

BUILDING RESILIENCE THROUGH SUSTAINABLE DEVELOPMENT

SUSTAINABILITY REPORT 2022



CONTENTS

INTRODUCTION

SUSTAINABILITY
APPROACH

OUR PEOPLE

OUR ENVIRONMENT

OUR BUSINESS

OUR FUTURE

1



01 INTRODUCTION

Highlights	4
Foreword	6
1.1 About Us	8
1.1.1 About This Report	8
1.1.2 Hutchison Ports Operations	10
1.1.3 Hutchison Ports Values	14
1.2 Report Structure	16
1.2.1 Trends & Themes	16
1.2.2 Alignment with Disclosures	17
1.2.3 2022 Key Metrics	18

02 SUSTAINABILITY APPROACH

2.1 Sustainability Journey	22
2.1.1 Vision, Strategy, and Pillars	22
2.1.2 Leadership and Governance	23
2.1.3 Measuring Success	24
2.2 Business Context	26
2.2.1 Application of the UNSDGs	26
2.2.2 Materiality Assessment	30
2.2.3 Data Collection and Verification	31

03 OUR PEOPLE

3.1 Colleagues	34
3.1.1 Safe Working Environment	34
3.1.2 Employee Development	40
3.1.3 Well-being and Engagement	46
3.2 Community	56
3.2.1 Go Green and Dock School	56
3.2.2 Community Engagement	62
3.2.3 Communications	64

04 OUR ENVIRONMENT

4.1 Our Net-Zero Commitment	68
4.1.1 Sustainability Strategy	68
4.1.2 Decarbonisation	72
4.1.3 Scope 3 and Beyond	77
4.2 Resilience	78
4.2.1 Natural World Impact	78
4.2.2 Resource Use	80
4.2.3 Climate Risk Baseline Exercise	84

05 OUR BUSINESS

5.1 Governance	88
5.1.1 Policies, Standards and Ethics	88
5.1.2 Supply Chain Management	91
5.1.3 Risk Management and Data Security	92
5.2 Sustainable Solutions	94
5.2.1 Integrated Logistics	94
5.2.2 Technological Innovation	98
5.2.3 Autonomous Trucks	100

06 OUR FUTURE

For our People	106
For our Environment	107
For our Business	108
Our Commitment	109
Appendix	110

01

INTRODUCTION



HIGHLIGHTS

OUR PEOPLE



- Introduction of Dangerous Goods Policy
-  A reduction of Total Recordable Injury Frequency Rate (TRIFR) from **4.52 to 4.42**
-  **-5%** in severity rate of the incident
-  More than **340,000** training hours delivered to our employees
-  **9,589** trees were planted
-  Interacted with over **3,726** students

OUR ENVIRONMENT

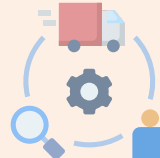


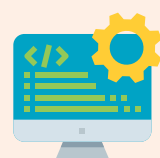
Decarbonisation

- Committed to setting a near and long term target to be validated by the Science Based Targets initiative (SBTi)
- Developed a net-zero decarbonisation roadmap
- Completed the first scope 3 emissions assessment
- Enhance utilisation of renewable energy

Reductions achieved:

-  **-3.94%** CO2 Intensity
-  **-3.21%** Diesel Consumption per TEU

OUR BUSINESS

-  Initiative launched for a more robust supply chain management
- Incorporated Artificial Intelligence (AI) and Big Data analytics in operating efficiency
-  The rollout of Autonomous Trucks (ATs)
-  Implemented the Intelligent Yard Surveillance System
-  Terminal Operating System (TOS) standardisation in **27** terminals globally

2022 AWARDS

Hutchison Ports BEST (Spain)

- SIL Sustainability Award

Hutchison Ports FCP (Bahamas)

- 1st runner up of Container Port of the Year

Hutchison Ports HIT (Hong Kong, China)

- Partner Employer Award 2022, the Hong Kong General Chamber of Small and Medium Business
- Best Green Container Terminal

Hutchison Ports United Kingdom

- Endorsed Employer for Women, Work180
- Disability Confident Committed Employer, United Kingdom Government initiative
- Defence Employer Recognition Scheme - Silver Award, UK Government initiative





Clemence Cheng
Managing Director
Europe



Stephen Ashworth
Managing Director
South East Asia

FOREWORD

On 5 May 2023, the World Health Organization declared the end of COVID-19 as a public health emergency of international concern which, in many ways, was confirmation that the global pandemic was finally over. Even though most of us had already returned to normality for quite some time, the announcement has given us all newfound confidence in the way we go about our daily lives.

Yet, for much of 2022, we were still very much focused on managing the disruption caused by the global pandemic and the resulting adverse impact this was having on our people and business. As a result, we continued to focus a lot of our attention on the overall health and well-being of our colleagues and in this regard, our global BEWELL campaign has continued to be very successful in helping our people develop a resilience to hardships. Indeed, all of our ports also have in place their own local initiatives to support the development and well-being of their people and communities – our long established Go Green and Dock School continues to be the cornerstone of our local community outreach programmes.

During 2022, we also continued to make significant progress in our equipment electrification programme as we progress towards our short-term goal of only purchasing non-fossil fuel internal trucks by 2024. Indeed, our future equipment electrification programme and the adoption of renewable energy and other sources of alternative fuel have enabled us to develop a net-zero roadmap which is in line with the latest available models and scientific techniques. Hutchison Ports is now officially committed to the Science Based Targets initiative (SBTi) to achieving a 46% scope 1 and 2 emissions reduction by 2032 and net-zero by 2050 or earlier.

This is a significant milestone for our group and recognises the urgent need to adopt practices that help to mitigate against the growing risks of climate change, caused by Greenhouse Gas (GHG) emissions, to our people and business.

Regarding scope 3 emissions, we have started a more detailed study and analysis of how our own supply chain impacts our overall carbon footprint and will refine our approach to measuring carbon emissions from 2023 onwards. Some of our ports have already started working with their suppliers to reduce scope 3 emissions. Many

of our shipping line customers, who include ports in their own scope 3 emissions measurements, are already engaging with us to gain a better understanding of our own emissions reduction plans – preferring to partner with port operators that have a clear direction in this regard.

Furthermore, our customers continue to expect the highest standards of service especially after the global supply chain disruptions our ports experienced during the pandemic. During 2022, many of our ports continued with their plans to implement the roll out of technology in their operations – remote control ship to shore and yard cranes, ATs and digitalised landside processes will become common features at many of our ports during the next few years. Technology will not only enable our ports to operate more efficiently, which will benefit our shipping line customers and other port users, but it will also be a key feature of sustainable development in that it will lead to more environmentally friendly and safer port operations.

You will see from our third annual report, which we very much hope you will find interesting and informative, that sustainability is a complex and constantly evolving topic.

Ultimately though, the key principle always remains the same and that is to deliver our services as a global port operator in such a way that it fulfills the needs of society with the minimum adverse impact to our people, our environment, and our business. Above all else, our aim is to ensure that Hutchison Ports, with a clear agenda to tackle climate change, is a happy, safe, and inclusive place to work.

Together we can make it happen!

Clemence Cheng

Co-chairs
Group Sustainability Committee

Stephen Ashworth

1.1 ABOUT US

1.1.1 ABOUT THIS REPORT

This is the third annual sustainability report of Hutchison Ports, a world leading port investor, developer and operator committed to sustainability and corporate responsibility. The report provides an overview of the company's progress and achievements in the three pillars of sustainability: "Our People", "Our Environment" and "Our Business".



REPORTING PERIOD & SCOPE

This report covers the sustainability activities and progress of Hutchison Ports for the year from 1 January to 31 December 2022. During the reporting period, there were 52 Ports and other related service divisions that spread across 26 countries throughout Asia, the Middle East, Africa, Europe, the Americas, and Australasia. Historical data is included where applicable and illustrated in charts and infographics.



REPORTING REFERENCES

Our sustainability report is guided by the most prominent global sustainability and Environmental, Social and Governance (ESG) frameworks notably the Task Force on Climate-related Financial Disclosures (TCFD), the Global Reporting Initiative (GRI) and the UN Sustainable Development Goals (UNSDGs). The report is also guided by disclosures required under The Stock Exchange of Hong Kong Limited Environmental, Social and Governance Reporting Guide. Hutchison Ports will continue to enhance and evolve its reporting in line with the harmonisation of standards.



Contact and Feedback:

We welcome your feedback and suggestions; email us at: SSE@hutchisonports.com.



Our People



At Hutchison Ports, we recognise that our employees are our most valuable asset. We are committed to providing a safe, healthy, and inclusive workplace for our employees, where everyone is treated with respect and dignity. We believe in promoting diversity, equality, and fairness across our operations. In this report, we share our progress on initiatives that promote employee well-being, such as our primary initiative the BEWELL Campaign. We also showcase our efforts to develop and retain talent through training and career development opportunities, as well as our commitment to providing fair compensation and benefits.



Our Environment



Hutchison Ports appreciates that we have a responsibility to protect and preserve the environment. We are committed to reducing our environmental impact and promoting sustainability in our operations. In this report, we share our progress towards reducing greenhouse gas emissions in line with our new SBTi targets, improving energy efficiency, and promoting the use of renewable energy. We also highlight our efforts around protecting the natural world by reducing waste, promoting recycling, and improving our water management.



Our Business



At Hutchison Ports, we believe that sustainable business practices are essential for long-term success. We are committed to conducting our business ethically and transparently, while creating value for all our stakeholders. In this report, we share our progress on initiatives that promote responsible business practices, such as our approach to supply chain management, our commitment to human rights and labour standards, and our engagement with the communities where we operate.

1.1.2 HUTCHISON PORTS OPERATIONS

Hutchison Ports is a global port operator that manages and operates ports in 54 ports* in 25 countries across Asia, the Middle East, Europe, Africa, the Americas and Australasia. The company is a subsidiary of CK Hutchison Holdings (CKHH), a multinational conglomerate based in Hong Kong.



* As of May 2023

Strategic Port Locations

Hutchison Ports has a strategic presence in major global trade routes, with ports in key locations such as Hong Kong, China, the UK, the Netherlands, Mexico and Panama in Central America. The company's extensive network of ports provides customers with efficient and reliable services for their global supply chains.

Employees

With over **19,000 employees** worldwide, Hutchison Ports is committed to providing a safe and healthy work environment for its employees. The company values its employees and encourages a culture of collaboration, innovation, and excellence.



OVER
19,000

Volume of Containers Handled

Hutchison Ports is one of the world's largest container terminal operators, handling **84.8 million TEU** (twenty-foot equivalent unit) in 2022. The company's state-of-the-art equipment, technology, and infrastructure enable it to efficiently handle large volumes of cargo, making it a trusted partner for businesses worldwide.



84.8M
TEU

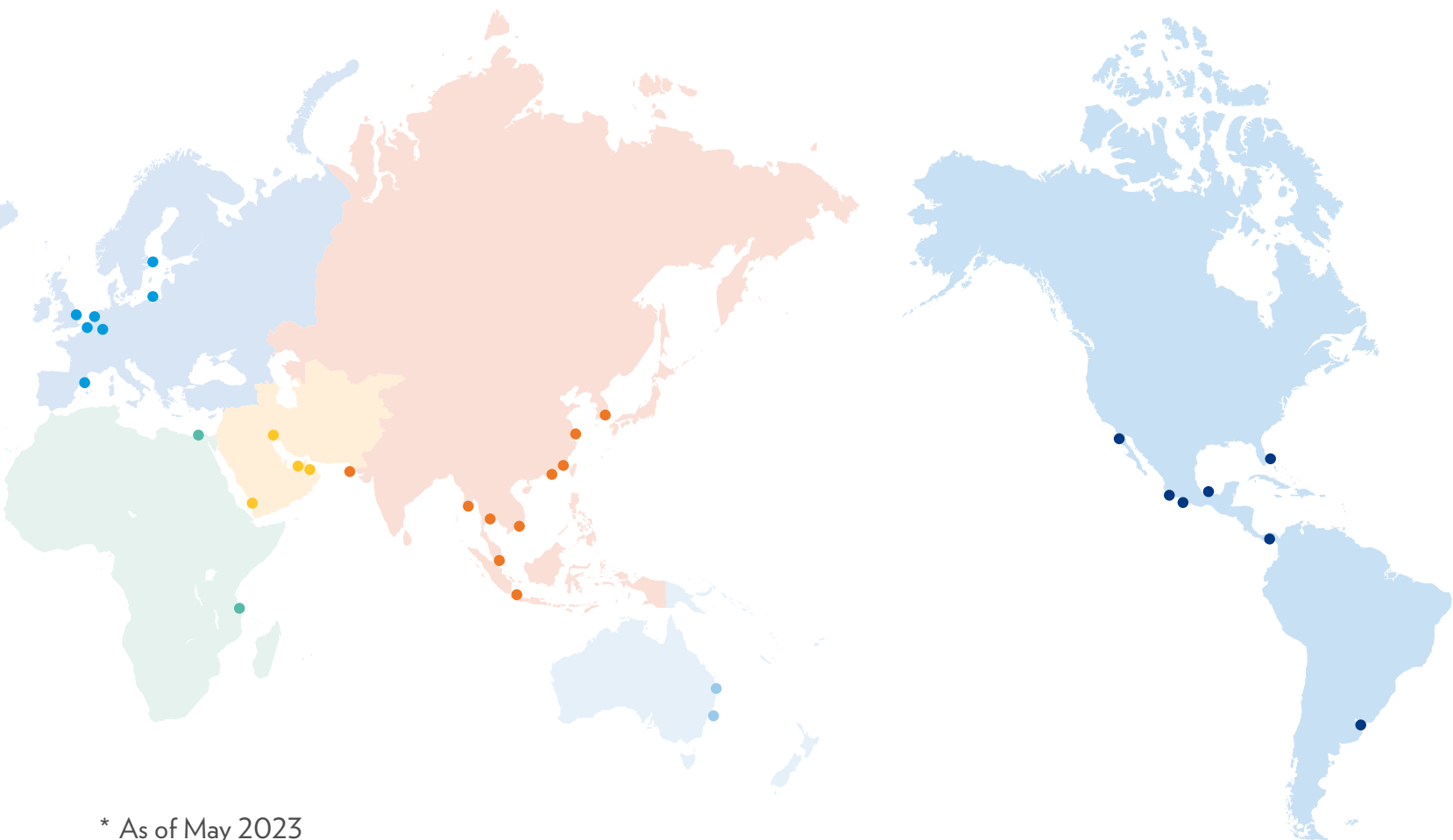
Technological Advancement

Hutchison Ports is at the forefront of technological advancement in the port industry, investing in advanced technology solutions to improve operational efficiency, enhance customer experience, and reduce environmental impact. The company's use of automation, robotics, and digital solutions enables it to offer faster turnaround times, increased productivity, and enhanced safety and security. Hutchison Ports' commitment to innovation and sustainability ensures it remains a leader in the port industry. One of our key achievements is the development and introduction of ATs which is highlighted in Chapter 5 Our Business.

OUR PORTS NETWORK



THE WORLD OF HUTCHISON PORTS
54 PORTS IN 25 COUNTRIES



* As of May 2023

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

Moerdijk

Rotterdam

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

THE AMERICAS

ARGENTINA

Buenos Aires

BAHAMAS

Freeport

MEXICO

Ensenada

Lazaro Cardenas

Manzanillo

Veracruz

Hidalgo

PANAMA

Balboa

Cristobal

ASIA

MAINLAND CHINA

Huizhou

Jiangmen

Nanhai

Ningbo

Shanghai

Shenzhen

Xiamen

HONG KONG, CHINA

Kwai Tsing

Tuen Mun

INDONESIA

Jakarta

MALAYSIA

Port Klang

AUSTRALASIA

AUSTRALIA

Brisbane

Sydney

MYANMAR

Thilawa

PAKISTAN

Karachi

SOUTH KOREA

Busan

Gwangyang

THAILAND

Laem Chabang

VIETNAM

Ba Ria Vung Tau

AFRICA

EGYPT

Alexandria

El Dekheila

Abu Qir

Ain Sokhna

1.1.3 HUTCHISON PORTS VALUES

At Hutchison Ports, we are committed to the application of our **UNITY** values which reflect a commitment to excellence, integrity, and strong partnerships.

These **UNITY** values inform every aspect of the organisation's sustainable development, and we believe that our success is closely tied to the well-being of our employees, the environment, and the communities we operate in. We recognise that our operations have an impact on the environment and society, and we strive to minimise this impact through responsible and sustainable practices.

Our sustainability strategy is based on our three pillars: Our People, Our Environment, and Our Business. We aim to achieve people sustainability by ensuring a safe and healthy workplace, promoting diversity and inclusion, and contributing to the well-being of the communities we operate in. We strive to realise environmental sustainability by reducing our carbon footprint, managing waste and emissions, and protecting marine biodiversity.

Ultimately, we are committed to business sustainability by driving innovation, investing in our people and infrastructure, and creating value for our stakeholders.

293
OPERATIONAL
BERTHS

84.8M
TEU



**THE WORLD'S
LEADING PORT
NETWORK**

Y

**YOUR
PARTNERS**

T

**TRUSTED
AND HONEST**

I

**INFORMED
DECISIONS**

N

**NETWORK
STRENGTH**

U

**UNRIVALLED
STANDARDS**



1.2 REPORT STRUCTURE

1.2.1 TRENDS AND THEMES

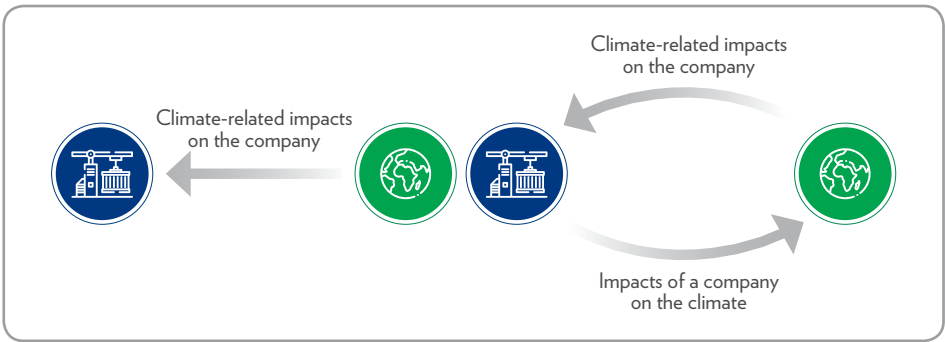
Trends for 2022

Sustainability reporting is evolving and over the past number of years corporations have been both guided by changes in reporting criteria and regulation as well as development of reporting trends. Sustainability, also commonly termed Environmental, Social & Governance or “ESG” by investors, is now a primary component in investor strategies. This is evident in the development of new policies at European Union (EU) level such as the European Union’s Sustainable Finance Disclosure Regulations (SFDR). Rather than separating sustainability and business strategies, Hutchison Ports look at integrating both to ensure we have a long-term viable sustainability strategy for the business.

Themes for 2022

As we emerge from the COVID-19 pandemic it is important to reflect on the permanent outcomes on the business. For our organisation, the key implication was the disruption and consequence on our people. With this in mind, we have taken the “Our People” pillar and made it the prominent part of our reporting. We have looked at our people in a holistic sense to ensure that we have a sustainable roadmap moving forward with people at the core of our business. This is imperative as a business must nurture and develop our human capital and implement core changes in how we work and why we work.

Another key theme which is central to our report in 2022 is resilience. This term is applicable to the business and our adaption to the worst effects of climate change but also the resilience of our colleagues, communities and environment to any impacts generated by our business processes. The essence of this is the concept of double materiality and will be a key concept moving forward in our reporting. This will be expanded upon in later chapters.



Our Approach

In 2022 and onwards, we as an organisation have placed more emphasis on:

- Our focus on materiality: This means identifying and prioritising the sustainability issues that are most relevant to us as a business and to all our stakeholders. It also means that this sustainability report is more aligned and harmonised with wider company business strategies.
- Integrating our reporting: This reflects including elements that may be available in other reports such as financial annual statements so we can apply integrated thinking, decision-making, and actions that focus on the creation of value over different time horizons.
- New Science Based Target (SBT) for net-zero: These targets are adopted as a scientific approach based on the latest climate science to quantify emission reduction targets and the necessary transitions required for the organisation to achieve them.
- Accountability & transparency: To tell the full story of our sustainability journey, we aim to report on progress and reflect where in some instances that progress is not up to the projected performance metric. This allows us to review the topic and generate strategies to get us back on track.

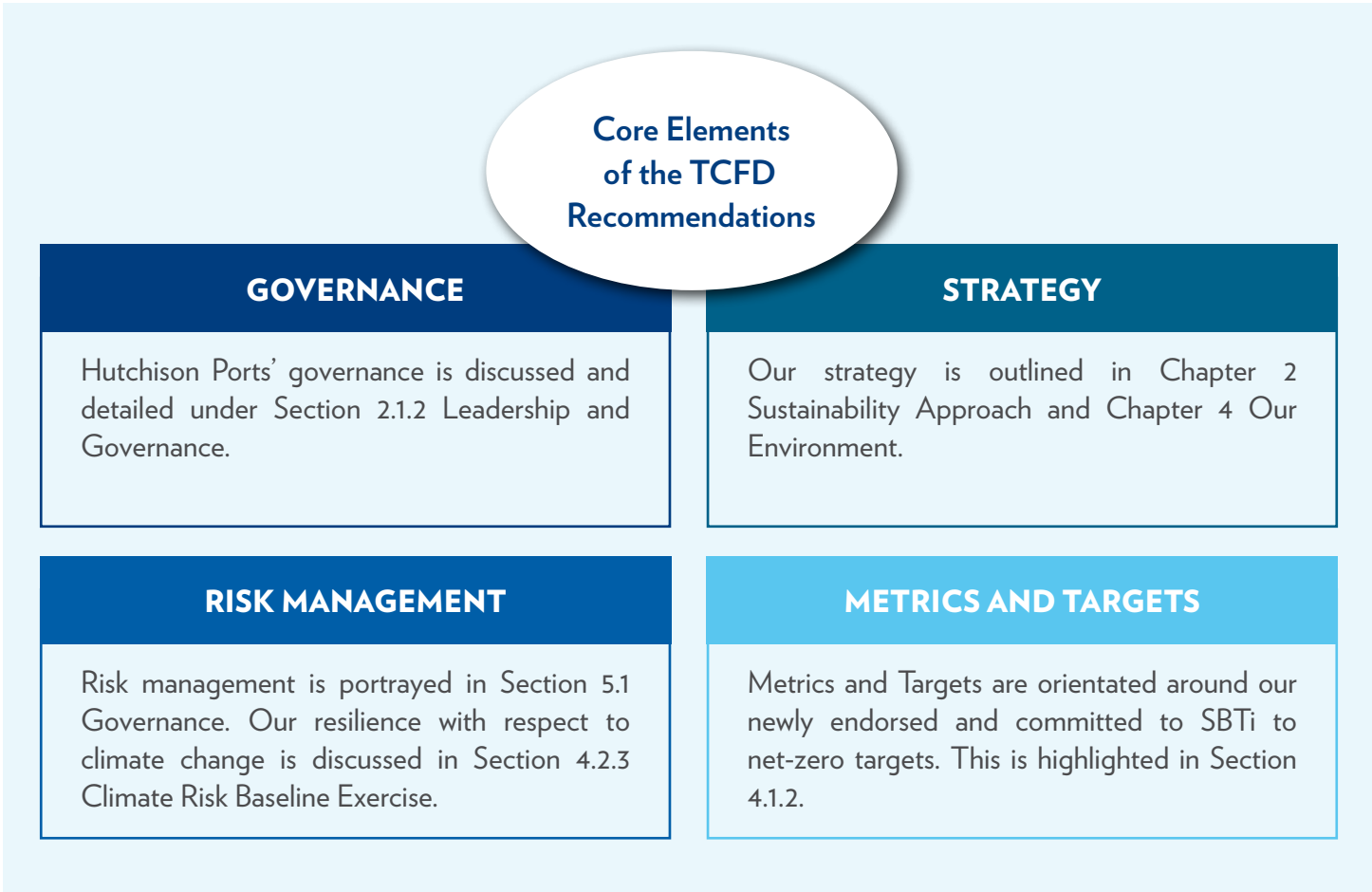
1.2.2 ALIGNMENT WITH DISCLOSURES

Hutchison Ports recognises the importance of transparency and accountability in corporate reporting, particularly when it comes to sustainability. As such, we endeavour to align our reporting practices with the newest corporate reporting standards, including the Task Force on Climate-related Financial Disclosures (TCFD).

