

ENVIRONMENT

The Group addresses escalating environmental challenges through a holistic strategy built around five core focus areas: driving decarbonisation efforts to support global net-zero ambitions; advancing biodiversity protection to safeguard and restore ecosystems; strengthening water stewardship in response to increasing water scarcity risks; enhancing air quality in operating communities; and accelerating circular economy practices to reduce waste and optimise resource use.

This integrated approach combines forward-looking risk management with targeted investments in innovative and sustainable technologies. Group policies and governance frameworks guide core businesses in embedding environmental considerations into daily operations, capital planning, and long-term strategy.

By adopting this structured and proactive methodology, the Group continues to enhance environmental performance, reinforce operational resilience, and support the transition to a more sustainable economy. This positions the Group to meet emerging regulatory requirements and evolving stakeholder expectations in an increasingly climate- and nature-conscious global landscape.



GROUP GOALS

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

CONTENT IN THIS CHAPTER

- ENVIRONMENTAL MANAGEMENT SYSTEM
- DECARBONISATION
- AIR QUALITY
- CIRCULAR ECONOMY
- WATER STEWARDSHIP
- BIODIVERSITY PROTECTION

Linked SDGs







ENVIRONMENTAL MANAGEMENT SYSTEM

The Group embeds environmental stewardship across its global operations through a structured Environmental Management System framework to monitor compliance, drive continuous improvement, and implement targeted initiatives.

Environmental Management Systems are developed within business units and tailored to the specific operational context. These systems typically includes processes for risk assessment, operational control, incident response, training and awareness, stakeholder communication, and ongoing performance evaluation. By integrating environmental considerations into everyday decision-making, the Environmental Management systems helps organisations to reduce resource consumption, prevent pollution, enhance resilience to climate-related risks, and drive continuous improvement. In line with international best practices, various business units have been certified under the ISO 14001 Environmental Management System.

ISO 14001 certified business units

 <p>Ports</p>	<ul style="list-style-type: none"> • Hutchison Ports Ajman • Hutchison Ports BEST • Hutchison Ports FCP • Hutchison Ports Head Office • Hutchison Ports LCMT • Hutchison Ports LCT • Hutchison Ports Sohar 	<ul style="list-style-type: none"> • Hutchison Ports HIT • Hutchison Ports ICAVE • Hutchison Ports Thailand • Hutchison Ports TIMSA • Hutchison Ports UK • Hutchison Ports Yantian • Hongkong United Dockyards Limited
 <p>Retail</p>	<ul style="list-style-type: none"> • AS Watsons Industries (Hong Kong, HuangPu, Foshan) 	
 <p>Infrastructure</p>	<ul style="list-style-type: none"> • HK Electric • UK Power Networks • UK Renewables Energy Group • SA Power Networks • Victoria Power Networks • United Energy • ista • AVR of Dutch Enviro Energy • Alliance Construction Materials • Anderson Asphalt 	<ul style="list-style-type: none"> • Northern Gas Networks • Northumbrian Water • Wales & West Utilities • UK Rails • Seabank Power • Phoenix Energy • Energy Developments • EnviroNZ • Green Island Cement
 <p>Telecommunications</p>	<ul style="list-style-type: none"> • Hutchison Telecommunications Hong Kong Holdings Limited (HTHKH), including 3 Hong Kong • 3 Ireland • Wind Tre 	

HEALTH, SAFETY AND ENVIRONMENTAL MANAGEMENT SYSTEMS

In the UK, the Retail division maintains full compliance with health and safety regulations governing retail stores, distribution centres and offices. The division operates a health, safety and environment management system modelled on "HSG 65", incorporating the Plan, Do, Check, and Act cycle. This approach ensures continuous risk management and creates a consistently safe working environment for employees across all operations.

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 division engages health and safety enforcement officers and the primary partners from local authority, Slough Borough Council and Merseyside Fire and Rescue, to deliver regular advice and guidance. This collaborative approach maintains alignment with UK's health and safety legislations and drives ongoing improvements in safety management standards.

Training and Awareness Programme

Training and awareness programme is a core component of an effective Environmental Management System, ensuring that employees at all levels understand their roles in achieving the organisation's environmental objectives. Through structured

training sessions, targeted communications, and ongoing awareness activities, staff are equipped with the knowledge necessary to manage environmental risks, follow operational controls, and respond appropriately to environmental incidents.

Telecommunications



SUSTAINABILITY TRAININGS FOR EMPLOYEES

CKHGT's commitment to sustainability training was expanded in 2025 across the division. **3** Denmark launched its annual mandatory ESG and sustainability courses for all employees, while **3** Sweden embedded sustainability into its annual code of conduct training and onboarding programmes. Wind Tre introduced new environmental and social sustainability training, including two dedicated e-learning courses covering climate change, biodiversity, ecological transition and sustainability principles. **3** Ireland further strengthened its approach through a mandatory digital sustainability module delivered annually and included in onboarding. HTHKH incorporated sustainability into its annual mandatory policy training for all staff.



CKHGT organises a sustainability session for employees.

Retail



SUSTAINABILITY MANAGEMENT AND TRAINING IN THE VALUE CHAIN

In 2025, AS Watson delivered targeted training programmes to both staff and suppliers to strengthen sustainability competencies across the value chain. These included:

- **RSPO Training:** Comprehensive sessions were provided to product development and sourcing teams and suppliers to enhance understanding and implementation of the Roundtable on Sustainable Palm Oil (RSPO) standards.
- **Slave-Free Supply Chain Awareness:** Selected staff across Asia received training facilitated by The Mekong Club, focusing on identifying and mitigating risks related to modern slavery within supply chains.

Ports

TRAININGS IN ENVIRONMENTAL AND OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM

In the Ports division, annual training on the Environmental Management System and Occupational Health and Safety Management System is conducted for all employees at the Head Office. These sessions are part of the standard training programme and are mandatory for staff. Themed training and awareness sessions are also conducted at different business units.

Hutchison Ports Sohar in Oman

The company organised several sustainability training sessions for employees and contractors to enhance environmental awareness and promote responsible practices. The training was delivered by the internal Safety Department, complemented by awareness sessions conducted by external organisations. Key programmes included "Towards Energy Efficiency" and "Waste Management".

Hutchison Ports SITV in Vietnam

Since 2024, Hutchison Ports SITV in Vietnam has conducted four Climate Change - Cause & Effect workshops for 96 staff (three workshops in 2024 and one workshop in 2025). The workshops help participants learn about the cause, effect and impact of climate change through self-study and a teamwork game. The workshops also create forums for participants to brainstorm and discuss measures to fight climate change.



Hutchison Ports SITV conducts an awareness session on sustainability.



Hutchison Ports Thailand organises a sustainability lecture.

DECARBONISATION

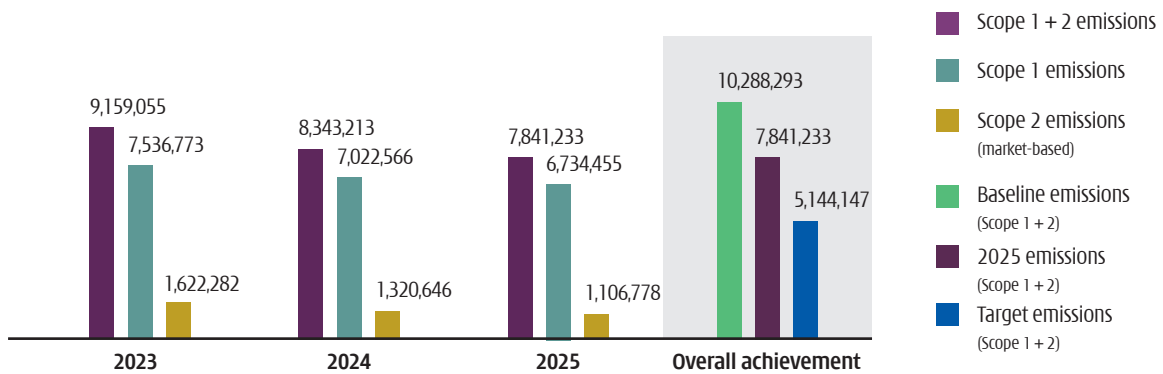
The Group supports the objectives of the 2015 Paris Agreement, which seeks to limit global temperature rise to well below 2°C, preferably 1.5°C, to mitigate the most severe impacts of climate change. Achieving net-zero GHG emissions by 2050 will require a fundamental transformation in energy production, transportation, and consumption – presenting both challenges and opportunities for the Group. In alignment with this global ambition, the Group is committed to operating sustainably and advancing decarbonisation across its operations through energy efficiency, renewable energy adoption, and green transportation initiatives. These efforts are guided by the Group's "Ten Net-Zero Transition Opportunities", which provide a strategic framework for achieving long-term climate goals.

- Group Carbon Footprint
- GHG Emissions Reduction Targets
- Decarbonisation Initiatives

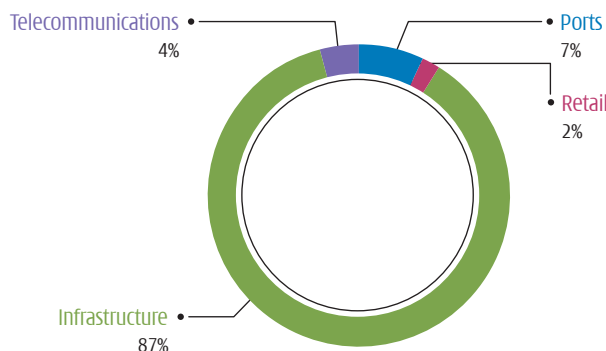
Group Carbon Footprint

In 2025, with the committed effort to manage emissions, the Group is on track to achieve its previously set emissions targets. Total Scope 1 and 2 emissions were reduced by approximately 23% from the 2020 baseline. Assurance of GHG data is conducted at the divisional level to strengthen accountability and data reliability. The Retail, Infrastructure, and Telecommunications divisions undertake annual external assurance of its GHG emissions data as part of the established reporting practices. While the Ports division has not yet sought external assurance, it has noted that external verification may be considered in future reporting cycles.

