

# SUSTAINABILITY AT CK HUTCHISON

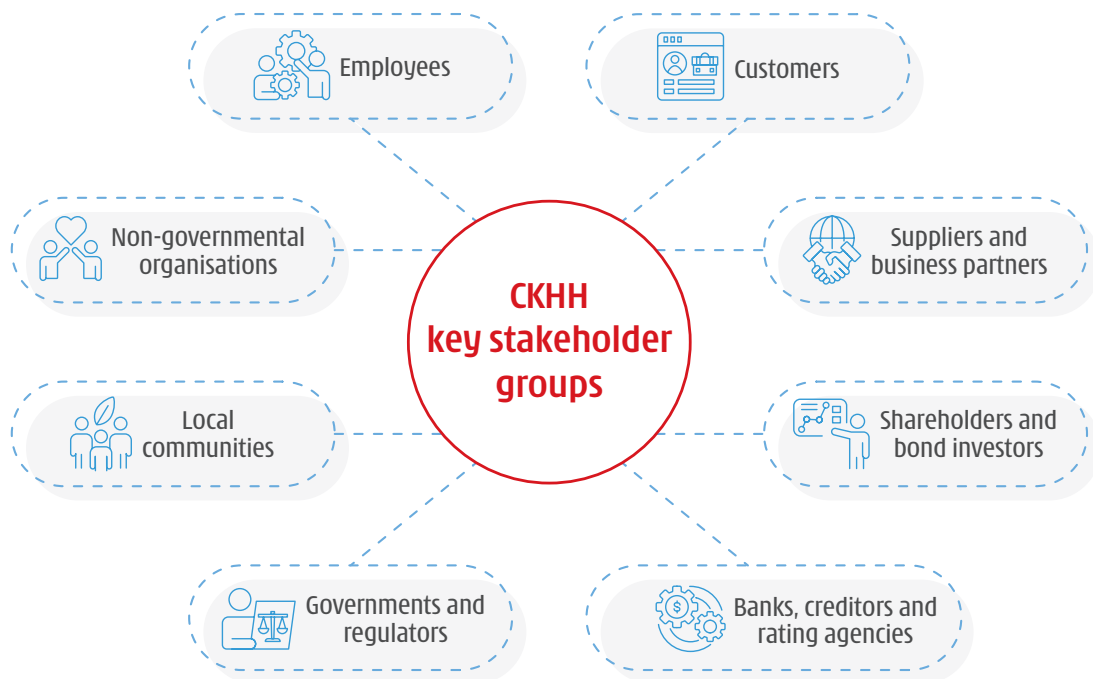
## Reporting What Matters

The Group maintains ongoing communication with its stakeholders to evaluate the sustainability impacts of its business activities and operations, disclose the Group's initiatives and enable the development and implementation of its sustainability strategies. This report adheres to the same guiding disclosure principles and material topics as the Group's 2023 Sustainability Report, ensuring consistency and facilitating a clear understanding of the Group's sustainability progress.

## Stakeholder engagement

The Group continuously engages with its stakeholders through meetings, liaison groups, panel discussions, workshops and surveys. Insights and feedback gathered from these structured interactions play a pivotal role in shaping and guiding the development of the Group's sustainability strategy.

Figure 2 CKHH key stakeholder groups



ESG rating agency assessments contribute to investors and stakeholders' decisions on evaluating the Group's sustainability performance. To align with market expectations, the Group continued its efforts on comprehensive sustainability performance and disclosure, while proactively engaging with key stakeholders

directly. In 2024, CKHH made its debut participation in the CDP disclosure\*, and received a "B" score in the climate section. The Group also maintained an "AA" score in the Hang Seng Corporate Sustainability Indexes, achieved a "Medium Risk" in ESG Risk Rating of Sustainalytics#, and continued its disclosure to MSCI^.

\* CDP's score is ranged from A to D-.

# In March 2024, CK Hutchison Holdings Limited was assessed by Morningstar Sustainalytics to be at Medium risk of experiencing material financial impacts from ESG factors. In no event the Sustainability Report 2024 shall be construed as investment advice or expert opinion as defined by the applicable legislation.

