

Environmental, Social and Governance Report

Hutchison Whampoa has roots dating back to the 1800s and is committed to the long-term sustainability of its global businesses and the local communities in which it does business. HWL has over 250,000 employees in over 50 countries around the globe, many of them, in addition to working diligently to deliver quality products and services to our customers, are also making substantial contributions to the community. In 2012, HWL garnered over 2,000 industry awards including Asia's Best Conglomerate. To see the list of awards our companies have won over the past year, please visit our website: www.hutchison-whampoa.com. These awards recognise our effort to protect the environment, our contribution to medical care and cultural festivities and our overall corporate governance.

HWL's Environmental, Social and Governance ("ESG") Committee, chaired by an Executive Director with representatives from key departments of the Company including Human Resources, Corporate Affairs, Information Services, Management Services and Legal, will continue its key focus areas in the coming year of environment, staff development and training, and community involvement. In the coming year, the Committee will conduct a series of campaigns to enhance the efficient use of energy and other resources through recycling and reduction in consumption. The Committee also hopes to bring colleagues across the Group closer together through friendly competitions. Last year's initiatives of environmental awareness activities were well received and participated by employees at all levels across the Group. The ESG Committee will continue to formulate guidelines and spearhead initiatives that can be implemented on a company-wide level.

I. Stakeholder Engagement

"HWL is committed to enhancing long-term shareholder value through regular communication with its shareholders, both individual and institutional."

-HWL Shareholder Communication Policy

HWL's businesses span over 50 countries in an array of industries. Each country and locality face different economic situations, have different traditions and mores, and unique priorities. In order to bridge and balance the views of different people, HWL understands the importance of developing long-term relationships and constant dialogues with the various stakeholders. These include shareholders, customers, employees, suppliers, creditors, regulators, and the Government.

Shareholders

In 2012, the Group has updated its Shareholder Communication Policy in order to further strengthen dialogue, and expand channels of communication with our shareholders.

The Group carries on periodic discussions with the financial community including analysts, fund managers and other investors, to increase our transparency to the market. Shareholders are also encouraged to participate in shareholders' meetings physically or proxies to attend and vote at the meetings.

The Shareholder Communication Policy is available on our corporate website: www.hutchison-whampoa.com.



Staff and families enjoy an outing together.

Customers

Customer feedback is invaluable as the Group operates in extremely competitive markets. Various operating companies have a number of channels to solicit customer comments and recommendations such as customer service centres, focus groups, and where appropriate, social networking tools. An increasing number of our retail customers are now getting the latest news and information of our products and services through social media pages and apps on their smartphones.

Employees

The HWL family numbers over 250,000 employees who work in over 50 countries worldwide. HWL is committed to providing staff training and development programmes designed to help our employees to enhance their knowledge and skills as well as self-enrichment. These employees who embody the virtue of team spirit are the backbone of our businesses. As the Group continues its expansion, opportunities abound worldwide for industrious and hardworking employees in numerous sectors and industries.

In 2012, Hutchison Telecommunication Hong Kong Holdings (“HTHKH”) was named an Asia’s Best Employer Brand by Employer Branding Institute while ICI PARIS XL Belgium was awarded Excellence in employee engagement.

3 Italia was also recognised with a Family & Work Award for its programme for its employees by the Lombardy Region. In Canada, Husky Energy was named Employer of Excellence by the Saskatchewan Association of Rehabilitation Centres recognising Husky Energy’s commitment in assisting individuals with disabilities obtain meaningful employment. These are just some of the many awards recognising the Group’s efforts in this area.

Suppliers and Creditors

As a multinational operating in numerous jurisdictions, upholding laws and regulations that are relevant to the businesses is a top priority for HWL. HWL Head Office has implemented a policy on vendors and suppliers based on the United Nations Global Compact. These requirements on our partners include non-discriminatory hiring and employment practices, a safe and healthy workplace, compliance with environmental laws and prohibition of child labour.

HWL continues to monitor international best practices and adopts those that are relevant to its businesses.

Government

The Group operates in a range of sectors and industries, including ports, property, hotels, retail, infrastructure, energy, and telecommunications. Many of these industries are subject to the jurisdictions of local and international regulators.

Along with different government laws, rules and regulations, each operating company makes tremendous effort to ensure that it is compliant with the relevant local laws and customs.

II. Workplace Quality

“The Group is committed to providing a work environment that is free from all forms of discrimination on the basis of race, ethnicity, gender, creed, religion, age, disability or sexual preference.”



