長江和記實業有限公司
CK HUTCHISON HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)
Stock code: 1

2022 Sustainability Report

CONTENTS

About CK Hutchison Holdings Limited 4

Message from the Chairman 6

About this Report 8
- Reporting Scope 8
- Reporting Frameworks 8

Sustainability at CK Hutchison 10
- Reporting What Matters 10
- Materiality 11
- Group Sustainability Framework 11
- Progress Highlights and Plans 14

Governance 16
- Integrated Governance Structure 18
  - The Board 18
  - Sustainability Committee 18
  - Audit Committee 19
  - Sustainability Working Group 19
  - Governance Working Group 19
  - Cyber Security Working Group 19
  - Internal Audit Assurance 19
  - Risk Management 19
  - Sustainability at the Core Businesses 19
- Internal Control Framework 20
  - Governance Policies 20
  - Communication and Training 22
  - Due Diligence 22
  - Ongoing Assessment 22
  - Monitoring and Review 22
  - Whistleblowing 22
- Data Privacy and Cyber Security 24
  - Personal Data Governance and Information Security 24
  - Cyber Security Strategy and Performance 26
- Labour and Human Rights 29
- Supply Chain Responsibility 30
  - Supplier Code of Conduct 30
  - Supplier Screening and Assessments 30
  - Sourcing Guidelines 30
- Sustainable Investing 31
  - New Investments 31
  - Capital and Operating Expenditure 31
  - Debt Financing 31

Sustainable Business Model & Innovation 32
- Service Excellence 34
  - ISO Management Systems 34
  - Quality and Safety Standards 36
  - Business Continuity Planning 37
  - Customer Relationship Management 37
- Climate Resilient Business 38
  - Embracing Innovation 38
  - Climate Adaptation 40
  - Climate-related Financial Disclosures 40
- Social Inclusion 42
  - Digital Inclusion 43
- Sustainable Product Choices 44
  - Consumer Preferences 44
  - Customer Engagement in the Circular Economy 46

Environment 48
- Decarbonisation 50
  - Climate Action Strategy 50
  - GHG Emissions Reduction Targets 51
  - Renewable and Other Clean Energy 55
  - Clean Transportation 60
  - Energy Efficiency 62
- Biodiversity Protection 63
  - Environmental Net Gain 63
  - Anti-deforestation 65
- Water Management 66
  - Water Data 66
  - Water Risk 67
  - Water Use 68
- Air Quality 70
  - Air Emissions 70
- Circular Economy 72
  - Waste Data 72
  - Waste Management Services 73
  - Diverting Waste from Landfill 74
  - Focus on E-Waste 75
  - Focus on Plastics 76

Social 78
- Employer of Choice 80
  - Talent Attraction 82
  - Employee Engagement 83
  - Learning and Development 83
- Inclusion and Diversity 87
  - Equal Opportunities 87
  - Strength in Diversity 87
- Health, Safety and Wellbeing 90
  - Creating a Culture of Safety 90
  - Safety Risk Management and Mitigation 91
  - Holistic Wellbeing 92
  - Contractor Safety 93
- Community Investment 94
  - Addressing the Challenges of Today 94
  - Targeted Community Contributions 95

Appendix 1: Environmental and Social Performance Indicators 98

Appendix 2: Hong Kong Stock Exchange ESG Guide Content Index 110

Appendix 3: Full List of Reported Business Units 115

Appendix 4: List of Abbreviations 116

ABOUT CK HUTCHISON HOLDINGS LIMITED

CK Hutchison Holdings Limited (CKHH or the Group) is a multinational conglomerate committed to development, innovation, technology and leadership in four core businesses: Ports and related services, Retail, Infrastructure, and Telecommunications.

Ports and Related Services

The Group's Ports division is comprised of Hutchison Port Holdings Limited (Hutchison Ports) and Hutchison Port Holdings Trust (HPH Trust). It is the world's leading port network and engages in river trade, cruise terminal operations and ports related logistic services.

Retail

A.S. Watson Group (A.S. Watson) is the Group's Retail division operating a diverse retail portfolio comprising well-recognised consumer brands in health and beauty, supermarkets, consumer electronics and electrical appliances, as well as bottled water and beverage products.

Infrastructure

CK Infrastructure Holdings Limited (CKI) is a global infrastructure company with diversified investments in energy, transportation, water, and household infrastructure, as well as waste management, waste-to-energy, and other infrastructure related businesses. In addition to its controlling interest in CKI, the Group's Infrastructure division also co-owns certain infrastructure assets with CKI.

Telecommunications

The Telecommunications division is a pioneer in mobile data communication technologies and a leading global operator and innovator of converged telecommunication and digital services around the world.

CKHH global investments and operations

Ports

84.8M
TEU in 2022

51 Ports
in 25 countries

293
Operational berths

10%
of marine traffic handled

Retail

16,100+
stores

28
markets

12
retail brands

141M
loyalty members worldwide

Infrastructure

Diversified operations in
30 countries

Generation capacity
over **9,775MW**

Power network length
over **405,500 km**

6,871GWh
of renewable and other clean energy generation in 2022

Telecommunications

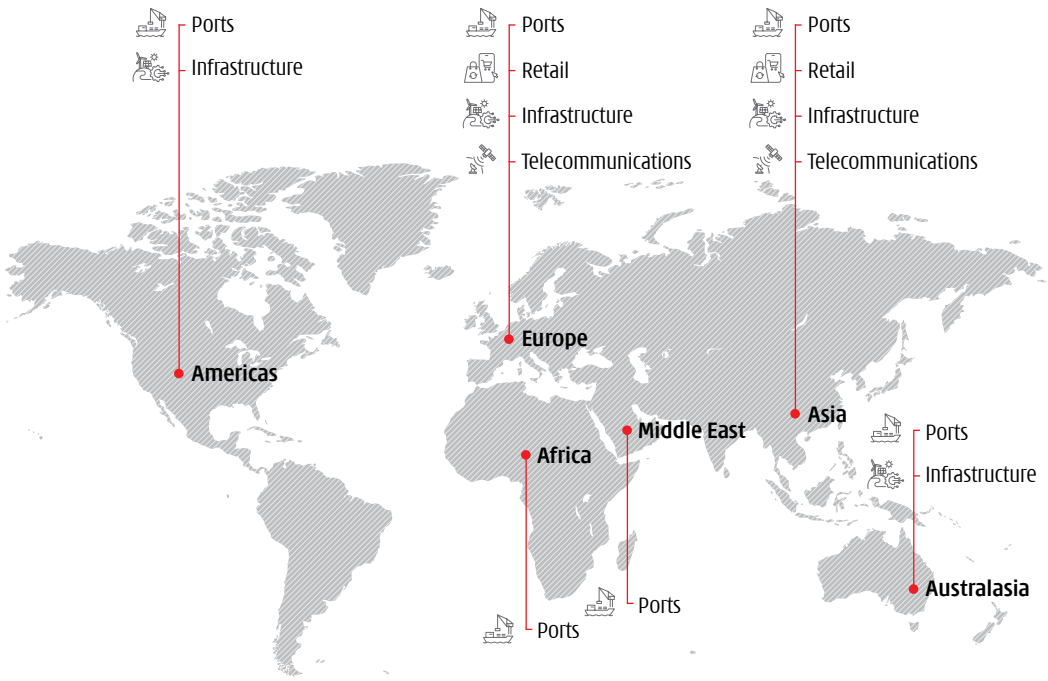
11 countries
of mobile broadband operations

44.2 million
customer base - 3 Group Europe

3.8 million
customer base - Hutchison Telecommunications Hong Kong Holdings

123.1 million
customers base - Hutchison Asia Telecommunications

Figure 1 Core businesses distribution map



MESSAGE FROM THE CHAIRMAN

I am pleased to provide this year's progress report on CK Hutchison's sustainability efforts. Of course, this year's update comes in the midst of increasing global challenges - from ongoing pandemic recovery, to monetary, fiscal and once in a generation geopolitical uncertainties.

Despite these ongoing challenges, 2022 was a defining year in the Group's approach to action on climate change. Its core businesses have completed two years of significant efforts to set science-based targets and develop net-zero transition plans. While this work continues, I am pleased to announce that the Group is sufficiently satisfied that plans are in place to underpin a Group-wide commitment of reducing scope 1 and 2 emissions by 50% by 2035 versus a 2020 baseline, as well as a commitment to the pursuit of net-zero greenhouse gas emissions across its value chain by 2050.

Among a great many division-level achievements in target setting and low carbon transition planning, during the year I would note the following:

- Hutchison Ports significantly increased its previously reported level of ambition as to stated targets to now targeting a 46.2% reduction in emissions by 2032 versus a 2021 baseline. Hutchison Ports has also publicly committed to submitting its near-term and net-zero targets for validation by the Science Based Targets initiative (SBTi). To achieve these targets, the Ports division launched an updated decarbonisation strategy which mandates that all new investments in mobile and stationary machinery will be fully electric or supplemented with other forms of clean energy.
- The Retail division received validation of its near-term targets from the SBTi in November 2022. Among other levers to achieve these targets, A.S. Watson has implemented a major supplier engagement programme including training and tools to report more accurate data through a dedicated scope 3 emissions platform.
- The Infrastructure division developed its first division-wide emissions reduction targets including halving emissions by 2035 versus 2020, and committing to the continuing pursuit of net-zero by 2050.
- CK Hutchison Group Telecom has developed its science-based targets and during 2022 these were validated by the SBTi, including: reducing scope 1 and 2 emissions by 50% by 2030 and reducing scope 3 emissions by 42% by 2030 versus a 2020 baseline. It has also formally committed to setting a long-term net-zero target to be validated by the SBTi.

We are cognisant that our actions are part of a much bigger picture, far beyond the impact of our own operations. To illustrate: the Group is at the centre of the hydrogen transition in both the UK and Australia. Three of our Infrastructure businesses - Northern Gas Networks, Wales & West Utilities and Australian Gas Infrastructure Group - continue to invest in R&D, real world trials and the supporting infrastructure that will help to chart the course of progress in hydrogen developments in gas networks for their respective markets. In October 2022, Northern Gas Networks achieved a world-first when it completed a seven-month trial of supplying 100% hydrogen through existing natural gas infrastructure in Middlesbrough, the UK. The Ports division is also exploring its role in widescale clean energy generation. In 2022, Hutchison Ports Port of Felixstowe completed a government funded feasibility study with a consortium of partners to explore how the port can become a centre of excellence for green hydrogen and other clean power generation, decarbonising not only its own activities, but those also of the surrounding local area.

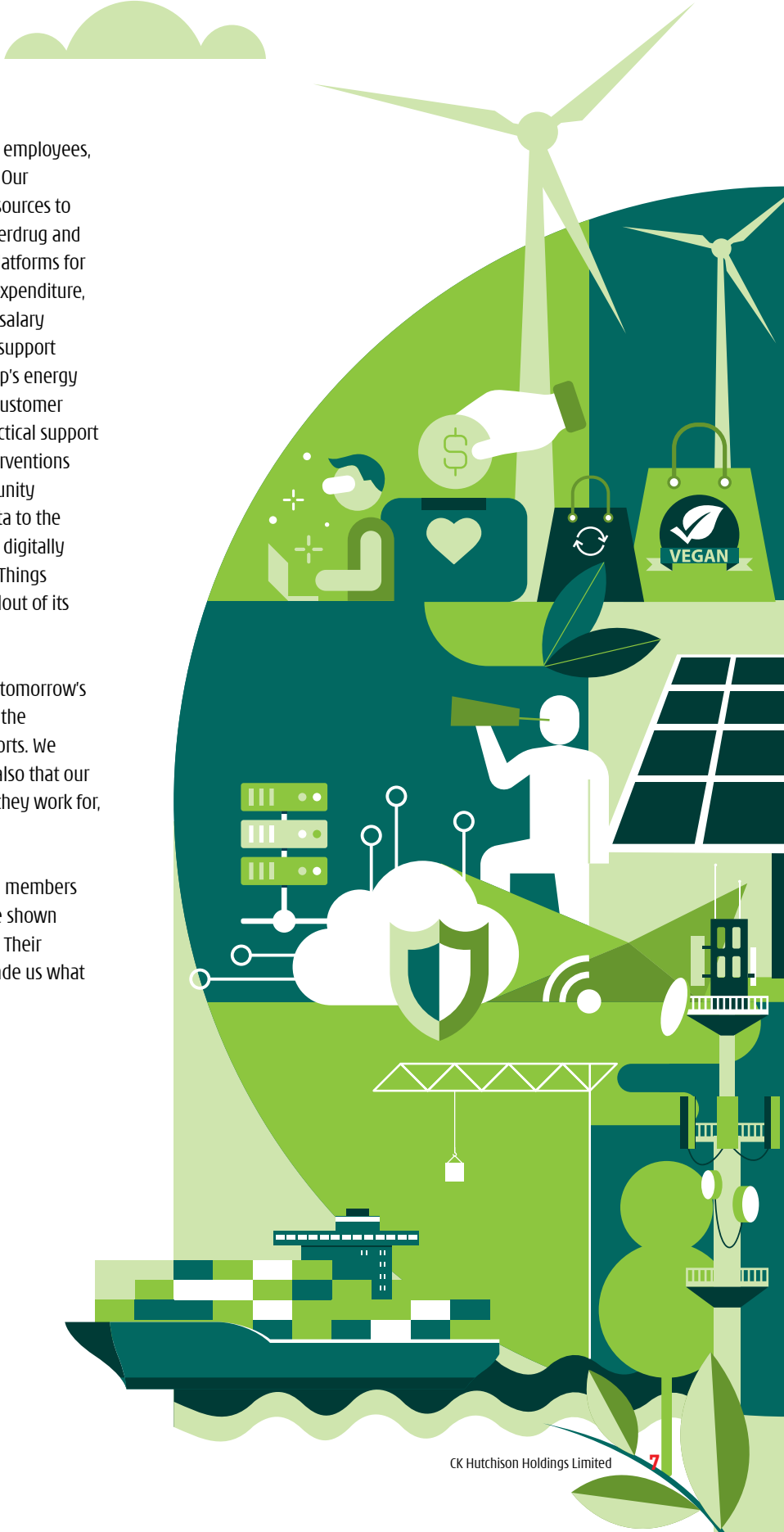
More broadly, the opportunity to help our customers achieve their sustainability goals is seen as a key strategic area for the Group, with customers increasingly signalling their preferences for more sustainable products and services. In April 2022, A.S. Watson launched its Greener Stores Global Framework to enable higher levels of sustainability integration in the way its business units design, construct, operate and maintain stores. This is alongside other efforts to offer more sustainable products through dedicated sustainability brands.

In a world of economic turmoil and uncertainty, our employees, customers and communities, face many challenges. Our businesses therefore sought to redirect time and resources to providing support through these difficult times. Superdrug and Savers made available various financial wellbeing platforms for employees to gain visibility over their income and expenditure, exercise flexibility over how and when they receive salary payments, and set up automated micro-savings. To support customers experiencing financial hardship, the Group's energy and water distribution businesses ramped up their customer vulnerability support strategies to provide more practical support to customers such as through energy efficiency interventions and benefits checks in partnership with local community organisations. **3** UK also donated 1 million GB of data to the National Databank with the aim of enabling 40,000 digitally excluded individuals to get connected via the Good Things Foundation. The Ports division also continued its rollout of its newly developed BEWELL strategy.

As we navigate our businesses through today's and tomorrow's challenges, serving the best interests of society and the environment must always be at the heart of our efforts. We know that this is not only the right thing to do, but also that our stakeholders are expecting more of the companies they work for, buy products and services from and invest in.

Finally, I would like to say thank you to all our team members globally for the hard work and dedication they have shown to our customers and each other over the past year. Their tremendous efforts have, above everything else, made us what we are today.

Victor T K Li
Chairman, CK Hutchison
17 April 2023



ABOUT THIS REPORT

This is the Group's fourth standalone sustainability report along the sustainability disclosure journey. This report outlines the Group's sustainability strategies and management approaches to material topics, and also covers the Group's sustainability performance, for the year from 1 January to 31 December 2022.

This report adheres to the four pillars of the Group Sustainability Framework, but the structure has been streamlined to reflect Group approaches across the material topics rather than to report at each divisional level. It should be read in conjunction with the 2022 Annual Report, which provides a comprehensive review of the Group's financial performance and corporate governance frameworks and practices.

The Group welcomes feedback and suggestions. Please contact us at sustainability@ckh.com.hk.

Reporting Scope

The Company reviews its reporting scope from time to time to ensure completeness and that the material topics of the Group's overall portfolio are covered. The scope of this report includes business units in the Group's four core businesses over which it has operational control. Greenhouse gas emissions data has been consolidated in line with the Greenhouse Gas Protocol, excluding associates and affiliates over which the Group does not have operational control. Scoping under the operational control approach, in 2022, the Group has further integrated the core port operations at HPH Trust (Hutchison Ports HIT and Hutchison Ports YANTIAN). The full list of business units included within this report is summarised in Appendix 3.

Reporting Frameworks

HKEX ESG Guide

This report has been prepared in accordance with mandatory disclosure requirements and "comply or explain" provisions of the Environmental, Social and Governance (ESG) Reporting Guide as set out in Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (HKEX). Please refer to the HKEX content index in Appendix 2 for information on the location of specific disclosures.

GRI

This report references selected standards from the Global Reporting Initiative (GRI).

TCFD

The Group has adopted reporting recommendations from the Task Force on Climate-related Financial Disclosures (TCFD). Its latest standalone TCFD report is available on the corporate website and relevant information is also contained in this report.

United Nations Global Compact

The Group is a signatory of the United Nations Global Compact, a voluntary multi-stakeholder platform aligned with 10 principles concerning the environment, anti-corruption, human rights, and labour standards.

Additional information

The content of this report is supplemented by additional information in the sustainability section of the Group's corporate website.

EDL Agnew Hybrid Renewable Microgrid

SUSTAINABILITY AT CK HUTCHISON

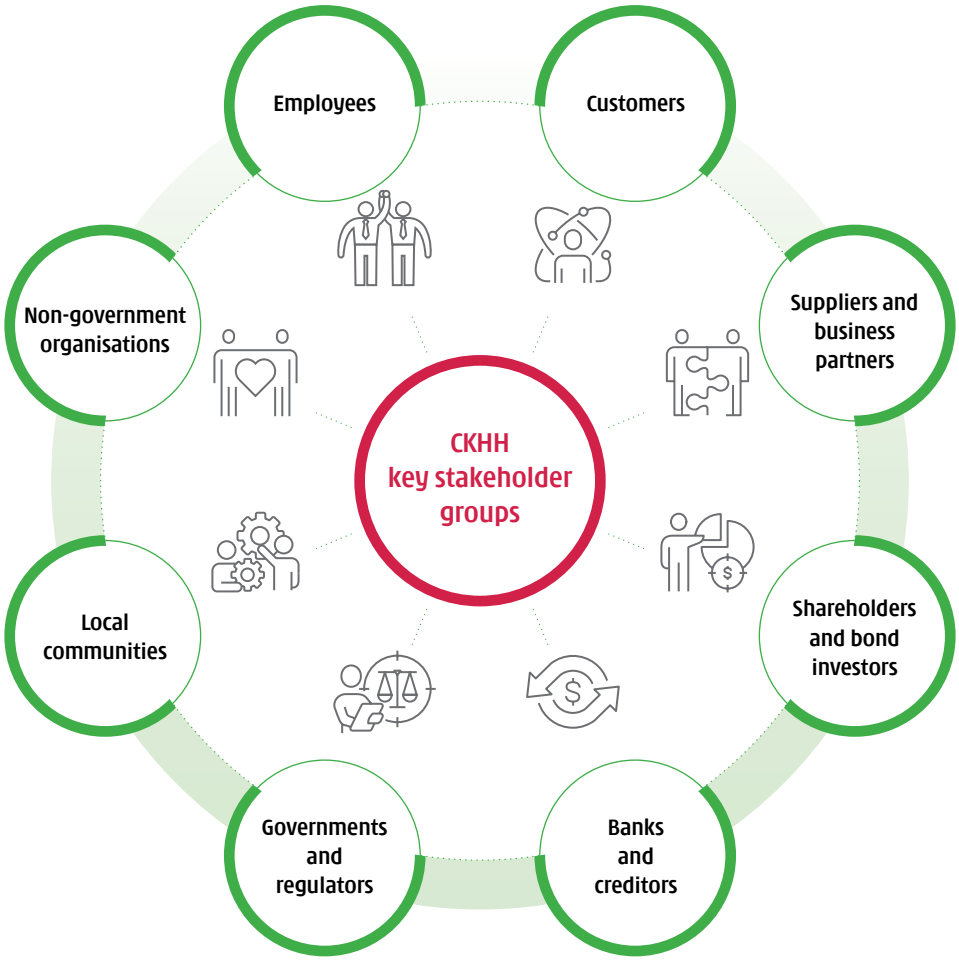
Reporting What Matters

Understanding stakeholder views is essential for businesses to define and implement development strategies that safeguard people and the planet. The Group maintains close dialogue with its key stakeholder groups to evaluate the sustainability impacts of its wide-ranging business interests and global scale of operations.

Stakeholder engagement

The Group engages with a broad range of stakeholders on an ongoing basis through a variety of channels, including meetings, liaison groups, panel discussions, workshops, and surveys. The outcomes of structured stakeholder engagement activities help to guide development of the Group's sustainability strategy.

Figure 2 CKHH key stakeholder groups

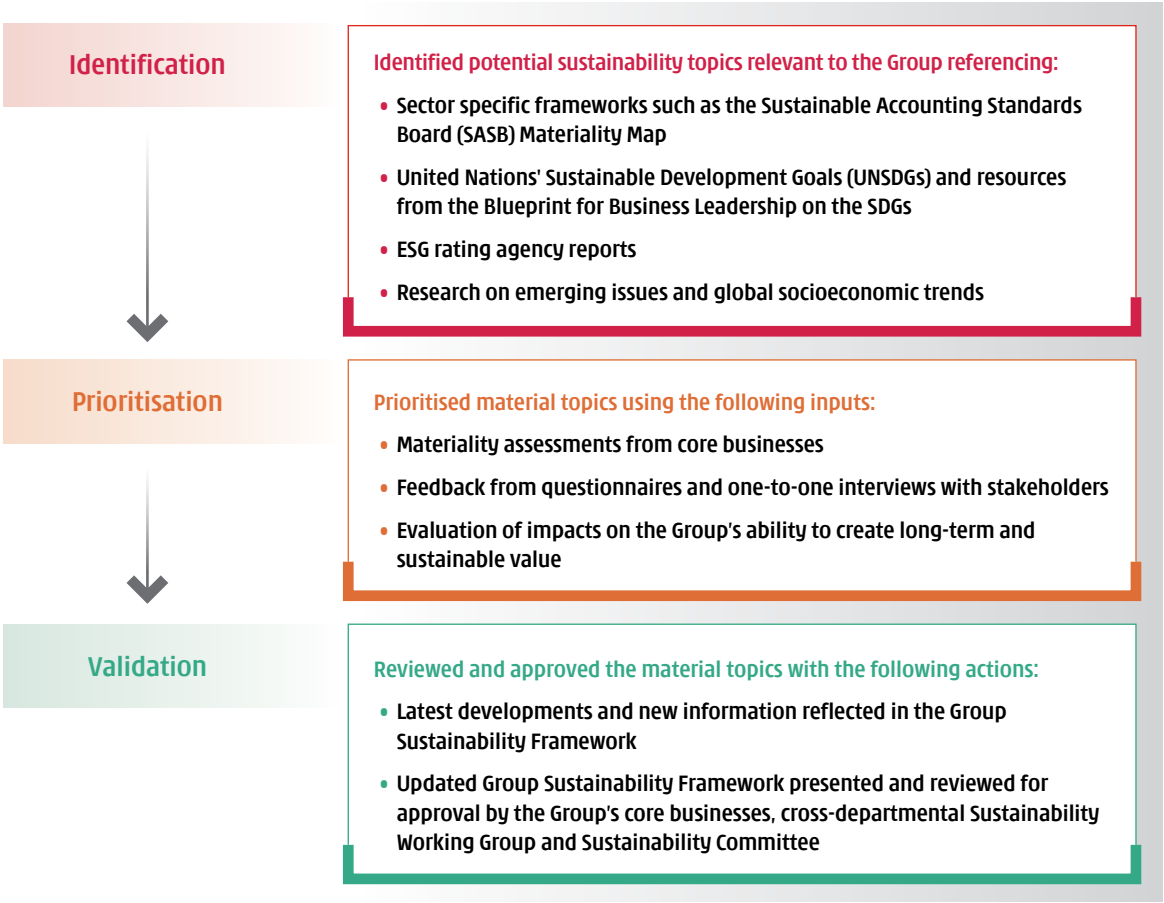


ESG rating agency assessments support investors and other stakeholder groups to evaluate the Group's sustainability efforts. Based on feedback from investors as to the ESG ratings agencies most important to them, it has enhanced its disclosures on the Group's sustainability topics to address information requests from these agencies. During 2022, through increased engagement, CKHH received a two-notch upgrade from MSCI moving from a B to a BBB rating. The Group's Sustainalytics ESG rating has also steadily improved year-on-year, with a score of 26.5 (Medium Risk) and a ranking of 7th best out of 115 conglomerates globally, at the time of report publishing.

Materiality

The Group's core businesses each face their own set of sustainability challenges and opportunities, requiring tailored approaches to impact identification and prioritisation, which must be validated, consolidated, and refined at the Group level. Befitting an organisation of its size and level of complexity, the Group deploys an iterative process for frequently updating its materiality assessment to take into account latest developments and new information.

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



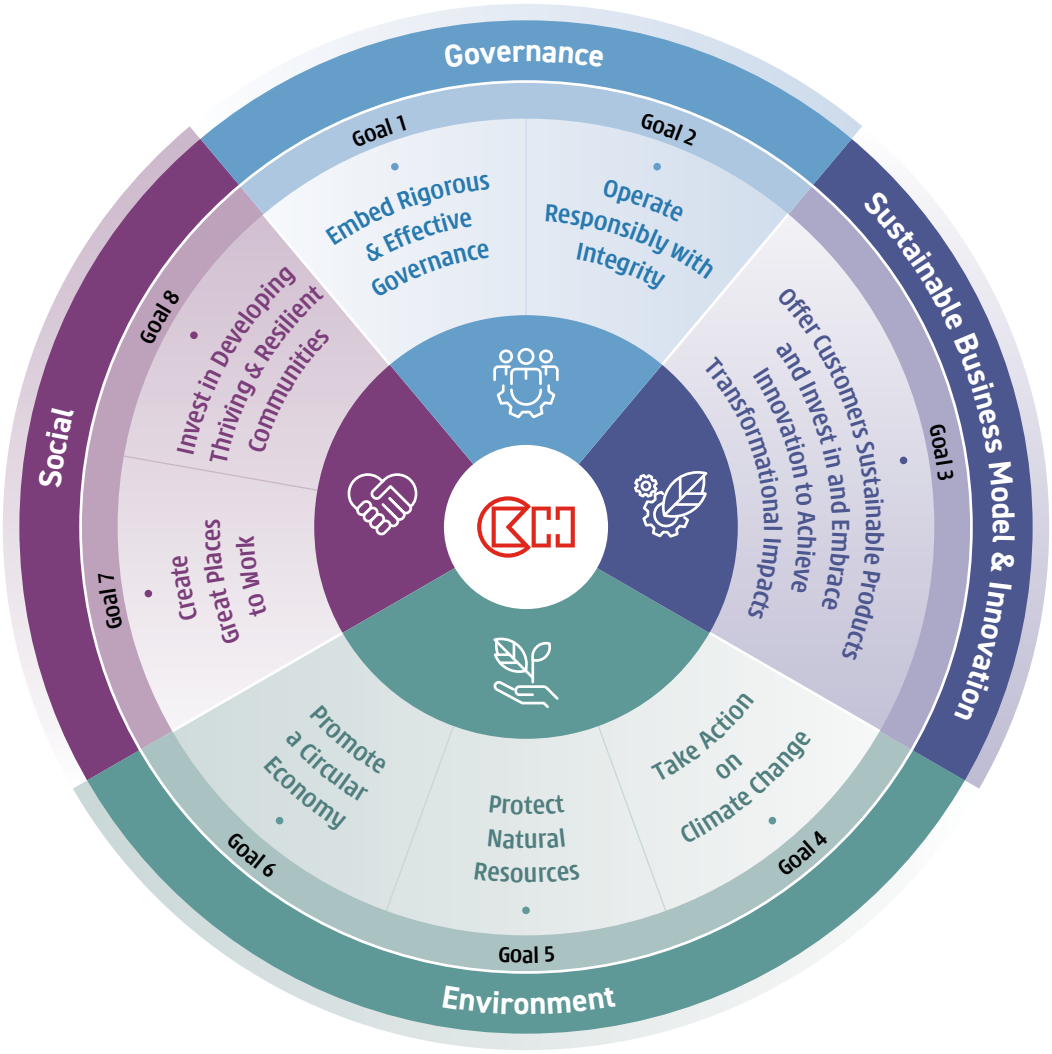
Group Sustainability Framework

The Group has identified eight goals to guide its strategy on sustainable development across all core businesses.

As illustrated in the Group Sustainability Framework, these goals have been arranged into four sustainability pillars and mapped to the UNSDGs. How these goals are achieved and how these material topics are impacted across the Group will differ depending on the nature of the business sectors and geographies in which each core business operates. While this report is focused on material information from the Group perspective, further detail is available within the Sustainability Reports prepared by the core businesses.