The TCFD is a global initiative aimed at improving the quality and consistency of climate-related financial disclosures in order to help investors, lenders, and other stakeholders make informed decisions.

Hutchison Ports understands the value of disclosing climate-related risks and opportunities, as well as our efforts to mitigate and adapt to the impacts of climate change. In our 2022 Annual Sustainability Report, we begin to follow the TCFD recommendations where applicable to provide a detailed assessment of our climate-related risks and opportunities, including an analysis of our GHG emissions and the steps we are taking to reduce them. This will help us enhance our reporting for future mandatory requirements.

We will also be reporting on a wide range of further sustainability issues, including our approach to human rights, labour practices, and community engagement, as well as our efforts to promote diversity, equity, and inclusion in the workplace. By using reporting standards and guidelines, we aim to provide stakeholders with a clear and comprehensive picture of our sustainability performance and progress.



1.2.3 2022 KEY METRICS

Performance Overview

EMISSIONS



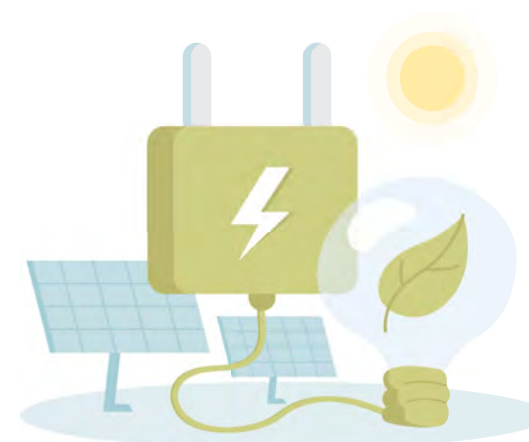
Commitment

- Reduce scope 1 and 2 emissions to realise our net-zero near term 46% emission reduction target in 2032 (against a 2021 baseline) and our longer term net-zero commitment by 2050.
- Reduce diesel consumption by 3% on a yearly basis
- Establish a scope 3 inventory data collection model and identify key scope 3 categories

2022 progress

- Reduced 2% in total emissions (scope 1+scope 2)
- Reduced 3% diesel consumption per TEU
- Completed the first data collection exercise of scope 3 for all Business Units (BUs) within operational control

ELECTRIFICATION



Commitment

- Continue the transition of our existing port equipments to electrified ones
- Shifting existing electrical supply to renewable energy

2022 progress

- Over 63% of Rubber-Tyred Gantry Cranes (RTGCs) are now electrified or hybrid
- Terminals in Spain and the UK have fully adopted renewable electricity supply

PEOPLE

Commitment

- Aim for zero fatality
- Continue to assess our people development and train our employees to the highest available standards

2022 progress

- Reduced Total Recordable Injury Frequency Rate (TRIFR) from 4.52 in 2021 to 4.42 in 2022
- More than 340,000 training hours delivered to our employees



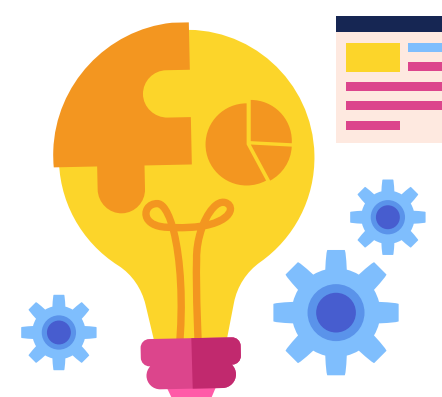
TECHNOLOGICAL INNOVATION

Commitment

- Continue to research and invest in the newest technologies to provide a more sustainable organisation

2022 progress

- Committed to capital expenditure of more than US\$ 370 million in 2022 and 2023 for converting port equipment to electric or hybrid alternatives



SUSTAINABLE INVESTMENT



Commitment

- Develop our business investment strategies in line with our sustainability vision

2022 progress

- 100% of net proceeds from eligible projects under sustainable transportation in green bonds issued by CKHH was attributed to Hutchison Ports

02

SUSTAINABILITY APPROACH



2.1 SUSTAINABILITY JOURNEY

2.1.1 VISION, STRATEGY AND PILLARS

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 medium to long-term journey of commitment, leadership, and a shift in focus to ensure that our global network of BUs begin to operate beyond compliance.

Sustainability Strategy

Hutchison Ports believes that protecting the well-being of future generations is imperative to achieving long-term business success. Minimising the impacts of our port operations is a key strategic focus of the business and Executive Committee (EXCO) of Hutchison Ports. Hutchison Ports sustainability strategy focuses on 12 of the 17 UNSDGs. To ensure effective management of our strategic goals there exists a robust structure in place in terms of governance and accountability as well associated annual Key Responsibility Area (KRA) planning metrics.

Sustainability Pillars

Delivering the strategy requires a focussed framework whereby the key material concerns of our organisation can be encompassed under different pillars. In the year 2020, we incorporated the ubiquitous three pillars of sustainability or sustainable development: Social, Environment and Economic and reflected our operational goals under our pillars of Our People, Our Environment and Our Business. By adopting the word “our” in front of each pillar, we reinforce the message that sustainability is every employee’s responsibility.



OUR PEOPLE

Our people are our strength. We are fully supportive of our colleagues’ career journey and development, whilst ensuring that our teams are inclusive, diverse and representative. We also engage in activities supporting our communities.



OUR ENVIRONMENT

Hutchison Ports is committed to protecting the environment. We are working to mitigate any adverse impacts caused by our operations, by adopting a strategy of reducing operational emissions and deploying the latest emissions reduction technology.



OUR BUSINESS

Our vision is to become the preferred partner for a sustainable supply chain. Through innovation and collaborative partnership, we are building smarter, more resilient and highly-efficient terminals and workplaces.

2.1.2 LEADERSHIP AND GOVERNANCE

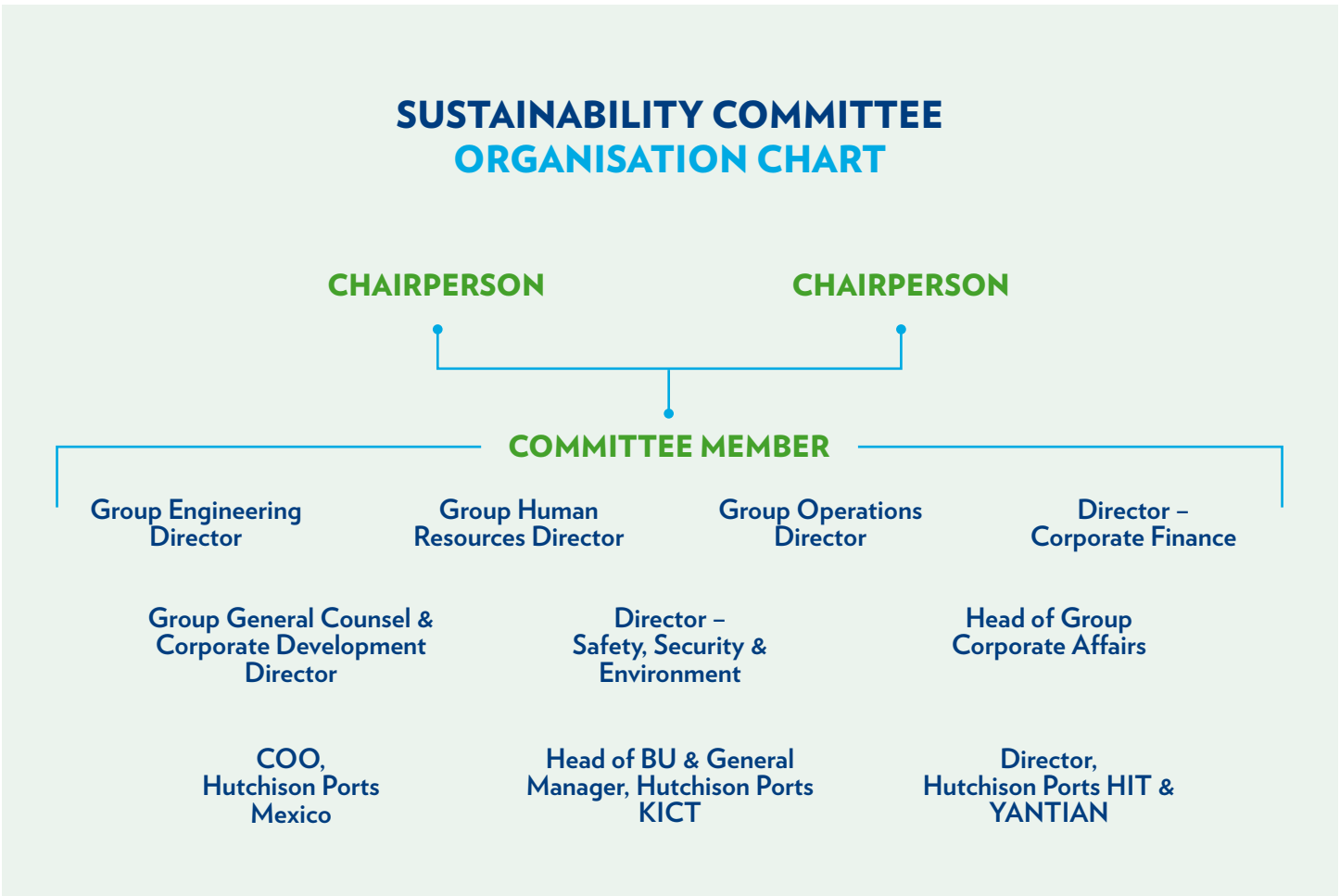
Group Sustainability Committee

Hutchison Ports Group Sustainability Committee (GSC) was established in 2020 as an evolution to the existing Group Environmental Committee. This was mandated in order to redefine the Group’s existing environmental goals in order to incorporate key sustainability metrics and thus improve our worldwide environmental performance. To maintain long-term sustainable business under the three key sustainability pillars - Our People, Our Environment and Our Business - the GSC establishes and implements environmental policy and strategy across the group as well as agreed key performance metrics.

The primary objective of the GSC is to ensure that Hutchison Ports’ sustainability programme is in line

with the sustainability development strategy and is implemented and adopted by the business. The GSC reports back to the EXCO with updates against agreed objectives.

Annually, the GSC will determine which initiatives will be followed and what key performance metrics will be applied as defined in the GSC Business Plan for that year. The GSC is co-chaired by two EXCO members who actively manage different global regions. The role of the Chairperson is key in this context as the role overlaps, and is not in isolation, from key business making strategies and decisions which are occurring concurrently. This has the benefit of harmonising Hutchison Ports overall business strategies in terms of their financial and sustainable components.



2.1.3 MEASURING SUCCESS

Committee Meetings

Meetings of the GSC take place once per quarter. Deviations from this commitment may be undertaken if specifically agreed by the Committee Chairpersons. Where relevant, required and approved by the Committee Chairpersons, consultants or subject matter experts may be invited to attend to provide advice on specific issues based on their expertise.

Functions and Responsibilities of GSC

- Decide the targets for group sustainability performance.
- Commit to monitoring and continuously improving the specified sustainability performance indicators.
- Commit to accurately reporting the sustainability performance at global, regional and local levels.
- Plan and deploy resources for global sustainability development, promotion and communication.
- Give direction to local BUs to plan and deploy resources to achieve the sustainability management targets set.
- Provide a co-ordinated means of industry involvement and dissemination of information including the best practices.
- Take a proactive role in providing industry advice and guidance, including those requests from our stakeholders.



Photo courtesy of Rageenee Hope (Hutchison Ports Port of Felixstowe (United Kingdom)), 2nd Prize of Photography Contest 2022

For Hutchison Ports our key performance indicators and other ancillary initiatives as well as the process we measure their success are bound under our KRA. This KRA is essentially the action plan which contains all the objectives for the year as part of the wider sustainability strategy. In 2022, the KRA and associated progress was as follows:

2021 COMMITMENT	2022 PROGRESS
Further shaping of our group-wise sustainability strategy target to come up with a revised set of short-term and medium-term GHG emissions reduction targets.	Now adopted as part of a wider decarbonisation plan in line with SBTi. We have officially committed to setting both near-term and net-zero targets in line with the SBTi’s net-zero standard.
Deliver a strategic roadmap to arrive net-zero.	Successfully developed the net-zero strategic roadmap and sought the consent from our top management to adopt the roadmap to achieve net-zero by 2050. Our strategic roadmap takes into account the past emissions pattern, future plan on electrification of fleet, adoption of renewable energy and other sources of alternative fuel. Scope 3 data collection and baseline assessment was completed and formed the basis for the development of decarbonisation targets.
Deliver a longer-term action plan to tackle climate change risks in particular for the most vulnerable BUs.	Successfully conducted a baseline exercise across the Group on climate risks. The result will be used to determine the best approach for a second phase of the baseline exercise.
Further enhancing the automated processes of sustainability data collection and reporting.	Added to the environmental portal toolkit document library for environmental focal point guidance. Increased training provided for data administrators at a BU level.
Publish our progress through annual sustainability report.	Hutchison Ports published our second annual sustainability report on 16 June 2022. “Our People”, “Our Environment” and “Our Business” remained the three pillars.
Align resources to support CKHH’s sustainability report and release of publicised information to achieve better score in sustainability rating agency’s assessment.	Extra manpower was allocated to support the sustainability work of Hutchison Ports. We are also committed to setting science-based emissions reduction targets.

2.2 BUSINESS CONTEXT

2.2.1 APPLICATION OF THE UNSDGS





The objective of the United Nations Sustainability Development Goals (UNSDGs) is to create a sustainable future for everyone, by addressing some of the world’s most pressing challenges. By coadoption and addressing each of the goals organisations can better align themselves with a global strategy. In the adopted 2015 framework there are 17 UNSDGs. Not each and every UNSDGs is applicable to each organisation but as companies progress further along their sustainability journey it is expected that more of the goals shall be incorporated into that company’s overall framework.

Hutchison Ports has shaped our sustainability strategy in line with the UNSDGs to focus on 12 of the UNSDGs, implementing them through our three core sustainability pillars: Our People, Our Environment and Our Business to become Our Future. Thanks to the concerted efforts within the Group, we continue to achieve significant progress against various UNSDGs in 2022.

UNSDGs		Application of the UNSDGs	
OUR PEOPLE			
	Goal 3 - Ensure healthy lives and promote well-being for all at all ages	<ul style="list-style-type: none">• ISO 45001 (Occupational Health and Safety) certified.• Set Group-wide KPIs on health and safety.• Promoted physical, mental, and emotional well-being through the BEWELL initiatives in the workplace including regular health screenings, access to health resources, vaccination programmes and first aid training.	
	Goal 4 - Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	<ul style="list-style-type: none">• Provided support to schools via the Dock School programme inclusive of building repairs, materials for learning and learning days out for children in local communities.• Implemented a scholarship programme for young kids and trained internships in partnerships with universities for students.• Set up an engineering partnership with university in the UK to further enhance research and development.	
	Goal 5 - Achieve gender equality and empower all women and girls	<ul style="list-style-type: none">• Implemented gender-neutral hiring, training, and promotion practices.• Boosted group-wide employee career growth through professional training and personal development.• Provided training for female workers to take up various roles in the port's operations – specifically around automation.	
	Goal 10 - Reduce inequality within and among countries	<ul style="list-style-type: none">• Hiring practices make use of the communities in which we reside and make up a large percentage of our workforce.• Commenced self-assessment questionnaires for our suppliers. This is promoting sustainable supply chain growth by ensuring ethical sourcing, fair labour practice and environmental sustainability.• Implemented a talent identification and regional development programme globally to recognise talented people within our BUs ready for leadership.	
	Goal 11 - Make cities and human settlements inclusive, safe, resilient, and sustainable	<ul style="list-style-type: none">• Adoption of more sustainable transportation systems such as electric vehicles in terminals to minimise harmful air emissions.• Developed onsite charging facilities to encourage the purchase of electric vehicles by employees.• Began a resilience project to identify our terminal capacity to deal with climate change and the associated risks.	

UNSDGs	Application of the UNSDGs
OUR ENVIRONMENT	
	<p>Goal 7 - Ensure access to affordable, reliable, sustainable, and modern energy for all</p> <ul style="list-style-type: none">Reduced reliance on public power utilities by installing renewable energy infrastructures, such as solar panels.Installed mobile shore power for vessels to connect to shoreside electricity, which is powered by renewable energy.Explored the viability of new alternative energy sources, such as green hydrogen.
	<p>Goal 9 - Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation</p> <ul style="list-style-type: none">Incorporated sustainable innovation and autonomous technologies into terminal design and development.Invested heavily in existing terminals to enhance efficiencies and reduce environmental impact such as securing renewable electricity and employing a circular economy.Continually developing world class digitisation systems that control the interface between the customer and the final supply of product through our ports.
	<p>Goal 13 - Take urgent action to combat climate change and its impacts</p> <ul style="list-style-type: none">Developed a net-zero strategic roadmap in line with the SBTi for our carbon reduction targets.Progressively converting diesel-powered fleet/equipment to electric, while at the same time progressively incorporating renewable electricity into the business.Carried out a preliminary phase climate change baseline exercise and explored relevant mitigation measures.
	<p>Goal 14 - Conserve and sustainably use the oceans, seas, and marine resources for sustainable development</p> <ul style="list-style-type: none">Adherence to the Group Waste Management Standard (GWMS) and follow up due diligence inspections.Increased training on pollution prevention and control as well as monitoring of ship ballast in accordance with the International Maritime Organization (IMO) protocol.Identification of areas of improvement where we can work in partnership and collaborate with other terminals or ports as well as shipping lines to ensure minimal impact on the ocean.
	<p>Goal 15 - Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss</p> <ul style="list-style-type: none">Continued to organise various Go Green tree planting campaigns globally.Volunteer campaigns continue to focus on community and beach clean up operations.Launched measures that will improve local air quality monitoring and control at port sites.

UNSDGs	Application of the UNSDGs
OUR BUSINESS	
	<p>Goal 8 - Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all</p> <ul style="list-style-type: none">Attained economic growth through ethical and sustainable business practices and governance while continuing to ensure comprehensive employee benefits.Made responsible actions to ensure adherence to ethical standards in our supply chain, particularly in working conditions and human rights through our supply chain engagement programmes.The company has implemented measures to promote employee development and empowerment, such as offering training and education opportunities and fostering a culture of innovation and entrepreneurship.
	<p>Goal 17 - Strengthen the means of implementation and revitalise the Global Partnership for Sustainable Development</p> <ul style="list-style-type: none">Actively engaged with our supply chain and stakeholders through different channels to realise sustainable business practices.Collaborated with third parties in joint projects to innovate and drive research and development in the ports sector.Heavily involved in wider learning opportunities and collaborative/networking events to ensure lesson learning between peers and other stakeholders.



2.2.2 MATERIALITY ASSESSMENT

The materiality assessment process is a critical component of Hutchison Ports' sustainability reporting. By identifying and prioritising the most material sustainability issues, the company can focus its efforts and resources on areas that will have the greatest benefit on the environment, society, economy and the business itself.

The identification process for material issues consists of:

- Understanding who the relevant stakeholders are to Hutchison Ports which includes us as an entity, our customers, our employees, our investors, local communities in which we reside, the regulators, and our suppliers.
- Understanding what are the sustainability issues and drivers that are most material to those stakeholders. This is inclusive of regulatory change, feedback from stakeholders, and the evolution of sustainability trends over time.

Another factor incorporated in this years reporting is the concept of double materiality. This concept recognises that sustainability impacts can be material to a company's financial performance and reputation, as well as to the well-being of society and the environment. The concept can be broken down further into its two components.

- Financial materiality is about economic value creation. Its focus is on the issues that internally impact a company's financial performance and its ability to create economic value for investors and shareholders.
- Impact materiality focuses on the external impacts an organisation's activities have, including impacts on communities and the environment. These would include the organisation's contributions to air and water pollution, for example, or its emissions of greenhouse gases (GHGs) that add to global climate risks.

By considering both financial materiality and impact materiality, the double materiality concept encourages companies to recognise and address sustainability issues that are important both internally and externally. It aims to promote more comprehensive and transparent reporting, helping organisations make informed decisions about their sustainability strategies while also addressing the concerns and expectations of stakeholders and society at large.

In 2022, the materiality assessment review and update largely consisted of a Group Operations internal workshop. This was primarily due to the expansion of the expertise within the Safety, Security and Environment (SSE) team. The

SSE team were able to review the existing stakeholders which had been identified and also review the issues and drivers most material to those stakeholders inclusive of our own organisation. Our material issues are largely in line with those reported in 2021 with a couple of slight alterations: See Hutchison Port's Materiality in Figure 1.

- 1: Our People is incorporated into a pillar brought forward and held as a centrepiece to our reporting document in lieu of the transformations we are making as a business as well as our response to the COVID-19 pandemic from both a safety, health and also a well-being perspective.
- 2: Our Environment is represented by reductions in GHG emissions facilitated by diesel reduction targets in 2021. This is largely the same for 2022 however we have begun the process for adopting both short- and long-term reduction targets under the SBTi.
- 3: Our Business has begun the early phase of supply chain evaluations in terms of scope 3 emissions and also their practices. These evaluation streams shall help Hutchison Ports develop a robust and resilient supply chain as well as ensure accountability and responsibility in the services we provide.

Further, the incorporation of risks and opportunities is a continuous process in Hutchison Ports guided quarterly by our GSC with annual objectives clearly defined and appropriated to responsible parties. It is expected a wider and more detailed assessment of our material issues will be completed to follow the robust strategy to represent each.



Figure 1: Hutchison Port's Materiality

2.2.3 DATA COLLECTION AND VERIFICATION

The Environmental Information System (EIS) continues to be utilised as part of our data collection platform to assist BUs in reporting environmental data for our group reporting. The regular data reporting practice and review process assist the Group in identifying the potential focus area for setting improvement strategies.

Currently the data reporting is compiled by the environmental focal point of each BU, SSE team takes the responsibility to verify and analyse the data. To maintain the data accuracy, cross checking was conducted constantly across different functional groups to identify the data misalignment issue and take follow-up actions.

Monthly emissions reports are distributed to all BUs for tracking their environmental performance against the Group's sustainability target. It allows the Group to make strategic business decision and provide supports if necessary.

The EIS system is continually updated through our software provider as we transition through our sustainability roadmap. A good example of this is the expected incorporation of scope 3 monthly data reporting exercise in 2023.



03

OUR PEOPLE



3.1 COLLEAGUES

3.1.1 SAFE WORKING ENVIRONMENT

A safe working environment for employees and external users of the terminal and port facilities is the cornerstone of our organisation. Being a core pillar for the business, we are resolute in ensuring the safety of colleagues. To accomplish this, Hutchison Ports manages safety through its Safety Management System (SMS) from two perspectives. The first perspective is the Governance Side, and the second perspective is from the Business Unit Side. Combining these perspectives captures the elements required for a safe work environment.

GROUP SAFETY GOVERNANCE

Safety Management System

The SMS is aligned to ISO450001:2018 an international standard for occupational health and safety management. The Group’s SMS is a circular approach in line with the Plan, Do, Check, Act (PDCA) cycle. It is a top-down management approach from Group Operations through to the individual BU. The SMS is a self-reinforcing cycle where the focus is on continuous improvement.

Our Safety Management Model



Safety Governance Framework

The Group Safety Committee (SAFCOM) has overall responsibility for the promotion of safety in the workplace and implementation of the SMS. It completes this role by identifying and monitoring the risks our colleagues face and the measures such as policy and standards to be implemented over time to mitigate those risks. SAFCOM is chaired by Group Operations Directors with members from key functions and regional representatives.

Group Safety policy

The SMS is underpinned by the Group Safety Policy, which commits to providing a safe working environment. The Policy outlines the key concepts of the SMS including conducting regular assessments of the terminals while adopting preventative measures to reduce safety risks. The Policy is the direct link between the overarching SAFCOM strategies at Group level and the day-to-day workings at the terminal level. All BUs are required to implement the Group Safety Policy.

Global Minimum Safety Standards (GMSS)

One of the key strategies adopted by SAFCOM was the development and implementation of the GMSS. First developed in 2014, and now in revision 6, these standards outline the minimum safety requirements at a terminal level. This provides a foundation for the development of more robust procedures and policies at a local BU level. Key components of the standards include but not limited to:

- The development and implementation of a Business Unit level Safety Policy,
- The integration of a Safety Committee at each BU,
- The presence at each BU of a dedicated trained and experienced person responsible for health and safety,
- The development and provision of health and safety

- induction for all colleagues arriving on the terminal,
- The recording of all incidents through standard procedure which are then reported to SAFCOM monthly,
- Equipment maintenance, inspection, and testing procedures,
- Procedures around dangerous goods and lifting operations,
- Safe workplace conditions.