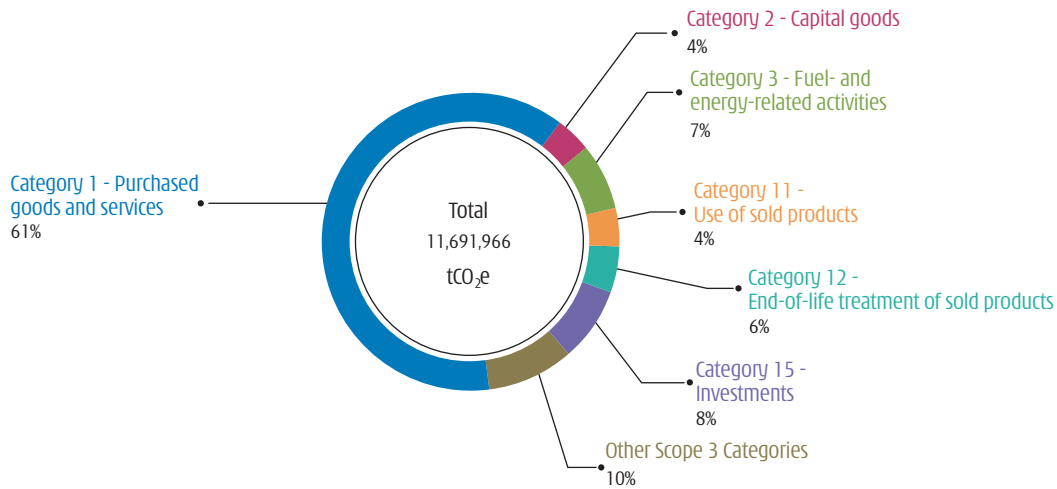
Group Scope 1 and 2 GHG emissions (tCO₂e) 2023-2025



Group breakdown of Scope 1 and 2 GHG emissions in 2025



Summary of Scope 3 emissions in 2025



For details, please refer to [Appendix 1: Environmental and Social Performance Indicators](#)


Group and Division-level Progress



The Group has worked closely with its divisions to advance climate action and target-setting exercises. Key initiatives include developing pathways for science-based targets validated by the SBTi, defining strategies to achieve net-zero emissions, establishing interim targets to guide near-term progress, and engaging the value chain to manage Scope 3 emissions. Over recent years, significant progress has been made, including upgrades to GHG data management systems, updates to work plans, and reconfirmation of baseline emissions. Divisions continue to

implement measures aimed at meeting or exceeding reduction targets in line with evolving business activities and milestones.

The Group's core businesses remain committed to delivering substantive progress on their respective action plans, as detailed below.

Business units GHG emissions reduction targets

Division	Business units	Targets	Progress
 Ports	Hutchison Ports UK	<ul style="list-style-type: none"> Achieve net-zero Scope 1 and 2 GHG emissions from port operations by 2035 	On track
	Hutchison Ports BEST	<ul style="list-style-type: none"> Reduce Scope 1 and 2 GHG emissions by 80% in 2030 and achieve net-zero before 2040 	On track
	Hutchison Ports Sohar	<ul style="list-style-type: none"> Expand photovoltaic solar capacity to reach 4,800 MW by 2030 	On track
	Hutchison Ports ECT	<ul style="list-style-type: none"> Achieve net-zero Scope 1 and 2 GHG emissions from port operations by 2035 	On track

Division	Business units	Targets	Progress
 Infrastructure	HK Electric	<ul style="list-style-type: none"> Reduce Scope 1 GHG emissions by 68.4% per kWh of electricity generated by 2035 from a 2019 baseline Supporting the Hong Kong government to achieve carbon neutrality goal by 2050 Phase out coal-fired generation by 2035 	On track
	UK Power Networks	<ul style="list-style-type: none"> Reduce 50% Scope 1 and 2 GHG emissions from 2020 baseline Achieve net-zero (Scope 1, 2 and 3 emissions) by 2040 	On track
	Victoria Power Networks and United Energy	<ul style="list-style-type: none"> 30% reduction in Scope 1 and 2 GHG emissions (including distribution line losses) by 2030 from a 2019 baseline 	On track
	Phoenix Energy	<ul style="list-style-type: none"> Reduce Scope 1 and 2 GHG emissions (excluding shrinkage) by 60% by 2030 Achieve net-zero (including shrinkage) by 2050 	On track
	Northumbrian Water	<ul style="list-style-type: none"> Achieve net-zero Scope 1, 2 and 3 (upstream) GHG emissions by 2050 	On track
	EnviroNZ	<ul style="list-style-type: none"> Reduce Scope 1 GHG emissions by 50% by 2030 from a 2019 baseline 	On track
	Alliance Construction Materials	<ul style="list-style-type: none"> Scope 1 and 2 GHG emissions reduction by 30% by 2030 from a 2018 baseline 	On track
 Retail	Division-wide Target	<ul style="list-style-type: none"> Reducing Scopes 1 and 2 GHG emissions by 50.4% by 2030 from a 2018 base year Pledging that 33% of its suppliers by emissions covering purchased goods and services, upstream transportation and distribution will have science-based targets by 2027 	Scope 1 and 2 GHG emissions were reduced by 78.5% versus 2018 65% of suppliers are covered
 Telecommunications	3 Hong Kong	<ul style="list-style-type: none"> Reduce GHG emissions per TB of data traffic (kgCO₂e per TB) by 70% by 2025 and 90% by 2030 versus a 2020 baseline 	2025 target was met and is on track to meet 2030 target
	3 Denmark	<ul style="list-style-type: none"> Cover 100% of electricity with RECs 	Achieved
	3 Sweden	<ul style="list-style-type: none"> Cover 100% of electricity with RECs 	95% reported in 2025
	3 Ireland	<ul style="list-style-type: none"> Source 100% renewable electricity across directly and indirectly procured electricity 	Achieved
	Wind Tre	<ul style="list-style-type: none"> Reduce Scope 3 GHG emissions by 42% by 2030 Reach 100% renewable energy supply by 2030 	On track 48% reported in 2025

Decarbonisation Initiatives

Guided by the Ten Net-Zero Transition Opportunities, clean technology, such as clean transportation, clean energy transition and energy efficiency, plays a significant role in the Group's decarbonisation journey and achieving long-term carbon

emissions reduction targets. As the Group utilises these levers as part of the overall strategy, divisions continue to integrate similar approaches into the business investment process, with impactful projects having been implemented in previous years.

Ports



ELECTRIFICATION OF TERMINAL EQUIPMENT AND VEHICLES AND ENERGY EFFICIENCY

Since 2024, the Ports division has issued a directive mandating that all newly purchased equipment must be electric or powered by clean energy. All new purchases, either the replacements of terminal equipment or trucks, have to be electricity powered. Additionally, diesel consumption has been reduced by using lower-carbon intensive or renewable energy sources at facilities. These collective efforts have contributed to the significant progress towards its emission targets.

Electrification progress of Hutchison Ports

Mobile and stationary equipment in operation globally in 2025

Equipment type	Total # of units	Of which electric or hybrid in 2025	Investment in 2025 and 2026 (planned)
Rubber-tyred gantry crane	941	680	US\$190 million
Internal tractor	1,533	203	US\$85 million
Automatic guided vehicle	439	85	US\$101 million
Reach-stacker	189	24	US\$29 million
Straddle carrier	216	62	US\$75 million
Empty container handler	189	52	US\$27 million

ENERGY EFFICIENCY PROGRAMME

The Ports division is implementing a range of initiatives to enhance energy efficiency, including upgrading equipment across terminals and office buildings. To further strengthen sustainability performance and operational visibility, the division conducts regular monitoring of energy consumption and efficiency across business units. Strengthened operational visibility enables the identification of unusual consumption patterns, allowing timely follow-up and corrective actions.

As part of its energy efficiency efforts in 2025, Hutchison Ports MITT in Myanmar also targeted the replacement of 50 high-consumption 400W sodium lights with LED alternatives ranging from 100W to 150W, significantly reducing power usage.

Infrastructure



SIX KEY DECARBONISATION TRANSITION LEVERS

Given its business nature, the Infrastructure division is responsible for over 80% of the Group's GHG emissions. In achieving its emissions reduction targets and transition plan to low carbon operation, the Infrastructure division has developed a comprehensive framework built around six strategic levers. These levers provide a structured approach to identifying, prioritising and delivering emissions-reduction initiatives across its diverse asset portfolio. Together, they guide the division in implementing targeted interventions, scaling best practices, and tracking progress toward a lower-carbon operating model.

Underpinned by its key transition levers, the Infrastructure division aims not only to decarbonise its own operations and value chain emissions, but also to play a vital role in accelerating the wider energy transition.

UK Power Networks' Distribution System Operator's Day-Ahead Flexibility Market has boosted local and national flexibility coordination, allowing more electricity market stakeholders to participate in more flexible electricity markets. Collaborating with the National Energy System Operator (NESO), auction results for the market are announced before participants decide their availability for NESO day-ahead auctions, allowing the participants to align their electricity exports with their wider commercial processes. In addition, the Day-Ahead Flexibility Market enables more forms of distributed energy resources, including electric vehicles, heat pumps and batteries to participate in the distribution, transmission and wholesale market.

Since late 2024, UK Power Networks has also been "co-optimising" its use of day-ahead flexibility with long-term contracts, choosing the cheaper option across these markets to drive the best outcome for bill-payers. From April 2024 to April 2025, the platform has enabled 4.4 GWh of flexibility, equivalent to powering over 15,500 homes for a month. More than 40 flexibility zones are open and the network has run more than 150 flexibility competitions within the year.

AGIG signed a formal agreement with Delorean Corporation to connect the first biomethane project into its South Australian gas networks. The connection will supply up to 210TJ of biomethane generated from organic waste to the gas network each year. With the first biomethane project underway, the move signifies AGIG's commitment to deliver secure, reliable and affordable low-carbon energy to their customers, and drive the low-carbon energy transition in the country.

Business units contributing to transition levers across time horizons

Transition levers	Contributing business units	
 Decarbonising our generation portfolio	 Electricity Generation	HK Electric
	 Clean & Renewable Energy	HK Electric, EDL, Canadian Power & UK Renewables Energy
 Modernising and digitalising electricity networks	 Electricity Distribution	UK Power Networks, SA Power Networks, United Energy, Victoria Power Networks & Wellington Electricity
	 Electricity Generation	EDL
 Promoting reduction and recovery of methane and carbon dioxide	 Gas Transmission & Distribution	Wales & West Utilities, Northern Gas Network, Australian Gas Networks & Multinet Gas Networks
	 Waste Management	EnviroNZ
	 Clean & Renewable Energy	
	 Water Utilities & Services	Northumbrian Water
	 Transportation	UK Rails
 Embracing the hydrogen economy	 Gas Transmission & Distribution	Wales & West Utilities, Northern Gas Network, Australian Gas Networks, Multinet Gas Networks & Phoenix Energy
	 Construction Materials	Green Island Cement
 Operating in a resource-saving manner	 Household Infrastructure	ista & Reliance Home Comfort
	 Construction Materials	Alliance Construction Material
 Developing cleaner methods to produce products and deliver services	 Energy-from-waste	AVR



EDL acquires GWE Biogas and its Sandhill Biogas Plant in England.