PARKnSHOP launches a food donation programme with Food Angel to help the needy.

-HWL Employment Policy

Working Conditions

Year 2012 is marked by continued economic and financial uncertainties in many markets. Even so, over the past year, HWL has been growing organically and through acquisitions. In order to retain talent, the Group invests and rewards employees according to their performance and productivity. HWL is proud of its team of highly motivated employees, which has enabled the Group to take advantage of opportunities as they arise. Employees’ remuneration is reviewed individually on an annual basis to ensure the packages are fair and competitive. HWL provides comprehensive medical, life and disability insurance coverage and retirement schemes. To promote camaraderie across the Group, employees also enjoy a wide range of product and service discounts offered by various Group companies.

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Health and Safety

A safe, effective and congenial work environment is important to protecting our most important asset, our staff. In addition to observing the international labour standards and laws where each business operates, many operating companies also have internal guidelines and systems specific to their industries to protect and ensure the health and safety of our employees. Some companies have teams dedicated to workplace safety, sourcing and providing appropriate tools and training to employees to discharge their duties. Power Assets, for example, won safety awards granted by the British Safety Council, Hong Kong's Occupational Safety and Health Council among others. Across the Pacific, Husky Energy employs a systematic approach to study operating practices and develop a consensus on the best and safest practices. Husky Energy also developed an on-line safety orientation for its staff and contractors. Last year also marked the inaugural CEO's Awards of Excellence for Process and Occupational Safety for accomplishments in 2011 at Husky Energy.

Development and Training

The Group is committed to the personal development of its employees as well as their professional growth, and invests heavily in its people. Dedicated and motivated employees across the Group are provided with development and advancement opportunities as the Group expands its businesses worldwide.

Each division is responsible for developing their own training to meet specific business requirements. These trainings take numerous forms including internal and external training courses, e-learning modules that are designed to challenge employees and broaden their skill sets, and on-the-job training. Tailor-made programmes help employees meet the ever changing needs of the marketplace in their specific business arena, and give them the tools to stay competitive. These programmes include IT skills, presentation techniques for managers, sales and customer service. Some of the Group's companies also provide educational subsidies and study leave for employees looking to deepen their knowledge on studies relevant to their jobs or functions.

In addition, HWL provides continuous professional development training to its directors and senior management to develop and refresh their knowledge and skills. These include workshops and seminars on leadership development, corporate governance practices as well as updates on regulatory developments and requirements.

Employees are important assets of the Group. HWL believes that investing in employees is essential to the future strength and success of its business.

Recruitment and Promotion

The Group believes in nurturing and developing top talents regardless of race, colour, gender, age, or religious belief. The Group has a policy to ensure all employees and job applicants enjoy equal opportunities and fair treatment. Operating in over 50 countries worldwide, the Group is made stronger through diversity and values the input and contributions by people of all backgrounds.

The Group deploys stringent recruitment procedures to prevent child or forced labour.

Fellowship and Camaraderie

As part of our corporate culture and commitment to our employees, numerous activities are organised throughout the year to promote camaraderie and morale amongst staff.



3 Ireland launches the 2012 'Walk of Dreams' to raise funds for community projects.

In Hong Kong, the Head Office organises activities and volunteering opportunities that bring together employees from different divisions to promote team spirit as well as service to the public. Individual operating companies also organise numerous activities and events to serve the local communities. Numerous operating companies also have innovative activities for their staff. These range from bowling tournaments organised by the Group and table tennis tournaments organised by the Harbour Plaza Hotels to Yoga and Thai-boxing courses by the A S Watson Group.

Continuing an annual tradition, the Group held a fun day at a local amusement park for its Hong Kong employees and their families. Approximately 7,000 employees and their families joined a day of fun and fellowship with colleagues in other business sectors. The Company also organised outings for staff and their families to outlying islands of Hong Kong.

III. Environmental Protection

"HWL is committed to minimising the impact of existing business activities on the environment..."

-HWL Group Policy

In order to enhance our operational efficiencies and reduce our environmental impact, HWL companies continued to improve and implement environmental protection and energy efficiency programmes worldwide throughout 2012. Each major operating company has programmes that minimise the impact of their activities on the environment in different ways.

Below is a snapshot of some of the activities that the businesses of the Group engaged in across the globe.