Group Safety Training Programme

The Group Safety Training Programme was completed in 2022 after developing and launching a useful and well-attended series of modules. These included:

- Seven online training modules
- Two senior-level safety programmes
- Dangerous Goods workshop

Senior Level Safety Programmes

The second safety focused programme was rolled out for the senior management team (including Operations, Engineering and Safety departments) in 2022. The safety-focused programmes ambition is to align and strengthen delegates’ safety engagement. This safety leadership workshop was held in six sessions in May 2022 with over 130 participants.



Dangerous Goods Policy

The Dangerous Goods Policy was launched in May 2022 and requires BUs to take positive steps to assure the safety handling of dangerous goods. The policy introduction was followed in November by a series of regional workshops for terminal teams, to explain the policy requirements and discuss the detail of its implementation.



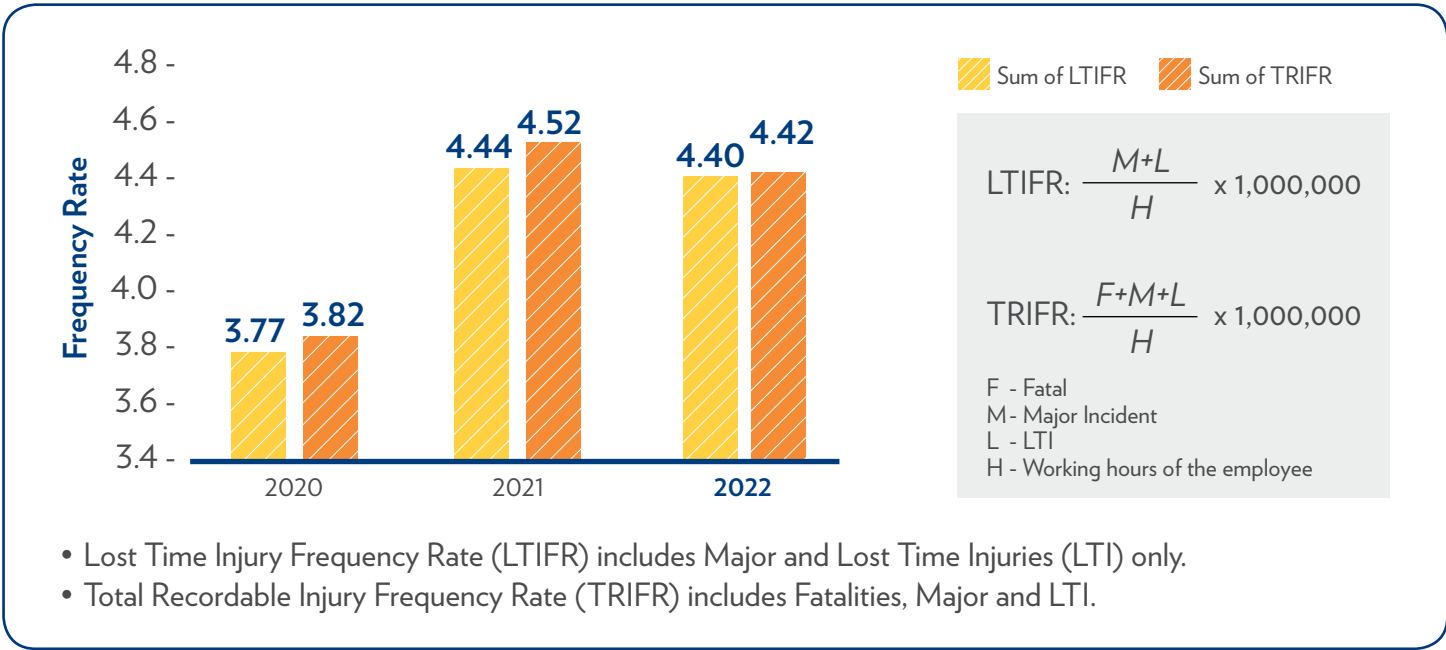
Incident Reporting

Incident reporting is conducted at a BU level and reported to the Group via monthly returns. Serious incidents (fatality, major injury, and dangerous occurrences) are required to be reported via the Group’s online portal. This enables rapid review and action to be taken by SSE team as needed. Heads of Safety (HoS) are required to conduct their own investigation to a degree appropriate to the incident. In serious cases, SAFCOM may assign a separate investigation team.

Regrettably, while being among the safety leaders in the ports space we can still experience incidents which are required to be investigated and learnt from. In 2022, there was one fatality sustained by an employee. The incident occurred due to a vehicular accident.

Incident Rates

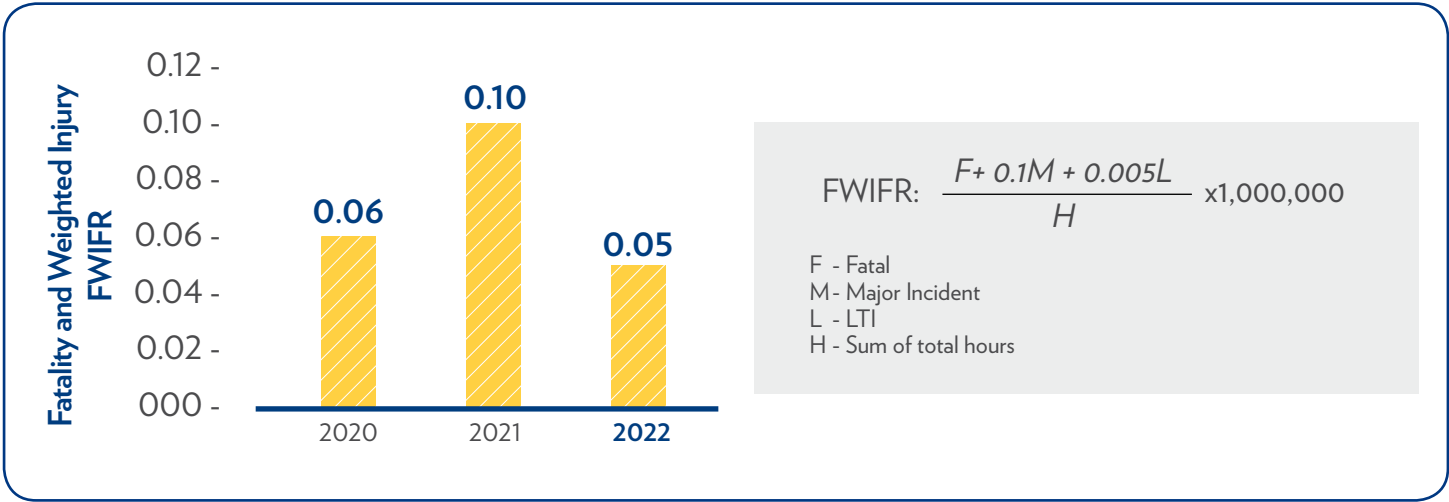
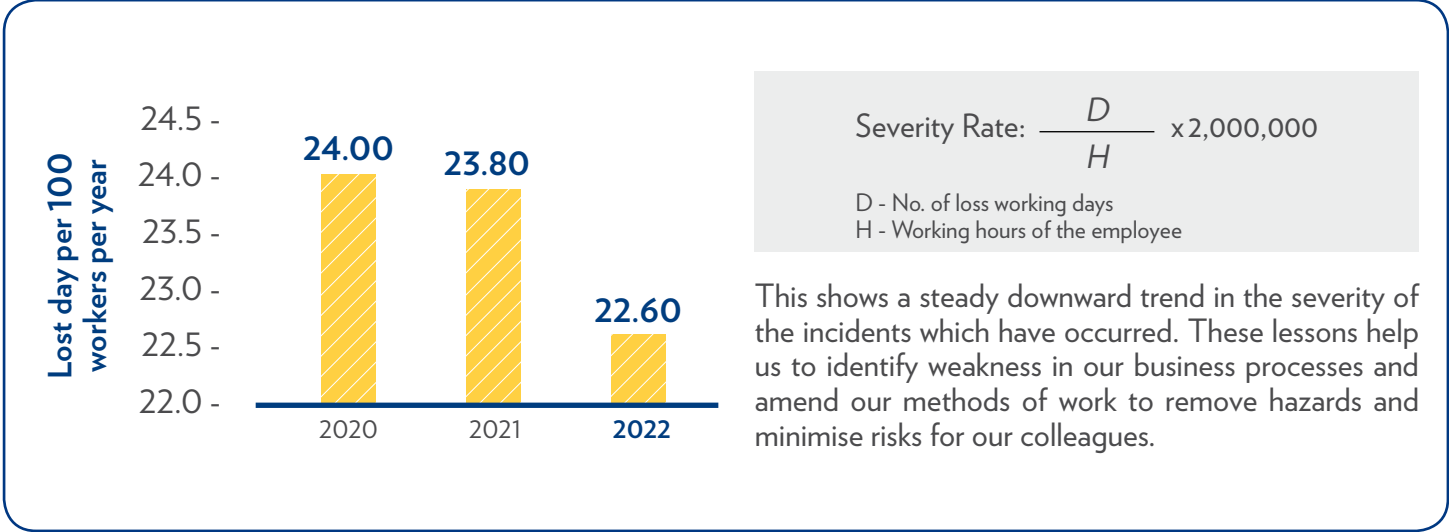
Incident rates are calculated based upon the number of recordable events which have occurred over a set period of working man hours. The working man hours is 1 million working hours for Hutchison Ports but may differ between organisations.



The initial upward trend from 2020 to 2021 can be attributed in part to a significant increase in the volume of goods moved and the incorporation of new staff after the pandemic. The subsequent downward trend between 2021 and 2022 can be partially attributed to the continued implementation and evolution of the SMS and further education and training provided to staff.

Severity Rate

The severity rate is a metric used to measure the severity of occupational injuries and illnesses that occur in a workplace. The severity rate is calculated by multiplying the number of lost workdays by 200,000 and then dividing by the number of hours worked by all employees during the same time period. The constant of 200,000 is used to standardise the severity rate to a value per 100 full-time employees.



Safety Supporting Terminal Development

SSE team continued supporting new terminal developments. The new terminals at Abu Qir, Jazan and Ajman have been designed from the outset for improved safety and in line with our drive to minimise, and eventually eliminate, pedestrian access to operational areas. The enforcement of our GMSS and the introduction of improved guidance on pedestrian and traffic safety, continues to be our priority focus area.



BUSINESS UNIT SAFETY IMPLEMENTATION

Business Unit Safety

Safety at a BU level starts with the BU safety committee, a GMSS requirement of all BUs. In the same fashion as SAFCOM, their primary responsibility is the development of measures to mitigate risks related to their operations. The members of the committee usually include but are not limited to the BU Heads, Operations, Engineering and Safety teams. Where possible, workforce and/or Trade Union members are also included.

However, safety starts at the top and, to ensure that BUs' top management are aware of their responsibilities and competent to lead real change, SAFCOM and Group Human Resources collaborated to launch a safety focussed programme for BU Heads, Heads of Operations, Engineering and Safety.

Key points in this programme included:

- The need for good safety
- The importance of good safety leadership
- Group Policy and GMSS
- The unique position of top management to influence – good or bad
- World class leadership principles
- Organisation culture and the Bradley Curve
- Group safety targets

Further, the Group ensures continuous communication to the BUs in respect of updates to policy or strategy by utilising targeted workshops and “lessons learned” sessions.

Business Unit Health and Safety Training

At a terminal level upskilling staff in the awareness of risk and developing a safe work culture is paramount. Reinforcing the safety culture at BU level is the HoS who through the GMSS is required to be experienced and

academically qualified in the role. The HoS is primarily responsible for:

- Ensuring operational practices meet GMSS requirements and local legislation,
- Managing the SMS, including risk assessments, development of safe systems of work, inspection/audit, monitoring of other departments' activities,
- Guiding senior management on necessary improvements,
- Investigating adverse incidents,
- Regular reporting to the Group and internally in the BU.

The qualification requirement for Heads of Safety was introduced in 2021 with a deadline of March 2024. Most HoS were either compliant at the start or have now gained the required qualifications; of the 16 HoS not already qualified, 11 will complete qualifications by that date and the remainder are due to start courses in 2023.

Focus was also applied to the induction process at a BU level which is the first element of training for both the workforce and visitors when they enter the terminal. The induction material at a minimum includes:

- General terminal safety rules
- Pedestrian safety/mobile equipment
- PPE requirements
- Emergency action/incident reporting
- Dangerous Goods

Contractor Safety

One of the critical interfaces in our operations is between our normal activities and the inclusion of third parties. Third parties may include freight handlers coming and going to our terminal, suppliers, visitors, and day work contractors. It may also include shorter term duration contractors who are completing refurbishment or development on the

terminals (civil works). Irrespective of the nature of the third party works it is the responsibility of Hutchison Ports to ensure the safety of all our colleagues. The presence of third parties can often add a different set of risks to the day-to-day operations therefore key elements of mitigating these risks are *supervision, education, and engagement*.



Supervision

Terminal supervision is the responsibility of the Head of Operations and is usually carried out by several duty managers or supervisors. Shifts begin with briefings and analysing any issues arising from the previous shift operation. The briefing will also plan the workflow for the day and, critically, describe expected third parties or concurrent works which may be ongoing. Should unexpected third parties visit the site the duty manager will inform terminal staff to be aware of their presence, e.g., customs visits/visitors etc.



Education

Education is completed via the terminal contractor induction programme as well as longer term educational processes such as toolbox talks/ safety briefings/ newsletters/ workshops etc. In many cases, contractor personnel will also receive location-specific safety hazard information relevant to their particular task. Some works will also require day-to-day contact with operational teams to inform contractor personnel about vessel and equipment movements etc.



Engagement

Contractors are required to accept and abide by our GMSS and the BU's site rules. We are developing a requirement for pre-contract safety evaluation and approval, as part of the next revision of GMSS. Some BUs are implementing this requirement, and we recognise that safety is as important a factor as price when choosing contractors. Likewise, safety performance during the course of a contract should be factored into a decision to use the same contractor again. These principles are

included in our Group SOP for safety management of contractors. BUs are encouraged to maintain regular contact with their group of key contractors, to keep them informed of current developments and provide a means of raising any safety concerns in either direction.



Emergency Response

All BUs are required to maintain an appropriate level of resource to deal with reasonably foreseeable emergencies. This may include on-site fire/ambulance services, first-aid personnel, fire detection and firefighting equipment, or, if appropriate, drawing on those resources from outside agencies. BUs regularly carry out emergency drills on matters suitable for their terminal, both as part of general emergency provisions and also related to testing their business continuity arrangements. Examples of drill types that are frequently completed include:

- Cyber attack recovery
- Fire
- Major accident
- Dangerous goods leak
- Loss of power
- Security breach
- Casualty rescue from a confined space or at height

Risk Assessment

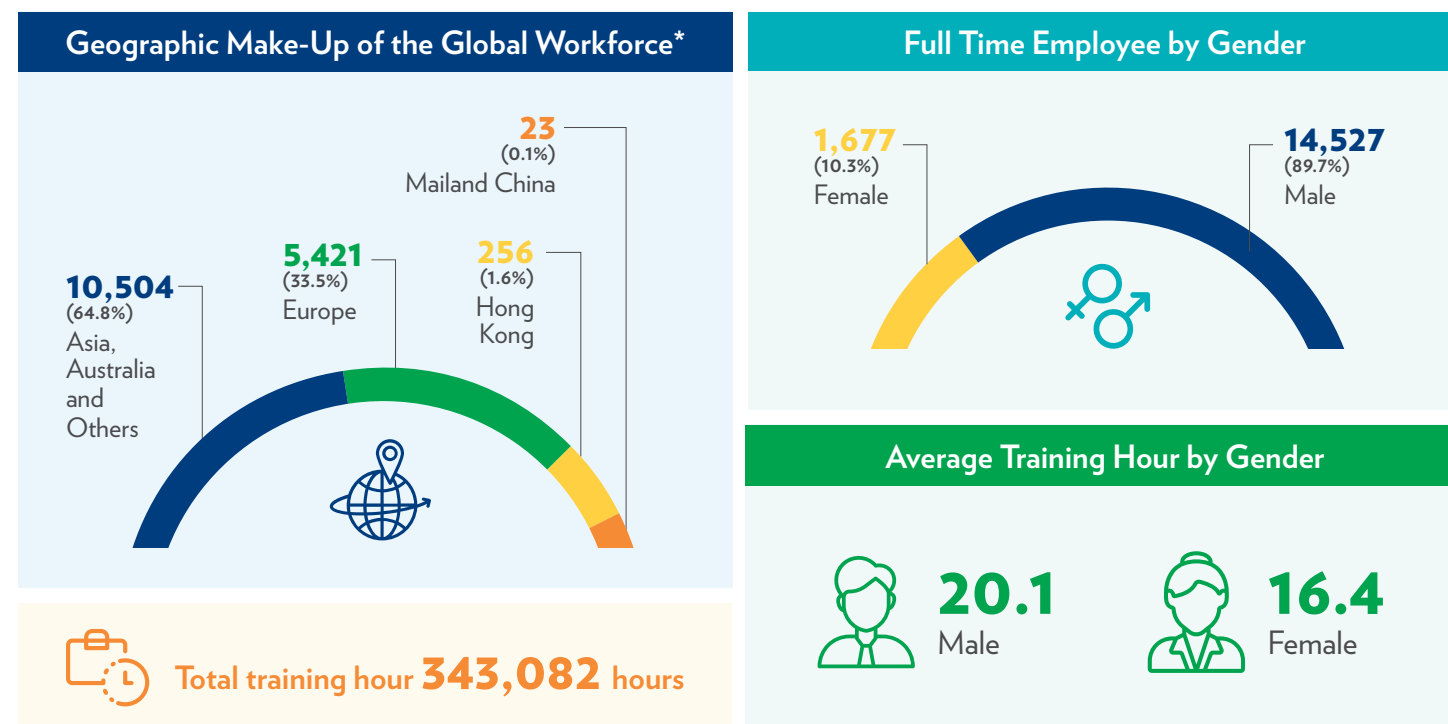
Risk assessment is central to our approach as part of the SMS. Assessing risks begins at a terminal level with respect the day-to-day operations and the results are fed into the development/review process for safe systems of work. At the corporate level, risk assessment is carried out for group-wide projects, in particular the focus in 2022 was on the roll-out of the AT project. This ensures that, so far as practicable, there is a common safety standard for such projects across the Group.

BUs selected for SAFCOM audit are determined both by recent accident history and the schedule provided by the CKHH's Group Management Services (GMS) audit function – i.e., if a GMS audit is scheduled to include safety, then SAFCOM will aim to carry out its own audit ahead of GMS, in preparation.

3.1.2 EMPLOYEE DEVELOPMENT

Introduction

At Hutchison Ports we enable our people to “be their best selves and do their best work”. Along with the safety of our colleagues one of the core values maintained by Hutchinson Ports is that of being a *preferred employer*. To establish ourselves as an employer of choice we focus on retaining the skills and talent we have through committing to fair working practices, providing competitive remuneration and employee benefits, offering opportunities in learning, development and progression while evolving our strategies around employee well-being.



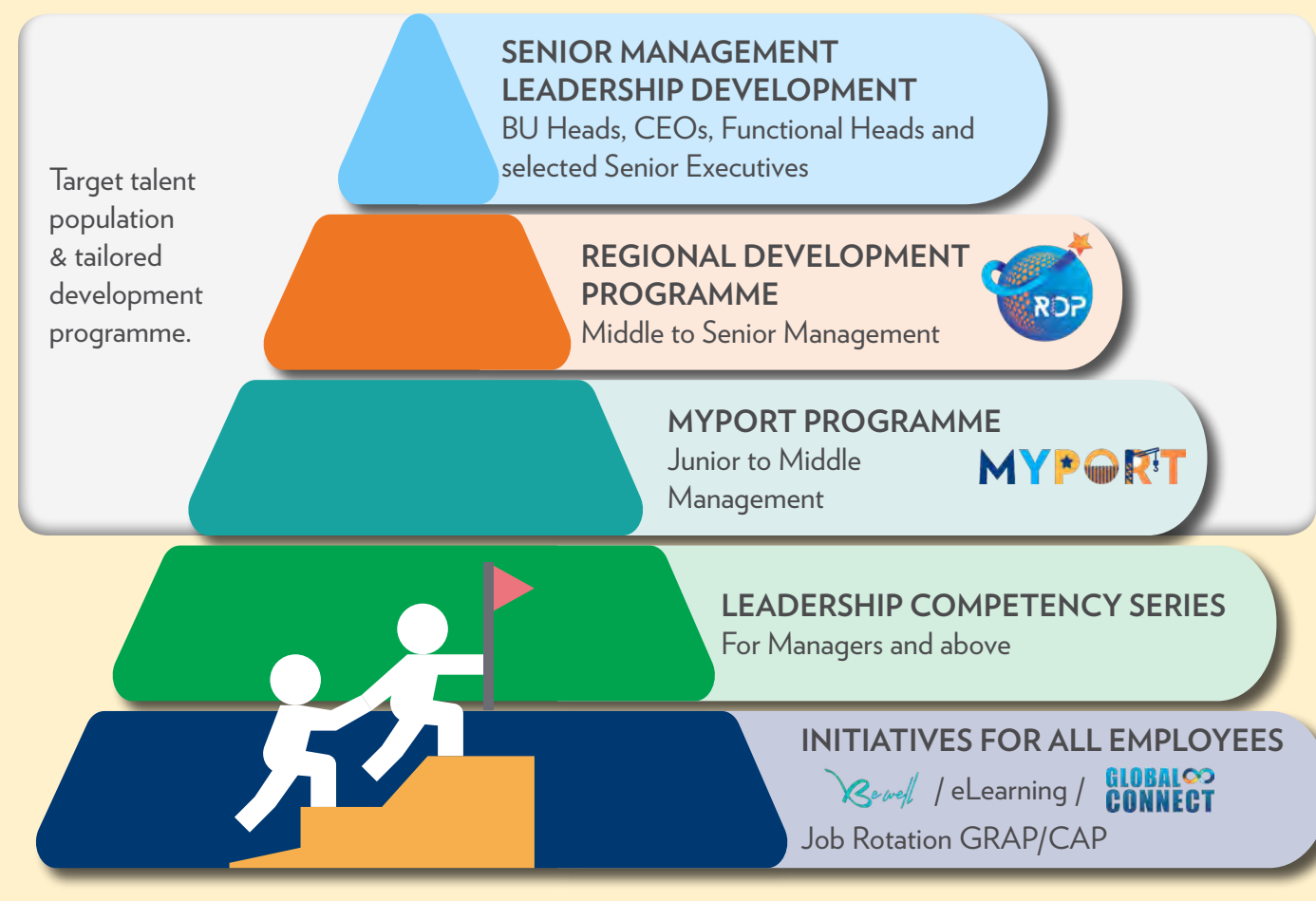
* The data only includes the headcount of direct subsidiary of Hutchison Ports

In the current labour market, which is characterised by scarcity and a global skills shortage, it is more imperative than ever that we expand and accelerate the talent pool we have working within our organisation. To achieve this successfully requires careful planning over the long-term. Any long-term strategy must:

- Reflect upon the current capabilities that exist in the organisation,
- Identify the challenges to our workforce associated with the evolution in business processes such as those posed by digitisation & automation,
- Apply these learnings to our people development objectives as part of the wider strategy.

This approach will help all our employees acquire and develop new skills to meet our long-term targets and support their own individual ambitions and career paths. In Hutchison this strategy is illustrated by the Group Leadership Development Framework.

GROUP LEADERSHIP DEVELOPMENT FRAMEWORK



Senior Management Development Programme

Senior management meetings are held bi-weekly to discuss leadership development and on-the-job applications with reference to the Hutchison Ports Competency four pillars, on Entrepreneurial and Customer Centricity, Operational Efficiency, and Financial Management, Communicating and Cascading, and Government and Stakeholder Management. To nurture our high potential employees, senior management members across regions serve as champions and sponsors, providing coaching and guidance to our future leaders in contribution to business projects that support the organisation growth.

Likewise, at the BU level, senior management also implement similar approaches to educate and accelerate the development of young talent, ensuring a strong leadership bench for succession. In addition, annual third quarter review and quarterly evaluations are in place to enable regular communications on both business strategies and leadership directions among Executives, business function heads and other relevant senior members of the management team. Together, the management group assess market and industry situation, discuss plans and tactics of the organisation in various geographies and segments, and align government and stakeholders' viewpoints to make informed decisions on ports approaches.

