

OUR SUSTAINABLE FUTURE

SUSTAINABILITY
REPORT 2020



“”

A MI MODO DE VER, EL OBJETIVO DEL PROGRAMA MEDIOAMBIENTAL ES CONSEGUIR QUE SE AÑADA UNA NUEVA PÍLDORA A CADA PERSONA DE LA EMPRESA, QUE TENGA EN CUENTA EL MEDIOAMBIENTE CON CADA ACCIÓN QUE REALIZA, YA QUE EL FUTURE ES DE TODOS.

THE WAY I SEE IT, THE GOAL OF THIS SUSTAINABILITY PROGRAMME IS TO INVOLVE EVERY PERSON IN THE COMPANY, SINCE THE FUTURE BELONGS TO EVERYBODY.

**ESTEFANIA SOLER
HUTCHISON PORTS BEST**

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FOREWORD

BY

Clemence Cheng
Managing Director Europe

Stephen Ashworth
Managing Director South East Asia

2020 has been one of the most challenging years in recent history. With the outbreak of the COVID-19 global pandemic at the beginning of the year, we saw many governments taking stringent measures, including implementing strict lockdowns, closing borders and quarantining their citizens to try to stop the spread of the deadly virus. Meanwhile, the world's economies have gone into a deep recession on a scale that has not been witnessed during peace time, with global supply chains and consumption severely and adversely impacted. However, during the height of the first wave of the pandemic, we witnessed an unprecedented pause in global travel and human activities around the globe, allowing our planet a brief moment to breathe.

The lock downs also presented us with other challenges, including loneliness and mental health issues, which has made us more acutely aware of how important it is to build an inclusive and sustainable society. One where we can all support each other to overcome adversity.

We saw many more businesses focusing on their Environmental, Social and Governance (ESG) agenda to ensure their employees well-being was being looked after.

As a business, we have therefore decided to expand our Group Environmental Committee to include our social and governance agenda, welcoming Andrew Cheng and Cody Leung to our committee, and renaming it the Group Sustainability Committee (GSC). This will allow us to set our ESG strategy and objectives under a single committee comprising members with the relevant expertise, in order to reshape our business in a more sustainable manner in response to a changing external landscape.

The GSC will focus on developing our business practices to manage our responsibilities and risks relating to health and safety, the environment, labour rights, procurement, diversity and inclusion, compliance and community outreach - all of which are of the utmost importance to Hutchison Ports and our stakeholders.

“

WE ARE OF THE VIEW THAT THE ISSUE OF SUSTAINABLE DEVELOPMENT RANKS AMONG ONE OF THE MOST IMPORTANT CHALLENGES AND RISKS FACING US.

We will co-ordinate ESG initiatives across all our Business Units (BUs) worldwide. We will position our business with a roadmap of sustainability commitment and a shift in focus.

Each of our BUs should recognise their critical role in repositioning Hutchison Ports to be the preferred partner for a sustainable supply chain. Some have already made significant progress towards implementing ESG initiatives and managing the risks. It is now time to ready ourselves in such a way that all of our port operations are aligned and moving towards our common goal.

We are of the view that the issue of sustainable development ranks among one of the most important challenges and risks facing us going forward and with the support and input of our colleagues, we have every confidence that we can start to make a positive difference to the environment in which we operate.

Our vision is for Hutchison Ports to focus on working in collaboration with our customers, suppliers, contractors, other port users and above all our employees, by engaging with all relevant parties to ensure we continue to build a long-term sustainable business and be a preferred partner in the global supply chain.

Together, we can make it happen!



CLEMENCE CHENG



STEPHEN ASHWORTH



Co-chairs
Group Sustainability Committee

HIGHLIGHTS

OUR ENVIRONMENT:

NEW

LAUNCH OF THE
NEW EIS ONLINE
ENVIRONMENTAL DATA
REPORTING SYSTEM

5

ENVIRONMENTAL
TRAINING WORKSHOPS
HELD, ATTENDED BY 68
PARTICIPANTS

46

RECRUITMENT OF A GLOBAL
ENVIRONMENTAL NETWORK
OF 46 ENVIRONMENTAL
FOCAL POINTS

24

24 1-2-1 COACHING
SESSIONS DELIVERED

30+

ENVIRONMENTAL TOOLKIT
CREATED, CONTAINING
30+ DOCUMENTS

21%

REDUCTION IN
ENERGY USAGE

OUR PEOPLE:

50

PARTICIPANTS ATTENDED 3
SAFETY SHARING SESSIONS
FROM 47 PORTS



UK PORTS GAIN THE
WOMEN IN MARITIME
CHARTER¹ STATUS

MYPORT

GROUP-WIDE LAUNCH OF
MYPORT PEOPLE
DEVELOPMENT PROGRAMME

3

3-YEAR SAFETY
TRAINING PROGRAMME
WAS LAUNCHED

OUR BUSINESS:

COVID-19

BUSINESS CONTINUITY PLANS
IMPLEMENTED TO CONTINUE
SERVICE DURING GLOBAL
COVID-19 CRISIS

FIRST

FIRST SUSTAINABLE
PROCUREMENT BEST PRACTICE
SHARING SESSION HELD

AFAB

GROUP WIDE ANTI-FRAUD AND
ANTI-BRIBERY ONLINE TRAINING
COURSE COMPLETED

CYBER

HUTCHISON PORTS CYBER
SECURITY PROGRAMME
LAUNCHED

01

INTRODUCTION

INTRODUCTION

1.1 ABOUT THIS REPORT

Welcome to Hutchison Ports' first sustainability report, covering the year ended 31 December 2020. This report focuses on the environmental, social and governance issues that have the ability to impact and influence our daily business. In this report, we aim to showcase the great work that the Hutchison Ports' Group has delivered during 2020, to share with the reader our performance to date and lastly, to inform on our strategic plans to create a more sustainable future for our business. This report has been compiled with the direction of the Global Reporting Initiative as a guide². This report has been reviewed by Hutchison Ports' Executive Committee, and is publically available on the company website: www.hutchisonports.com.



Hutchison Ports Thailand group photo with the management team at UNITY team building event in Thailand, February 2020.

1.2 REPORTING SCOPE

The content of Hutchison Ports' first sustainability report has been informed by a review of the materiality of sustainability issues arising from the operations of Hutchison Ports and has been agreed by Hutchison Ports' Group Sustainability Committee. The data used to compile this report concerns all port operations of Hutchison Ports and HPH Trust.

1.3 CORE VALUES

The core values adopted by Hutchison Ports revolve around the concept of **UNITY**, reflecting a commitment to excellence, integrity and strong partnerships. The **UNITY** ethos is woven throughout Hutchison Ports' sustainability strategy and guides the decision making process when considering these actions on our three sustainability pillars: Our Environment, Our People and Our Business, because the choices we make today have the ability to shape Our Future.

1.4 CONTACT & FEEDBACK

We welcome your feedback on this report and other sustainability related enquiries. Please contact us at: SSE@hutchisonports.com.

2. <https://www.globalreporting.org/>

CORE VALUES

**U
N
I
T
Y**

UNRIVALLED STANDARDS

NETWORK STRENGTH

INFORMED DECISIONS

TRUSTED AND HONEST

YOUR PARTNERS

“”

WHY IS A SUSTAINABLE FUTURE IMPORTANT FOR HUTCHISON PORTS?

A SUSTAINABLE FUTURE IS IMPORTANT FOR EVERYONE - IT IS THE AIR WE BREATHE AND THE WATER WE DRINK. COMPANIES ARE MADE UP OF PEOPLE, AND WHATEVER IS IMPORTANT TO OUR PEOPLE WILL BE IMPORTANT TO HUTCHISON PORTS.

ALVIN CHOW
HUTCHISON PORTS AJMAN



1.5 HUTCHISON PORTS

Hutchison Ports is a global port investor, developer and operator with a workforce of more than 30,000 people worldwide. The Group operates across six continents and is the world’s first terminal operator to have achieved a cumulative global throughput of 1.3 billion TEU. Hutchison Ports handles approximately 11 percent of global containerised marine cargo trade.

Our network of ports is strategically located at key ports along the most important trade lanes in the world today. Over the last 50 years, we have built a solid foundation and put in place a strong and balanced portfolio that is evenly distributed throughout all regions, creating a portfolio that is resilient, especially in times of volatility.

We offer a comprehensive network with a vast suite of services and the strategic use of latest technology. This ranges from our proprietary terminal operating system, mobile apps, electronic payment and tracking, to port automation, remote-control crane operations. We have regional operations centres to adapt shifting trade patterns and maximise efficiency through our global network of ports which brings flexibility and confidence to our customers.

As we move forward, we will continue to enhance our service, ensure the safety of our operations and efficiency of our ports offering first class services to our customers and partners.



1.6 WHERE WE OPERATE

ASIA / AUSTRALASIA

Hutchison Ports has its heaviest concentration of terminals across North and South-East Asia. These have developed over the years in tune with shifting manufacturing bases and growing infrastructure.

MIDDLE EAST / AFRICA

Hutchison Ports is located in a number of growing and emerging markets in the Middle East and Africa.

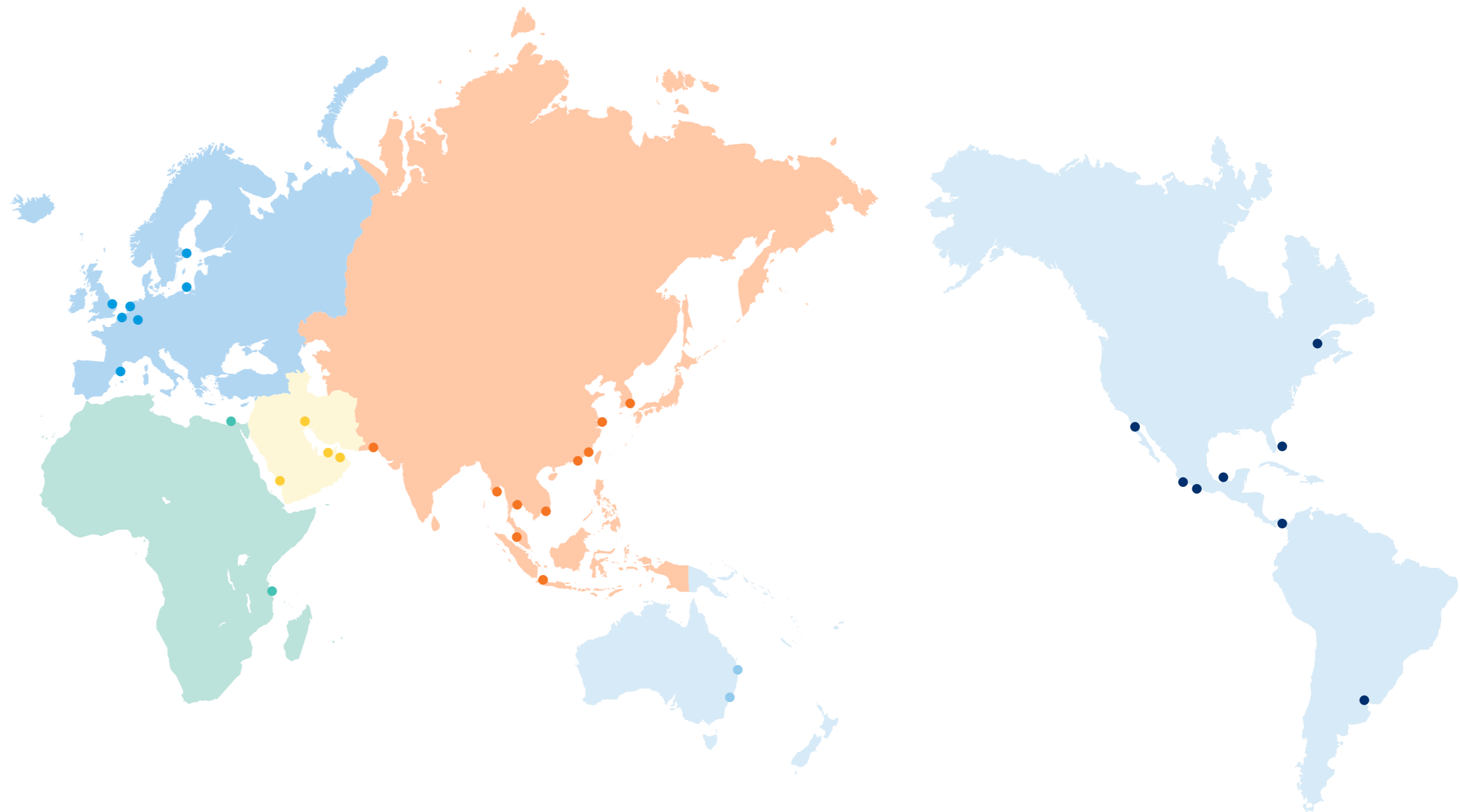
EUROPE

With our early and significant presence in Europe, we began to expand our portfolio within the region to operate the world's first automated terminal in the Netherlands, followed by introducing the Group's first environmentally friendly semi-automated terminal in Barcelona, Spain.

THE AMERICAS

Hutchison Ports' Americas division has its highest concentration of terminals in Mexico where it offers a wide range of diverse operations handling for a variety of cargo and vessel types.

Further information can be found at www.hutchisonports.com.



EUROPE

BELGIUM
Willebroek

GERMANY
Duisburg

POLAND
Gdynia

SPAIN
Barcelona

SWEDEN
Stockholm

THE NETHERLANDS
Amsterdam (x2)
Rotterdam
Moerdijk
Venlo

UNITED KINGDOM
Felixstowe
Harwich
London Thamesport

MIDDLE EAST

IRAQ
Basra

OMAN
Sohar

SAUDI ARABIA
Jazan

UNITED ARAB EMIRATES
Ajman
Ras Al Khaimah
Umm Al Quwain

AFRICA

EGYPT
Abu Qir
Alexandria
El Dekheila

TANZANIA
Dar es Salaam

AUSTRALASIA

AUSTRALIA
Brisbane
Sydney

ASIA

MAINLAND CHINA
Huizhou
Jiangmen
Nanhai
Ningbo
Shanghai (x2)
Shenzhen
Xiamen

HONG KONG, CHINA
Kwai Tsing
Tuen Mun

INDONESIA
Jakarta

MALAYSIA
Port Klang

MYANMAR
Thilawa

PAKISTAN
Karachi (x2)

SOUTH KOREA
Busan
Gwangyang

THAILAND
Laem Chabang

VIETNAM
Ba Ria Vung Tau

THE AMERICAS

ARGENTINA
Buenos Aires

BAHAMAS
Freeport

CANADA
Quebec

MEXICO
Ensenada
Lazaro Cardenas
Manzanillo
Veracruz

PANAMA
Balboa
Cristobal

1.7 THE NEED FOR CHANGE

The global ports network is well recognised as the backbone of international trade and globalisation, therefore the impending threats of climate change such as rising sea levels, severe weather events and rising temperatures are a well-recognised risk. The effects of climate change will also impact energy consumption, fuel use and the global economy, which will in turn affect how shipping and port industries operate. Cyclones, hurricanes and storm surges coupled with rising sea levels are now realistic threats to port infrastructure, security and operational efficiency.

Higher ambient temperatures for ports have the potential to affect the operating conditions and parameters of equipment and facilities, as well as the increased possibility of heat related illness among the workforce. The potential impact and severity of these looming issues will of course vary from port to port through the 27 countries in which Hutchison Ports operate, however we are acting now with a combined, global response to reduce climate change vulnerability and increase business resilience.

Navigating a changing climate presents a significant challenge to Hutchison Ports, however through the introduction of Hutchison Ports' sustainability strategy, as a Group we are

able to harness the opportunity to accelerate the transition towards a cleaner fuelled future. Our sustainability programme addresses the risks posed by a changing climate and an evolving social and regulatory landscape through mitigation actions, focussed initiatives and adaptation planning.