Energy Efficiency

For the past several years, HWL has been rolling out an IT initiative to help decrease unnecessary printing by encouraging employees to delete unnecessary images, text or pages, saving toner, paper and reducing greenhouse gases. This green office initiative has reduced paper usage by around 13% and the company will continue to implement the system across the Group.

Across the Group, operating companies continue to strive to make their operations and logistic chains as energy efficient as possible. The infrastructure and energy divisions, being the larger energy usage divisions of the Group, run energy efficiency programmes, including using higher-efficiency lighting solutions, the latest communication technology and support tools in place of transportation.

Pollution Prevention and Emissions Reduction

Many of the Group's operating companies, especially those in the infrastructure and energy portfolios, have plans and metrics to reduce pollution and emissions throughout 2012. More detailed ESG and Sustainability reports are available on their individual websites.

Some of the notable accomplishments are highlighted below:

- Power Assets began a one-year wind monitoring campaign starting in March 2012 to collect meteorological and oceanographic data for a possible development of a 100MW wind farm on Hong Kong's territorial waters. Power Assets is also looking to expand its 550kW solar PV system in Lamma Power Station to 1MW by March 2013.
- Husky Energy unveiled its carbon dioxide (CO₂) capture and liquefaction project in Lloydminster. The facility converts approximately 250 tonnes of CO₂ produced by the ethanol plant into a high-pressure liquid.
- Cheung Kong Infrastructure and Power Assets invested A\$33.6 million (HK\$268.1 million) in a power transmission link in Victoria, Australia that will transport renewable energy from wind turbines at Mount Mercer Wind Farm to Victoria's power grid.



MP Rory Stewart supports UK's launching of the Rural Broadband Working Group to identify isolated communities and provide free broadband service.

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The following accomplishments, though smaller in scale, are equally significant in HWL's commitment to environmental protection.

- HK Electric is increasing the number of quick charging stations for electric vehicles across the territory.
- Hutchison Whampoa Property's ("HWPG") estate management companies are actively engaged with their residents to promote recycling and green projects such as used clothes collection and collecting for a food bank.
- In the UK, Harwich International Port became the first port to be included in the Source East Electric Vehicle Recharging Network and will be including electric vehicles into its operations.

Environmental Sustainability

Safeguarding natural resources and reducing wastage are done across the Group in all industries. Our colleagues have participated in different programmes with partners as well as initiated some internally to best save resources for future generations. Here are some of the initiatives that took place over 2012:

- Buerios Aires Container Terminal initiated an "Environment Taking Care Programme" which encouraged staff to segregate waste materials and donated to NGOs which use the money obtained from recycling the waste to help children in poor economic situations.
- In the UK, Superdrug launched "Plan It Earth", an initiative that offers guidance and updates related to sustainability to its staff. In addition, it undertook lighting and waste management improvement projects.
- In Hong Kong, HTHKH staff donated reused electrical home appliances, electronics, computers and books to the less privileged.
- HWPG is also an active participant across the region for its work in providing channels for recycling valuable resources such as electronic waste, clothing, and even moon cake tin cans.
- In Hong Kong, HK Electric's Clean Energy Fund encourages the application of renewable energy in school campuses across the territory.
- In Australia, CitiPower and PowerCor developed and published their Environmental Sustainability Strategy. It outlines the vision, objectives and priorities to be an industry leader in sustainable environmental management.



Jakarta International Container Terminal's community building event for students in Indonesia.

Protection of the Environment and Natural Habitats

Protecting natural habitats for future generations is also an important part of many Group companies' initiatives. Some of these programmes are detailed below:

Husky Energy, one of Canada's largest petroleum companies, has been an ongoing patron to the local species conservation efforts. With the company's support, the Husky Energy Endangered Species Programme at the Calgary Zoological Society, has helped advance the conservation of some of Canada's most threatened species such as the burrowing owl, the black-footed ferret, the swift fox, the black-tailed prairie dog and the northern leopard frog.

Northumbrian Water is actively conserving and enhancing its natural environment by managing their Sites of Special Scientific Interest ("SSSI"). SSSIs are the UK's noted wildlife and geological sites.

In the Netherlands, Europe Container Terminals (ECT) sponsored the Foundation of South Holland Landscape which preserves areas in South Holland. In addition to organising excursions with expert guides for its staff, ECT contributed to the construction of a modern, wheelchair friendly visitor centre at Tenellapas so that more people can enjoy nature's beauty.

CitiPower and Powercor partnered with Landcare in Australia to support combined school and community environmental projects. Their Landcare programme includes support for wildlife breeding projects, indigenous nurseries, soil carbon fixing projects and the revegetation and composting programmes.