Regional Development Programme

In 2019, Hutchinson Ports Regional Development Programme (RDP) was developed to identify future leaders within our middle management. This programme consists of a virtual and onsite learning experience. The programme enhances existing competencies through real project-based learning and leadership mentoring from senior management. The learning methodologies are applied through three distinct sessions which include webinars, group work for business projects, senior executive mentoring, and leadership coaching.

LEARNING METHODOLOGIES



The learning experience is choreographed and tailored to virtual sessions via a “bite sized learning experience”. This encourages participants to gather knowledge quickly and begin real world applications almost immediately.

BITE-SIZE LEARNING EXPERIENCE

The bite-size online learning further enriched the virtual learning experience. Participants were divided into groups with a designated topic being assigned. The topics are interesting and practical with an aim to enhance the leadership and management skills of the participants. Following the completion of the bite-size learning, participants shared with their direct managers on what they have learnt and how the knowledge and skills can be applied in their real work situations. Some topics include:

EMOTIONAL INTELLIGENCE - WHY IS IT IMPORTANT?

HOW TO BUILD A HIGH PERFORMING TEAM

LEADERSHIP - HOW DO YOU STAY AUTHENTIC WITH YOUR STYLE?

The outcomes of the RDP facilitate the next level of progression for our leaders. Graduates have attained real world knowledge and skills which will assist their progression. The information is immediately applicable in their roles while they have benefited in knowledge sharing and learning with colleagues from different areas within the organisation. This cross-business learning and networking is imperative and allows new ideas and concepts within the business to flourish.

Development outcomes of our graduates

Self Advancement

Leading a High Performing Team

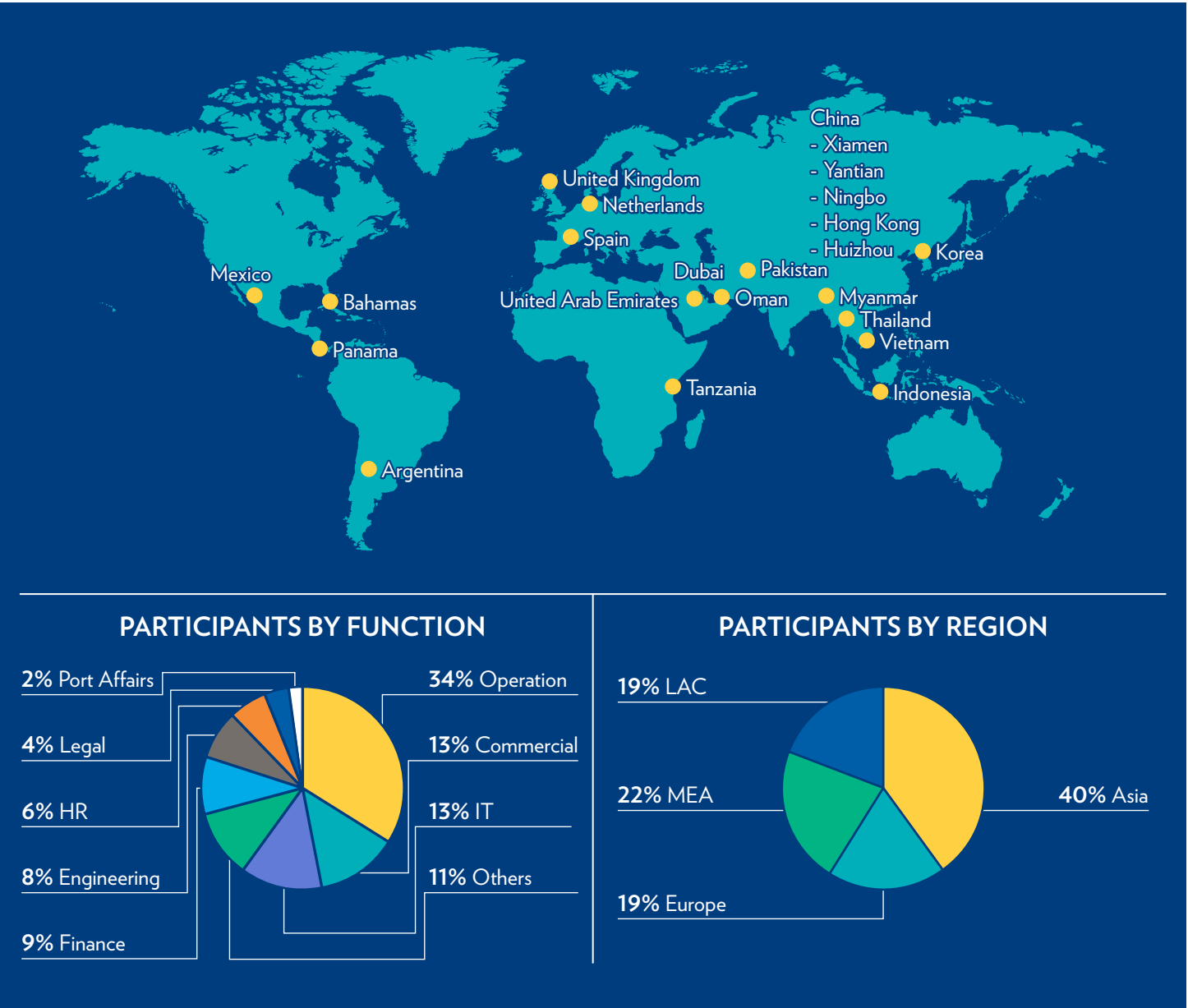
Cross BU Relationship Building

Unlock My Leadership Skills

Knowledge Sharing & Discussions

Ongoing Leadership Aspirations and Developments

In 2022, we celebrated the graduation of the third and fourth cohorts of the RDP. Cohort 4 was a particular highlight of the programme, where the class represented the whole Hutchison Ports worldwide, welcoming participants from the Latin America and Caribbean region for the first time. The global geographic spread caused some time zone challenges but the session on national cultures, prepared by the participants, highlighted the rich diversity in the company and the opportunities that provide for harnessing different perspectives.



We continue to leverage technology to connect our participants globally for a robust networking opportunity and cross-functional and geographic collaboration. This relationship building across the business has proven very powerful, with participants sharing experiences and acting as peer coaches. The programme has been instrumental in developing leaders in their current roles, strengthening connections, and preparing them for future progression. The value of the RDP to the business is immense and it is exciting to see participants growing as leaders and potential senior executives.



MyPORT Programme

MyPORT was developed in 2020 aimed at building leadership development of our emerging young talent. The programme has gained traction since its inception and first graduating cohort of 26 people. Given the positive feedback and evaluation from management, the class size doubled, with 52 participants in two cohorts from diverse functions across Asia Pacific, Europe, the Middle East and Latin America and Caribbean regions joining the programme in 2022.

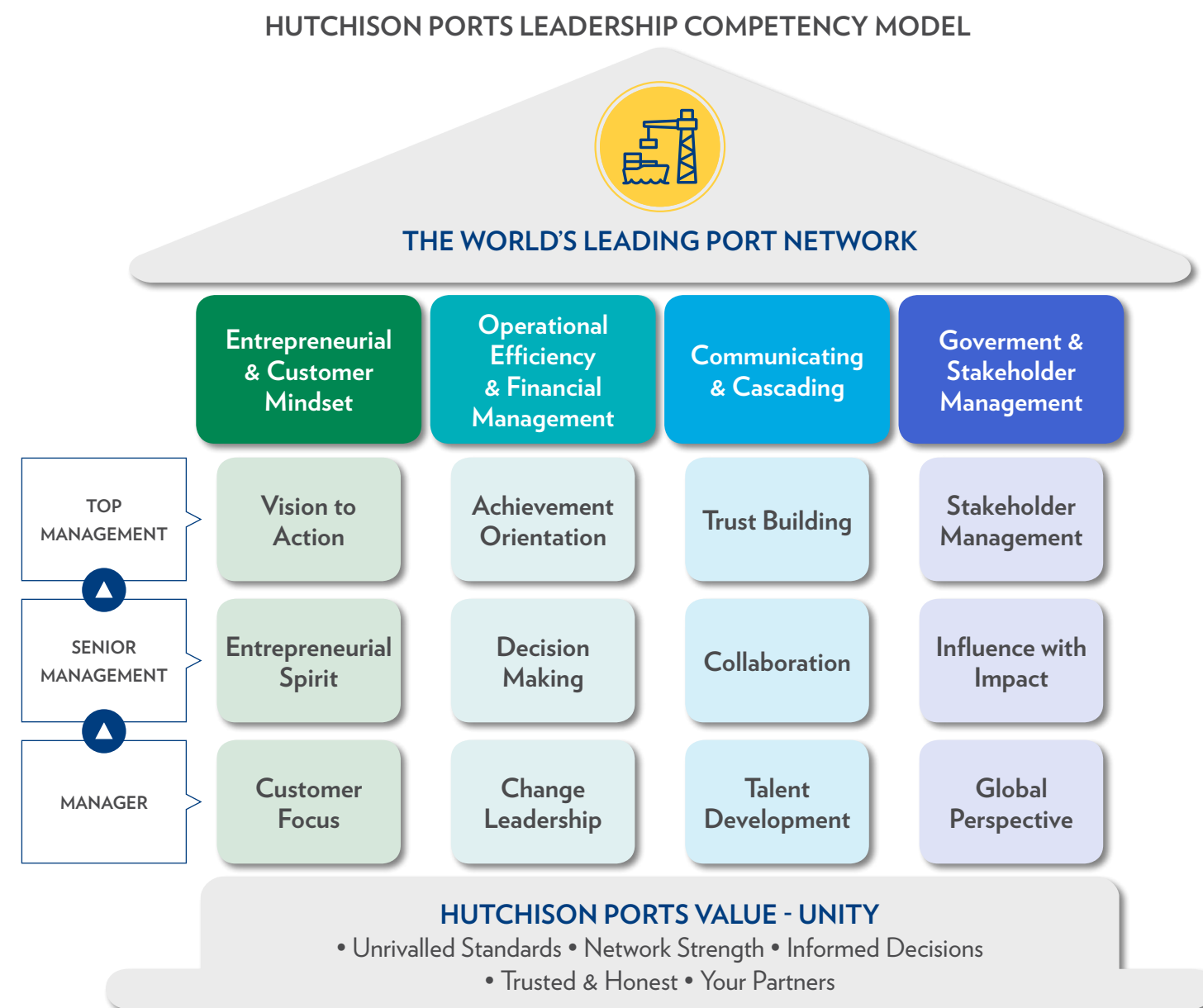
The enhanced 15-month programme includes multiple touchpoints and interactive learning activities to amplify the delegate's experience and engagement. It comprises three modules and a group project to provide ample opportunities to practice and consolidate skills, as well as build relationships and cross-BU collaboration.



The orientation for the new cohorts was kickstarted in August 2022 with a series of virtual interactions and was well received by management and participants. The first module "Discover My Career Passion & Potential" enabled delegates to drive their career development by utilising their strengths and understanding different styles of people interaction. They are also well supported by their supervisors and business sponsors who provide dedicated coaching and guidance throughout. The programme modules and group projects will be continued throughout 2023.

Hutchison Ports Leadership Competency Model

The Hutchison Ports Leadership competency series is based upon a model which aligns with our UNITY values and indicates the winning attributes employees at dedicated management levels are expected to demonstrate in building a high impact team and driving our business forward. It consists of four pillars and a total of 12 competencies focusing on both business and people aspects.



From 2020 onwards, we designed a series of workshops to truly embed these leadership anchors into day-to-day work behaviours of our managers. Creating and executing a clear short and long-term vision, while fostering an entrepreneurial spirit in all, as we champion a customer-centric culture to deliver the best every time.

In 2022, a total of four workshops were deployed to over 100 leaders across various BUs where delegates were equipped with practical commercial skills and competitive perspective, financial awareness, and new ways of working, contributing to business improvements and innovations.

3.1.3 WELL-BEING AND ENGAGEMENT

Health and well-being have always been an integral part of our Hutchison Ports operations to support a safe and engaging work environment. We continue to reinforce employees’ wellness through the corporate values of humanity, agility, collaboration, empathy, and resilience, which have proven to contribute to the company’s success in the past and will continue in the future.

Health & Well-being Approach

Our Well-being Framework is centred around its own three core facets which are contribute, care, and collaborate. These core facets guide our decision-making process around our Group initiatives and strategies.



As health and well-being is cross organisational but diverse in its nature, developing strategies need to be considered not constrained, and reflective of local conditions and employee makeup. The Group understands this and thereby applies a two-fold strategy. Approach one is through global initiatives raising awareness and fostering idea sharing and collaboration while Approach two is empowerment of the BUs to orientate activities which are best suited to their own location specific health trends that they have identified.

Health and Well-being (BEWELL)

We launched the global BEWELL campaign in October 2021 to demonstrate our organisational commitment to prioritise the well-being of our people. We embrace a comprehensive well-being framework that emphasises the whole-self perspective of our employees, including physical, emotional, spiritual, social, intellectual, and financial well-being.

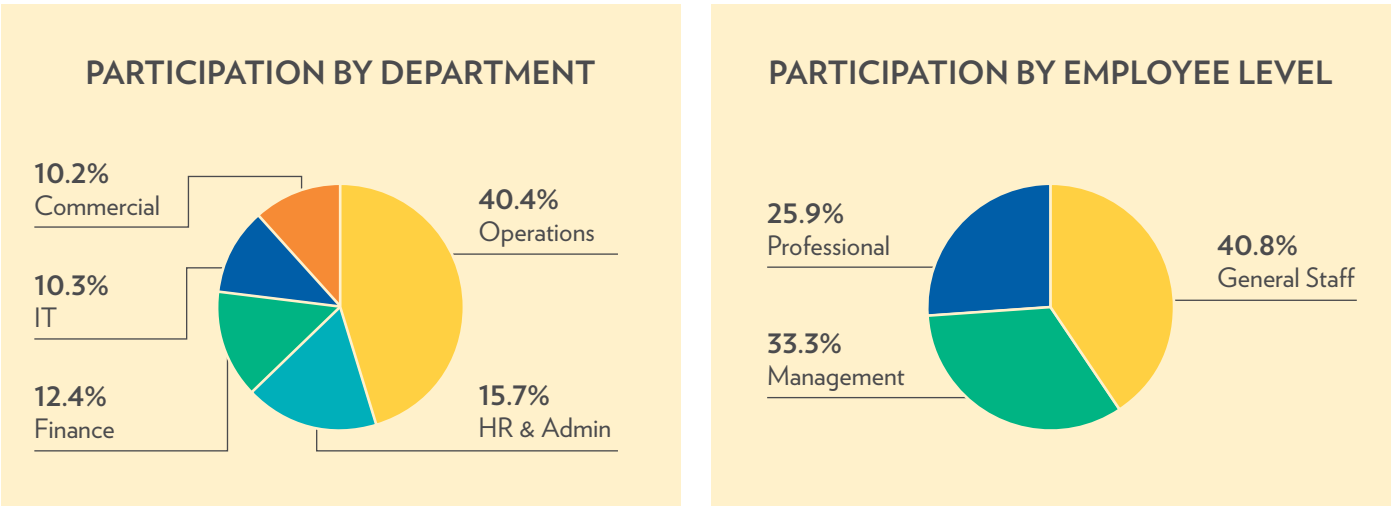
The Campaign is a longer-term global roadmap through to 2023. In 2022, key milestones were achieved with respect Global Checkpoint 1 and Global Checkpoint 2.



Roadmap for the wellness journey with the 2022 focus upon Global Checkpoint #1 and Global Checkpoint #2.

Global Checkpoint #1 Well-being Awareness

From December 2021 to February 2022, three eLearning courses and a series of webinars were organised to build the foundation knowledge of well-being: the science of happiness, mindfulness practices, reducing stress and enhancing confidence at work. This was complemented by our global interactive event – laughter yoga to encourage practical applications of ritual exercises in daily work and life.



• Global Checkpoint #2 Gratitude Movement

From April to July 2022, three interactive activities were organised on our global collaborative e-platform to facilitate mindset and application at work, life, and collective levels. It aims to cultivate a gratitude mindset and build gratitude habits across our global employees to enrich their well-being. This is accompanied by video learning on various topics to build the foundation knowledge and how it impacts our well-being. Participants felt more self-confident and productive at work while having treasured quality time and strong bonding opportunities with colleagues, families, and friends. In 2022, a total of 1,370 awards were delivered to our employees to recognise their accomplishments in the BEWELL global checkpoints.

Photography Contest

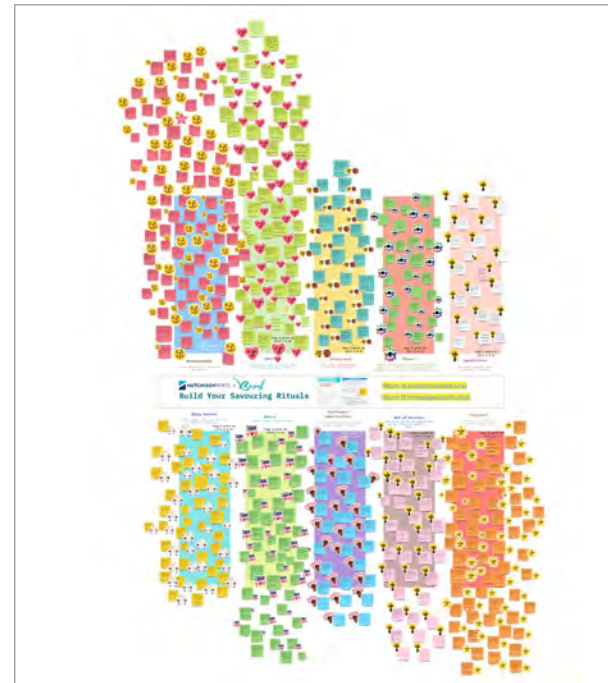
In 2022, Hutchison Ports ran its first ever photography competition. The purpose of the competition was to gather photos from our activities and terminals based on the key theme of sustainability with a special focus on people. We used the photos submitted in this competition throughout this document. Winners of our awards were selected by the GSC. In 2023, we will run the competition again among our employees ensuring that sustainability is never far from our daily thoughts.

The winners of our Photograph Competition were:

- James Glesson from Hutchison Ports Port of Felixstowe (United Kingdom)
- Darren Harvey from Hutchison Ports Port of Felixstowe (United Kingdom)
- Rageene Hope from Hutchison Ports Port of Felixstowe (United Kingdom)
- Ronald Van Beek from Hutchison Ports ECT Rotterdam (The Netherlands)

Congratulations and many thanks for all entrants.

GLOBAL CHECKPOINT #2 - ACTIVITY 2 “BUILD YOUR SAVOURING RITUALS”



Over 600+ sticky notes participation globally



BEWELL initiatives by Categories

Along with the global rollout of the BEWELL campaign, each business unit tailored their wellness approaches to cater for local needs and implemented various activities. Three categories have been chosen below to further demonstrate the local representation of the BEWELL movement and highlight achievements at a local level.

• Sports and recreational Activities

Our organisation actively encourages the development of sports and recreational activities within the BUs, to promote wellness as well as a sense of UNITY and bonding among colleagues. The majority of our BUs have their sports and recreational committee which has resumed outdoor activities in line with COVID-19 guidelines. Cycling, trail running, football and water sports are some of the popular activities across our BUs. With dedicated practices and teamwork, many of them won regional tournaments and leagues in 2022.



Hutchison Ports ECT Rotterdam (The Netherlands) - Harbour Run



Hutchison Ports ICARE (Mexico), Triathlon Event



• Health Awareness and Enhancements

A healthy workforce is a thriving workforce. It is a key responsibility for our organisation to ensure where possible we facilitate both the understandings of health and run programs to actively develop employee holistic wellness.

At a BU level this has been demonstrated through the continued employee support and guidelines offered around the COVID-19 pandemic across the whole Group in 2022. On top of that, educational programmes and interventions around physical, emotional and spiritual health are in place to cultivate healthy habits among employees.



Hutchison Ports Thailand, Vaccination



Hutchison Ports MITT (Myanmar), First aid

• Social and Cultural Gatherings

Being a global organisation covering a multitude of different cultures Hutchison Ports is fortunate to be in a position where it has the opportunity to celebrate most, if not all of the different religious and cultural gatherings on offer globally. Celebration of these often-personal times of reflection highlight our commitment to being an inclusive and respectful organisation. Below are specific examples from across the globe where these special events were joyously commemorated. As 2022 ended most of our BUs were free of the most robust COVID-19 protocols and were able to celebrate traditions freely.

A key feature for our organisation and observed by a large proportion of our BUs is New Year celebrations. This brings an opportunity to give and receive gifts and promote a prosperous and healthy year for our colleagues.



Hutchison Ports YICT (China), Lunar New Year celebrations



Hutchison Ports SITV (Vietnam), Lion dance

The removal of COVID-19 restrictions allowed our BUs to celebrate with our colleagues. Iftar meals and gift vouchers were distributed during the holy month of Ramadan in United Arab Emirates (UAE) BUs. Our colleagues in Hutchison Ports Thailand were able to recognise Asarnha Bucha and Buddhist Lents Day activity. Hutchison Ports MITT (Myanmar) performed the Warso Robe offering at Pa Auk Tawya Monastery. Towards the end of year individual BU was able to have company gatherings which provided an ideal opportunity to celebrate what had been achieved over the year as a team and build some long-lasting memories, a great example of this is in Hutchison Ports JICT (Indonesia) who celebrated the end of 2022 in great fashion.



Hutchison Ports RAK (UAE), Iftar meals



Hutchison Ports Thailand, Lent Day

Diversity and Inclusion (D&I)

The Group ambition is to have a workforce within our terminals that is more representative of the local demographics within which the terminals reside. This occurs by fostering a culture that is inclusive and supportive providing a wider range of career opportunities that are accessible to anyone of any background. The benefit to the organisation in having a diverse workforce is clear – having broader perspectives leads to more creative problem solving which benefits not only the organisation but our customers and communities.

In 2022, the Human Rights Policy was circulated. The Policy stipulates clear guidelines with respect Equality, Diversity, and Inclusion. The organisation is committed to equal opportunity and has no tolerance for discriminatory practices. In line with other policies and our employee development strategy outlined in the previous chapter our basis for recruitment, development, compensation, and advancement within the Group is strictly based upon employee qualifications, performance, skills, and experience. The Group is committed to providing a positive work environment that values wide ranging perspectives inherent in its diverse workforce. The wide range of different perspectives garnered from our individual colleagues only serves to develop the organisation as a whole.

• Diversity, Equity & Inclusion Education Programme

Training and education programmes within the group are continually updated to ensure we offer the most recent guidance and support in terms of diversity and inclusivity elements. As described within the personal development (under Section 3.1.2 Employee Development) we ensure our employees throughout the organisation are included in programmes that are designed to allow them to progress and succeed within the company. We also assure knowledge sharing through communication forums. These avenues of inclusive communication are outlined in Section 3.2.3 Communication.

Hutchison Ports Gwangyang (South Korea) conducted Diversity and Inclusion educational programmes to improve awareness of people with disabilities and prevent sexual harassment with the aim of promoting a sound workplace culture. This helps to enhance diversity and inclusion in our community and eliminate gender discrimination in the workplace. Education programmes were conducted through online lectures and offline briefings for all employees throughout the month of November 2022.

In Hutchison Ports Pakistan, full day sessions were held to build DE&I awareness through REAL™ framework comprising of 4-step process including Reveal, Elevate, Activate & Lead. Participants from various departments attended and gained a better understanding and skills in working together with respect and equity. In Hutchison Ports KICT (Pakistan), a GUP SHUP series was started for cross-department colleagues in HSE, Security, HR departments. Presenter and participants are involved in different discussions and interactive games to emphasise the power of doing something together as a team.