In 2022, the Group Sustainability Framework was updated to incorporate Sustainable Investing as a material topic given greater emphasis being placed by the Group on this topic. Also, following publication of the Group's inaugural TCFD Report in 2022, the Climate Resilient Business topic has been re-allocated to the Sustainable Business Model & Innovation pillar, reflecting the importance of the topic in strengthening current business models, as well as it being a lens for new product development and innovation. Lastly, the pandemic-focused goal - "Take all steps to protect employees and support communities and other stakeholders through the pandemic" - has also been removed as a standalone goal, with these efforts now incorporated as part of the goal - "Invest in developing thriving and resilient communities".

Figure 4 Group Sustainability Framework



Governance	Sustainable Business Model & Innovation	Environment	Social
Material Topics			
• Integrated Governance Structure • Internal Control Framework • Data Privacy and Cyber Security • Labour and Human Rights • Supply Chain Responsibility • Sustainable Investing	• Service Excellence • Climate Resilient Business • Social Inclusion • Sustainable Product Choices	• Decarbonisation • Biodiversity Protection • Water Management • Air Quality • Circular Economy	• Talent Attraction • Employee Engagement • Learning and Development • Health, Safety, and Wellbeing • Inclusion and Diversity • Community Investment
Mapping to the SDGs			
8 DECENT WORK AND ECONOMIC GROWTH 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	7 AFFORDABLE AND CLEAN ENERGY 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 11 SUSTAINABLE CITIES AND COMMUNITIES 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION 14 LIFE BELOW WATER 15 LIFE ON LAND	2 ZERO HUNGER 6 CLEAN WATER AND SANITATION 7 AFFORDABLE AND CLEAN ENERGY 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION 14 LIFE BELOW WATER 15 LIFE ON LAND	3 GOOD HEALTH AND WELL-BEING 4 QUALITY EDUCATION 5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH 10 REDUCED INEQUALITIES

Hutchison Ports ECT

Progress Highlights and Plans

The Group reports annually on progress to create value for its stakeholders in line with the Group Sustainability Framework. To sustain its momentum on implementing and refining the framework, it has identified short-term objectives and targets for management priority under each pillar.

Figure 5 Group highlights and ambitions

Governance

Goals

- Embed Rigorous & Effective Governance
- Operate Responsibly with Integrity

Highlights for 2022

- Completed the rollout of a Group online sustainability data management system.
- Launched CKHH's inaugural green bond and closed out allocation in Year 1.
- Published the Group's first Green Bond Report.
- Implemented Group-wide green spend tracking for annual reporting to Head Office.
- Implemented new annual board review of adequacy of sustainability resources.

Objectives & Targets (2023-24)

- Support divisions in rolling out sustainability strategies that address the impacts and material topics specific to their industries.
- Continue to integrate sustainability into performance metrics and compensation schemes.
- Conduct first large-scale, Group-wide Sustainability Conference.
- Develop a Group sustainability portal for information-sharing and enhancing collaboration.
- Continue Group sustainability investment programme, embedding sustainability into core finance and investment planning.
- Evolve sustainability reporting in line with sustainability reporting frameworks such as the EU Taxonomy and the Corporate Sustainability Reporting Directive.

Sustainable Business Model & Innovation

Goals

- Offer customers sustainable products and invest in and embrace innovation to achieve transformational impact

Highlights for 2022

- Ongoing focus and delivery of business solutions in renewable and clean energy generation; clean transportation; and energy efficiency and smart city solutions.
- Re-launched A.S. Watson's Sustainable Choices campaign with more stringent requirements for product sustainability.
- Expanded refill and take-back programmes for customers across markets in the Retail and Telecommunications divisions.
- Published the first Group TCFD Report.
- Hutchison Ports completed a global climate risk assessment, identifying a shortlist of ports for further monitoring/action.
- The Infrastructure division completed an initial assessment of its climate-related risks and opportunities and a first stage climate scenario analysis.

Objectives & Targets (2023-24)

- Continue to build product services and solutions that help drive the net-zero transition; that enable greater diversity, equity and inclusivity; and solutions that drive sustainable sourcing and a circular economy.
- Collaborate and share solutions internally and externally, particularly in breakthrough scientific progress.
- Deliver digital inclusion benefits for target populations including senior citizens, remote community access and small businesses.
- Build climate resiliency into new projects and investments.
- Continue to enhance Group TCFD reporting.

Environment

Goals

- Take action on climate change
- Protect natural resources
- Promote a circular economy

Highlights for 2022

- Developed new Group emissions reduction targets: reduce scope 1 and 2 emissions by 50% by 2035 versus 2020; commitment to the pursuit of net-zero by 2050.
- Division-level progress:
  - Hutchison Ports is committed to having both its short and long-term targets validated by the SBTi.
  - A.S. Watson and CKHGT received validation of their near-term targets by the SBTi.
  - CKHGT formally committed to setting a net-zero target to be validated by the SBTi.
  - CK Infrastructure set its first division-wide target and commitment to the pursuit of net-zero.

Objectives & Targets (2023-24)

- Publish a standalone Climate Transition Plan.
- Develop a Group-wide renewable electricity strategy.
- Further expand/improve scope 3 emissions reporting.
- Report to the Carbon Disclosure Project.
- Develop a Biodiversity Policy.
- Continue expansion of biodiversity net gain philosophy into the operational ethos of businesses.

Social

Goals

- Create great places to work
- Invest in developing thriving and resilient communities

Highlights for 2022

- Enabling a pipeline of young talent: A.S. Watson target established to recruit 200,000 school-leavers by 2030 without previous work experience.
- Refreshed employer branding campaigns: "Where you can be you" launched by Superdrug and "#friendstream" by Kruidvat.
- WINDTRE achieved EQUAL-SALARY certification, the first company in the ICT sector to do so.
- Continued **3** Ireland and Trinity College Dublin STEM scholarship partnership which is funding the creation of 25 Scholarships for Women in STEM over five years, and two Trinity Access Teacher Fellowships for three years.
- Ongoing advancements in port automation and remote-controlled connectivity to enable more inclusive hiring and safer port environments.
- Recognition: Superdrug and WINDTRE were spotlighted in the Financial Times Leader in Diversity report for leadership; **3** UK was included in the list of 100 best places to work by the National Centre for Diversity; and **3** Ireland received an Investors in Diversity Gold award from the Irish Centre for Diversity.

Objectives & Targets (2023-24)

- Launch skills development programmes that develop future-readiness.
- Continue to make progress in addressing gender imbalances, particularly in leadership roles, in addition to building wider inclusion and diversity strategies (beyond gender).
- Maintain a zero harm workplace and culture. Promote healthcare and wellbeing initiatives in the workplace.
- Be active members of the community, targeting investments to the needs of the community.

TAX
LAW

GOVERNANCE

The Group recognises its duty to ensure its business is conducted responsibly with a view to avoiding adverse impacts from direct and indirect operations and promoting sustainable development. Good governance underpins the overall direction, effectiveness, supervision, and accountability of the Group, guiding its business units to act with integrity and in the best interests of stakeholders through informed, effective, open, and ethical decision-making.

This section also covers governance approaches to specific cross-cutting sustainability topics that the Group identifies as important and should be integrated and mainstreamed under the governance framework to ensure all business units across the Group operate responsibly with integrity. These include: Data Privacy and Cyber Security, Labour and Human Rights, and Supply Chain Responsibility. How the Group allocates capital to ensure the achievement of its sustainability goals and targets is also important to effective governance and therefore covered in this section.

GROUP GOALS

- EMBED RIGOROUS & EFFECTIVE GOVERNANCE
- OPERATE RESPONSIBLY WITH INTEGRITY

CONTENT IN THIS SECTION

- INTEGRATED GOVERNANCE STRUCTURE
- INTERNAL CONTROL FRAMEWORK
- DATA PRIVACY AND CYBER SECURITY
- LABOUR AND HUMAN RIGHTS
- SUPPLY CHAIN RESPONSIBILITY
- SUSTAINABLE INVESTING

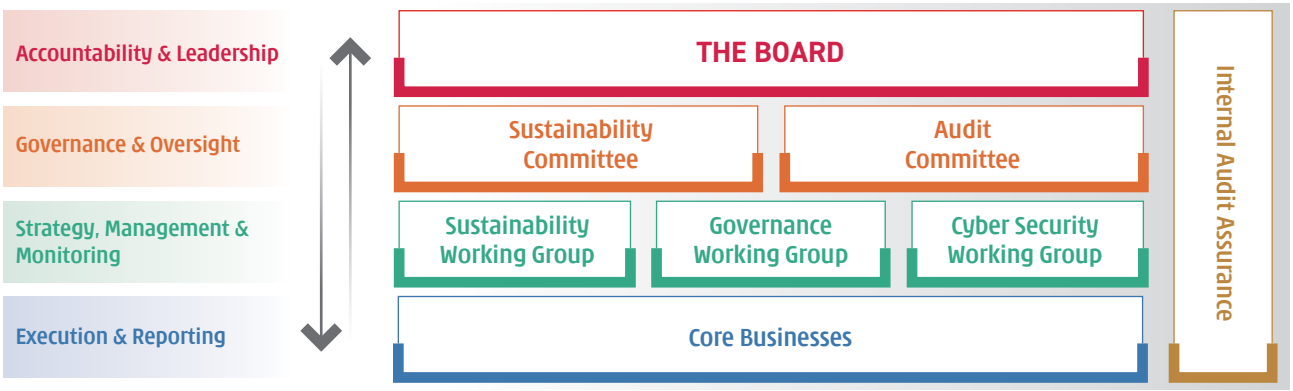
Linked SDGs

INTEGRATED GOVERNANCE STRUCTURE

The Group integrates environmental and social governance into its corporate governance structure, providing a solid foundation for sustainability strategy, management, monitoring and assurance to be embedded throughout its operations.

This section of the report should be read in conjunction with the Corporate Governance Report of the Annual Report, which is the primary source of information about the Group's corporate governance framework and practices. For more information about governance roles and mechanisms specifically in relation to climate change, please refer the Group's TCFD Report.

Figure 6 CKHH's Integrated Governance Structure



The Board

The Board has oversight and ultimate accountability for the sustainability strategy of the Group, as well as its management, performance and reporting with the support of the Sustainability Committee and the Audit Committee which play complementary roles in sustainability management. Directors are charged with the task of promoting the long term sustainable success of the Company and making decisions in the best interests of the Company with due regard to sustainability considerations.

The Board examines and approves the sustainability goals, objectives, policies and frameworks and reviews progress towards their implementation and achievement, while ensuring alignment with the Group's business strategy.

The Sustainability Committee and the Audit Committee report to the Board on sustainability risks, opportunities and assurance, which the Board examines and reviews with the committees periodically, as well as their impact on business strategy and new investments.

Board diversity

As at 31 December 2022, the Board comprised 17 directors, including seven Executive Directors, four Non-executive Directors and six Independent Non-executive Directors. The Nomination Committee, chaired by Dr Rosanna Wong, an Independent Non-executive Director, with the Chairman Mr Victor T K Li and Independent Non-executive Director Mrs Sophie Leung as members, is responsible for reviewing the structure, size, diversity profile and skill set of members of the Board.

The Group values the benefits of a diverse Board that possesses a balance of skill set, expertise, experience and perspective. Appointment of Directors is based on attributes that the selected Director will bring to the Board. Gender diversity of the Board stands at 29.4% (up from 28% in 2021), a relatively high level amongst companies listed on The Stock Exchange of Hong Kong Limited.

Sustainability Committee

The Sustainability Committee, elevated as a Board-level committee in 2020, is chaired by Mr Frank Sixt (Group Finance Director and Deputy Managing Director), with Ms Edith Shih (Executive Director and Company Secretary) and Dr Rosanna Wong (Independent Non-executive Director) as members.

The key responsibilities of the Sustainability Committee are to make recommendations to the Board on the Group's sustainability goals, objectives and strategies. It oversees, reviews and evaluates actions taken by the Group to progress its sustainability priorities and goals. The Sustainability Committee also reviews and reports to the Board on sustainability risks and opportunities, and assesses emerging sustainability issues and trends that could impact the business operations and performance of the Group. Moreover, it considers the impact of the Group's sustainability initiatives on its stakeholders and advises the Board on external communication, disclosure and publications as regards to its sustainability performance.

During 2022, the Sustainability Committee focused on reviewing progress against the targets and actions committed to by the Group. It also reviewed and approved the 2021 Sustainability Report published in May 2022. The Sustainability Committee received a report on the allocation of the proceeds and the impact created from the green bond issued in October 2021. The adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's sustainability performance and reporting function was also examined and considered satisfactory by the Sustainability Committee. Following each Sustainability Committee meeting, a progress report, signed off by the Chairman of the Committee, is submitted to the Board. An agenda item is also added to the Board meeting for Directors to receive the report from the Committee and ask questions as needed.

Audit Committee

The Audit Committee oversees the effectiveness and adequacy of the Group's risk management and internal control systems, covering financial, operational and compliance aspects, per the Audit Committee Terms of Reference.

The Audit Committee currently comprises three Independent Non-executive Directors. It is chaired by Mr Wong Kwai Lam with Ms Lee Wai Mun, Rose and Mr Paul Joseph Tighe as members.

Sustainability Working Group

Supporting the Sustainability Committee is the Sustainability Working Group, comprising two Executive Directors as Co-Chairs, as well as other senior executives from key departments that influence the material sustainability impacts of the Group.

Governance Working Group

The Cyber Security Working Group is chaired by the Group Finance Director and Deputy Managing Director and comprises technical specialists from the core businesses, as well as representatives from Internal Audit and the Group Information Services Department. It oversees the cyber security and related risks and defences of the Group to ensure they are effective, coherent, and well-coordinated, and make recommendations as it deems appropriate to the Audit Committee per the Cyber Security Working Group Terms of Reference.

Cyber Security Working Group

The Cyber Security Working Group is chaired by the Group Finance Director and Deputy Managing Director and comprises technical specialists from the core businesses, as well as representatives from Internal Audit and the Group Information Services Department. It oversees the cyber security risks and defences of the Group to ensure they are effective, coherent, and well-coordinated, and make recommendations as it deems appropriate to the Audit Committee per the Cyber Security Working Group Terms of Reference.

Internal Audit Assurance

Internal Audit, reporting directly to the Audit Committee and administratively to the Group Finance Director and Deputy Managing Director, provides independent assurance as to the effectiveness of the risk management activities and controls of the Group, including those related to sustainability. Internal Audit also has an important role throughout the year in sustainability data quality oversight as well as performing ongoing audits of operations to ensure the effectiveness of sustainability-related controls.

Risk Management

As part of its enterprise risk management, the Group adopts a top-down and bottom-up approach to managing sustainability risks. The Sustainability Working Group seeks insights from the Group Executive Directors and the Board, via the Sustainability Committee, about the latest developments in the external and internal environment, and how the Group responds to these emerging risks and opportunities. Meanwhile, half-yearly, each core business is required to formally identify and self-assess its risks and necessary control procedures that are in place. Subject to independent audit assurance by Internal Audit, these self-assessment results are submitted to the Executive Directors and the Audit Committee and Sustainability Committee for review and approval. Relevant assessment results are also shared with external auditors.

Full information on how the Group identifies, assesses, and manages climate-related risks is available in the latest TCFD Report.

Sustainability at the Core Businesses

Each of the core businesses operates in unique sectors and geographies and are therefore supported by their own sustainability leads, governance structures and programmes. As a common standard, each core business has set up its own cross-departmental Sustainability Working Group which is chaired by senior management.

INTERNAL CONTROL FRAMEWORK

The internal control framework, which encompasses governance policies, communication and training, due diligence, ongoing assessment, and monitoring and review, guides and supports the Group's core businesses to act with integrity throughout all areas and aspects of daily operations.

Through the Audit Committee, the Board has ultimate oversight of business ethics and compliance efforts and also regularly reviews the effectiveness of the risk management and internal control systems of the Group on an ongoing basis.

Governance Policies

The Group's business ethics are guided by its governance policies which are available to download on the Group's corporate website. Where necessary to their industry and geography, additional policies are adopted by the core businesses to further complement the policies of the Group.

Figure 7 Internal Control Framework

Governance Policies

Sustainability

- Sustainability Policy
- Environmental Policy
- Health and Safety Policy
- Human Rights Policy
- Modern Slavery and Human Trafficking Statement
- Supplier Code of Conduct

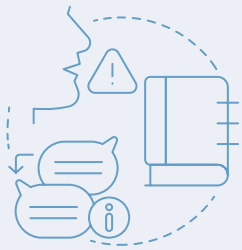
Corporate Governance

- Anti-Fraud and Anti-Bribery Policy
- Board Diversity Policy
- Code of Conduct
- Corporate Communications Policy
- Director Nomination Policy
- Information Security Policy
- Policy on Appointment of Third-Party Representatives
- Policy on Personal Data Governance
- Policy on Securities Dealings and Handling of Confidential and Price-sensitive Inside Information
- Whistleblowing Policy
- Shareholders Communication Policy

SA Power Networks team meeting

A zero tolerance approach to fraud and corruption

The Board sets a tone of zero tolerance towards fraud and corruption.



The Code of Conduct (the "Code") sets out professional standards of the Group in all business dealings. It applies to subsidiaries and controlled affiliates, demanding strict adherence from every director and employee to the Code and applicable laws, rules, and regulations in the jurisdictions in which the Group operates. Employees serving as directors are also expected to encourage non-controlled affiliates to adopt and follow the Code.

The Anti-Fraud and Anti-Bribery Policy provides guidance for employees on recognising and avoiding unethical behaviour in a range of business contexts, including procurement of goods and services, accepting and offering corporate gifts or hospitality, and making political or charitable contributions. The Group further promotes its commitment to anti-corruption through its selection of third party representatives via its Policy on Appointment of Third Party Representatives.

Communication and Training

The Group provides training to employees on its governance policies. Employees are required to self-declare their compliance with the Code of Conduct on an annual basis and new joiners receive training as part of their induction programmes. Training on specific governance topics, such as anti-fraud and anti-corruption, is provided to employees in accordance with their roles and areas of responsibility at least once every two years.

Due Diligence

The Group's commitment to anti-fraud and anti-corruption is also reflected in its management of business partners, suppliers, and third party representatives such as advisers, agents, and consultants. The Group conducts due diligence on the selection and renewal of new and existing business partners or suppliers based on an assessment of risk factors including transaction size, product or service nature, financial and compliance status, qualification, potential conflict of interest, and country risk.

Further, the Group adopts a comprehensive set of procurement and tendering procedures to ensure that related activities are carried out in a fair and transparent manner. Approval from the Head Office is required before engagement of third party representatives, with some exceptions, and material capital expenditure projects (in excess of predefined thresholds) also requires Head Office review and approval prior to any binding commitment.

Ongoing Assessment

Core businesses are also required to self-assess their control measures at least bi-annually to further drive improvement. In particular, for any material control deficiencies identified, they will formulate an action plan and monitor the progress closely. The results of this self-assessment are reviewed by Internal Audit and reported to the Executive Directors and the Audit Committee.

Monitoring and Review

The Group has implemented sound financial controls, including adequate segregation of duties, authorisation controls, records logging, supporting documentation, and audit trail, to prevent and detect irregularities or misconduct. This control system is subject to regular review and audit. In particular, Internal Audit, which is responsible for assessing the effectiveness and adequacy of the internal control system of the Group, conducts independent audits of the Group's ethical standards and policies in the areas of anti-corruption, fraud incident management, supplier code of conduct, fair dealing with suppliers, donations/sponsorships, handling of confidential/inside information, personal data governance, anti-trust, workplace safety, and accuracy of books and records. The audits run in a typical three-year cycle and are Group-wide. Business units exposed to higher fraud and corruption risks are subject to more frequent and intensive audits, generally once per year. All audit findings are reported to the Audit Committee and the Executive Directors and are also shared with external auditors.

Whistleblowing

The Group encourages its employees and other stakeholders, including customers, suppliers, creditors, and debtors, to raise concerns about suspected improprieties, misconduct, or malpractice. It operates various confidential reporting channels in local languages via the Group's corporate websites.

In accordance with the Whistleblowing Policy, the Group responds to each reported incident in strict confidence, and provides reassurances on protection for whistleblowers against unfair dismissal, victimisation or unwarranted disciplinary action. Each core business has internal procedures for handling reports. All core businesses must report any actual or suspected material incidents within one working day to the Group Finance Director, Deputy Managing Director, and Head of Internal Audit.

Reported incidents of fraud and corruption will be investigated. Internal Audit is responsible for reviewing reported incidents, seeking out relevant stakeholders for direction or comment, determining which incidents require in-depth investigation, and escalating its findings to the Executive Directors and the Audit Committee, as applicable.

The Executive Directors receive a summary of reported incidents and relevant statistics, including results of independent investigations and actions taken every quarter and at Audit Committee meetings. Substantiated complaints will result in disciplinary action following due management consideration, including verbal or written warnings and termination of employment. Violation of laws and regulations will be reported to law enforcement authorities, as applicable.

DATA PRIVACY AND CYBER SECURITY

Digitalisation is a powerful megatrend creating opportunities for automation, integration, data analytics, and innovation across all business areas. Ensuring data protection and effective control of cyber security risks are of paramount importance for the Group, as reflected in its comprehensive governance structure and mechanisms.

Personal Data Governance and Information Security

The Group recognises its responsibility for keeping personal data and sensitive information safe by implementing technical and organisational measures that demonstrate its compliance with legislation in relevant jurisdictions, including the EU's General Data Protection Regulation (GDPR).

The Group's Policy on Personal Data Governance protects consumers and employees by enshrining the principles of respect for individual rights, procedural transparency, lawful processing, use and retention, and information security. It contains provisions on legitimate purposes for data collection, data usage and retention, sharing and transferring personal data, and safeguards for data processing by third parties. The Information Security Policy outlines the Group's approach to protecting data confidentiality, integrity and availability, including personal data, as well as managing and escalating security incidents. It forms the basis for core businesses to formulate supplementary policies and procedures at the operational level.

Recognising that customers face many cyber security challenges such as phishing emails, malware, and inappropriate websites, the Group's businesses have also developed a range of resources and services to help keep them safe.

Retail

TRUST-BASED MODEL FOR PERSONALISED CUSTOMER PROMOTIONS

The Retail division's O+O (Offline plus Online) worldwide platform strategy builds on a trust-based model underpinned by its highly advanced IT systems and Cyber Security Service. Privacy data is maintained in dedicated and encrypted environments where access is under strictly-controlled regulation. All modern Cyber Security Technologies, including advanced AI threat detection mechanisms, are applied to further protect data from unauthorised usage. As an example, data on the shopping behaviour of A.S. Watson's 141 million loyalty customers is used to design and deliver personalised promotions. These are highly effective at encouraging and enabling participating O+O customers to spend on average up to three times more than customers who shop through only one channel.

141 million

Data on the shopping behaviour of A.S. Watson's 141 million loyalty customers is used to design and deliver personalised promotions.

Telecommunications

SAFER BROWSING WITH PROTECTION FROM WINDTRE

WINDTRE, in the Telecommunications division, offers a range of services to help protect its customers from emerging threats to their safety online. Its monthly subscription service for landline customers, WINDTRE Home Protect, secures home networks and connected devices from threats such as malicious links. WINDTRE Security Pro app, powered by leading IT security firm Avast, also provides comprehensive protection for smartphone customers browsing the internet on the WINDTRE network, when roaming, or in Wi-Fi. It detects viruses, malware, spyware and trojans to limit tracking and keep passwords and personal credentials safe.

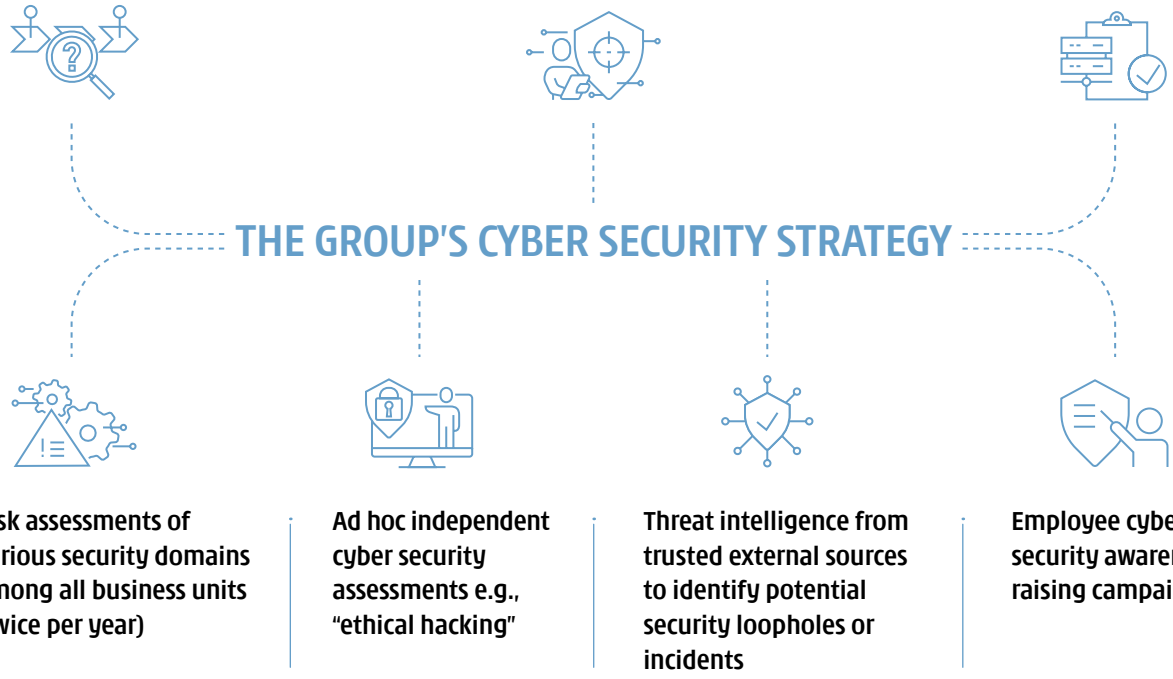
WINDTRE has also introduced NeoConnessi, its education platform in Italy to help parents and children navigate the online world safely together. The platform provides articles, insights, technical tips, and advice on how to create a healthy tension of control and trust with one's child as they begin their online introduction. NeoConnessi is also an educational programme helping primary school teachers to introduce children to using the internet safely. With its fourth edition released in 2022, the educational programme has reached more than 800,000 children since its inception.

WINDTRE helps protect its customers from emerging threats to their safety online.

Cyber Security Strategy and Performance

Digitalisation increases the scope, scale, and frequency of opportunities for intruders to penetrate the Group's IT networks as more and more applications and devices go online. The Cyber Security Working Group assists the Audit Committee in fulfilling its duties in cyber security and related areas. The principal mandates of the Cyber Security Working Group is to oversee the Group's cyber security defences, monitor the cyber threat landscape and provide strategic oversight. It also ensures that the Group's efforts in managing cyber risks are effective, coherent and well-coordinated, in addition to reviewing reports on material breaches/attempted breaches of the Group's information security measures and the adequacy of actions proposed or taken.

Figure 8 Monitoring to inform continuous evolution of the Group's Cyber Security Strategy



Infrastructure

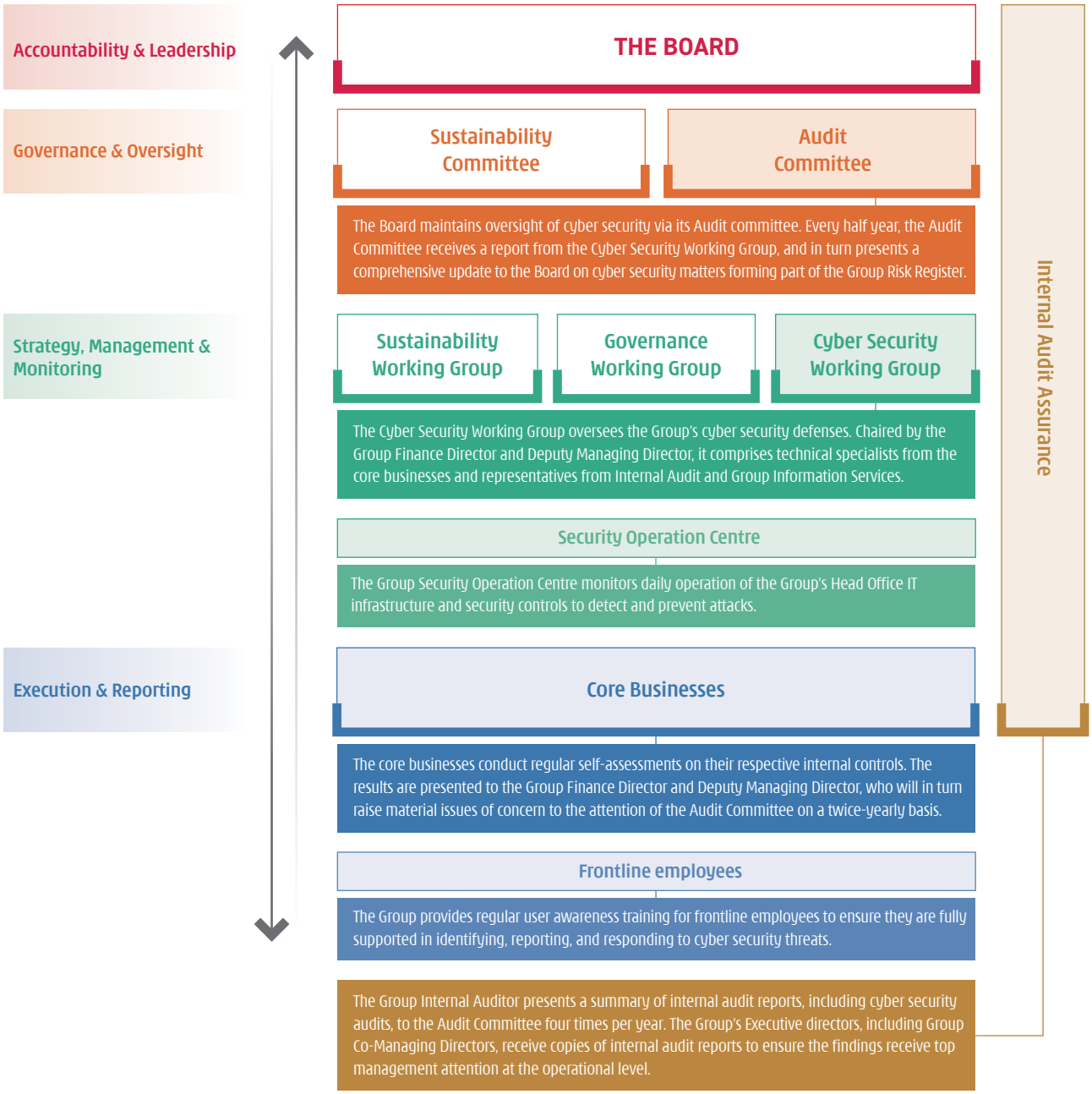
INVESTING CONTINUALLY TO MITIGATE CYBER THREATS

As the utilities sector continues to digitalise, it must invest continually to mitigate cyber security risks. In 2022, EDL conducted a third-party review of its cyber security practices and information security management system against guidelines from the National Institute of Standards and Technology (NIST) and the Australian Energy Sector Cyber Security Framework (AESCSF). The review provided an overview of EDL's cyber security controls in the information technology and operational technology environment and made recommendations on how to improve its cyber security practices.

