

» Corporate Social Responsibility



● A group of secondary school students visit PARKnSHOP's Fresh Food Distribution Centre in Sheung Shui, Hong Kong.

As a diversified Group with operations around the world, HWL has always worked diligently to maintain our growth and build on our success. All our businesses plan for long-term economic and financial viability and sustained growth.

In addition to charitable activities and sponsorship initiatives, each of the Group's businesses seeks to build a strong foundation in its local market through sound business plans and delivering quality products and services.

Giving Back to Society

An important part of being a responsible corporation is giving back to the community. Through company sponsored volunteerism, charitable activities and sponsorship initiatives, the Group hopes to serve local communities and improve the overall standard of living for those around us. The following is just a snapshot of some of the activities the Group was involved in.

Environment

The Group takes its environmental stewardship commitments very seriously. In addition to taking steps to protecting and preserving the planet for future generations of mankind, the Group and its companies have also sponsored initiatives to protect the habitat for future generations of wildlife.

Husky supports approximately 34 community-based conservation projects across Canada and to date has contributed more than C\$640,000 to Ducks Unlimited Canada in support of wetland habitat restoration and education. Working with the Alberta Research Council, Husky has sponsored research to help return native plant species to the ecosystem.

In addition to setting aside HK\$1 million to fund renewable energy projects in schools, HEC made numerous innovative initiatives,

including the use of oil-free technology at its substations. The initiative alone reduced 12 tonnes of carbon dioxide emissions.

Many HPH subsidiaries, such as the Port of Felixstowe and Yantian International Container Terminals, are involved in local community service projects such as cleaning the local beaches. HPH also carried out assessments to determine which ports could maximise the use of renewable energy sources in their operations. Thus far, solar energy is a promising option for ports in Pakistan, Egypt, Mexico and Saudi Arabia while four European ports have shown to have wind power potential. Further assessments are ongoing.

Community

Across the Group, our employees have enthusiastically served the communities they work and live. The HWL Volunteer Team, formed by the Group's employees in Hong Kong, has contributed ample time and energy to help children and families lead a harmonious, healthy and happy life. Partnering with various social organisations, the HWL Volunteers have put on a range of activities for the community to enjoy.

Over the past year, more than 800 HWL Volunteers have put in numerous hours of their own time in dozens of events and programmes serving the community in projects that echo their motto of the 3Hs - Harmony, Health and Happiness. HWL Volunteers, whether they are cleaning up the homes of the elderly living alone or helping record their biographies in a "Life Story Book", sought to bridge the age divide. Along these same lines, the volunteer team organised outings that sought to promote a sense of volunteerism in the younger generation, training and bringing students to serve persons stricken by Alzheimer's. As members of a leading conglomerate, HWL Volunteers put their experience into practice by conducting practice interviews for hearing-impaired students to help polish their job-hunting skills.



● Husky works with The Society for Treatment of Autism in Calgary to help fund a renovation and care centre for autistic children.



● Port of Felixstowe's employees and their families clean the beach at the Landguard Viewing Area, as part of 'Beachwatch', the annual clean-up and survey of the UK's beaches.

Also in Hong Kong, A S Watson Group sponsored 10,000 bags of rice in a government-initiated programme to encourage the elderly to take part in a series of health related training. HEC opened a cooking classroom that can accommodate up to 24 students at a time. TOM employees and management donated time and books to read to over 1,700 elderly in a project called "Sharing Reading Fun with Care".

In the Mainland, Hutchison Whampoa Properties donated RMB 1 million to the Houjie Charitable Organisation which sought to help and assist people in the Dongguan area.

Around the world, HWL companies are equally eager in their philanthropic activities. In Austria, Marionnaud raised €140,000 for a charity fund that supports "Licht ins Dunkel", "SOS Kinderdorf" and projects that help women and children.

Using their technological know-how and an extensive communications network, Partner helped many non-profit organisations in Israel with their donation collection through its SMS platform. In Thailand, Hutchison CAT Wireless MultiMedia employees participated in the Thai Buddhist tradition of "Thod Pha Pa", offering care and lunches to children.