Hutchison Ports Pakistan, REAL™ framework

• Promoting Inclusive and Diversified Teams

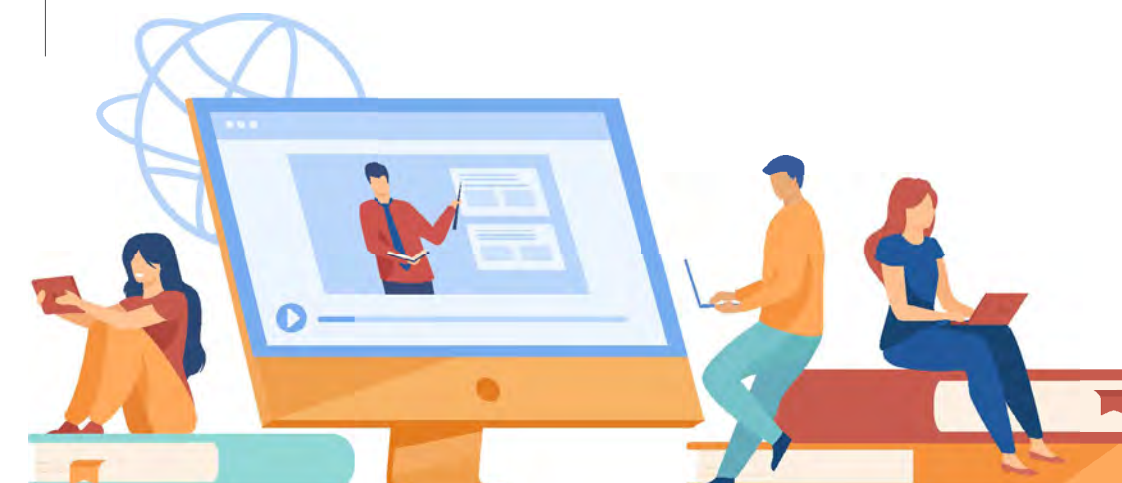
In Hutchison Ports Gdynia (Poland), a workshop was held using the design thinking method for the design challenge "Partnership, a recipe for a satisfied customer" within the framework of the project "Access to knowledge as a key to increasing accessibility". One of the objectives of the project, was to include a group of participants as diverse as possible in terms of gender, represented profession or level in the organisation's management structure. Workshop participants, in addition to knowledge of the methodology for creating innovations and obtaining new breakthrough solutions, experienced integrating in atypical teams and recognised each other's potential.



Hutchison Ports KICT (Pakistan), GUP SHUP Team Training

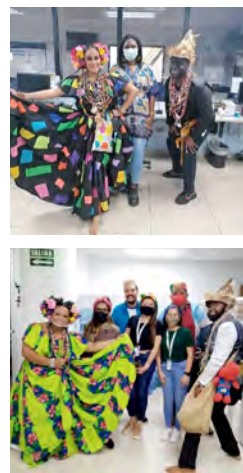
• Hutchison Ports Global Inclusivity Initiatives

As part of the inclusion initiatives, Hutchison Ports PPC (Panama) hosted a webinar with the objective of sharing live experience of people that live with a disability, how to support and more. Our Bahamas terminals encouraged cognitive diversity through the Autism Acceptance drive, in which they took actions to show their support by wearing blue as well as mismatched socks, symbolising the treasure of differences. Flyers were shared to local charitable vendors who were selling mismatched socks to raise funds for the needy, and team members supported with pride. PPC also celebrated Black Ethnicity in May by sharing local traditions, folklore/ dance and invited collaborators to dress up! Hutchison Ports United Kingdom held their first PRIDE event in June in the form of a networking event to enhance social engagement and increase understanding and awareness of Pride.





Hutchison Ports PPC (Panama), Show off the best of Black Ethnicity



Hutchison Ports United Kingdom, PRIDE event

• Gender Inclusivity

One of the key transitions within the business is the technological advancement and utilisation of remote technologies. This has directly provided a platform for the introduction of more women into a traditionally male orientated role. Our recruitment teams work closely with our human resource leads and our operations team to ensure that our position descriptions continually reflect the opportunity creation by our technological advancement. With respect our female colleagues who are with us now as employees we celebrate with them many initiatives and will continue to do so.

• Women Symposium in celebration of the International Day for Women in Maritime

IMO has established May 18 as International Women in Maritime Day for the first time in 2022. Increasingly, spectacular-sized cranes and other machinery are being operated by female representatives. Women are crane or tractor operators and work side-by-side with men and the idea behind the venture is to promote sustainable employment of women in the maritime sector and raise their profile.

In Hutchison Ports Gdynia (Poland), they took this opportunity to thank female employees for their attitude and commitment and building a work culture that serves diversity. Female representatives participated in a IMO Symposium with topics including Training, Visibility and Recognition, fostering a Barrier-Free Work Environment for Women in the Maritime Industry.



Hutchison Ports Gdynia (Poland), IMO Symposium

• International Worlds Women's Day

Supplementing the women in maritime initiative is the annual international women's day which strives to celebrate women globally. Hutchison Ports in the UAE celebrated International Women's Day to recognise the social, economic, and cultural achievements of women & their effective role in the workforce and society. This celebration included an online workshop 'Glow Up' as well as gift giving and games. In Spain women's recognition on this day took the form of a celebration breakfast to promote unity and collaboration between female colleagues in line with Hutchison Ports UNITY values. In the UK the theme was 'Break the Bias' and a full day of activities was delivered.



Hutchison Ports BEST (Spain), Celebration breakfast



Hutchison Ports Sohar (Oman), Omani Women's Day lunch and gifts



3.2 COMMUNITY

As a network of ports that stretches across many countries and continents, Hutchison Ports is committed to helping the people and investing in the communities and cities where we operate.

We have been running two flagship Community Investment Campaigns Go Green and Dock School that focus on Education and Environmental Protection for decades.

3.2.1 GO GREEN AND DOCK SCHOOL



Go Green is part of a global environmental initiative undertaken by Hutchison Ports in partnership with members of the maritime community and local stakeholders. Tree planting and beach clean-up have always known as the signature activities.



Dock School was introduced in 1992. It is designed to provide support and assistance to the schools in port's vicinity especially those with financial challenges.

In 2022, we decided to combine both these programmes into a more vibrant, creative, and connected strategy to actively support and create positive impact in our communities. A total of 30 ports in 19 countries implemented 72 Go Green and/or Dock School activities and we planted more than 9,589 trees and interacted with over 3,726 students in the past 12 months.

CASE STUDY HUTCHISON PORTS THAILAND



Go Green with Kasetsart University and Banklongpring School

Hutchison Ports Thailand and the Faculty of International Maritime Studies at Sriracha Campus, Kasetsart University, joined forces to promote the Go Green campaign 2022.

May - Together with the university students, we planted over 100 trees at the Sriracha Campus near or port.



July - Plant at Home campaign, a total of 4,912 saplings were planted by our staff, students, and families.

September - Green School 2022 activity was held at the Dock School, Banklongpring School. This activity involved sponsoring scholarships, upgrading school facilities, planting trees and environmental awareness talk to the students.

CASE STUDY HUTCHISON PORTS AJMAN



Collaboration with the City University College of Ajman and National Charity Private School

Hutchison Ports Ajman in UAE organised their Go Green Campaign in collaboration with the City University College of Ajman at The National Charity Private School in Ajman. Activities include educational workshops and planting. 180 students attended the workshops, over 40 students and the management team and staff members joined together planted 390 trees and shrubs. We also donated 10 sets of recycle bins to the Dock School.

Go Green, Tree planting and Beach clean-up are the centre piece of the campaign. We collaborated with local community organisations to host this signature campaign to promote efforts for creating a sustainable future.



Hutchison Ports Gwangyang (South Korea)



Hutchison Ports Corporate Centre and HPH Trust (Hong Kong, China)



Hutchison Ports SITV (Vietnam)



Hutchison Ports MITT (Myanmar)



Hutchison Ports PPC (Panama)



Hutchison Ports Pakistan

Dock School, in addition to offering direct financial support and purchase of school facilities, our local teams also initiate a wide range of educational activities to provide learning outside the school that help to develop students’ potential such as terminal visits, training programmes, work placements, scholarships and environmental related activities.



Environmental talk by Hutchison Ports Port of Felixstowe (United Kingdom)



Computer donation by Hutchison Ports YANTIAN (China)



Student summer employment programme by Hutchison Ports FCP and FHC (Bahamas)



Port tour for university students by Hutchison Ports Gdynia (Poland)



OTHER GREEN INITIATIVES



The staff members of Hutchison Ports MITT (Myanmar) worked together and made use of waste material, such as unwanted gum boots, used rubber tyres, broken clay pots, to create a recycled garden inside the terminal.



Hutchison Ports BEST (Spain) conducted recycling drives and awareness training to ensure waste management begins at source. Segregation of wastes ensure that less waste is likely to end up in landfill therefore reducing emissions.



Some of our staff members of Hutchison Ports Gdynia (Poland) signed up to participate the eleventh annual event Go to Work by-Bike hosted by the local community, the programme promotes a healthy and safe lifestyle, and contributed to reduced carbon emissions created by cars.

Hutchison Ports Port of Felixstowe (United Kingdom)

Our colleagues together with students at Trimley St Martin and Langer Primary Schools planted apple trees at their respective schools.

Hutchison Ports Ajman (UAE)

In collaboration with the City University College of Ajman, 23 employees together with 46 students planted 390 trees and shrubs.

Hutchison Ports Pakistan

Partnered with World Wide Fund for Nature-Pakistan (WWF-P) for planting 100,000 mangrove sapling every year, our employees planted 100 mangrove plants.

Jiangmen International Container Terminals (China)

Four volunteers planted six sweet-scented osmanthus trees in a voluntary tree-planting activity in Kaiping.

Huizhou Port Industrial Corporation (China)

139 staff planted 152 trees at the Huizhou Quanwan living area, general cargo terminal and oil terminals.

Hutchison Ports FCP (Bahamas)

Continuing its effort towards mangrove restoration on Grand Bahama Island, our staff planted 10,000 mangroves in the island.

Ningbo Beilun International Container Terminals (China)

25 staff volunteered to plant eight camphor trees inside the terminal.

Hutchison Ports Tanzania (Africa)

Our employees and local government officials planted over 200 trees at the Oystebay area.

Hutchison Ports MITT (Myanmar)

Our colleagues together with officials from the Forestry Department planted 300 Mahogany trees at the area of Ban Bway Gone Reservoir.

HPH Trust Hong Kong (Hong Kong, China)

Our staff planted over 110 tree saplings of 11 different species in Sai Kung.

Hutchison Ports Sohar (Oman)

On the Omani Tree Day, our staff along with children from Future Science School carried out plantation in the city with the support from Sohar Municipality.

Hutchison Ports Thailand

Our senior management and staff joined the Faculty of International Maritime Studies of Kasetsart University to plant more than 100 trees at the Sriracha Campus of the university.

Hutchison Ports SITV (Vietnam)

More than 70 colleagues planted 67 mango trees in front of the terminals.

2022

Go Green Tree Planting

3.2.2 COMMUNITY ENGAGEMENT

Hutchison Ports undertakes a wide range of philanthropic efforts as well as community initiatives that cater to the needs and benefits of the communities where we operate. These community initiatives operate in tandem with our flagship programmes but are coordinated by local offices. These initiatives are planned usually through the ports' committees responsible and are targeted to ensure efforts benefit those in need within the communities.

Community Support

• Donation and Sponsorship



Hutchison Ports Gdynia (Poland) supported a local children's hospice. Each department was responsible for taking care of one little patient and provided tailor-made Christmas gifts. The teams have prepared clothes, toys, and medical products specifically for each kid on the day before Christmas Eve and helped to create a unique homely ambient.



Hutchison Ports BEST (Spain) and its employees donated 4,000 euros to the Paediatric Oncology Unit of Sant Joan de Déu hospital in Barcelona. Employees voluntarily donated 1€ from their monthly pay, with the terminal doubling the annual sum collected, to cater for the necessities of hospitalised children and their families.



Pakistan was ravaged by flooding in 2022 which affected potentially 33 million people, **Hutchison Ports Pakistan** jointly donated US\$250,000 for flood relief efforts. The donation was given to the Prime Minister Relief Fund, Rangers Welfare & Efficiency Fund, and Akhuwat.



Hutchison Ports HIT (Hong Kong, China) organised Hit the Trail Together activity to encourage employees to exercise while raising funds for Food Angel, a non-profit organisation specialising in food rescue. A total of 48 teams comprising 192 employees took part and altogether they walked 41,315,880 steps in 14 days and raised a total of HK\$148,000 to under privileged communities in Hong Kong.



Hutchison Ports PPC (Panama) sponsored more than 65 children from vulnerable communities had the opportunity to enrich their cultural knowledge with this digital and interactive exhibition that has been presented in more than 200 cities around the world. They saw first-hand works of the Dutch painter, Vincent Van Gogh, considered one of the greatest painters in history.

• Volunteer Services

Community care team in Hutchison Ports Busan (South Korea) gathered volunteers from the terminal working to repair houses for the underprivileged while every month donations of rice were sent to senior welfare centres and local communities, a total of 6,000kg were donated.

Summer interns of Hutchison Ports and HIT (Hong Kong, China) volunteers for community services organised by SAHK and Yan Chai Hospital Fong Yock Yee Neighbourhood Elderly Centre. Two volunteer teams were formed to deliver a Fun Day for kids with special education needs and visited the elderly's home with lucky bags and gifts.

In a special community give-back, Hutchison Ports FCP (Bahamas) volunteers accompanied 20 children of the Grand Bahama Children's Home to Nassau for a Fun Day at the Baha Bay Water Park. The excursion was made possible thanks to the fund-raising efforts by Hutchison Ports FCP (Bahamas) team, the support of Hutchison Ports FHC (Bahamas) and local corporate partners.



Hutchison Ports Busan (South Korea)



Hutchison Ports and HIT (Hong Kong, China)

• Blood Donation

Hutchison Ports Sohar (Oman) conducted a medical check-up campaign for its employees and subsequently held a community blood drive.

Staff members of Hutchison Ports Thailand participated in blood donations to ease shortages at Somdet Na Sriracha Hospital.



Hutchison Ports Sohar (Oman)

• Sports Support

As a commitment to support young athletes and talent, Hutchison Ports Pakistan sponsored a sports trip for Hoor Fawad, Pakistan's youngest table tennis player in the women category. She represented Pakistan at the Islamic Solidarity Games on 9 August in Konya, Turkey.

Hutchison Ports PPC (Panama) made an important contribution to Panama's amateur and children's recreational boxing to generate Social Change. The objective is to provide those young athletes with the necessary equipment to improve the conditions of their training centres so they can prepare physically and mentally, with adequate supervision in the development of their skills in the sport.



Hutchison Ports PPC (Panama)

3.2.3 COMMUNICATIONS

Introduction

Communications under our People pillar cover the communications internally with respect our people development as well as business updates for the workforce. There are several initiatives which are empowered to deliver the Hutchison Ports message to our employees. It is important for the organisation to ensure that the workforce feel a connectivity and develop an understanding of the business in a broader perspective. This ensures that lesson learning and cross-party collaboration are developed.

Global HR Newsletter

The first edition of the HR newsletter was published in December 2021. There were four quarterly instalments of the newsletter released in 2022. The newsletter objective is to enhance communication across the organisation by showcasing success stories, insights and anecdotes centred on well-being, engagement and the diversity and inclusion of our employees. In 2022, there were over 107 individual BU contributions to the newsletters. Key updates transmitted through the newsletter included for 2022:

- Continual updates under Section 3.1.3 Well-being and Engagement,
- Updates from individual BU who have integrated the BEWELL campaign into their day-to-day working,
- Information and lesson learning around COVID-19 precautions and guidance,
- Information around sustainability initiatives and the decarbonisation of the organisation,
- News on recognition awards distributed out for different aspects of the campaigns,
- Updates around employee engagement and voluntary initiatives.



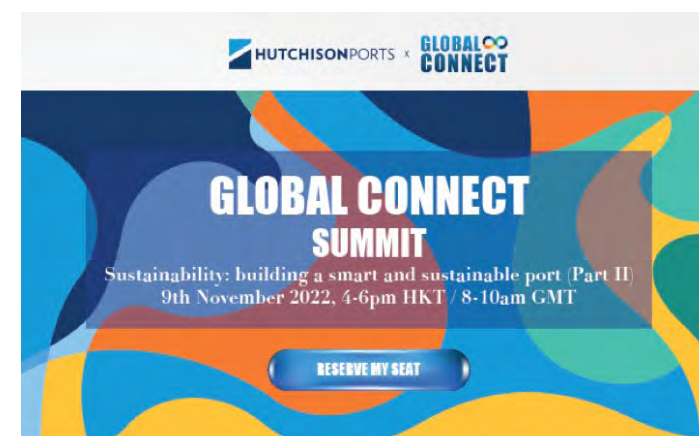

HUTCHISONPORTS

x
 

Group O&MD launched the global BEWELL campaign in alignment with Hutchison Ports' sustainability strategies in the People Pillar. The purpose is to demonstrate our organisational commitment to cultivate a positive and supportive culture, prioritise the well-being of our employees, and promote engagement and sense of belongingness.

Global Learning Platform (Global Connect)

To foster the learning & development culture and encourage networking of our employees, a new global learning initiative called Global Connect has been created in 2022. Global Connect aims to encourage employees to gain business acumen and understanding of our group's recent focuses and drive engagement and collaboration.



Our theme for 2022 was Sustainability, with two summits organised and attended by over 900 employees around the world. 16 external and internal thought leaders were invited to share the hottest topics around sustainability, from strategies and action plans to social influence on the community. Participants learnt in-depth knowledge about our organisation's achievements and roadmap, as well as policies and market trends on zero emission, various green fuels and emerging technologies. The feedback was very positive when participants were encouraged to further their learning on sustainable operations and contribute to greening our ports.

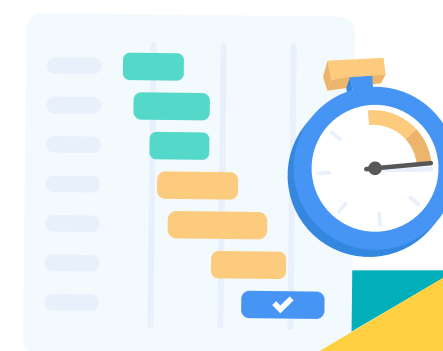
Weekly Bulletin

The weekly bulletin published every Friday to all employees is a newsletter in which continual updates are cascaded throughout the organisation on a global level. This allows BUs in different regions to follow the happenings globally. All facets of the business are welcome to provide updates. This is where our colleagues are able to showcase our efforts, highlights and plans over the course of the year.

Environmental Communications

Environmental newsletters are distributed every quarter to our employees. Not only would the latest achievements related to environmental performance and sustainability be circulated, but also the emerging trends and regulatory landscape that people should be aware of while operating the business. Some of the topics include our climate change risk baseline exercise and net-zero strategies for the coming years. The newsletter is only one of our communication channels.

Mass communication sessions and workshops are held to provide more in-depth information and tailored assistance to BUs in different situations. These communications can promote our people's learning through knowledge sharing and management, boosting the advocacy efforts in sustainability in a top-down level.



04

**OUR
ENVIRONMENT**



4.1 OUR NET-ZERO COMMITMENT

4.1.1 SUSTAINABILITY STRATEGY

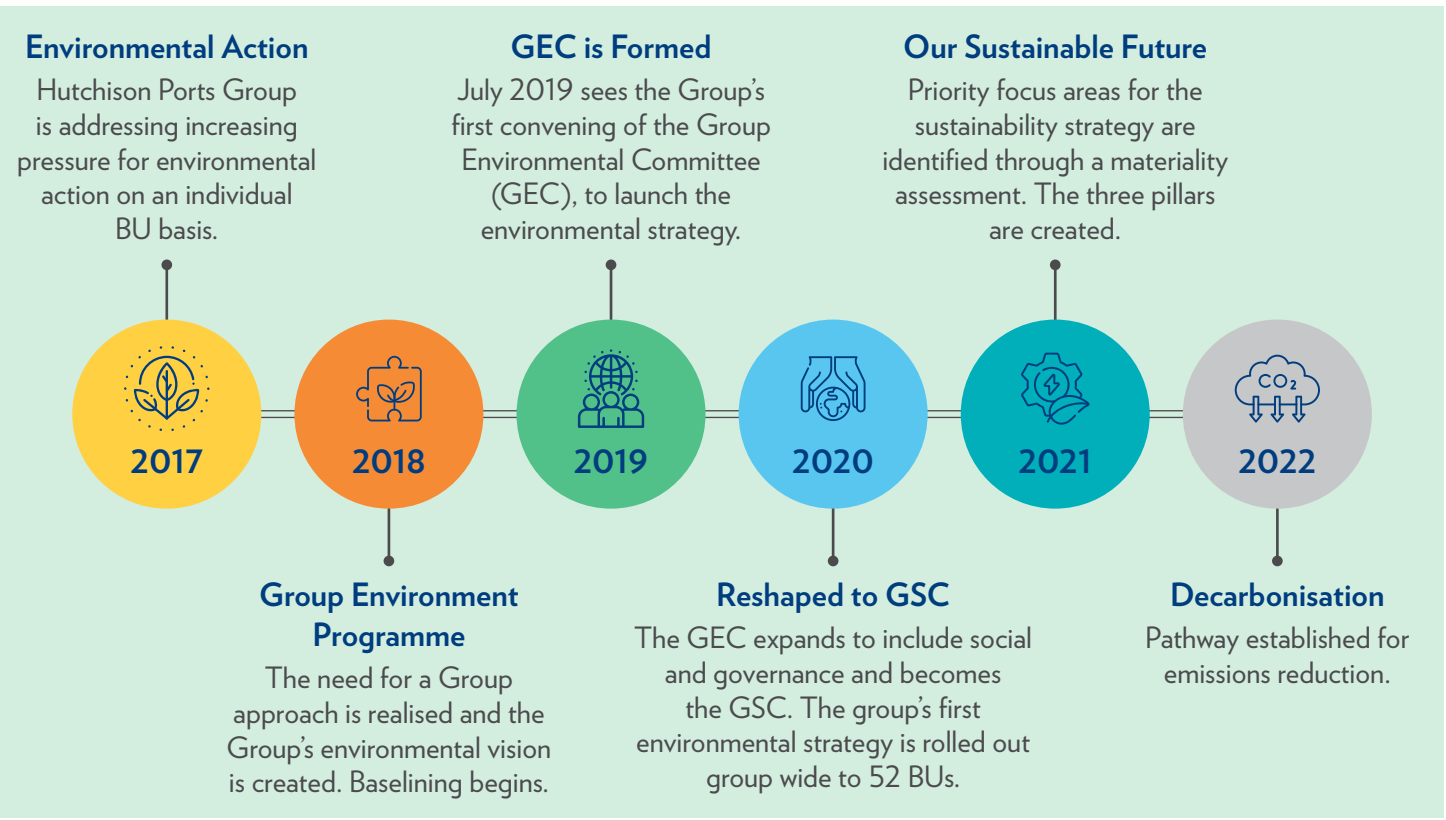
We commit to a net-zero target by 2050 in line with the net-zero standards of SBTi.

Overview

The “Our Environment” pillar is comprised of our efforts around having a net-zero impact on the planet as a business, and our resilience as an organisation to withstand the impacts of climate change. These impacts are more than just the physical impacts brought on by changes in the climate but also the impacts within our business while we transit to a more sustainable organisation. Apart from our decarbonisation plan, we continue to apply new thinking and innovations to our business as well as implement initiatives along our sustainable journey to achieve our vision. This vision incorporates the management of the environment, the sustainability of our operations and collaboration with our value chain.

Sustainable Vision and Journey

Hutchison Ports strives to be “The preferred partner for a sustainable supply chain”. This vision focuses on working in collaboration with our colleagues, customers, suppliers, and contractors, to engage fully and meet their demands and expectations. The development of the Group’s Global Environmental Programme began in 2018. This co-ordinated and centralised approach endeavoured to enhance the overall sustainability strategy and encompass a global vision with respect to environmental management. Through 2019 and 2020 the programme was updated and guided by senior management, which currently is overseen by the GSC. In 2022, Hutchison Ports focused on decarbonisation and developed ambitious net-zero strategic roadmap to meet the near-term and net-zero targets by 2050 in line with the SBTi net-zero standard.



Our Environment Structure

As outlined in Chapter 2 of this report the environmental and sustainability management of the organisation is overseen by the GSC. This committee meets quarterly to discuss implementation of our initiatives and associated progress. The GSC is supported by the Sustainability Workgroup and the SSE team.