Wales & West Utilities is advancing its hydrogen innovation programme.

Retail



Telecommunications



UNDERSTANDING THE EMISSIONS PROFILE ALONG THE VALUE CHAIN

Given the complexity on reporting Scope 3 emissions, the Group has continued its efforts in a series of measures to ensure a comprehensive and accurate inventory, especially for divisions requiring collaboration with their supply chains.

A total of 210 selected suppliers were engaged under AS Watson's Supplier Engagement Scope 3 programme, focusing on the collection of GHG emissions data and the development of reduction strategies. Participating suppliers were invited to share activity data relevant to Scope 3 emissions, on the Climate Partner Network platform, supported by guidance on calculation methodologies and data quality expectations. The engagement also included awareness building on climate impacts and practical actions suppliers can take to reduce emissions within their operations and value chains. The information collected is used to improve visibility over Scope 3 emissions, support supplier capability building, and inform AS Watson's broader decarbonisation planning. In 2026, the retail division is relaunching this project using their new sustainability reporting tool, "SWEEP", allowing more granular calculation of Scope 3 emissions.

Wind Tre is working to define a new process and governance for annual reporting of spend by suppliers and engaging with suppliers within the top 50 without GHG disclosures, for monitoring supplier GHG emissions and reducing over time in support of the Telecommunications division's target Scope 3 reduction target. The division is also enhancing its Scope 3 calculation methodology by increasing the use of supplier-specific emissions data, thereby improving accuracy and alignment with best-practice reporting standards.

Retail



GREENER STORES FRAMEWORK

The Greener Stores Framework within the Retail division embeds sustainability across store design, daily operations, and ongoing maintenance. To date, over 4,000 Greener Stores have been launched across Asia and Europe. Stores are equipped with LED lighting, energy efficient equipment, and in store messaging that encourages sustainable behaviours such as the use of reusable bags. Customer-facing initiatives, including donation boxes and QR codes linking to product sustainability information, have further increased awareness and engagement. Together, these measures have contributed to measurable reductions in electricity intensity and support the Retail division's broader sustainability objectives. In Thailand, pilot projects

using smart meters also delivered an 8% reduction in energy consumption, driven largely by behavioural change initiatives.



The greener stores at the Retail division apply environmentally-friendly construction materials, and have launched refill stations to promote circular economy practices.

Retail



Infrastructure



GREEN LOGISTICS

As part of its broader commitment to cleaner transportation, the Group proactively integrates greener logistics practices across its diverse business portfolio, not only to reduce GHG emissions but also to improve local air quality and operational efficiency. All divisions have set up commitments and plans to increase electric vehicles in company fleets.

Across the Retail division, AS Watson operates 12 retail brands in its global portfolio. Many of them are using electric vehicles for some of the warehouse-to-store and online order deliveries. In Asia, Watsons China, Singapore, Malaysia, Thailand, the Philippines and PARKSHOP have introduced electric vehicles in their delivery fleets for warehouse-to-stores deliveries, where Malaysia and Philippines added electric vehicles in 2025. 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. H&B Benelux in Europe is also using electric vehicles for warehouse-to-stores deliveries.

In a significant move towards sustainable construction practices, Alliance Construction Materials in the Infrastructure division introduced Hong Kong's first battery-electric concrete mixer truck in November 2025, aiming to reduce GHG emissions and noise pollution associated with traditional diesel-powered mixers. The E-truck is currently undergoing trials to assess its performance and adaptability within the local construction industry, providing valuable insights for the future integration of electric vehicles in construction logistics.



Battery-electric concrete mixer truck at Alliance Construction Materials.

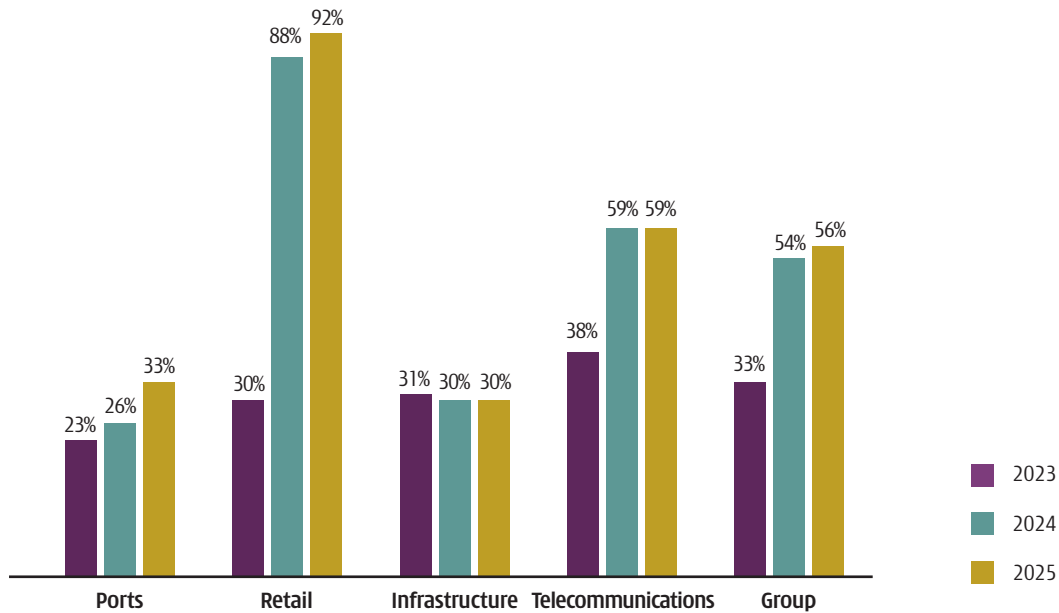
Clean Energy Transition

Renewable and other clean energy sources are the core pillars of the Group's ten key net-zero transition opportunities. As part of its climate ambition, the Group is actively advancing initiatives to reduce dependence on fossil fuels and expand the use of clean energy solutions across its global operations.

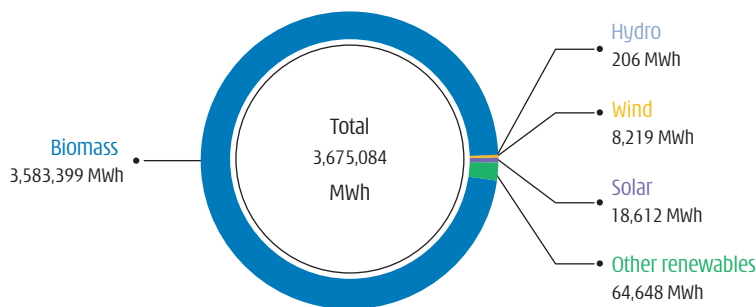
A major focus area is expanding the use of renewable electricity through EACs. The Retail division has set a goal to source 100% renewable electricity for its own operations by 2030. In 2025, the Retail division has increased its renewable energy through the

procurement of approximately 759Gwh of renewable energy via EAC across Chinese Mainland, Hong Kong, Indonesia, Malaysia, the Philippines, Thailand, Türkiye, the UK and the Benelux markets. In parallel, the Group also encourages the deployment of onsite renewable energy generation to directly supply clean electricity to facilities. Business units annually submit CAPEX proposals when considering investments in on-site renewable systems, such as solar panels, ensuring the initiatives are strategically evaluated and integrated into operational planning.

% of renewable energy purchased from RECs in 2023 to 2025



Total energy generated from on-site renewables



For details, please refer to [Appendix 1: Environmental and Social Performance Indicators](#)

Ports

STRENGTHENING CLEAN ENERGY ADOPTION AT THE PORTS DIVISION

At the Ports division, 2025 has seen the continued progress of procurement of electricity supply from renewable sources backed by the Renewable Energy Guarantee of Origin certification. At Hutchison Ports UK, Hutchison Ports BEST in Spain and Hutchison Ports ECT Rotterdam in the Netherlands, all electricity consumption is being generated or fully matched with solar, offshore wind or other renewable sources. Meanwhile, plans are in place to expand on-site renewable energy generation in other terminals.

Summary of plans to expand on-site renewable energy generation

Business units	Plans
Hutchison Ports MITT	<ul style="list-style-type: none"> In early 2024, Hutchison Ports MITT commissioned its own 100kW clean energy solar power system. Building on this initiative, the system was expanded in 2025 with the addition of a 200kW solar power plant, bringing the total installed solar capacity to 300kW by year-end
Hutchison Ports Yantian	<ul style="list-style-type: none"> Explore the application of solar panel on the roof of the building and quay cranes machinery houses
Hutchison Ports Pakistan	<ul style="list-style-type: none"> A 235kW solar power system was successfully installed in 2024, while an additional 127kW system is currently being installed An additional 400kW system will be installed
Hutchison Ports Sohar	<ul style="list-style-type: none"> Currently, Hutchison Ports Sohar has 2,000MW of photovoltaic solar capacity installed, with a target of reaching 4,800MW by 2030

Various projects of on-site renewable energy generation were completed within the year. With new sets of shore power systems installed at Hutchison Ports Yantian in China, the shore power consumption and vessel connections in 2025 marked an increase of 17% and 18% respectively compared to the previous year. From 2016 to 2025, Hutchison Ports Yantian avoided 73,212 tonnes of CO₂ emissions from vessels by using shore power. Hutchison Ports Yantian is also exploring the use of solar panels on building and quay crane machinery houses.



Shore power system at Hutchison Ports Yantian

Infrastructure



ACCELERATING ENERGY TRANSITION THROUGH RENEWABLE AND CLEANER FUEL

As a key step to achieve phasing out coal-fired generation by 2035, HK Electric successfully commissioned its new gas-fired generating unit L12 in March 2024, completing their 2019-2023 Development Plan. The unit represents a significant advancement in HK Electric's environmental strategy, and effectively halving carbon emissions compared to existing coal-fired generating units at Lamma Power Station. The implementation of L12 marks a substantial shift in HK Electric's generation portfolio, increasing gas-fired generation from 56% in 2024 to 68% in 2025. Meanwhile, another gas-fired generating unit, L13, is being constructed and is scheduled for commissioning in 2029.

EDL marks three years of operations at its Tessman Road Renewable Natural Gas (RNG) facility in San Antonio. Since launching in 2022, the site has consistently transformed methane-rich landfill gas into RNG, helping power the local VIA Metropolitan Transit fleet of CNG buses. While in full capacity, the RNG facility is capable of generating sufficient RNG to replace the use of seven million gallons of diesel each year, helping reduce GHG emissions. The project exemplifies our mission to turn waste into value, supporting both climate action and sustainable public transport.