At 3 Australia, staff volunteered their time and donated money straight from their pay cheques to four charities through the "Spirit of 3" community programme.

In Canada, Husky participated in a Food Bank Drive. A team of creative engineers built a picture mosaic of the Husky Dog with several thousand tins of tuna that were later donated to the food bank.

Education

The Group has always believed that the best way to invest in the future is to facilitate education in local communities and nurture talent for tomorrow.

The Group donated S\$25 million to the Lee Kuan Yew School of Public Policy at the National University of Singapore that will be used as scholarships to students from Asia and groom future generations of policy makers and leaders. The Group also continued its support of the Cheung Kong Scholars Programme, contributing HK\$15 million to enhance the Mainland's academic competitiveness and attract overseas scholars to the Mainland. In Hong Kong, the Group donated HK\$1.25 million to the Journalism Education Foundation which supports media education courses for students.

Husky gave US\$500,000 to the China University of Petroleum to help establish a research centre specialising in corrosion in the petroleum industry and also sponsored "Mother Nature's Fuel", a travelling ethanol exhibit in Alberta. Husky also contributed C\$1 million to bring medical students in Manitoba and Mainland China together to exchange ideas and share research in a cross-cultural, international learning experience.

In Israel, Partner donated computers to schools and libraries around the country.

HPH, through its renowned Dock School Programme, provides financial assistance to school facilities, organises extracurricular activities, grants scholarships and donates necessities to disadvantaged students. In 2007, the Dock School Programme helped 13 schools across Asia, Europe and the Americas. HPH also helped give Mexican students an IT edge by providing computers and Internet access to hundreds of primary and secondary school children in eight Mexican schools.

Medical

The Group has supported a series of initiatives that aim to promote public health and medical research and development.

In Hong Kong, the Group donated electrical beds to a local hospital so that elderly patients can get better treatments. Across the world in the UK, Superdrug raised £200,000 for the Institute of Cancer Research's SAFE (Skin Awareness for Everyone) campaign. In France, Marionnaud raised funds to help fight breast cancer. In the Netherlands, Europe Container Terminals pledged €2.25 million to support a world-leading epidemiological study that covers the growth, development and health of 10,000 children. Husky's donation to the Society for the Treatment of Autism in Calgary was used to renovate and customise a care centre for children with serious forms of autism and a



- Demonstrating its commitment to education and the environment, Husky is a sponsor of the EcoKids programme coordinated through Earth Day Canada. The programme provides youth from more than 2,000 schools across Canada with environmental information and hands-on activities.

C\$1 million donation to the Stephenson Cardiovascular MR Centre went towards helping raise awareness for cardiovascular disease and bringing researchers together to develop a preventative health care strategy.

Arts and Culture

Support and donations to arts and cultural events in different countries and territories were made to foster a better understanding of different parts of the community and to promote social development.

HWL is a proud Founding Partner of China Now, donating £250,000 to the largest festival of Chinese culture ever to take place in the United Kingdom. The UK-wide festivities showcase the best of modern China and further strengthen communication and understanding between the two countries. The Group was a proud sponsor of the Holland Village, which gave the people of Hong Kong a taste of the Netherlands. HWL also supported the Hong Kong Arts Festival with a donation of HK\$100,000 which gave students an opportunity to experience international arts.

Metro Radio gathered over 200 toddlers less than four years old in a musical extravaganza, cultivating the youngsters' love for music at an early age. The leading radio station in Hong Kong also put together a slew of programmes from April to December with more than 70 musicians and singers at over 50 local high schools to promote the importance of intellectual property rights. In the Philippines, Watsons sponsored the classical musical play "Peter Pan", with proceeds benefiting charities.

In Israel, Partner booked two performances of the world renowned "Mamma Mia!" musical for its employees to enjoy and gave away a further 700 tickets to youths from Sderot.

Sports

Exercise and sports are integral parts to a healthy lifestyle and the Group is a firm supporter of sports development. As China's capital and co-host cities count down to the Beijing 2008 Olympic Games, the Group has sponsored numerous programmes around the world to promote the Chinese cities and their people and culture. The Group's subsidiary companies, through their sponsorship and participation in sporting events, seek to enhance sports development and kindle public interest.