The ports industry is seeing more stringent environmental requirements being implemented in different countries. For example, International Maritime Organization (IMO) 2020 requirements call for marine vessels to burn low sulphur fuel or to install exhaust gas cleaning systems/scrubbers. Owing to these changes, the emerging focusses for the Group include embracing new technologies and researching the future of clean fuels and energy generation.

Advancements in national environmental regulations are observed throughout Hutchison Ports' operational areas, plus increased public scrutiny and higher community and corporate social responsibility expectations are now felt by each BU. As a Group we are planning to act, not react and lead the change required to support a zero-emission future for the maritime sector.



WHAT DOES SUSTAINABILITY MEAN TO ME?

為我們的將來創造更美好的世界
**BUILDING A BETTER WORLD
 FOR OUR FUTURE**

CLEMENS YUEN
 HUTCHISON PORTS CORPORATE CENTRE, HONG KONG

OUR FUTURE

OUR ENVIRONMENT

OUR PEOPLE

OUR BUSINESS

1.8 HUTCHISON PORTS' APPLICATION OF THE SDGS

Hutchison Ports has aligned our sustainability strategy with the United Nation's Sustainable Development Goals (SDGs) and we seek to integrate these goals into our day to day business. Hutchison Ports implements the SDGs through our three core sustainability pillars: Our Environment, Our People, Our Business, which in turn shape Our Future. The sustainability strategy is led by the Group Sustainability Committee (GSC), who oversee the progress in each of these three areas. As a Group, we strive to work together to demonstrate global leadership in contributing to the UN's goals.



OUR ENVIRONMENT:



- Increase renewable energy production from on-site solar and wind worldwide.
- Choose green renewable energy tariffs over brown where available.



- Ensure sustainable design in new ventures, projects and developments.
- Build climate resilience into terminal developments and redesign.
- Promote a culture of technological innovation and adoption of alternative fuels.



- Global reduction targets in Greenhouse Gas (GHG) emissions from port related activities.
- Reduce global energy usage.
- Improve understanding of localised climate related risks and resilience measures.



- Zero tolerance approach to marine pollution.
- Increase training on pollution prevention and control.
- Promote biodiversity in ecologically threatened areas.



- Improve local air quality for port sites.
- Zero tolerance approach to environmental pollution.
- Enhance planting campaigns and promotion of landside biodiversity.



OUR PEOPLE:



- Improve health and safety awareness of employees through training and communication.
- Minimise the impacts from port operations on the workforce and local community.
- Promote healthcare and well-being initiatives in the workplace.



- Promote competency programmes and people development.
- Work with local schools and universities, to promote sponsorships and port visits.
- Partner on research projects with universities and research centres.



- Attract and develop female talent.
- Promote gender-neutral hiring practices.
- Address the ratio of male/female port workers.



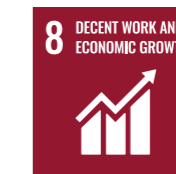
- Enhance diversity and inclusion practices in Business Units.
- Achieve equality with the workforce composition, regardless of gender, origin, belief or ethnic background.



- Increase Go Green uptake worldwide – promote community and neighbourly involvement.
- Promote external engagement on environmental issues and partner with schools and universities.



OUR BUSINESS:



- Achieve economic growth through ethical and sustainable business practice and governance.
- Act responsibly to ensure ethical standards are adhered to in our supply chain, such as working conditions and human rights.
- Achieve growth through adoption of new technologies and diversification.



- Partner with our supply chain; customers, suppliers and other third parties to realise sustainable business practice.
- Partner with third parties in joint projects to innovate and drive research and development in the ports sector.
- Work in harmony with our local communities and community stakeholders.

02 OUR ENVIRONMENT

OUR ENVIRONMENT

“ ”

JE HOEFT NIET ALLEEN NAAR GROTE BESPARINGEN TE KIJKEN. SOMS ZIJN HET DE KLEINE DINGEN DIE HET VERSCHIL MAKEN, ZOALS HET UITDOEN VAN HET LICHT IN JE KANTOOR.

IT IS NOT ALWAYS NECESSARY TO FOCUS ON BIG ENERGY SAVINGS. SOMETIMES SMALL EFFORTS CAN MAKE A BIG DIFFERENCE, LIKE SWITCHING OFF THE LIGHT IN YOUR OFFICE.

STEF CAPELLE
HUTCHISON PORTS ECT

2.1 OVERVIEW



Major Business Units, such as Hutchison Ports YICT, HPT and HIT in Asia and Hutchison Ports PFL and ECT in Europe have well established sustainable business practices which have successfully led and shaped the Group's environmental initiatives for a number of years. Born out of the great progress made by these trailblazing BUs, the development of the Group's global environmental programme began in 2018.

As many individual BUs were independently championing environmental improvements, the need for a co-ordinated and centralised approach was recognised, to enhance these improvements and to move the wider business beyond compliance towards a more sustainable future. A team of Safety, Security and Environment (SSE) professionals came together to establish the Group SSE team at our corporate centre in Hong Kong.

Then, work began on creating an ambitious strategy to drive improvements as a unified group, with a clear strategic direction from the newly established Group Sustainability Committee (GSC), to align initiatives, standards and to work together to drive the sustainability programme worldwide.

2.2 HUTCHISON PORTS SUSTAINABILITY VISION

Hutchison Ports strives to be 'The preferred partner for a sustainable supply chain'. This vision is focused on working in collaboration with our colleagues, customers, suppliers and contractors, to engage with our supply chain. This will be achieved through a journey of commitment, leadership, and a shift in focus to ensure that our global network of BUs begin to operate beyond compliance.

THE ENVIRONMENTAL STRATEGY
KEY THEMES

HONESTY
AND
TRANSPARENCY

2.3 **HUTCHISON PORTS**

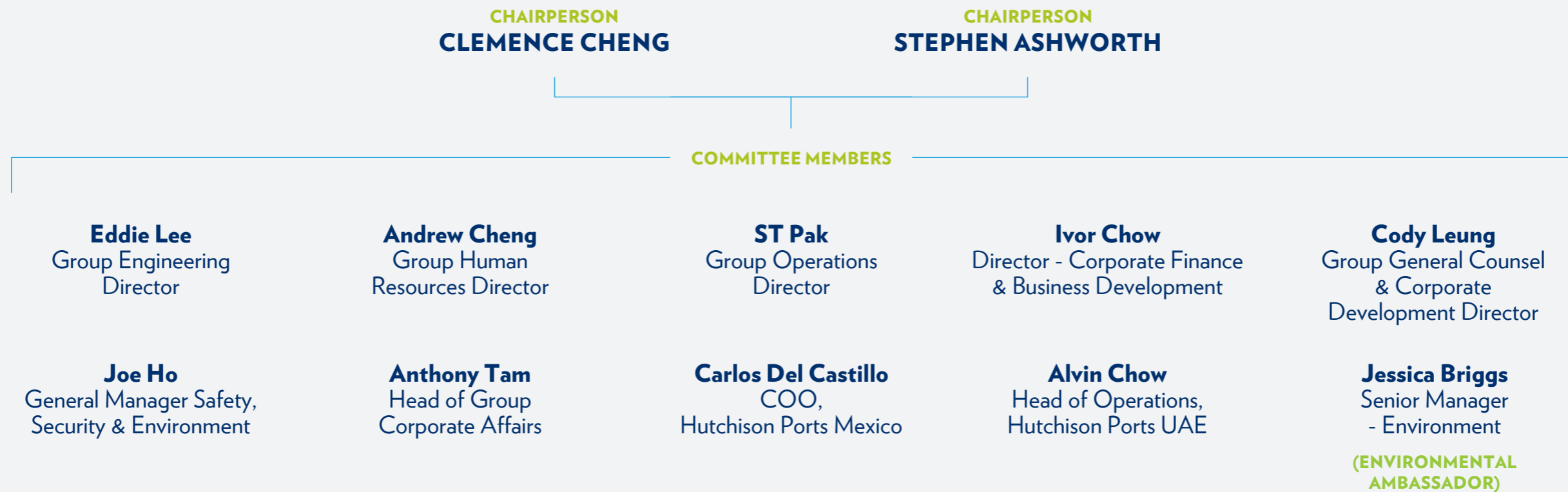
SUSTAINABILITY STRATEGY

Hutchison Ports believes that protecting the environment for the well-being of future generations is imperative to achieving long-term business success. Minimising the environmental impacts of our port operations is a key strategic focus of the business and Executive Committee of Hutchison Ports.

Our first Group-wide environmental strategy – Our Environment 2020 – was launched in January 2020 and marked our first combined effort, uniting 53 Business Units worldwide. Through the implementation of the Group’s environmental strategy, we set out to become leaders in environmental excellence, by harnessing technological advancements and pursuing a cultural change to environmental awareness.

The key themes are honesty and transparency and as this strategy evolves into a sustainability strategy, we aim to share our improvement journey openly on our corporate website and through regular communications with our port network. Hutchison Ports understands that as the global shipping sector navigates towards a net-zero carbon future, it is all hands on deck to progress this important agenda item.

GROUP SUSTAINABILITY COMMITTEE ORGANISATION CHART



2.3.1 SUSTAINABILITY GOVERNANCE STRUCTURE

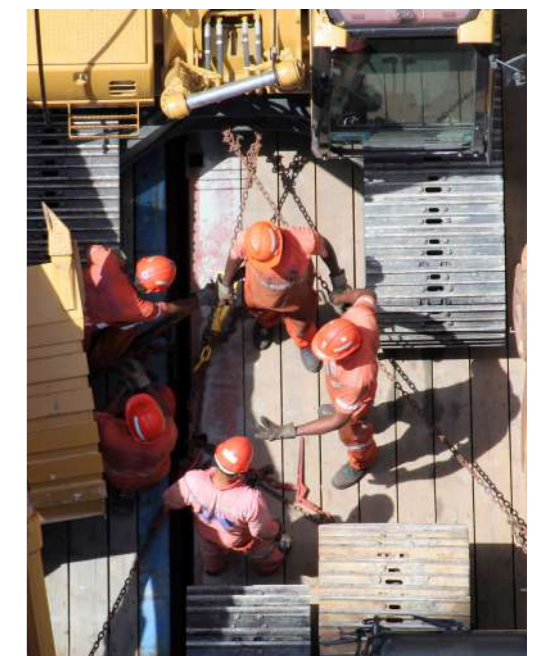
Hutchison Ports formed an ESG Committee in 2017 to ensure strategic alignment on major decisions and action plans regarding sustainability matters at the senior level. In 2019, as the environmental governance structure became more robust, the Group Environmental Committee was established. In 2020, the committee evolved further to become the Group Sustainability Committee (GSC), to coordinate the Ports division’s sustainability agenda efforts worldwide.

The GSC is co-chaired by two executive committee members, who are also active managing directors of different global regions. The committee is complemented by members from a variety of functions and regions, who together lead the short-term target management and longterm strategic approach for the Hutchison Ports Group. The GSC governs Hutchison Ports’ sustainability strategy in its entirety, across the three sustainability pillars: Our Environment, Our People and Our Business.

The GSC’s role includes but is not limited to:

- **INITIATION AND STANDARDISATION OF SUSTAINABILITY OBJECTIVES AND POLICIES;**
- **MANAGEMENT AND ACTION ON SUSTAINABILITY;**
- **REVIEWING SUSTAINABILITY PERFORMANCE; AND**
- **KNOWLEDGE SHARING TO ENSURE EFFECTIVE GLOBAL IMPLEMENTATION OF BEST PRACTICE**

The Organisation of the GSC is shown above.



2.3.2 IN DEPTH

The environmental strategy has two clear aims;

- 1 TO REDEFINE THE GROUP'S ENVIRONMENTAL EXPECTATIONS**
- 2 TO IMPROVE OUR GLOBAL ENVIRONMENTAL PERFORMANCE**

To achieve these, four focus areas have been created to implement the strategy:

1. EFFECTIVE ENVIRONMENTAL MANAGEMENT:

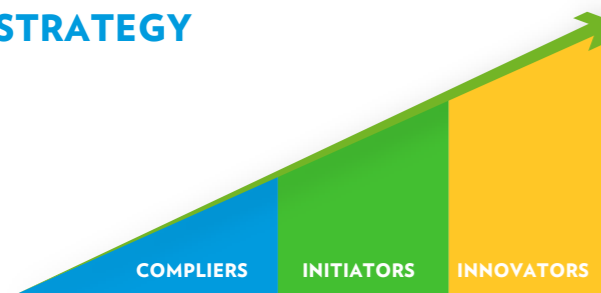
In 2020, the first Group-wide environmental baselining exercise was undertaken. A six stage self-assessment survey temperature checked the environmental performance of Hutchison Ports' 53 BUs, enabling the global environmental status of our organisation to be pictured for the first time. From here, the BUs were scored, dependent on aspects of environmental leadership, governance, training, awareness, technological advancement and accreditation. Depending on the scores, BUs were allocated to the following three categories: Compliers, Initiators and Innovators.

COMPLIERS: BUs operating at local government and regulatory level.

INITIATORS: BUs with established management system elements.

INNOVATORS: BUs with an established environmental agenda, considered as centres for environmental excellence.

ENVIRONMENTAL STRATEGY



From this baseline exercise, the BUs in the Complier category were allocated extra support to help them to grow in a more sustainable way. Through environmental coaching, training and resource support, our colleagues have been supported in the adoption of the environmental and subsequently the sustainability programme.

2. RE-POSITIONING HUTCHISON PORTS WITH ASPIRATIONAL ENVIRONMENTAL VALUES:

Hutchison Ports Environmental Policy document, which is available on the company website, was re-created in line with the environmental strategy development. The policy is signed by Mr. Eric Ip, Group Managing Director of Hutchison Ports, demonstrating our business's commitment to a more sustainable future.

The key commitments in the Group Environmental Policy include:

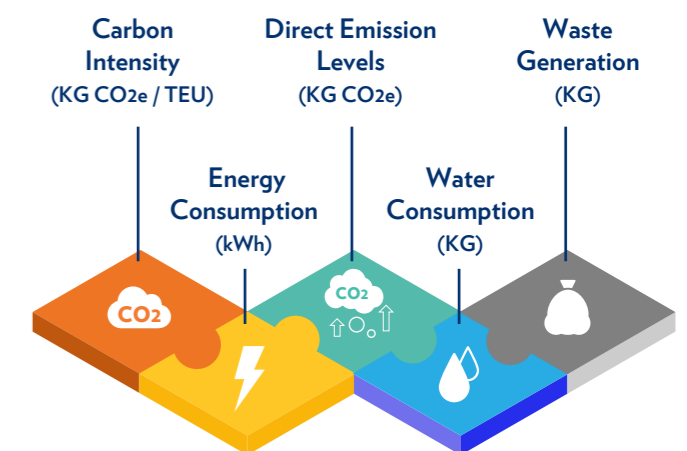
- To minimise the environmental impacts of our operations.
- To continuously improve our environmental performance.
- To reduce our carbon footprint and prevent pollution as far as is reasonably practicable.
- To provide training to ensure environmental awareness within the organisation.
- To ensure adequate resources are made available to deliver the commitments made within the policy document.

3. CAPITALISE ON BEST-AVAILABLE TECHNOLOGIES:

Hutchison Ports is trialling the latest emission-free technology in its operations around the world. By moving away from the familiar convention of fossil fuels, we are forward looking to the future availability of alternative fuels and readying ourselves to make this change in line with a lower-carbon shipping sector.

4. DEVELOPMENT OF KEY PERFORMANCE INDICATORS:

Hutchison Ports selected five predefined Environmental Key Performance Indicators (KPIs) in 2019 to begin centralised analysis of the core environmental impacts of our organisation:



“”

**A SUSTAINABLE FUTURE IS IMPORTANT
TO HUTCHISON PORTS AS IT
DEMONSTRATES TO OUR CUSTOMERS
THAT WE ARE TAKING THE RESPONSIBLE
LONG TERM VIEW TO OUR BUSINESS.**

**OLIVER CALVER
HUTCHISON PORTS PFL**



2.3.3 STRATEGY IMPLEMENTATION

HUTCHISON PORTS HAS THREE ROUTES TO STRATEGIC IMPLEMENTATION:

The three tiers of sustainability leadership shown below support the whole of Hutchison Ports’ sustainability programme, to include all three of the programme pillars: Our Environment, Our Business and Our People.