Cyber Security Risks

The Group's cyber security risk governance structure collects, consolidates, verifies, and escalates information from the operational level with additional assurance provided by Internal Audit.

Figure 9 Cyber security governance and oversight



Cyber Security Collaboration

The Cyber Security Working Group has a sub-working group focused on operational technology to enhance collaboration and leverage the deep knowledge offered by specialists working in different areas across the Group. Colleagues further exchange ideas and experiences through the Global Cyber Security Collaboration Platform.

LABOUR AND HUMAN RIGHTS

The Group respects and promotes human rights as a fundamental principle to how it operates and engages with all stakeholders. Its Human Rights Policy affirms the following priorities and approaches throughout its direct operations and supply chains guided by the Universal Declaration of Human Rights and the United Nations Guiding Principles on Business and Human Rights:

- Treat people with dignity and respect, free from discrimination and fear of harm or abuse
- Prohibit unlawful child labour or any kind of forced or bonded labour (see also the Group's Modern Slavery and Human Trafficking Statement)
- Adhere to local laws and regulations governing working hours, equal and fair compensation, and rights to freedom of association and collective bargaining
- Prevent and limit redundancies and include respect for human rights considerations in transition planning such as redeployment and outplacement services for impacted workers
- Engage with communities on human rights, including indigenous people and other vulnerable or disadvantaged groups

This topic of Labour and Human Rights is closely linked with other material topics in the Group Sustainability Framework, including:
- Social Inclusion
- Inclusion and Diversity

SA Power Networks team members in the field

SUPPLY CHAIN RESPONSIBILITY

The Group's efforts to embed rigorous and effective governance also extends to its supply chain engagement.

Supplier Code of Conduct

Under the Group's Supplier Code of Conduct, business partners working with the Group are expected to uphold ethical standards on compliance with law and avoidance of corruption, respect for and implementation of the rights of employees, and environmental protection.

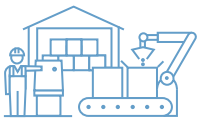
Core businesses implement tailored codes of conduct for their suppliers based on the model provided by the Group and incorporate detailed operational protocols relevant to their respective industries. In 2022, the Retail division refreshed its Supplier Code of Conduct and launched an enhanced due diligence screening process for new suppliers evaluating 23 risk indicators across five categories, including reputation and sanctions, financial, environmental, social, and governance. The Ports division has also launched an initiative across all business units to assess supply chain partners' compliance with its Supplier Code of Conduct and to develop plans for corrective action in 2023.

The Group implements effective systems and controls to ensure slavery and human trafficking is not taking place in its supply chains. It has various measures in place to ensure third parties implement anti-corruption policies and compliance programmes in accordance with relevant provisions in the Group's procurement contracts.

Supplier Screening and Assessments

End-to-end supply chain visibility is important for business units to assess risks and avoid disruptions. Supplier assessments and detailed safety and quality guidelines tailored to specific product categories play an important role in the Group's management approach to ensuring product and service safety and quality. Business units are also using dedicated external platforms and partnerships to further implement supply chain screening. For example, in 2022, **3** UK and **3** Ireland partnered with EcoVadis, the global leader in independent supply chain sustainability ratings, to support their understanding of supply chain practices across a broad range of sustainability topics. In 2022, over 55% of **3** UK's total third party spend was covered by current EcoVadis assessments, with the aim to achieve 95% coverage by the end of 2023.

As a significant procurer of goods and services, the largest supplier assessment programme within the Group belongs to the Retail division. A.S. Watson is a member of amfori, an international organisation dedicated to improving working conditions and environmental management in global supply chains. As part of its supplier assessment programme, all Own Brand suppliers in high-risk countries undergo audits referencing amfori's social and environmental requirements or other leading frameworks such as Sedex Members Ethical Trade Audits or the Initiative for Compliance and Sustainability.



374

During 2022, audits of 374 factories worldwide were conducted under A.S. Watson's sustainable supply chain programme.

Sourcing Guidelines

As a major consumer of goods and services, the Group seeks to leverage it purchasing power in support of sustainable consumption and production by choosing environmentally and socially preferable options. During 2022, among other guidelines for sustainable sourcing, the Retail division re-published Watsons' Sustainable Choices guideline for suppliers specifying more stringent requirements. It also launched a new online platform to collect detailed information on product sustainability from suppliers. Northumbrian Water, in the Infrastructure division, also has an ambitious goal to spend at least 60p in every £1 with local suppliers in the regions of its operations.

In the Telecommunications division, WINDTRE has introduced new sourcing guidelines to align its procurement decisions with decarbonisation targets. In 2022, it applied new tendering rules regarding energy consumption in the selection of microwave network equipment and it will seek to adopt these rules for all network equipment in future.

SUSTAINABLE INVESTING

Another principle of effective sustainability governance pertains to capital allocation. Sustainable Investing can deliver strategic benefits such as enhanced financial returns while providing tangible positive impacts for society and the environment. With "Focusing on Sustainability" identified as a key corporate strategic pillar for the Group, the Group is therefore committed to integrating sustainability into its investment decision making, capital and operating expenditure and debt financing.

New Investments

Sustainability considerations play an integral role in informing the Group's approach to new investments, particularly with regards to advancing its low carbon transition plans. Having committed to becoming a net-zero port operator by 2050, the Ports division has mandated that all new investments will be fully electric, and/or supplemented with other forms of clean energy such as green hydrogen. The Infrastructure division has identified sustainability as one of its four key long-term development strategies and continues to grow its business both organically and inorganically with new investments in companies and assets that support the energy transition.

Capital and Operating Expenditure

The Group has implemented detailed tracking mechanisms for monitoring capital and operating expenditure aligned with the Group's sustainability objectives. During 2022, the Group's Subsidiaries and Associates spent over USD1 billion in green spend. The largest spend categories include renewable and other clean energy generation, energy efficiency, and clean transportation, with smaller armounts in the categories of circular economy and design, and sustainable water management.

Debt Financing

Under the CKHH Sustainable Finance Framework, the Group and its subsidiaries may raise bond, loan or related financing for specific assets, projects and investments that it believes will catalyse positive environmental and/or social impact. In developing and implementing this framework, the Group has engaged various stakeholders to solicit input and has taken reference to leading standards such as the EU Taxonomy and Climate Bonds Standard. Sustainalytics provided a Second Party Opinion on the Sustainable Finance Framework in October 2021 and completed an Annual Review in August 2022.

In November 2021, the Group issued its first green bond of EUR500 million guaranteed notes due in 2033 aimed at influencing the environmental footprint of its operations. As of 31 May 2022, net proceeds from the 2021 Green Bond were fully allocated towards financing new projects and refinancing existing projects. In determining the allocation of the proceeds, the Group conducted multiple meetings with debt investors to understand areas of focus and preferences towards allocation. The Group has published its first Green Bond Report providing an overview of capital allocation and expected impacts.

Canadian Power Okanagan Wind farm

VEGAN
NET
ZERO

SUSTAINABLE BUSINESS MODEL & INNOVATION

The Group's core businesses play a significant role in supporting the daily lives of tens of millions of people by operating some of the world's biggest ports and retailers, infrastructure companies, and mobile multimedia telecommunication networks. The Group strives to create and capture value for all stakeholders by adapting continuously and proactively to social, environmental, and market conditions.

The Group is committed to protecting and promoting the interests of its customers by delivering its essential services with excellence. In the face of many complex and unprecedented challenges, the Group's core businesses are embracing innovation and collaboration to address sustainable development challenges and opportunities, such as building resilience to climate change, reaching underserved communities, and engaging with customers to live and shop more sustainably.

This section of the report is linked with additional content in the Environmental and Social pillars and serves to emphasise how the Group is using sustainability as a lens to adapt its current and future business models as a source of value creation. In doing so, it is building a more successful and resilient business for many years to come.

GROUP GOALS

- OFFER CUSTOMERS SUSTAINABLE PRODUCTS AND INVEST IN AND EMBRACE INNOVATION TO ACHIEVE TRANSFORMATIONAL IMPACT

CONTENT IN THIS SECTION

- SERVICE EXCELLENCE
- CLIMATE RESILIENT BUSINESS
- SOCIAL INCLUSION
- SUSTAINABLE PRODUCT CHOICES

Linked SDGs

SERVICE EXCELLENCE

The Group's core businesses work tirelessly to satisfy the daily needs of their customers. The Group's business units adapt to evolving market conditions by engaging regularly with customers and gaining insights into areas of interest or concern. Safety is always the top priority. The Group's robust management systems ensure quality and mitigate environmental, safety, and security hazards, including comprehensive internal and external audit processes supplemented by customer relationship management and complaints handling procedures.

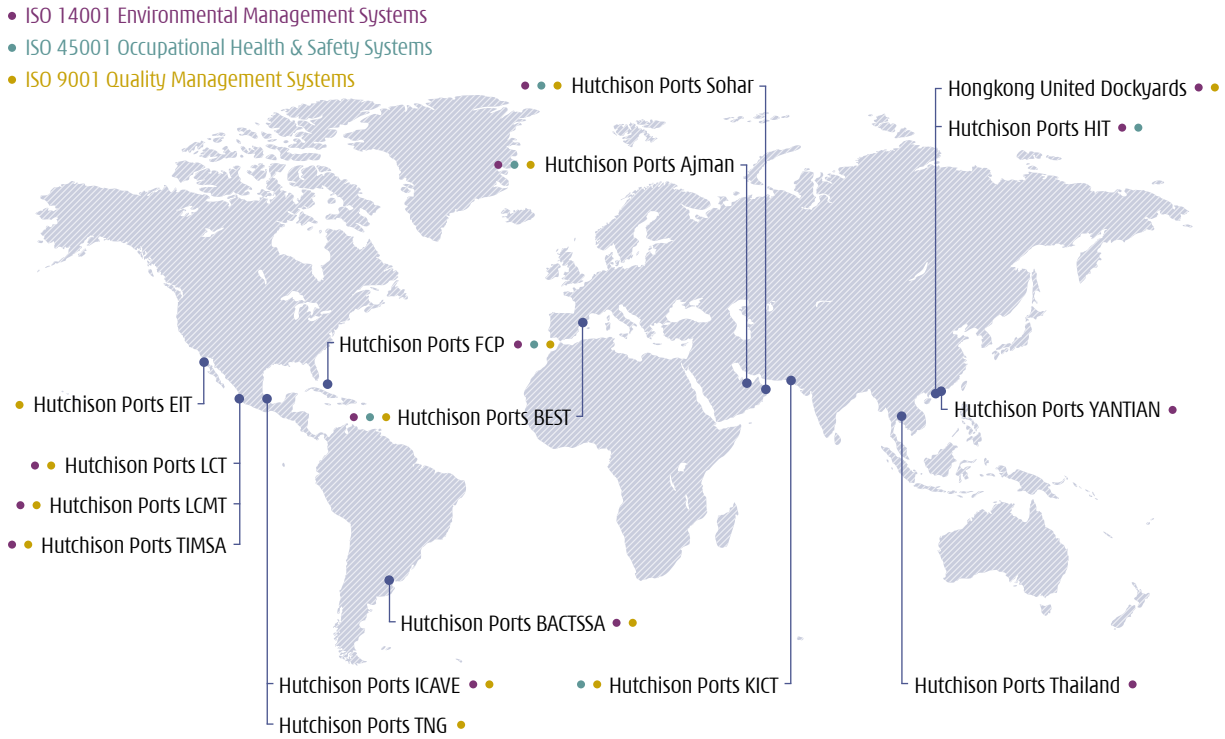
This topic on Service Excellence is closely linked with other material topics in the Group Sustainability Framework, including:

- Supplier Screening and Assessments
- Data Privacy and Cyber Security
- Health, Safety and Wellbeing

ISO Management Systems

Quality Management Systems (QMS), Environmental Management Systems (EMS), Safety Management Systems (SMS), and Information Security Management Systems (ISMS) guide the Group's business units to perform their daily operations in a consistent and reliable way by establishing and administering a set of robust processes and procedures incorporating management reviews, data analysis, corrective actions, and audits. To provide additional assurance for customers and regulators, many of the Group's business units obtain certification for their management systems in accordance with international standards, and according to areas of need in line with industry impacts. For example, the Retail division implements QMS throughout its manufacturing operations. A.S. Watson's factories in China, including Hong Kong, maintain ISO certifications. PARKnSHOP has received ISO 17025 certification for its in-house chemical laboratory, which affirms technical competence in testing and calibration. Thirteen of Hutchison Ports' largest ports have received ISO 9001 certification, with further significant support for ISO 45001 and ISO 14001.

Figure 10 ISO certification at Hutchison Ports



Hutchison Ports Port of Felixstowe

Quality and Safety Standards

The quality and safety management systems in place across all core businesses comprise of senior management oversight, clear delineation of responsibilities, appointment of dedicated personnel, coordination of Emergency Response Planning, and processes and procedures for record keeping and documentation. They also focus on hazard identification and safety risk assessment and mitigation.

Many of the Group's business units have published performance standards exceeding regulatory requirements and reflecting market-leading practices.

Ports

LEADING THE INDUSTRY ON DEFINING AND PROMOTING BEST PRACTICE

Hutchison Ports is an active member of the International Cargo Handling Coordination Association (ICHCA), which is a not-for-profit organisation dedicated to improving the safety, security, sustainability, and efficiency of cargo handling and goods movement. Through the Technical Panel and Dangerous Goods Working Group, it is working collaboratively with industry partners to develop and communicate leading practice guidelines on expected standards.

Hutchison Ports ICAVE

Infrastructure

DELIVERING WORLD-CLASS STANDARDS OF SERVICE

HK Electric has achieved world-class supply reliability ratings consistently exceeding 99.999% since 1997. Its commitment to service excellence has been codified in its corporate policies on Quality, Customer Services, Complaints Handling, and Corporate Security that guide its workforce to achieve total customer satisfaction through continuous improvement. Its Customer Services Steering Committee monitors service performance with reference to specific and measurable targets and its Stakeholder Satisfaction Steering Committee reviews customer complaints to ensure full and timely resolution.

HK Electric has achieved world-class supply reliability ratings consistently exceeding 99.999% since 1997.

Business Continuity Planning

Business continuity planning across the Group contains many common elements focused on resilience, recovery, and contingency, with plans tailored to the industry needs of each core business. For example, business units in the Telecommunications division have developed business continuity plans and manuals to maintain network resilience as part of the division's comprehensive risk management framework. These policies and protocols lay out the procedures, management responsibilities, internal and external courses of action, and lines of communication to be undertaken in times of crisis. They proved invaluable during the COVID-19 pandemic for facilitating effective decision-making and protecting health and safety while minimising disruption to services.

Customer Relationship Management

The Group's core businesses implement various mechanisms for measuring customer satisfaction and monitoring feedback to follow up on complaints and implement corrective actions. The Retail division, for example, conducts regular customer surveys in each market, enabling dynamic incorporation of feedback on many aspects of customer satisfaction, including store environment, product range, prices and loyalty programme benefits, staff conduct and knowledge, and Net Promotor Score (the benchmarking tool for customer satisfaction).

In July 2022, customers rated UK Power Networks as the top organisation across the UK for customer service, as measured by the Institute of Customer Service's UK Customer Service Index.

CLIMATE RESILIENT BUSINESS

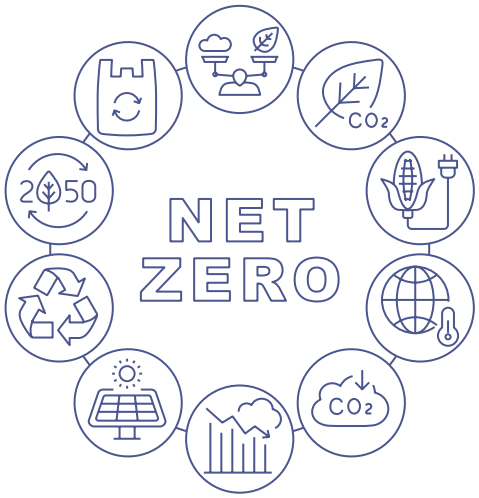
The climate emergency is no longer perceived as a problem only for the future, but also a present-day reality. Climate resilient business can therefore be defined as the capacity to adapt and thrive in the face of impacts from global warming now, and into the future, as well as the ability to manage the risks and opportunities presented as the low-carbon transition occurs.

The Group has identified 10 net-zero transition opportunities for achieving transformational change of its businesses over the long-term based on current business expectations and structure. Please refer to the Decarbonisation section of this report for more information about the Group's management approaches to reducing and eliminating GHG emissions in its direct operations and wider value chain.

Embracing Innovation

The Group is at the forefront of delivering breakthrough innovations that support customers to make progress in meaningfully reducing their GHG emissions.

Aligned to the Group's 10 net-zero transition opportunities, the business opportunities outlined in the following table demonstrate how the Group is investing in new business models and solutions to ensure that it remains a partner of choice for customers in their pursuit of net-zero.



Solar array developed by Beon Energy Solutions at Melbourne Airport

Table 1 Summary of business opportunities

Renewable and other clean energy generation	• Freeport East, centred on the Port of Felixstowe and Harwich International Port, aims to be a green hydrogen hub that helps its customers to achieve the lowest possible impact while docked at the port. • Northern Gas Networks, Wales & West Utilities and Australian Gas Infrastructure Group (AGIG) are among the first to conduct real-world trials demonstrating how existing gas networks in the UK and Australia can be converted safely and affordably to 100% hydrogen. All three business units have long-term aims to transition their gas networks to zero-carbon. • The Group's electricity network operators are innovating to enable industry-leading levels of renewable energy connections to the grid through distributed energy resources. • In addition to its commitment to net-zero by 2027, Northumbrian Water is the first water company in England to successfully convert 100% of its sewage sludge into renewable energy through advanced anaerobic digestion. • EDL and AVR helped customers to abate over 4.7 million tonnes of GHG emissions in 2022 across their large portfolios of landfill gas, waste coal mine gas, and waste-to-energy sites globally.	HUTCHISON PORTS Northern Gas Networks WALES&WEST UTILITIES Australian Gas Infrastructure Group NORTHUMBRIAN WATER living water EDL AVR. EVERSHOLT UK RAILS GROUP SA Power Networks CITIPOWER Powercor AUSTRALIA
Clean transportation	• To achieve its aim to be the preferred partner in a sustainable supply chain, Hutchison Ports is delivering an expansive electrification conversion programme across its ports, installing mobile shore power, and expanding rail connections to help further reduce its customers' footprints. • With around 80% of its rolling stock already electric or bi-mode, UK Rails is well-positioned to be a partner of choice in the UK transport industry's journey to net-zero. UK Rails also continues to explore innovations for its assets such as hydrogen and battery technologies to support the UK's decarbonisation agenda.	HUTCHISON PORTS EVERSHOLT UK RAILS GROUP
Energy efficiency and smart city solutions	• The Telecommunications division is increasingly offering digital solutions and 5G-connected technologies to enable improvements in efficiency and GHG emissions reductions for its customers. • CKDelta, the Telecommunications division's data innovation business, has built expertise in understanding how all elements of the electric vehicle ecosystem interact. It is well-positioned to help other market participants in this complex rollout, including power distributors, charge point operators, urban planners, and payment solutions providers. • WINDTRE has a business goal to be the "smart partner of 100 smart cities" delivering Italy's cities with 5G-connected innovation to drive energy efficiency and smart mobility, among other solutions. • ista is one of the world's leading companies in providing products and services for greater energy efficiency, specialising in smart metering and billing solutions. • Reliance Home Comfort offers an array of Green Home Solutions, including energy efficient heat pumps, smart thermostats, and tankless water heating systems that can achieve efficiencies of up to 96%.	3 CK WINDTRE ista Reliance home comfort

Horizon Ventures

EXPLORING THE HORIZON OF DISRUPTIVE TECHNOLOGIES

Horizons Ventures' extensive philanthropic network and portfolio of early-stage investments is an important source of collaboration and innovation for the Group.

Mr Li Ka-shing, the Group's founder and Senior Advisor, is a well-known and respected investor in innovation and disruptive technologies. Through Horizon Ventures, the Li Ka Shing Foundation supports a portfolio of start-up enterprises working on climate change solutions, such as ZeroAvia exploring zero-emissions aviation, Syzygy Plasmonics looking at cost-efficient, localised production of green hydrogen, Keel Labs transforming the global textile ecosystem with yarns and fibers made from kelp, Notpla pioneering the use of seaweed to make packaging disappear, and Loam Bio working on carbon capture and sequestration from major grain crops.

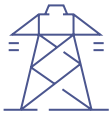
Climate Adaptation

It is essential for the Group to protect its employees and assets by adapting to the unavoidable consequences of climate change.

In 2021, Hutchison Ports commissioned a global climate risk assessment of its ports to further assess the physical impacts of climate change. Each port was assessed against a set of climate risks looking at both the severity and likelihood of potential impacts. The assessment resulted in a hierarchy of most exposed ports by type of climate risk. During 2022, the division developed a shortlist of higher priority ports for business units to further address and monitor relevant physical and transition risks.

The Group's business units in the Infrastructure division are taking proactive measures to understand and protect their assets from the adverse effects of climate change. UK Power Networks' Storm Resilience Innovation Project, for example, developed an advanced tool combining network data and live weather forecasts to predict faults and facilitate pre-emptive maintenance. UK Power Networks is now working on developing this project further to support the business on a wider scale.

In Australia, the Group's electricity distribution businesses are impacted by increasingly frequent and severe bushfires linked to rising temperatures. They are reducing risks of power loss to affected communities by digging power lines underground and installing covers on overground lines. Victoria Power Networks uses advanced technology to detect vegetation growth near its infrastructure.



>15,500 kilometres

Rapid Earth Fault Current Limiters are being installed in substations to provide additional protection in over 15,500 kilometres of its network.

Rapid Earth Fault Current Limiters are being installed in substations to provide additional protection in over 15,500 kilometres of its network. These act like giant safety switches, reducing voltage levels in milliseconds if a line gets struck by a tree or other object.

Climate-related Financial Disclosures

The Group has aligned its approach to reporting on climate change with the framework from the Taskforce on Climate-related Financial Disclosures (TCFD). Its inaugural TCFD Report 2021 was published in 2022, structured around 11 recommended disclosures and covering four core thematic areas of Governance, Strategy, Risk Management, and Metrics & Targets.

The Group is committed to continuously improving the coverage and quality of each iteration of its TCFD Report.

Infrastructure

COMPREHENSIVE CLIMATE SCENARIO ANALYSIS

In 2022, the Infrastructure division assessed climate-related risks and opportunities that have the potential to materially impact its business. It is currently working on a detailed scenario analysis to understand how the key value drivers of its businesses would be affected under two climate scenarios by 2050—a 4°C business-as-usual scenario and a 1.5°C high-transition scenario.

The Group will continue to enhance its scenario analysis of other core businesses in 2023.

Beon engineers

SOCIAL INCLUSION

Sustainable businesses recognise their role in improving opportunities for marginalised groups and seek to respond proactively by nurturing diversity, equity, and inclusivity in the way they manage their operations and through the products and services they deliver to their customers.

Since 2015, Superdrug, in the Retail division, has promoted inclusion and diversity by seeking the opinions and perspectives of women of colour and making changes to cater for their beauty needs. In the context of the cost-of-living crisis that is currently affecting so many people around the world, the Group's core businesses strive to meet the needs of lower income and vulnerable communities by delivering affordable and sustainable products and services.

Retail

RESPONDING TO THE NEEDS OF UNDER-REPRESENTED GROUPS

Superdrug's #ShadesOfBeauty campaign was launched in 2016 informed by market research revealing that two thirds of Black and Asian women felt high street shops did not meet their needs. It commissioned a further study in 2021 focusing on representation in publicity and marketing and has subsequently committed to 10 short-term pledges designed to continue to transform its business model.

Pledges	Status
Increase representation across points of sale, websites, and social imagery	✓ New brand visuals achieved in 2021
Elevate the voices of Black and mixed-heritage creators and brand founders	✓ Marketing channels feature these businesses at least once a month
Adopt the Halo Code guaranteeing employees freedom and security to wear all afro-hairstyles without restriction or judgment	✓ Implemented in 2021
Introduce new Black-founded brands to the high street	✓ This range expanded by 10% in 2021 and another 10% by end of 2022
Offer the largest range of Own Brand kinks, curls, and coils products on the high street	✓ Implemented in 2021
Increase the number of Black-owned brands	✓ Achieved in 2021
Continually develop products to meet the needs of our diverse customer base	✓ The most inclusive own brand cosmetics shade range to date was launched in 2022
Provide additional skincare training for pharmacists and nurses to recognise and treat skincare conditions in people with different skin tones	✓ Achieved in 2021
Continue to challenge beauty and healthcare service providers to be more inclusive	Ongoing
Provide additional training for sales advisors on Black and darker-toned skincare, hair, and beauty products	✓ Training provided in 2021 and 2022

3 Hong Kong training for senior citizens

Digital Inclusion

In the second decade of the 21st century, our digitally connected way of life brings many benefits but also exacerbates challenges for disadvantaged groups. Rising popularity of remote working, learning, and entertainment during the COVID-19 pandemic threatens to widen even further the gap for people who lack digital know-how or access to connectivity.

Senior citizens

One area of focus for the Telecommunications division is reducing barriers for senior citizens. In pursuit of its goal to connect 100% of seniors by 2025, WINDTRE, for example, has partnered with AnyTech365 to offer tailored technical support for people over 60 years, including video tutorials on basic smartphone functions such as sending WhatsApp messages, making video calls, and shopping online. **3** Hong Kong aims to expand the accessibility of its services for senior citizens through its Lo-Yau-Kee Monthly Service Plan Sponsorship, "Safety Phones" and data service sponsorships to the elderly in order to cater to different needs.

Remote community access

Helping to close rural-urban connectivity gaps that persist in many markets serviced by the Group is another priority for the Telecommunications division.

3 UK has a target to reach 90% geographical coverage of the UK by 2027. It is working with the UK Government and other mobile operators on the Shared Rural Network, which will provide guaranteed coverage for 280,000 additional dwellings and 16,000 additional kilometres of rural roads. In December 2022, **3** UK began construction work on the UK's first joint site, which is expected to transform connectivity for residents and businesses on the Isle of Mull from early 2023.

3 Ireland is partnering with the Arranmore Business Council to overcome barriers for social and economic development on the remote island of Arranmore located five kilometres off the coast of Donegal. Among other initiatives, it has equipped the island's Digital Hub with superfast connectivity and state-of-the-art conferencing facilities to facilitate remote working.

Support for small businesses

Small and medium-sized enterprises play an integral role in sustaining local economies. In Ireland, where 99.8% of businesses employ fewer than 250 people, **3** Ireland offers a range of services tailored to the needs of small business owners such as security solutions, WAN connectivity, and Unified Communications. During the COVID-19 pandemic, **3** Austria participated in a government initiative providing thousands of small businesses with high-performance, free Internet. It also offers free digital checks and training for small-scale enterprises through it "Drei Digitalimpuls" programme.

SUSTAINABLE PRODUCT CHOICES

The Group strives to make sustainable choices easier for retail customers by overcoming barriers in everyday life. Its approach to SDG 12 (Responsible consumption and production) is focused on finding solutions to decouple business growth from environmental degradation by "doing more and better with less".