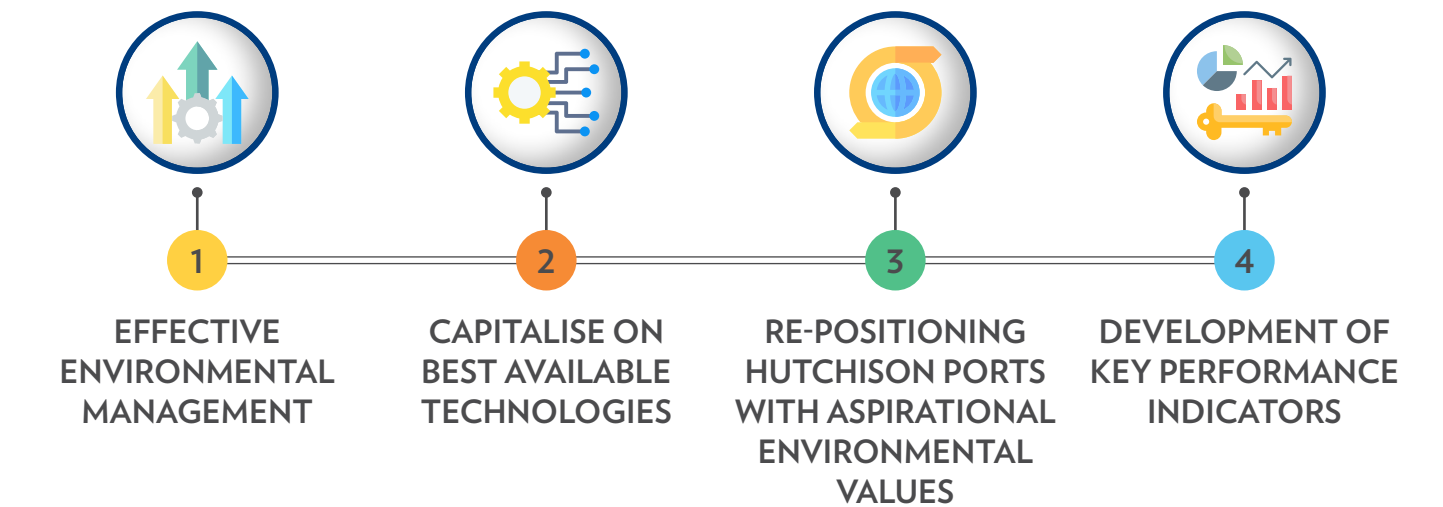
The GSC is co-chaired by two executive committee members, who themselves active managing directors of different global regions. The committee is complemented by members from a variety of functions and regions, who together lead the short-term target management and long-term strategic approach for Hutchison Ports.

Under the guidance and clear direction of the GSC the environmental aspects which are consolidated under the “Our Environment” pillar include:

- The development of a long-term sustainability strategy
- Decarbonisation and its pathway
- Scope 3 and capturing all emissions related to our operations
- Identifying and mitigating our impact on the natural world
- Assessing climate risk on our business
- Engaging with our supply chain over the long-term

Sustainability Strategy

Our first group-wide environmental strategy – Our Environment 2020 – was launched in January 2020 and marked our first global combined effort. The strategy objective was to redefine the Group’s environmental expectations and targets to improve our global environmental performance. We have defined four focus areas for this strategy:



Sustainability Strategy Implementation

The environmental and sustainability strategy has three distinct routes of implementation. The leadership is through the GSC as discussed in Section 2.1.2 Leadership and Governance. The Group Sustainability Working Group with the SSE team action the environmental roadmap while at a BU level, Our Environment is championed by the environmental focal points who drive and influence daily changes.



Sustainability Strategy Progress

Progress on the four focus areas of the Environmental Strategy have been made along 2022.

FOCUS AREA

EFFECTIVE ENVIRONMENTAL MANAGEMENT

Progress

- Further accreditations attained.
- Workshops and communications to environmental focal points and BU Heads completed.
- Audits and inspections on BUs.

CAPITALISE ON BEST AVAILABLE TECHNOLOGIES

Progress

- Completion of solar projects at Hutchison Ports BEST (Spain).
- Feasibility studies on the use of green hydrogen in Hutchison Ports United Kingdom.
- Investigation into the use of lower emission fuels such as Hydrotreated Vegetable Oil as a transition mechanism while we electrify our fleet.
- The rollout of autonomous vehicles.

RE-POSITIONING HUTCHISON PORTS WITH ASPIRATIONAL ENVIRONMENTAL VALUES

Progress

- Coordination of the environmental strategy between the BUs by applying the sustainability baselining tool and offering support where required.
- Reinvigorated Go Green and Dock School Programme to synergise the programmes in creating positive impacts to local communities in environmental protection and education.

DEVELOPMENT OF KEY PERFORMANCE INDICATORS

Progress

- We appraise our performance based on metrics applied to our energy and emissions profile.
- Short- and long-term targets have now been applied in accordance with SBTi.
- Categorisation and consolidation around water use and waste figures.

Environmental Management

Hutchison Ports focuses on constantly enhancing its environmental performance while ensuring adherence to legal requirements. To integrate environmental management into our ports' everyday operations, many of the company's BUs have developed Environmental Management Systems (EMS), in line with the Group's Environmental Policy. Currently, seventeen of these units have implemented the globally recognised management system standard, ISO 14001 (2015): Environmental Management Systems, which utilises the concept of continual improvement to elevate environmental performance.

Hutchison Ports' corporate centre has secured ISO 14001 (2015): Environmental Management Systems certification and ISO 45001 (2018): Occupational Health and Safety Systems certification in 2022.



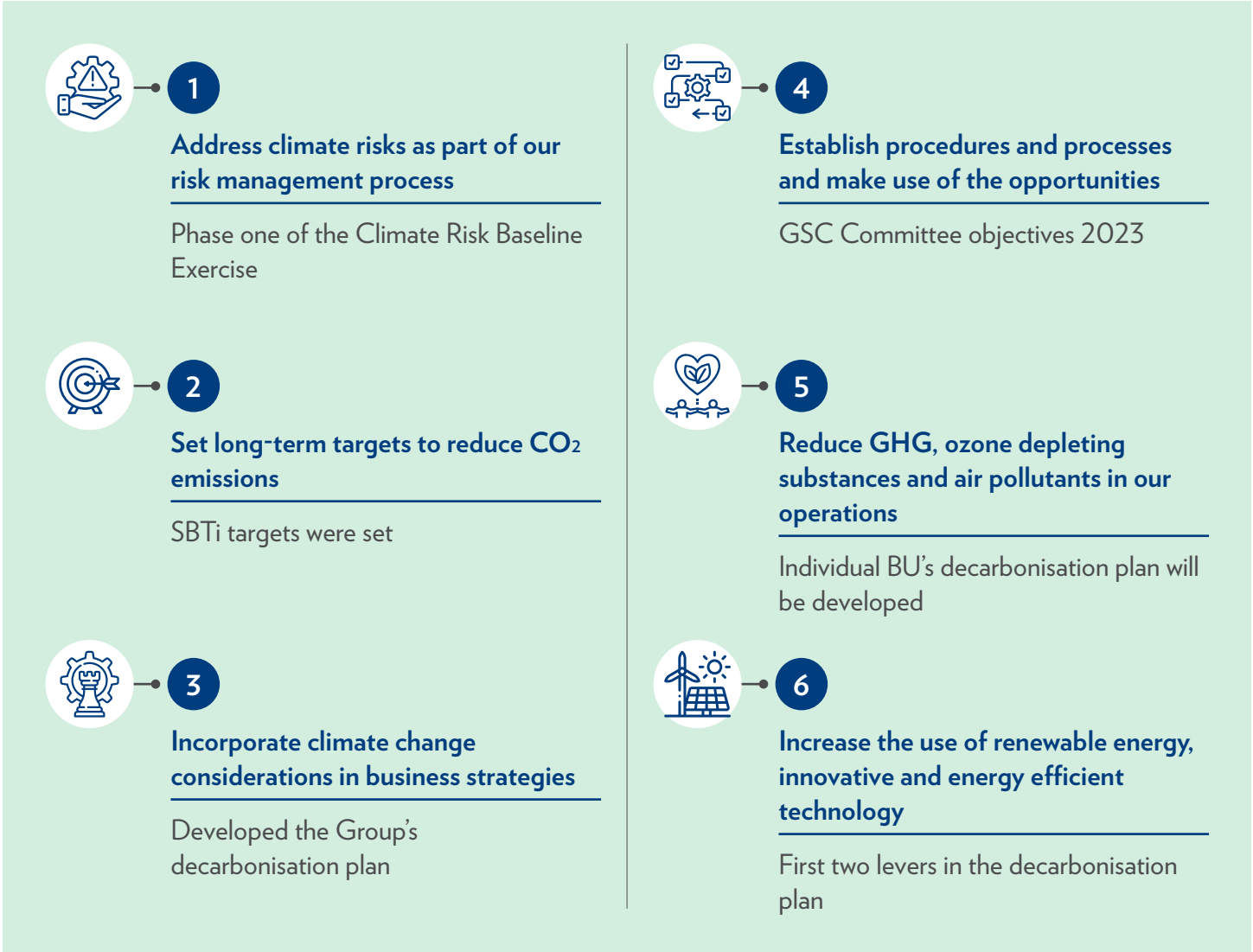
Environmental Portal

As part of our management system, we have an environmental portal which has an embedded environmental toolkit. This toolkit is available for anyone with internal access to the portal. The portal is a repository of information including briefings, communications, policy documents, management systems document templates as well as sample audit and inspection templates. In 2022, more information was added including further environmental newsletters and education material around decarbonisation and the long-term strategy.

4.1.2 DECARBONISATION

Recognising the risks and opportunities associated with climate change, Hutchison Ports is committed to developing and implementing a decarbonisation strategy across the Group. The following sections outline the decarbonisation plan for the organisation and what levers are required to abate the emissions generated from our regular business processes.

In the 2021 Annual Sustainability Report, our section on Taking Action on Climate Change outlined six focus areas where progress was required in order to facilitate the overall decarbonisation strategy. We have made progress against all these focus areas in 2022 and will continue this implementation through 2023.

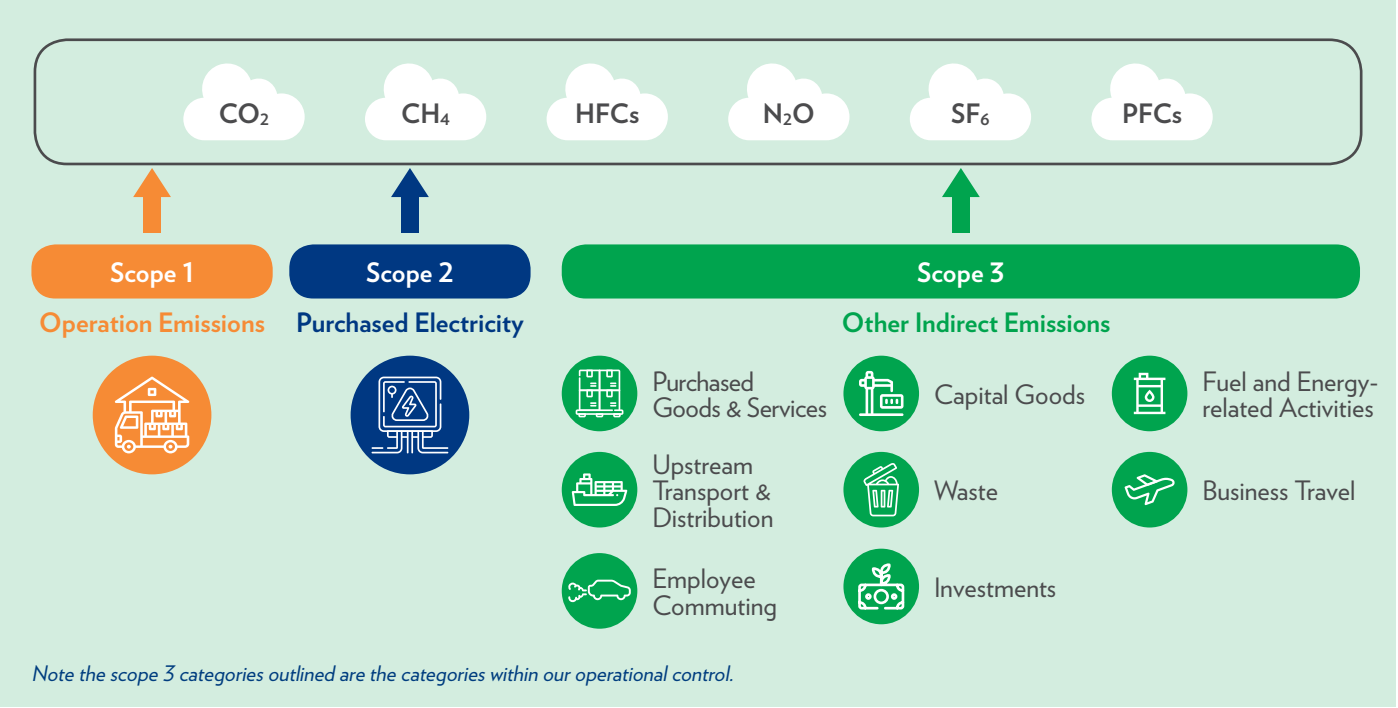


Net-Zero

Net-zero refers to the state where the amount of GHG produced is equal to the amount removed from the atmosphere. Achieving net-zero is critical to mitigate the impacts of climate change, which is one of the biggest challenges facing the world today. The net-zero strategic roadmap has been developed in collaboration with an external consultant which considered the organisations historic emissions pattern, future profile of operations and the transition required over time. With the adoption of a net-zero strategic framework, we are committing to all stakeholders who are involved with Hutchison Ports.

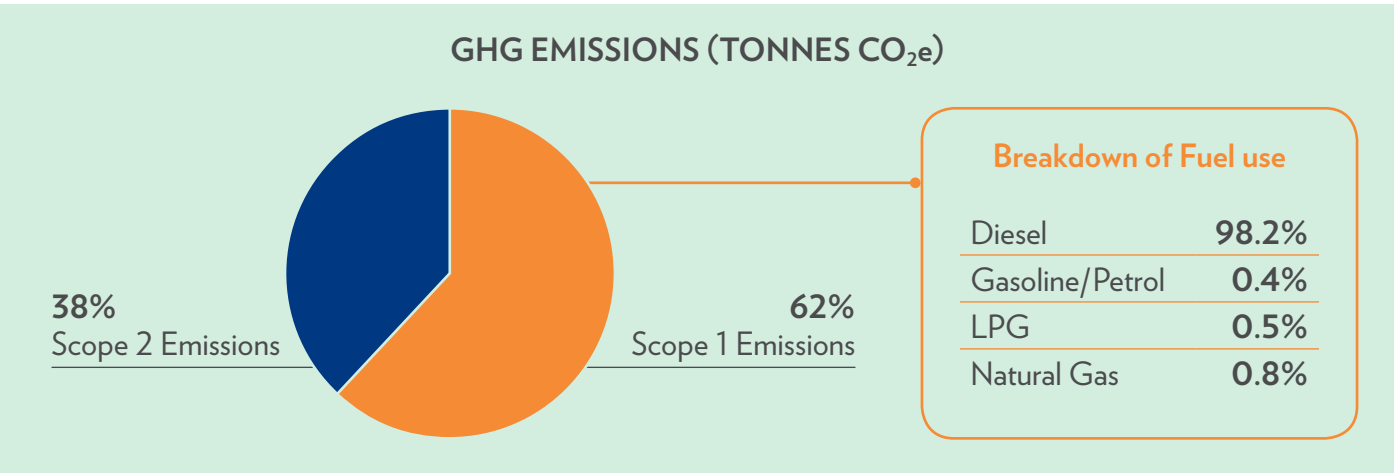
Understanding Our GHG Emissions

The first aspect of any decarbonisation plan is understanding the emissions profile of the business. At Hutchison Ports, our emissions profile is similar to other organisations involved in the electrical logistical distribution of goods and services in the maritime industry. The main source of our carbon footprint comes from burning fuels to produce the energy necessary for our business processes (Scope 1). In addition, we procure electricity from external sources (Scope 2) and generate indirect GHG emissions throughout the value chain, largely due to the acquisition of capital goods, purchasing goods and services and the production of fuels (Scope 3).



2022 Carbon Footprint

Our emissions profile in 2022 showed that scope 1 emissions accounted for 62% of our total scope 1 and 2 emissions with scope 2 emissions making up 38%. The majority of our scope 1 emissions resulted from the operation of our equipment including prime mover equipment, cranes and ancillary equipment such as generators. Our scope 2 energy use was reflected by the operations of reefer units, powering buildings and cranes within the terminal.




Environmental KPIs	Unit	2020	2021	2022
CO ₂ Intensity	kg CO ₂ e/TEU	13.76	13.17	12.65
Energy Intensity	GJ/TEU	0.178	0.176	0.179
Total Energy Use	GJ	5,761,158	6,228,722	6,461,698
Diesel Use	Litre	96,124,179	105,827,220	104,437,466
Electricity Use	kWh	521,222,666	573,570,825	606,094,093
Total Emissions (Scope 1+Scope 2)	tonne CO ₂ e	447,090	466,132	456,770
Scope 1 Emissions	tonne CO ₂ e	271,230	290,126	283,887
Scope 2 Emissions	tonne CO ₂ e	175,860	176,006	172,883

The reduction in diesel use and the increase in electricity use show the reorientation of the organisation towards an electrified business and reduction in the combustion of fuels for energy. This has led to an overall reduction in total direct emissions once conversion factors are utilised which reflect not only average electrical use but also market based components and site-specific electrical energy agreements.

• **Net-Zero Targets and Pathway**

In keeping with current trends and further solidifying our commitment to climate change action we have adopted a more aggressive strategy which complements and supersedes our existing targets and strategy. Our new approach is officially committed to setting both near-term and net-zero targets in line with the SBTi net-zero standard. Through this commitment, Hutchison Ports also becomes part of the business ambition for 1.5°C and race to net-zero campaigns. The short-term target is a 46.2% in scope 1 and 2 emissions by 2032 from a 2021 baseline and net-zero by 2050 as a long-term commitment.



Set to align with latest climate science according to the Science Based Target initiative (SBTi) criteria

In 2022, we kickstarted the main elements of our decarbonisation mapping project with information gathering from selected BUs. This included:

Step 1: Emissions Baselineing

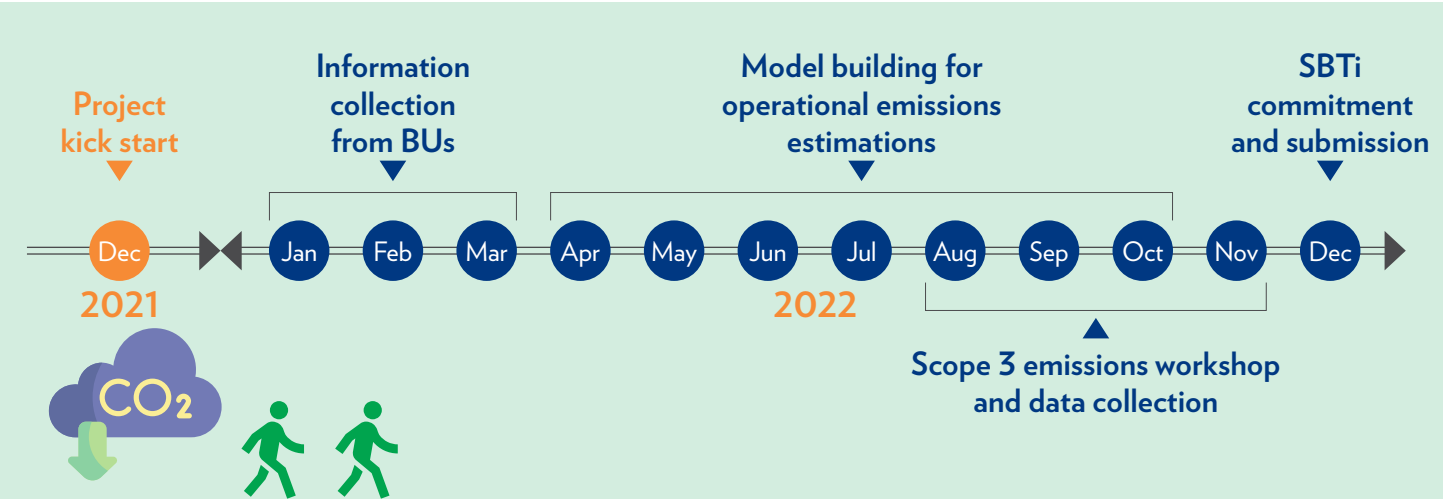
Conduct a Scope 1, 2 and 3 emissions inventories to understand current state and magnitude of emissions.

Step 2: Science Based Target

Define a suitable base year, target years as well as short- and long-term emissions reduction amount that is in line with the SBTi requirements.

Step 3: Roadmap to Net-Zero

Develop a tailored decarbonisation strategy and our net-zero pathway.



• **Implementation**

There are two distinct components in the first phase of our decarbonisation plan.

1. Equipment replacement to go for electrification or other alternative green fuel under Hutchison Ports’ directive.
2. Gradually implement renewable energy source of power to meet the gravity shift to increase electricity consumption.

Equipment Replacement and Electrification

Full scale electrification of equipment and trucks from 2024 is ratified under the Group’s directive. This is in line with the sustainability policy which was developed and implemented in 2021. To complete this task a large-scale equipment inventory was completed in 2022. With this inventory a vehicle and equipment replacement schedule is being built and rolled out from in 2023. This vehicle replacement schedule will consider the natural vehicle replacement schedule (life expectancy of the vehicle) as well as budgetary requirements of the BUs.

Examples of some of the progress within the Group include:

Hutchison Ports Thailand who received four cranes and eight rubber-tyred gantry cranes which are

remote controlled and fully electrically operated. These new cranes have greatly increase container handling capacity while reducing the carbon emissions at the same time. Meanwhile, an additional six new ATs began operation continuing the smart port transformation.

There were total of five new hybrid straddle carriers and three quay crane spreaders delivered to Hutchison Ports FCP (Bahamas) as part of their target to invest in energy efficiency of equipment.



Photo courtesy of Darren Harvey (Hutchison Ports Port of Felixstowe (United Kingdom)), 2nd Prize of Photography Contest 2022

Renewable Energy Power Source

Our company is exploring the possibility of entering into long-term power purchase agreements (PPAs) or through the use of Energy Attribute Certificates (EACs) with providers of green electricity such as windfarms and photovoltaic energy providers. The aim is to enhance our future supply of renewable electricity and support our plans to bring down scope 2 emissions to almost zero by 2050. Currently two of our BUs are fully utilising renewable electricity directly from supplier. These BUs are Hutchison Ports BEST (Spain) and Hutchison Ports United Kingdom. Hutchison Ports will ensure any renewable energy used by the terminals is backed by EACs or their geographic equivalent.

Emissions Pathway

With the implementation of equipment replacement to low emission and emission free versions as well as the utilisation of renewable energy, it is foreseeable that we would progress to short-term targets in 10 years' time. We are confident that by that time there will be mature technology to further mitigate the hard-to-abate the emission hot spots. It is the Group's intention to review our progress over time as per SBTi requirements and adapt the strategy to ensure compliance if required.



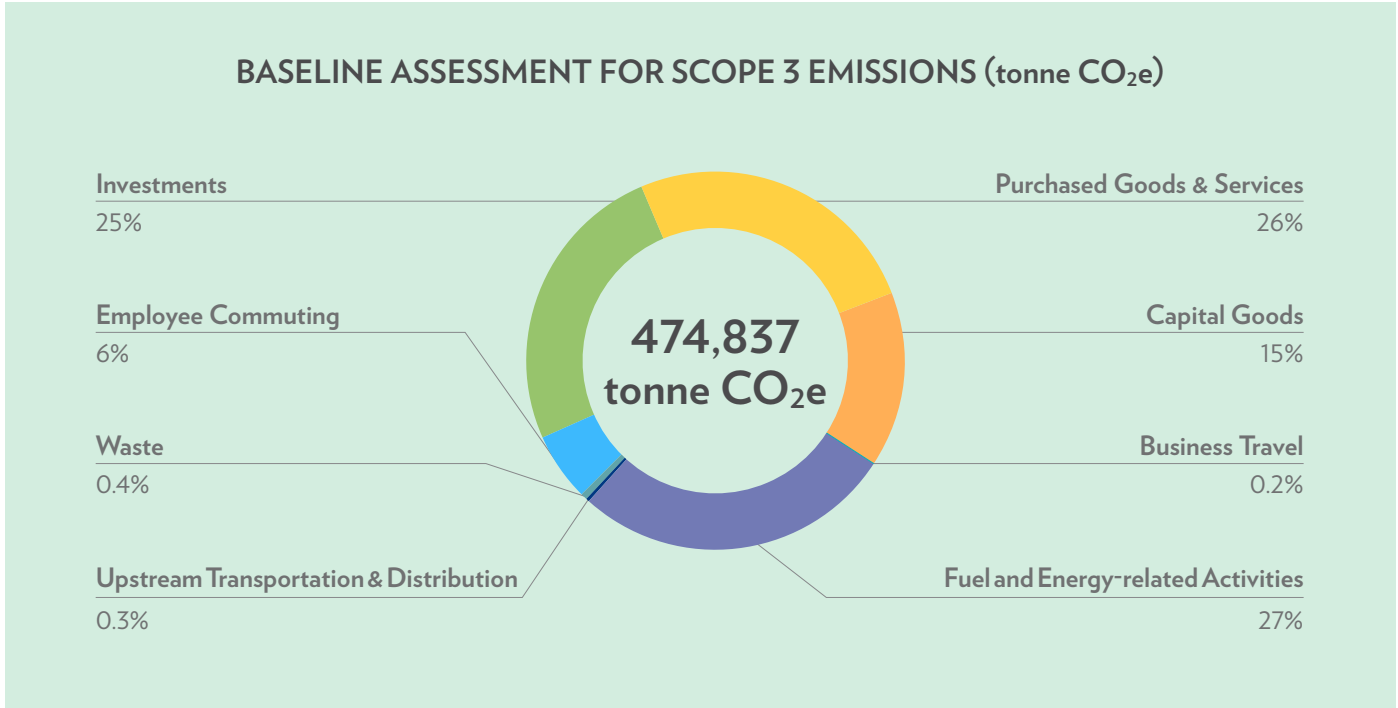
Photo courtesy of Ronald van beek (Hutchison Ports ECT Rotterdam (The Netherlands)), 4th Prize of Photography Contest 2022

4.1.3 SCOPE 3 AND BEYOND

We acknowledge the importance of engaging with suppliers on opportunities for decarbonisation. Therefore, we have planned to engage with our major suppliers to understand their carbon footprints profile. In addition, we will continually investigate our emissions profile and refine our data collection methods.