The A S Watson Group Hong Kong Student Sports Awards, building on its success last year, recognised 800 student athletes with about 70% of all local schools in Hong Kong participating.

Husky hosted its seventh Husky Energy Classic Competition of world class horse jumping and was also the Presenting Sponsor of the China Hand in Hand Cheers Gala for the Olympics in Vancouver to promote a deeper cooperation with China and the upcoming world-wide sports extravaganza. To the south, in the Bahamas, Freeport Container Port, Freeport Harbour Company and Grand Bahama Airport sponsored the uniforms, clothing and travel gear of the 50 athletes and officials to the 2007 Special Olympics World Summer Games in Shanghai.

In the Netherlands, not only did 70 staff members participate in the Dam-tot-Damloop run, ICI Paris XL and its business partners also sponsored "SOS Kinderdorpen", a local non-profit organisation, in the run. In Switzerland, eight teams from the A S Watson family participated in the grueling Iron Man triathlon.

Stakeholder Engagement

As a multi-national corporation operating with a diverse business portfolio, the Group and its operating companies are in constant



- Hongkong Electric Clean Energy Fund supports the Lions Club International Ho Tak Sum Primary School to develop various campus facilities powered by solar photovoltaics.



• The students of Quebrada Grande, a new village school built with the help of the staff of the Panama Ports Company, display their radiant smiles.

dialogues with different stakeholders including shareholders, employees, suppliers, customers, regulators, and non-governmental organisations. We seek to strike a balance between the differing opinions of the stakeholders and plot the best way forward for the company and the community we do business in, and to generate long-term value for our shareholders.

The Group understands that there are many important issues the world faces today and it is through constructive dialogue that all of us can work together to make the world better for future generations.

Shareholders

The Group is committed to enhancing shareholder value through the continuous pursuit of projects and opportunities that holds significant return on investment while providing the necessary base for future development.

With a portfolio of businesses that is strategically balanced to create long-term shareholder value, the Group invests in sustainable businesses while maintaining a healthy capital cost structure and stable dividends.

For transparency, the Group carries frequent conversations with the financial community including analysts, fund managers, and other investors. It is tasked with the responsibility to supervise the allocation of the Group's resources, balancing risks while achieving maximum returns in a prudent manner.

Government

With a wide spectrum of businesses around the world, the Group operates in a gamut of different regulations and regimes. Our operating companies fully comply with the laws and regulations in the countries that they operate and, on many occasions, work closely with the authorities to improve industry standards.

Suppliers

We conduct our business with fairness and integrity. Likewise, we want our suppliers to follow suit. At the Head Office, we look to lead by example. Vendors and suppliers who wish to provide printing services, including the Annual Report, have to agree to a covenant based on the United Nations Global Compact. The principles include non-discriminatory hiring and employment practices, a safe and healthy workplace, complying with environmental laws and prohibition of child labour. By requiring those in our sphere of influence to follow best practices and also do our part in environmental protection, we believe we will help produce societal benefits for all our stakeholders.

Customers

Our success is dependent on the trust of those who purchase our products and services - the customers. The Group's subsidiaries have adopted numerous initiatives to gather feedback from customers about their products and services. Kruidvat and Superdrug were among the retail stores of A S Watson that surveyed customer preferences and studied consumer behaviour to redesign the look and feel of their stores to make them more inviting and shopper-friendly.

In 2007, PARKnSHOP created Hong Kong's first supermarket online reference guide "Fishipedia" so that customers can find the perfect fish, an important ingredient to Chinese cuisine, for their meal. PARKnSHOP also pioneered a new barcode tracing system to track down vegetables to the farms they were grown. All these consumer education programmes were initiated to help the shoppers become more educated about the products they purchase so that they can make informed choices.

In addition to these proactive programmes, the Group companies also have many channels for customers to make suggestions and voice their comments such as sales representatives, stores, hotlines as well as internet feedback forms.

Across the vast spectrum of community programmes the Group is involved in, the common themes are promoting harmony in the neighborhoods where we work and live and to promote acceptance and celebration of differences. It is through the exchange of experience and a commitment to the community that will help the Group grow and prosper.