This topic on Sustainable Choices is closely linked with other material topics in the Group Sustainability Framework, including:
- Supply Chain Responsibility
- Circular Economy

Consumer Preferences

For several years, the Retail division has observed a distinct and encouraging trend among consumers in favour of more sustainable choices. Superdrug's latest survey measuring brand values and customer connection, for example, reveals that more than 50% of respondents prioritise the ethics of beauty and personal care brands when making their selection.

Retail

SUSTAINABLE CHOICES AT WATSONS

Watsons has recently relaunched its Sustainable Choices campaign to highlight products with reduced environmental impacts.

In close collaboration with brand partners including Procter & Gamble, L'Oréal, Shiseido, Beiersdorf, GlaxoSmithKline, Johnson & Johnson, Kao, Reckitt, and Unilever, it has brought more than 1,600 products with sustainability attributes to market both in-store and online. Its Sustainable Choices filter and labelling system organises the products into four categories:

- Clean beauty - formulated with ingredients you can trust and with additional reduced environmental impact
- Refill, reuse or replace - resulting in less waste
- Better ingredients or materials - ingredients (formulated) or materials (non-formulated) that help to protect biodiversity and/or reduce waste
- Better packaging - options that help to protect biodiversity and/or reduce waste

Refill stations at Watsons shops help reduce packaging waste

Retail

VEGAN SKINCARE

B. Cosmetics' vegan range of skincare products was launched in 2017 as part of Superdrug's Doing Good Feels Super campaign. This specialty line has since become a mainstream offering, with Superdrug now stocking 1,600 products that are suitable for vegans.

SUSTAINABLE, AND AFFORDABLE

In response to increasing consumer interest, Kruidvat is re-launching its Natuurlijk & Voordelig (Natural & Affordable) campaign that was initially introduced in 2020 to promote brands with positive sustainability impacts at accessible prices.

Telecommunications

ETHICAL OPTIONS FOR SMARTPHONE USERS

Ethical choices are an emerging trend in other consumer segments too, such as the market for smartphone devices. As an example, **3** Denmark is proud to offer its customers the option to select Fairphone products.

Fairphone is an Amsterdam-based company that began originally as a campaign to raise awareness about conflict minerals. Its mission now goes beyond responsible sourcing to promote the circular economy, with durable, modular mobile phone designs that are easy to modify, update, and repair.

Customer Engagement in the Circular Economy

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 on implementing shared solutions to environmental challenges.

Retail

INTRODUCING REFILL AND TAKE-BACK SERVICES THROUGHOUT ASIA

The Group's Retail division is leading the way on collecting and recycling empty containers for personal care and cosmetics products and water bottles. In partnership with major brands, such as Proctor & Gamble and L'Oréal, it has introduced take-back schemes across its markets throughout Asia (excluding Indonesia) and is in the process of expanding in-store refill opportunities for customers in several major markets.

Market	Take-back	In-Store Refill
Mainland China	✓	
Hong Kong	✓	✓
Indonesia		
Malaysia	✓	✓
Philippines	✓	✓
Singapore	✓	✓
Thailand	✓	
Turkey	✓	
Taiwan	✓	

In Hong Kong, Watsons has implemented plastic packaging collection and recycling for cosmetic and makeup products in all stores city-wide under its "Beauty for the Future" campaign. In 2022, it collected and recycled over 230,000 containers of different material types. The division has also launched a city-wide plastic bottle container collection programme in Hong Kong, placing reverse vending machines in public spaces throughout the city.

230,000 containers

In 2022, Watsons collected and recycled over 230,000 containers of different material types.

For the second consecutive year, Watsons Philippines is proud to partner with Plastic Bank, a non-profit organisation working to reduce plastic waste and alleviate poverty.

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.

3 Austria, **3** Denmark, **3** Sweden, **3** UK and WINDTRE all provide a mechanism for customers to return or trade-in used smartphones, with suitable arrangements in place for refurbishing and/or recycling these devices. In 2022, WINDTRE and **3** Sweden added refurbished smartphones to its product portfolio. **3** Hong Kong's Recycling Handsets and Accessories Programme collects used handsets and accessories in selected shops. Equipment in good working condition is refurbished and donated to people in need, while and other materials are recycled through a government-led scheme.

Telecommunications

GIVING A SECOND LIFE TO DONATED DEVICES

There are millions of old smartphones out there that can be salvaged to support people-in-need. In 2022, **3** UK revamped its Reconnected programme of giving a second life to its donated devices. After repackaging old phones with unlimited data, texts, and calls for six months, **3** UK works with NGOs to ensure they find their way into the hands of people who are most deserving, such as refugees displaced by the war in Ukraine, job-seekers applying for employment, and students who will benefit from greater access to educational opportunities.

ENVIRONMENT

Flooding, drought, heatwaves, and violent storms are among the increasingly frequent and devastating effects of climate change that necessitate urgent action on decarbonisation. In our complex and interrelated world, climate risks must be understood and mitigated as part of an integrated management approach to restoring resilient natural ecosystems and facilitating a just transition for regions, industries and communities that are facing the greatest challenges.

The Group is committed to protecting biodiversity, conserving water, and preventing pollution to land, water, and air. Its core businesses are taking meaningful steps to mitigate direct environmental impacts from their operations as well as those of their customers, suppliers, and the communities they serve. Moving forward, the Group will continue to adopt circular approaches to production and consumption, creating more with less by reducing waste at source and transforming by-products into resources for the future.

GROUP GOALS

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

CONTENT IN THIS SECTION

- DECARBONISATION
- BIODIVERSITY PROTECTION
- WATER MANAGEMENT
- AIR QUALITY
- CIRCULAR ECONOMY

Linked SDGs

DECARBONISATION

The Group supports the 2015 Paris Agreement, which aims to mitigate the worst effects of climate change by limiting global warming to below 2 degrees Celsius—preferably below 1.5 degrees. Charting the course on a global pathway towards net-zero GHG emissions by 2050 will entail an unprecedented transformation of how energy is produced, transported, and used, bringing both challenges and meaningful opportunities to the Group.

Climate Action Strategy

In 2021, the Group identified 10 net-zero transition opportunities for climate adaptation and mitigation to achieve transformational change over the long-term based on current business expectations and structure. Owing to the interconnected nature of the Group's management approaches to climate change and related topics, links are provided in the following table to relevant information located elsewhere in this report.

Table 2 10 net-zero transition opportunities

Transition opportunity	Strategies
Renewable and other clean energy	• Invest in and grow the Group's renewable energy portfolio. • Transition gas networks to hydrogen. • Connect market-leading levels of renewable energy to the grid. • Increase the procurement of renewable electricity. • Adopt carbon capture and storage where relevant to waste-to-energy operations.
Transitioning high-carbon assets	• Phase out coal-fired power generation globally by 2035.
Clean transportation	• Scale up electric and hybrid-electric vehicles and infrastructure. • Lead the way in being first-adopters of hydrogen vehicles and equipment. • Support the modal shift to sustainable rail transport.
Energy efficiency	• Exhaust all feasible options for energy efficiencies. • Embrace digitalisation and innovation to transform distribution networks, increase grid flexibility and decrease distribution losses. • Be a leader in innovation in 5G, IoT applications and smart city solutions.
Circular economy & design	• Reduce, reuse and recycle all forms of waste. • Design products and systems with circular economy principles in mind.
Climate adaptation	• Protect the Group's people and assets and be ready for a changing climate. • Conduct periodic climate risk assessments of high-risk assets. • Protect biodiversity to restore healthy ecosystems and further strengthen adaptation.
Finance and investment	• Continue to align capital expenditure towards a net-zero pathway.
Supply chain engagement	• Further develop supplier engagement policies. • Develop scope 3 emissions reductions targets.
Collaboration, partnerships & advocacy	• Partner with peers, customers, government and other relevant organisations to accelerate the transition.
Carbon offsets	• Reducing the Group's direct carbon footprint is the first priority. Carbon offsets can help to neutralise residual emissions attributable to the Group that are not possible to eliminate.

GHG Emissions Reduction Targets

With the Group's core businesses having set emissions reduction targets, underpinned by expansive action plans, the Group has established its own Group-wide commitment of reducing scope 1 and 2 emissions by 50% by 2035 versus a 2020 baseline, as well as committing to the long-term pursuit of net-zero carbon emissions across its value chain by 2050.

Given transitioning high-carbon assets will be important to this aim, the Group has also committed to phasing out coal-fired power generation globally by 2035.

Division-level progress

In 2020, the Group tasked all four divisions to undertake three key steps towards action on climate change: Assess the pathway to setting science-based targets ideally validated by the Science Based Targets initiative (SBTi)[1]; assess the pathway to net-zero; and calculate scope 3 emissions.

During 2022, the Group's core businesses continued to make substantive progress on their respective action plans as detailed next.

Ports

Following an in-depth analysis of its net-zero transition pathway in 2022, Hutchison Ports has formally committed to setting near-term and net-zero targets that will be validated by the SBTi.

In doing so, Hutchison Ports is significantly increasing the level of ambition of its previous scope 1 and 2 emissions targets, to now targeting reducing emissions by 46.2% by 2032, versus a 2021 baseline.

As part of its detailed decarbonisation strategy, Hutchison Ports has mandated that all new investments in mobile and stationary machinery will be fully electric and/or supplemented with other forms of clean energy, such as green hydrogen. Procuring renewable electricity via Power Purchase Agreements (PPAs) and Energy Attribute Certificates (EACs) will also be widely adopted over time.

Retail

In 2022, the SBTi validated the Retail division's near-term reduction targets covering scope 1, 2 and 3 emissions by 2030 compared with a 2018 baseline as follows:

- Reduce scope 1 and 2 emissions by 50.4%
- Reduce scope 3 emissions from purchased goods and services, upstream transportation and distribution, and use of sold products by 58% per Hong Kong dollar value added
- 33% of supplier emissions from purchased goods and services, upstream transportation and distribution will be subject to science-based targets by 2027

A.S. Watson's Greener Stores Global Framework, launched in April 2022, strives for high levels of sustainability integration in the way its business units design, construct, operate and maintain their stores.

Note:

1 The Science Based Targets initiative (SBTi) drives ambitious climate action in the private sector by enabling organisations to establish and implement science-based emissions reduction targets.

Infrastructure

The Infrastructure division, which accounts for 84% of the Group's total scope 1 and 2 carbon footprint, has committed to reducing its scope 1 and 2 emissions by 50% by 2035 versus a 2020 baseline and has further committed to the pursuit of net-zero emissions before 2050. Its major business units have committed to further targets as follows:

Business	Commitments
AGIG	10% renewable gas by volume in distribution networks by 2030; full renewable gas conversion for distribution networks no later than 2050
Dutch Enviro Energy Holdings B.V. (owns AVR-Afvalverwerking B.V. (AVR))	Net-zero in operations by 2050
HK Electric	Net-zero before 2050
ista	Net-zero in scopes 1, 2 and selected scope 3 categories by 2030
Northumbrian Water	Net-zero in operations by 2027
Northern Gas Networks	Net-zero in operations by 2031, excluding gas shrinkage Net-zero across the value chain by 2050
SA Power Networks	Net-zero in operations by 2035
UK Power Networks	Net-zero for directly controlled operational emissions by 2028, excluding network losses
Wales & West Utilities	Net-zero ready gas network targeting areas most likely to convert to hydrogen by 2035

Telecommunications

In 2022, the SBTi validated near-term reduction targets from CK Hutchison Group Telecom (CKHGT) covering its scope 1, 2 and 3 emissions by 2030, including:

- Reduce scope 1 and 2 emissions by 50% by 2030, versus a 2020 baseline
- Reduce scope 3 emissions by 42% by 2030, versus a 2020 baseline

CKHGT has committed to net-zero in its operations (scope 1 and 2) by 2040 and to setting a comprehensive net-zero target to be validated by the SBTi, which will also incorporate scope 3 emissions.

Hutchison Ports quay crane

Group Carbon Footprint

In 2022, the Group's total scope 1 and 2 emissions declined by 7% versus 2021, and 9% versus 2020. These savings were achieved predominantly through decreased coal-fired power generation as part of the Group's overall aim to phase out all coal-fired power generation globally by 2035 and reduced gas leakage through gas pipeline replacement programmes. Other important programmes include switching to renewable and other clean energy sources, electrification of mobile and stationary equipment, and energy efficiency measures across the Group.

Figure 11 Group scope 1 and 2 GHG emissions (tCO_2e) 2020-2022

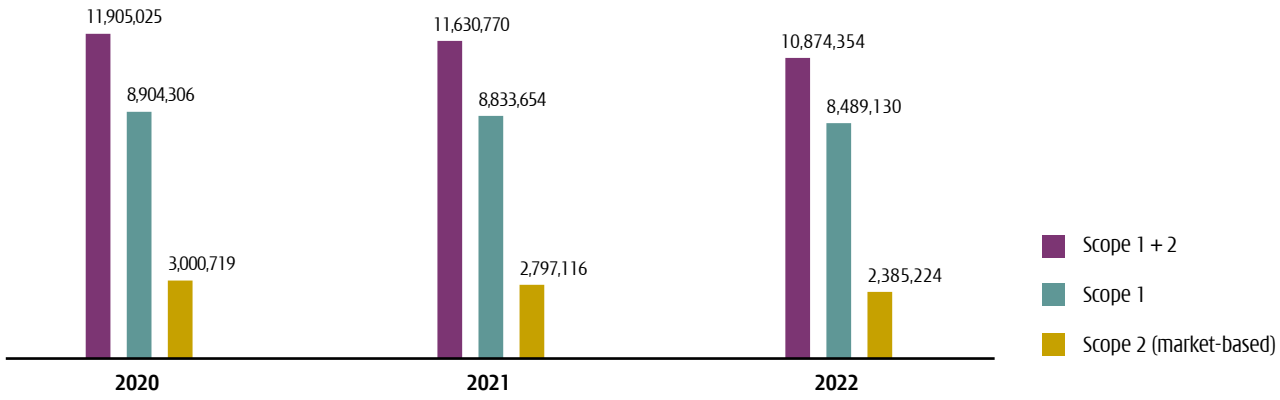
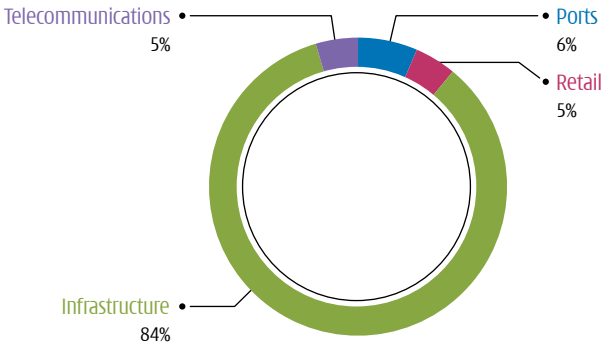


Figure 12 Group Breakdown of scope 1 and 2 GHG emissions



Scope 3 inventory

Scope 3 emissions are now reported by each of the Group's core businesses and presented in Appendix 1. Purchased goods and services remains the most dominant scope 3 category across the board and the Group's core businesses are taking steps to mitigate these emissions by assigning additional weight to sustainability criteria in procurement practices and engaging with suppliers on opportunities for decarbonisation.

The Group is also working to implement different forms of supplier engagement and education initiatives, leveraging partnerships and technology. In the Infrastructure division, for example, Wales & West Utilities' membership of the Sustainability Supply Chain School extends free learning opportunities for its supply chain partners. In the Retail division, A.S. Watson has introduced a major supplier engagement programme to improve data collection from its top suppliers covering 80% of scope 3 emissions in line with its newly established scope 3 emissions targets. The project will provide suppliers with training and tools to collect and report more accurate data through a dedicated scope 3 emissions platform.

Learn more about the Group's approach to Supply Chain Responsibility.

Renewable and Other Clean Energy

As a major generator, distributor, and consumer of energy, switching to renewable and other clean energy sources represents the most significant net-zero transition opportunity for the Group over the long-term. The Group also plays a significant role in facilitating distribution of clean energy to its customers and communities by connecting alternative energy sources to the grid and transitioning its gas networks to embrace the hydrogen economy.

In 2022, the Group generated 6,871GWh of renewable and other clean energy, thereby avoiding more than 4.6 million tonnes of CO_2e emissions by displacing energy from more carbon-intensive emissions sources.

Table 3 Clean energy generated by the Group's businesses

Source	Installed capacity (MW)	Generation (MWh)	Emissions avoided (tCo_2e p.a.)
Biogas*	454	2,728,405	2,514,957
Solar	22	29,303	7,092
Wind	192	471,834	283,775
Hydropower	7	28,000	5,945
Green hydrogen	1	4,014	4
Energy from waste	464	1,945,000	1,442,050
Renewable heat and industrial waste heat	-	1,664,000	376,000
Total renewable and clean energy	**1,140**	**6,870,556**	**4,629,823**

Note:

* Biogas produces electricity and renewable natural gas. This data includes renewable natural gas converted from MMBtus.

Infrastructure

GENERATING ELECTRICITY FROM WASTE GAS

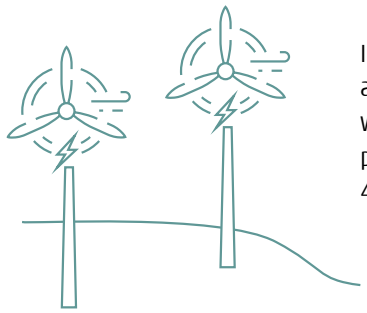
EDL is a leading global producer of sustainable distributed energy and the Group's largest producer of biogas. EDL helps its customers to abate approximately 3.8 million tonnes of GHG emissions per year globally by capturing and converting methane into electricity and renewable natural gas (RNG) across its large portfolio of landfill gas and waste coal mine gas sites.

EDL's Wood Road RNG Facility in Michigan, USA, completed in April 2022, will convert approximately 19 kilotons of methane per year from Granger's Wood Street Landfill into 870,000 MMBtu of pipeline-quality RNG at maximum design capacity.

EDL's Wood Road RNG Facility in Michigan

Infrastructure

DEVELOPING RENEWABLE ENERGY SOURCES



In support of the Hong Kong Government's goal to achieve net-zero electricity generation and carbon neutrality before 2050, HK Electric has announced plans to develop an offshore wind farm southwest of Lamma Island. Subject to the Government's approval, the proposed project will have an installed capacity of approximately 150MW, with potential to produce up to 400GWh of clean electricity per year.

Enabling the hydrogen transition

Hydrogen is set to play a significant role in enabling the global transition towards a net-zero energy system as outlined by the International Energy Agency (IEA) in its Net-Zero Emissions 2050 Roadmap. In June 2022, CK Infrastructure joined the Hydrogen Council, a global CEO-led initiative bringing together leading companies with a shared vision to accelerate global hydrogen adoption by promoting collaboration between governments, industry, and investors to achieve this goal.

In recent years, important progress has been made by the Group to translate untested concepts into real world solutions. Several of the Group's business units are at the forefront of reducing barriers to large-scale and widespread hydrogen adoption by demonstrating the technical and commercial feasibility as well as allaying safety concerns. In particular, the Group's gas networks have achieved significant milestones in establishing the feasibility of adapting their existing infrastructure to usher in the new hydrogen economy.

Infrastructure

PIONEERING GREEN HYDROGEN IN AUSTRALIA

In 2021, AGIG implemented the first project in Australia to produce, blend, and supply green hydrogen at volumes of up to 5% via an existing natural gas network. AGIG is now working to launch its second site, Hydrogen Park Gladstone, blending up to 10% renewable gas as well as produce green hydrogen in future years from treated wastewater and renewable electricity at a third site in Hydrogen Park Murray Valley.

AGIG Hydrogen Park South Australia

Ports Infrastructure

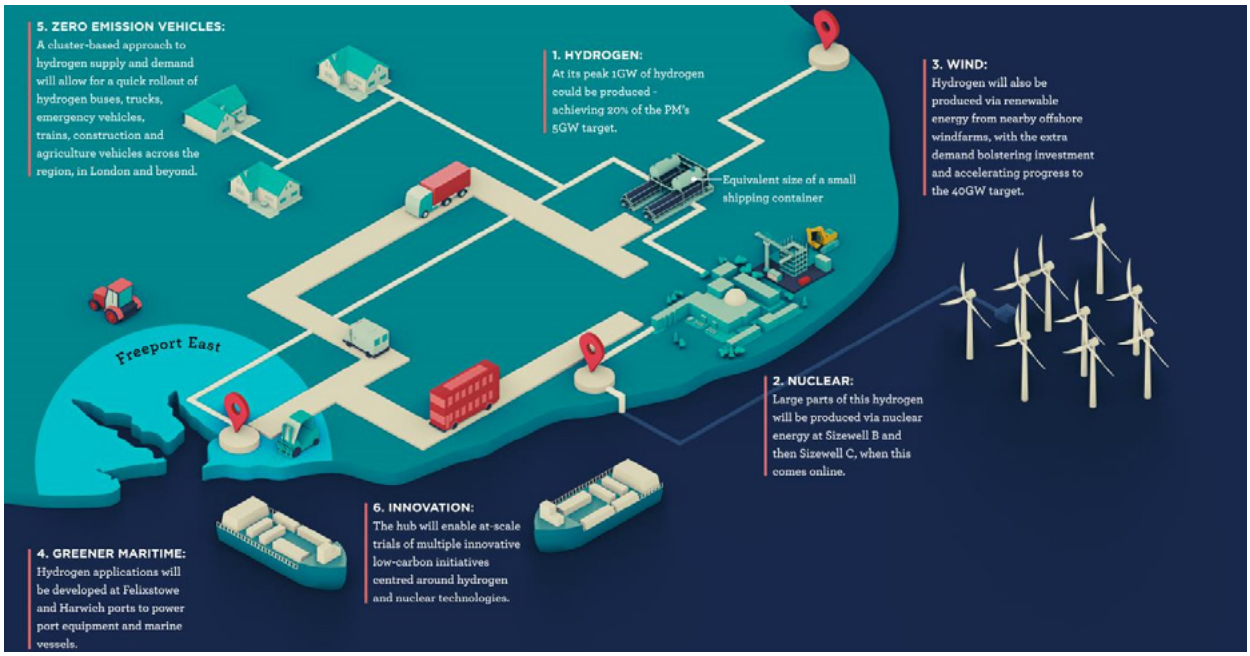
LEADING THE HYDROGEN TRANSITION IN THE UK

In October 2022, Northern Gas Networks achieved a world-first when it completed a seven-month trial of supplying 100% hydrogen through existing natural gas infrastructure. The trial took place at a unique site in Middlesbrough where 70 homes were demolished decades ago but the underground utilities remain intact. During the year, Northern Gas Networks was also engaged by the UK Government to undertake front-end engineering design and stakeholder engagement for the UK's first 100% hydrogen village. This trial project intends to demonstrate the potential for widespread hydrogen adoption by supplying up to 2,000 homes and businesses in North Yorkshire with 100% hydrogen.

In November 2022, Wales & West Utilities announced plans for a major hydrogen pipeline in South Wales to help accelerate decarbonisation in this region. Pending successful completion of a feasibility assessment in collaboration with eight key partners, the pipeline will pave the way to connect commercial scale hydrogen production in Pembrokeshire, Port Talbot, and the Celtic Sea with major industrial demands in South Wales. It would provide infrastructure for energy intensive industrial customers to begin fuel-switching towards hydrogen within the short-to-medium term, and open up the potential for hydrogen blending and conversion of the wider gas distribution network in the area.

The UK Government's Hydrogen Strategy envisages hydrogen to be in use across a range of transport modes, including rail. In late 2021, UK Rails partnered with Alstom, Britain's leading train manufacturer and maintenance provider, where the companies are continuing to explore the technical and commercial feasibility to design and support development of hydrogen-powered rolling stock units. UK Rails also has a partnership with H2 Green, a hydrogen network operator, to determine the production and refuelling infrastructure required to support wide-scale deployment of hydrogen-powered rolling stock fleets.

In 2022, Hutchison Ports Port of Felixstowe completed a government funded feasibility study in a consortium with Cranfield University, EDF Energy and NNB Generation Co., exploring the potential for the port to become a low carbon hydrogen hub to decarbonise activities of the port and local area. To progress the findings of this feasibility study, the port is now supporting a further project led by Scottish Power to investigate the development of a 100MW green hydrogen production plant at the port. The project will assess the technical requirements and suitability of the site in addition to identifying opportunities to decarbonise port operations using hydrogen fuelled equipment and to produce decarbonised shipping fuels for supplying vessels at the Felixstowe and Harwich ports.



The Freeport East Hydrogen Hub is one of the UK's most exciting and innovative decarbonisation schemes with potential to produce 1GW of green hydrogen from wind and nuclear energy. This represents 20% of the 5GW target in the UK's Ten Point Plan for Green Industrial Revolution.

Modernising and digitalising electricity networks

Connecting distributed energy sources, such as rooftop solar photovoltaic units, to the grid is an important driver of the energy transition in the power sector. The Group's electricity distribution businesses are actively supporting connections for distributed renewable energy sources through appropriate mechanisms, such as Feed-in-Tariff schemes and EACs.

As of 2022, UK Power Networks, SA Power Networks, Victoria Power Networks, and Hong Kong Electric have collectively connected over 14.5GW of distributed renewable energy sources in their respective jurisdictions.

Collectively connected over 14.5GW of distributed renewable energy sources

Infrastructure

BREAKING RECORDS FOR ROOFTOP SOLAR POWER

An important milestone for solar power was reached in South Australia on Sunday, 16 October 2022 when net exports of electricity exceeded daytime demand for more than 5.5 hours—a new record for the state.

Net exports are achieved when distribution-connected generation exceeds electricity demand. In 2022, SA Power Networks experienced net exports on more than 10 occasions. Over the next 5-10 years, it anticipates that South Australia's daytime energy needs will be supplied 100% from distributed rooftop solar on an increasingly regular basis.

SA Power Networks already has the highest penetration rate for distributed solar of any gigawatt-scale energy system in the world and there are further plans in place to double this capacity by 2026. It is working closely with regulators and technology partners to develop the world's largest Virtual Power Plant—a cloud-based system that aggregates the capacities of heterogeneous distributed energy resources for the purposes of enhancing power generation and accelerating the net-zero transition.

Procuring renewable electricity

In 2022, 25% of the Group's onsite and purchased electricity came from renewable sources, representing an increase of 5% compared with 2020.

25 %

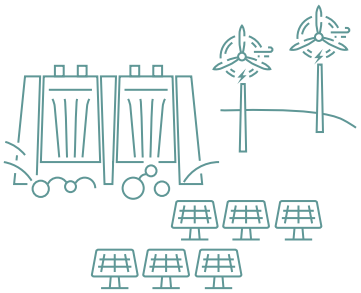
of onsite and purchased electricity came from renewable sources

The Group's preference for renewable energy follows RE100 technical screening criteria which favours the use of PPAs, as well as onsite generation, as more "additional" in nature. In 2022, it has been actively exploring collaborative approaches to sourcing renewable energy through PPAs. The objective is to ensure stable, long-term supplies of clean energy while achieving economies of scale to reduce average costs.

Oftentimes, there are limited options for business units to procure renewable electricity through PPAs, particularly in Asia. The Group therefore encourages its business units to make a start with what is available in their local markets, including EACs and Green Tariffs, and then to continue to work towards developing higher-order options over time.

Ports Retail Infrastructure Telecommunications

RENEWABLE ELECTRICITY HIGHLIGHTS ACROSS CORE BUSINESSES



- In 2022, Hutchison Ports BEST commissioned 1MW of new solar power on-site installed capacity. Together with Hutchison Ports UK, it also procured 100% renewable electricity from third-party suppliers.
- Renewable electricity constitutes 87% of total electricity consumption across the Retail division's UK and European portfolio, including for: Superdrug, Savers, The Perfume Shop, Kruidvat, Trekpleister, and ICI PARIS XL.
- One third of Northumbrian Water's power is supplied from Race Bank Wind Farm off the coast of Norfolk under a 10-year PPA. This source of renewable energy supplements the business unit's own onsite power generation capacity, including 10MW of wastewater-to-energy from advanced anaerobic digestion and its ambitious solar activity with 4MW commissioned and a further 6MW due by Q2 2023.
- **3** Ireland, **3** UK, **3** Denmark, **3** Sweden and **3** Austria purchase between 50-100% renewable electricity. **3** Austria, WINDTRE and **3** Ireland further produce renewable energy through their own solar photovoltaic systems.

Transitioning high carbon assets

Switching from coal to natural gas is a reliable way for power generation businesses to reduce carbon emissions cost-effectively in the near term. Gas-fired power is a cleaner alternative to traditional fuels and its flexibility to start and stop as needed complements ongoing investment in renewable energy sources, such as solar and wind.

The Infrastructure division's investment in coal-fired power generation has reduced from 53% of installed capacity in 2016 to 30% in 2022. Since 2021, the Group has fully phased out coal-fired power generation in OECD countries. It is committed to continuing this process in non-OECD countries and to fully phasing out all coal-fired generation by 2035.

Infrastructure

COAL TO GAS CONVERSION AT HK ELECTRIC

L11, the second of three new 380MW gas-fired combined-cycle generating units under HK Electric's 2019-2023 Development Plan, was put into commercial operation in May 2022. The remaining coal-fired units still in service in Hong Kong will be gradually phased out by 2035.

Clean Transportation

Transport currently has the highest reliance on fossil fuels of any sector. The Group is enabling widespread adoption of electric vehicles and supporting a modal shift from road to rail in line with the EU's strategy to achieve the European Green Deal in transport, which calls for a 90% reduction in transport-related GHG emissions by 2050.