• Scope 3 Profile

As part of the modelling exercise, the scope 3 categories were analysed for relevance to the business processes. It was deduced that eight of the fifteen categories were applicable to the operations. These categories are mainly upstream of our operations as we do not develop or distribute our own products. The categories and associated emissions totals are portrayed below.



• Next steps

Building on the baseline assessment of our scope 3 emissions, we will be looking at the methodologies to enhance our data accuracy. We will also be upgrading our current EIS system to collect scope 3 emissions data on a monthly basis for further analysis.

4.2 RESILIENCE

4.2.1 NATURAL WORLD IMPACT

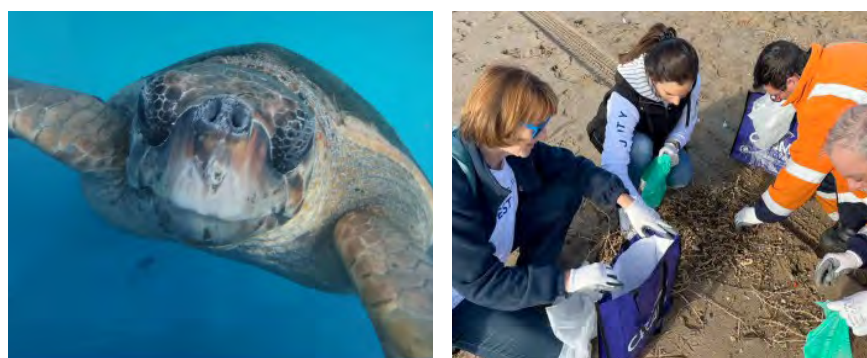
Protecting Natural Resources

Our industry is inextricably linked to the ecosystems in which we operate. Beyond the impact of GHG emitted from our operations and our corresponding decarbonisation strategy, there are other aspects of the environment which require careful consideration. This includes biodiversity and any associated loss or impact, the generation of wastes and the consumption and use of water. Similar to our metrics around emissions Hutchison Ports will continue to investigate and analyse metrics around the environment and introduce key performance criteria where required.

Hutchison Ports has signed the Buckingham Palace Declaration, to take concrete steps to eliminate opportunities for wildlife trafficking by focusing on information sharing and secure reporting to law enforcement authorities. With this Declaration, Hutchison Ports joined 119 other organisations as a member of the United for Wildlife Transport Taskforce.

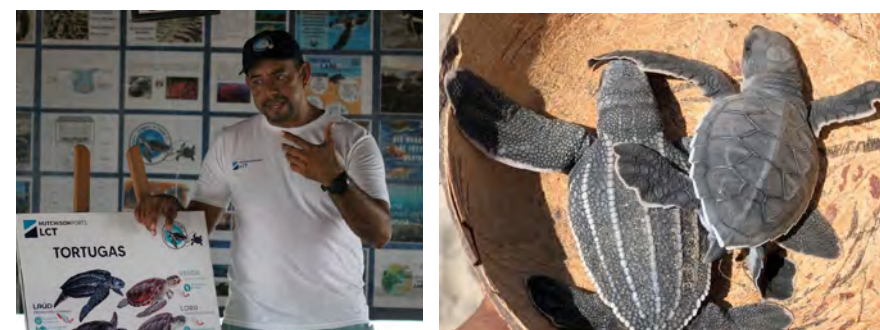
CASE STUDY OF HUTCHISON PORTS BEST (SPAIN)

Hutchison Ports BEST (Spain) has committed to a collaboration agreement with local marine animal recovery centre for marine fauna conservation. The Centre for the Conservation and Recovery of Marine Animals (CRAM) is a private non-profit organisation dedicated to the marine environment and endangered species conservation and recovery programme. The team has provided support to the conservation with the annual economic contribution which is destined for the preservation of marine life. In addition, their employees took any active role in enhancing the marine environment through recovery activities., 2.2 kg of waste was collected in the Beach cleaning activity took place in November 2022.



CASE STUDY OF HUTCHISON PORTS LCT (MEXICO)

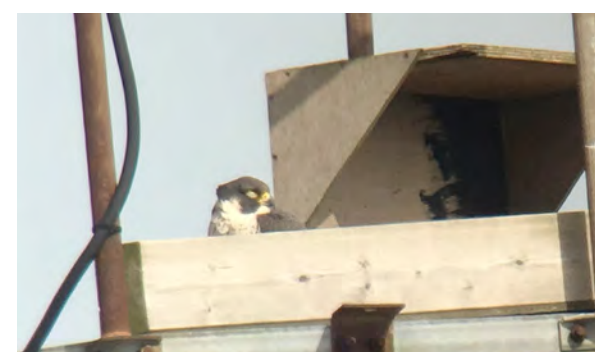
Hutchison Ports LCT (Mexico) has an ongoing partnership with the Golfina Turtle Protection. They have signed collaboration agreement with the “Campeonato Tortuguero El Habillal A.C.” to protect the coastal habitat and raise the awareness through environmental education campaign. They put great effort in the conservation and preservation of sea turtles by the relocation and protection of the turtle eggs by the incubation pens and with the release of hatchling.



CASE STUDY OF HUTCHISON PORTS PORT OF FELIXSTOWE (UNITED KINGDOM)

Hutchison Ports Port of Felixstowe (United Kingdom) utilises a specialist ornithology expert to manage and monitor the population of Peregrine falcons situated in proximity to the terminal who utilise the area for nesting seasonally.

The port terminal has been a shelter for Peregrine Falcons since 2012 because of the building structure of the terminal is similar to the natural cliff side for birds. The port's operations are closely monitored to reduce the influence on the bird nesting period and acknowledged experts' recommendations. Nesting platforms were installed to provide safety nesting locations away from port equipment and take regular monitoring of Peregrine activity during sensitive times such as when birds are preparing to nest.

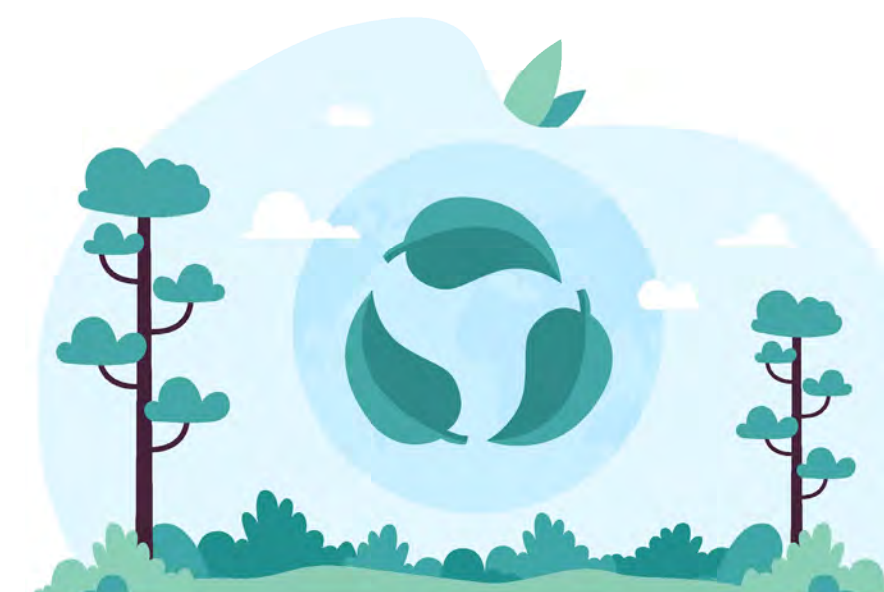


Monitoring Air Quality

As our terminals are static sites located usually in sensitive areas with respect proximity to communities and wildlife there is growing regulatory oversight on the emissions of gasses and particles which are harmful for human health. Examples of these include carbon monoxide, lead, nitrogen oxides, ground-level ozone, particle pollution (often referred to as particulate matter), and sulphur oxides. Through our business policies and abidance of regulatory frameworks at a BU level, we continually attempt to reduce our emissions profile to ensure that the air quality of our sites is in keeping with best practice.

Hutchison Ports Port of Felixstowe (United Kingdom) takes an active role in reducing the air emissions by monitoring the air pollutants in a regular basis which includes the Particulate Matter (PM₁₀ and PM_{2.5}) and Nitrogen Dioxide (NO₂). The emissions monitoring serves as an indicator to limit the pollutant exposures and to safeguard public health and habitat. Without the proper control of air emissions, it poses threat to the natural environment, affects the waterways and even to the biodiversity.

The significant sources of air pollution among port operations are identified by using the emission inventory, and corresponding mitigation measures are advised from short-term to long-term, including the use of Non-road Mobile Machinery (NRMM) and utilisation of rail transport, etc.



4.2.2 RESOURCE USE

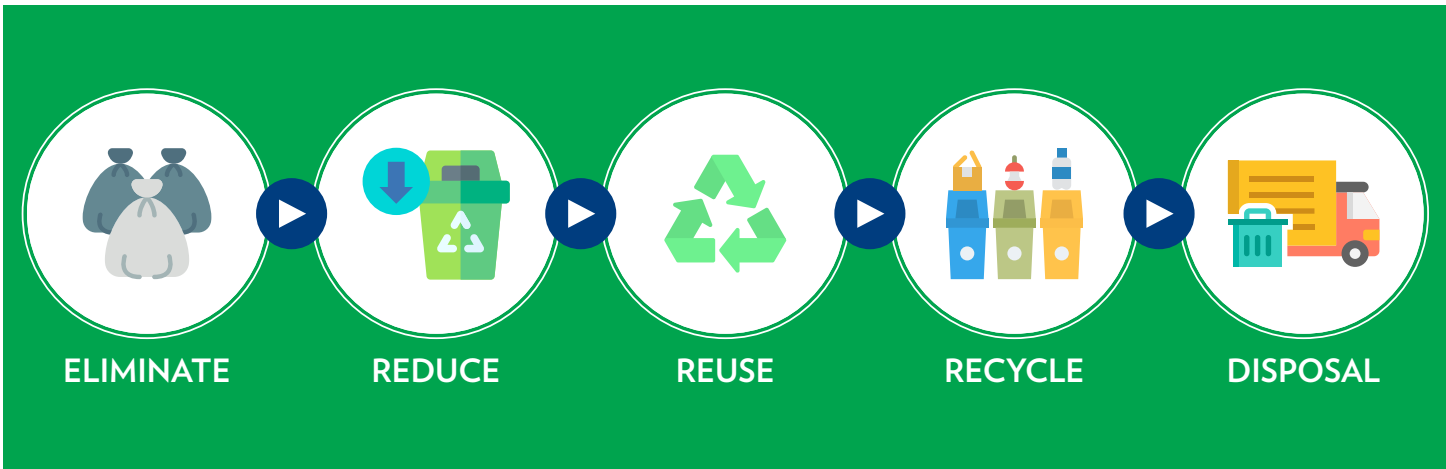
Waste Management

Hutchison Ports have implemented the Waste Management Standard (GWMS) as a waste management protocol. The aim of this standard is to promote uniformity in waste management practices across all BUs worldwide. The GWMS mandates that all waste generated within the ports is handled appropriately and in compliance with local environmental regulations. To achieve this, relevant personnel within the BUs must receive training on the proper handling, storage, transfer, and disposal of waste.

To decrease the amount of waste that ends up in landfills, we have implemented the waste hierarchy scheme, which is mandatory for all BUs to follow. This scheme consists of five steps arranged in descending order based on their environmental impact. The objective is to maximise resource retention at the highest possible level, eliminating the need for landfill disposal.

We collaborate with our colleagues, tenants, hauliers, and vessels to discover methods of reducing waste generation, repurposing materials whenever possible, and diverting waste away from landfills through recovery and recycling. Licensed companies collect recyclable non-hazardous and hazardous materials such as waste oil, scrap metal, waste wood, and lead-acid batteries after they have been segregated and stored.

Overall, our goal is to minimise the waste that goes to landfills and maximise the recovery and recycling of materials to conserve resources and promote environmental sustainability.

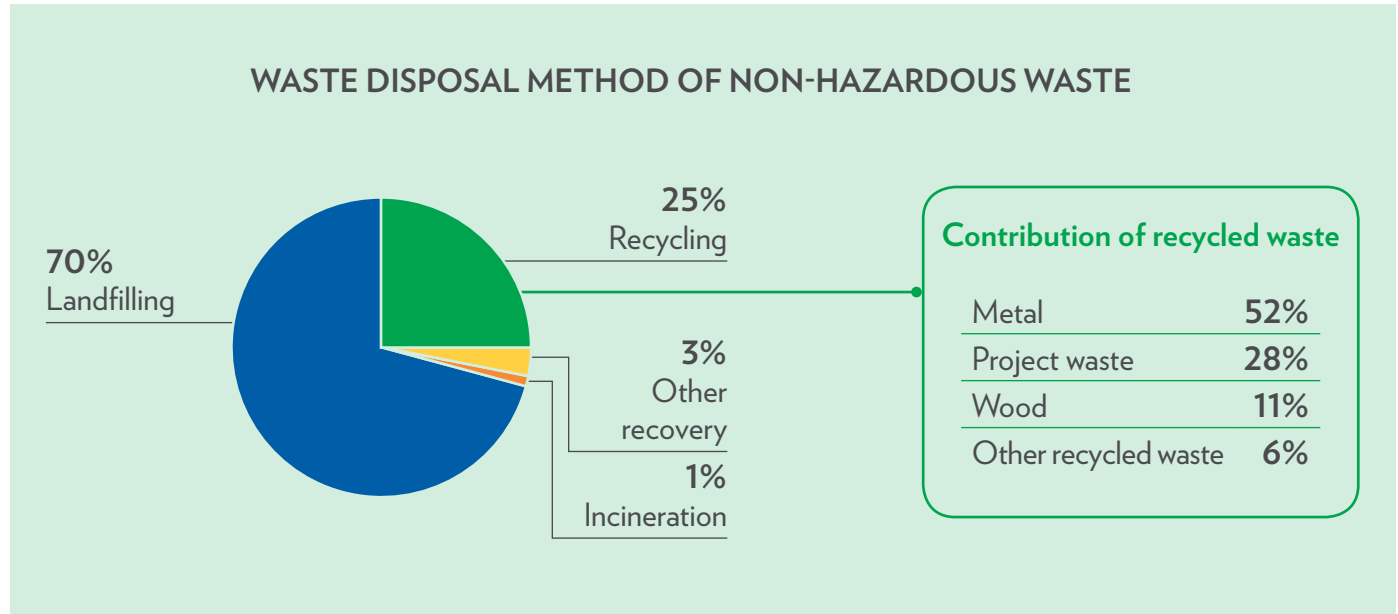


Waste Reporting

Waste data collection and reporting is a well-advanced system within Hutchison Ports. Monthly returns are collected and reported through our EIS system. Our EIS system is continually reviewed in terms of attributes to make sure we reflect all avenues of the waste management. BUs are required to promptly re-assess their data if any anomalies are found in their reporting. These anomalies are categorised in terms of variance from the mean expected as well as SSE team data validation checks. Waste documentation audits and site storage inspections, including spot check inspections, are conducted on a regular basis. In addition, annual reviews are conducted on the certifications, compliance documentation.

2022 Performance

Hutchison Ports is committed to achieving waste reduction through five stage approach – Eliminate, Reduce, Reuse, Recycle and Disposal. Waste management performance in Hutchison Ports Sydney (Australia), has made significant improvement in waste management and the recycling rate for solid waste has risen to 62%. Around 40% of the total waste generated was liquid waste, which was collected by an authorised contractor and treated in accordance with local standards.



Hutchison Ports Port of Felixstowe (United Kingdom) works closely with procurement team, waste contractors and suppliers on the purchased capital goods, such as wire-rope and cable drums for upcycling purpose. Other used material that remains will be returned to supplier for reprocessing and reuse. Port's catering contractor has replaced the plastic disposable box and utensil by the plant-based materials.



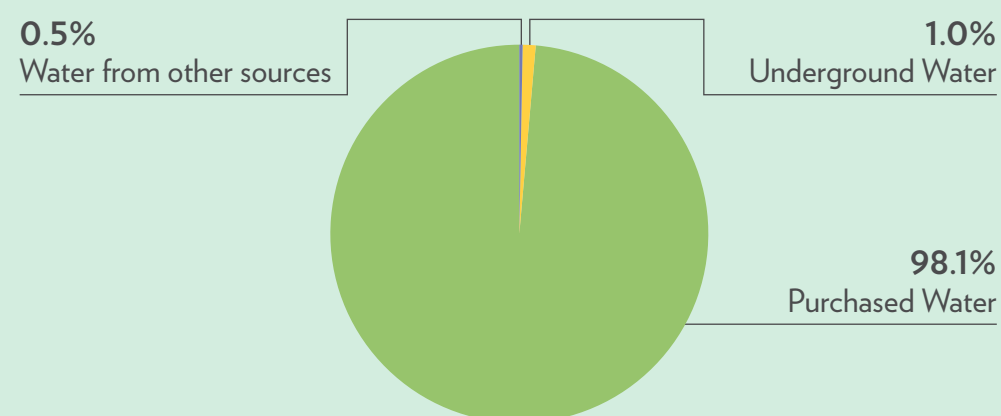
Water Use and Pollution Prevention

Water use is an intrinsic part of our business processes. We utilise water as part of our terminal operations within our buildings such as offices and canteens and maintenance yards. Water is directly distributed to our terminals via extensive pipework from local municipality supply, via wells or tankered in. This is geographically dependent and determined by the use of the water. Further, the proximity of our operations to water and the marine environment equates to elevated risk in terms of potential harm if our business processes are not managed correctly. Potential sources of degradation from our activities may come from:

- Chemicals or contaminants entering our drainage systems due to lack of chemical bunding and safe storage processes.
- Spills from maintenance or refuelling.
- Spills directly from berthed vessels inclusive of ballast water.
- Lack of flooding or rainfall runoff controls which may collect debris and sediment from our facilities and wash into the local waterbodies.

To mitigate high and unnecessary consumption of water and associated discharges and potential pollution incidents, Hutchison Ports implement strict criteria around water use and subsequent discharges in accordance with Group Policy, regulatory guidance, and best practice. We are endeavouring to capture more data around water use and especially around water use in water stressed areas. Once our baselines are calculated correctly and more refined, we will begin to look at water consumption at a local level once we have deduced the overlap with water stressed areas. We expect this approach to be rigid and verifiable thus will utilise our EIS systems for tracking and affiliated and recognised disclosure requirements for reporting.

2022 SOURCE OF WATER WITHDRAWAL



Our core Group Environmental Policy and Sustainability Policies outline the protection of natural resource in terms of implementation of water conservation measures and implementation of initiatives to manage or reduce effluents. These policies also empower the BUs to monitor and manage the use of natural resource including water.

Site specific measures to prevent pollution include:

- Robust oil water interceptors.
- Bunding and refuelling zones for chemicals and fuels.
- Designated refuelling zones that are protected from plant strike, bunded, well signed and accompanied by spill kits for emergency use.
- Onsite trained personnel for emergency spills inclusive of collaborative partnerships with local authorities and agencies to ensure large scale response in the event of a larger incident.

In line with EU regulatory requirements, we will endeavour to report on any spills based upon classifications outlined in the next sustainability report.



Photo courtesy of James Glesson (Hutchison Ports Port of Felixstowe (United Kingdom)),
1st Prize of Photography Contest 2022

4.2.3 CLIMATE RISK BASELINE EXERCISE

Background

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 well-recognised risks. 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.

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 workforces. The potential impact and severity of these looming issues will vary from port to port in which Hutchison Ports operates, however we are acting now with a combined, global response to reduce climate change vulnerability and increase business resilience.

Climate Risk Baseline Exercise

In response to the potential risks, the GSC decided to engage an external consultant to carry out an initial, high-level climate change risk baseline exercise with the view to investigate the potential and scale of climate risk over our geographic spread. The exploration of this topic should allow us to increase our business resilience, identify relevant climate risk future associated loss, if appropriate.

In line with guidance from the Intergovernmental Panel on Climate Change (IPCC) and recommendations within the TCFD, relevant climate hazards have been chosen for this study.

The selected climate hazards can be separated into acute and chronic hazards. Acute shocks refer to climate hazards that are associated with rapid onset events which come and go within days, if not hours. These include increased severity of extreme weather events, such as typhoons, storms, or floods. Chronic stresses refer to slow onset changes in climate patterns (i.e., sustained higher temperatures) that may cause sea level rise or chronic heat waves over a longer period of time.

The IPCC has produced climate projections based on target GHG concentration scenarios, called Representative Concentration Pathways (RCP), considering factors such as population growth, economic development, and development of new technologies. The RCP8.5 represents the high concentration scenario and equates to a business-as-usual projection; while RCP2.6 represents the low concentration scenario with peak emissions in 2020. RCP4.5 and RCP6.0 could be considered as the medium-low and medium-high scenario respectively. The purpose of using scenarios is not to predict the future, but to explore both the scientific and real-world implications of different plausible futures.

Through assessment of climate related disclosures, it was determined that RCP8.5 and RCP2.6 were the most common scenario's referenced and 2050 and 2030 were the most common time horizons considered.

The baseline exercise used the guidance outlined above and categorised the predictable effects of climate change relevant to the terminals. We will maintain close communication with BUs on their respective potential climate hazards. The Group will constantly assess and monitor the impact of climate change.



05

OUR
BUSINESS



5.1 GOVERNANCE

5.1.1 POLICIES, STANDARDS AND ETHICS

Introduction

Hutchison Ports is committed to driving sustainable practices across all aspects of our business. We understand that as a global port operator, our operations have a significant impact on the environment, society, and economy, and we take our responsibility to mitigate these impacts seriously. In this annual sustainability report, we will focus on three key elements of our business that are crucial to achieving our sustainability goals:

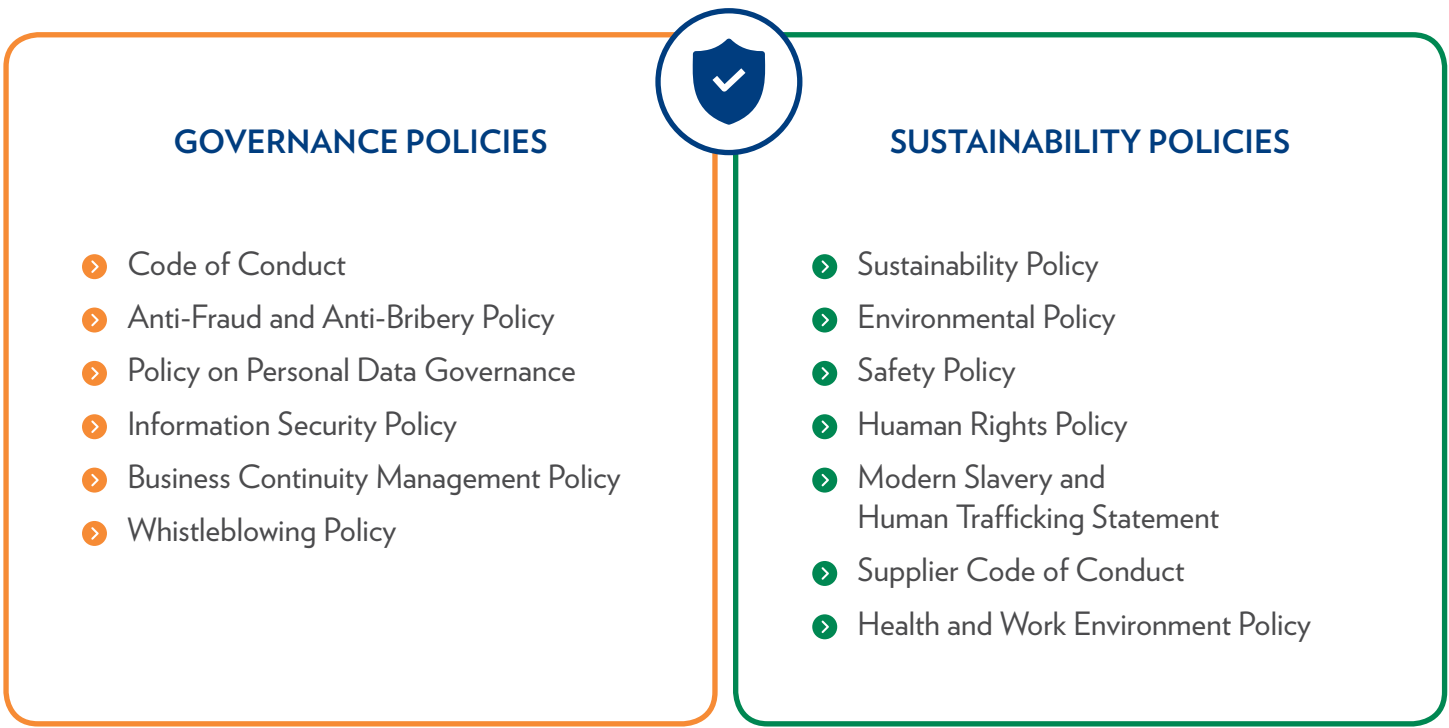
 Our Policies, Standards, and Ethics

 Our Supply Chain

 Our Risk Management Practices

Policies

The company has developed a range of policies to guide its operations, including environmental management, health and safety, and corporate governance. These policies have been supplemented and augmented by our sustainability policies – which ensures an alignment across the group as well as with our parent company CKHH. All policies are made available in various languages to all ports, and all employees are required to declare compliance.



