 extra funding to scale up in-depth support over 2022/23. Extensive research and engagement has identified gaps in existing support systems resulting in the expansion of the operations, by forging new partnerships and introducing innovative assistance. The vulnerability training provided

to its Executive Team Members has helped to secure senior endorsement for this additional funding, resulting in more than double the number of customers receiving in-depth support compared to the previous year. This winter, UK Power Networks continues to provide this level of support through its extensive fuel poverty support programme.

APPENDIX 1: ENVIRONMENTAL AND SOCIAL PERFORMANCE INDICATORS

Environmental KPIs	Unit	Ports and Related Services			Retail			
		2021	2022	2023	2021 ¹	2022 ¹	2023	
GHG emissions								
Total scope 1 + 2 GHG emissions (location-based)	tonne CO ₂ e	771,365	754,453	661,702	588,081	538,731	573,082	
Total scope 1 + 2 GHG emissions (market-based)	tonne CO ₂ e	743,631	691,412	593,160	536,340	496,578	485,007	
Scope 1 GHG emissions	tonne CO ₂ e	415,755	405,829	363,359	134,150	122,003	116,566	
Scope 2 GHG emissions (location-based)	tonne CO ₂ e	355,610	348,624	298,343	453,931	416,728	456,516	
Scope 2 GHG emissions (market-based)	tonne CO ₂ e	327,876	285,583	229,801	402,190	374,575	368,441	
Total scope 1 + 2 GHG emissions (location-based) intensity	tonne CO ₂ e/revenue HK\$'000	0.019	0.018	0.016	0.005	0.004	0.004	
Total scope 1 + 2 GHG emissions (market-based) intensity	tonne CO ₂ e/revenue HK\$'000	0.018	0.017	0.014	0.004	0.004	0.004	
Scope 1 GHG emissions intensity	tonne CO ₂ e/revenue HK\$'000	0.010	0.010	0.009	0.001	0.001	0.001	
Scope 2 GHG emissions (location-based) intensity	tonne CO ₂ e/revenue HK\$'000	0.009	0.008	0.007	0.003	0.003	0.003	
Scope 2 GHG emissions (market-based) intensity	tonne CO ₂ e/revenue HK\$'000	0.008	0.007	0.006	0.003	0.003	0.003	
Scope 3 GHG emissions	tonne CO ₂ e		472,710	547,316		9,698,665	877,133	
Use of energy								
Total energy consumption	kWh'000	2,475,765	2,491,582	2,211,338	1,166,601	1,129,055	1,193,230	
Total direct energy consumption	kWh'000	1,670,543	1,665,558	1,493,520	366,668	353,471	344,330	
Gasoline/Petrol	kWh'000	8,234	8,392	7,876	2,474	1,672	453	
Diesel	kWh'000	1,576,875	1,543,521	1,366,891³	268,195 ⁴	257,484 ⁴	264,700	
Natural gas	kWh'000	77,006	48,401	49,856	80,237	71,221	59,186⁵	
Towngas	kWh'000	0	0	0	13,285	19,898	16,357	
Gas (exclude towngas and natural gas)	kWh'000	7,717	7,681	7,192	2,021	1,919	2,074	
Other fuels	kWh'000	0	56,812	59,664	0	0	0	
Geothermal	kWh'000	0	0	0	0	0	0	
Wind	kWh'000	0	0	0	0	0	0	
Solar	kWh'000	711	751	2,041	456	1,277	1,560	

	Infrastructure			Telecommunications			Total		
	2021 ²	2022 ²	2023	2021	2022	2023	2021	2022	2023
	9,012,393	8,587,495	8,210,274	511,675	539,470	530,833	10,883,514	10,420,149	9,975,891
	8,308,058	8,038,737	7,655,236	573,503	498,566	379,103	10,161,532	9,725,293	9,112,506
	7,488,261	7,327,908	7,038,127	16,867	16,482	16,322	8,055,033	7,872,222	7,534,374
	1,524,132	1,259,587	1,172,147	494,808	522,988	514,511	2,828,481	2,547,927	2,441,517
	819,797	710,829	617,109	556,636	482,084	362,781	2,106,499	1,853,071	1,578,132
	0.174	0.173	0.164	0.005	0.006	0.006	0.034	0.035	0.032
	0.160	0.162	0.153	0.006	0.006	0.004	0.032	0.032	0.029
	0.145	0.148	0.141	0.000	0.000	0.000	0.026	0.026	0.024
	0.029	0.025	0.023	0.005	0.006	0.006	0.009	0.008	0.008
	0.016	0.014	0.012	0.006	0.006	0.004	0.007	0.006	0.005
		776,370	1,355,741		1,799,509	1,624,868		12,747,254	4,405,058
	20,688,067	20,516,802	19,825,437	1,688,323	1,769,348	1,607,543	26,018,756	25,906,787	24,837,548
	19,339,148	19,286,416	18,663,230	48,629	53,926	50,980	21,424,988	21,359,371	20,552,060
	36,572	42,962	46,559	2,703	5,423	5,635	49,983	58,449	60,523
	437,574	408,137	414,209	37,582	40,151	37,908	2,320,226	2,249,293	2,083,708
	9,705,167	9,667,806	10,483,956⁶	7,484	7,718	6,567	9,869,894	9,795,146	10,599,565
	0	0	0	0	0	0	13,285	19,898	16,357
	1,188	1,030	1,021	13	3	0	10,939	10,633	10,287
	12,285,228	11,845,714	11,128,980⁷	0	0	0	12,285,228	11,902,526	11,188,644
	0	0	0	0	0	0	0	0	0
	857	5,168	5,568	0	0	0	857	5,168	5,568
	689	1,331	2,586	847	631	870	2,703	3,990	7,057