CULTURAL SHIFT



THE GROUP SUSTAINABILITY COMMITTEE

Lead the programme

The GSC, formerly the Group Environment Committee, was formed in 2019 and is co-chaired by two of our Executive Committee members, Clemence Cheng & Stephen Ashworth. The committee works to deliver an annual business plan of initiatives, covering the focussed aspects of the Group’s environmental, social and governance initiatives and reporting as part of our sustainable programme delivery.



THE GROUP SUSTAINABILITY WORKGROUP

Action the environmental roadmap

The GSC is supported by the Sustainability WorkGroup, which is represented by environmental co-ordinators from our six operational regions.



BU ENVIRONMENTAL FOCAL POINTS

Drive and influence daily change

At BU level, each port has a nominated individual that represents that BU on environmental matters, acting as an information conduit for the sustainability programme, GSC and Sustainability Workgroup. The Environmental Focal Point takes an active role in implementing the environmental toolkit at each BU and is responsible for encouraging the adoption of environmental awareness in day-to-day activities.

2.3.4 TRAINING & COMMUNICATION



To launch the strategy, a promotional video was created in 2019 to introduce the environmental programme. This video was communicated widely within the organisation, whilst also being made available to our customers and other external stakeholders, to promote this new initiative.

At the same time, a promotional booklet with the full details of the company's new environmental strategy was designed and distributed within the Group. This booklet set the scene on the need for change and set out a roadmap of activities for the next five years. Both the booklet and the corporate video are available on the company website, use the QR code below to take you to: www.hutchisonports.com.



It is understood within the organisation, that responsible business practice is a core value of Hutchison Ports. Every employee is empowered to make positive changes and everyone is along for the journey, because:

TOGETHER, WE CAN MAKE IT HAPPEN.



Following the launch of the Our Environment programme in January 2020, 5 regional environmental workshops were held in May & June. Due to the emergence of the COVID-19 global pandemic, the sessions were hosted online and joined by a total of 67 participants from 46 different locations. The participants included Environmental Focal Points from Latin America, Europe, North Asia, South-East Asia, Australia, HPH Trust and Middle-East & Africa.

The workshops were held to engage the Environmental Focal Points and communicate the Group's environmental strategy. The workshops also included an environmental training section, to ensure that the Focal Points understood the fundamentals of an environmental management system, the environmental impacts of our operations and key actions to mitigate against these.

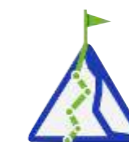


Following the series of workshops, Group SSE then arranged a programme of 1-2-1 BU sessions through the summer, to work with each port on an individual basis to review their environmental baseline survey response and agree actions for environmental improvement at the terminal.

EVERYONE IS INVOLVED!



DEVELOPMENT OF COMMUNICATION CHANNELS



COMMITMENT AT THE HIGHEST LEVEL



COLLABORATION BETWEEN THE COMMITTEE, WORKGROUP & BUSINESS UNITS

2.4 ENVIRONMENTAL MANAGEMENT SYSTEMS

2.4.1 ISO 14001 (2015) CERTIFICATION

Hutchison Ports is working to continually improve its environmental performance, in addition to ensuring legal compliance. In line with the Group's Environmental Policy, many BUs have developed Environmental Management Systems (EMS) to integrate environmental management into day to day business practice. At the time of writing, 12 BUs have adopted the internationally recognised management system standard – ISO 14001 (2015): Environmental Management Systems, which employs the theory of continual improvement to enhance environmental performance.

The below BUs have already achieved external certification to this standard and four additional BUs have targeted external certification in 2021:

- **HUTCHISON PORTS THAILAND**
- **HUTCHISON PORTS PFL, HWH & LTP, UK**
- **HUTCHISON PORTS BACTSSA, ARGENTINA**
- **HUTCHISON PORTS LCT, LCMT & ICAYE, MEXICO**
- **HUTCHISON PORTS BEST, SPAIN.**

2.4.2 CORPORATE CENTRE EMS

Hutchison Ports' corporate centre is targeting ISO14001 (2015) Environmental Management Systems certification and ISO45001 (2018) Occupational Health and Safety Systems certification in the second half of 2021. These certifications are for the head office departments located in Hong Kong.

2.4.3 ENVIRONMENTAL TOOLKIT

In 2020, as part of the feedback from the 1-2-1 BU environmental coaching sessions, an environmental toolkit was developed to create a consistent approach to the Group's environmental management. Consisting of a library of 30+ documents, the toolkit includes training packs, environmental briefings, policy documents, management system document templates and sample audits, inspections and records. The toolkit is available online via the internal portal system, which is accessible to all Environmental Focal Points.

As the global environmental network begins to grow and gather pace, best practice and shared learnings provide an additional source of feedback to the Group SSE team. Knowledge is shared amongst all BUs to evolve and inform the management system structure and supporting documentation.



“ ”

WE ARE WORKING TO INCREASE ENVIRONMENTAL AWARENESS AMONGST OUR COLLEAGUES IN THE WORK PLACE AND OUTSIDE OF OUR COMPANY, IN THE COMMUNITY.

AGATA SZYMROSZCZYK
HUTCHISON PORTS GCT

2.5 CONSERVATION & ECOLOGY

Hutchison Ports is committed to being a good neighbour. We work to preserve and protect the local environment and communities surrounding our terminals, which support priority habitats for many important species, both marine and land based.

In Mexico, Hutchison Ports LCT and LCMT have collaborated with the local community to create a turtle protection programme. Every year, three species of turtle visit the ports' local areas to lay their eggs on Michoacán's beaches: the pacific loggerhead, pondslider and leatherback turtles. Once the turtles have laid their eggs, the nests are then carefully re-sited to protect them from predators until the eggs hatch. Once hatched, the baby turtles are released back into the sea. This conservation effort ensures the protection of these endangered species. The business provides support to the turtle protection camp, to aid with the organisation's efforts to comply with annual egg collection targets, nest relocation and protection and re-release. In addition to the active turtle protection,

LCT also promotes environmental protection awareness with visitors to the centre, which regularly include LCT and LCMT employees, their families and local school groups.

Both Hutchison Ports LCT and LCMT also run an animal relocation and protection programme. Wild animals that find their way onto the terminal or in the immediate vicinity are rescued and relocated in similar environments safely away from the port premises. Working with local wildlife Groups, LCT and LCMT colleagues are made aware of the reporting and rescue process so that the animals can be safely relocated at no risk to the animal, nor our colleagues.

In June 2020, Hutchison Ports YANTIAN, in China, in China, working together with the Yantian Port Group released over nine million fish and shrimp fingerlings into the surrounding waters of Mirs Bay, highlighting the importance of sustainable terminal management as set out in its ambitious "Green Port" strategy.

This marine partnership event, created to preserve and re-populate fish species and the local aquatic environment, is now celebrating its twelfth year of conservation. Colleagues from the port joined on board the vessel to assist with the release.

In the UK, Hutchison Ports PFL is home to a pair of nesting Peregrine Falcons. The pair, which are afforded UK legal protection status, have called the port home for the last 8 years, returning each spring to lay eggs in the dedicated nesting trays provided by the port. The port carefully manages operations around the pair during the nesting season, limiting container storage and footfall in the immediate vicinity of the nest, so as not to disturb or interrupt.



Baby turtles are released back into the sea on Michoacán's beaches.



Releasing fish and shrimp fingerlings into the surrounding waters of Mirs Bay.



Peregrine Falcon, Hutchison Ports PFL, UK.

2.5.1 PREVENTION OF ILLEGAL WILDLIFE TRADE

Hutchison Ports believe that all organisations working in cargo movement have a role to play in countering the threat to animal and plant species from illegal trade. The use of endangered animals and plants, their parts or derived products diminishes the whole world and yet is a growing problem.

Hutchison Ports is a signatory of the Buckingham Palace Declaration, a commitment to take substantive steps to remove opportunities for wildlife trafficking by focusing on information sharing and secure reporting to law-enforcement authorities.

As a result of signing the Declaration, Hutchison Ports joins 119 other organisations as a member of the United for Wildlife Transport Taskforce. This includes most of the major players in the global cargo industry.

We have hosted a visit by the anti-trafficking Group TRAFFIC to our terminal in Thailand, attended a strategy meeting at the International Maritime Organisation in London, continue to engage with TRAFFIC on further industry meetings and webinars and look forward to assisting further on this important initiative.

2.6 TECHNOLOGY & INNOVATION

The pace of innovation and adoption of new technology in mobility has been, and continues to be, highly significant in the transport sector. What is becoming clear is that this change is likely to be the most notable transformation in mobile machinery since the development of the internal combustion engine. Hutchison Ports recognises that fostering innovation within our business is essential to understand and take advantage of the opportunities presented by new and emerging technologies in the non-road mobile machinery (NRMM) market. New technologies such as electric and autonomous vehicles are reshaping our port landscapes and operations.

Whilst testing, trialling and adopting new technologies is viewed as business essential, as a responsible business, Hutchison Ports also seeks to make a continuous effort to realise the huge potential for energy efficiency in existing infrastructure. We are working to ensure more efficient buildings, logistics processes, yard and transport planning, as well as meeting the demand for new infrastructure such as electric vehicle (EV) recharging points and shore power connections.

2.6.1 EQUIPMENT & INFRASTRUCTURE

Hutchison Ports is responding dynamically to evolving demands on our quay and landside infrastructure. With a global focus emerging on air quality and the associated prevention of harmful atmospheric emissions, the benefit of providing shore power connections to calling vessels is clear. In 2016, Hutchison Ports YANTIAN launched its shore power pilot project, with support from China's Ministry of Transport. In 2017, this successful pilot project won the Science and Technology Prize awarded by the China Water Transportation Construction Association. To this day, this electrical connection has enabled over 100 vessels to berth alongside, direct-emission free. The learnings and realised benefits resulting from this project have been shared among the Group, to enable the planning of future additional shore power connections in other locations.

Advancing technology in equipment automation and remote control connectivity offers many benefits, such as safer working conditions with increased ergonomic comfort, the availability of more flexible working patterns, opening up the recruitment pool to a wider and more diverse audience pool and fewer transport emissions required to move quay personnel.

To date, Hutchison Ports has deployed 42 remote control quay crane units worldwide, with an additional 6 units in progress. Furthermore, 57 remote control rubber tyred gantry cranes have been deployed since the pilot launch in 2015. Another 30 units will be commissioned in 2021. Over 10 million lifts have been performed successfully using remote control technology within Hutchison Ports' terminals.

Lastly, advancements in the electrification of existing NRMM have allowed Hutchison Ports to begin to move away from traditional diesel combustion. State of the art electric internal tractors are now being purchased as part of an ongoing replacement programme for diesel fuelled models, in pursuit of our greenhouse gas (GHG) emission reduction target. Hutchison Ports have targeted an 11% reduction in total CO₂ produced by 2030, when compared with 2020 levels.



2.6.2 RENEWABLE ENERGY

The world's energy mix is changing. Electricity is vital to our daily lives and can help us to meet our rising energy demand with fewer emissions. We understand that the generation of more low-carbon renewable electricity, such as from wind and solar, on site reduces demand on local networks and allows the port networks access to clean and reliable energy. Hutchison Ports have long-standing existing Solar Photovoltaic (PV) infrastructure, which generated 720 MWh of clean, renewable energy in 2020. As a Group, we are looking to further our interest into solar capacity to meet our sustainability ambitions to become a lower-carbon port operator.

We are also exploring the use of green and blue hydrogen, recognising that these fuels can play a role in the decades ahead powering our terminal vehicles. Blue hydrogen is produced from natural gas and green hydrogen is produced through a process called electrolysis, which can be powered from renewable wind or solar energy.



2.7 2020 ENVIRONMENTAL DATA HIGHLIGHTS

REDUCTIONS ACHIEVED AGAINST 2019 LEVELS:

32

GWH ELECTRICITY

11 MILLION

LITRES OF DIESEL

30,046

TONNES SCOPE 1 CO₂e EMISSIONS

35,208

TONNES SCOPE 2 CO₂e EMISSIONS

2.7.1 DATA TABLE

DATA TYPE	UNIT	2018	2019	2020
CO ₂ INTENSITY	kg CO ₂ e/ TEU	15.71	14.87	14.15
ENERGY INTENSITY	GJ/TEU	0.188	0.183	0.182
TOTAL ENERGY USE	GJ	6,288,679	6,319,895	5,774,085
DIESEL USE	Litre	111,504,254	111,938,366	100,880,348
ELECTRICITY USE	kWh	547,728,273	552,758,730	520,383,807
SCOPE 1 CO ₂ e	tonne CO ₂ e	301,818	302,521	272,475
SCOPE 1 CO ₂ e	tonne CO ₂ e	223,153	210,795	175,587

2.7.2 GHG EMISSIONS

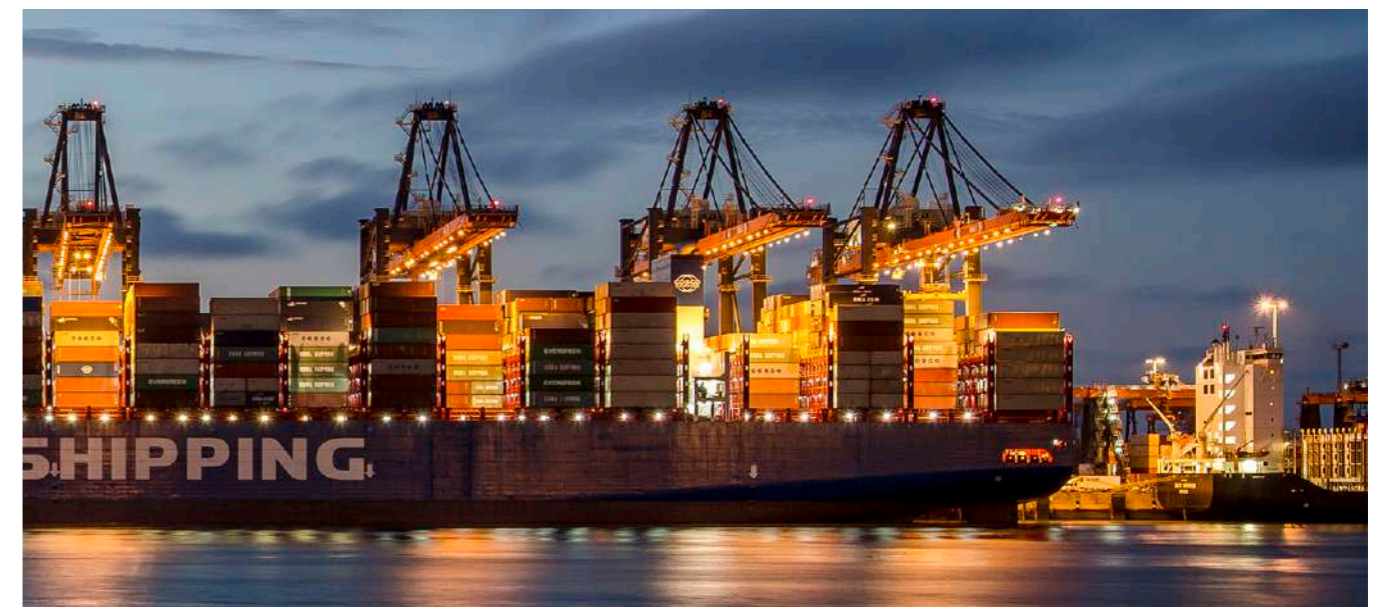
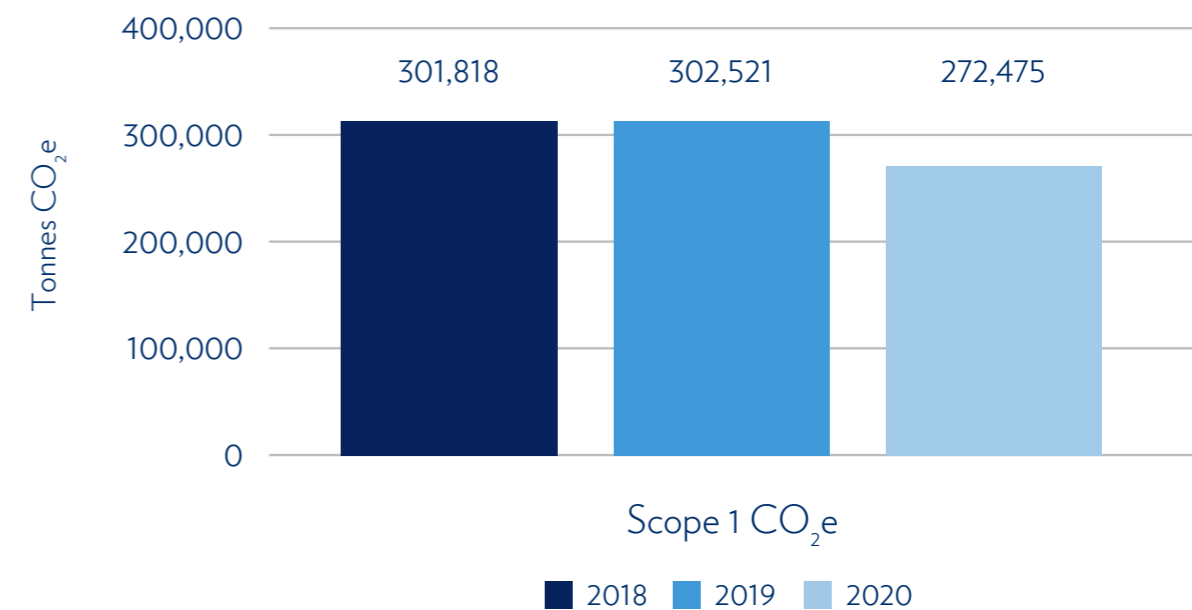
HOW WE DEFINE OUR EMISSIONS:

DIRECT EMISSIONS, known as ‘Scope 1’ emissions are greenhouse gas (GHG) emissions from sources that are owned or controlled by the company. These include on-site fossil fuel combustion from equipment operation and in-house power generation in our terminals. Some of our terminal equipment and vehicles also burn fossil fuels, mostly diesel, which produce gases such as carbon dioxide (CO₂), which is then classified as a direct emission.

INDIRECT EMISSIONS, known as ‘Scope 2’ emissions are GHG emissions associated with the purchase of electricity, steam, heat, or cooling. Although scope 2 emissions physically occur at the facility where the energy is generated, or the process takes place, they are still accounted for within our GHG inventory because they are a result of the Group’s energy use.

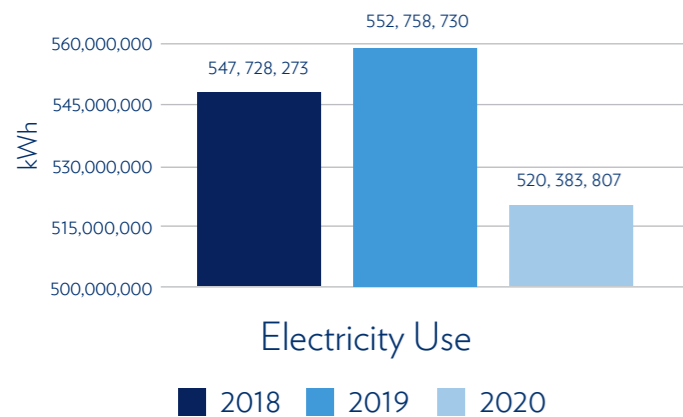
Both scope 1 and scope 2 emissions have seen a continuous decreasing trend. In the past two years, we have achieved a 10% reduction of scope 1 tCO₂e, which is 29,343 tonnes less released to atmosphere in 2020 when compared with 2018. For scope 2, we have achieved a reduction of 21% when compared with 2018. This is the equivalent of 47,566 tCO₂e removed from our operational emissions.

TOTAL SCOPE 1 EMISSIONS (tCO₂e)

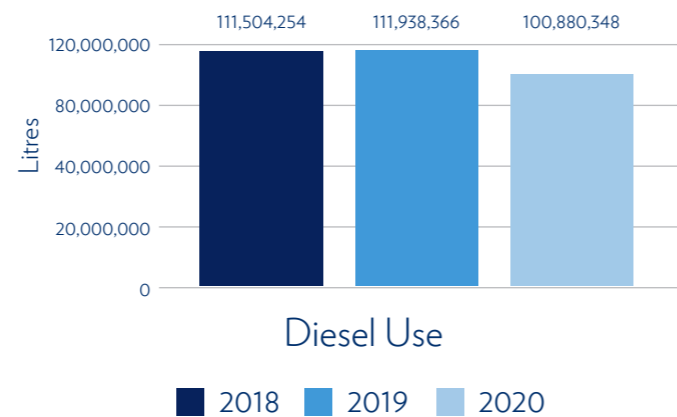


2.7.3 ENERGY

TOTAL ELECTRICITY USE (kWh)



TOTAL DIESEL USE (LITRES)



The energy intensity of our business includes all electricity, gas and liquid fuel sources consumed by our global operations, within the scope of this report as set out in section 1.2. The energy use is then normalised against the business activity for that year, which helps us to understand how efficiently we are using energy as a Group. Overall, the Group’s energy use has reduced by 9% in 2020, when compared with 2019. The graphs above illustrate where reductions have been made. Group diesel use decreased by 10% in 2020, when compared with the previous year and electricity use has

reduced by 6% in the same period. The energy reductions observed are due to improvements in operational efficiencies and have also been achieved through the introduction of energy efficient equipment and the adoption of alternative fuels.

Lastly, this reduction to the Group’s energy usage, achieved whilst maintaining high overall TEU throughput has also positively impacted the Group’s energy intensity metric. Measured as GJ/TEU, our 2020 energy intensity has also seen a reduction when compared with 2019, down to just 0.182 GJ/TEU.

2.7.4 WASTE

Hutchison Ports is committed to minimising waste by adopting a five stage waste reduction process (see below).

We work with colleagues, tenants, hauliers and vessels to reduce the amount of waste generated, repurposing materials when possible, and diverting waste from landfills through recovery and recycling. Recyclable non-hazardous materials and hazardous materials including waste oil, scrapped metal, waste wood and lead acid batteries – are segregated, stored and collected by licensed companies.



“
WHAT’S THE BIGGEST CHALLENGE TO MAKING THE PORTS SECTOR SUSTAINABLE?
REDUCING THE WASTE THAT IS GENERATED DAILY, TO ACHIEVE OUR ZERO WASTE OBJECTIVE.

DIANA CONTRERAS FLORES
 HUTCHISON PORTS ICAVE



2.8 GO GREEN CAMPAIGN

GO GREEN IS PART OF A GLOBAL ENVIRONMENTAL INITIATIVE UNDERTAKEN BY HUTCHISON PORTS IN PARTNERSHIP WITH LOCAL COMMUNITY STAKEHOLDERS.

EVERY YEAR, EMPLOYEES OF HUTCHISON PORTS TAKE PART AND DEMONSTRATE THEIR SUPPORT FOR ENVIRONMENTAL PROTECTION THROUGH VARIOUS CAMPAIGNS AND AWARENESS ACTIVITIES.

MARCH

In March, NBCT, in China, organised a voluntary tree planting activity ahead of the National Tree Planting Day. More than 30 volunteers planted 15 crape myrtle and crab apple trees inside the terminals to promote the aspiration to create a greener port environment for Ningbo.



SEPTEMBER

In September, over 20 volunteer colleagues from Hutchison Ports PFL, in the UK, took part in a tree planting event, planting 50 saplings, which will establish themselves to create a noise barrier for the port's neighbouring nature reserve.



NOW IN ITS 7TH YEAR, AS PART OF PREVIOUS GO GREEN CAMPAIGNS, HUTCHISON PORTS HAS ACHIEVED:

858 kg
of aluminium cans collected

2018

1,130
mobile phones collected

2019

over **4,200**
trees planted



2020

2021

GO GREEN 2021

DUE TO THE IMPACT OF COVID-19, GO GREEN 2020 HAS BEEN EXTENDED INTO 2021, TO ALLOW AS MANY BUSINESS UNITS AS POSSIBLE TO TAKE PART IN THE TREE PLANTING INITIATIVE.

JUNE

In June, Hutchison Ports Thailand, together with executives of the Port Authority of Thailand held an event for "Go Green Port 2020". The event involved the planting of over 200 yellow trumpet bushes at the front of HPT's Terminal D. This event is part of a much wider port programme to reduce the overall carbon footprint at its terminals at Laem Chabang Port.



NOVEMBER

In Panama, Hutchison Ports PPC, in conjunction with the Mayor's Office of Colón, its employees and the support of members of the nearby communities, carried out the cleaning and collection of tonnes of garbage and debris from around the Port of Cristobal in Colón, recovering green spaces and areas for the community.

2.9 GROUP HIGHLIGHTS

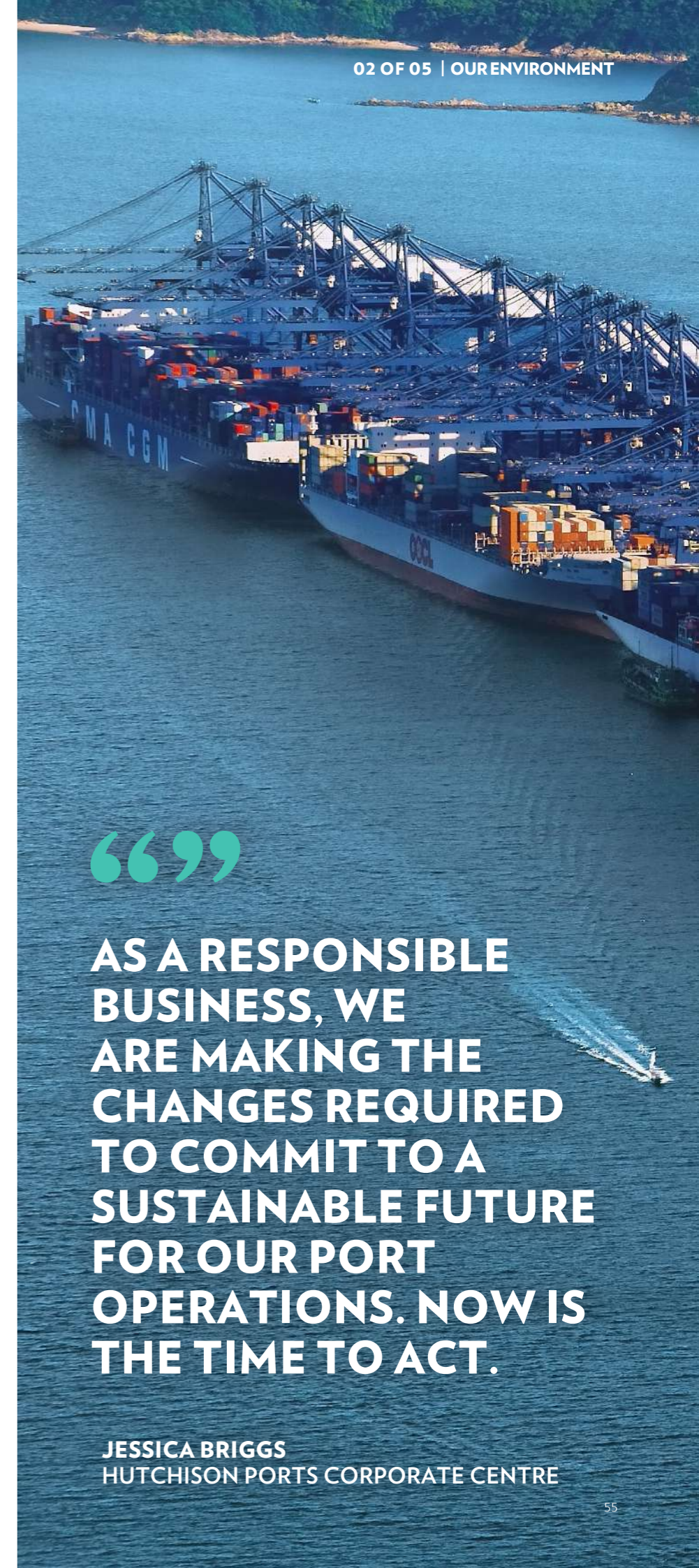
Hutchison Ports is exceptionally proud to celebrate the many environmental awards and accolades achieved through the responsible commitment of its BUs.

On 17 June 2019, Hutchison Ports YANTIAN received the Best Green Container Terminal award at the 2019 Asian Freight, Logistics and Supply Chain (“AFLAS”) Awards. The award recognises the sustainability efforts of leading service providers including air and shipping lines, airports, seaports, logistics and other associated industry professionals.

On 06 January 2020, in the UK, the annual Port of Felixstowe Environment Award was presented by Clemence Cheng, Executive Director, Hutchison Ports to the award winning Engineering Team behind the port’s first zero-emission rubber tyred gantry crane. This crane, which had been fitted with a rechargeable battery following fire damage, was designed to run solely on electricity, using energy recovery when lowering containers to recharge its battery, which it then used to transfer between container storage blocks. The Port of Felixstowe Environment Award was created to recognise both the large and small scale projects and actions undertaken at Hutchison Ports PFL that demonstrate a commitment to reducing the environmental impact of our operations.

In the spring, Hutchison Ports HIT, in Hong Kong, participated in “Earth Hour 2020 - Change The Way We Live” an initiative created by the World Wildlife Fund (WWF). Started by WWF and partners as a symbolic lights-out event in Sydney in 2007, Earth Hour is now one of the world’s largest grassroots movements for the environment. HIT took part by switching off external lighting surrounding the office buildings for 1 hour at 8:30pm. HIT also encouraged its staff to turn off the lights at home to support this symbolic environmental initiative.

To celebrate the launch of Hutchison Ports Thailand’s Go Green Port 2020 movement and World Environment Day, staff at the Thai port encouraged the children of its employees aged 12 and younger to send in drawings with an environmental theme. The activity organisers felt it very important to begin to cultivate environmental awareness among their colleagues’ children as the port moves towards its goal of becoming more sustainable.



“

AS A RESPONSIBLE BUSINESS, WE ARE MAKING THE CHANGES REQUIRED TO COMMIT TO A SUSTAINABLE FUTURE FOR OUR PORT OPERATIONS. NOW IS THE TIME TO ACT.

JESSICA BRIGGS
HUTCHISON PORTS CORPORATE CENTRE

03 OUR PEOPLE

OUR PEOPLE

3.1 OVERVIEW



At Hutchison Ports, we recognise that our people are the essential foundation required for a successful business. As a Group, we seek to foster a productive and healthy organisational culture by employing and developing talented people, promoting strong leadership values, and enhancing business performance through candid employee engagement and recognition.

We aim to provide equal opportunity in recruitment, development, training, promotion and reward for all employees, regardless of gender, ethnicity, sexual orientation or physical ability.

IN MANAGING LABOUR RELATIONS, HUTCHISON PORTS IS COMMITTED TO:

- **SUSTAINING A REWARDING AND SUPPORTIVE WORKING ENVIRONMENT FOR EMPLOYEES.**
- **ABIDING BY NON-DISCRIMINATORY AND EQUAL-OPPORTUNITY EMPLOYMENT PRACTICES.**
- **PROVIDING ONGOING ENGAGEMENT WITH EMPLOYEES.**
- **SUPPORTING EMPLOYEES' PERSONAL DEVELOPMENT, PROFESSIONAL GROWTH AND WELL-BEING.**

“”

WE ARE COMMITTED TO FACILITATING DEVELOPMENT AND ADVANCEMENT THROUGH CUSTOMISED INTERVENTIONS TO SUIT THE DIVERGING NEEDS OF OUR HIGH POTENTIAL EMPLOYEES

ANDREW CHENG
HUTCHISON PORTS GROUP HR



As part of the Group’s wider sustainability agenda, we are moving towards active monitoring of diversity on a global level to understand the representation and distribution of women in our workplaces. Refocussing our understanding of diversity and inclusion management in our operations can give us a better understanding of the needs of our people, customers, contractors and suppliers. We know that an inclusive and supportive environment, surrounding a diverse workforce will lead to improvements in the safety, health and well-being of our colleagues and ultimately our business performance.