As of March 2025, Northern Gas Networks has achieved a maximum biomethane production capacity of 18,257 standard cubic metres per hour, representing approximately 1.2% of the total network gas throughput. Over the 2024/25 period, this renewable gas supply was sufficient to heat more than 59,000 homes in the UK, demonstrating our commitment to decarbonising energy and supporting the transition to a low-carbon future.

Infrastructure



USING ALTERNATIVE FUELS AND MATERIALS TO REDUCE RELIANCE ON FOSSIL FUELS

Reaching net zero requires continual improvements in operational efficiency and circularity. A key focus is the use of alternative fuels and materials in our operations.

In the rail sector, UK Rails is working with the government to assess the replacement of diesel-only trains with hydrogen-powered alternatives, targeting readiness by 2040. To support this ambition, UK Rails is also partnering in the H2Steam Project to evaluate zero-carbon green steam technology for freight operations. The project will utilise Steamology's patented technology, which produces high-pressure steam from hydrogen and oxygen with zero emissions.

In construction materials, the Infrastructure division optimise the mix and volumes used, increase the use of alternative inputs, to reduce reliance on conventional fossil fuels and lowers the environmental impact of its products and services. For example, Green Island Cement is actively reducing coal consumption in its kiln operations by adopting alternative fuels. In recent years, the business has gradually established a stable supply of Rubber-derived Fuel, Wood-derived Fuel, Plastic-derived Fuel, and Polyurethane Residue, replacing up to 25% of total fuel in the precalciner.

Electricity generated by renewable energy in 2025 in the Infrastructure division

Renewable and clean energy sources	Attributable installed capacity (MW)	Attributable generation in 2025 (GWh)	Emissions avoided p.a. (tCO ₂ e)
Wind	150	304	45,712
Solar	44	43	5,507
Biomass	102	815	334,899
Hydro	0.05	0.34	70
Total	296.05	1,162.34	386,188

Notes: 2025 calculation was updated to include only data from EDL, AVR, Dali, Laoting, Canadian Power (Okanagan Wind), UK Renewables Energy Group and UK Power Networks.



Solar panels at EDL.

AIR QUALITY

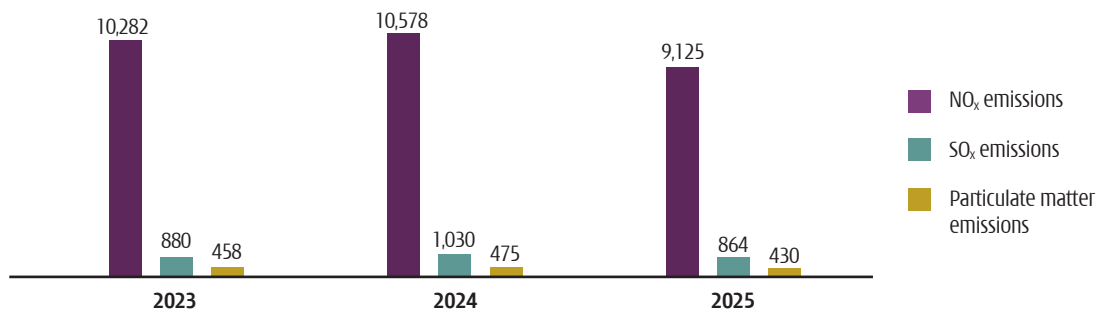
Ensuring the protection of our natural environment, including air quality, and minimising environmental impact is a core commitment of the Group, as clearly defined in our [Environmental Policy](#). The Group conducts careful and regular assessments and monitoring of air emissions and its effects on the environment and surrounding communities to uphold this commitment.

Air Emissions

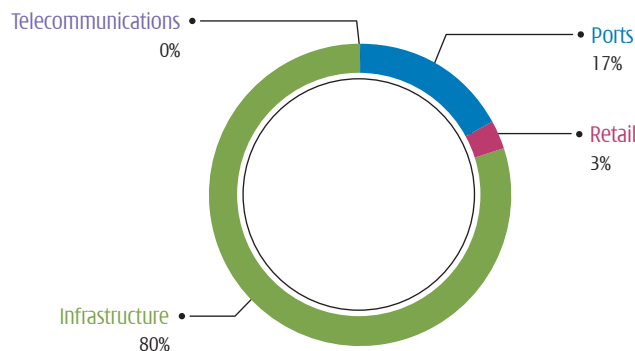
The Group's efforts include managing key non-GHG emissions, with nitrogen oxides (NO_x), sulphur oxides (SO_x), particulate matter and volatile organic compounds emissions. The management approach to these air emissions is closely aligned with the Group's decarbonisation strategy, which emphasises electrification, the transition to greener energy sources, and the implementation of clean transportation solutions – contributing to the reduction of local air pollutants. As the Ports division advances its equipment-

electrification directive, fossil-fuel consumption and the related air emissions have been gradually declining. In parallel, the division has also upgraded equipment with cleaner technologies such as diesel particulate filters and selective catalytic reduction and promotes the use of low-sulphur fuels to further minimise air emissions. In addition, the Ports division provides onshore power systems to provide electric power supply for berthed vessels, thereby reducing vessel emissions and improving local air quality.

Group air emissions (tonnes) 2023 – 2025



Group breakdown of air emissions in 2025



For details, please refer to [Appendix 1: Environmental and Social Performance Indicators](#)

Infrastructure

AIR EMISSION MANAGEMENT

Air emissions are material to the Infrastructure division. In its operations, air emissions are primarily generated from fuel or waste combustion for electricity generation, as well as from wastewater treatment processes. Fossil fuel combustion and waste incineration can produce pollutants if not effectively managed, while chemical and biological treatment processes such as nitrification and denitrification may release nitrogen compounds.

The Infrastructure division remains committed to managing and lowering air emissions through forward-looking strategies implemented across its business units, including transition towards cleaner energy sources and the adoption of advanced emission-control technologies in line with its climate goals. All facilities operate under stringent environmental permits that set clear emission limits in line with local regulations.

Summary of the Infrastructure division's targets on air quality control

Business units	Targets	Progress
UK Power Networks	<ul style="list-style-type: none"> Reduce 33% of NO_x emissions between 2023/24 and 2028/29 	on track
Phoenix Energy	<ul style="list-style-type: none"> Eliminate all air pollution emissions from SO_x and Particulate Matters ("PM2.5" & "PM10") by 2035 Eliminate all but residual emission for NO_x by 2048 	on track

SA Power Networks has implemented a proactive insulator cleaning programme to address pollution from dust, salt, and other airborne particles accumulating on electricity assets. The build-up of contaminants can cause power outages, particularly in dry conditions. By manually cleaning insulators in high-risk regions such as Kangaroo Island, Yorke Peninsula, and the Eyre Peninsula, the programme safeguards network reliability, reduces outages linked to air pollution, and protects communities until rainfall provides natural cleaning.

Ports

AIR EMISSION MONITORING AND COMPLIANCE MANAGEMENT

Across the Ports division's global operations, strict regulatory requirements have been guiding air-quality management at different locations. For example, Hutchison Ports ECT Rotterdam in the Netherlands adheres to stringent biodiversity and air quality standards for new port developments and terminal expansions. Comprehensive environmental assessments, noise and air quality studies, and nitrogen emission calculations to secure permits are implemented before new port developments and terminal expansions to comply with the regulatory requirements. Hutchison Ports UK has developed an air quality strategy that identifies emission sources, calculates inventories, and recommends monitoring approaches to meet the national air quality objectives.

Infrastructure 

ENHANCING SF₆ EMISSIONS MANAGEMENT

The division recognises the environmental impact of SF₆, a potent GHG commonly used in electricity network equipment. UK Power Networks, SA Power Networks, and Victoria Power Networks are adopting innovative strategies to reduce their use and future proof their networks.

- UK Power Networks has introduced the UK's first "clean air" Gas Insulated Switchgear system at 132,000 volts, which operates with zero global warming potential.
- SA Power Networks is trialling pure air technology and phasing out SF₆-insulated assets through a comprehensive life-cycle management plan.
- Victoria Power Networks is evaluating non-SF₆ alternatives in line with emerging regulatory requirements across relevant jurisdictions, supporting a more sustainable electric grid.



"Clean air" Gas Insulated Switchgear system at UK Power Networks.

Telecommunications 

IMPROVING AIR QUALITY FOR THE CITY

Together with the City of Stockholm and its analytics partner, the Train Brain, **3** Sweden contributes to an innovative urban mobility project that uses anonymised positioning data to study behavioural patterns linked to the introduction of car-free zones (Stadsmiljözonen and Environmental Zone 3). The project aims to understand how changes in the transport system affect travel habits and different sociodemographic groups, providing the city with objective data to evaluate and refine air quality initiatives. Data collection began in 2024 and continues in 2025, supporting evidence-based decisions on measures to reduce local air pollution and traffic-related emissions. While the initiative contributes to decarbonisation goals, its primary focus is to improve local air quality and create healthier urban environments – insights that are already attracting international attention.

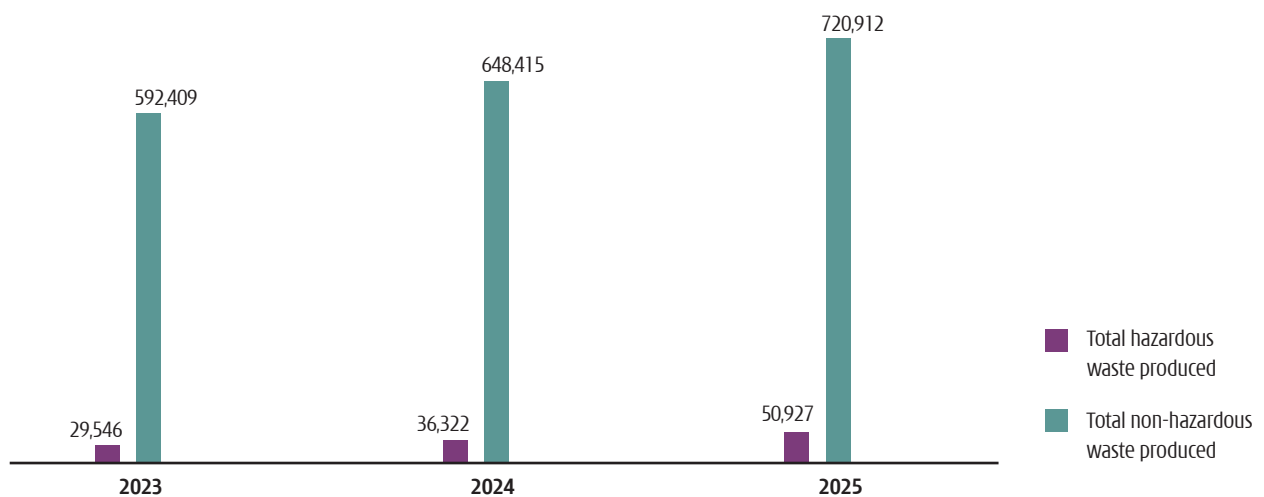
CIRCULAR ECONOMY

"Promoting a Circular Economy" is one of the eight key goals in the Group Sustainability Framework, shaping how resources are managed across the value chain. The Group is committed to minimising waste and maximising resource efficiency by redesigning products, systems, and services to ensure they are durable, reusable, repairable, and recyclable.