Environmental KPIs	Unit	Ports and Related Services			Retail			
		2021	2022	2023	2021 ¹	2022 ¹	2023	
Hydro	kWh'000	0	0	0	0	0	0	
Biomass	kWh'000	0	0	0	0 ⁴	0 ⁴	0	
Other renewables	kWh'000	0	0	0	0	0	0	
Self-generated energy	kWh'000	0	0	0	0	0	0	
Sale of energy	kWh'000	0	0	0	0	0	0	
Total indirect energy consumption	kWh'000	805,222	826,024	717,818	799,933	775,584	848,900	
Electricity	kWh'000	804,119	825,066	716,891⁸	799,933	775,584	848,900	
Heating	kWh'000	1,103	958	927	0	0	0	
Cooling	kWh'000	0	0	0	0	0	0	
Steam	kWh'000	0	0	0	0	0	0	
Renewable energy purchased	kWh'000	47,064	111,095	163,415	164,250	161,442	257,810	
% renewable energy purchased	%	6%	13%	23%	21%	21%	30%	
Total energy consumption intensity	kWh/revenue HK\$'000	60.907	60.246	53.763	8.977	8.896	8.952	
Total direct energy consumption intensity	kWh/revenue HK\$'000	41.098	40.273	36.311	2.822	2.785	2.583	
Total indirect energy consumption intensity	kWh/revenue HK\$'000	19.810	19.973	17.452	6.155	6.111	6.369	
Air emissions								
NO _x emissions	tonne	1,716	1,884	1,680	2,521	3,548	2,994	
SO _x emissions	tonne	4	5	4	5,803	8,691	7,144	
Particulate matter emissions	tonne	169	183	163	60	69	64	
Waste produced								
Total hazardous waste produced	tonne	3,389	3,338	3,260	843	872	1,920⁹	
Total hazardous waste produced intensity	tonne/revenue HK\$'000	0.000	0.000	0.000	0.000	0.000	0.000	
Total non-hazardous waste produced	tonne	34,139	29,270	33,124	142,199	149,338	149,399	
Total non-hazardous waste produced intensity	tonne/revenue HK\$'000	0.001	0.001	0.001	0.001	0.001	0.001	
Total waste recycled	tonne	8,679	9,633	10,261	137,350	131,940	135,768	
Recycled material usage	tonne	0	0	0	3,133	3,995	4,080	

	Infrastructure			Telecommunications			Total		
	2021 ²	2022 ²	2023	2021	2022	2023	2021	2022	2023
	799	571	848	0	0	0	799	571	848
	4,592,585	4,784,989	4,084,719	0	0	0	4,592,585	4,784,989	4,084,719
	74,177	69,514	60,936	0	0	0	74,177	69,514	60,936
	76,887	73,712	83,662	0	0	0	76,887	73,712	83,662
	7,872,575	7,614,518	7,649,814	0	0	0	7,872,575	7,614,518	7,649,814
	1,348,919	1,230,386	1,162,207	1,639,694	1,715,422	1,556,563	4,593,768	4,547,416	4,285,488
	1,348,328	1,229,754	1,161,511	1,637,839	1,713,202	1,550,212	4,590,219	4,543,606	4,277,514
	591	632	696	1,855	2,220	5,965	3,549	3,810	7,588
	0	0	0	0	0	386	0	0	386
	0	0	0	0	0	0	0	0	0
	212,006	172,598	174,024	516,042	676,816	762,162	939,362	1,121,951	1,357,411
	16%	14%	15%	32%	40%	49%	20%	25%	32%
	399,494	413,748	396,700	18,108	21,083	18,577	82,436	85,845	79,881
	373,446	388,936	373,444	0.522	0.643	0.589	67.882	70.777	66.098
	26,048	24,812	23,255	17,587	20,440	17,988	14,555	15,068	13,783
	9,057	8,053	8,199	38	41	38	13,332	13,526	12,911
	835	868	875	0	0	0	6,642	9,564	8,023
	282	293	256	1	1	1	512	546	484
	26,915	27,265	23,971	913	1,285	356	32,060	32,760	29,507
	0.001	0.001	0.000	0.000	0.000	0.000	0.000	0.000	0.000
	443,707	413,644	407,886	3,374	2,418	2,579	623,419	594,670	592,988
	0.009	0.008	0.008	0.000	0.000	0.000	0.002	0.002	0.002
	358,047	297,531	370,893	3,348	2,872	2,134	358,047	441,976	519,056
	1,759,666	1,442,839	1,576,556	0	0	0	1,759,666	1,446,834	1,580,636