Operating across 6 continents in 27 different countries, Hutchison Ports employs over 30,000 people. We understand that recognising and respecting the differing employee cultures throughout our network helps us to run smoothly and communicate effectively. We are a global family, working together to deliver a strong and sustainable service.

3.2 PEOPLE DEVELOPMENT

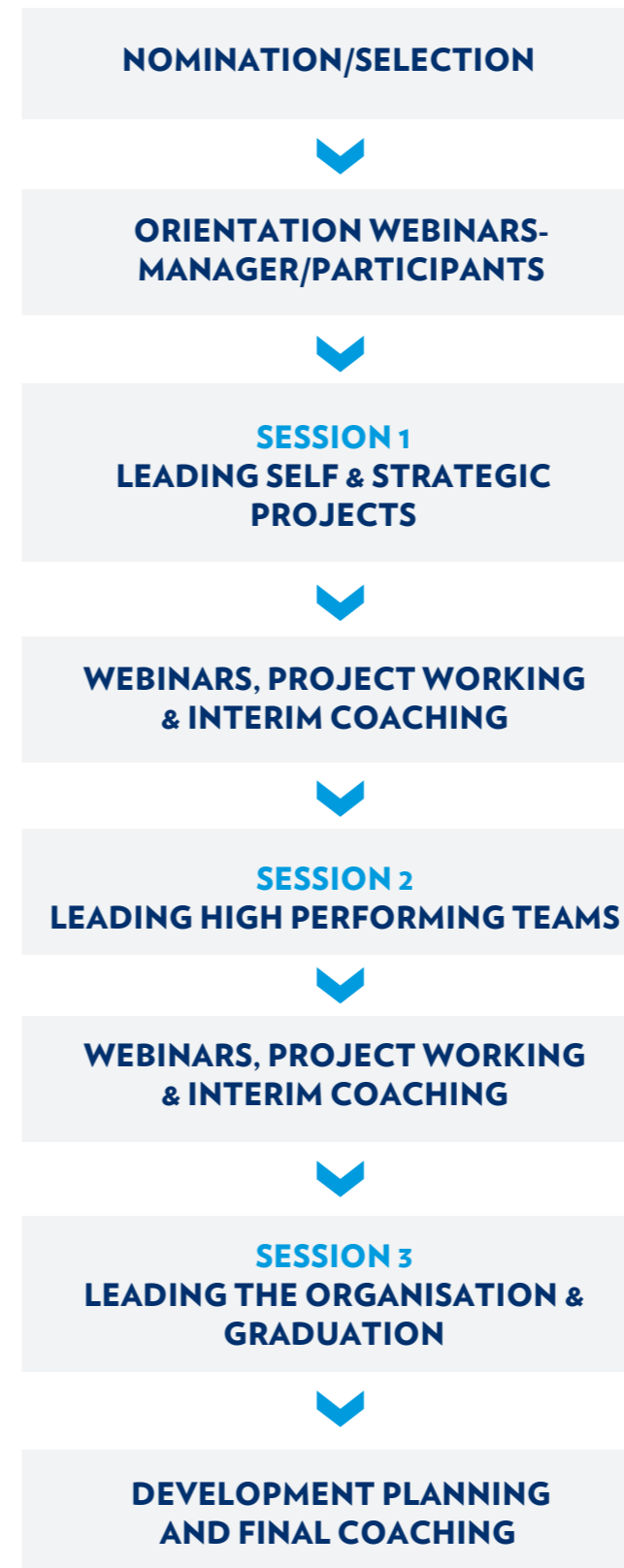
Having a talented and dedicated workforce is a well-recognised foundation, to promote success in any company. At Hutchison Ports, empowering our colleagues through training and personal development is a key priority for our business. Through fostering a positive working relationship with our employees, we recognise that their contribution is fundamental to building a committed and motivated workforce. Hutchison Ports ensures fair working practices, provides competitive remuneration and employee benefits, offers learning and development opportunities, and prioritises employee well-being.

In July 2019, Group Organisation and Management Development (OMD) launched an e-learning initiative via LinkedIn Learning, targeted at high potential managers. Seven themed learning paths were implemented with a total of 99 courses recommended and 1,258 learners participated around the world, with a total of 1,405 viewing hours undertaken. As a result of such excellent participant engagement, Hutchison Ports was awarded the “Most Engaged Learning Culture” by LinkedIn due to the high activation rate and repeated learners.

Additionally, Hutchison Ports’ Regional Development Programme (RDP) has been specially designed to support and realise an individual’s business and professional potential. The programme aims to groom Hutchison Ports’ future leaders and allows them to develop the transferable skills and knowledge to support business growth and expansion. This is developed through high impact experiential learning experiences. The RDP encompasses a broad array of learning methodologies and a progressive 3-module approach to accelerate the leadership development and business acumen of our talent.

The learning methodologies include psychometric measurements, webinars / online learning, group work for business projects, learning expeditions, senior executive mentoring, onsite experiential interventions and leadership coaching. In 2019, two cohorts of RDPs (Europe, the Middle East & Africa and Asia) successfully completed the programme.

The module flow is shown to the right:



Building upon the initial success of the RDP, in 2020 a brand-new talent development programme took centre stage: MYPOR T.

MYPOR T

MYPOR T is tailored towards high potential managers at the foundation level of the organisation. The participants are engaged through a series of virtual learning topics and become equipped with practical skills and tools. Examples include: career planning, executive branding, network building and fundamental leadership capability development.

Additional to the Group-wide initiatives, various trainee programmes are organised within our BUs, to develop future talent in areas such as operations management, engineering and information services.



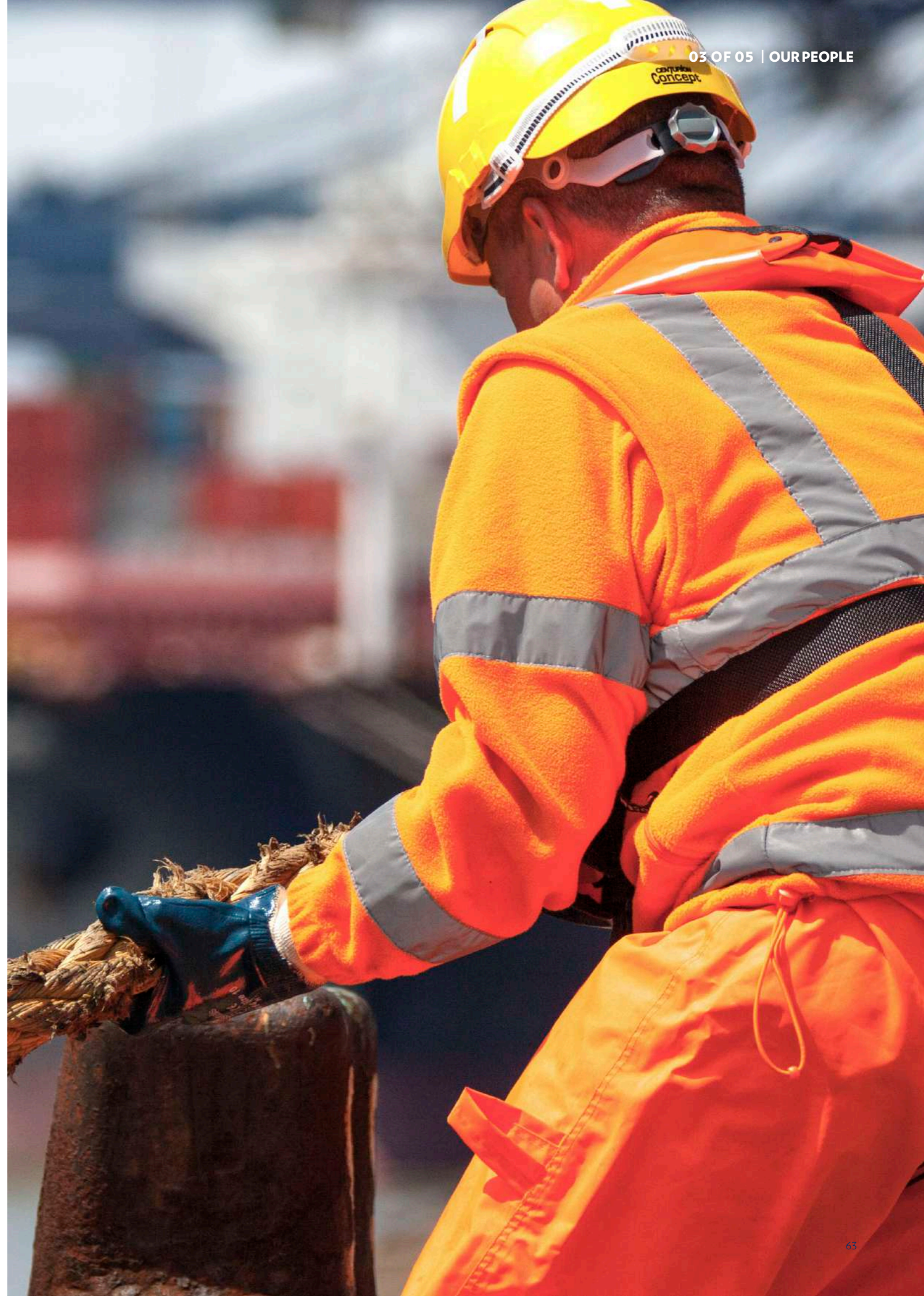
MYPOR T 1st online session December 2020.

Each BU is empowered to identify high potential employees and to provide them with career development opportunities.

EXAMPLES FROM BUSINESS UNITS INCLUDE:

In the UAE, Group OMD worked with regional business units to develop the “MEA Leadership Programme” in 2019. This programme was created to target potential successors and high potential employees, enhancing their leadership skills and management techniques. It also focused on building personal effectiveness and included topics such as: problem solving and decision making, influencing without authority and presenting with impact.

Hutchison Ports HIT offers a range of opportunities to potential employees. In 2019 HIT established the “Start Your Journey @ Port Programme”, a programme that provides a series of learning opportunities for students who are pursuing tertiary education. The programme aims to increase students’ knowledge and interest towards careers in the logistics industry through seminars, placements, scholarships and terminal visits.



“”

**HUTCHISON PORTS
PFL WAS THE FIRST
MAJOR UK PORT TO
GAIN THE WOMEN IN
MARITIME CHARTER
STATUS IN 2020**



3.3 DIVERSITY & INCLUSION

Improving the diversity and enhancing the inclusion of our global workforce is a focus area for our sustainability strategy, and forms part of the Group Sustainability Committee’s business plan agenda for 2021.

In March 2020, Hutchison Ports PFL, became the first major UK port to gain Women in Maritime Charter Status. As a Charter company, it has committed to improving gender balance and creating a diverse and inclusive environment within a historically male dominated business.

PFL is leading the Group’s approach in improving gender diversity. In 2019, a five-year plan was created outlining key commitments to improving the gender balance of its staff. This plan was expanded in 2020 to improve diversity and inclusion across additional areas. By 2024, PFL pledges to have a workforce that is more representative of the local demographics within which it resides, with a culture that is inclusive and supportive. It seeks to provide a wide range of career opportunities that are accessible to anyone, of any background.



International Women’s Day, UK



Lauren Singleton receiving the Charter certificate from Sue Terpilowski OBE

ACHIEVEMENTS TO DATE INCLUDE:

- **UPDATED MATERNITY AND PATERNITY POLICIES TO PROVIDE ADDITIONAL SUPPORT TO NEW PARENTS**
- **LAUNCHED A WOMEN'S NETWORK**
- **GAINED THE WOMEN IN MARITIME CHARTER STATUS**
- **CELEBRATED INTERNATIONAL WOMEN'S DAY**
- **INTRODUCED GROUP AND INDIVIDUAL COACHING FOR SENIOR FEMALE LEADERS ACROSS HPUK**
- **IMPROVED ACCESSIBILITY OF THE MAIN BUILDING TO BE SUITABLE FOR WHEELCHAIR USERS**
- **ACHIEVED 50% OF FEMALES ON THE LATEST MENTORING INTAKE**

NEXT STEPS FOR DIVERSITY AT HPUK:

- **EXPAND THE EXISTING MENTORING PROGRAMME OFFERING INCREASED OPPORTUNITIES TO THE WIDER WORKFORCE**
- **WORK TOWARDS ATTAINING 'DISABILITY CONFIDENT EMPLOYER' ACCESSIBILITY STATUS TO IMPROVE POSSIBILITIES FOR DISABLED CANDIDATES TO WORK FOR US**
- **LAUNCH NEW DIVERSITY AND EQUALITY POLICY AND E-LEARNING MODULE**
- **INTRODUCE CHANGES TO THE RECRUITMENT PROCESS TO REDUCE ELEMENTS OF INTERVIEWER BIAS INCLUDING ANONYMISING APPLICATIONS**
- **INTRODUCE NEW DIRECT-ENTRY ROLES AS REMOTE TECHNOLOGY PROGRESSES**
- **LAUNCH INCLUSIVE LEADERSHIP TRAINING**

3.4 SAFETY

Hutchison Ports works to ensure a safe environment for all internal employees and external users of our terminals and port facilities, to support the long-term sustainable growth of the business.

Through the company Health & Safety Policy, Hutchison Ports is committed to:

- **PROVIDING A SAFE WORKING ENVIRONMENT**
- **PREVENTING ACCIDENTS IN THE WORKPLACE**
- **ADOPTING PREVENTIVE MEASURES TO ELIMINATE HAZARDS AND SAFETY RISKS**

A comprehensive governance framework has been adopted which consists of three levels:



1 REGULATORY COMPLIANCE:

This level covers compliance with safety standards and legislation from national or local authorities.

2 CORPORATE GOVERNANCE:

Both CK Hutchison and Hutchison Ports have set up safety governance processes. The Group's internal audit function conducts regular safety audits at individual BUs. Hutchison Ports sets Global Minimum Safety Standards (GMSS) and also conducts regular on-site safety audits.

3 BUSINESS UNIT IMPLEMENTATION:

Each BU has its own set of safety management systems in place, meeting both regulatory and corporate governance requirements.

3.4.1 SAFETY GOVERNANCE

As part of our commitment to the safety of our employees, the Hutchison Ports Group Safety Committee (SAFCOM) was established in 2011, with the headline remit to promote safe working and reduce accidents across the Group through the development and maintenance of policy and sharing of best practice.

SAFCOM is composed of the Chairman, the Secretariat (Group Safety Security & Environment) and six Regional Coordinators. Input is taken from Group Human Resources and Engineering via their respective functional

heads. The Regional Coordinators are the focal points for communicating decisions and recommendations made by the SAFCOM within their respective regions. Each BU in the Group is required to have its own Safety Committee, which is responsible for liaison with the Regional Coordinators and ensuring action within that BU.



3.4.2 KEY SAFCOM INITIATIVES 2020

01

As a diverse global Group, Hutchison Ports BUs have established their own ways of safe working which reflect their local circumstances. SAFCOM aims to standardise procedures over time, ensuring that all BUs work to the standards of the best. During 2020, online surveys were undertaken to establish BU practices on safety management, training and truck driver safety, Covid-19 preparedness and dangerous goods. The information gathered is used to inform and further develop our standards and procedural controls for these key safety issues.

02

Part of the standardisation programme is the continual development and enforcement of our Group Minimum Safety Standards, which define the requirements for all BUs to follow across a wide range of critical safety controls. The GMSS is under constant review and is revised from time to time, as necessary, to address more risk areas.

