

CHAPTER 2

STATEMENT OF THE BOARD

The Board of the Company views ESG as a cornerstone for its high-quality and sustainable development. Focusing on the corporate mission of “The Ports for ALL”, the Group proactively engages with stakeholders, and aspires to create value for shareholders, customers, employees, business partners and the public. The Board pays attention to and evaluates the environmental and social impacts of the Group’s business activities, and is responsible for leading and overseeing ESG management approaches and strategies, and overseeing and approving sustainability initiatives, including materiality assessment, ESG-related target setting and progress made against those targets, among others. During the year, the Board completed a training on ESG and climate change, covering the revised ESG Reporting Guide of the SEHK, the International Financial Reporting Standard S1 – General Requirements for Disclosure of Sustainability-related Financial Information (the “IFRS S1”) and the IFRS S2 issued by the ISSB, as well as the requirements set out in the Corporate Sustainability Reporting Directive (the “CSRD”) of the European Union to strengthen climate governance.

The Board has delegated oversight of the Group’s sustainability performance and ESG initiatives to the Environmental, Social and Governance Committee (the “ESG Committee”), which reviews the Group’s ESG and corporate governance policies, principles and management approaches; examines and monitors ESG targets, performances, and emerging sustainability trends; assesses major ESG risks and opportunities; evaluates implementation of sustainability initiatives; and reviews the impact of business operations and sustainability on stakeholders. During the year, the Company revised the ESG Committee’s terms of reference to strengthen





climate governance, with relevant departments regularly reporting ESG initiative progress to the committee. The ESG Committee meets at least twice annually and reports to the Board on timely deliberation and sustainability strategies. For details about the ESG Committee, please refer to the section headed “Corporate Governance Report – Delegation by the Board” in the 2024 Annual Report of the Company.

In 2024, the ESG Committee reviewed the results of climate scenario analysis and double materiality assessment. In terms of climate change, the ESG Committee discussed physical and transition risks and opportunities, commissioned external consultants to analyse the revised ESG Reporting Guide and IFRS S2 development, and discussed global ESG development trends to enhance understanding of sustainability trends and new disclosure requirements. For the double materiality assessment, the Group reviewed sustainability topics through three major steps: identification, analysis and prioritisation, and confirmation. It evaluated highly material sustainability topics that have significant impacts on the Group’s business operations and development from both financial materiality and impact materiality perspectives. Through online questionnaires and interviews, the Group gathered stakeholder insights on financial, economic, environmental and social impacts of these topics, leveraging the results to optimise strategies and objectives. For details of the double materiality assessment and the climate scenario analysis, please refer to Chapter 5 and Chapter 8 of this report, respectively.