Environmental KPIs	Unit	Ports and Related Services			Retail		
		2021	2022	2023	2021 ¹	2022 ¹	2023
Use of water							
Total water consumption	'000 m ³	1,324	1,420	1,348	1,686	1,538	1,564
Total water withdrawal	'000 m ³	1,324	1,420	1,348	1,686	1,538	1,564
Surface water	'000 m ³	0	0	0	0	0	0
Groundwater	'000 m ³	3	3	2	0	0	0
Seawater	'000 m ³	0	0	0	0	0	0
Produced water	'000 m ³	0	0	0	0	0	0
Third-party water	'000 m ³	1,320	1,416	1,345	1,686	1,538	1,564
Other sources	'000 m ³	1	1	1	0	0	0
Total water discharged	'000 m ³	0	0	0	0	0	0
Surface water	'000 m ³	0	0	0	0	0	0
Groundwater	'000 m ³	0	0	0	0	0	0
Seawater	'000 m ³	0	0	0	0	0	0
Produced water	'000 m ³	0	0	0	0	0	0
Third-party water	'000 m ³	0	0	0	0	0	0
Other sources	'000 m ³	0	0	0	0	0	0
Water consumption intensity	m ³ /revenue HK\$'000	0.033	0.034	0.033	0.013	0.012	0.012
Water withdrawal from areas with water stress	'000 m ³	0	0	0	0	0	0
Water withdrawal from freshwater sources	'000 m ³	0	0	0	0	0	0
Water recycled	'000 m ³	3	3	3	0	0	0
Packaging material							
Total packaging material used for finished products	tonne	0	0	0	153,660	118,744	121,310
Plastic	tonne	0	0	0	41,689	34,424	32,223
Paper	tonne	0	0	0	99,439	71,208	76,533
Metal	tonne	0	0	0	6,110	6,378	6,638
Glass	tonne	0	0	0	3,389	3,339	2,832
Other packaging material	tonne	0	0	0	3,033	3,395	3,084
Packaging material intensity	tonne / total products ^(a) or tonne / tonne of products ^(b)	N/A	N/A	N/A	0.097 ^(a)	0.086 ^(a)	0.070^(a)

	Infrastructure			Telecommunications			Total		
	2021 ²	2022 ²	2023	2021	2022	2023	2021	2022	2023
	237,640	91,817	107,196	124	104	80	240,774	94,879	110,188
	700,353	694,850	646,858	124	104	80	703,487	697,912	649,850
	282,044	300,658	265,584	26	18	18	282,070	300,676	265,602
	21,403	14,414	14,740	2	3	3	21,408	14,420	14,745
	391,701	374,244	362,053	0	0	0	391,701	374,244	362,053
	0	0	0	0	0	0	0	0	0
	4,744	5,090	4,034	96	83	59	7,846	8,127	7,002
	461	444	447	0	0	0	462	445	448
	462,713	603,033	539,662	0	0	0	462,713	603,033	539,662
	70,508	123,986	148,536	0	0	0	70,508	123,986	148,536
	0	0	0	0	0	0	0	0	0
	391,701	478,223	390,204	0	0	0	391,701	478,223	390,204
	0	0	0	0	0	0	0	0	0
	297	560	518	0	0	0	297	560	518
	207	264	404	0	0	0	207	264	404
	4,589	1,852	2,145	0.001	0.001	0.001	0.763	0.314	0.354
	0	0	0	0	0	0	0	0	0
	289,614	165,724	219,191	0	0	0	289,614	165,724	219,191
	2,143	2,568	123,606¹⁰	0	0	0	2,143	2,571	123,609
	2,570	2,245	2,193	692	556	483	156,922	121,545	123,986
	5	5	4	127	112	115	41,821	34,541	32,342
	2,565	2,240	2,189	411	440	362	102,415	73,888	79,084
	0	0	0	0	0	0	6,110	6,378	6,638
	0	0	0	0	0	0	3,389	3,339	2,832
	0	0	0	154	4	6	3,187	3,399	3,090
	1.098 ^(b)	0.945 ^(b)	0.863^(b)	0.004 ^(a)	0.005 ^(a)	0.006^(a)	N/A	N/A	N/A