Ports

ELECTRIFICATION OF MOBILE AND STATIONARY EQUIPMENT

Switching from fuel combustion to electric power represents significant opportunities for decarbonisation across the Group and most particularly in the Ports division where container handling equipment and terminal vehicles currently contribute, on average, over 80% of port energy consumption.

Hutchison Ports has committed to capital expenditure exceeding US$370 million in 2022 and 2023 to convert mobile and stationary equipment from diesel to electric and hybrid alternatives. This process involves time, planning and investment to identify, trial and roll out innovative technologies, much of which has not been previously utilised on a commercial basis.

Mobile and stationary equipment in operation globally in 2022			Electrification programme 2022 - 2023	
Type	Total # units	of which electric or hybrid	Locations	CAPEX
Rubber-tyred gantry crane	899	575	Pakistan, Egypt, Mexico, Thailand, United Kingdom	US$132M
Straddle carrier	235	23	Bahamas, Spain, Stockholm, Netherlands	US$36M
Automatic guided vehicle	362	85	Netherlands	US$134M
Reach-stacker	209	0	Mexico	US$0.8M
Empty container handler	194	0	Mexico, Panama, Thailand	US$9M
Internal tractor	1,670	26	United Kingdom, Egypt, Mexico, Korea	US$66M

Autonomous electric trucks at Hutchison Ports Thailand

Infrastructure

ENABLING EV TRANSFORMATION

UK Power Networks forecasts that there could be upwards of 5 million plug-in hybrid electric and battery electric vehicles on the road within its service areas by 2030. To meet this rapid increase in demand, it has devised a comprehensive Electric Vehicle Strategy, of which the next iteration will be published in 2023. It is collaborating with partners to develop, test, and deliver technical and commercial solutions that will facilitate the rapid uptake of EVs through a whole-systems approach.

EV charger installation by UK Power Networks

BOOSTING MODAL SHIFT AND RAIL CONNECTIVITY

Supporting the transport industry in facilitating a modal shift to a decarbonised rail network is central to UK Rails' sustainability approach. With around 80% of its rolling stock already electric or bi-mode, UK Rails is well-positioned to be a partner of choice in the UK transport industry's journey to net zero. UK Rails also continues to explore innovations for its assets such as hydrogen and battery technologies to support the UK's decarbonisation agenda.

In addition, UK Rails continues to develop, alongside Transport Design International, the Revolution Very Light Rail (RVLR) vehicle. RVLR has been designed to provide a modern, attractive, and cost-effective vehicle solution where installing and operating traditional heavy rail solutions is uneconomic. The solution can facilitate reopening of branch lines and rail network extensions for rural communities.

UK Rails' Revolution Very Light Rail vehicle at Ironbridge Demonstration site

Ports

CREATING MULTI-MODAL FEEDER HUBS

A key aspect of Hutchison Ports BEST's business strategy in taking over the terminal at Barcelona has been to transform it into a major gateway for the European market by developing supporting infrastructure to leverage existing train lines. Rail traffic at this terminal has increased significantly in recent years, rising from 3% of import and export container traffic in 2012 to 20% in 2022.

Hutchison Ports ECT has also invested significantly in supporting a modal shift to rail for freight transport by becoming an established starting point and terminus for rail transport in Europe.

Energy Efficiency

Investing in energy efficiency is a cornerstone of the energy transition. The Group's Infrastructure division supports local communities served by its electricity distribution businesses to avail of smart city solutions by rolling out smart meters, providing incentives for customers to invest in energy saving, and helping to educate the public.

Energy savings are being achieved within the Group's operations by improving energy management systems, retrofitting facilities, upgrading light fixtures, and procuring equipment with certified energy efficiency ratings.

Infrastructure

REDUCING LEAKAGE FROM ENERGY DISTRIBUTION

One of the greatest decarbonisation challenges faced by the Group's electricity and gas distribution networks is to minimise technical losses that are an unavoidable consequence of energy distribution, commonly referred to as "leakage" or "fugitive emissions."

The Group's gas networks are replacing legacy pipe materials to combat leakage and prepare for the future of hydrogen. Northern Gas Networks, for example, is implementing a 30-year programme to replace over 10,000 kilometres of metallic pipes with plastic. It reduces leakage by carefully managing gas pressure and adding a chemical called monoethylene glycol to saturate and swell metallic joints. These efforts should help reduce gas leakage by 24% between 2021 and 2026.

Retail Infrastructure

UPGRADING TO GREENER STORES

With over 16,000 stores worldwide, in-store consumption of electricity accounts for 88% of the Retail division's scope 2 carbon footprint. To standardise best practices for energy efficiency, A.S. Watson has launched its Greener Stores Global Framework. In addition to addressing procurement of renewable energy and more sustainable materials, fittings and fixtures for store design, construction, retrofitting, and maintenance, this framework also outlines Group-level objectives and standards for diverting waste from landfill and offering customers an expanding selection of greener products.

A.S. Watson UK has also partnered with ista - the Group's energy efficiency solutions provider in the Infrastructure division - to identify energy efficiency improvements and implement behavioural change in its stores, distribution centres, and offices. It is utilising ista's MinuteView platform to forensically examine and enhance its energy management systems.

Telecommunications

AI-ENABLED OPTIMISATION

During the year, **3** UK continued to realise the energy savings from its investment in Ekkosense, a data centre AI-enabled optimisation software that optimises cooling capacity in real-time. A winner of the Data Centre World Awards 2023 for its Special Contribution to Improving Energy Efficiency, EkkoSense's submission for the award detailed how it has worked with **3** UK to secure a 200kW cooling energy saving across four sites, leading to a 10-15% cooling energy saving in just ten weeks.

BIODIVERSITY PROTECTION

Healthy ecosystems provide essential services for sustaining life on our planet, including treating and dissipating waste, and maintaining soil, water, and air quality. The Group recognises that its businesses activities both contribute to, and are impacted by, biodiversity loss.

Environmental Net Gain

In accordance with the Group Environmental Policy, all business units should complete biodiversity assessments to ensure that they protect, conserve, and restore local biodiversity, wherever relevant to their operations.

The Infrastructure division advocates an environmental net gain approach that leaves ecosystem services in a measurably better state as recorded by a range of indicators, including biodiversity. It avoids operational activities with direct impacts on World Heritage and IUCN Category I-IV protected sites, and adopts the mitigation hierarchy of "avoid, minimise, restore and offset" for operations with potential impacts on critical biodiversity. The division also sets aside sufficient funds for responsible site closures and rehabilitation work.

Across the Infrastructure division, several businesses are leading the way on accounting for natural capital. For example, in 2021 Northern Gas Networks measured and reported on the natural capital value of 32 of its largest infrastructure sites, with a combined area of 40 hectares. Using a bespoke tool, it identified that its infrastructure sites deliver multiple ecosystem service benefits valued at an average of £1500 per hectare per year, including the sequestration of 1.6 tonnes of carbon and 30 kilogrammes of air pollutants per hectare per year.

Meanwhile, Northumbrian Water is developing an in-house tool to evaluate the biodiversity value of sites larger than 0.2 hectares. In 2022, Northumbrian Water completed its first natural capital accounting exercise to establish a baseline from which it can measure change and inform future decision making. Through this work it has gained a thorough understanding of the value of the natural capital assets it owns, and how the management of those assets provides value to its customers and wider society such as through improved air quality, carbon sequestration and the welfare benefits of visiting site of natural beauty.

Infrastructure

TAKING ACTION TO PROTECT WILDLIFE

SA Power Networks is developing a Biodiversity Action Plan aligned with guidance from the Task Force on Nature-related Financial Disclosures (TNFD). It engages specialist ecologists to help develop management plans for projects in sensitive sites and works closely with local NGOs and government authorities to promote wildlife protection. Some examples of relevant initiatives include installing nest rings to encourage birds not to roost on power poles and critter guards to prevent animals from climbing onto power lines.

In 2022, SA Power Networks launched a programme to mitigate impacts of exposed electrical infrastructure on native fauna and enhanced its approach to reducing the risk of bushfire by managing vegetation near its power lines.

Wales & West Utilities has a long-term ambition to achieve biodiversity net gain throughout its network by 2039. It has set aside half a hectare for biodiversity enhancements at its newly opened depot in Bristol, in the hope of attracting and sustaining a variety of fauna such as bats, newts, and other reptiles, as well as protected birds. The new site has been specially designed to incorporate a pond area and to preserve a pre-existing badger run.

EDL strives to understand and adapt traditional practices of Aboriginal and Torres Strait Islander people for preserving the natural environment of Australia. On the recent Jabiru project, EDL has engaged a group of local Aboriginal rangers to provide professional land management services and conduct fauna checks adjacent to the World Heritage-listed Kakadu region in the Northern Territory.

SA Power Networks installing critter guards to protect wildlife

Ports

PARTNERING WITH LOCAL EXPERTS TO PRESERVE NATIVE SPECIES

Hutchison Ports UK engages the services of an ornithology expert to monitor and manage nesting populations of peregrine falcons in proximity to its terminal.

Hutchison Ports LCT in Mexico has an ongoing partnership with a local NGO to help conserve endangered species of turtle that come to nest on Michoacán's beaches.

Anti-deforestation

Oil palm development impacts global biodiversity adversely by driving destruction of species-rich habitats in tropical forests of Asia and Central and South America. A simple shift from palm oil to other oil crops is not a sustainable solution however as it may lead to further biodiversity loss.

As a member of the Roundtable on Sustainable Palm Oil (RSPO) since 2016, the Retail division supports effective policies and programmes to stop the clearing of native tropical forests. The Retail division has a target to achieve 100% of Own Brand products incorporating or containing RSPO palm oil by 2030. In 2022, it started to use the RSPO Trademark in Own Brand products in the Netherlands and the UK.

Certification from the Forest Stewardship Council (FSC) or Programme for the Endorsement of Forest Certification (PEFC) offers consumers choice to select products that have been sourced in an environmentally preferable, socially responsible, and economically viable way. The Retail division has set a target to achieve 100% Own Brand paper products and paper packaging from responsible sources (i.e., FSC, PEFC, or recycled) by 2030. Watsons Health & Beauty Retail has already reached this goal for paper products, and PARKnSHOP, Superdrug, and Kruidvat are on track to achieve it by 2025. PARKnSHOP is also committed to sourcing exclusively deforestation-free meat—meaning that no forest areas were cleared or converted to raise livestock for meat production.

Retail

TAKING STEPS TOWARDS FUTURE-PROOF PALM OIL

Kruidvat has participated in the FAIR Company-Community Partnership model since 2020. This initiative, led by Dutch NGO Oxfam Novib, offers a re-design of development models in palm oil production and trade with the objective of fostering economic opportunities while reducing adverse impacts on local communities. It is intended to demonstrate proof-of-concept, showcasing a viable and sustainable alternative business model with potential to achieve economies of scale in the palm oil sector and beyond.

By participating in this programme, Kruidvat aims to enhance its insight into and influence over all linkages in the palm oil supply chain. Each FAIR partnership project is enacted locally, with participants working together to generate positive impacts for smallholders and other community stakeholders. Kruidvat participates specifically in a multi-stakeholder partnership project in Southeast Sulawesi, Indonesia. The implementation phase of this project was unfortunately delayed due to the COVID-19 pandemic, so its first results are expected in 2023.

The FAIR partnership is built on four key principles, as encapsulated by its acronym:

F	Freedom of choice
A	Accountability
I	Improvement of benefits
R	Respect for rights

WATER MANAGEMENT

As extreme weather events such as drought and flooding continue to increase in frequency and magnitude, climate change is expected to increase the challenges associated with sustainable water management. In response to water risks impacting its business and stakeholders, the Group strives to use water more efficiently and to help strengthen the resilience of ecosystems in which it operates. To mitigate the impacts of pollution affecting the quality of local water sources, the Group ensures that its water discharges are safe by meeting or exceeding local regulatory requirements.

Water Data

Figure 13 Group water withdrawal 2020-2022

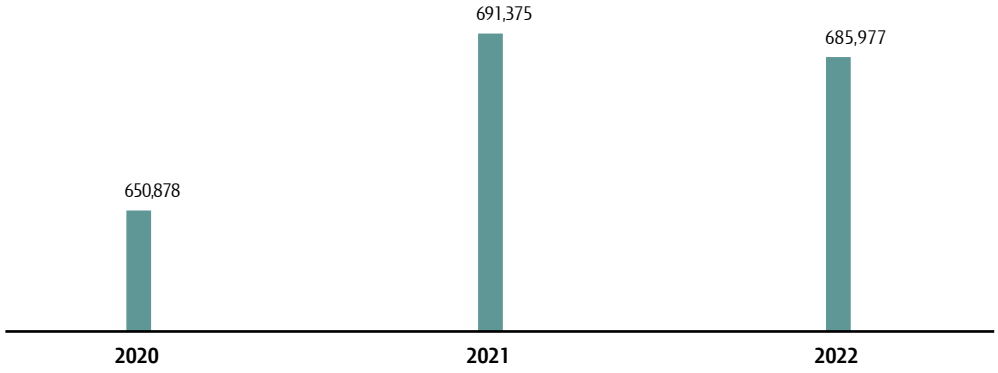
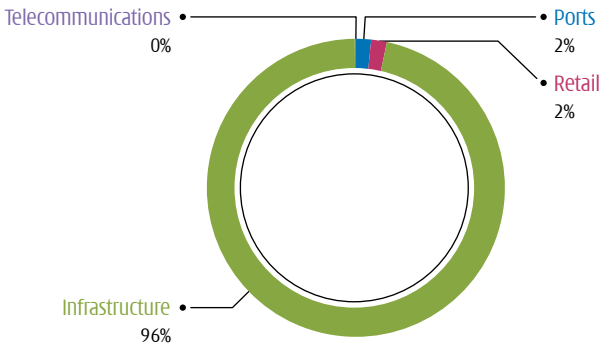


Figure 14 Group breakdown of water consumption



The Group's core businesses consume water for cleaning and cooling their assets and facilities and to provide services and products to customers. Over 90% of the Group's water consumption occurs in the Infrastructure division, mostly water use by its only water company (Northumbrian Water) and seawater for cooling its power plants.

Water Risk

As documented in the CKHH TCFD Report, the Group is strengthening its mitigation and adaption responses to climate change and associated water risks as part of its Enterprise Risk Management framework. The Retail division has recently developed a water risk assessment framework for Watsons Water. It will conduct annual reviews to continuously enhance resilience towards potential water risks for its operations.

Infrastructure

LOOKING AHEAD TO MITIGATE WATER RISKS

In December 2022, Northumbrian Water released its draft Water Resources Management Plan 2025-2030, looking ahead to mitigate supply risks for surface and underground water sources over the next 60 years. Supported by Kielder Reservoir in Northumberland, it is committed to securing water supply to meet forecasted demand, even in the event of severe drought. The plan also lays out strategies to improve water efficiency by reducing leakage and introducing smart meters. The final report is expected for publication in mid-2023.

Kielder Reservoir in Northumberland

Water Use

The Group's core businesses are reducing water consumption by collecting, recycling, and reusing wastewater and rainwater, as well as installing low flow appliances.

The largest consumer of water in the Group, Northumbrian Water, strives to achieve the lowest level of water leakage among all service providers in the UK. It has targets to reduce leakage by 15% between 2020 and 2025, and then by a further 10% over each subsequent five-year period through to 2045. It also has an ambitious goal to achieve zero water pollution from its assets and operations by 2025.

Northumbrian Water achieved a Four Star performance, the highest possible, in the UK Environment Agency's latest Environmental Performance Assessment for the second year running. It has invested heavily in upgrades to its wastewater network in the last two decades and it will continue to do so. More than £80 million of investment is targeted towards improvements related to storm overflows in its current 2020-25 operating period. A further summary of the pledges that it has made to protect its water resources can also be found here.

Ports Retail Infrastructure

MAKING THE MOST OF A PRECIOUS RESOURCE

The Group makes efforts to conserve and recycle water. Examples from the core businesses include:

- Watsons Water, a manufacturer of pure distilled water, reclaims non-potable water from its distilled water production line to water greenery and flush toilets. There is also a water saving system for the beverage line. Recycled water is reused for cooling beverage products and refilling its cooling tower.
- EnviroNZ, a resource recovery services provider in the Infrastructure division, reduces water consumption by collecting and storing stormwater at several sites, including ChemWaste Auckland and Christchurch, Hampton Downs Landfill, EnviroFill North, and EnviroFill South.
- Hutchison Ports YANTIAN harvests rainwater for washing and watering plants within the port area.

Hutchison Ports YANTIAN rainwater harvesting programme

Beyond mitigating direct impacts of its own operations, the Group also recognises the importance of positively influencing the behaviour of its suppliers, customers, and other water users to effect positive change for water management in local communities. Northumbrian Water is a leading advocate of the UK's Water's Worth Saving campaign, running several programmes to engage and educate the public. For example, Northumbrian Water created the Water Rangers community initiative which mobilises a system of community volunteers that are helping to monitor 56 public access routes across the North East of England. Water Rangers are provided with training and tools to enable the patrol over 74 kilometres of waterways every week or fortnight, reporting their findings so that any potential pollution can be dealt with quickly and effectively.

The Derwent Reservoir, a pumped storage reservoir for Northumbria Water

AIR QUALITY

The Group's is committed to reducing emissions of local air pollutants such as Nitrogen Oxide (NO), Nitrogen Dioxide (NO_2), Sulphur Dioxide (SO_2) and Volatile Organic Compounds (VOCs). Its management approach to improving Air Quality is linked with Decarbonisation, particularly electrification and switching to greener energy sources.

Air Emissions

Figure 15 Group air emissions 2020-2022

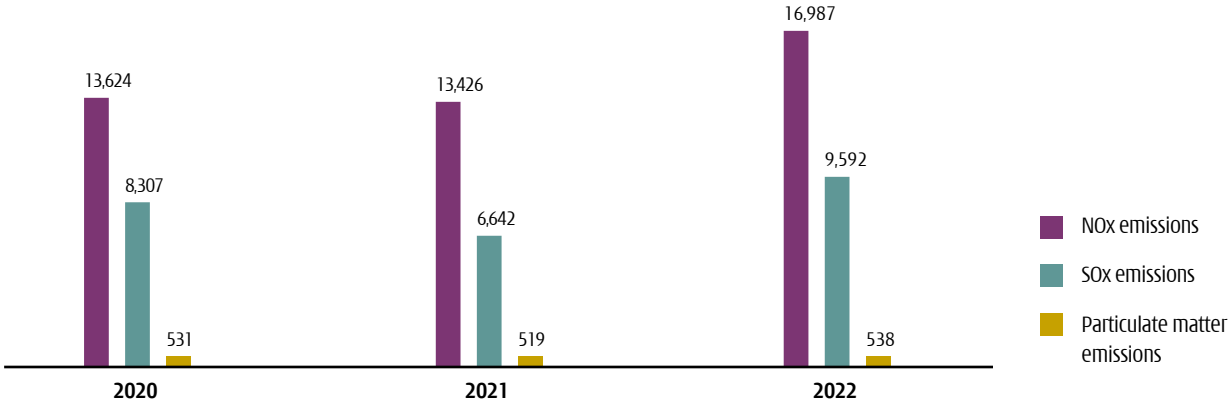
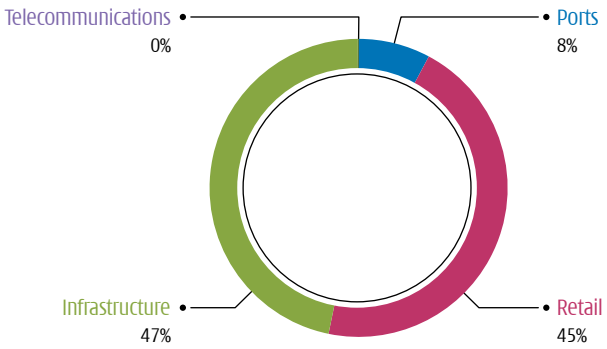


Figure 16 Group breakdown of air emissions



Generating electricity from fossil fuels is a major source of local air pollution, particularly for coal-fired power although natural gas, oil, and biomass power plants also emit air pollutants. The Group has well established practices in place for continuous air quality monitoring and investment in clean technologies at material operations. Its extensive programme of transitioning high-carbon assets and rolling out clean transportation is also helping to reduce emissions of local air pollutants.

Infrastructure

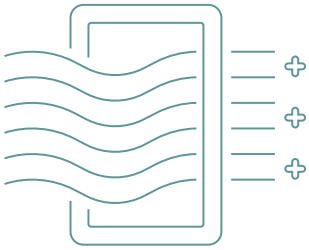
CLEANER AIR FOR HONG KONG

New gas-fired generating units at Lamma Power Station feature advanced emissions control technology known as Selective Catalytic Reduction that reduces emissions of nitrogen oxides down to nearly zero. In support of the Government's Clean Air Plan, HK Electric is switching to cleaner fuels and implementing advanced emissions control systems, such as flue gas desulphurisation plants and low-nitrogen-oxide burner systems, in its remaining coal-fired plants.

HK Electric's gas-fired units at Lamma Power Station

Ports

PROTECTING LOCAL PORT AIR QUALITY



Hutchison Ports Port of Felixstowe has recorded a 90% reduction of SO_2 since 2009 and a 30% reduction of NO_2 since 2007. It produces an Air Quality Strategy Report on a three-yearly cycle, with the next update expected in 2023.

CIRCULAR ECONOMY

Reducing the Group's reliance on extracting, consuming, and discarding natural resources makes good business sense. The Group seeks to redesign its products, systems, and services to deploy resources in ways that are more durable, reusable, repairable, and recyclable. What this means in practice varies across the Group, but all core businesses are embracing the challenge of circularity, focused on transforming their waste streams of today into productive inputs for tomorrow.

The Group is committed to reducing waste to a minimum, replacing higher impact materials with lower impact alternatives, reusing wherever possible, and recycling its waste when all other options have been exhausted. Its management approach to circular economy is closely linked with other material topics and content in this report, including:

- Supply Chain Responsibility
- Sustainable Product Choices
- Decarbonisation

Waste Data

Figure 17 Group waste produced 2020-2022

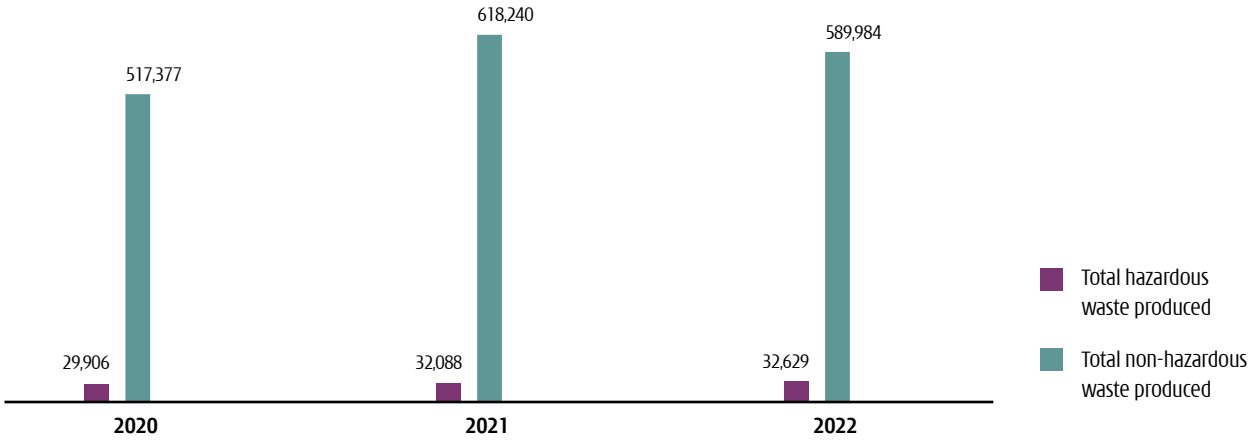
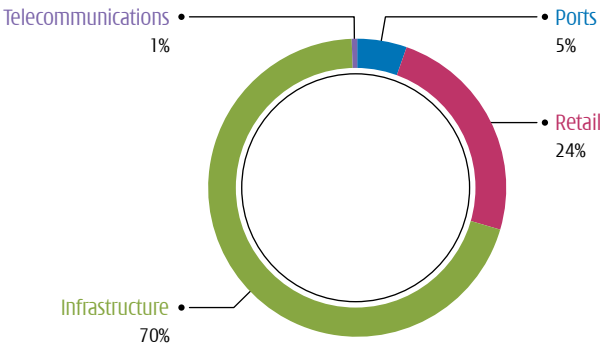


Figure 18 Group breakdown of waste



Waste Management Services

Resource recovery and waste minimisation is an established and growing business area for the Infrastructure division and notably for its two waste management services providers: EnviroNZ and AVR.

In partnership with Hamilton City Council in New Zealand, EnviroNZ is delivering new rubbish and recycling services that have nearly doubled the volume of waste diverted from landfill in the city from 27% to 50%. It operates a national network of specialist facilities to deliver a comprehensive range of waste management solutions for its customers. It is scaling up to play an even bigger role in combating organic waste. EnviroNZ's Hampton Power and Resource Recovery Centre in North Waikato transforms up to 27,000 tonnes of organic waste per year into nutrient-rich compost for residential and commercial use.

AVR specialises in processing residual waste streams such as paper pulp residue, waste wood, household and commercial waste, and hazardous waste to achieve maximum recovery of energy and materials. It is making an important contribution to Dutch and European goals on climate and energy by supplying sustainable process steam, district heating and electricity. It uses smart incineration technology to transform over 2.1 million tonnes of unrecyclable waste into 7.8GJ of energy per year. Its further certification to the ISO 50001 standard in energy management ensures that AVR is maximising energy efficiencies through its processes.

Large-scale carbon capture and storage is the next step in AVR's journey, which will act as a crucial part of its net-zero transition plan.

>2.1
million tonnes

AVR uses smart incineration technology to transform over 2.1 million tonnes of unrecyclable waste into 7.8GJ of energy per year.

AVR's CO_2 capture plant in Duiven

Diverting Waste from Landfill

Cutting the amount of waste sent to landfill is a key priority for many local authorities, which are imposing regulations and financial penalties to reduce the rate at which landfills reach capacity and new ones are constructed.

In the Infrastructure division, several business units have ambitious targets to divert waste from landfill, such as SA Power Networks, which is on track to increase the total percentage of waste diverted from landfill by 80% compared with its baseline of 7.8% in 2011. SA Power Networks has maintained and improved the material source separation system it put in place in 2012 to maximise the amount of materials being recycled, recovered, and re-used. Northumbrian Water is committed to zero avoidable waste by 2025, which means eliminating, reusing, or recycling 90% of waste from its operations.

The Group's gas distribution networks are focused on reducing and reusing construction waste from installing and maintaining pipes, commonly known as "spoil". Northern Gas Networks, for example, has reduced its use of virgin aggregate by over 70% with innovations such as no-dig technology, and has achieved an impressive rate of less than 0.12% of spoil sent to landfill. This business unit is also leading other utilities companies and suppliers to implement alternatives for single use plastic packaging.

The Ports division's Waste Management Standard establishes a consistent approach across all ports and terminal operations worldwide, ensuring that terminal waste is being stored, transferred, and disposed of responsibly in accordance with relevant legislation. Business units submit waste data monthly for review and conduct periodic audits on relevant documentation and waste storage facilities at selected locations.

In 2022, concerted effort to raise awareness about waste management at Hutchison Ports Sydney increased the collection and recycling rate for solid waste up to 62%. Over 40% of total waste generated at the port is liquid waste, mostly contaminated liquid collected in the port's stormwater treatment pits. All liquid waste is collected by an approved contractor and taken off site for further treatment in line with local regulations.

During the year, waste cable drums have been virtually eliminated from the waste stream at Hutchison Ports Port of Felixstowe through collaboration between the port's procurement team, waste management contractor and suppliers.

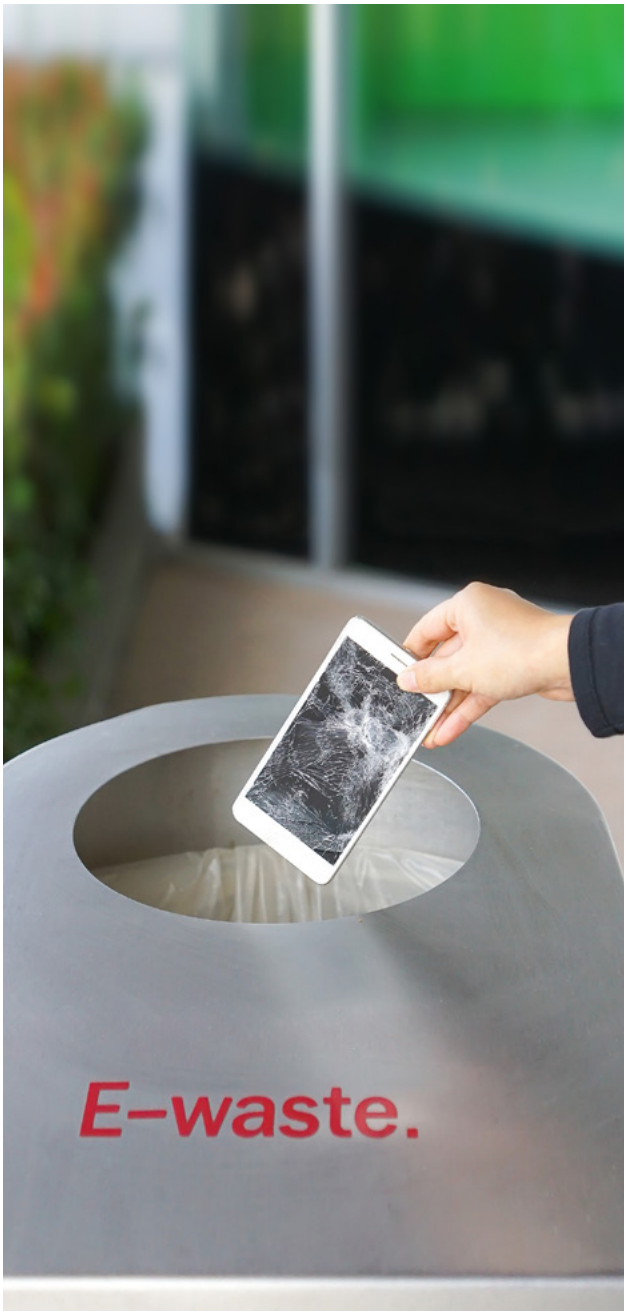
The Telecommunications division has arrangements in place for responsible disposal of network equipment. **3** UK, for example, partners with a major waste recovery specialist to manage waste from its legacy data centres. All decommissioned equipment is assessed to determine the most appropriate waste management method, including onward sale to other businesses through a dedicated online portal or recycling.