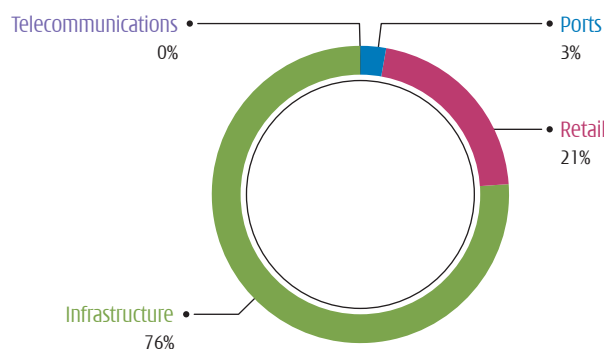
The approach includes substituting high-impact materials with lower-impact alternatives, reusing resources wherever possible, and recycling when other options are exhausted. This circular economy strategy reinforces the commitment to a more sustainable future and closely integrates with other material topics in this report, including:

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

Group waste produced (tonnes) 2023 – 2025



Group breakdown of waste in 2025



For detail, please refer to [Appendix 1: Environmental and Social Performance Indicators](#)

Opportunities in Waste-to-X Technologies

The Group continues to identify sustainable investment opportunities and support the transition to a more resilient operating model. This involves prioritising projects and businesses that enhance long-term environmental resilience and resource efficiency. Resource recovery and waste minimisation remain key growth areas within the Infrastructure division, led by its two waste management providers: EnviroNZ and AVR. These business units play a pivotal role in advancing the Group's circular economy and decarbonisation objectives, turning waste into valuable resources and reducing environmental impact across the value chain.

EnviroNZ treats waste responsibly and achieves landfill gas collection and destruction efficiencies exceeding 90%. At Hampton

Downs, captured landfill gas generates electricity, while at Bonny Glen, it is used to evaporate landfill leachate.

AVR promotes circularity by processing bottom ash into marketable products. The residual byproduct of waste incineration is the ash at the bottom of the incinerator. AVR's partners transform this 'bottom ash' into clean granular aggregates, which manufacturers of construction materials use as a gravel substitute in concrete products. These granules are also utilised as clean construction materials, for example, in Rijkswaterstaat (Ministry of Public Works) infrastructure projects. AVR has built a new collection facility to improve efficiency in collecting and processing bottom ash into useful materials, supporting the circular economy.



EnviroNZ commissioned New Zealand's first plant to convert unrecyclable plastics into process engineered fuel.

Diverting Waste from Landfill

Reducing the volume of waste sent to landfill remains a top priority for local authorities, which are increasingly imposing regulations and financial penalties to slow the depletion of landfill capacity and avoid the need for new sites. In alignment with this direction, business units across the Group have set ambitious targets to divert waste from landfill, reinforcing the commitment to circular economy principles and advancing more sustainable waste management practices.

The Retail division has introduced initiatives including recycling programmes for cardboard, plastics, and pallets, food waste diversion (with some of non-edible food waste composted or repurposed as animal feed), and office waste reduction measures such as "scan-to-print" systems and recycling drives.

Summary of waste management targets across the Group

The Group's business units have taken effective waste management initiatives and set relevant targets to ensure measurable progress.

Division	Business units	Targets	Progress
 Infrastructure	HK Electric	<ul style="list-style-type: none"> Reduce total waste generation of its key office premises by 10% in 2025 as compared to 2020 Collect 5,000kg of used lead-acid batteries for recycling by local recyclers each year during the period from 2024 to 2028 	<p>Achieved</p> <p>Achieved in 2024</p>
	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 No recoverable waste to landfill by 2025 	<p>69.8% reported in 2025</p> <p>99.9% reported in 2025. Zero waste to landfill was achieved in January 2026, which was independently assessed and verified</p>
	Northern Gas Networks	<ul style="list-style-type: none"> Send less than 0.1% of excavation spoil 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 0% waste to landfill by 2031 	<p>0.02% reported in 2025</p> <p>17% reduction achieved compared with 2018</p> <p>4% reported in 2025</p> <p>0.02% reported in 2025</p>
	Wales and West Utilities	<ul style="list-style-type: none"> Send less than 20% of total excavated spoil materials to landfill by 2026 as compared to 2019 Send a maximum of 20% waste to landfill by 2026 	<p>0.5% reported in 2025</p> <p>0.06% reported in 2025</p>
	Northumbrian Water	<ul style="list-style-type: none"> Achieve zero business waste by 2025 	Working with supply chain partners to prevent single use plastic whilst concurrently looking for other alternatives
	Alliance Construction Materials	<ul style="list-style-type: none"> Reduce solid waste extracted from plant yard washout to 0.02T/m³ of concrete produced 	0.00524T/m ³ reported in 2025
	Reliance Home Comfort	<ul style="list-style-type: none"> Recycle 70% of residential and commercial waste 	79% reported in 2025
 Retail	Division-wide target	<ul style="list-style-type: none"> The Retail division is committed to achieving "Zero Waste to Landfill" by 2030 	In 2025, 96% of operational waste was diverted from landfills
 Telecommunications	HCHK	<ul style="list-style-type: none"> Achieve a recycling rate of 35% for general office waste produced by the Hong Kong operation by 2030 	On track
	3 Denmark	<ul style="list-style-type: none"> 98% of returned devices reused or recycled 	100% of returned devices were received or recycled

Robust measures are being implemented to ensure compliant and sustainable handling of operational waste generated by the Group. To ensure terminal waste is stored, transferred, and disposed of responsibly and in compliance with all relevant legislation, the Ports division has implemented a dedicated waste management standard across its global operations. It has established a consistent approach for all ports and terminals, supported by regular monitoring of waste reduction performance. These reviews help track progress, identify improvement areas, and drive continuous

enhancement in waste handling and minimisation practices. In the Retail division, hazardous waste, for example, e-waste, batteries, lighting, and chemicals, is minimised and managed according to local laws. Disposal is handled by licensed contractors, for example, food and beauty product waste is managed via composting or specialised disposal. Hazardous waste metrics are tracked annually, and staff are trained on proper waste handling procedures. The strategy is yielding results, with nearly all non-hazardous waste recycled or repurposed.

Ports



RESPONSIBLE MANAGEMENT OF HAZARDOUS WASTE

The Ports division has implemented various initiatives aimed at reducing, reusing, and recycling hazardous waste, with the purpose of minimising the environmental and health risks associated with its operations and ensuring compliance with applicable regulations. Key actions include:

- | | |
|--|--|
| Hutchison Ports BEST | <ul style="list-style-type: none"> Recycle batteries, electronic waste, and waste oil. The recovered oil is repurposed for the production of new lubricants and asphalt. |
| Hutchison Ports LCMT and Hutchison Ports TIMSA | <ul style="list-style-type: none"> Optimising the use of supplies and chemicals through proper planning of their use, in order to avoid the unnecessary generation of hazardous waste. Segregating and temporarily storing hazardous waste in a properly marked area, in accordance with the procedures of the Environmental Management System. Providing regular training to operational personnel on the safe handling of hazardous substances, labelling, emergency response, and good environmental practices. Using lubricating oils with a longer lifespan, promoting a reduction in the volume sent to final disposal. Contracting with authorised companies for the collection, transportation, and treatment of hazardous waste, ensuring complete traceability of its management. |
| Hutchison Ports Thailand | <ul style="list-style-type: none"> Hutchison Ports Thailand sets quantitative goals to recycle hazardous waste. For example, recycling waste oil by 100%, ensuring that all used oil is collected, treated, and repurposed rather than discarded. |

Responsible and Circular Devices and Accessories

The Telecommunications division promotes circularity by extending device lifecycles and reducing resource consumption. Most of CKHGT's major markets have device take-back or trade-in arrangements in place – in many cases taking devices originally sold by any retailer. **3** Sweden offers a series of circular solutions, including:

- **3**Atervinn: a take-back programme for hardware collection and refurbishment
- **3**Begagnat: providing customers with refurbished devices
- **3**Leasing, enabling device-as-a-service options instead of outright purchase
- Subscriptions labelled Bra Miljöval (Good Environmental Choice): offering reduced environmental impact

3 Denmark, **3** Sweden and Wind Tre's sells refurbished smartphones, delivering cost savings and lower CO₂ emissions. Through its partnership with Bolttech, Wind Tre provides "Reload" services, allowing customers to replace devices with refurbished or repaired products. **3** Ireland supports circularity with in-store repair services, an online booking portal, and interactive device guides. **3** Hong Kong offers carbon-neutral EcosIM cards, manufactured from 100% recycled plastic.

Focus on E-Waste

The Telecommunications division is committed to reducing e-waste responsibly through a range of initiatives across its markets.

3 Denmark requires subcontractors to ensure responsible waste treatment and maintain proper documentation, reinforcing compliance and accountability. **3** Sweden launched a nationwide initiative in 2025 to enable all retail stores to accept used devices from customers. This programme promotes safe disposal and recycling, with full coverage targeted by mid-2026. Wind Tre addresses its network equipment waste through a long-standing decommissioning project. Dismissed equipment and spare parts are sold to third parties for reuse, reducing waste and extending product life. Additionally, Wind Tre offers comprehensive post-sales services, including repairs and device substitution, ensuring that customers can reuse and repair devices. Non-reusable devices are recycled, with raw materials recovered by specialised companies.

In 2025, **3** Ireland achieved its 2025 target to ensure that 100% of decommissioned network equipment was reused or responsibly recycled. **3** Ireland has established reuse and recycling partnerships to support the achievement of this target. This included its partnership with Irish Metals, to recycle in compliance with local regulations. The company is transitioning to longer-life lithium-ion batteries to further reduce waste. **3** Hong Kong operates device trade-in and recycling programmes and ensures 100% recycling of waste batteries. **3** Austria has partnered with authorised companies to recycle network equipment, data centre racks, and parts, implementing strict information security measures. An e-waste process description has been established as a quality KPI for 2025.