Social KPIs		Ports and Related Services			Retail		
		2021	2022	2023	2021	2022	2023
Number of employees							
Total		21,722	23,409	22,396	126,644	123,280	127,701
By employment type	Full-time	18,556	19,854	18,616	74,871	71,874	71,864
	Part-time	3,166	3,555	3,780	51,773	51,406	55,837
Number of full-time employees							
By gender	Male	16,663	17,768	16,633	17,452	16,747	16,748
	Female	1,893	2,086	1,983	57,419	55,127	55,116
By employee category	Manager grade or above	737	764	706	2,795	2,943	3,057
	General staff	17,819	19,090	17,910	72,076	68,931	68,807
By age group	Under 30	2,019	2,228	2,067	27,847	25,901	25,914
	30-49	11,700	12,320	11,282	41,520	40,255	40,101
	50 or above	4,837	5,306	5,267	5,504	5,718	5,849
By geographical region	Hong Kong	1,554	1,758	1,627	7,651	7,325	6,982
	Mainland China	2,126	2,171	2,178	26,725	22,893	21,058
	Europe	4,837	5,421	5,371	17,279	16,502	16,428
	Canada	0	0	0	0	0	0
	Asia, Australia and Others	10,039	10,504	9,440	23,216	25,154	27,396
Turnover rate for full-time employees							
Overall		7%	8%	10%	31%	36%	33%
By gender	Male	7%	8%	10%	29%	31%	27%
	Female	8%	12%	10%	32%	38%	35%
By age group	Under 30	13%	16%	12%	50%	61%	57%
	30-49	5%	6%	9%	21%	23%	20%
	50 or above	8%	11%	10%	19%	18%	18%
By geographical region	Hong Kong	11%	21%	16%	25%	24%	24%
	Mainland China	4%	4%	4%	29%	29%	22%
	Europe	6%	6%	5%	42%	44%	39%
	Canada	0%	0%	0%	0%	0%	0%
	Asia, Australia and Others	7%	8%	13%	29%	43%	40%
Work-related fatalities							
Number of work-related fatalities		4	1	4	1	1 ¹	1
By employee type	Full-time employees	1	1	0	1	1	1
	Contractors	3	0	4	0	0	0
Rate of work-related fatalities (employees)		0.005%	0.005%	0.000%	0.001%	0.001%	0.001%
Lost days due to work injury							
Number of lost days due to work injury (employees)		7,872	7,387	7,645	22,273	21,722	15,484
Number of lost time injury incidents (employees)		350	384	416	570	526	497

	Infrastructure			Telecommunications			Total		
	2021	2022	2023	2021	2022	2023	2021	2022	2023
	32,726	33,761	35,745	18,817	18,145	18,318	199,909	198,595	204,160
	30,552	31,709	33,282	15,548	14,921	15,218	139,527	138,358	138,980
	2,174	2,052	2,463	3,269	3,224	3,100	60,382	60,237	65,180
	23,041	23,755	24,855	9,977	9,403	9,505	67,133	67,673	67,741
	7,511	7,954	8,427	5,571	5,518	5,713	72,394	70,685	71,239
	3,145	3,346	4,014	1,419	1,163	2,091	8,096	8,216	9,868
	27,407	28,363	29,268	14,129	13,758	13,127	131,431	130,142	129,112
	4,433	4,734	4,977	2,538	2,584	2,562	36,837	35,447	35,520
	16,107	16,729	17,802	9,680	8,714	8,482	79,007	78,018	77,667
	10,012	10,246	10,503	3,330	3,623	4,174	23,683	24,893	25,793
	2,575	2,592	2,571	902	994	1,085	12,682	12,669	12,265
	1,689	1,659	1,649	100	100	96	30,640	26,823	24,981
	17,125	17,636	18,838	12,721	12,976	13,254	51,962	52,535	53,891
	2,395	2,646	2,634	0	0	0	2,395	2,646	2,634
	6,768	7,176	7,590	1,825	851	783	41,848	43,685	45,209
	11%	13%	9%	16%	16%	16%	22%	25%	22%
	11%	13%	9%	16%	16%	16%	15%	17%	15%
	12%	15%	8%	16%	16%	17%	28%	33%	29%
	18%	20%	13%	40%	39%	43%	43%	52%	47%
	10%	12%	8%	12%	12%	13%	15%	17%	15%
	10%	12%	9%	9%	8%	6%	11%	12%	11%
	8%	10%	15%	41%	44%	33%	21%	22%	22%
	5%	4%	4%	10%	14%	17%	26%	25%	20%
	8%	11%	4%	14%	14%	14%	21%	22%	17%
	38%	32%	33%	0%	0%	0%	37%	32%	33%
	13%	16%	12%	12%	17%	35%	20%	29%	29%
	2	1	2	0	0	0	7	3 ¹	7²
	2	0	1	0	0	0	4	2	2
	0	1	1	0	0	0	3	1	5
	0.007%	0.000%	0.003%	0.000%	0.000%	0.000%	0.003%	0.001%	0.001%
	3,469	3,204	3,893	605	528	239	34,219	32,840	27,261³
	161	175	168	26	100	13	1,107	1,185	1,094