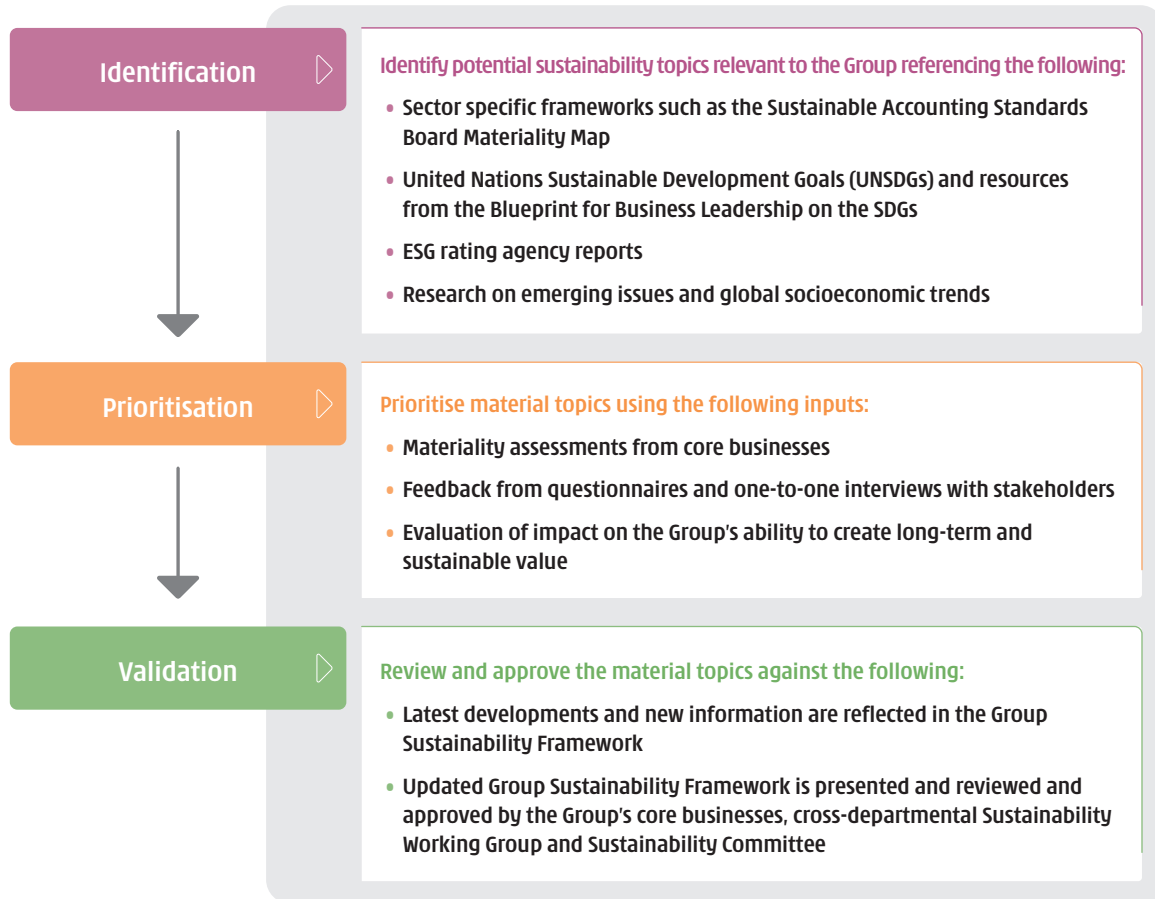
^ This information may not be used for corporate financing purposes (including, without limitation, ESG-linked loans, credit facilities, securities or structured products), as a basis for any financial instruments or products (including, without limitation, passively managed funds and index-linked derivative 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.

## Materiality

The Group's core businesses tailor their approaches for sustainability impact identification and prioritisation, in view of industry-specific challenges and opportunities. These approaches are then validated,

consolidated and refined at the Group level. The Group employs an iterative process to frequently update its materiality assessment, incorporating the latest developments and new information.

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



## Group Sustainability Framework

Eight key goals have been identified and organised into four sustainability pillars, serving as the foundation for the Group's sustainability strategy. These goals are aligned with and mapped to the UNSDGs, and are embedded in the Group Sustainability

Framework. This report highlights material information from the Group perspective, while additional insights can be found in the sustainability reports of the core businesses, where the implementation and impact of these goals are detailed.

Figure 4 Group Sustainability Framework



## Progress Highlights and Plans

Building upon the Group Sustainability Framework and its commitment to address material issues identified through stakeholder engagement, the Group has established forward-looking targets that align with evolving regulatory requirements and market expectations. These targets also reflect the Group's proactive response to emerging global sustainability requirements, including the European Union's (EU) Corporate Sustainability Reporting Directive, International Sustainability Standard Board Standards and HKEX's ESG reporting framework.