The new "Sustainability Centric" Brand Retail Spaces at Hutch Lanka provides e-waste collection points and curated sustainability visuals and facts, encouraging the public to participate in the circular economy.

Focus on Plastic

Plastic use remains a significant operational challenge across the Group. With growing global emphasis on circular solutions, the divisions are actively exploring and implementing measures to mitigate their impact and advance sustainable practices. Please see also the Sustainable Product Choices Section at the [Sustainable Business Model and Innovation Chapter](#) for more information.

Ports



REDUCING PLASTIC ACROSS HUTCHISON PORTS OPERATIONS

Hutchison Ports is committed to minimising plastic use and advancing circular practices across its global operations. Hutchison Ports BEST in Spain installed designated recycling bins in offices to facilitate waste segregation and ensure that plastics are properly collected and recycled. Hutchison Ports LCMT in Mexico focused on source separation and the recovery of recyclable plastics. Through the collaboration with authorised recycling partners, Hutchison Ports LCMT enables effective collection and processing. Meanwhile, the Ports division also promotes effective usage of resources in its operation, for example plastic pallets are reused to extend their lifecycle before end-of-life treatment. Hutchison Ports MITT in Myanmar rethreaded tyres at local facilities for reuse on terminal tractors and trailers. Packing materials, old tyres and plastic bottles are also repurposed for onsite gardening, reinforcing a culture of sustainability.

Retail



SIGNATORY TO THE NEW PLASTICS ECONOMY GLOBAL COMMITMENT OF THE ELLEN MACARTHUR FOUNDATION

As a signatory to the Ellen MacArthur Foundation's New Plastics Economy (NPE) Global Commitment, AS Watson demonstrates its commitment to advancing a circular economy for plastics. Building on its 2025 NPE target, AS Watson has set a strengthened goal to reduce virgin plastic use on Exclusive Brands products by 21% by 2030, using 2022 as the base year. The 2030 commitment reflects continued progress, following the successful achievement of an over 5% reduction in virgin plastic use against a 2020 baseline, exceeding the original 5% reduction target for 2025. This ongoing commitment underscores AS Watson's focus on reducing reliance on virgin materials through improved packaging design, increased recycled content, and value chain collaboration.



Product End-of-life Sustainability

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 and implement shared solutions to environmental challenges. In 2025, the Group core businesses have continued to deepen these efforts in promoting a circular economy.

Retail 

TAKE-BACK PROGRAMME

Take-back programmes are available in several markets, where product packaging is then provided to reputable NGOs for recycling or upcycling.

AS Watson has partnered with suppliers to roll out empty beauty product container recycling campaigns across eight markets, including Watsons in Hong Kong, Indonesia, the Philippines, Singapore, Taiwan and Ukraine, as well as Drogas in Latvia and Superdrug in the UK. The campaigns aim to reduce packaging waste and support the company's circular economy objectives, while encouraging sustainable consumer habits.

Consumer engagement varies significantly by market. In Asia, engagement trends indicate that younger consumers tend to demonstrate higher sustainability awareness, underscoring the importance of tailoring approaches to local lifestyles and preferences. Momentum has continued to build: for instance, in 2025, Watsons Hong Kong collected 700,000 empty beauty containers through its recycling programme, demonstrating the impact of sustained engagement and locally adapted strategies in advancing circularity within the beauty industry.



AS Watson collaborates with different brands, such as Colgate and L'Oréal to launch Take Back Programmes.

REFILL REVOLUTION

The Refill/Reuse/Replace pillar has shown the strongest momentum among Watsons' Sustainable Choices pillars, reflecting rising customer acceptance of circular consumption. This performance underscores the effectiveness of refill solutions in reducing packaging waste while maintaining customer convenience. By expanding refill formats across categories and collaborating closely with suppliers, Watsons is accelerating the transition from single-use packaging to reuse-based models, reinforcing its commitment to resource efficiency and long-term environmental impact.

Telecommunications



REDUCTION OF E-WASTE

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.

Reload and Reload Exchange

The "Reload" services involve the possibility of replacing an old or broken smartphone with a refurbished or repaired product. Reload exChange is a "Trade in" service. With Reload exChange, Wind Tre customers are able to trade their used phone in, within Wind Tre stores, and receive cash payments directly to their bank accounts, up to €800 depending on the brought back smartphone. In addition, customers who have subscribed to Reload exChange can buy a new smartphone at special price. The service is provided by Wind Tre in partnership with Bolttech Device Protection (Italy) s.r.l.

Handyfreiheit

Handyfreiheit is a smartphone rental model offered by 3 Austria, designed to be flexible and environmentally conscious. There is no device purchase, upgrade option after 12 months or reduced monthly cost. The returned phones are refurbished and resold to authorised refurbishment partner companies.



The Handyfreiheit campaign ensures that refurbished phones are given a second life.

WATER STEWARDSHIP

Climate change is increasing the frequency and severity of extreme weather events such as droughts and floods, creating greater challenges for sustainable water use and risk management. Operating across multiple industries, the Group recognises its impacts on water resources and the importance of responsible management, as water scarcity has been identified as a material topic.

As a signatory of the United Nations Global Compact since 2021, the Group strives to uphold effective water stewardship. In line with the [Sustainability Policy](#) and the [Environmental Policy](#), a comprehensive approach addressing water consumption, water-related risk, and overall water management has been developed and implemented across operations. Throughout the year, the Group has applied effective water conservation and risk mitigation measures, monitoring and implementing initiatives to manage or reduce effluents. Furthermore, the Group actively collaborates with stakeholders to drive enhancement in water efficiency and to explore the application of innovative solutions through ongoing investment.

The Group's core businesses operate across industries, each division is developing or has developed their respective strategies that are suitable and applicable to their specific business operations. These strategies cover the following:

- Water risk management
- Performance monitoring and progress
- Management measures and planning
- Wastewater management
- Driving innovation to advance water stewardship

Water Risk Management

With an aim to understand the potential impacts of its water-related activities, the Group conducts regular assessments of the potential impacts of its water-related activities, with particular attention paid to divisions that have significant water consumption. Consistent with the recommendations of the TCFD, the Group provides best-practice guidelines across its operations to evaluate, monitor, and implement corrective and adaptive measures addressing climate change and associated water risks. This proactive approach is also adopted by operations across the Group, supporting the development and continuous enhancement of the overall water stewardship strategy, which is aligned with its commitment to the United Nations Global Compact.

As an example, Watsons Water from the Retail division has developed a comprehensive water risk assessment framework aligned with the recommendations of the TCFD and the Enterprise Risk Management methodology, evaluating risks based on likelihood and impact across physical, regulatory, and reputational dimensions. Watsons Water has also combined two reputable assessments to strengthen the evaluation process: WorldWide Fund for Nature's (WWF) Water Risk Filter and CDP's water risk evaluation. The WWF Water Risk Filter provides a self-assessed risk rating, while the CDP water risk assessment ensures consistency and depth of analysis. The assessment results have guided target setting and informed investment plans for water efficiency solutions at Watsons Water. Annual reviews of these results ensure that they remain up to date and responsive to emerging risks.

Retail



STRENGTHENING WATER-RELATED RISK MANAGEMENT

The Retail division embeds water-related risk assessment outcomes into strategic planning and daily operations. As a result of the assessment, the division prioritises investments in advanced water-saving technologies, enabling more efficient resource allocation and enhanced operational performance. Key measures include deploying smart devices to detect and reduce leakage and water loss in production, as well as implementing water reuse systems within processes to minimise discharge and support circular use. Sustainability projects linked to these initiatives are regularly reviewed by designated project leaders to ensure compliance with environmental regulations, achievement of internal performance targets, and alignment with long-term sustainability goals.

As part of the continual assessment, the water manufacturing division of the Retail division, AS Watson Industries, implemented a one-year collaboration with the Hong Kong University of Science and Technology in 2025, and the aim was to assess climate-related water risks across its beverage operations. Insights from this project informed decisions on infrastructure upgrades, seasonal resource planning, governance enhancements, and improvements to water reuse systems, reinforcing resilience to water scarcity, extreme weather events, and long-term climate challenges.

Ports



MANAGING WATER-RELATED RISKS AND WASTEWATER

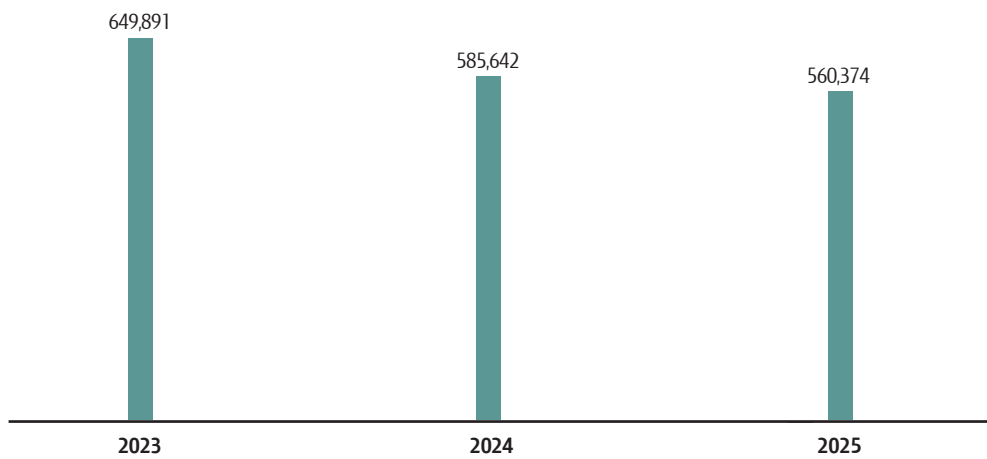
The Ports division actively manages water-related risks through comprehensive monitoring, compliance systems, and resource efficiency measures. At Hutchison Ports BEST in Spain, regular water quality analysis is conducted at discharge points before releasing into the public sewer system, ensuring regulatory compliance. Hydrocarbon separators have been installed to meet permitted limits. In response to recent water scarcity linked to climate change, Hutchison Ports BEST has reduced faucet and bathroom pressure, lowering consumption without sanctions.

At Hutchison Ports Ajman in the UAE, water-related risks are managed in line with Group policies and national regulations. Physical risks, including water scarcity and potential contamination, are mitigated through preventative maintenance and continuous monitoring. Regulatory compliance is ensured through adherence to UAE standards and internal audits, while transparency addresses reputational risks.