Social KPIs		Ports and Related Services			Retail		
		2021	2022	2023	2021	2022	2023
Percentage of full-time employees who received training							
Overall		58%	68%	69%	91%	84%	85%
Percentage of full-time employees who received training among total trained full-time employees							
By gender	Male	89%	88%	89%	22%	22%	22%
	Female	11%	12%	11%	78%	78%	78%
By employee category	Manager grade or above	4%	4%	3%	3%	4%	4%
	General staff	96%	96%	97%	97%	96%	96%
Average hours of training completed by full-time employees							
Overall		13.7	18.5	18.1	28.8	22.0	21.1
By gender	Male	13.7	18.8	18.1	20.3	16.1	16.5
	Female	14.1	16.3	17.6	31.3	23.7	22.4
By employee category	Manager grade or above	16.2	15.7	16.6	15.8	16.0	15.1
	General staff	13.6	18.7	18.1	29.2	22.2	21.3
Number of suppliers							
Total		20,222	20,026	18,510	14,984	26,109	19,410⁵
By geographical region	Hong Kong	3,592	4,218	4,263	2,825	4,089	2,738
	Mainland China	4,504	2,570	2,158	1,242	3,011	2,483
	Europe	3,374	4,408	3,796	5,960	5,956	4,978
	Canada	16	18	17	26	115	109
	Asia, Australia and Others	8,736	8,812	8,276	4,931	12,938	9,102
Percentage of total products sold or shipped subject to recalls for safety and health reasons							
Percentage of total products sold or shipped subject to recalls for safety and health reasons		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Number of complaints received							
Products related		0	0	0	3,133	3,943	3,789
Services related		2,007	1,487	950	128,676	136,167	151,397
Number of employees who received training on anti-corruptive/ethics and integrity							
Total		5,608	5,712	5,776	96,132	83,120	68,268
By employment type	Full-time	5,199	4,906	4,983	68,337	50,923	45,927
	Part-time	409	806	793	27,795	32,197	22,341
Percentage of employees who received training on anti-corruptive and integrity		26%	23%	24%	69%	52%	48%
Number of training hours on anti-corruptive/ethics and integrity completed by employees							
Total		9,581	10,506	11,356	96,614	54,349	51,270
By employment type	Full-time	9,169	9,635	10,519	83,905	45,583	43,922
	Part-time	412	871	837	12,709	8,766	7,349

	Infrastructure			Telecommunications			Total		
	2021	2022	2023	2021	2022	2023	2021	2022	2023
	82%	83%	86%	73%	75%	86%	83%	81%	83%
	78%	77%	75%	65%	64%	63%	42%	44%	45%
	22%	23%	25%	35%	36%	37%	58%	56%	55%
	12%	12%	12%	7%	6%	11%	5%	6%	6%
	88%	88%	88%	93%	94%	89%	95%	94%	94%
	22.4	23.2	29.5⁴	24.3	32.3	27.0	25.3	22.9	23.1
	25.2	26.5	34.5	24.4	32.5	27.1	21.0	22.5	24.7
	13.9	13.5	14.4	24.2	31.8	26.9	28.8	23.1	21.8
	35.5	21.9	22.2	15.8	22.0	12.3	22.0	21.6	17.4
	21.3	23.3	30.4	25.1	33.1	29.3	25.4	22.9	23.5
	34,142	32,095	30,090	23,029	22,663	27,693	92,377	100,893	95,703
	3,860	2,559	2,647	414	361	416	10,691	11,227	10,064
	983	786	734	351	379	343	7,080	6,746	5,718
	11,915	12,689	11,154	9,170	7,220	11,465	30,419	30,273	31,393
	4,995	1,847	2,527	6	12	21	5,043	1,992	2,674
	12,389	14,214	13,028	13,088	14,691	15,448	39,144	50,655	45,854
	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	8,746	9,628	16,408	57,924	47,964	36,056	69,803	61,535	56,253
	264,285	244,518	281,383	1,226,730	1,138,633	912,108	1,621,698	1,520,805	1,345,838⁶
	6,349	16,251	21,245	7,644	6,385	10,283⁷	115,733	111,468	105,572
	6,120	15,415	19,928	5,946	5,034	7,886	85,602	76,278	78,724
	229	836	1,317	1,698	1,351	2,397	30,131	35,190	26,848
	18%	43%	55%	33%	29%	45%	50%	44%	46%
	10,428	13,491	21,872	17,610	12,554	14,379	134,233	90,900	98,877
	10,193	12,982	20,746	13,446	9,780	10,996	116,713	77,980	86,182
	235	509	1,127	4,165	2,774	3,384	17,521	12,920	12,696