Take-back programmes in the Retail and Telecommunications divisions are also helping customers to divert packaging and e-waste from landfill. Read more here.

EnviroNZ's resources recovery service

Focus on E-Waste

The Group is particularly focused on responsible treatment of substances with intrinsic hazardous properties, such as e-waste. This rapidly growing waste stream presents a significant problem because it contributes to toxic substances accumulating in the soil, air, water and living organisms.



In 2022, through its membership of the GSM Association's Circular Economy for Devices Working Group, the Telecommunications division has participated in the development of a Strategy Paper on the Circular Economy looking at how the sector can evolve towards more circular business models based on two overarching principles of "maximised longevity" and "zero waste."

To maximise sustainability, mobile devices should ideally be designed to be in service for as long as possible, made with recyclable and recycled content, and manufactured using renewable energy. Manufacturers and retailers should also engage with consumers and other business partners to ensure that no device ends up as waste.

In the Infrastructure division, ista adopts a full lifecycle approach to its electricity meters and heat cost allocators by integrating circularity into every aspect of design, product take-back and recycling. Its leasing model ensures these devices are maintained for their maximum lifecycle and ultimately recycled through specialist, certified service providers.

In the Retail division, FORTRESS has partnered with a local NGO in Hong Kong to collect used laptops and accessories from its customers and employees, for repair and donation to low-income families. Over 300 items were donated in 2022.

Focus on Plastics

There is increased focus globally on the role of circular solutions to address the growing global plastics pollution crisis. As a signatory to the Ellen MacArthur Foundation's New Plastics Economy Global Commitment, A.S. Watson will disclose its performance against the following targets on an annual basis:

- 100% of plastic packaging to be reusable, recyclable, or compostable by 2025 (including Own Brand product packaging, eCommerce parcels, and in-store carrier bags)

2022 status

51.5%
achieved

- 20% recycled plastic content in Own Brand packaging by 2025

2022 status

7.4%
achieved

The Retail division is also making tangible progress against broader objectives to eliminate problematic or unnecessary plastic packaging, switching to alternative materials, and banning polyvinyl chloride (PVC). It is also offering in-store refill options for customers of its Own Brand Natural by Watsons personal care range in Malaysia and Hong Kong. Watsons Water is installing smart water refill stations at schools and public spaces in Hong Kong. As a complementary measure, A.S. Watson has introduced refillable aluminium bottled water in containers made from 70% recycled and 100% recyclable content.

Watsons Water smart water refill stations in schools in Hong Kong

Reducing plastic waste is also a focus for the Telecommunications division, which is replacing standard credit card sized SIM holders with a new half-sized format in some markets and promoting more sustainable accessories and packaging. WINDTRE, **3** Denmark, and **3** Sweden have introduced Thales' Eco-SIM —the world's first SIM card made of 100% post-consumer recycled plastic. **3** UK and **3** Denmark have launched 100% plant-based and compostable phone cases. **3** Hong Kong transports SIM cards for postpaid services to its stores in batches to cut down on packaging and has also reduced the amount of packaging material for its SoSIM prepaid cards.

#SUSTAINABLE CHOICES
Naturals by watsons
舊瓶注新體驗站 REFILL STATION
請聯繫店內職員協助 ASK OUR FRIENDLY STAFF FOR HELP
1 FILL 注滿空瓶
2 LABEL 貼上標籤
3 PAY 付款
為舊瓶注滿生命 減少塑膠 打造綠色地球 SWITCH TO REFILLS TODAY, LESS PLASTIC, BETTER WORLD
CERTIFIED ORGANIC INGREDIENTS
SUSTAINABLE
DERMATOLOGICALLY TESTED
88折

SOCIAL

The social pillar of the Group Sustainability Framework addresses the priorities and concerns of key stakeholder groups who unpin its success, specifically its employees, customers, and representatives of local communities in locations where it operates. Creating shared value for these stakeholders is a source of competitive advantage for sustaining the Group's long-term prosperity.

GROUP GOALS

- CREATE GREAT PLACES TO WORK
- INVEST IN DEVELOPING THRIVING AND RESILIENT COMMUNITIES

CONTENT IN THIS SECTION

- TALENT ATTRACTION
- EMPLOYEE ENGAGEMENT
- LEARNING AND DEVELOPMENT
- INCLUSION AND DIVERSITY
- HEALTH, SAFETY, AND WELLBEING
- COMMUNITY INVESTMENT

Linked SDGs

EMPLOYER OF CHOICE

The Group strives to provide superior employment experiences and great places to work for its global workforce of more than 300,000 people, including all joint ventures and associates, and 198,580 employees across our four core businesses (the scope of this report). Beyond outlining the overall direction for achieving its sustainable development strategy, the Group encourages and supports the core businesses to design and implement fit-for-purpose human resource management approaches tailored to their respective needs.

Group

CREATING GREAT PLACES TO WORK – RECOGNITION RECEIVED IN 2022

Ports

- Hutchison Ports HIT: Partner Employer Award 2022, the Hong Kong General Chamber of Small and Medium Business
- Hutchison Ports UK:
  - Endorsed Employer for Women, Work180
  - Disability Confident Committed Employer, UK Government initiative
  - Defence Employer Recognition Scheme - Silver Award, UK Government initiative

Retail

- A.S. Watson Group: Employer of the Year, HR Asia
- Watsons Malaysia: Most Preferred Graduate Employer in Retail – Champion, Graduates Choice Awards
- Watsons Thailand: Best Companies to Work for in Asia, HR Asia
- Watsons Singapore: 2021-2022 Top Employer, Influential Brands
- Superdrug:
  - Financial Times Leader in Diversity report, Financial Times
  - Top 100 Apprenticeship Employers, UK Government's Department of Education

Infrastructure

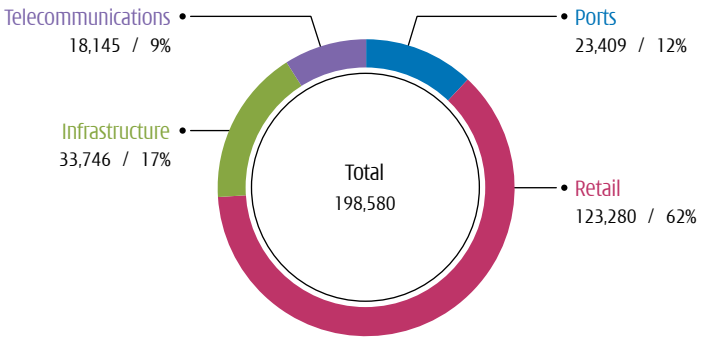
- UK Power Networks:
  - Employer of the Year, Utility Week Awards
  - Best Big Companies to Work For: Fifth overall, Second in London, Second In Utilities, Best Companies
- AGIG: Top 40 Best Workplaces to Give Back 2022, GoodCompany
- Northumbrian Water: the UK's Best Workplaces™ list in the Super Large category, Great Place to Work® UK
- EDL: Endorsed Employer for Women, Work 180

Telecommunications

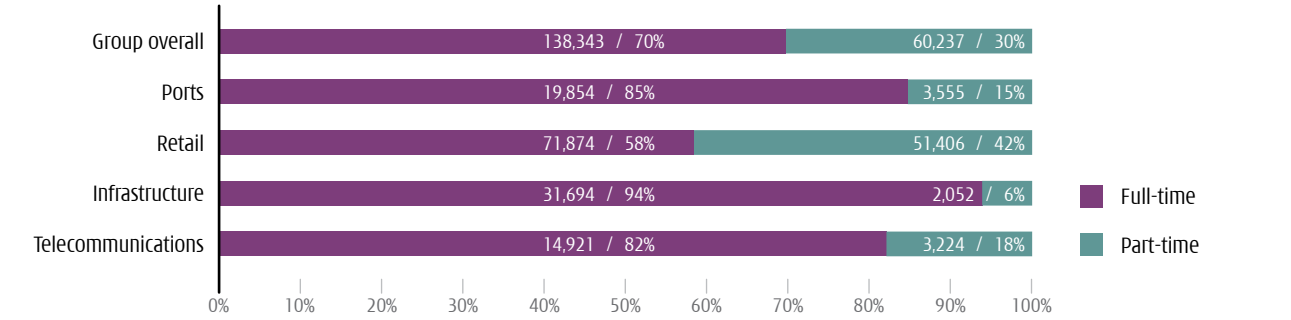
- **3** Austria: Employee Experience Champion, Employee Experience Awards by LSZ
- **3** Hong Kong and **3** Macau: 13th in Asia's Best Employer Brand Awards - Asia's Best Employer Brand, Employer Branding Institute
- **3** Sweden:
  - Career Company 2022, Career Company (Karriär företagen)
  - Top 10 in the annual Great Place to Work® Sweden
- **3** Ireland: Investors in Diversity Gold, the Irish Centre for Diversity
- **3** UK: 100 best places to work, the National Centre for Diversity
- WINDTRE:
  - Top Employer Italia 2022, Top Employers Institute
  - Financial Times Leader in Diversity report, Financial Times

Figure 19 Group employment profile 2022

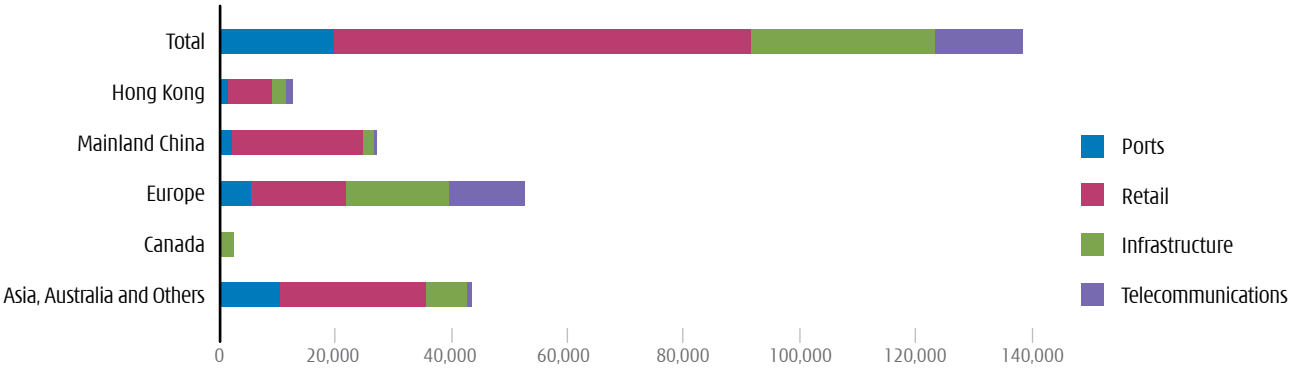
by core business



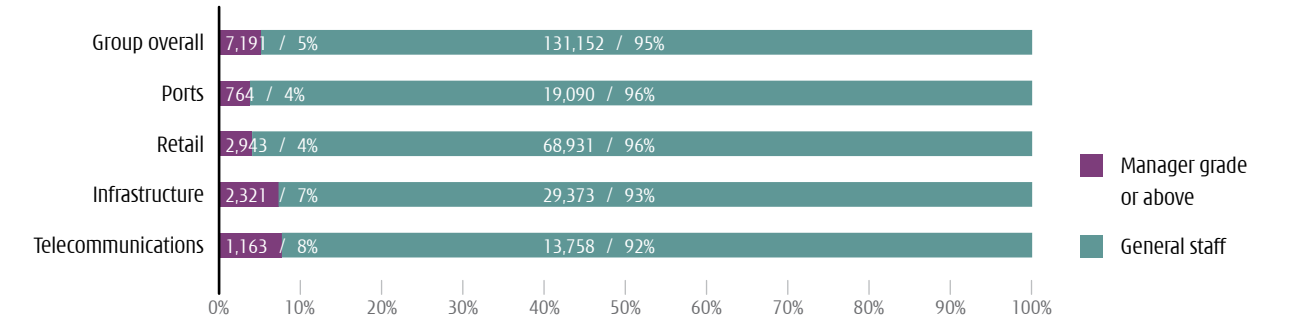
by employment type



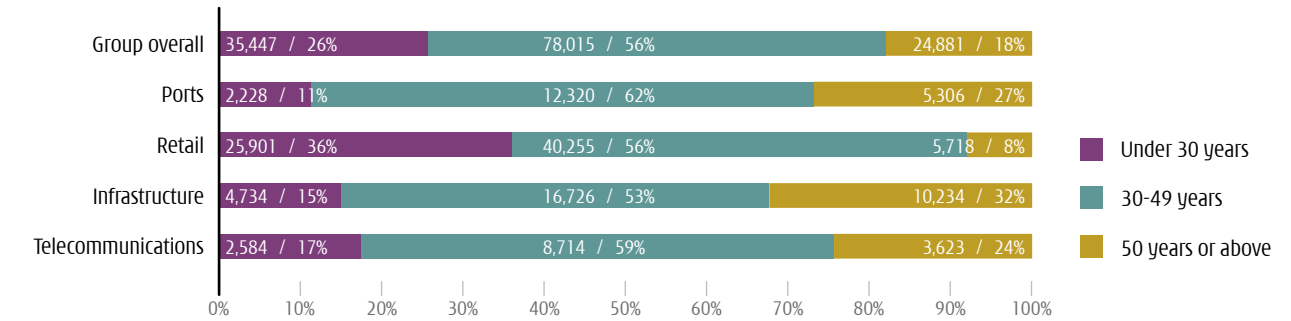
by location (full-time)



by employee category (full-time)



by age group (full-time)



Talent Attraction

The Group aims to build inclusive teams which reflect the diversity of the Group's customer base and local communities.

In response to tight labour market conditions and any skills gaps identified at the divisional level, the core businesses adapt their management approaches to achieve the Group's organisational objectives in different contexts. For example, to ensure a pipeline of young talent, the Retail division has established a 2030 target to recruit 200,000 school-leavers without previous work experience. It aims to deliver five million training hours to launch the careers of these young people in the retail sector.

Employer branding is an important tool for talent attraction. In 2022, A.S. Watson created a global team for employer branding through virtual platforms. During the year, Superdrug re-launched its employer brand with a campaign entitled "Where You Can Be You", celebrating the diversity of its workforce and featuring current employees. In the Benelux, Kruidvat launched #friendsteam, an innovative social media-based recruitment campaign targeting young people and encouraging friends to apply together for employment opportunities.

Retail Infrastructure

PATHWAYS TO EMPLOYMENT

The Group implements a variety of apprenticeship programmes to nurture its pipeline of young talent. Some business units partner with non-profit organisations specialising in delivering targeted support to young people from disadvantaged backgrounds, thereby aligning their talent development initiatives with the Group's broader community engagement objectives.

SA Power Networks in the Infrastructure division is one of South Australia's largest employers of apprentices and fresh graduates, providing a range of accredited training and entry-level work opportunities. Since 2003, over 690 apprentices have embarked on programmes at its dedicated Training Centre, of which the majority have subsequently gained full-time employment.

In 2022, Superdrug and Savers in the Retail division delivered life skills training and practical support to more than 300 new recruits. These business units work with Drive Forward, a UK-based charity, to provide summer placements and work experience opportunities. They also participate in the UK Government's Kickstart programme for young people at risk of long-term unemployment. More than 800 participants started permanent employment with Superdrug and Savers upon successful completion of this programme.

Employment conditions and benefits

In line with the Group's Human Rights Policy, all business units comply with relevant laws and regulations on working conditions and communicate clearly with employees about their established employment practices.

The Group's core businesses offer non-statutory benefits for employees in order to remain competitive in their industries, such as maternity and shared parental pay (often exceeding legal requirements), childcare and educational support, staff discounts, smartphones for work and personal use, and long service awards. Pension and retirement benefits are also offered to all employees and employees are eligible for a performance-based bonus. The Group also offers non-statutory benefits linked to its management approach on promoting health, safety and wellbeing, including onsite medical clinics and employee assistance programmes. The Group is adapting to emerging norms around flexible working and offering hybrid work arrangements for eligible employees where appropriate.

In the context of rapid and substantial increases in the cost of living experienced by employees, particularly in the UK and Europe, the Group focuses on finding fair and equitable solutions to protect job security as well as conducting pay reviews in the context of the local market economy considering interest rates and ensuring benchmarking against the market.

The Group is committed to identifying, preventing, and mitigating adverse human rights impacts resulting from any business transaction of the Group, including any restructuring decisions. Central to these commitments are the following principles:

- Identify the potential impact of human rights issues on employees as early as possible.
- Communicate with employees and where necessary, the relevant labour unions at the earliest possible opportunity on potential impacts, with due regard to human rights considerations.
- Prevent and limit redundancies where possible with compensation including severance payments (at or above statutory requirements) provided for redundancies.
- Include respect for human rights considerations in transition planning, such as redeployment and offering outplacement services to impacted staff where appropriate.
- Foster meaningful and constructive dialogue with employees, and take active steps in order to mitigate adverse effects on employees in the case of any ownership change or structural change to the business.

Support for employees regarding severance pay, assistance with outplacement, reemployment and retraining varies depending on the industries and geographies of operation. Tangible examples of Group assistance in relation to restructuring events this year include (in addition to providing severance pay): covering monthly health plan premiums for an extended period, providing extended notice, and providing job opportunities in other parts of the business with retraining as needed.

The Group respects its employees' right to join or form a labour union without fear of reprisal, intimidation, or harassment. Where employees are represented by a legally recognised union, the Group is committed to engaging in constructive dialogue with their chosen representatives. In 2022, approximately 33% of the Group's employees were covered by collective bargaining agreements.

Employee Engagement

The Group recognises the importance of empowering employees to contribute their knowledge and experiences towards shaping the future of its business by hearing and responding to their concerns. Business units undertake employee engagement in various ways. In general, employee surveys are conducted at least bi-annually, with results tracked over time. These overarching surveys are supplemented with ad hoc initiatives on specific issues as needed, such as understanding employee needs in returning to the office after long periods of lockdown. The Group celebrates good outcomes through channels such as the Group newsletter, the Sphere eMagazine, and implements improvement plans to strengthen outcomes that need attention.

Learning and Development

Structured skills development programmes are in place across the Group for all employees and other workers, including contractors who play an integral role in many operational areas. The Group's targeted learning activities aim to address the skills development needs of each core business as well as employees' career development aspirations. Both the content and structure of its learning programmes are continually being refreshed to keep pace with market developments such as personalised learning and emphasis on digital transformation.

Performance appraisal

The group has developed internal performance appraisal systems for all employees across divisions with the aim to help employees to understand their performance and areas of professional growth. Performance is reviewed periodically and may impact annual remuneration.

Investing in leaders

Investing in future leaders is essential for ensuring the Group's core businesses remain innovative and resilient while nurturing the Group's talent pipeline to retain high-performers. Leadership development programmes are in place in each one of the Group's divisions addressing different layers of management. The Hutchison Ports' Regional Development Programme engages middle managers from the Asia Pacific, Europe, Latin America, and Middle East regions in a virtual learning approach. Its expanding network of alumni plays a pivotal role in facilitating cross-port collaboration.

The A.S. Watson Agile Leadership Series develops a pool of executives with strong strategic leadership skills based on the A.S. Watson Leadership Capabilities framework that is updated annually. The Retail division's European Leaders Network comprises 250 senior leaders, including Group Directors and Heads of Department, Business Unit Leaders and their direct reports. It meets monthly to facilitate networking and thought leadership.

Business units in the Infrastructure and Telecommunications divisions also have well-established initiatives for nurturing future leaders, such the Manager to Leader Programme at AGIG and EDL's IGNITE and Breaking Ground programmes. At **3** UK and **3** Ireland, the Elevate Leadership Development Programme provides comprehensive opportunities for senior managers, including 180-degree performance appraisals and 1-2-1 coaching.

Succession planning

The Group has a proactive and comprehensive approach to succession planning. Each year, the core businesses undertake a review of succession plans for multiple levels and the results are submitted to the Group for approval by its Directors. This activity is also carried out in a more granular fashion and covering more layers of the organisation at the division level.

Upskilling and reskilling

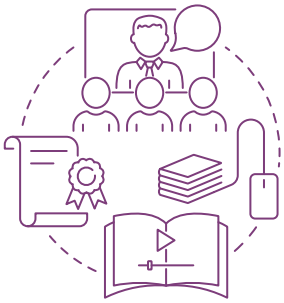
New technology in the digital economy is transforming day-to-day tasks across all core businesses. The Group's business units must invest continuously in reskilling and upskilling to address emerging skills gaps.

In accordance with the Group's Employment Policy, all full-time employees are eligible to receive support for degree and certification programmes related to their job functions. In the Infrastructure division, UK Power Networks' Supported Studies programme is providing funding for 320 employees actively studying, with another 188 new applicants, to pursue professional qualifications in engineering and accounting, among other disciplines.

A.S. Watson's Retail Academy is a platform for continuous learning, delivering high quality programmes certified by the Hong Kong Council for Accreditation of Academic and Vocational Qualifications. As digital skills become increasingly essential for all employees, the Retail division has introduced its Digital Gym Mobile App and other toolkits to provide accessible learning opportunities as part of its "Fit for the Future" campaign. Global membership of the Digital Gym has grown to over 850 colleagues and more than 150 items of learning content have been posted.

Telecommunications

DELIVERING STRUCTURED LEARNING OPPORTUNITIES



3 Academy is a learning platform for employees in the Telecommunications division to develop future-ready skills and capabilities.

In 2022, **3** Ireland and **3** UK launched the Digital Academy, focused on supporting employees to improve digital skills through a range of initiatives from bite-sized e-learning modules to mentoring programmes and studying for professional qualifications.

3 Sweden launched a sales and service excellence programme for all sales and customer service employees to continuously elevate the quality of service and sales towards customers, as well as upskill employees.

Group

UPSKILLING FOR SUSTAINABILITY LEADERSHIP

An ever-increasing number of team members across all core business are involved in communicating and implementing the Group's sustainability objectives. During 2022, to support these colleagues in gaining a broad-based understanding of global sustainability trends, the Group provided access to an online short course from the Cambridge Institute of Sustainability Leadership entitled "Sustainability Essentials for Business".

Hutchison Ports UK

Getting future-ready

The Group is investing in its future-readiness by scaling up capabilities that will be most relevant for its core businesses to remain competitive and resilient. Top skillsets expected to increase in importance over the coming years include critical thinking, problem solving, and self-management.

The Telecommunications division is continually enhancing its learning programmes based on needs analysis. In addition to soft skills such as change management, emotional intelligence, and business communication, it provides training on emerging technologies and processes such as search engine optimisation, DevOps software systems optimisation, and DesignOps human systems optimisation. In 2022, **3** UK delivered over 650 training hours using Pluralsight digital tools. Its workforce has access to over 16,000 courses on a wide range of topics via LinkedIn Learning.

Telecommunications

PREPARING FOR FUTURE CHALLENGES

WINDTRE is preparing its people for the challenges of the future by supporting their employability. As part of its sustainability strategy, it has committed to a target of 100% future-ready people centred on promoting a culture of lifelong learning and self-development.

385,000
training hours

In 2022, it delivered more than 385,000 training hours for its employees, including its Digital Mindset Development Programme.

Retail

FIT FOR THE FUTURE

Leaders of the Retail division came together in 2021 to discuss the question: *Are we fit for the future?* In response, they identified 12 critical skillsets for their workforce to embrace across four categories—Cognitive, Interpersonal, Self-Leadership, and Digital.

Throughout 2022, toolkits have been launched to support all business units and Group functions on upskilling in each area. "Fit For The Future" was also adopted as the theme for store roadshows during the year.

Cognitve

1. Agile Thinking
2. Structured problem Solving
3. Communication
4. Mental Flexibility

Interpersonal

5. Team Effectiveness
6. Coaching & Empowering

Self-Leadership

7. Entrepreneurship
8. Self-aWareness & Self-management
9. Continuous Learning
10. Growth Mindset

Digital

11. Digital Fluency
12. Data Analytics

INCLUSION AND DIVERSITY

The Group strives to provide equitable and inclusive working environments for its employees. Policies and programmes are in place to ensure the composition of its workforce reflects the diversity of the communities it serves.

This topic on Inclusion and Diversity is linked to other material topics in the Group Sustainability Framework, such as Labour and Human Rights and Social Inclusion.

Equal Opportunities

The Group is committed to promoting and protecting equal opportunities. In line with the Human Rights Policy and Code of Conduct the Group has zero tolerance towards discrimination on the basis of race, colour, national or social origin, ethnicity, religion, age, disability, sex, sexual orientation, gender, political affiliation, or any other status protected by law. It handles all reports of impropriety and misconduct in accordance with its Whistleblowing Policy.

Strength in Diversity

The Group recognises the value of embracing diverse perspectives, experiences and ideas, with a workforce which reflects the diversity of the customer and communities it serves.

The Group's core businesses implement inclusion and diversity programmes suited to their needs and circumstances, including training, networking, mentoring, and senior level sponsorships and oversight of diversity performance. In 2022, Superdrug and WINDTRE were spotlighted in the Financial Times Leader in Diversity report for leadership in this area. **3** UK was included in the list of 100 best places to work by the National Centre for Diversity, and **3** Ireland received an Investors in Diversity Gold award from the Irish Centre for Diversity.

Retail

EVERYONE MATTERS

Superdrug is working hard to become a more diverse and inclusive workplace. Its inclusion and diversity strategy—Everyone Matters—has six focus areas: Age, Social Mobility, Disability, Gender Equality, LGBTQ+, and Race & Ethnicity.

EVERYONE MATTERS

The Everyone Matters Steering Group is chaired by the CEO and Employee Networks for each focus area provide safe spaces for colleagues to discuss issues, share experiences, and provide support.

The Employee Networks design and implement internal campaigns, forge partnerships with external organisations, and raise awareness by celebrating key dates. In 2022, senior leaders and recruitment team members attended Inclusive Leadership training and upskilling sessions.

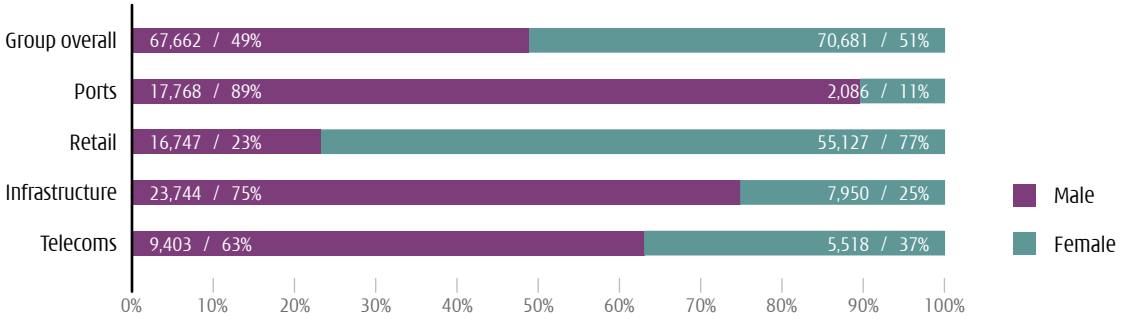
All employees have access to learning resources, webinars, and workshops on a range of inclusion subjects.

Gender equality

While the overall split of male and female employees across the Group as a whole is relatively balanced, the core businesses themselves face structural barriers to advancing gender equality. The employment profile of the Ports and Infrastructure divisions, for example, reflect entrenched gender stereotypes in their traditionally male-dominated fields. Technical roles in the Telecommunications division are also filled disproportionately by men. The Group is working hard to overcome these barriers such as through anonymising job applications to help eliminate biases in selection processes and increased job advertisements across a broader range of platforms to reach a wider, more diverse audience.

Figure 20 Group employment breakdown in 2022 (full-time)

by gender



Ports

OPPORTUNITIES FOR A MORE DIVERSE TALENT POOL

Automation and remote-controlled connectivity in the Ports division is helping to create new opportunities for a more diverse talent pool, as well as a safer port environment. During the year, the division continued to expand the use of remote-controlled quay cranes across geographies which is bearing positive results in the hiring of more female quay crane operators.

More broadly, at Hutchison Ports UK, the division's wider inclusion and diversity strategy is beginning to show results with a significant increase in the percentage of job applications from women. These have increased from 9.6% in 2020 to 19.1% in 2022.