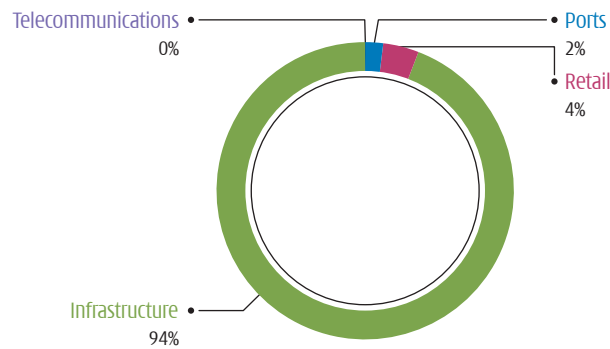
Performance Monitoring and Progress

In the pursuit of sustainable operations, the Group's core businesses prioritise responsible water resource management. Most water consumption supports essential functions such as cleaning and cooling assets and facilities, as well as delivery of products and services to customers. Notably, over 94% of total water usage occurs within the Infrastructure division, primarily driven by electricity generation and water utilities and services operations. Tailored to the specific context and water usage profile, business units at different sectors have established targets to stimulate continuous improvement in water resource management and resilience of wastewater treatment.

Group water withdrawal ('000m³) 2023 – 2025





Group breakdown of water consumption in 2025



For details, please refer to [Appendix 1: Environmental and Social Performance Indicators](#)

Water-related targets at divisions

Examples of water-related targets can be found across divisions to strengthen effective water use management.

Division	Business units	Targets	Progress
 Infrastructure	HK Electric	<ul style="list-style-type: none"> Reduce total water consumption of its key office premises by 1% in 2025 as compared to 2020. Reduce corporate water intensity (per unit of electricity sold) by 7% by 2029 as compared to 2024. 	6% reduction reported compared to 2020 On track
	UK Power Networks	<ul style="list-style-type: none"> Reduce 10% water consumption by 2028 as compared to 2024 consumption. 	On track
	Northumbrian Water	<ul style="list-style-type: none"> Reduce leakage by 12% and 14.1% in the north and the south respectively by 2025 as compared to 2019. 100% meters to be smart meters by 2035. 	Achieved On track
 Retail	AS Watson Industries	<ul style="list-style-type: none"> Achieve a water efficiency ratio of 0.42 by 2025 and 0.44 by 2030. 	Achieved a water efficiency ratio of 0.34 in 2025. ⁽¹⁾

As a leading utility provider, Northumbrian Water from the Infrastructure division sources water and subjects it to rigorous treatment processes to ensure that it meets the highest quality standards before being supplied for consumer use. The company also manages wastewater collection and treatment, ensuring compliance with strict environmental standards before returning water safely to the environment, while effectively managing its water consumption.

Business units at the Ports division perform regular monitoring to promptly address water quality issues. At Hutchison Ports TIMSA in Mexico, periodic water quality assessments are conducted in accordance with applicable environmental regulations to strictly control maximum permissible limits of pollutants in its discharge. Meanwhile, Hutchison Ports Sydney in Australia utilises stormwater quality improvement devices to improve outlet water quality to surrounding water bodies.



Northumbrian Water continues to upgrade its sewage networks and treatment systems.

(1) In HY1 2025, certain production lines and facilities have been relocated from Huangpu factory to the newly opened Foshan factory. Consequently, the Huangpu factory experienced lower overall water efficiency and a reduction in production volume for a certain period of time in 2025.

Infrastructure



MONITORING OF STORM OVERFLOW AND FLOODING RISKS

Climate change also presents a pressing challenge to Northumbrian Water, where frequent and severe weather events significantly intensified storms and flooding in its operating regions. Northumbrian Water is committed to continuing the hard work and reducing storm overflow spills even further in 2025 and is pioneering an innovative technology, "Smart Sewers". The project was launched in July 2024 and involves using AI and sensors to help move wastewater around the companies' system of pipes in real time to balance flows over a greater area – helping to reduce the risk of needing to use a storm overflow to relieve the network.

In addition, Northumbrian Water has launched a new initiative to enhance river quality monitoring across the North East of the UK. As part of the project, solar-powered monitors are being installed in rivers, streams, and beckes to enable faster detection and response to potential issues. These monitors record key watercourse parameters every 15 minutes, quickly picking up changes in conditions, allowing teams to take prompt corrective action.

To date, 31 monitors have been deployed in locations such as Houghton-le-Spring and Rainton. Over the next four years, an additional 390 units will be installed, covering areas from North Northumberland to North Yorkshire.

Retail



STRENGTHENING WATER PERFORMANCE THROUGH TARGETED MONITORING

To achieve its water stewardship goal, AS Watson Industries, the water manufacturing division of the Retail division, conducts regular performance reviews supported by advanced metering, production-level monitoring, and analytics-driven reporting. Under the governance of AS Watson Industries' sustainability taskforce and senior management, these insights inform investments to reduce freshwater extraction and minimise wastewater discharge.

AS Watson Industries also advances water stewardship through community engagement and external collaboration. Since 2021, it has participated in the Enterprises Cherish Water Campaign, engaging in water-efficiency benchmarking, adopting efficient water-using devices, and exploring innovative solutions. In recognition of its leadership in responsible water use, AS Watson Industries received the ECH₂O Award in 2025.

Management Measures and Planning

The Group recognises the importance of preserving natural resources and consistently encourages business units to consume water responsibly. This commitment is embedded across all core businesses. Beyond water risk identification, assessment and management, the Group's water stewardship strategy includes efficiency improvements, water recycling and reuse, continuous monitoring, and awareness campaigns.

Infrastructure



STRENGTHENING RESILIENCE AGAINST DROUGHT AND SECURING WATER RESOURCES FOR THE FUTURE

Northumbrian Water is tackling the dual challenges of climate change and population growth with strategic investments in infrastructure and sustainable water resource management. Its Water Resources Management Plan, spanning 2025 to 2050, outlines a roadmap to secure reliable water supplies while achieving significant reductions in leakage and safeguarding the environment. Key targets include the following:

- A 55% reduction in leakage in the Northumbrian Water region by 2050;
- A 40% leakage reduction in Essex and Suffolk over the same period;
- Reducing household water consumption to an average of 122 litres per person per day by 2038, and 110 litres by 2050; and
- Reducing non-household water demand by 9% by 2038

Northumbrian Water has launched a trio of environmental projects aimed at cutting sewer spills, and protecting local rivers and watercourses. By upgrading infrastructure and introducing smarter management systems, the projects will reduce pollution events, safeguarding water quality and aquatic habitats.

Since 2023, Northumbrian Water has invested over £175 million in two major pipeline projects to upgrade and futureproof its water supply network. In its first project, more than 200,000 customers across the south of County Durham and into the Tees Valley are benefiting from a £155 million pipeline investment. The programme involves installing entirely new pipelines and replacing sections of the network that have served the area for over 100 years. This multi-year project will improve resilience and allow Northumbrian Water to continue delivering for the people of the area for generations to come.

In Essex, Northumbrian Water is also constructing a pipeline to transfer untreated water from the Layer-de-la-Haye Water Treatment Works to the existing reservoir at Langford Water Treatment Works, providing enhanced resilience during drought and hot weather periods. This £20 million investment will install 19 km of new pipeline, linking and balancing the use of water resources in the northern part of Essex with those in the south of the county. The pipeline will add resilience to supplies for more than 370,000 customers and will be capable of carrying up to 50 million litres of water a day.

Ports



WASTEWATER TREATMENT, RECYCLING INITIATIVES AND CORRECTIVE ACTIONS

In 2025, initiatives implemented across Hutchison Ports resulted in the recycling of 2,209 m³ of wastewater.

Hutchison Ports UK sites are equipped with separate drainage systems for clean surface water and contaminated foul water. Foul water effluent is either contained for collection as controlled waste or directed to the public sewer system in accordance with site requirements, where it is treated by the water undertaker for reuse.

Telecommunications



WATER MANAGEMENT MEASURES

Given its business nature, water consumption is less intensive in the Telecommunications division. Water-saving initiatives are actioned at the administration level. For example, at Wind Tre in Italy, a recovery system was installed to redirect excess water from the evaporative towers for irrigation at the facility's garden.

3 Austria has implemented the power monitoring software "StruxureWare DataCenter Expert" from Schneider Electric to actively monitor and optimise power consumption at three locations. The company had completed the replacement of cooling equipment in data centres with "adiabatic coolers" - closed-loop ambient air-water cooling systems which have a higher heat transfer efficiency, achieving energy savings of more than 10%, and expected to achieve approximately 10,000m³ of water savings per year.

Wastewater Management

The Group has implemented measures across its business units to ensure that wastewater is properly treated before discharge or responsibly reused and recycled. Programmes are in place to meet local regulatory requirements.

Infrastructure



PROTECTING RIVERS THROUGH SUSTAINABLE WASTEWATER SOLUTIONS

Northumbrian Water delivers a series of targeted environmental projects to reduce sewer spills and protect rivers and streams across the Northeast of the UK. These initiatives combine infrastructure upgrades with smarter management systems to prevent pollution events, safeguard water quality, and preserve aquatic habitats. In Hexham, a major infrastructure upgrade enhances sewer and treatment capacity at the River Tyne, reducing discharge risks and supporting the ecological integrity.

Northumbrian Water is also investing in initiatives to enhance water resilience and protect natural ecosystems. This includes renewing 800 metres of water mains under a £150,000 scheme to maintain high-quality tap water and service reliability. In addition, the company is delivering multiple environmental projects to reduce sewer spills, expand wastewater capacity, and safeguard rivers and watercourses such as the River Coquet, River Tyne and the North Yorkshire Beck. Through infrastructure upgrades, smarter management systems, and sustainable solutions, these programmes aim to cut pollution events, protect biodiversity, and strengthen ecological health.

Separately, Northumbrian Water has invested £17.5 million in a dedicated programme to strengthen local watercourses across the region. This initiative expands capacity, improves overflow control, and integrates sustainable solutions to protect rivers and streams from pollution, while enhancing service resilience for customers.

Retail



SUSTAINABLE WASTEWATER SOLUTIONS IN PRODUCTION

The water manufacturing division of the Retail division has implemented a series of water and energy management initiatives. Advanced devices have been installed across production lines to reduce water leakage, while greywater recycling systems – such as reusing rinse water from carboy bottle washing for toilet flushing – have been adopted to minimise discharge and reduce reliance on external water sources.

In parallel, energy and water meters have been deployed throughout its Chinese Mainland production lines to enable real-time monitoring and data-driven analysis of energy consumption. This allows the identification of high-usage areas and supports the implementation of targeted energy-saving measures, contributing to reduced environmental impact and improved resource efficiency.