Environmental Data

Notes:

- 1) 2021 and 2022 figures for the Retail division have been restated to exclude Watsons Ukraine due to the Russia-Ukraine conflict. Further restatement may be made in the future as a result of data recalibration.
- 2) 2021 and 2022 figures for the Infrastructure division have been restated, as the collection and/or calculation of GHG emissions and other environmental data in this division was reviewed and updated during 2023, including incorporating previously unaccounted-for emissions, refining calculation methodologies, updating emissions factors and energy conversion factors and correcting some discrepancies identified in the previously reported data so as to provide a more accurate representation of performance.
- 3) Diesel usage in the Ports division decreased mainly due to equipment electrification and the implementation of Global Diesel Consumption Reduction Programme.
- 4) Diesel and biomass usage in the Retail division have been restated due to reclassification.
- 5) Natural gas usage in the Retail division decreased mainly due to Kruidvat switched from gas heating to electric heating and improved data collection process in Superdrug.
- 6) Natural gas usage in the Infrastructure division increased mainly due to improved data collection process in Canadian Power.
- 7) Other fuels usage in the Infrastructure division decreased mainly due to AVR shutting down Rozenburg plant as a result of a fire at the main turbine hall.
- 8) Electricity usage in the Ports division decreased mainly due to drop in reefer volume in certain business units.
- 9) Hazardous waste produced in the Retail division increased mainly due to disposal of hand sanitizer stock in Superdrug and improved data collection process in PARKNSHOP.
- 10) Increase in water recycled in the Infrastructure division was mainly due to Northumbrian Water reporting this for the first time in 2023 without comparable data for 2021 and 2022.
- 11) Scope 3 emissions were calculated with the best available data which will be updated during 2024 as calculation processes continue to improve. For the Ports division: scope 3 emissions cover Hutchison Ports Holdings Limited. For the Retail division: only six scope 3 categories were completed - the remaining will be updated during 2024 (Purchased Goods and Services, Upstream Transportation and Distribution, Use of Sold Product, and End of Life Treatment). For the Infrastructure division: scope 3 emissions covering the division's most significant businesses (85% of attributable CKI revenue) were included, which will be expanded in subsequent years. The 2022 data figure has been restated to align with the updated approach to allow for meaningful comparison of data over time. For the Telecommunications division: scope 3 emissions cover CK Hutchison Group Telecom.

Social Data

Notes:

- 1) 2022 number of work-related fatalities has been restated to include one case from the Retail division where a Watsons China employee was pronounced dead due to severe pneumonia. Such case was considered as work-related fatality by the Chinese Government.
- 2) Seven fatalities were reported in 2023. In the Ports division, there were four cases from Hutchison Ports Gwangyang, Hutchison Ports HIT, Hutchison Ports Pakistan and Hutchison Ports Thailand where all cases were related to traffic accidents. Another fatality is from the Retail division where a Watsons China employee was pronounced dead due to unspecified Septicaemia and such case was considered as work-related fatality by the Chinese Government. Two cases of fatalities were reported from the Infrastructure division where a UK Power Networks employee sustained severe injuries when attempting to access a link box, which resulted in a footway cover being ejected and striking the employee and a subcontractor's worker of Alliance Construction Materials was found unconscious on the ground after working on the vertical ladder of a truck.
- 3) Number of lost days due to work injury decreased mainly as a result of better training provided in the Retail division.
- 4) Average hours of training completed by the full-time employees in the Infrastructure division increased mainly due to increased mandatory trainings provided by certain business units.
- 5) Decrease in number of suppliers in the Retail division was mainly due to business trend, local decisions on sourcing and end of contracts.
- 6) Reduction in number of services related complaints was mainly due to decrease in number of service request received from Wind Tre of Telecommunications division.
- 7) Increase in number of employees who received training on anti-corruptive/ethics and integrity in the Telecommunication division was mainly due to 3 UK fully rolled out the training programme to the whole company in 2023.