IV. Operating Practices

"The Group's reputation, integrity and honesty are of the highest priority."

-HWL Group Policy

Supply Chain Management

The Group has stringent controls and holds laws and regulations of each country with the utmost regard. We implement international best practices and conduct fair and unbiased tender processes. We also take steps to ensure that our partners and suppliers do not employ child labour or abuse human rights.

As one of the largest health and beauty retailers in the world, A S Watson joined the Business Social Compliance Initiative ("BSCI") in 2008, a major Brussels-based organisation that promotes SA8000 accreditation and International Labour Organisation Core Conventions. In addition to BSCI audits, A S Watson also conducts internal workshops to raise awareness of BSCI in different business units.



Harbour Plaza North Point participates in the Soap Recycling Programme run by HelpOneFuture.

Consumer Protection

Protecting our consumers and to uphold their privacy are some of the top priorities of our employees. We have implemented strict data protection mechanisms to protect the confidentiality of our customers' data. In addition to guidelines and handbooks, the Group issues periodic reminders and run workshops to customer-facing employees to continuously stress and remind them of the importance of protecting personal data.

Anti-Corruption

The Group takes its anti-corruption responsibilities very seriously. In addition to the ongoing review of the effectiveness of the internal control systems across the Group, HWL has also conducted briefings with our updated Anti-Bribery and Anti-Corruption Policy.

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V. Community Involvement

"We encourage our employees to play an active role in the communities where they live and work."

-HWL Group Policy

Giving Back to Society

HWL takes pride in giving back to the community. As a part of the community that we cherish, it is our responsibility to see to its well-being. In 2012, the Group's operating companies and employees worked hand-in-hand with their local communities in a variety of initiatives ranging from job creation to educating the next generation. Thirty-eight companies of the Group were named Caring Companies by the Hong Kong Council of Social Service, recognising their contributions to the community. The following are some examples of community activities that the Group was involved in during the year.



Husky Energy funds scholarships for engineers and expands the Husky Power Engineering Lab.

Community

The Group encourages and promotes volunteerism and encourages our employees to serve their communities in numerous ways. Some of these initiatives are highlighted below:

- HWL Volunteers, organised by the HWL Head Office, bring together like-minded individuals from across the Group's Hong Kong companies to pool their talents for the community. HWL Volunteers put on a range of activities for the community in conjunction with various social organisations such as the Education Bureau and the Hong Kong Family Welfare Society.
- A S Watson held the second A S Watson Global Volunteer Day with 36 business units participating. Activities included a staff charity bake sale by Superdrug in the UK and a Beach Cleaning effort by Watsons Malaysia.
- ICI PARIS XL Belgium raised €250,000 for the SOS Children's Village Foundation to build a children's home in Congo.
- In Italy, 3 Italia launched its 4G (LTE) network from Acuto, a small town 60km from Rome. The company started its service in a small town because it wants to help rural areas bridge the digital divide with the large cities.
- In the UK, 3 launched the Rural Broadband Working Group to identify isolated communities and provide free broadband to those that it need it most. This initiative is supported by local ministers.
- Since late 2011, staff from Zhuhai International Container Terminals have been visiting and helping poor and disabled families in rural areas. They continued their visits in 2012 to check up on the families and bring them gifts to celebrate important festivals.

Education

Young postgraduates from Hong Kong and the Mainland who wish to pursue their studies in the UK universities once again benefited from the Hutchison Chevening Scholarships. Over the past decade the Group has donated around £5 million, benefiting about 600 students.

Hutchison Port Holdings ("HPH") celebrates the 20th anniversary of the HPH Dock School Programme. The programme which started in Hong Kong has since spread to many HPH ports around the world, benefitting numerous schools, teachers and students, many from under-privileged families.



In Canada, Husky Energy announced it will donate C\$1.1 million over three years to Lakeland College's Centennial Campaign to help address a shortage of power engineers. A portion of the donation will go towards scholarships while the remainder will expand the College's Oil and Gas Training Lab, to be renamed the Husky Power Engineering Lab.

HK Electric promotes lifelong learning and volunteerism to retirees through the U3A Network.

HK Electric is very active in promoting lifelong learning and volunteerism through the University of Third Age (U3A) Network. They run programmes for senior citizens and retirees and help bridge the generation divide.