Optimisation initiatives have also been implemented – such as reducing rinsing pressure and modifying bottle washers in 2024/2025, and over 70 tonnes of water were saved per operational day.

Driving Innovation to Advance Water Stewardship

The Group remains committed to advancing water stewardship through continuous innovation and technology-driven solutions. In 2025, the Group focused on investing water efficiency technologies and collaborating with partners to safeguard water resources. These initiatives not only strengthen our ability to manage water responsibly but also support long-term resilience in the communities where we operate.

In the Infrastructure division, Northumbrian Water launched a five-year improvement plan in April 2025, investing £3.6 billion to upgrade key infrastructure across the region. The programme includes enhancements to pipelines, treatment works, and pumping stations, aimed at improving environmental performance and ensuring customers continue to receive reliable, high-quality water and wastewater services. These upgrades are expected to

reduce leakage, lower energy consumption, and minimise carbon emissions, while improving water efficiency and safeguarding local ecosystems.

Since 2017, Northumbrian Water has been organising its Innovation Festival to attract innovative solutions, new technologies, and partnerships that advance sustainable water management practices. At its ninth festival in 2025, more than 45 high-potential projects were born which have the potential to contribute to a total value of more than £100 million/year for Northumbrian Water over the next five years. These new projects spans aspects ranging from water treatment with artificial intelligence, water monitoring and incident management, to leveraging AI and remote sensing to enhance river health.



Innovation at Northumbrian Water to advance water stewardship.

BIODIVERSITY PROTECTION

Biodiversity underpins the health, stability, and resilience of the planet, with air, land, water systems, and the diverse habitats forming valuable assets that sustain ecosystems. These natural systems provide the foundations for human livelihoods, wellbeing and long-term economic growth, supporting everything from food and water security to climate regulation. As a multinational operator, the Group recognises its responsibility to safeguard nature and respect all forms of life, embedding these values at the core of its business strategy and decision-making.

The Group is dedicated to operating responsibly, reducing its environmental footprint and carefully managing biodiversity-related risks and impacts across its operations. This commitment is reinforced through the [Biodiversity Policy](#) introduced in 2023, which provides a framework to guide practices, decision-making and management actions across all business units.

Governance on Biodiversity

The Group continuously reviews and updates its key policies to stay aligned with evolving industry expectations and global best practices. As set out in the Biodiversity Policy, the Group is committed to complying with or exceeding statutory requirements relevant to biodiversity in the markets where the Group operates. In line with this commitment, the Group seeks to protect natural resources, minimise the impact of business activities and to enhance awareness and engagement among employees, customers and the Group's value chain partners on biodiversity matters.

Ecological and Biodiversity Conservation

The Group remains committed to supporting biodiversity conservation and environmental protection initiatives. In 2025, business units across divisions have continued to follow relevant guidelines to manage and minimise biodiversity impacts, proactively collaborating with NGOs and local communities. These efforts are already generating positive outcomes.



Hutchison Ports Port of Felixstowe in the UK hosts a nesting site for protected Peregrine Falcons

ADOPTING CONSERVATION MEASURES, AND ADVANCING RESTORATION INITIATIVES

Within the Infrastructure division, business units are implementing conservation initiatives and progressing toward biodiversity targets.

Business units	Biodiversity targets	Status
Northumbrian Water	<ul style="list-style-type: none"> Net gain in biodiversity of 10% by 2050 for all of its construction activities 	On track
SA Power Networks	<ul style="list-style-type: none"> Develop an Action Plan for Nature and Biodiversity 	Focus shifted to gap assessment of management practices
UK Power Networks	<ul style="list-style-type: none"> Increase the biodiversity of new major substation development by a net gain of 10 – 20% and at 100 existing sites by a net gain of 30% overall over 2023 – 2028, compared to the beginning of the period Identify and assess an additional 100 sites for biodiversity enhancement by 2028 	To date, biodiversity enhancement has completed at 27 of the UK Power Networks' sites Achieved
AGIG	<ul style="list-style-type: none"> Set biodiversity targets by end of 2025 	Achieved
Wales & West Utilities	<ul style="list-style-type: none"> Commit to "no net loss" on designated projects between April 2021 and March 2026, and achieve biodiversity net gain on impacting work from 2026 Commit to planting five trees for every tree cut down 	On track 4,185 trees were planted in 2025
Northern Gas Networks	<ul style="list-style-type: none"> Plant 20,000 saplings to create two miles of new hedgerow by 2031 	Project is in the planning stage and will commence in 2026

Infrastructure



PIONEERING SUSTAINABLE AND BIODIVERSITY-DRIVEN WATER INFRASTRUCTURE

At its County Durham and Tees Valley Project, Northumbrian Water is also set to transform an area of poor quality grassland in County Durham into a thriving habitat for flora and fauna. The transformation of this area will deliver "Biodiversity Net Gain" as part of a project to upgrade the water supply network, leaving the local environment in a better state than it was before construction began.

In addition, Northumbrian Water has installed a fish and eel bypass around a weir on the River Blackwater near Maldon. The bypass enables natural upstream migration, supporting the life cycle of eels and other native fish species. This project enhances aquatic biodiversity and improves ecological connectivity in the river system.

Ports



PROTECTING WILDLIFE

In May 2025, volunteers from Hutchison Ports UK Port of Felixstowe installed 300 posts, cordons, and signs at a nearby Nature Reserve to protect ground-nesting birds during breeding season. These measures enhance nesting success for Ringed Plovers and provide undisturbed resting areas for seals within this site of special scientific interest. The Port of Felixstowe also supports approximately 2,000 seasonal gulls, whose nests are protected and managed under an A09 Licence from Natural England. Additionally, the port provides habitat for Peregrine Falcons and other protected species.

Hutchison Ports UK collaborates closely with ecological specialists to ensure that operations avoid disturbing wildlife during sensitive nesting periods, demonstrating proactive biodiversity stewardship. Meanwhile, Hutchison Ports Sydney in Australia operated nest for a threatened Osprey that returned for a second consecutive nesting season, selecting a light pole within the terminal as its nesting site. In collaboration with the engineering and maintenance team and national parks and wildlife service, "bird spiders" were installed on all other light poles to discourage additional nesting while leaving the chosen pole undisturbed. At the season's end, the nest is carefully removed and replaced with a nesting basket, enabling the Osprey to continue living safely without attempting to nest on quay cranes.

Risk and Impact Mitigation Assessment

The Group is continuing to strengthen its systematic approach to understand nature-related risks and opportunities. The Group is working closely with divisions on implementing the four-step assessment and mitigation approach, from locate, evaluate, assess and prepare, referencing the LEAP approach from the Taskforce on Nature-Related Financial Disclosures (TNFD). Furthermore, divisions have undertaken the necessary evaluations of potential biodiversity and ecosystem impacts in adherence with relevant regulatory requirements.

The Infrastructure division embeds biodiversity considerations throughout the asset life cycle by applying conservation measures and supporting habitat restoration to address biodiversity loss. Biodiversity factors are systematically integrated into line clearance

and maintenance activities. At Victoria Power Networks and United Energy, the environmental planning and heritage team standardise assessment processes for all projects that may interact with native vegetation, including line clearance, routine maintenance, and new customer connections.

Also at the Ports division, once there is a new port terminal development, business units conduct an environmental impact assessment to evaluate potential impacts on biodiversity. This assessment helps to identify sensitive habitats, species, and ecological risks associated with the project. Based on the findings, mitigation measures such as habitat restoration, buffer zones, and operational adjustments will be implemented to minimise harm and support biodiversity conservation.

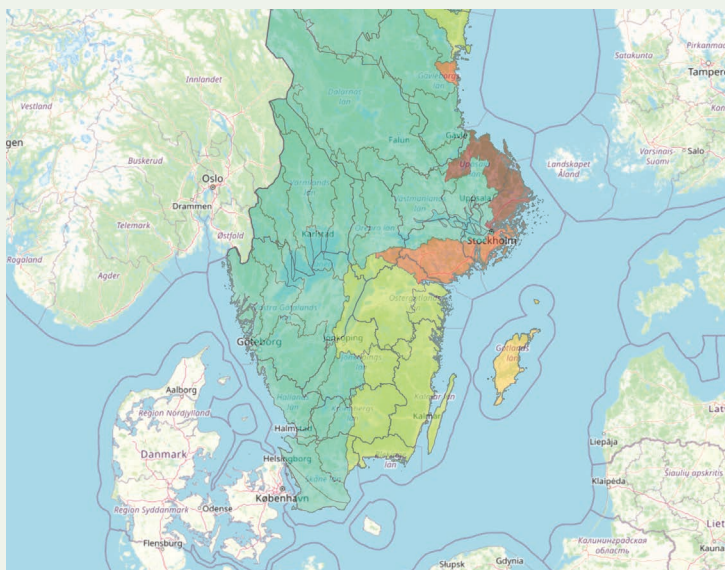
Telecommunications



ENVIRONMENTAL ASSET MAPPING

The Telecommunications division has innovated through the development of a proprietary tool for mapping locations to water - and biodiversity sensitive areas using internationally recognised frameworks including the World Resources Institute's Water Stress indicators, the International Union for Conservation of Nature's conservation classifications, and the protected area network of Natura 2000 (the European Network of Natural Areas).

3 Sweden has been the first business unit to pilot this innovative initiative, strengthening its understanding of whether sites operate in water-scarce regions or ecologically valuable zones. By identifying these locational sensitivities, the business can better anticipate risks, guide mitigation measures, and prioritise responsible site management practices.



3 Sweden utilises geographic information system applications to identify facilities exposed to environmental risks.

Ports



BIODIVERSITY IMPACT MITIGATION

Hutchison Ports has identified biodiversity risks through robust environmental management systems, enabling targeted mitigation and continuous improvement. Hutchison Ports UK embeds biodiversity protection within its operations through effective drainage and pollution-prevention systems that safeguard marine environments. The port maintains strict waste duty-of-care compliance and integrates habitat and species assessments into all planning decisions. Hutchison Ports UK works closely with regulatory authorities to preserve protected species and maintain ecological integrity throughout its development activities.

Hutchison Ports Alexandria in Egypt follows a structured “Avoid-Minimise-Mitigate-Restore” approach. Engineering controls including stormwater systems, silt traps, dredging safeguards, and sensitive lighting reduce ecological disturbance. Strong emergency preparedness capabilities, rigorous waste management, and comprehensive training programmes reinforce ecological responsibility across operations.



Trimley Marshes Nature Reserve at Hutchison Ports Port of Felixstowe in the UK.



Hutchison Ports ECT Rotterdam