03

During the current pandemic SAFCOM's normal programme of BU visits and auditing is suspended, yet we have maintained contact with our BUs on safety matters by developing a programme of online training courses. Three modules have so far been delivered, on incident investigation, safety inspection and contractor management.

3.4.3 SAFETY HIGHLIGHTS

As well as the Group coordination and initiatives highlighted above, of course our BUs also do their own work to improve safety and communicate their safety messages. Here are some highlights of what has happened around the world in 2020.

01



Hong Kong Fire Services Department (FSD) and Hutchison Ports HIT held a joint fire-fighting exercise at Terminal 9. The exercise simulated a real fire suppression operation of a dangerous goods container. The joint exercise provided both sides an opportunity to test and enhance coordination, as well as to ensure swift and effective response from government authorities during emergencies.

02



NICT, in China organised a joint safety inspection together with Customs and Marine authorities. The exercise emphasized the importance of safety as well as self-protection against COVID-19.

03



In the UK, PFL's Emergency Response Unit completed a training exercise to refresh skills and procedures for rescue from height. The exercise was held during Maritime Safety Week, a UK Government initiative to highlight the importance of safety across the maritime sector.

04



SMCT, in China, in China announced the launching of the 19th National Work Safety Month in June. The theme was to 'Eliminate accident potential & build up safety defences'. A series of activities took place during the month, including a safety conference, safety inspections, incident case training and fire drills.

05



Our programme of encouraging BUs towards having their Safety Management System externally certified continued, with the Hutchison Ports UK group successfully transferring its registration from OHSAS 18001 to ISO 45001. This provides an improved structure for the SMS that benefits the business, whilst opening it up to external scrutiny and resulting in a globally recognised certificate.

3.5 HEALTH & WELL-BEING

We aim to promote both a positive physical and mental health environment in the workplace, to encourage our people to shine. When our employees can perform as the best version of themselves, as a business and global family, we can work together safely and effectively.

It is important that our colleagues find themselves to be fit and healthy, at home as well as at work. We of course have a clear duty to protect our employees' health, but understand that promoting people's health and well-being is essential to continued business success. There is increasing recognition of the need for mental well-being, and its importance to individuals and to society as a whole, therefore health & well-being is a priority focus area in Hutchison Ports' sustainability programme for 2021.

In the UK, a new Employee Assistance Programme (EAP) has been recently launched, available to all Hutchison Ports employees and also their direct household members. The EAP is an employee benefit offered by the business to help employees deal with personal problems that might negatively impact their health and well-being. The EAP provides 24/7 access to professional counsellors, nurses, pharmacists, midwives and life management advisors.

Through the provision of the EAP, employees and their direct household members will have access to talk to someone confidentially, 24 hours a day, 365 days a year.

In July 2020, Hutchison Ports YANTIAN, held an employee 'cheer-up' event with the theme of "Reaching New Heights". This event was held during the terminal's peak operating season to show heartfelt appreciation of the hard work of all employees and contractor staff in the hot summer days. Employees were given food and cold refreshments in thanks for their efforts.



Similarly, after a period of record-breaking hot weather in Ningbo in July, NBCT's management team, recognised the true commitment of its frontline staff by distributing cold herbal tea during the following hot summer days.



Hutchison Ports' commitment to employee support and care is well recognised: in August 2020, Hutchison Ports and its BUs were awarded the Caring Company logo. This recognition is bestowed to companies that continually demonstrate and reinforce a strong CSR commitment. Cheung Kong Group has the highest number of member companies receiving the Caring Company logo – an impressive total of 153 companies. As is the nature of port operations, our colleagues may encounter occupational hazards from time to time, so BUs undertake mandatory employee health screening programmes to regularly monitor the health of our workforce.



Local Health & Safety teams support each BU in identifying any occupational hazards our employees may potentially be exposed to, undertaking risk assessments and creating safe operating procedures to remove or reduce potential harm in all areas where we work and travel, using legislation as a minimum standard. Other occupational health focuses include the prevention of work-related illness and occupational diseases, ergonomics in the workplace, environmental health and noise protection.



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IT GIVES ME A GREAT SENSE OF PRIDE TO SAY THAT THE EFFORTS OF ALL OF OUR EMPLOYEES THROUGHOUT THIS CRISIS HAVE BEEN NOTHING LESS THAN EXTRAORDINARY

STEPHEN ASHWORTH
HUTCHISON PORTS SOUTH EAST ASIA DIVISION



3.6 COVID-19 RESPONSE

As the impact of the novel coronavirus (COVID-19) has reached every corner of the globe, Hutchison Ports has been working together with the global maritime transport industry in playing a critical role in the response. The spread of the COVID-19 virus has created significant challenges for world trade and for the container shipping sector in general. During this global crisis, it has been more important than ever to keep supply chains open and to allow maritime trade and cross-border transport to continue.

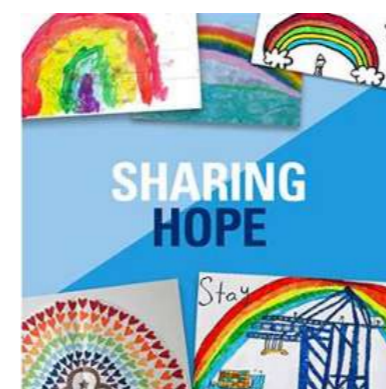
As part of our ongoing response to the impact of COVID-19, Hutchison Ports have introduced all of the necessary safety precautions to ensure that our terminals could remain open and can continue to serve customers and port users. Ports around the world have shown their appreciation and support for the essential workers in the community who continue to keep our terminals operational, such as the ‘Stay Strong Campaign’ launched by the Korean Ministry of Foreign Affairs and Trade in March, adopted by Hutchison Ports HKT, in South

Korea to remain positive and work towards overcoming and ending the distress caused by COVID-19.

The health and safety of our people will always be the Group’s priority. Where possible, many employees who are able to have been working from home or on a rotational shift pattern, to allow for adequate space and distancing in office-based working areas. Our colleagues involved in, or working to support critical operations continue at their normal workplace, however each BU has introduced new working processes and procedures in line with local Government recommendations to help to protect them. Our ports have developed business continuity plans, which will remain in place to ensure that we can continue to provide the port related services that our customers need. The response plans include robust health checking protocols such as temperature checking and on-site testing services and amended working practices such as restricted travel and workplace access, social distancing and internal track and trace systems.

In June, to protect employees, Ajman Department of Ports & Customs (DPC) organised a COVID-19 testing campaign for all employees at its premises in co-ordination with the Ministry of Health & Prevention (MOHAP). Over 300 Hutchison Ports employees were tested and subsequently received their test results within 48 hours. The port then commenced a programme of sterilisation of all port facilities, as part of the preventive and precautionary measures taken by the UAE to combat COVID-19.

Hutchison Ports PPC, in Panama became one of the first ports in the world to deploy infrared and thermal technology cameras at the port entrance to minimise COVID-19 contagion. The systems employed can measure body temperature and send out an alert to those not wearing a mask when entering the port. Taking the health and safety of its staff as priority, PPC also hosted a series of open space meetings at both ports to communicate the precautionary measures and new protocols that have been put in place to mitigate against the risk of a COVID-19 outbreak.



Around the world, BUs have been working together to show support to and solidarity with their local communities in response to COVID-19.



COVID-19 RESPONSE: BUSINESS UNITS WORKING WITH LOCAL COMMUNITIES.

In The Netherlands, Hutchison Ports ECT donated a large quantity of facial masks to a temporary emergency intensive care unit, which had been set up within the congress center Ahoy in Rotterdam.

Hutchison Ports JICT, in Jakarta supported the community to combat the spread of COVID-19 by supplying 46 disinfectant sprayers and 13 portable hand washers which were sited at traditional markets and public areas local to the port.

In Thailand, Hutchison Ports HPT generously made a donation to the local hospital, to support the construction of air flow ducting systems for 2 wards, used for the treatment of patients infected with COVID-19.

In March, the employees of NBCT collaborated with Ningbo Blood Donation Office to organise a voluntary blood donation campaign to support the community in the battle against COVID-19. Over 60 employees participated in the 6-hour event.

In the UK, Hutchison Ports PFL donated face masks to NHS Ipswich Hospital to assist with the COVID-19 epidemic as the virus took hold in the spring.

The employees at Hutchison Ports PPC voluntarily organised an assembly line to pack bags of food for more than 250 families in the district of San Miguelito in Panama City, which had been especially hard-hit by COVID-19. PPC also went on to donate nine state-of-the-art ventilators and 10 electric beds for hospital use to the Ministry of Health of Panama, for the treatment of severe and critically ill patients in Intensive Care Units (ICUs) suffering from acute respiratory distress due to the COVID-19 virus.

In Barcelona, Hutchison Ports BEST's employees responded to an emergency call from the Bank of Food Foundation. Due to COVID-19 and the lockdown of the economy, an extraordinary collection of nonperishable food was launched to help many disadvantaged families in their local community. The amount of food collected by BEST reached 753 kg.

Hutchison Ports YANTIAN donated an ambulance worth RMB 560,000 to support the local health service in coping with increasing infections of the novel coronavirus.

JMCT was awarded with a "Caring Enterprise in preventing and controlling of COVID-19" plaque, from the Jiangmen Branch, Red Cross Society of China, in appreciation of the transportation of pandemic precautionary supplies. Over 100,000 masks and 50,000 protective shoe covers were imported through JMCT as of 31 March 2020.

Employees from Hutchison Ports GCT, in Poland, voluntarily arranged a collection of cleaning products, such as disinfectants, as well as seasonal gifts for the carers and children of Bursztynowa Przystan, the Children's Hospice in Gdynia in response to public requests for support made by the Hospice Authority.

In Hongkong, volunteer teams from Hutchison Ports HIT and ACT initiated a mask donation programme among colleagues, after learning that elderly residents of the Yan Chai Hospital Fong Yock Yee Neighbourhood Elderly Centre, a long term CSR partner, were unable to purchase masks under the current coronavirus outbreak. Thanks to the colleagues' initiative the masks were collected and distributed to the centre in only two days.



3.7 COMMUNITY

Hutchison Ports believes it is important to play an active role as a community member, offering a positive contribution to the local economy and society. We understand that port operations may have an impact on the local area, so we recognise the importance of being a good neighbour.

Through 2020, Hutchison Ports has worked hard to support local communities in responding to COVID-19, however this relationship between port and community has been long established through various community care programmes. Further to the immediate COVID-19 support provided this year, in the Bahamas. Hutchison Ports FCP also presented a donation to the Grand Bahama Children’s Home to support efforts of re-building the home, which was devastated during the passage of Hurricane Dorian in September 2019. The home is residence to 32 children who have since been displaced by the catastrophic damage caused by the storm.

In South Korea, Hutchison Ports HKT’s Community Caring Group in association with the volunteer centre of Busan Metropolitan City, organised a home repair programme, to create a more pleasant home environment for low income households.



In Hong Kong, volunteers from Hutchison Ports HIT hand-folded 100 towel bear-shaped figures to support the “Hong Kong Citizen Hong Kong Heart” Volunteer Ambassador Programme, organised by the Social Welfare Department. These gifts were delivered to the underprivileged community by the long-standing HIT Community Caring Group.

In November, at Hutchison Ports OICT in Oman, employees organised a blood donation drive. Conducted at the terminal’s premises by the Health and Safety Department, in coordination with Sohar Hospital, the blood donation exercise was supported by many employees, whilst adhering strictly to the COVID-19 precautionary measures.

Lastly, Hutchison Ports HPIC, in China, made a donation of stationery and daily necessities to 34 students of Dahedong Primary School in Huizhou. HPIC has been caring for the local educational establishments and their community for over 14 years.



3.8 SCHOOLS

Hutchison Ports understands the need for developing and attracting talent, we see the young generation as the future leaders of our business. The Group hosts many scholarship, internship and student placement opportunities, to encourage young people to experience the maritime and shipping industry.

A long standing example of establishing a port to school narrative is the Hutchison Ports' Dock School Programme. The programme was created in the 1990's with the view to partner a school to each port in the Group's global network, the port then provides support and assistance through sponsoring scholarships, equipment and other educational initiatives. Now, ports partner around the world on an ad-hoc or annual basis with local schools to support with sponsorship of events and the purchase of school equipment supplies.

Hutchison Ports HIT has played an active role in the Programme. In the 1990s, HIT adopted the Tsuen Wan Trade Association School as the first of its two Dock Schools, presenting scholarships to students with outstanding academic achievements and sponsoring a special language programme to help local and South Asian students raise their language abilities. HIT also sponsors students with economic constraints to join school activities. HIT then adopted its second Dock School, the Hong Kong Institute of Vocational

Education (IVE) Tsing Yi, in 2009. Since then, HIT and IVE Tsing Yi host an annual contest for secondary school students to help them learn about Hong Kong's supply chains and the logistics industry. HIT also sponsor the final year project competition at IVE Tsing Yi, which focuses on shipping and logistics.



HIT has since launched a student placement programme known as 'Start Your Journey @ Port'. This programme provides a series of learning opportunities for students who are pursuing tertiary education. It aims to increase students' industrial knowledge and to open their eyes to developing their career in the shipping industry through seminar events, work placements, scholarships and terminal visits. Successful candidates of the programme may then be offered a structured development programme before embarking their career journey at HIT.

In April 2020, HIT received the 'Manpower Developer' award from the Hong Kong Employees Retraining Board for another two years (April 2020 - March 2022), in recognition of the company's outstanding performance in people development.

In 2020, other highlights from the Dock Schools programme include Hutchison Ports MITT, in Myanmar, awarding a gold medal and US\$1,000 to the top student of the year majoring in Port and Harbour Engineering. The presentation was made by the Deputy Minister for Transport and Communication at the 14th graduation ceremony at the Myanmar Maritime University.

In December, as part of their outstanding sustainability programme, Hutchison Ports HPT held a Dock School event at Bansom School, near to Laem Chabang Port in Thailand. The event celebrated the 2020 programme which has helped to brighten the lives of local children by improving their school's facilities and presenting best performing student scholarships.





04 OUR BUSINESS

OUR BUSINESS

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BUILDING STRONG WORKING RELATIONSHIPS WITH OUR CONTRACTORS AND SUPPLIERS IS CRITICAL TO DELIVERING NEW PROJECTS AND ENSURING THE SMOOTH RUNNING OF OUR PORT OPERATIONS.

HUTCHISON PORTS' SUSTAINABILITY STRATEGY 2021

4.1 OVERVIEW



Hutchison Ports strives to uphold high governance standards and ethical values at all times and in all aspects of our business. Our Company Code of Conduct details the responsible conduct expectations for our business and majority-owned subsidiaries. Every new joiner employee must confirm that they have read and comply with the standards to ensure a consistent understanding. Hutchison Ports requires all employees, at all levels, as well as those working on our behalf to comply with all applicable laws and business procedures.

Our business encourages employees and contractors to query, speak-up and report any alleged infringements of company policies and ways of working. Through the Group, we have several confidential mechanisms for reporting. For example, in the UK, a 'Speak Up Line' was created and advertised in the Employee App tool to provide a confidential channel to UK employees for reporting any alleged Anti-Fraud and Anti-Bribery incidents. We respect confidentiality, subject to legal requirements, and prohibit adverse action against any employee who has voiced concerns. All incidents are recorded on a register, and the status and statistics are reported to and reviewed by the management team in the corporate centre on a regular basis.

Hutchison Ports is heavily reliant on digital technology to run its critical business processes, so it will come as no surprise, that cybersecurity is one of Hutchison Ports' highest priority business risks. As has already been seen in the shipping sector, cybersecurity breaches present a risk with the potential for catastrophic business impact, to the security of our information, IT systems and operations. We take cybersecurity very seriously and actively monitor and mitigate against this present threat to our digital infrastructure and our operational control systems.