These sustainability targets in the four pillars demonstrate the Group's dedication to embedding sustainability throughout its operations while ensuring compliance with emerging regulations and addressing stakeholder expectations. They are designed to address both immediate challenges and long-term opportunities, reflecting the Group's position as a responsible corporate committed to sustainable business practices and positive societal impact.

Figure 5 Group highlights and ambitions



### Governance

Targets	Highlights/Progress
Integrate sustainability into performance metrics and compensation schemes	Undergo group-wide integration of the remuneration policy with sustainability-related performance. Integrate the Long Term Incentive Programme with employees' key performance indicators and remuneration to align sustainability performance and rewards.
Organise a Group-wide Sustainability Conference and enhance the Group Sustainability Portal for internal engagement, training and information-sharing	The second Group-wide CK Hutchison Global Climate Action Conference is being organised for 2025, and the enhanced Sustainability Portal will build organisational capacity and drive collective action towards the Group's sustainability goals.
Issue green financing instrument to support the Group's sustainable development initiatives	The Group issued a debut US Dollar Green note of US\$1 billion in April 2024. Eligible projects include Renewable and Other Clean Energy, Clean Transportation, Energy Efficiency and Circular Economy and Design categories under the Group's Sustainable Finance Framework.
Evolve sustainability reporting in line with sustainability reporting frameworks	The Group is in the process of aligning sustainability reporting with local and international sustainability reporting frameworks: the EU's Corporate Sustainability Reporting Directive, the HKEX, and the Hong Kong Sustainability Disclosure Standards. This includes gap analysis and recommendations for future development.



### Sustainable Business Model and Innovation

Targets	Highlights/Progress
Deliver digital inclusion benefits for target populations including senior citizens, remote community access and small businesses	The Group provided support for connectivity and digital accessibility to society, especially to the underprivileged and marginalised, through targeted initiatives such as digital education programmes and digital skills training.
Climate Transition Strategy	While several business units have already established strong foundations with climate targets and strategies, the Group is developing a consolidated Climate Transition Plan to enable the decarbonisation process across operations.
Sustainable sourcing/green procurement	Building on the successful implementation of sustainable sourcing practices in several business units, the Group will integrate sustainable sourcing policies with environmental and social criteria as part of the procurement metrics.
Enhancing operation effectiveness through Artificial Intelligence (AI) solutions	The Group has established and published the Policy on Reasonable and Ethical Procurement, Implementation and Use of Artificial Intelligence, mandating responsible AI adoption practices to ensure ethical deployment and governance.



## Environment

### Targets

### Highlights/Progress

A Group-wide renewable electricity strategy	The Group is exploring a Group-wide renewable energy strategy to enable group wide adoption.
Further expand/improve Scope 3 emissions reporting	Enhanced Scope 3 reporting with additional online tools (For additional details, see <a href="#">Decarbonisation</a> in the <a href="#">Environment</a> in section of this report).
Water and plastics policies	Developing water stewardship and plastic management policies.



## Social

### Targets

### Highlights/Progress

Continue to develop and nurture talents with future readiness	Comprehensive initiatives and programmes are delivered across divisions to ensure the employees remains competitive in an evolving business landscape.
Continue to make progress in promoting diversity and inclusion	Measures are continuously implemented across the Group to ensure a diversified workforce (i.e. current female to male gender ratio is 49:51), addressing gender imbalance in leadership roles, and building wider inclusion.
Maintain a zero-harm workplace and culture, promote healthcare and well-being initiatives in the workplace	Maintaining the occupational culture of zero-harm across the Group. Outstanding performance is recognised by independent agencies and organisations, such as the Labour Department, HKSAR Government and Chartered Institute of Personnel and Development (CIPD) in Wales, UK.
Be active members of the community, targeting investments to address the needs of the community	The Li Ka Shing Foundation donated the Histotripsy system to the HKU Li Ka Shing Faculty of Medicine and the Chinese University of Hong Kong Faculty of Medicine, sponsored 20 patients to receive the innovative liver cancer treatment, and supported six doctors and radiologists to receive specialised training at the US manufacturer, HistoSonics, ensuring the best possible care for patients.

Completed/on track

Work underway, and progress updates to be provided in 2025 Sustainability Report