APPENDIX 2: HONG KONG STOCK EXCHANGE ESG GUIDE CONTENT INDEX

Subject Areas, Aspects, General Disclosures and KPIs	Page	Notes and relevant policies
Mandatory Disclosure Requirements (MDR)		
MDR 13	A statement from the board containing the following elements: (a) a disclosure of the board's oversight of ESG issues; (b) the board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and (c) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.	16-18
MDR 14	A description of, or an explanation on, the application of the (a) Materiality, (b) Quantitative, (c) Consistency reporting principles.	8-11
MDR 15	Reporting boundaries of the ESG report and the process of setting them.	6
A. Environmental		
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	20-22
		<ul style="list-style-type: none"> • Environmental policy ↗ • Supplier Code of Conduct ↗ <p>The Group is not aware of any incidents of non-compliance with laws and regulations that may have a significant impact on the Group concerning air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste during the year.</p>
KPI A1.1	The types of emissions and respective emissions data.	53, 106-117
KPI A1.2	Direct (scope 1) and energy indirect (scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity.	53, 106-117
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity.	74, 106-117
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity.	74, 106-117
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	50-62
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	74-79

Subject Areas, Aspects, General Disclosures and KPIs		Page	Notes and relevant policies
Aspect A2: Use of Resources			
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	19	<ul style="list-style-type: none"> • Sustainability Policy ↗ • Environmental Policy ↗ • Supplier Code of Conduct ↗
KPI A2.1	Direct and/or indirect energy consumption by type in total (kwh in '000s) and intensity.	106-117	
KPI A2.2	Water consumption in total and intensity.	106-117	
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	50-62	Energy efficiency is embedded in the scope 1 and 2 emissions reduction targets and initiatives.
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.		97% of water consumption relates to the Infrastructure division. Power generation is the most water-intensive business segment across the Group. These businesses have been regularly reviewing their water resources management practices, including the use of water stress studies, to identify and reduce water consumption in their operations. For water utilities and services business, specific targets on network leakage were set to enhance water use efficiency. Updates on Water Resources Management Plan has also been made in the preceding year to ensure business targets are aligned with regulatory requirements and customers priorities
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	106-117	Packaging material intensity is only relevant to the Retail division.
Aspect A3: The Environment and Natural Resources			
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	19	<ul style="list-style-type: none"> • Sustainability Policy ↗ • Environmental Policy ↗ • Supplier Code of Conduct ↗
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	50-79	
Aspect A4: Climate Change			
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	19	<ul style="list-style-type: none"> • Sustainability Policy ↗ • Environment Policy ↗
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	50-79	

Subject Areas, Aspects, General Disclosures and KPIs	Page	Notes and relevant policies
B. Social		
Employment and Labour Practices		
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	19 <ul style="list-style-type: none"> Code of Conduct ↗ Board Diversity Policy ↗ <p>The Group is not aware of any incidents of non-compliance with laws and regulations that may have a significant impact on the Group concerning compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare during the year.</p>
KPI B1.1	Total workforce by gender, employment type (for example, full-or part-time), age group and geographical region.	106-117
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	106-117
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	19 <ul style="list-style-type: none"> Health and Safety Policy ↗ <p>The Group is not aware of any incidents of non-compliance with laws and regulations that may have a significant impact on the Group concerning providing a safe working environment and protecting employees from occupational hazards during the year.</p>
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	106-117
KPI B2.2	Lost days due to work injury.	106-117
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	95-100
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	19
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	106-117
KPI B3.2	The average training hours completed per employee by gender and employee category.	106-117

Subject Areas, Aspects, General Disclosures and KPIs		Page	Notes and relevant policies
Aspect B4: Labour Standards			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	19	<ul style="list-style-type: none"> • Human Rights Policy ↗ • Modern Slavery and Human Trafficking Statement ↗ • Supplier Code of Conduct ↗ <p>The Group is not aware of any incidents of non-compliance with laws and regulations that may have a significant impact on the Group concerning preventing child and forced labour during the year.</p>
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	27	
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	27	
Aspect B5: Supply Chain Management			
General Disclosure	Policies on managing environmental and social risks of the supply chain.	19	<ul style="list-style-type: none"> • Human Rights Policy ↗ • Supplier Code of Conduct ↗ • Modern Slavery and Human Trafficking Statement ↗
KPI B5.1	Number of suppliers by geographical region.	106-117	
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	28	
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	28	
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	28, 44-47	<ul style="list-style-type: none"> • Policy on Appointment of Third Party Representatives ↗
Aspect B6: Product Responsibility			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	19	<ul style="list-style-type: none"> • Code of Conduct ↗ • Policy on Personal Data Governance ↗ <p>The Group is not aware of any incidents of non-compliance with laws and regulations that may have a significant impact on the Group concerning health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress during the year.</p>
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	106-117	
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	106-117	