Building strong working relationships with our contractors and suppliers is critical to delivering new projects and ensuring the smooth running of our port operations. We are working to develop a pre-screening framework, to appraise and award contracts accounting for their commitment and expertise in areas that include innovation, safety and sustainability. This approach, which is a 2021 focus area for the sustainability programme marks a step-forward for Hutchison Ports' third party governance process.

4.2 DATA & SYSTEM SECURITY

Group Operations and Information Technology (IT) teams develop policy, procedures, safe working guidelines, and deliver Group-wide training to keep all system data protected. Both Hutchison Ports HIT and Hutchison Ports YANTIAN terminals hold ISO 27001 certifications for Information Security Management.

The global shipping industry fully understands the threat posed by cyber-attacks. The four largest container shipping lines, Maersk, MSC, COSCO and CMA CGM have all reported a cyber-attack over the last three years, albeit with varying outcomes of operational and reputational damage. Similar incidents have also been reported in ports such as Barcelona, San Diego and within the United Arab Emirates.

Malware and attacker techniques evolve every day, therefore we are investing in IT security to strengthen the defensive line and to limit potential business impact. It is important for business resilience to ensure that a cyber-attack recovery plan is in place to allow the whole organisation, not just the IT personnel, to work as efficiently as possible to restore the impacted terminal.

CYBER-ATTACK RECOVERY PROGRAMME

Soon after the Maersk ransomware incident in June 2017, Group Operations and IT teams from the Corporate Centre engaged a consultant to develop a cyber-attack recovery

programme with to raise awareness of cyber-attacks within the organisation and to improve our recovery should we encounter an attack. A recovery framework was developed and one manual and one semi-automated terminal were assessed to understand incident response capability, in terms of operational sustainability and infrastructure vulnerability. After the assessment, the two terminals were used for a pilot study to develop a cyber-attack recovery plan. The aim of the plan framework is to help the affected terminal become re-operational as quickly and efficiently as possible, with minimized operational disruption. The programme has now been rolled out to multiple terminals, following regional training events held in Hong Kong and London.

ON-GOING CAPABILITY ENHANCEMENT

Through the implementation of this programme, the participating terminals are able to evaluate and improve their recovery capability in terms of Recovery Time Objective (RTO). This is the acceptable amount of downtime before the affected terminal can resume operations following the incident. Hutchison Ports has determined an RTO target of 24 hours for their BUs and has targeted Group-wide attainment of this performance criteria by the end of 2020.

The recommended approach is to adopt a cloud based disaster recovery solution which takes advantage of cloud technology to enable quick restoration of lost data independent of

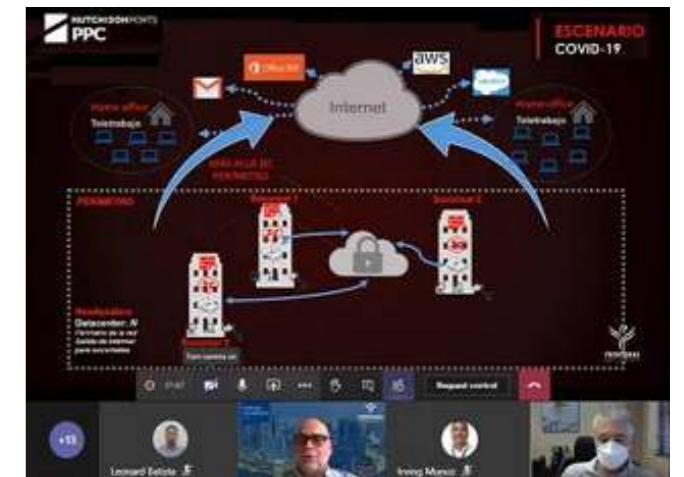
time, location and device.

All BUs are required to run cyber-attack drills based on different scenarios to ensure that their response plans remain up to date and reflective of the current business environment. Periodic audits and participation in cyber-attack simulations are conducted by the Corporate Centre team to ensure a support through a unified approach.



CYBER-ATTACK RECOVERY DRILL AT HUTCHISON PORTS OICT

On the 5th February 2020, Hutchison Ports OICT, in Oman, together with Ernst & Young, conducted a cyber-attack recovery drill. Senior government officials from the Ministry of Transport, Ministry of Technology and Communications, local customs representatives and colleagues from Egypt, Ajman, Pakistan and Tanzania, were invited to observe the recovery processes and share their views and suggestions.



PPC DEVELOPS CYBERSECURITY TRAINING DURING COVID-19

The Coronavirus pandemic and remote working are creating new challenges for companies around the globe. As part of our ongoing cybersecurity awareness plan, Hutchison Ports PPC's IT Department provided a training event on the 1st February to the executive team in the safe use of Office 365 and the security risks associated with remote work.

4.3 SUSTAINABLE PROCUREMENT

Sustainable procurement practices can deliver better economic, environmental and social outcomes for a business. Hutchison Ports has identified an opportunity to expand the sustainability programme to create sustainable procurement guidance for the Group, to assist BUs with pre-screening the following areas, before engaging in contractual agreements or obligations:

- **CORPORATE GOVERNANCE AND ETHICAL TRADING**
- **ENVIRONMENTAL IMPACT INCLUSIVE OF BIODIVERSITY, CLIMATE CHANGE AND CARBON FOOTPRINT FACTORS**
- **SOCIAL IMPACT INCORPORATING DIVERSITY AND HUMAN RIGHTS.**

Sustainable procurement practice is already being progressed within the Group; in the UK, Hutchison Ports PFL and HWH employ a pre-qualification questionnaire process, which evaluates contractor management of labour practices, modern slavery, environment, legal compliance and health and safety.

In September 2020, the procurement team from HIT and COSCO-HIT shared their approach to creating a Sustainable Procurement Service during a knowledge sharing session. The session was attended by 37 colleagues from HPH Trust, with two colleagues highlighting their experiences on HIT's implementation to improve their sustainable procurement and shared best practices of other local corporations.



4.4 ANTI-FRAUD & ANTI-BRIBERY

The Board and Executive Management Team at Hutchison Ports instil a zero-tolerance approach to bribery and corruption. Group policies, guidelines and procedures are established in these areas to deliver high standards of business ethics and integrity throughout the Group. Each Hutchison Ports employee must adhere to the ethical standards and legal requirements set out in the Group’s Anti-Fraud and Anti-Bribery (AFAB) policy, the Code of Conduct, and additional relevant policies and guidelines. Furthermore, all business partners, suppliers and third party representatives are actively encouraged to adopt these standards too.

The Group has also developed a process to require all employees to self-declare their compliance with the Code of Conduct and related policies, maintain effective communications and a high level of self-awareness among employees, delivered through an online training module created by the Corporate Centre. Regular refresher training on the topics of bribery and corruption are also provided to employees globally, to ensure full compliance and understanding of the policies.

The AFAB and other relevant policies are made available to all ports in the Group whilst the Code of Conduct and Staff Handbook are available on the company intranet sites. Local language versions of these documents

have been created, to ensure all colleagues can understand this important request. For example, Hutchison Ports YICT has translated the self-declaration form to a Chinese version to ensure employees are able to declare accurately.

All employees are required to go through Code of Conduct and AFAB training, as part of new-joiner orientations, and also on an ongoing basis. To ensure key personnel are familiar with the relevant laws and regulatory requirements, for example, all managers and supervisors from the Human Resources, Commercial, and Procurement departments, along with other selected individuals, are required to attend online training every two years. Ports also provide an e-learning platform for employees to have better access to the AFAB policy and to ensure the policy is communicated to all levels in the organisation.

Where higher bribery risk exposure has been identified, in some local environments, BUs extend an inclusive training invitation to suppliers, as seen with Hutchison Ports Mexico operations. Hutchison Ports TICTS, Tanzania, also arranged a CEO/CFO meeting with major suppliers to communicate AFAB requirements to increase their awareness and more importantly, communicate Hutchison Ports’ expectations.

4.5 DATA MANAGEMENT & REPORTING

4.5.1 DATA GATHERING & VALIDATION PROCESS

ESG INFORMATION COLLECTION



THE ENVIRONMENT, SOCIAL & GOVERNANCE DATA VALIDATION PROCESS:



BU SUBMISSION

- Data is collected at source from each BU
- BU functional head approves data



SSE

- Collated by SSE Team
- Challenge outlying and erroneous data



COMPLIANCE

- Review and checking



ESG TASKFORCE

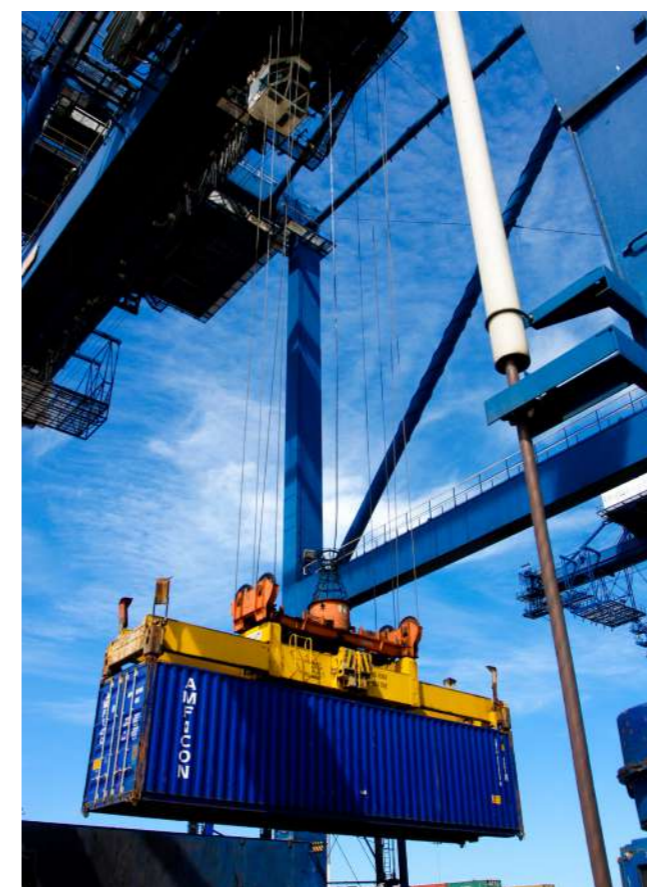
- Committee review and approval of data for submission



CKHH

Hutchison Ports has an established Environment, Social & Governance (ESG) data reporting process, which is used to collect business data and narrative information for the annual ESG reporting exercise to parent company CK Hutchison. The data follows the verification process shown on page 91 to ensure it is valid and complete before external publication.

The Group's sustainability data governance is shown to the left, through rigorous data validation processes, we regulate the information and ensure the reporting techniques remain consistent and that the data produced is reliable.



4.5.2 ENVIRONMENTAL INFORMATION SYSTEM (EIS)

In 2020, Hutchison Ports introduced an all-new online system to collect, analyse and process all environmental related information and data. This project was a collaborative effort between Group SSE & Group IT in partnership with external vendor FigBytes, the developer of this system. The system went live in early April 2020 and is being progressively adopted by BUs worldwide ahead of the 2021 data collection exercise. At the end of 2020, over 40 BUs in the Group had begun to submit environmental data on a monthly basis, it is anticipated that all BUs will be online and reporting into the system in the first quarter of 2021.

This new system is a marked improvement in automating the Group's data collection process and validation process. The new system reshapes our environmental data reporting from an spreadsheet based exercise to a cloud-based system. The system employs automatic data validation through logic-checking rules and protocols, which remove accidental typing errors and minimises the use of incorrect units.

Going forward, the introduction of the EIS is the first step in moving Hutchison Ports to a more automated reporting process, freeing resource from BUs and corporate centre teams to progress initiatives and actions.



05 OUR FUTURE

OUR FUTURE

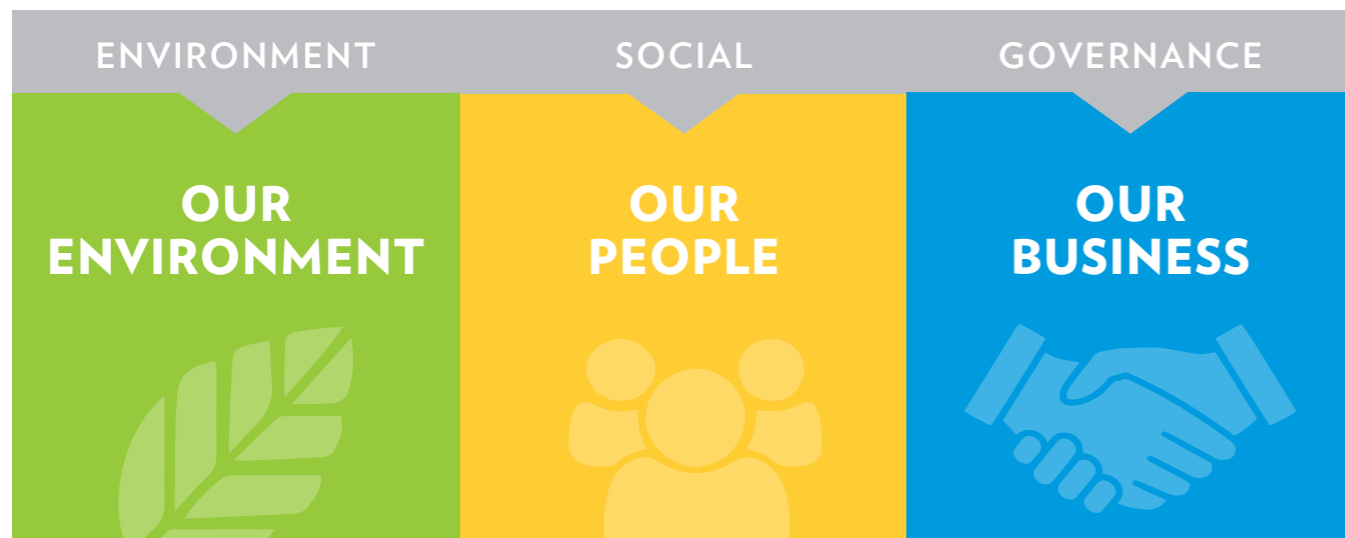
5.1 OVERVIEW

Looking forward to 2021, the newly established GSC has agreed a business plan of commitments, to reshape our business with redefined expectations of sustainable business management. This expanded agenda will bolster the existing environment programme and include additional elements of social and governance related activities.

Together with the Group Sustainability Workgroup, the GSC will position our business with an action roadmap of initiatives and targets in focus areas under our three pillars; Our Environment, Our People, Our Business. We will communicate these targets and initiatives through the business, recruiting and aligning our BUs worldwide, to move towards our sustainability goals at a more ambitious pace.

5.2 SUSTAINABILITY PILLARS

Formerly referred to as ESG – Environmental, Social and Governance, the new sustainability programme framework takes the view to reinforce the message that sustainability is every employee’s responsibility, we are one team and we are each accountable for our own actions. This is also reflective of Hutchison Port’s UNITY ethos. Collectively the three pillars; Our Environment, Our People and Our Business then contribute to become ‘Our Future’;



5.2.1 SUSTAINABILITY PILLAR DEFINITIONS

OUR ENVIRONMENT:

Aspects of our business that interact with the natural or built environment that may have a positive or negative impact. Initiatives that seek to modernise our business to reduce negative and enhance positive impacts.

OUR PEOPLE:

All interactions with people in and around our workplace; internal colleagues, external visitors, contractors, local communities and stakeholder groups.

OUR BUSINESS:

Governance of framework processes, policies and procedures that define how our business operates. Aspects required to shape and protect our business for a sustainable future.

OUR FUTURE:

The collective strategy output of the activities in the three pillars. Visible as a strategy roadmap of action planning, initiative development and committed targets.