Remote-control quay crane centre at Hutchison Ports Thailand

In recent years, several business units have been impacted by new legislation targeting the gender pay gap including mandatory reporting in several jurisdictions. The Group welcomes these developments to further promote workplace gender equality. In 2022, WINDTRE became the first organisation in the Information and Communication Technology sector to obtain certification from the EQUAL-SALARY Foundation. It underwent a statistical analysis and external audit of employee remuneration to prove that it applies equal pay for women and men.

To redress imbalances caused by under-representation of women in senior positions, some business units have implemented functional gender representation targets. In the Telecommunications division, for example, **3** UK, **3** Ireland, and **3** Sweden have established 50/50 gender balance targets for leadership roles. In addition to its target of 50/50 balance for all internal promotions, WINDTRE has committed to increasing its share of women in executive positions by 25% by 2025. It has also linked gender diversity in hiring and pay practices with executive compensation. During 2022, WINDTRE launched the Women's Academy dedicated to empowering women and supporting their personal and professional growth. The Women's Academy and Women's Academy 4 Executives involved a total of 200 participants with over 2,500 hours of training.

Infrastructure

SUPPORTING WOMEN TO THRIVE IN THE WORKPLACE

In 2022, EDL received endorsement as a WORK180 Employer for Women, allowing it to join a global network committed to creating a world with fair and equal representation and pay for all. This development demonstrates EDL's commitment to supporting inclusion and diversity with equal pay, flexible working arrangements, and other significant strategies as summarised below.

Strategies for gender equality at EDL

Formalized policy related to flexible working arrangements in place

Flexible work options offered:

Areas of focus

Flexibility type	Availability
Flexible start and finish times	**Role / team dependent**
Job sharing arrangements	**Role / team dependent**
Part-time contracts	**All employees**
Rostered days off	**Role / team dependent**
Time-off in lieu of overtime	**All employees**
Work from anywhere (remote working) options	**Role / team dependent**
Work from anywhere (remote working) permanently	**Role / team dependent**

Paid holiday, vacation or annual leave in the first 12-months:

20 days

Fully paid personal sick and carer's leave in the first 12-months:

20 days

Open to candidates discussing flexible working arrangements during an interview

Operational set up:

- Multiple office locations

Full paid community service leave in the first 12-months: **2** days

Unpaid leaves options:

- All employees

HEALTH, SAFETY AND WELLBEING

The Group complies with or exceeds applicable health and safety laws and regulations and upholds industry specific standards for best practice. In accordance with the Health and Safety Policy, corporate safety standards setting out minimum requirements for health and safety apply to all workplaces and facilities.

The Group's management approach to this topic is closely linked with Service Excellence.

Hutchison Ports ECT

Creating a Culture of Safety

Comprehensive governance structures for health and safety, have been established within all core businesses. These governance structures oversee implementation of Safety Management Systems (SMS) comprising clear delineation of responsibilities, including those of senior management and safety personnel, coordination of Emergency Response Planning, and record keeping procedures.

In the Ports division, Hutchison Ports' Group Safety Committee (SAFCOM) is composed of senior management from Human Resources, Risk Management, and Engineering functions as well as regional coordinators who liaise with Safety Committees established in every port. Many business units in the Infrastructure division, including HK Electric, UK Power Networks, Wales & West Utilities, Seabank Power, SA Power Networks, and AVR, have obtained certification for SMS in accordance with international standards, such as ISO 45001.

Health and safety training is integral for engaging workers on health and safety topics. In accordance with the Health and Safety Policy, all business units provide employees and contractors with job-related guidelines and training to promote an occupational culture of zero harm. Employees are encouraged to contribute to the Group's safety performance by abiding by health and safety policies and only undertaking work for which they are trained, competent, and medically and physically fit for.

The Infrastructure division has prioritised health and safety on the agenda for Board discussion, adopted safety performance indicators in the compensation scheme for senior managers, and introduced an annual health and safety conference with representatives from all business units.

Infrastructure

PROMOTING A CULTURE OF SAFETY THROUGH TRAINING

The SA Power Networks Safety Leadership Academy supports a culture of safety through a series of workshops based on Work Safe Values and Standards. These training sessions introduce the principles of human factors and their contribution to safety related events. The Just and Fair Framework outlines the consequences of positive and negative safety behaviours.

Safety first at SA Power Networks' Network Innovation Centre

Safety Risk Management and Mitigation

A clearly defined set of Global Minimum Safety Standards have been continually refined by the Ports division to address emerging risk areas since 2014. Each port conducts safety risk assessments to identify potential hazards. SAFCOM provides oversight and coordination for mitigating these risks, such as introducing automated operations to reduce the interface between workers and machinery.

In the Infrastructure division, health and safety monitoring systems and formal audit programmes are in place across all business units. The safety audits are conducted at least annually by registered professionals.

Ports

BEING PREPARED AT HUTCHISON PORTS HIT

In 2022, Hutchison Ports HIT collaborated with local fire and police departments to ensure it is fully prepared for potential crisis situations, including firefighting, emergency rescue and anti-terrorism. In July, employees and external contractors participated in HIT's Safety Month, involving a range of activities, exhibitions, and challenges. An online quiz focused on ways to reduce serious injuries from trips and slips in the workplace and attracted more than 330 respondents, with over 75% receiving full marks.

Telecommunications

AWARD-WINNING SAFETY FOR EMPLOYEES, PARTNERS AND CONTRACTORS

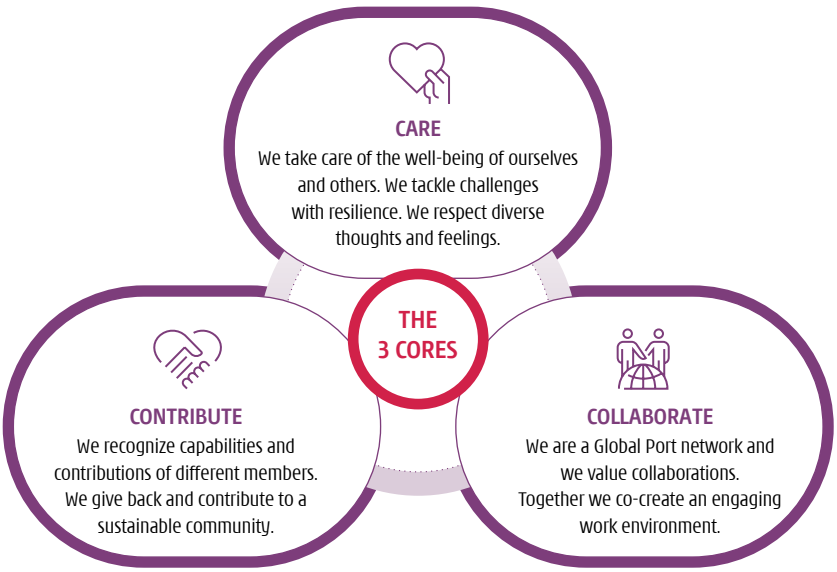
In 2022, **3** UK received a Gold award for the 5th consecutive year from the internationally renowned Royal Society for the Prevention of Accidents (RoSPA). The award was given based on showcasing collaborative efforts in ensuring employees, partners and contractors are safe at work through initiatives such as: collaborative safety risk assessments in retail, corporate, data centres and **3** private networks; coordination of network partners and MBNL in supporting the safe delivery of 4G and 5G networks; and training and onsite induction, particularly for those carrying our higher risk work such as work on antennas.

Holistic Wellbeing

The scope of the Group's management approach to occupational health and safety is expanding to incorporate broader aspects of wellbeing. Hutchison Ports' Wellbeing Framework, for example, adopts a whole-self perspective of employees' social, emotional and mental health.

In 2022, A.S. Watson established a Global Health & Wellbeing Steering Group to provide centralised direction and support on rolling out a set of "good, better, best" health and wellbeing standards for its employees, business partners, and customers. A new employee wellness programme entitled WatsonVital has been launched at A.S. Watson Benelux based on the Sustainable Employability Index, a science-based measurement tool for assessing various parameters of wellbeing.

Figure 21 Hutchison Ports' Wellbeing Framework



Superdrug and Savers have appointed wellbeing champions in every store to help coordinate relevant initiatives and provide feedback to management on opportunities for further improvement. In addition to providing free mental health support for employees in England, Scotland, and Wales, these business units have introduced comprehensive schemes to support colleagues during these times of economic uncertainty, including free financial education and consultations, and friends and family discounts.

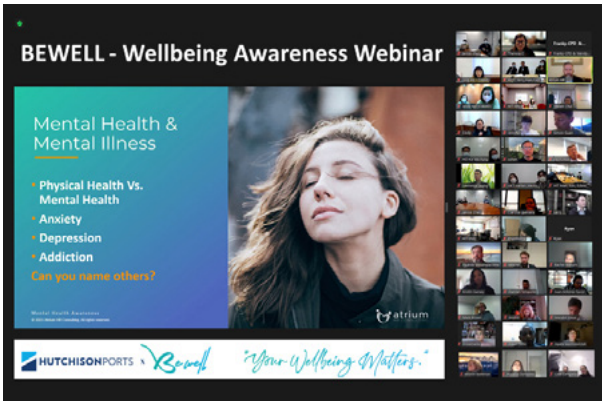
The Telecommunications division is also taking a proactive approach to supporting its workforce through the economic hardships of today. At **3** UK and **3** Ireland, employees can make use of a specialised app to help keep them on track towards better financial health. **3** Ireland also announced plans for a 17.4% pay rate increase for employees below €23,000 coming into effect in 2023, with a further bonus payment of €500 to employees across the business earning €35,000 or below. WINDTRE has also provided two welfare bonuses equal to €300 in 2021 and €300 in 2022 to be spent on items such as school fees, shopping coupons, and wellness packages and an additional €200 as fuel vouchers for all employees. To further support employees, WINDTRE developed certain agreements with electricity and gas companies to have dedicated discounts for employees. Employee promotions on both fixed and mobile services (ad hoc rates only for employees and family members) are also available. Similarly, Superdrug and Savers have made Wagestream - the financial wellbeing platform - available to employees to help create greater financial awareness and control over pay and savings.

Ports

EMBRACING HEALTHY LIFESTYLES

Hutchison Ports' global BEWELL campaign demonstrates its commitment to prioritising health and wellbeing by encouraging and supporting its workforce around the world to embrace healthy lifestyles and practice self-care.

In 2021/22, all employees worldwide were invited to participate in a series of wellness challenges, earning badges for completing tasks either individually or in a team. Checkpoint # 1—Wellbeing Awareness—was completed in December 2021 with 669 participants receiving awards for engaging in a course of online learning. Checkpoint #2—Gratitude Movement—took place in April 2022. 701 employees completed at least two activities such as contributing to Gratitude e-boards or sharing short videos with colleagues about what makes them feel grateful. Checkpoint #3 of the global BEWELL campaign—Wellness Challenge—started in December 2022 and will be completed in March 2023.



Contractor Safety

The Group's business units take measures to protect and promote the safety of other workers who are not employees by integrating contractor safety into procedures for contractor tendering and selection, workplace policies and guidelines, and training programmes. Other activities undertaken by business units include oversight of contractor safety performance and including contractors in dedicated health and safety forums.

COMMUNITY INVESTMENT

The Group's management approach to community development complements its broader strategy of engaging with community partners—such as local authorities, non-profits, schools and other educational organisations—to make lasting positive contributions. In accordance with its Human Rights Policy, the Group aims to listen and learn from the perspectives of local communities in which it operates.

Community engagement and investment initiatives undertaken by the Group's core businesses are linked with other material topics in the Group Sustainability Framework, such as:
- Social Inclusion
- Biodiversity
- Circular Economy
- Learning and Development

Addressing the Challenges of Today

In 2022, the conflict in Ukraine and the associated cost-of-living crisis has impacted many communities served by the Group. A significant focus for the Group's community investment programmes during the year has therefore been on providing relief for vulnerable groups experiencing particular hardship during these challenging times.

Watsons Ukraine, in the Retail division, is keeping as many stores open as possible and well stocked with a secure supply of personal care products via A.S. Watson's subsidiary in Poland. In doing so, it strives to provide job security for its workforce of more than 2,500 people. With assistance from other members of the A.S. Watson corporate family around the world, it has contributed monetary and in-kind donations to local authorities, hospitals, and aid organisations.

The Telecommunications division has also rallied in response to the conflict in Ukraine, doing its part to keep affected people connected and engaged during this time of crisis by providing free calls and texts to and from Ukraine and donating SIM cards and mobile devices to Ukrainian refugees. Its business units have also raised funds for humanitarian relief in Ukraine, providing support for Save the Children and Red Cross among other organisations.

Telecommunications

3 IRELAND'S SUPPORT MEASURES FOR THE UKRAINIAN CRISIS APPEAL

3 Ireland provided a package of support measures for the Ukrainian crisis appeal including:

- Removing roaming charges for customers in Ukraine and reorienting Customer Care employees to assist with an outbound calling campaign to contact people who volunteered to host war refugees.
- Supplying mobile services free of charge to the Ukrainian Embassy in Ireland.
- Providing 6,000 free SIM cards, with credit and international minutes included, for Ukrainian refugees arriving at Dublin Airport so they could immediately connect with loved ones.
- Holding a dedicated "Day for Ukraine", an employee fundraiser with the business matching the amount raised in aid of the Irish Red Cross Ukraine Crisis Appeal.
- Donated handsets to Ukrainian students upon starting school in Dublin.

Infrastructure Telecommunications

SUPPORTING VULNERABLE CUSTOMERS

In 2022, **3** UK donated 1 million GB of data to the National Databank, which operates like a "food bank" providing internet connectivity rather than meals or food items to people in need. The donation will allow 40,000 digitally excluded individuals to get connected via the Good Things Foundation's network of community partners throughout to UK. In response to the cost-of-living crisis, **3** UK has also introduced zero-rating for its customers to access seven websites offering financial advice and support, including StepChange, Business Debtline, National Debtline, Citizens Advice, Money Advice Plus, Money and Pensions Service, and Money Helper.

Northern Gas Networks, in the Infrastructure division, has launched a five-year fund valued at £750,000 to provide support for customers experiencing hardship due to rising energy prices. With input from customer representatives, it aims to disburse the funds in ways that will provide the greatest benefit for the most vulnerable people in local communities.

Northumbrian Water operates in some of the UK's most income deprived areas. As part of its commitment to eradicating water poverty by 2030, it is the first water utility in the UK to partner with StepChange, one of the UK's leading debt charities, to help customers who are facing financial difficulties access to a range a practical debt management solutions.

Targeted Community Contributions

The Group's core businesses implement community investment programmes tailored to their specific circumstances and community engagement objectives, involving corporate donations, fundraising and volunteering. A common management approach across the Group is seeking input from employees on the selection of good causes and organisations to support in order to increase their sense of ownership and motivation to contribute.

Ports

MAKING A DIFFERENCE THROUGH PARTNERSHIPS

In 2022, Hutchison Ports consolidated its community investment initiatives under two global flagship campaigns: Go Green and the Dock School programme. Through these programmes, the division encourages its business units to give back to local communities around the world in partnership with educational, civil, and charitable organisations.

Go Green is part of a global environmental initiative undertaken by the ports division to tackle a range of important environmental issues, particularly waste minimisation, recycling and upcycling. The Dock School programme, on the other hand, takes a complimentary approach to environmental protection by promoting education and student engagement.

In 2022, 30 ports in 19 countries implemented 72 Go Green and/or Dock School activities. During the year, more than 3,726 students participated in tree-planting events organised by Hutchison Ports and more than 9,589 trees were planted.

Over 265 volunteers collected ~6,000kg of waste during a beach cleanup event organised by Hutchison Ports PPC, Panama.

Retail

SHARING THE GIFT OF A SMILE

Since 2018, A.S. Watson has collaborated with major retail brands to implement its signature community investment programme, Give a Smile. This campaign provides support to Operation Smile, an international medical charity with operations in more than 80 countries specialising in providing surgeries for children and young adults with cleft lip, cleft palate or other facial deformities.

During the year, the Give a Smile campaign achieved an important milestone of sponsoring 5,000 corrective surgeries worldwide. Inspired by the success of a pilot initiative led by Watsons Philippines, the Retail division also launched a new global Women in Medicine programme, which aims to elevate the quality of cleft care in underserved communities by providing education pathways for female healthcare workers.

Retail Telecommunications

SUPPORTING FUTURE TALENT IN DIGITAL SOLUTIONS AND TECHNOLOGY

The Group works with partners in education to address the lack of digital skills in the employment market compared with projected future demand from technological industries.

In 2022, **3** Hong Kong collaborated with the Ampower Talent Institute and the IT Innovation Lab in Secondary Schools Programme to organise two innovation and technology career experience days, to inspire and foster relations with more young people interested in STEM education. The Ampower Talent Institute is a non-profit NGO that fosters the advancement of education to empower young people to become the best versions of themselves and be able to identify and work towards their career and life goals. Around 50 secondary school students visited Hutchison Telecom Tower and Hutchison Ports HIT to learn more about the modernisation of technology and the development trend of Hong Kong's network as well as experience diversified smart solutions in the Group's solution hub – DIGI3ox. Management trainees shared their experiences and encouraged the students to think about their career in the future.

In an effort to influence the wider system and attract women from around Ireland and across the world to study STEM subjects, **3** Ireland and Trinity College Dublin have developed a STEM scholarship partnership which is funding the creation of 25 Scholarships for Women in STEM over five years, and two Trinity Access Teacher Fellowships for three years.

The Retail division in Hong Kong has partnered with the local youth charity, SEED Foundation, to sponsor cloud computing courses for secondary school students. In 2022, 10 students participated in technology-focused internships, gaining invaluable real-world experience of cloud computing, machine learning, and data analysis. A.S. Watson also has a long-standing relationship with the University of Bath in the UK providing internship opportunities for undergraduates in data analytics. In Milan, A.S. Watson has also recently launched the Hybris Academy to attract and develop talent in digital and technology solutions. This is an intensive 248-hour pre-hire training programme leading to employment with A.S. Watson eLab Technology.

Infrastructure

EMPLOYEE FOUNDATION

The SA Power Networks Group Employee Foundation was established in 2006 with the principal purpose of enabling employees, their families, and friends to make positive contributions to the lives of people in the local community through payroll donations, fundraising, and volunteering. It makes regular donations to many charities. The business also provides a full workday for every staff member to volunteer with a South Australian based charity.

Community teamwork at SA Power Networks

Telecommunications

THE POWER OF HUMAN CONNECTION

3 UK entered into a partnership with Samaritans in 2021, leveraging its technology, retail stores, and expertise to help one million people gain access to potentially lifesaving suicide prevention services, 24/7, 365 days a year. In 2022, **3** UK was honoured to be the official sponsor of Samarathon-Samaritans' annual flagship fundraising event for the second consecutive year. Seven hundred employees signed up to run, jog or walk 26 miles in the month of July, raising close to £26,000. This will enable Samaritans to answer an additional 5,000 calls from people who are struggling.

≈ £26,000

Seven hundred employees signed up to run, jog or walk 26 miles in the month of July, raising close to £26,000.

ENGAGING TEAM MEMBERS IN BIODIVERSITY PROTECTION

Since 2017, WINDTRE's partnership with WWF Italy engages WINDTRE employees and their families in the conservation and restoration of protected forests within the Oasis Project, an initiative through which employees are symbolically given two square meters of land located in three WWF oases. This partnership also engages WINDTRE customers with the option to support biodiversity protection in the Mediterranean by opting into a special subscription on their tariff plans.

WINDTRE's partnership with WWF

APPENDIX 1: ENVIRONMENTAL AND SOCIAL PERFORMANCE INDICATORS

Environmental KPIs[1]	Unit	Ports and Related Services[2]			Retail[3]		
		2020	2021	**2022**	2020	2021	**2022**
GHG emissions							
Total scope 1 + 2 GHG emissions (location-based)	tonne CO_2e	711,960	785,312	**765,970**	564,372	598,085	**529,063**
Total scope 1 + 2 GHG emissions (market-based)	tonne CO_2e	734,246	757,577	**702,929**	511,770	546,344	**486,910**
Scope 1 GHG emissions	tonne CO_2e	386,461	425,992	**416,158**	125,770	141,581	**112,335**
Scope 2 GHG emissions (location-based)	tonne CO_2e	325,499	359,320	**349,812**	438,602	456,504	**416,728**
Scope 2 GHG emissions (market-based)	tonne CO_2e	347,785	331,585	**286,771**	386,000	404,763	**374,575**
Total scope 1 + 2 GHG emissions (location-based) intensity	tonne CO_2e / revenue HK$'000	0.020	0.019	**0.018**	0.005	0.005	**0.004**
Total scope 1 + 2 GHG emissions (market-based) intensity	tonne CO_2e / revenue HK$'000	0.021	0.018	**0.017**	0.004	0.004	**0.004**
Scope 1 GHG emissions intensity	tonne CO_2e / revenue HK$'000	0.011	0.010	**0.010**	0.001	0.001	**0.001**
Scope 2 GHG emissions (location-based) intensity	tonne CO_2e / revenue HK$'000	0.009	0.009	**0.008**	0.004	0.003	**0.003**
Scope 2 GHG emissions (market-based) intensity	tonne CO_2e / revenue HK$'000	0.010	0.008	**0.007**	0.003	0.003	**0.003**
Scope 3 GHG emissions	tonne CO_2e			**466,077**			**1,708,796**
Use of energy							
Total energy consumption	kWh'000	2,308,912	2,527,788	**2,537,241**	1,116,280	1,210,298	**1,129,055**
Total direct energy consumption	kWh'000	1,559,316	1,711,769	**1,707,495**	340,562	403,366	**353,471**
Gasoline/ Petrol	kWh'000	7,642	8,234	**8,449**	1,410	2,474	**1,672**
Diesel	kWh'000	1,440,738	1,617,564	**1,584,791**	240,235	276,028	**257,023**
Natural gas	kWh'000	103,771	77,006	**48,401**	79,268	108,867	**71,221**
Towngas	kWh'000	0	0	**0**	17,316	13,285	**19,899[8]**
Other gases	kWh'000	7,165	8,254	**8,291**	1,725	2,021	**1,919**
Other fuels	kWh'000	0	0	**56,812**	0	0	**0**
Geothermal	kWh'000	-	0	**0**	-	0	**0**
Wind	kWh'000	-	0	**0**	-	0	**0**
Solar	kWh'000	-	711	**751**	-	456	**1,277**

	Infrastructure[4]			Telecommunications[5]			Total		
	2020	2021	**2022**	2020	2021	**2022**	2020	2021	**2022**
	10,036,184	9,756,334	**9,189,179**	546,392	511,650	**537,240**	11,858,908	11,651,381	**11,021,452**
	10,033,682	9,753,371	**9,185,900**	625,327	573,478	**498,615**	11,905,025	11,630,770	**10,874,354**
	8,369,513	8,249,239	**7,945,158**	22,562	16,842	**15,479**	8,904,306	8,833,654	**8,489,130**
	1,666,671	1,507,095	**1,244,021**	523,830	494,808	**521,761**	2,954,602	2,817,727	**2,532,322**
	1,664,169	1,504,132	**1,240,742**	602,765	556,636	**483,136**	3,000,719	2,797,116	**2,385,224**
	0.220	0.190	**0.187**	0.006	0.005	**0.006**	0.040	0.037	**0.036**
	0.220	0.190	**0.187**	0.007	0.006	**0.006**	0.040	0.037	**0.036**
	0.183	0.161	**0.161**	0.000	0.000	**0.000**	0.030	0.028	**0.028**
	0.036	0.029	**0.025**	0.006	0.005	**0.006**	0.010	0.009	**0.008**
	0.036	0.029	**0.025**	0.007	0.006	**0.006**	0.010	0.009	**0.008**
			766,768			**1,803,108**			**4,744,749**
	20,226,626	21,382,909	**19,305,884**	1,570,035	1,688,323	**1,759,838**	25,221,853	26,809,318	**24,732,018**
	18,837,154	20,043,375	**18,083,176**	50,164	48,629	**53,926**	20,787,196	22,207,139	**20,198,068**
	44,733	43,106	**46,704**	4,056	2,703	**5,423**[6]	57,841	56,517	**62,248**
	543,062	473,908	**448,515**	37,865	37,582	**40,151**	2,261,900	2,405,082	**2,330,480**
	9,269,464	9,711,475	**9,674,928**	8,203	7,484	**7,718**	9,460,706	9,904,832	**9,802,268**[7]
	0	0	**0**	0	0	**0**	17,316	13,285	**19,899**
	2,250	1,137	**985**	40	13	**3**	11,180	11,425	**11,198**
	11,259,409	12,285,228	**12,468,716**	0	0	**0**	11,259,409	12,285,228	**12,525,528**
	21	23	**17**	-	0	**0**	21	23	**17**
	3,249	3,625	**3,332**	-	0	**0**	3,249	3,625	**3,332**
	691	471	**699**	-	847	**631**	691	2,485	**3,358**

Environmental KPIs[1]	Unit	Ports and Related Services[2]			Retail[3]		
		2020	2021	**2022**	2020	2021	**2022**
Hydro	kWh'000	-	0	**0**	-	0	**0**
Biomass	kWh'000	0	0	**0**	608	235	**460**
Other renewables	kWh'000	-	0	**0**	-	0	**0**
Self-generated energy	kWh'000	-	0	**0**	-	0	**0**
Sale of energy	kWh'000	-	0	**0**	-	0	**0**
Total indirect energy consumption	kWh'000	749,596	816,019	**829,746**	775,718	806,932	**775,584**
Electricity	kWh'000	749,596	814,916	**828,788**	775,718	806,932	**775,584**
Heating	kWh'000	-	1,103	**958**	-	0	**0**
Renewable electricity purchased and supported by green certificates	kWh'000	49,931	47,064	**111,095**[9]	165,826	164,250	**161,442**
% renewable electricity purchased and supported by green certificates	%	7%	6%	**13%**	21%	20%	**21%**
Total energy consumption intensity	kWh/ revenue HK$'000	65.172	60.697	**60.080**	9.209	9.258	**8.864**
Total direct energy consumption intensity	kWh/ revenue HK$'000	44.014	41.103	**40.432**	2.809	3.085	**2.775**
Total indirect energy consumption intensity	kWh/ revenue HK$'000	21.158	19.594	**19.648**	6.399	6.172	**6.089**
Air emissions[10]							
NOx emissions	tonne	1,567	1,759	**1,927**	3,116	2,538	**3,549**
SOx emissions	tonne	4	4	**5**	7,563	5,803	**8,692**
Particulate matter emissions	tonne	153	174	**188**	63	61	**69**
Waste produced							
Total hazardous waste produced	tonne	3,565	3,418	**3,595**	351	843	**872**
Total hazardous waste produced intensity	tonne/ revenue HK$'000	0.000	0.000	**0.000**	0.000	0.000	**0.000**
Total non-hazardous waste produced	tonne	18,572	34,408	**29,870**	131,632	142,719	**148,343**
Total non-hazardous waste produced intensity	tonne/ revenue HK$'000	0.001	0.001	**0.001**	0.001	0.001	**0.001**
Total waste recycled	tonne	-	8,706	**9,635**	-	137,818	**143,333**
Recycled material usage	tonne	-	0	**0**	-	3,174	**3,995**

Infrastructure[4]			Telecommunications[5]			Total		
2020	2021	**2022**	2020	2021	**2022**	2020	2021	**2022**
3,652	3,531	**3,614**	-	0	**0**	3,652	3,531	**3,614**
4,495,933	4,591,321	**2,171,905**	0	0	**0**	4,496,541	4,591,556	**2,172,365**
126,779	107,259	**100,772**	-	0	**0**	126,779	107,259	**100,772**
69,923	76,861	**73,693**	-	0	**0**	69,923	76,861	**73,693**
6,982,012	7,254,570	**6,910,704**	-	0	**0**	6,982,012	7,254,570	**6,910,704**
1,389,472	1,339,534	**1,222,708**	1,519,871	1,639,694	**1,705,912**	4,434,657	4,602,179	**4,533,950**
1,389,472	1,338,943	**1,222,270**	1,519,871	1,637,839	**1,703,692**	4,434,657	4,598,630	**4,530,334**
0	591	**438**	-	1,855	**2,220**	0	3,549	**3,616**
210,289	202,702	**165,582**	349,676	516,042	**676,816**	775,722	930,058	**1,114,935**
15%	15%	**14%**	23%	32%	**40%**	17%	20%	**25%**
442.651	416.449	**392.294**	17.039	18.096	**20.906**	85.648	84.567	**81.623**
412.243	390.360	**367.449**	0.544	0.521	**0.641**	70.589	70.050	**66.660**
30.408	26.088	**24.845**	16.495	17.575	**20.266**	15.059	14.517	**14.963**
8,902	9,091	**11,470**	39	38	**41**	13,624	13,426	**16,987**
740	835	**895**	0	0	**0**	8,307	6,642	**9,592**
314	283	**280**	1	1	**1**	531	519	**538**
25,386	26,914	**26,877**	604	913	**1,285**[11]	29,906	32,088	**32,629**
0.001	0.001	**0.001**	0.000	0.000	**0.000**	0.000	0.000	**0.000**
365,246	437,739	**409,353**	1,927	3,374	**2,418**	517,377	618,240	**589,984**
0.008	0.009	**0.008**	0.000	0.000	**0.000**	0.002	0.002	**0.002**
299,729	352,201	**293,215**	-	3,348	**2,872**	299,729	502,073	**449,055**
146,107	1,759,666	**1,442,839**	-	0	**0**	146,107	1,762,840	**1,446,834**

