

MESSAGE FROM THE CHAIRMAN

As the macro-economic landscape evolves, the Group continues its commitment to sustainable development by assessing and integrating the associated risks and opportunities into our business. As a global operator with a portfolio of businesses operating in different regions, we are mindful of the impacts and contributions that business and operations can potentially bring to local communities. The Group has approached the end of the year with excellent results, and I am pleased to provide an update of our achievements so far.

Despite the effect of escalating energy costs in 2024, the Group continues to decarbonise its operations through various initiatives, including investing in low-carbon assets, sourcing cleaner energy, improving energy efficiency and electrifying the transportation fleet. These are among the achievements we have accomplished. The Group's decarbonisation goal, first reported in the 2022 Sustainability Report, committed to reducing Scope 1 and 2 emissions by 50% from a 2020 baseline. So far, great results have been achieved, with the Group's emissions reduced by approximately 5% year on year, achieving almost a 20% reduction from the 2020 baseline. Contributions across the Group include the following:

- Hutchison Ports has implemented a range of decarbonising initiatives, such as mandating the "Equipment Electrification Directive" and adoption of renewable energy, thereby ensuring that the greenhouse gas (GHG) emissions reduction roadmap and net-zero targets will be reached according to the proposed timeline. With good progress, Hutchison Ports have achieved over 5% reduction in carbon intensity year on year, and over 15% GHG emissions reduction in 2024 from its 2021 baseline. Additionally, the Hutchison Port Holdings Trust has conducted a separate climate scenario analysis in accordance with the Taskforce on Climate-Related Financial Disclosure framework, quantifying the impacts of climate-related risks and opportunities. Key initiatives such as expanding the application of remote operations technology and installing low-emissivity glass in office buildings, have been adopted as heat-mitigating solutions to combat the influence from rising temperatures.
- The Retail division has also made significant progress, reducing GHG emissions by over 71% year on year, representing an over

75% reduction from its baseline year in 2018. The division continues to expand its low-carbon vehicle fleet. For example, more than 80% of Watsons China's warehouse-to-store deliveries in Beijing, Shanghai, Guangzhou, Shenzhen, Tianjin, Chongqing and Xiamen are made by electric vehicles (EVs). Furthermore, the division has continued to purchase renewable energy through Energy Attribute Certificates (EACs) in selected markets. It has acquired over 580 GWh of renewable energy across Mainland China, Hong Kong, the Philippines, Malaysia, Thailand, Türkiye and Indonesia, covering almost 100% of FY2024 consumption in these markets, and contributing positively to the Group's emissions reduction targets. However, challenges remain in maintaining the same level of reductions until 2030, such as EAC cost fluctuations, business expansion that may lead to increased emissions, and the unavailability of EVs in some markets.

- The Infrastructure division continues to pursue low-carbon and energy transition investment opportunities. In 2024, the division made a number of renewable energy-related capacity expansions, such as the acquisition of UK Renewables Energy, a portfolio of operating onshore wind farms in the UK, as well as ones made by member companies, including Powerlink Renewable Assets (formerly known as UU Solar), a renewable energy portfolio in the UK. Overall, GHG emissions from the Infrastructure division have reduced by an estimated 5% year on year, which is equivalent to approximately a 15% reduction from its baseline year in 2020.
- Despite challenges in the energy mix in European markets, CK Hutchison Group Telecom ("CKHGT") has leveraged technology solutions and the purchase of renewable energy to achieve encouraging outcomes. Emissions have been successfully maintained at the same level year on year, representing approximately a 25% reduction from the baseline in 2020. CKHGT has increased its use of purchased renewable energy to over 60%. It has also continued to invest in energy efficiency. For example, 3 UK has worked with partners to implement industry-leading energy efficient radios, and together with AI and data analytics, has improved network energy efficiency by up to 70% at selected sites.

The market has increasingly requested more transparency on sustainability-related disclosures. In response, the Group has initiated a group-wide exercise since the beginning of the year, providing guidelines to core divisions and business units for adopting upcoming disclosure changes (i.e. the Corporate Sustainability Reporting Directive, International Sustainability Standard Board Standards and Hong Kong Exchanges and Clearing Limited's ESG reporting framework). With the dedicated hard work of all teams and colleagues, overall full compliance is expected in upcoming disclosure reports. Additionally, the Group has taken the initiative to begin disclosing in CDP (formerly known as the Carbon Disclosure Project) and received a "B" score in the Climate section. The disclosure enables stakeholders to further understand the Group's overall sustainability performance.

In light of the emerging changes in sustainability reporting standards, the Group is prepared to disclose its sustainability performance with more granular details, particularly on how the Group will achieve its sustainability goals and targets with specific contributions from its business units. For instance, Power Assets Holdings of the Infrastructure division continues its transition to low-carbon intensive generation by phasing out coal-fired generation and switching to gas or other cleaner fuels. Meanwhile, 3 Austria has trialled using hydrogen as a cleaner fuel to power its mobile transmitter system supporting Europe's largest free open-air event. As part of a partnership initiative, 3 Ireland has installed solar panels on radio access network sites to power its operations more sustainably. Additionally, the Ports division is generating solar energy on its premises, providing onshore power supply to incoming container ships and transitioning to cleaner operations. The continued purchase of renewable energy by divisions ensures that local operations can be powered by clean energy sources, minimising their carbon footprint. All of these initiatives have proven to be impactful demonstrations in achieving the Group's emissions reduction targets.

As a Group operating across multiple industries, regular stakeholder engagements are conducted to acquire information that enhances disclosure details. In this report, and in response to stakeholders' expectations, topics such as "Biodiversity", "Climate Transition" and "Water" were enhanced and disclosed with more details, while data on Scope 3 emissions and green investments will also be disclosed in a more granular manner.

The Group is committed to taking good care of its employees, as overall health and safety are closely monitored across divisions. Policies that align with international standards, such as ISO 45001, are developed to guide operations and ensure a safe workplace. Besides annual internal evaluations, the Group also seeks external parties to perform safety audits and provide recommendations

for continual improvement. The Group is dedicated to providing an excellent and inclusive workplace for its employees, and its excellence in this area is well recognised. For example, 3 Austria, 3 Hong Kong, 3 Sweden and Wind Tre have received national or regional recognition for being among the best employers locally. 3 Ireland was awarded the "Investors in Diversity Gold Standard" in 2024, while UK Power Networks received the "Diversity and Inclusion Strategy of the Year" award from Women in Green Business Awards in London. The AS Watson Group was announced as the first health and beauty retailer signatory of the Women's Empowerment Principle from the United Nations Entity for Gender Equality and the Empowerment of Women. Other great achievements of the Group can be found in the following sections of this report.

Looking ahead, the Group will continue to invest in sustainable and clean operations and contribute positively to local communities.

I would also like to express appreciation for the dedication and hard work of our colleagues and members of the sustainability teams across the world.

Victor T K Li

Chairman, CK Hutchison

15 April 2025