5.2.2 SUSTAINABILITY PILLAR CONTENT

The varying sustainability aspects of our organisation are categorised under their relevant pillars below;

- GREENHOUSE GAS EMISSIONS
- RESOURCE USE
- WASTE GENERATION AND RECYCLING
- ENERGY USE, GENERATION AND RECOVERY
- CLEAN TECHNOLOGY & FUELS

- PEOPLE ATTRACTION, RETENTION AND DEVELOPMENT
- DIVERSITY & INCLUSION
- GENDER BALANCING
- SAFETY, HEALTH & WELL-BEING
- COMMUNITY ENGAGEMENT
- STAKEHOLDER MANAGEMENT

- LEGAL COMPLIANCE
- SUPPLY CHAIN TRANSPARENCY
- AFAB
- COMPETITION LAW
- CYBERSECURITY

- ROADMAP:
- SUSTAINABILITY STRATEGY
- TARGETS
- ACTION PLANS
- GSC BUSINESS PLAN
- COMMUNICATION MATERIALS

Our sustainability strategy for 2021 focuses on strengthening our position as the world’s leading port operator by working in partnership with our customers, suppliers and colleagues to become the preferred partner for a sustainable supply chain. The health, safety and well-being of our people and demonstrable social responsibility are fundamental to our business approach. We understand that we will only succeed as a business by working collaboratively with customers, governments, business partners, investors and other stakeholders.

Our strategy is founded on our future outlook for the maritime sector and understanding the many opportunities rising around us, driven by the substantial changes in public concern and legislative requirements we are seeing around us. The ever-growing global trade system, encouraged by an increasing standard of living of a growing global population, is likely to continue to push demand for the international transport of goods for years to come.

Technological advances and the growing threats and impacts of a changing climate mean there is already a transition under way to a lower-carbon, alternative fuelled maritime supply chain, of which ports act as the critical link.



5.3 FOCUS AREAS 2021

As part of the newly formed Hutchison Ports' Sustainability Programme, six focus areas have been agreed by the Group Sustainability Committee for 2021. Each focus area is championed by a committee member, ensuring senior management accountability for enabling and ensuring the implementation and delivery of initiatives in each area in the coming year. The distribution of the focus areas for 2021 recognises the importance of focussing sustainability efforts on our people and on our community.

ESG PILLAR	FOCUS AREA
Our Environment	GHG Reduction
Our Environment	Waste Reduction
Our People	Health & Well-being
Our People	People Development
Our People	Community Engagement
Our Business	Supplier Transparency

5.4 INITIATIVES & OBJECTIVES

5.4.1 OUR ENVIRONMENT

Reduction in our total greenhouse gas emissions alongside a reduction of the terminal waste generated and resulting methane emissions are the headline environmental priorities for Hutchison Ports for the next three years to 2023.

Each BU is tasked with supporting the Group's targets for improvement and will be required to submit an action plan of how they plan to contribute to the initiatives.

5.4.1.1 CO₂ REDUCTION

A reduction programme has been created by the Group SSE & Group Efficiency teams to target diesel consumption as a key contributor to the Group's direct emissions.

In 2020, a total of 1,063 GWh of diesel was consumed by the Group⁴. Hutchison Ports has committed to an annual reduction of 1% diesel consumption per TEU⁵, each year, from 2021 to 2023. As shown in the GHG reduction roadmap below, a 28% reduction in diesel use has been achieved in the past ten year period, through the introduction of electrification as an alternative fuel source. From 2021 to 2023, the group is targeting a 3% cumulative reduction in total CO₂e /TEU, by further reducing Group total diesel use.

This extends to 2030, where we have targeted an 11% reduction in total CO₂e/TEU when compared with our 2020 baseline.

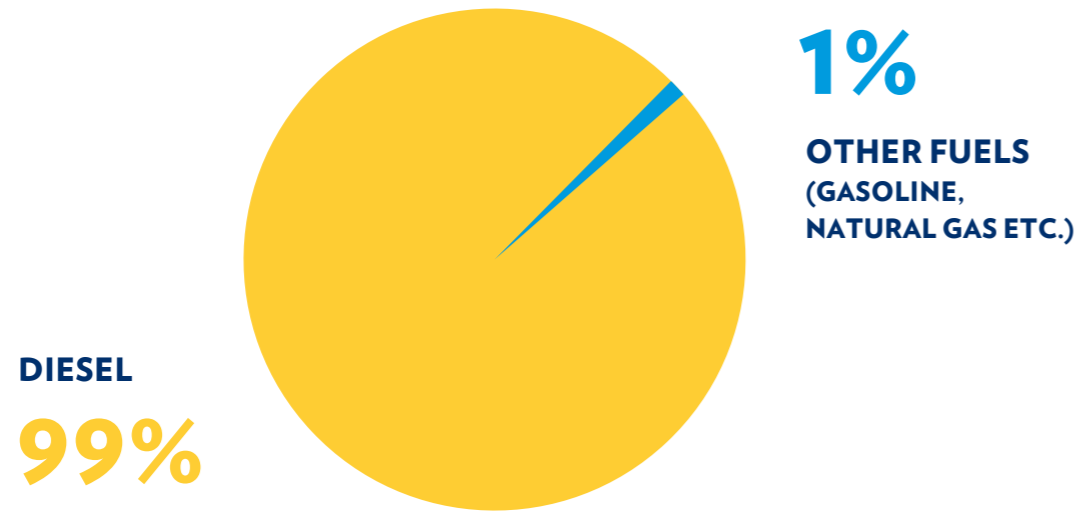
To achieve this rolling 1% annual reduction, the Group has introduced a tiered approach for BU reduction targets. BU's are categorised as 'leader', 'average performer' and 'outlier', depending on their respective litres diesel/TEU performance. Leaders are required to demonstrate a 1% annual reduction in diesel use, average performers must reduce consumption by 2% and the outliers, with the most intensive diesel consumption, must work to achieve a 3% reduction in diesel use each year. This tiered strategy has been calculated to ensure as far as possible, the delivery of the Group's CO₂ reduction target for 2023.

Regular progress reports from the BUs are sent to the project team, this team then communicates the project progress against agreed milestones, to the members of the Group Sustainability Committee. Year-end analysis will take place in 2021 to understand best practice learnings to inform next year's programme, in the pursuit of an overall 3% cumulative reduction in direct emissions by the end of 2023.

4. HPHT and JV Bus are excluded from the calculations.

5. General cargo volume is counted in diesel efficiency. Following the ESG data submission, a conversion factor of 12.45 tons per TEU is applied.

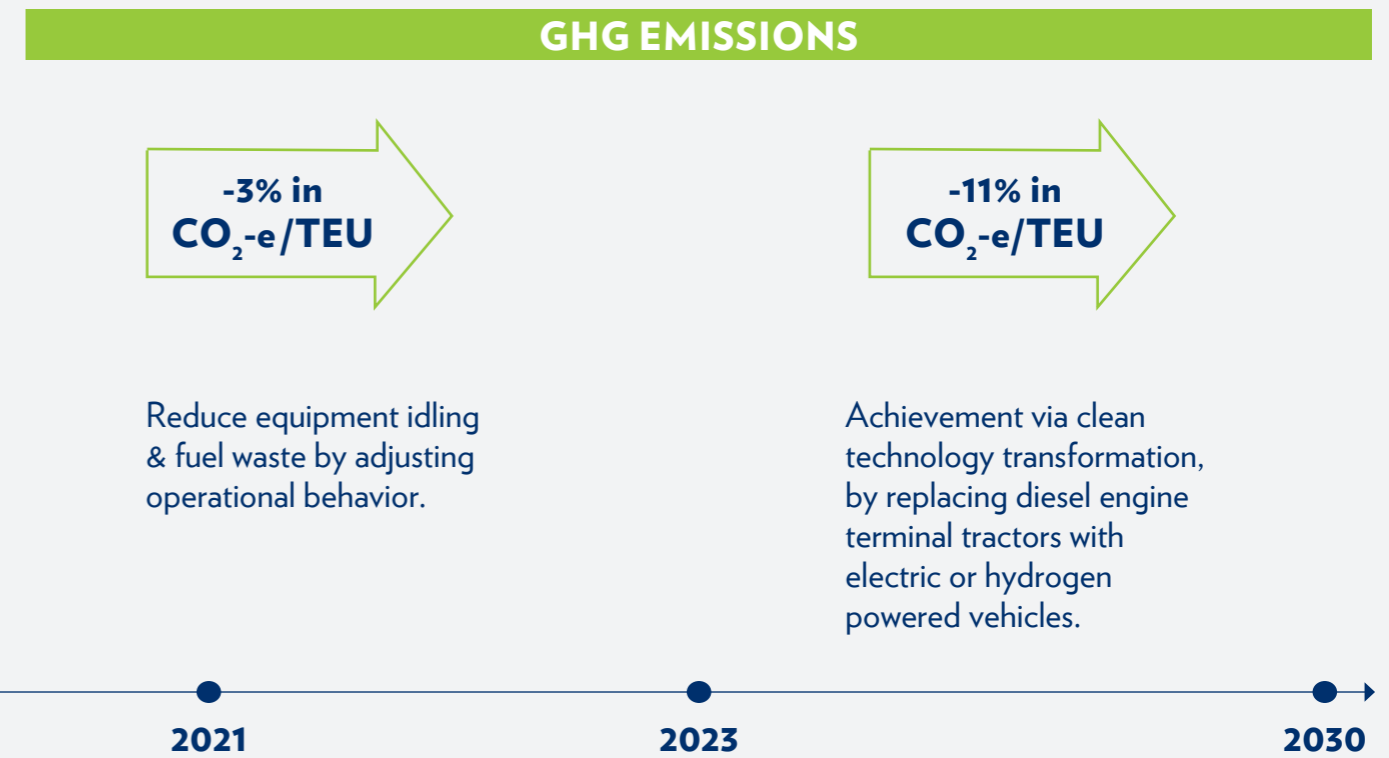
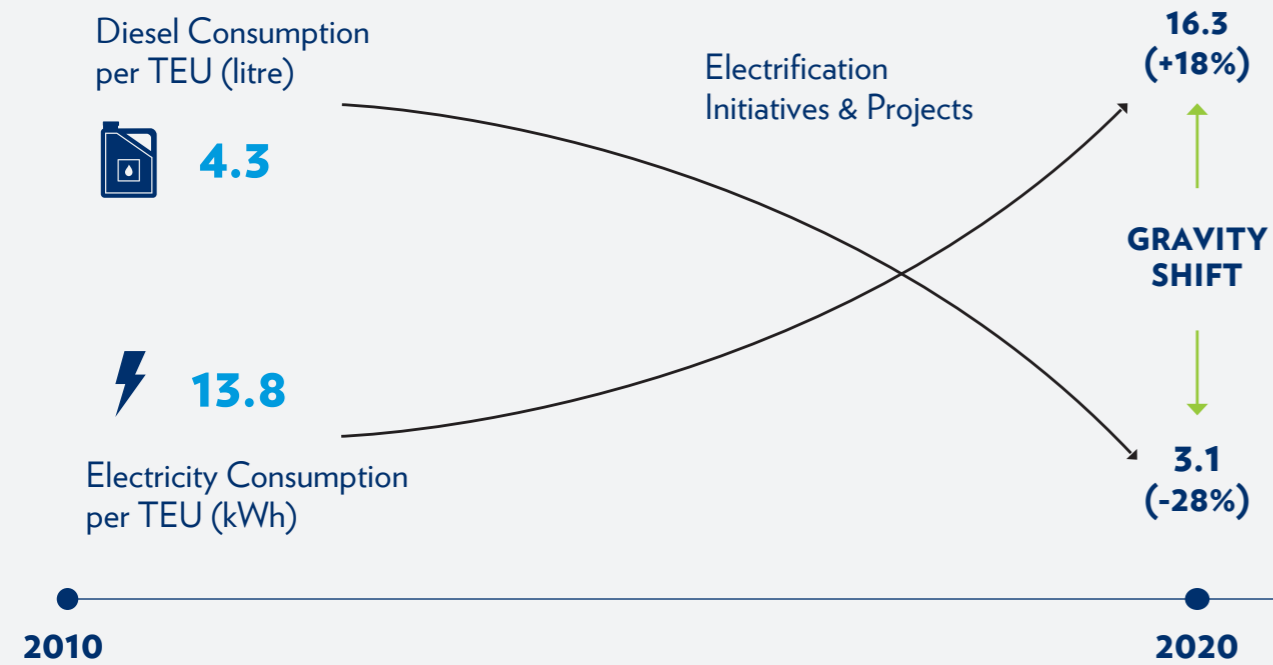
GROUP EQUIPMENT FUEL TYPE SPLIT, 2020.



BU CATEGORIES FOR 3-YEAR DIESEL REDUCTION TARGETS

GROUP	REDUCTION %		
	2021	2022	2023
GROUP 1 LEADER	-1%	-1%	-1%
GROUP 2 AVG. PERFORMER	-2%	-2%	-1.5%
GROUP 3 OUTLIER	-3%	-3%	-2%

SIGNIFICANT REDUCTION IN GHG FROM 2010 TO 2020



5.4.1.2 WASTE REDUCTION

A three-year waste programme will aim to refine the Group’s waste management, improve the standardisation of recording and reporting and achieve our aspirational reduction goals over this period. The proposed three-year programme includes:

2021

- **CREATION OF A GROUP BEST PRACTICE WASTE MANAGEMENT GUIDE.**
- **GROUP COMMUNICATION AND ROLL OUT THROUGH ONLINE WORKSHOPS.**
- **FOCUS ON;**
 - **ACCURACY OF RECORDING, WASTE MANAGEMENT AND REPORTING.**
 - **REVIEWING WASTE STREAMS AND SEGREGATING DATA.**

2022

- **FOCUS ON;**
 - **MANAGING AND REDUCING WORKSHOP AND MAINTENANCE WASTES.**
 - **ENHANCED SEGREGATION AND STORAGE OF PORT WASTES.**
 - **COMMUNICATION OF UPGRADED PORT WASTE FACILITIES, TO REGULAR CALLING VESSELS (WHERE APPLICABLE).**

2023

- **TARGETED SUPPORT FOR REPORTING OUTLIERS.**
- **SHARE BEST PRACTICE AND USE DATA ANALYSIS TO UNDERSTAND TERMINAL BEHAVIOUR.**
- **WORK WITH BUSINESS UNITS TO CREATE LOCAL WASTE REDUCTION TARGETS FOR 2024.**

5.4.2 OUR PEOPLE

Initiatives formed from the Our People pillar include the Group wide roll-out of a mental health & well-being awareness programme, to support all colleagues with the ongoing toll taken by COVID-19, delivery on key talent development initiatives and an emphasis on community engagement and activities.



5.4.3 OUR BUSINESS

To strengthen the governance aspect of Hutchison Ports’ Sustainability Programme, the focus for 2021 will include the creation of a Group-wide supplier evaluation template, to encourage BUs to pre-screen and evaluate potential contractors against a set of sustainability criteria. Expanding the sustainability agenda to include third parties such as suppliers and contractors is a new development in the Group wide sustainability strategy.

FOCUS AREAS	INITIATIVES
 Health & well-being	EAP Mental health & well-being programme.
 People Development	MYPORT MYPORT initiative and BU level people development.
 Community Engagement	 1: Redevelopment of the Go Green programme. 2: Enhanced adoption of the Dock Schools Programme.

FOCUS AREAS	INITIATIVES
 Supplier Transparency	 Sustainable supplier evaluation template.

5.5 OUR COMMITMENT

Whilst compliance with all local laws is the fundamental level that all Business Units must achieve, our message to employees, contractors, customers, investors and all stakeholders is clear. We recognise that to remain successful in the long term, we must now strive beyond compliance and make improvements to our business that are driven by aspirational targets and ambitions.

It is our mission to deliver upon our environmental vision: to become the preferred partner for a sustainable supply chain. We truly believe that a more sustainable future for the maritime sector can only be realised through collaboration and innovative partnerships between businesses, contractors, suppliers and stakeholders.

We are committed to delivering upon the targets, initiatives and activities as set out in our first sustainability report. As the programme grows, we look forward to sharing our learnings and progress with our partners. To find out more, please visit www.hutchisonports.com accessible via the QR code shown below.

**TOGETHER,
WE CAN MAKE IT HAPPEN**



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