Environmental KPIs[1]	Unit	Ports and Related Services[2]			Retail[3]		
		2020	2021	**2022**	2020	2021	**2022**
Use of water							
Total water consumption	'000 m^3	1,310	1,394	**1,491**	1,838	1,686	**1,538**
Total water withdrawal	'000 m^3	1,310	1,394	**1,491**	1,838	1,686	**1,538**
Surface water	'000 m^3	0	0	**0**	0	0	**0**
Groundwater	'000 m^3	0	7	**7**	0	0	**0**
Seawater	'000 m^3	0	0	**0**	0	0	**0**
Third-party water	'000 m^3	1,269	1,386	**1,481**	1,838	1,686	**1,538**
Other sources	'000 m^3	41	1	**3**	0	0	**0**
Total water discharged	'000 m^3	0	0	**0**	0	0	**0**
Surface water	'000 m^3	0	0	**0**	0	0	**0**
Seawater	'000 m^3	0	0	**0**	0	0	**0**
Third-party water	'000 m^3	0	0	**0**	0	0	**0**
Other sources	'000 m^3	0	0	**0**	0	0	**0**
Water consumption intensity	m^3/ revenue HK$'000	0.037	0.033	**0.035**	0.015	0.013	**0.012**
Water withdrawal from areas with water stress	'000 m^3	-	0	**0**	-	0	**0**
Water withdrawal from freshwater sources	'000 m^3	-	0	**0**	-	0	**0**
Water recycled	'000 m^3	-	3	**3**	-	0	**0**
Packaging material							
Total packaging material used for finished products	tonne	15	0	**0**	141,411	154,235	**146,305**
Plastic	tonne	15	0	**0**	30,982	41,841	**34,443**
Paper	tonne	0	0	**0**	99,666	99,795	**98,752**
Metal	tonne	0	0	**0**	5,177	6,115	**6,376**
Glass	tonne	0	0	**0**	3,496	3,400	**3,339**
Other packaging material	tonne	0	0	**0**	2,090	3,084	**3,395**
Packaging material intensity	tonne / thousand of products[(a)] or tonne/ thousand tonne of products[(b)]	N/A	N/A	**N/A**	0.096[(a)]	0.098[(a)]	**0.106**[(a)]

	Infrastructure[4]			Telecommunications[5]			Total		
	2020	2021	**2022**	2020	2021	**2022**	2020	2021	**2022**
	313,831	225,457	**87,284**	165	124	**104**	317,144	228,661	**90,417**[12]
	647,565	688,171	**682,844**	165	124	**104**	650,878	691,375	**685,977**
	288,985	270,959	**289,389**	0	26	**18**	288,985	270,985	**289,407**
	18,917	20,314	**13,683**	0	2	**3**	18,917	20,323	**13,693**
	333,420	391,701	**374,244**	0	0	**0**	333,420	391,701	**374,244**
	5,765	4,736	**5,084**	162	96	**83**	9,034	7,904	**8,186**
	478	461	**444**	3	0	**0**	522	462	**447**
	333,734	462,714	**595,560**	0	0	**0**	333,734	462,714	**595,560**
	0	70,509	**121,971**	0	0	**0**	0	70,509	**121,971**
	333,420	391,701	**472,765**	0	0	**0**	333,420	391,701	**472,765**
	294	297	**560**	0	0	**0**	294	297	**560**
	20	207	**264**	0	0	**0**	20	207	**264**
	6.868	4.391	**1.774**	0.002	0.001	**0.001**	1.077	0.721	**0.298**
	0	0	**0**	-	0	**0**	0	0	**0**
	518	773	**644**	-	0	**0**	518	773	**644**
	2,152	2,143	**2,568**	-	0	**0**	2,152	2,146	**2,571**
	2,949	2,570	**2,273**	1,051	692	**966**	145,426	157,497	**149,544**
	3	5	**5**	230	127	**210**	31,230	41,973	**34,658**
	2,946	2,565	**2,268**	821	411	**755**	103,433	102,771	**101,775**
	0	0	**0**	0	0	**0**	5,177	6,115	**6,376**
	0	0	**0**	0	0	**0**	3,496	3,400	**3,339**
	0	0	**0**	0	154	**1**	2,090	3,238	**3,396**
	1.231[(b)]	1.098[(b)]	**1.681**[(b)]	0.005[(a)]	0.004[(a)]	**0.008** [(a)]	N/A	N/A	**N/A**

Social KPIs[1]		Ports and Related Services[2]			Retail[2]		
		2020	2021	**2022**	2020	2021	**2022**
Number of employees							
Total		21,949	21,722	**23,409**	127,791	126,644	**123,280**
By employment type	Full-time	19,197	18,556	**19,854**	75,110	74,871	**71,874**
	Part-time	2,752	3,166	**3,555**	52,681	51,773	**51,406**
Number of full-time employees							
By gender	Male	17,208	16,663	**17,768**	17,789	17,452	**16,747**
	Female	1,989	1,893	**2,086**	57,321	57,419	**55,127**
By employee category	Manager grade or above	774	737	**764**	2,811	2,795	**2,943**
	General staff	18,423	17,819	**19,090**	72,299	72,076	**68,931**
By age group	Under 30	2,108	2,019	**2,228**	28,608	27,847	**25,901**
	30-49	12,347	11,700	**12,320**	41,063	41,520	**40,255**
	50 or above	4,742	4,837	**5,306**	5,439	5,504	**5,718**
By geographical region	Hong Kong	1,641	1,554	**1,758**	8,137	7,651	**7,325**
	Mainland China	2,116	2,126	**2,171**	27,791	26,725	**22,893**
	Europe	4,765	4,837	**5,421**	16,369	17,279	**16,502**
	Canada	0	0	**0**	0	0	**0**
	Asia, Australia and others	10,675	10,039	**10,504**	22,813	23,216	**25,154**
Turnover rate for full-time employees							
Overall		5%	7%	**8%**	30%	31%	**36%**
By gender	Male	5%	7%	**8%**	25%	29%	**31%**
	Female	8%	8%	**12%**	31%	32%	**38%**
By age group	Under 30	7%	13%	**16%**	45%	50%	**61%**
	30-49	4%	5%	**6%**	21%	21%	**23%**
	50 or above	8%	8%	**11%**	15%	19%	**18%**
By geographical region	Hong Kong	7%	11%	**21%**	13%	25%	**24%**
	Mainland China	3%	4%	**4%**	36%	29%	**29%**
	Europe	5%	6%	**6%**	32%	42%	**44%**
	Canada	0%	0%	**0%**	0%	0%	**0%**
	Asia, Australia and others	5%	7%	**8%**	27%	29%	**43%**
Work-related fatalities							
Number of work-related fatalities		1	4	**1**	0	1	**0**
By employee type	Full-time employees	0	1	**1**	0	1	**0**
	Contractors	1	3	**0**	0	0	**0**
Rate of work-related fatalities		0.000%	0.005%	**0.005%**	0.000%	0.001%	**0.000%**
Lost days due to work injury							
Number of lost days due to work injury[2]		7,278	7,872	**6,389**	18,610	22,273	**20,960**
Number of lost time injury incidents[2]		318	350	**386**	429	570	**430**

Infrastructure			Telecommunications			Total		
2020	2021	**2022**	2020	2021	**2022**	2020	2021	**2022**
32,732	32,713	**33,746**	18,582	18,817	**18,145**	201,054	199,896	**198,580**
30,579	30,537	**31,694**	15,148	15,548	**14,921**	140,034	139,512	**138,343**
2,153	2,176	**2,052**	3,434	3,269	**3,224**	61,020	60,384	**60,237**
23,090	23,022	**23,744**	9,862	9,977	**9,403**	67,949	67,114	**67,662**
7,489	7,515	**7,950**	5,286	5,571	**5,518**	72,085	72,398	**70,681**
3,136	2,278	**2,321**	1,105	1,419	**1,163**	7,826	7,229	**7,191**
27,443	28,259	**29,373**	14,043	14,129	**13,758**	132,208	132,283	**131,152**
4,606	4,431	**4,734**	2,518	2,538	**2,584**	37,840	36,835	**35,447**
16,031	16,107	**16,726**	9,772	9,680	**8,714**	79,213	79,007	**78,015**
9,942	9,999	**10,234**	2,858	3,330	**3,623**	22,981	23,670	**24,881**
2,600	2,561	**2,577**	847	902	**994**	13,225	12,668	**12,654**
1,689	1,689	**1,659**	100	100	**100**	31,696	30,640	**26,823**
17,327	17,125	**17,636**	12,317	12,721	**12,976**	50,778	51,962	**52,535**
2,431	2,395	**2,646**	0	0	**0**	2,431	2,395	**2,646**
6,532	6,767	**7,176**	1,884	1,825	**851**	41,904	41,847	**43,685**
9%	11%	**13%**	14%	16%	**16%**	20%	22%	**25%**
9%	11%	**13%**	15%	16%	**16%**	13%	15%	**17%**
10%	12%	**15%**	13%	16%	**16%**	27%	28%	**33%**
10%	18%	**20%**	35%	40%	**39%**	38%	43%	**52%**
8%	10%	**12%**	11%	12%	**12%**	14%	15%	**17%**
10%	10%	**12%**	8%	9%	**8%**	10%	11%	**12%**
5%	8%	**10%**	18%	41%	**44%**	11%	21%	**22%**
4%	5%	**4%**	22%	10%	**14%**	32%	26%	**25%**
7%	8%	**11%**	14%	14%	**14%**	17%	21%	**22%**
21%	38%	**32%**	0%	0%	**0%**	21%	37%	**32%**
11%	13%	**16%**	15%	12%	**17%**	19%	20%	**29%**
2	2	**1**	0	0	**0**	3	7	**2**[3]
1	2	**0**	0	0	**0**	1	4	**1**
1	0	**1**	0	0	**0**	2	3	**1**
0.003%	0.007%	**0.000%**	0.000%	0.000%	**0.000%**	0.001%	0.003%	**0.001%**
4,129	3,448	**3,204**	1,606	605	**608**	31,623	34,198	**31,161**[4]
109	159	**172**	82	26	**102**	938	1,105	**1,090**[4]

Social KPIs[1]		Ports and Related Services[2]			Retail[2]		
		2020	2021	**2022**	2020	2021	**2022**
Percentage of full-time employees who received training[5]							
Overall		51%	58%	**68%**	79%	91%	**84%**
Breakdown of full-time employees who received training							
By gender	Male	88%	89%	**88%**	20%	22%	**22%**
	Female	12%	11%	**12%**	80%	78%	**78%**
By employee category	Manager grade or above	4%	4%	**4%**	3%	3%	**4%**
	General staff	96%	96%	**96%**	97%	97%	**96%**
Average hours of training completed by full-time employees [2, 5]							
Overall		12.1	13.7	**18.5**	17.4	28.8	**22.0**
By gender	Male	12.3	13.7	**18.8**	10.8	20.3	**16.1**
	Female	10.8	14.1	**16.3**	19.3	31.3	**23.7**
By employee category	Manager grade or above	14.1	16.2	**15.7**	8.4	15.8	**16.0**
	General staff	12.0	13.6	**18.7**	17.7	29.2	**22.2**
Number of suppliers							
Total		16,503	20,222	**20,026**	15,337	14,984	**27,684[6]**
By geographical region	Hong Kong	1,764	3,592	**4,218**	3,034	2,825	**4,161**
	Mainland China	2,301	4,504	**2,570**	1,053	1,242	**3,737**
	Europe	3,363	3,374	**4,408**	5,339	5,960	**6,177**
	Canada	12	16	**18**	0	26	**118**
	Asia, Australia and others	9,063	8,736	**8,812**	5,911	4,931	**13,491**
Percentage of total products sold or shipped subject to recalls for safety and health reasons							
Percentage of total products sold or shipped subject to recalls for safety and health reasons		0.0%	0.0%	**0.0%**	0.0%	0.0%	**0.0%**
Number of complaints received							
Products related		0	0	**0**	3,074	3,133	**3,943**
Services related[2]		1,721	2,007	**1,508**	109,984	128,676	**136,167**
Number of employees who received training on anti-corruption/ethics[5]							
Total		4,593	5,608	**5,712**	53,374	96,132	**83,120**
By employment type	Full-time	-	5,199	**4,906**	-	68,337	**50,923**
	Part-time	-	409	**806**	-	27,795	**32,197**
Percentage of employees who received training on anti-corruption/ethics[2]		19%	26%	**23%**	45%	69%	**52%**
Number of training hours on anti-corruption/ethics[5]							
Total		9,196	9,581	**10,506**	29,250	96,614	**54,349**
By employment type	Full-time	-	9,169	**9,635**	-	83,905	**45,583**
	Part-time	-	412	**871**	-	12,709	**8,766**

Infrastructure			Telecommunications			Total		
2020	2021	**2022**	2020	2021	**2022**	2020	2021	**2022**
92%	82%	**83%**	74%	73%	**75%**	77%	83%	**81%**
81%	78%	**77%**	66%	65%	**64%**	44%	42%	**44%**
19%	22%	**23%**	34%	35%	**36%**	56%	58%	**56%**
10%	12%	**12%**	8%	7%	**6%**	5%	5%	**6%**
90%	88%	**88%**	92%	93%	**94%**	95%	95%	**94%**
20.6	22.4	**23.2**	18.7	24.3	**32.3**	17.5	25.3	**22.9**
22.4	25.2	**26.5**	20.5	24.4	**32.5**	16.4	21.0	**22.5**
15.2	13.9	**13.5**	15.2	24.2	**31.8**	18.5	28.8	**23.1**
23.3	35.5	**30.5**	20.9	15.8	**22.0**	16.6	22.0	**21.6**
20.3	21.3	**22.6**	18.5	25.1	**33.1**	17.6	25.4	**22.9**
30,440	33,848	**32,088**	28,264	23,029	**22,663**	90,544	92,083	**102,461**
4,198	3,500	**2,559**	362	414	**361**	9,358	10,331	**11,299**
884	979	**779**	61	351	**379**	4,299	7,076	**7,465**
9,339	11,917	**12,689**	14,539	9,170	**7,220**	32,580	30,421	**30,494**
4,742	4,994	**1,847**	4	6	**12**	4,758	5,042	**1,995**
11,277	12,458	**14,214**	13,298	13,088	**14,691**	39,549	39,213	**51,208**
0.1%	0.0%	**0.0%**	0.0%	0.0%	**0.0%**	0.0%	0.0%	**0.1%**
7,173	8,746	**9,628**	61,883	57,924	**47,964**	72,130	69,803	**61,535**
168,906	264,285	**244,518**	1,584,184	1,226,730	**1,138,633**	1,864,795	1,621,698	**1,520,826**
4,007	6,342	**16,251**	11,611	7,644	**6,385**	73,585	115,726	**111,468**
-	6,111	**15,415**	-	5,946	**5,034**	-	85,593	**76,278**
-	231	**836**	-	1,698	**1,351**	-	30,133	**35,190**
12%	18%	**43%**	53%	33%	**29%**	36%	50%	**44%**
3,921	9,555	**13,491**	20,728	17,611	**12,554**	63,095	133,361	**90,900**
-	9,320	**12,982**	-	13,446	**9,780**	-	115,840	**77,980**
-	235	**509**	-	4,165	**2,774**	-	17,521	**12,920**

Environmental Data

Notes:

1) "-" refers to items not reported in previous years.

2) 2020 and 2021 figures are restated mainly due to the integration of the core port operations at HPH Trust (Hutchison Ports HIT and Hutchison Ports YANTIAN), as well as revised conversion factors being adopted for fuel from direct energy consumption.

3) 2020 and 2021 figures have been restated to exclude Watsons Russia as it ceased operations in 2022. In addition to this, natural gas, towngas, other gases, biomass, non-hazardous waste produced, waste recycled, recycled material usage and packaging material have been restated / reclassified to reflect the most accurate data.

4) During 2022, the collection and/or calculation of GHG emissions and other environmental data in the Infrastructure division was reviewed and updated including incorporating previously unaccounted-for emissions, refining calculation methodologies, updating emissions factors and energy conversion factors and correcting some discrepancies identified in the previously reported data so as to provide a more accurate representation of performance.

5) 2020 and 2021 figures in the Telecommunications division have been restated to exclude PT Hutchison 3 Indonesia as it became an associate company in 2022 and no longer within the reporting boundary of operational control. In addition to this, some data points, including diesel, electricity, renewable electricity purchased, hazardous waste produced, water and related scope 1 and 2 GHG emissions have been restated to reflect the most accurate data.

6) Increases in gasoline/petrol usage was as a result of the expansion of the hybrid car fleet at WINDTRE.

7) The reduction in natural gas consumption in 2022 was predominantly a result of more operations being powered by electricity, and in some instances diesel. The warmer ambient weather conditions in Europe reduced the demand for heating and the increase in the price driven up by the Russia-Ukraine conflict prompted some activities to switch to other power sources.

8) Towngas usage increased for the Retail division as A.S. Watson Industries (Hong Kong) substituted diesel in certain processes with towngas. The increase in towngas also led to the increase in NOx, SOx and particulate matter emissions.

9) During 2022, Hutchison Ports UK purchased more renewable electricity and Hutchison Ports BEST switched the majority of its electricity reliance to renewable sources.

10) The Group updated its calculation methodologies and emissions factors for NOx, SOx and particulate matter emissions for more accuracy.

11) More hazardous waste was generated due to the decommissioning of the obsolete network equipment after Hutch Lanka's merger and increased battery disposal by Vietnamobile in 2022.

12) The decrease in total water consumption was due to higher figures reported for water discharged as a result of certain business units reporting this data for the first time in 2022 without comparable data for 2021. Updated data for historical years will be refined during 2023 for more comparable and consistent future data.

13) Scope 3 emissions were calculated with the best available data which will be updated during 2023 as calculation processes continue to improve. For the Ports division: scope 3 emissions cover Hutchison Ports Holdings Limited. For the Retail division: only six scope 3 categories were completed - the remaining will be updated during 2023 (Purchased Goods and Services, Upstream Transportation and Distribution, Use of Sold Product, and End of Life Treatment). For the Infrastructure division: scope 3 emissions covering the division's most significant businesses (70% of attributable CKI revenue) were included, which will be expanded in subsequent years. For the Telecommunications division: scope 3 emissions cover CK Hutchison Group Telecom.

Social Data

Notes:

1) "-" refers to items not reported in previous years.

2) 2020 and 2021 figures for the Ports and Retail divisions have been restated due to the integration of the core port operations at HPH Trust (Hutchison Ports HIT and Hutchison Ports YANTIAN) and the exclusion of Watsons Russia. In addition, the Group has also restated the percentage of employees who received training on anti-corruption/ethics, the number of lost days due to work injury, the number of lost time injury incidents, the number of services related complaints received, and the average hours of training completed by full-time employees to reflect the most accurate data and align with the refined reporting approach.

3) Tragically, two fatalities were reported in 2022 including one fatality at Hutchison Ports KICT in which a security staff member was involved in a traffic collision. A second fatality relates to a contractor at Alliance Construction Materials operating an elevating working platform. These incidents resulted in an immediate review of site safety measures and working with the external contractor company to implement a safety improvement plan.

4) The number of lost days due to work injury and the number of lost time injury incidents both dropped due to increased health and safety measures notably in the Retail division (e.g., employing professional unloading teams and reducing the number of stacks for wider corridors in PARKnSHOP Hong Kong).

5) Training data for full-time employees incorporates both existing employees as at the end of the reporting period and the employees who left the Group during the reporting period.

6) The reporting scope for the number of suppliers for the Retail division has been expanded so that there were more suppliers reported in 2022.

APPENDIX 2: HONG KONG STOCK EXCHANGE ESG GUIDE CONTENT INDEX

Subject Areas, Aspects, General Disclosures and KPIs		Page	Notes and relevant policies
Mandatory Disclosure Requirements (MDR)			
MDR 13	A statement from the board containing the following elements: (a) a disclosure of the board's oversight of ESG issues; (b) the board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and (c) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.	18-19	
MDR 14	A description of, or an explanation on, the application of the (a) Materiality, (b) Quantitative, (c) Consistency reporting principles.	10-12	
MDR 15	Reporting boundaries of the ESG report and the process of setting them.	8	
A. Environmental			
Aspect A1: Emissions			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	20-22	• Environmental policy • Supplier Code of Conduct The Group is not aware of any incidents of non-compliance with laws and regulations that may have a significant impact on the Group concerning air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste during the year.
KPI A1.1	The types of emissions and respective emissions data.	54, 98-103	
KPI A1.2	Direct (scope 1) and energy indirect (scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity.	54, 98-103	
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity.	72, 100	
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity.	72, 100	
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	51-65	
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	72-76	

Subject Areas, Aspects, General Disclosures and KPIs		Page	Notes and relevant policies
Aspect A2: Use of Resources			
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	20	• Sustainability Policy • Environmental Policy • Supplier Code of Conduct
KPI A2.1	Direct and/or indirect energy consumption by type in total (kWh in '000s) and intensity.	98-100	
KPI A2.2	Water consumption in total and intensity.	102	
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	51-62	Energy efficiency is embedded in the scope 1 and 2 emissions reduction targets and initiatives.
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.		96% of water consumption relates to the Infrastructure division. Based on the water risk framework of the World Resources Institute's publication on financial risks from water constraints on power generation, the Group currently has no production plants/ sites located in water-stressed areas, and operations are considered low risk. For the most water-intensive operations (mostly in power generation), these businesses are reusing wastewater and rainwater at power stations, adopting water-efficient appliances within premises and preserving water quality by reducing discharge.
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	102	Packaging material intensity is only relevant to the Retail division.
Aspect A3: The Environment and Natural Resources			
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	20	• Sustainability Policy • Environmental Policy • Supplier Code of Conduct
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	50-76	
Aspect A4: Climate Change			
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	20	• Sustainability Policy • Environment Policy
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	50-76	

Subject Areas, Aspects, General Disclosures and KPIs		Page	Notes and relevant policies
B. Social			
Employment and Labour Practices			
Aspect B1: Employment			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	20	• Code of Conduct • Board Diversity Policy The Group is not aware of any incidents of non-compliance with laws and regulations that may have a significant impact on the Group concerning compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti- discrimination, and other benefits and welfare during the year.
KPI B1.1	Total workforce by gender, employment type (for example, full-or part-time), age group and geographical region.	80-81, 104-107	
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	104	
Aspect B2: Health and Safety			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	20	• Health and Safety Policy The Group is not aware of any incidents of non-compliance with laws and regulations that may have a significant impact on the Group concerning providing a safe working environment and protecting employees from occupational hazards during the year.
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	104	
KPI B2.2	Lost days due to work injury.	104	
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	90-93	
Aspect B3: Development and Training			
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	20	
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	104-107	
KPI B3.2	The average training hours completed per employee by gender and employee category.	106-107	

Subject Areas, Aspects, General Disclosures and KPIs		Page	Notes and relevant policies
Aspect B4: Labour Standards			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	20	• Human Rights Policy • Modern Slavery and Human Trafficking Statement • Supplier Code of Conduct The Group is not aware of any incidents of non-compliance with laws and regulations that may have a significant impact on the Group concerning preventing child and forced labour during the year.
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	29-30	
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	29-30	
Aspect B5: Supply Chain Management			
General Disclosure	Policies on managing environmental and social risks of the supply chain.	20	• Human Rights Policy • Supplier Code of Conduct • Modern Slavery and Human Trafficking Statement
KPI B5.1	Number of suppliers by geographical region.	106	
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	30	
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	30	
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	30, 44-47	• Policy on Appointment of Third Party Representatives
Aspect B6: Product Responsibility			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	20	• Code of Conduct • Policy on Personal Data Governance The Group is not aware of any incidents of non-compliance with laws and regulations that may have a significant impact on the Group concerning health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress during the year.
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	104-107	
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	106-107	

Subject Areas, Aspects, General Disclosures and KPIs		Page	Notes and relevant policies
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.		The Group has appropriate mechanisms and procedures which monitor issues relating to the observation and protection of intellectual property rights.
KPI B6.4	Description of quality assurance process and recall procedures.	34-37	
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	24-26	• Information Security Policy • Policy on Personal Data Governance
Aspect B7: Anti-corruption			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	20	• Code of Conduct • Anti-Fraud and Anti-Bribery Policy • Policy on Appointment of Third Party Representatives The Group is not aware of any incidents of non-compliance with laws and regulations that may have a significant impact on the Group concerning bribery, extortion, fraud and money laundering during the year.
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.		The were no concluded legal cases regarding corrupt practices brought against the Group or its employees that had a significant impact on the Group in the reporting period.
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	22	• Whistleblowing Policy
KPI B7.3	Description of anti-corruption training provided to directors and staff.	22, 104-107	
Community			
Aspect B8: Community Investment			
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	20	• Sustainability Policy • Media, Public Engagement and Donation Policy
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	94-97	Each core business has a set of focus areas relevant to the industries and countries in which they operate. In 2022, community programmes focused on serving the needs of the community increasing economic hardships.
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	94-97	Donations to charitable organisations and by the Company and its subsidiaries during the year amounted to approximately HK$29 million.

APPENDIX 3: FULL LIST OF REPORTED BUSINESS UNITS

The following list relates to the full list of entities incorporated within the boundary of this Sustainability Report.

Ports

- Hongkong United Dockyards
- Hutchison Logistics (Shanghai) Limited
- Hutchison Ports Ajman
- Hutchison Ports Alexandria
- Hutchison Ports Amsterdam
- Hutchison Ports BACTSSA
- Hutchison Ports BASRA
- Hutchison Ports BEST
- Hutchison Ports Brisbane
- Hutchison Ports Busan
- Hutchison Ports Delta II
- Hutchison Ports ECT Rotterdam
- Hutchison Ports ECV
- Hutchison Ports EIT
- Hutchison Ports FCP
- Hutchison Ports Gdynia
- Hutchison Ports Gwangyang
- Hutchison Ports Head office
- Hutchison Ports HIT (first instance and subsequent references can use "HIT")
- Hutchison Ports ICAVE
- Hutchison Ports Jazan
- Hutchison Ports KICT
- Hutchison Ports LCMT
- Hutchison Ports LCT
- Hutchison Ports MITT
- Hutchison Ports Pakistan
- Hutchison Ports PPC
- Hutchison Ports RAK
- Hutchison Ports SITV
- Hutchison Ports Sohar
- Hutchison Ports Stockholm
- Hutchison Ports Sydney
- Hutchison Ports Tanzania
- Hutchison Ports Thailand
- Hutchison Ports TILH
- Hutchison Ports TIMSA
- Hutchison Ports TNG
- Hutchison Ports UAQ
- Hutchison Ports UK
- Hutchison Ports YANTIAN

Retail

- A.S. Watson Industries (China)
- A.S. Watson Industries (HK)
- A.S. Watson Group Europe
- A.S. Watson Head Office
- Drogas Latvia
- Drogas Lithuania
- FORTRESS
- ICI PARIS XL Belux
- ICI PARIS XL Netherlands
- Kruidvat
- PARKnSHOP Hong Kong
- Savers
- Superdrug
- The Perfume Shop
- Trekpleister
- Watsons China
- Watsons Hong Kong
- Watsons Indonesia
- Watsons Malaysia
- Watsons Philippines
- Watsons Singapore
- Watsons Taiwan
- Watsons Thailand
- Watsons Turkey
- Watsons Ukraine
- Watsons Wine

Infrastructure

- Alliance Construction Materials
- Anderson Asphalt
- Australian Energy Operations
- Australian Gas Infrastructure Group (AGIG), including Multinet Gas and Dampier Bunbury Pipeline
- Canadian Midstream Assets
- Canadian Power
- Dutch Enviro Energy (owner of AVR-Afvalverwerking B.V. (AVR))
- Energy Developments Limited (EDL)
- EnviroNZ
- Green Island Cement
- ista
- Northern Gas Networks
- Northumbrian Water
- Park'N Fly
- Power Assets
- Reliance Home Comfort
- SA Power Networks
- Seabank Power
- Shen-Shan Highway (Eastern Section), Shantou Bay Bridge and Panyu Beidou Bridge
- UK Power Networks
- UK Rails
- United Energy
- Victoria Power Networks
- Wales & West Utilities
- Wellington Electricity

Telecommunications

- **3** Austria
- **3** Denmark
- Hutchison Telecommunications Hong Kong Holdings Limited ("HTHKH"), including **3** Hong Kong and **3** Macau
- **3** Ireland
- **3** Sweden
- **3** UK
- Hutch Lanka
- Vietnamobile
- WINDTRE

APPENDIX 4: LIST OF ABBREVIATIONS

AGIG	Australian Gas Infrastructure Group
AVR	AVR-Afvalverwerking B.V.
CKHGT	CK Hutchison Group Telecom
CKI	CK Infrastructure Holdings Limited
EAC	Energy Attribute Certificate
EMS	Environmental Management System
ESG	Environmental, Social and Governance
FSC	Forest Stewardship Council
GHG	Greenhouse gas
HKEX	The Stock Exchange of Hong Kong Limited
ISMS	Information Security Management System
PEFC	Programme for the Endorsement of Forest Certification
PPA	Power Purchase Agreement
QMS	Quality Management System
RNG	Renewable natural gas
RSPO	Roundtable on Sustainable Palm Oil
RVLR	Revolution Very Light Rail
SAFCOM	Hutchison Ports Group Safety Committee
SBTi	Science Based Targets initiative
SMS	Safety Management System
STEM	Science, technology, engineering and math
TCFD	Task Force on Climate-related Financial Disclosures
tCO_2e	Tonnes of carbon dioxide equivalent

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