Subject Areas, Aspects, General Disclosures and KPIs	Page	Notes and relevant policies
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	The Group has appropriate mechanisms and procedures which monitor issues relating to the observation and protection of intellectual property rights.
KPI B6.4	Description of quality assurance process and recall procedures.	34-37
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	22-26 <ul style="list-style-type: none"> • Information Security Policy ↗ • Policy on Personal Data Governance ↗

Aspect B7: Anti-corruption

General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	19 <ul style="list-style-type: none"> • Code of Conduct ↗ • Anti-Fraud and Anti-Bribery Policy ↗ • Policy on Appointment of Third Party Representatives ↗ <p>The Group is not aware of any incidents of non-compliance with laws and regulations that may have a significant impact on the Group concerning bribery, extortion, fraud and money laundering during the year.</p>
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	The were no concluded legal cases regarding corrupt practices brought against the Group or its employees that had a significant impact on the Group in the reporting period.
KPI B7.2	Description of preventive measures and whistleblowing procedures, and how they are implemented and monitored.	21 <ul style="list-style-type: none"> • Whistleblowing Policy ↗
KPI B7.3	Description of anti-corruption training provided to directors and staff.	106-117

Community

Aspect B8: Community Investment

General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	19 <ul style="list-style-type: none"> • Sustainability Policy ↗ • Corporate Communications Policy ↗
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	101-105 <p>Each core business has focus areas relevant to the industries and countries in which they operate. These Include supporting physical and mental wellness as well as bridging society's digital divide.</p>
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	101-105 <p>Donations to charitable organisations and by the Company and its subsidiaries during the year amounted to approximately HK\$ 100 million.</p>

APPENDIX 3: FULL LIST OF REPORTED BUSINESS UNITS

The following list relates to the full list of entities incorporated within the boundary of this Sustainability Report.

Ports

Hongkong United Dockyards	Hutchison Ports FCP	Hutchison Ports RAK
Hutchison Logistics (Shanghai) Limited	Hutchison Ports Gdynia	Hutchison Ports SITV
Hutchison Ports Ajman	Hutchison Ports Gwangyang	Hutchison Ports Sohar
Hutchison Ports Alexandria	Hutchison Ports Head office	Hutchison Ports Stockholm
Hutchison Ports Amsterdam	Hutchison Ports HIT (first instance and subsequent references can use "HIT")	Hutchison Ports Sydney
Hutchison Ports BASRA	Hutchison Ports ICARE	Hutchison Ports Thailand
Hutchison Ports BEST	Hutchison Ports KICT	Hutchison Ports TILH
Hutchison Ports Brisbane	Hutchison Ports LCMT	Hutchison Ports TIMSA
Hutchison Ports Busan	Hutchison Ports LCMT	Hutchison Ports TNG
Hutchison Ports Delta II	Hutchison Ports LCT	Hutchison Ports UAQ
Hutchison Ports ECT Rotterdam	Hutchison Ports MITT	Hutchison Ports UK
Hutchison Ports ECV	Hutchison Ports Pakistan	Hutchison Ports YANTIAN
Hutchison Ports EIT	Hutchison Ports PPC	

Retail

A.S. Watson Industries (China)	Kruidvat	Watsons Malaysia
A.S. Watson Industries (HK)	PARKnSHOP Hong Kong	Watsons Philippines
A.S. Watson Group Europe	Savers	Watsons Singapore
A.S. Watson Head Office	Superdrug	Watsons Taiwan
Drogas Latvia	The Perfume Shop	Watsons Thailand
Drogas Lithuania	Trepleister	Watsons Turkey
FORTRESS	Watsons China	Watsons Ukraine
ICI PARIS XL Belux	Watsons Hong Kong	Watsons Wine
ICI PARIS XL Netherlands	Watsons Indonesia	

Infrastructure

Alliance Construction Materials	Energy Developments (EDL)	Seabank Power
Anderson Asphalt	Enviro NZ	Shen-Shan Highway (Eastern Section), Shantou Bay Bridge and Panyu Beidou Bridge
Australian Energy Operations	Green Island Cement	UK Power Networks
Australian Gas Infrastructure Group (AGIG), including Australian Gas Networks, Dampier Bunbury Pipeline and Multinet Gas Networks	ista	UK Rails
Canadian Midstream Assets	Northern Gas Networks	United Energy
Canadian Power	Northumbrian Water	Victoria Power Networks
Dutch Enviro Energy (owner of AVR-Afvalverwerking B.V. (AVR))	Park'N Fly	Wales & West Utilities
	Power Assets	Wellington Electricity
	Reliance Home Comfort	
	SA Power Networks	

Telecommunications

3 Austria	3 Ireland	Vietnamobile
3 Denmark	3 Sweden	Wind Tre
Hutchison Telecommunications Hong Kong Holdings Limited (HTHKH), including 3 Hong Kong and 3 Macau	3 UK	
	Hutch Lanka	