In Vietnam, Vietnamobile and Vietnam Fund will award 500 scholarships each year to poor students across 35 universities in the country.

Medical and Healthcare

Healthcare initiatives can be in many forms. From medical technologies to preventive exercises, all these are important to the well-being of our community. The following highlights activities that various companies within the Group have engaged in.

- With the goal of bringing a smile to seriously ill children, 3 Austria continued their support of CliniClowns that bring laughter to 37 Austrian hospitals.
- In Canada, Husky Energy donated new portable bedside monitors for emergency rooms at the Cold Lake Healthcare Centre.
- Harbour Plaza North Point took part in the Soap Recycling Programme run by HelpOneFuture. Hotel soap is collected, sanitised, recycled and distributed to those in need with the hope it will reduce child mortality through better sanitation across Asia.

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Arts and Culture

In 2012, the Group held a variety of charitable activities in the arts and cultural arena, as highlighted by the following initiatives:

- In Indonesia, Jakarta International Container Terminal ("JICT") celebrated Eid-ul-Fitr, a Muslim holiday marking the end of Ramadan by giving donations to orphans and disadvantaged children in the area. In addition to the free gifts, JICT also provided 26 buses for members of the community to returning to their hometown for holiday to ride free. Meanwhile, Watsons Indonesia organised a Watsons Indonesia Culture and Heritage Nite to recognise its employees' hard work and promote internal communication.
- Many Hong Kong companies participated in the Dragon Boat Festival with racing teams as well as sharing rice dumplings with the community. Also in Hong Kong, Watsons Water supported numerous cultural and arts functions such as the Hong Kong Flower Show.

Sports

- In 2012, A S Watson Group celebrated the seventh anniversary of its Hong Kong Student Sports Awards, which involved at least 70% of the schools in Hong Kong. To date, 6,511 students in Hong Kong have benefited from the programme.
- At the Metro Charity Soccer King Cup, teams sponsored by Hong Kong businesses participated in the soccer tournament promoting the importance of sports and health and raised money for charity.
- HWL Volunteers helped organise the 36th HK Special Olympics Regional Athletic Meet promoting special Olympics in the community. Meanwhile, Metro Broadcast's employees let their feet do their talking with teams supporting the "Walk for Millions" by the Community Chest.
- Watsons Water supported Hong Kong athletes with a donation programme with every purchase of Watsons Water with fan registrations. The programme raised HK\$30,000 for the Hong Kong Paralympic Committee & Sports Association or the Physically Disabled.
- In Ireland, 3 launched the 2012 "Walk of Dreams" initiative in association with the John Giles Foundations. The funds raised will go into the club and community projects involving football throughout Ireland. In Austria, 3 asked its social media community to participate in the 3SuperAct. Each kilometre that 3's friends run, the company contributed €1 to the Austrian Paralympic Committee.
- In the UK, UK Power Networks' steady supply of power to the venues of the London 2012 Olympic and Paralympic Games kept the spotlight on the competitions.
- In Europe, ECT's team raised €28,000 in the 530 kilometre ECT Roparun. The charity run stretched between Rotterdam and Paris and raised money for people with cancer.



ICI PARIS XL Belgium raises funds for the SOS Children's Village Foundation to build a children's home in Congo.

Disaster Relief

The pain caused by natural disasters and accidents are felt not only by the victims but also by their communities. As stalwarts of their local communities, it is a testament to the heart and soul of the employees at HWL by how quickly and warmly they respond to such disasters.

Recently, an incident off the coast of Hong Kong Island resulted in the demise of 39 staff, families and friends of HK Electric on their way to view fireworks ringing on the National Day. Across the Group, companies sent in letters of encouragement as well as raised funds for the victims and their families. In a show of support, many of the businesses flew their flags half-mast and changed their websites' colours to black and white. Our thoughts continue to be with the families and friends of our colleagues and wish them well. HWL Chairman, Mr Li Ka-shing also offered his condolences to the victims and their families and instructed the Li Ka Shing Foundation to release HK\$30 million from the "Just In Time" fund to assist the families in their time of need.



3 Austria launches the 3SuperAct "Kindertraum" programme and donates to the Foundation Childhood Dream.

A Brighter Tomorrow

HWL's ESG objective is reflected in the HWL Volunteer's motto-the 3Hs, "Harmony, Health, and Happiness". We understand the importance of communication and the inter-exchange of ideas and viewpoints with our stakeholders. By working and supporting one another, we can build a better future, not just for the next generation but also for the generations to come.