Policy Training and Updates

Several training programmes are implemented to ensure that our organisation’s policies are well understood. New hires participate in training sessions, while all employees attend regular refresher courses whenever new amendments are added to policies or new laws and regulations are introduced in the countries where we operate. Specialised training sessions are also required for managers and supervisors from all BUs and departments to ensure that key personnel are familiar with the relevant policies. Furthermore, an e-learning platform is provided for all employees at all. The policies are accessible on the intranet and are circulated to all levels within the organisation and all relevant stakeholders as necessary.

Standards

Standards are more specific than policies and typically outline the required technical specifications, procedures, and processes for achieving a particular goal or objective. They provide detailed guidance for implementing policies and ensure that they are followed consistently across the Standards are often developed based on industry best practices or regulatory requirements. In Hutchison Ports we are accredited to the International Standards Organisation (ISO). Our ISO management systems are integrated into the business’s daily operations and are fully supported at the highest levels of the organisation.

Group Minimum Safety Standards

One of our success stories in relation to the development and deployment of standards within Hutchison Ports has been the introduction of the GMSS. Devised in 2014, there have been continual updates to the standards to ensure the safety of the terminals takes into account the latest information and trends/ regulation in safety. The most recent iteration goes further in embedding safety within the culture of day-to-day operations.

Ethics

Hutchison Ports is reliant on our value chain inclusive of all our suppliers, our employees, and the people we do business within order to maintain our leading place in the world of ports. To continue to be a trusted and preferred partner it is integral to our business that our UNITY values are applied. The “T” in our UNITY core values sounds for “Trusted and Honest” which we uphold and expect everyone involved in our business processes to adhere to.

Ensuring Compliance

The Code of Conduct sets out standards for employees on how one should behave with all of our stakeholders and provides guidelines on business conduct. Topics covered include conflict of interest, fair dealing and integrity, no bribery, personal data protection and privacy, safe and healthy workplace, protection of the environment, and the reporting of illegal or unethical behaviour. Non-compliance with the Code of Conduct will result in disciplinary action, up to and including termination of employment. We regularly monitor applicable laws and regulations that have material impact on the Group and various measures are in place to ensure full compliance. For instance, regular and refresher training for Competition Law are in place to raise staff awareness.

- **Anti-Fraud and Anti-Bribery**

Compliance against our policies as outlined in the previous section is the first step in regulating our supply chain system. The application of standards within the Group is expected while the adoption of said standards by our supply chain is encouraged. Irrespective of the adoption of our unique standards a zero-tolerance approach is taken towards any form of corruption, bribery, or fraud in any form. Our Anti-Fraud and Anti-Bribery Policy defines the behaviours that constitute fraud or bribery and outlines the roles and responsibilities of employees. All employees are required to adhere to this Policy as well as any additional requirements set by local laws and regulations. The breach of which may lead to disciplinary action that might ultimately result in termination of employment.

We have implemented specific measures to encourage diligence among employees. Online trainings on anti-fraud and anti-bribery are provided to all new employees. To ensure they are fully aware of any improper conduct that will contribute to fraud and bribery, employees are required to score 100% to pass the assessment after training. Refresher trainings are also provided on a yearly basis.

- **Whistleblowing Policy**

Hutchison Ports' Whistleblowing Policy expects and encourages all internal and external stakeholders to report in confidence, any suspected impropriety, misconduct, or malpractice within the Group to CKHH's Group Management Services. Every report shall be made in person or in writing either by email or by post. Each reporter is required to provide details of improprieties on the report; and are encouraged to provide details of the reporter to facilitate investigation and such details will be kept in the strictest confidence. The investigation procedures follow the instruction laid out in the Group's Whistleblowing Policy and the reporter is informed of whether the matter will be investigated further and the progress of investigation. The results are reported to the Audit Committee of CKHH.



5.1.2 SUPPLY CHAIN MANAGEMENT

At Hutchison Ports, we recognise that our business has a significant impact on the communities where we operate, and so we believe that by setting high standards for ourselves and our suppliers, we can create a more sustainable future for all. We are also committed to working closely with our supply chain partners to identify areas where we can improve sustainability, such as reducing GHG emissions and promoting responsible resource use. We understand that collaborative partnerships where we learn and share knowledge with our supply chain is the best method to realise our decarbonisation roadmap and achieve our sustainable vision.

Sustainable Partnerships

Our supply chain inclusive of our business partners and suppliers must adhere to our Supplier Code of Conduct as well as our other policies listed in Part 1 of this section. The Supplier Code of Conduct serves as a guide to our supply chain and works in tandem with our Human Rights Policy and the Modern Slavery and Human Trafficking Statement. These policies move to ensure that all our business transactions are conducted in a fair, unbiased, and transparent manner.

Sustainable Procurement

We have sustainable procurement at BU level. For example, Hutchison Ports United Kingdom have begun the process of addressing a sustainable procurement practice by applying a prequalifying questionnaire to its prospective suppliers. This questionnaire evaluates contractor management of labour practices, modern, and environmental practices such as the applicability of standards, legal compliance, and safety. The intention of this evaluation is to progress the engagement which is required with our supply chain over the long-term and identify where we think engagement as well as support may be required to maintain a relationship.

Local Sourcing

We try to locally source as much of our goods, materials, and services as possible. This is to benefit the local suppliers and vendors within our community. A procurement information tab on our network's local websites announces the services and products for tender within our local BUs. General purchasing terms and conditions, the scope of work, registration process and vendor registration flow can be downloaded on the website. The contact information of the purchasing department is also disclosed for the convenience of prospective local business partners. What is important is that we attempt to deliver our service using locally sourced equipment and service providers as this reduces our emissions in terms of energy usage while providing benefit for the community. It also develops resilience within the supply chain for our local BUs. This is evidenced by the usage of local providers for electrical generation, fuel purchase, labour, and miscellaneous consumables which make up a large proportion of our annual expenditure.

5.1.3 RISK MANAGEMENT AND DATA SECURITY

As a global organisation, we understand the importance of sustainability and its impact on our business operations and the environment. Sustainability is a critical issue that has gained increasing importance in recent years due to the growing awareness of the negative effects of climate change and environmental degradation. The current market trends also reflect the growing concern of stakeholders, including consumers, investors, and regulators, regarding sustainability issues.

Risk Management

Risk management is an essential component of our sustainable business strategy, which helps us identify, assess, and mitigate the above potential risks associated with sustainability issues. By incorporating risk management into our sustainability strategy, we aim to ensure the long-term viability of our business operations and contribute to a sustainable future. Risk Management for us centres around a wide range of ESG issues.

Internal Controls

The methodology adopted by Hutchison Ports to facilitate robust governance and risk management within the Group is based on the “Three Lines of Defence Model”. This model provides a clearer understanding of risk management and governance. It also stresses the importance of internal auditors working alongside management to manage risk. The model also emphasises the need for clear communication between the three lines of defence, and the importance of all three lines being accountable for risk management.

Supply Chain Risk

In a broad sense, some risks identified to the business can be attributed to the supply chain. This may be a risk associated with their governance process or even instability associated with disruption which causes risks to business continuity. As the supply chain was an identified risk in 2022, necessary responsible parties were assigned and mitigations applied as necessary. Some of these key mitigations from a governance perspective include:

Staying abreast of all local customs, regulations, and law.

Planning of emergency response and planning procedures.

Enforcing business continuity practices.

Any organisation such as Hutchison Ports which is based on the provision of high-quality goods and services could also face business disruption or reputational risks should we encounter supply chain issues thus we have implemented further mitigation measures:



Quality of suppliers are evaluated as per Policy on Purchase of Goods and Services.



Relevant controls as documented in the Internal Control and Risk Management (ICRM) assessment.



Application of questionnaire to assess the sustainability transparency of suppliers.



Declarations of such controls and the assessments they sit within.

Business Continuity Plan

The Group has implemented a Business Continuity Policy (BCP) with the objective of ensuring that all its BUs are equipped to recommence and maintain their business activities in the event of natural or unnatural calamities. The BCP mandates that each BU establishes a Business Continuity Management team to respond swiftly to emergencies of all types.

Data and System Security

Cyber-attacks and security incidents are a risk for any organisation especially ones that operate a complex global logistical operation based on secure data transfer. Hutchison Ports operates a state-of-the-art protection system designed to shield against threats. Led by top management, our Cybersecurity Committee includes technical specialists and representatives from Group IT, Group Operations and Group Engineering. It oversees the management of cybersecurity risks and defences to ensure that all implemented schemes and policies are effective, coherent, and well-coordinated.

Response to the Pandemic

The system continually evolved as the way we work continued to incorporate remote working due to the pandemic. Remote working changed the risk profiles and the threats experienced therefore so did the increase in training and awareness for the staff. Methods employed to enhance our cybersecurity posture includes but is not limited to:

- 1. Multi-Factor Authentication (MFA): Implemented MFA to strengthen its authentication processes and reduce the risk of unauthorised access.
- 2. Virtual Private Network (VPN): Extended its VPN capabilities to enable secure remote access to its systems.
- 3. Cloud Security: Implemented additional cloud security measures to ensure the security of its cloud-based systems and data.

IT and Operational Technology (OT) Security Controls

Hutchison Ports adopted international IT security standard ISO27001 and international OT security standard IEC/ISA 62443 as reference security standards.

Hutchison Ports regularly scans for vulnerabilities in the terminal IT systems to mitigate the risks the vulnerabilities being exploited by hackers. BUs conduct annual cyber incident recovery drill to ensure they can recover from cyber incidents such as ransomware attacks. Due to the rapid movements of containers in our terminal operations, very stringent Recovery Point Objectives (RPO) at 30 minutes and Recovery Time Objectives (RTO) at 24 hours are set as targets.

Hutchison Ports is deploying new technologies such as advanced OT, ATs and 5G wireless networks. Cyber risks emerge around these new technologies need to be evaluated and mitigated. IT, Operations and Engineering teams jointly initiated an OT Security project to evaluate the emerging OT cyber risks and a mitigation plan, with the help of professional consultants. An OT security guidebook is one of the first deliverables that is shared across terminals as security best practices. A multi-year strategy is defined to continually improve cyber resilience in our terminal’s OT environment.

Awareness Training and Phishing Simulation

Hutchison Ports invested in employees’ cybersecurity awareness training to increase their understanding of cyber threats and how to prevent cyber-attacks. These training sessions focused on topics such as phishing, password security, and social engineering. As phishing is regarded as one of the predominant cyber threat, Hutchison Ports runs regular phishing simulations to train its employees to be cautious in clicking links in emails.

In addition to formal training, there are other awareness initiatives such as computer screen savers with security themes, security education games with prizes, and user awareness animations are delivered to all employees. By educating employees, Hutchison Ports increased its cybersecurity resilience and reduced the risk and impact of cyber-attacks.

5.2 SUSTAINABLE SOLUTIONS

5.2.1 INTEGRATED LOGISTICS

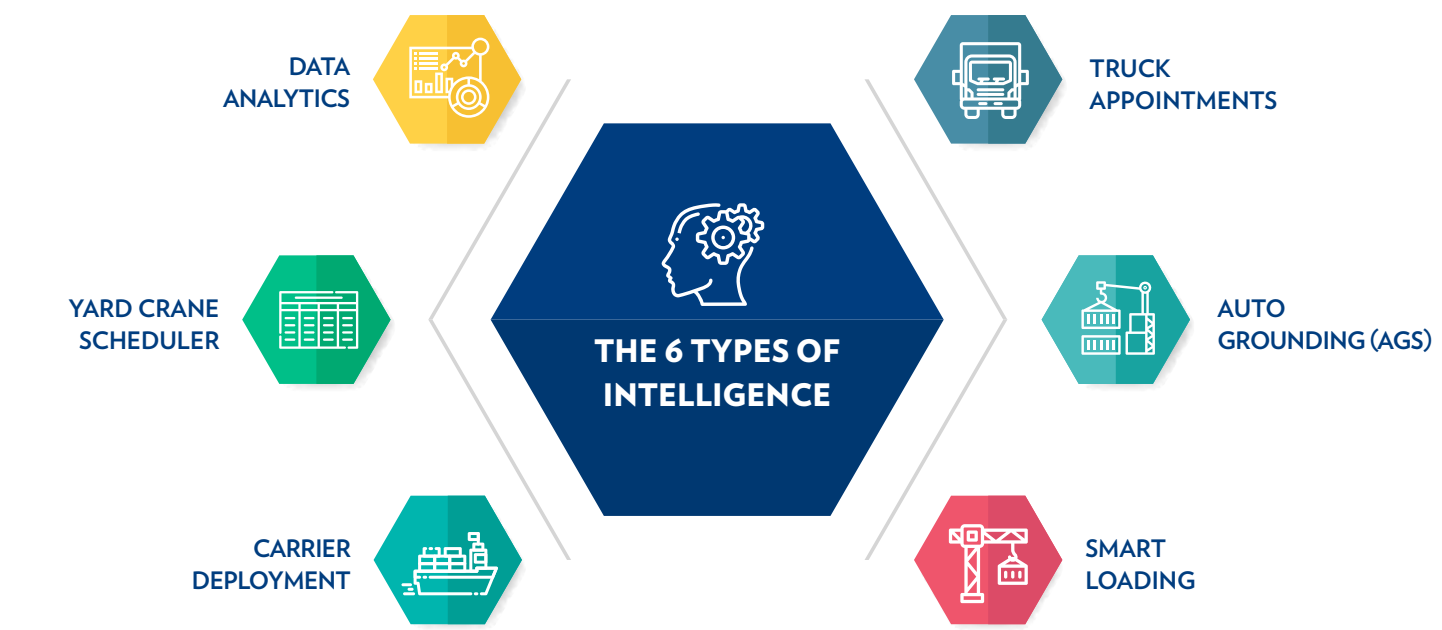
Our Smart Port Strategy







At the forefront of technological advancement in the ports industry, Hutchison Ports boasts a comprehensive array of cutting-edge technologies that shape the industry. These technologies include digitalisation platforms, intelligent operational scheduling, and equipment automation, which we have developed through continuous investment and development. Since our organisation is built on a complex supply chain, it is crucial that we leverage the latest technologies and innovations to deliver our services on time, efficiently and sustainably. To achieve this, we integrate our logistical supply chain at Hutchison Ports, ensuring that everything from ordering via digital platforms to goods distribution is interconnected. Our strategic approach is overarching inclusive of an evolving Terminal Operating System (nGen), exchange of information with our stakeholders and continued digitalisation and automation of the business.

Terminal Operating System - nGen (TOS)

The nGen Terminal Operating System for Hutchison Ports has been pioneering in the port industry and the enabler to our success. This TOS is a technology-driven system designed to enhance the efficiency of port operations and improve the customer experience. It utilises various advanced technologies such as Artificial Intelligence (AI) and big data analytics to optimise port operations, reduce turnaround times, and increase productivity. nGen's key features include a smart truck appointment system, automated gate operation, and a real-time yard management system that enables more efficient cargo handling and tracking. It also offers a customer portal that provides real-time cargo status updates, online appointment booking, and self-service options for cargo documentation and payment.

Apart from being the core module for container movement and inventory execution and control, the nGen system also includes elements for terminal planning, real time operations monitoring as well as a Terminal Reporting and communication System (nTRACS). All of these modules integrate with one another in an intelligent manner to streamline business processes. The six levels of integrated intelligence that make up the TOS are highlighted below:



Aspect	Intelligence
	Electronic platform to coordinate and optimise truck flows.
	Algorithm to locate best grounding slot per pre-defined criteria and real time info.
	Optimising operations performance via an automatic work plan refinement in real time.
	A rule-based auto matching process to maximise the efficiency and utilisation of straddle carrier.
	A time & event-based yard crane scheduler to holistically optimise container movements in yard.
	Centralised data warehouse of terminal operations that enables the deriving of business intelligence.

Value Chain Integration

As one of our main endeavours as a business is mobilising goods from one part of the world to another via a complex set of logistics - it is business critical for Hutchison Ports to stay connected and be integrated within the full value chain of logistics. There are a number of initiatives that the Group has employed to ensure we continue to be ingrained within the value chain.

- Group Level Ordering Communication Platform - HPDX**

Accurate and timely information exchange with shipping line drives the efficiency of terminal operations. Hutchison Ports understands the vital importance of making the information flow to be seamless, and has developed a trusted and reliable cloud-based gateway - Hutchison Port Data Exchange (HPDX) to handle information exchange at the Group level with the following features:



• **UBI: Terminal Community Mobile App**

Our global strategy to enhance the hinterland connection for our ports includes the ubi Mobile App, which enables customers to gain better visibility and faster access to landside terminal processes. Through the ubi, customers can track and receive real-time updates of their cargoes from waterside, yard, and landside operations. The app has been rolled out to 6 terminals across 6 countries globally.



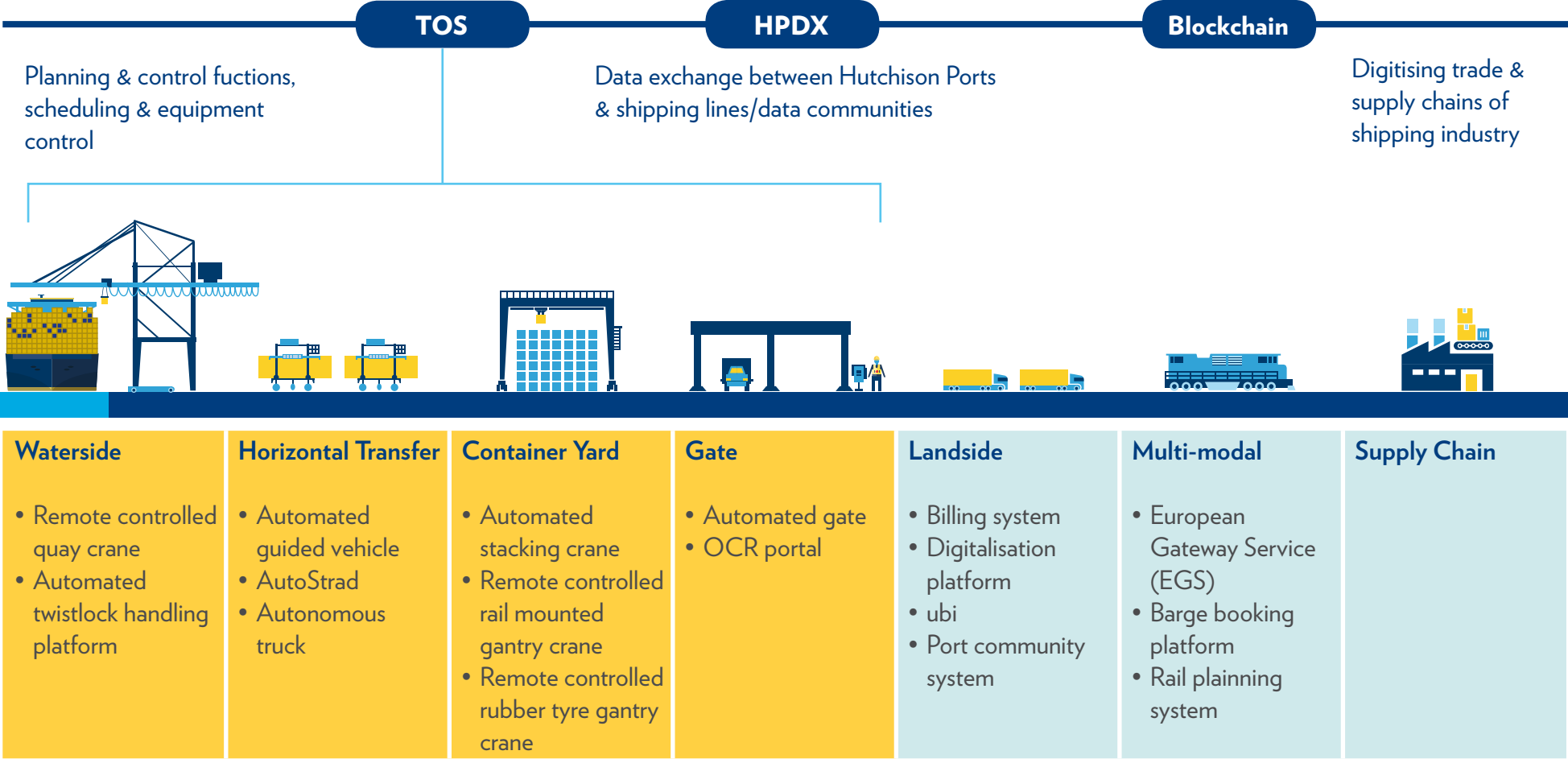
• **Multi Modal Optimisation App - PARIS**

The PARIS optimal transport planning system is used in shipping (and other modes of transport) to optimise the planning and routing of shipments within and between ports. In the maritime context, the system can help shipping companies and logistics providers to minimise transportation costs, reduce transit times, and improve the overall efficiency of their operations.

For example, the system can be used to optimise the allocation of shipping containers and other resources within a port, considering various constraints such as vessel capacity, berth availability, and cargo volume. It can also be used to optimise the routing of ships between ports, considering factors such as the distance, weather conditions, and fuel consumption.

By using the most efficient routes and modes of transportation, the system can minimise fuel consumption and GHG emissions, while also reducing congestion and improving the overall sustainability of the shipping industry. PARIS has been developed to support the optimisation of transport planning to attain this goal by:

- Increasing the percentage of their tip and reload jobs from single figures to more than 30%, dramatically reducing the number of empty containers being transported, and achieving considerable savings in operational costs.
- Assessing and planning transport requirements, providing with solutions at the planning, execution, and post-execution stages.



The diagram shows the overall integration of the separate systems which allow for more integration between the start and the end point of the logistical transfer.

Some of the TOS standardisation achievements so far include:

- First in the world as a Global port group with the home-grown TOS to unify and standardise the operations.
- First in the world with TOS standardisation in 27 terminals globally and growing to have 10+ more by 2025.
- First in the world providing comprehensive feature suite to support the diversified business model – covering Manual/ Auto operations mode and extending to cover operations of General Cargo and Intermodal such as Rail and Barge

5.2.2 TECHNOLOGICAL INNOVATION

Remote Operations Management Framework

Hutchison Ports envisions terminal operations should not be confined by physical location and terminal constraints. In an offshore manner, we can optimise our global workforce to manage operations anytime and anywhere. To this end, Hutchison Ports has developed a robust operations management framework. This framework allows:

- Enabling shared services in terminal operations covering ordering, planning and execution
- Enabling remote management of terminal operations
- Alleviating local resource constraints through remote working and sharing of resources across multiple sites
- Reducing operations efforts through standardisation and automation
- Enabling overall streamlining of headcount required for supporting the committed service levels for customers

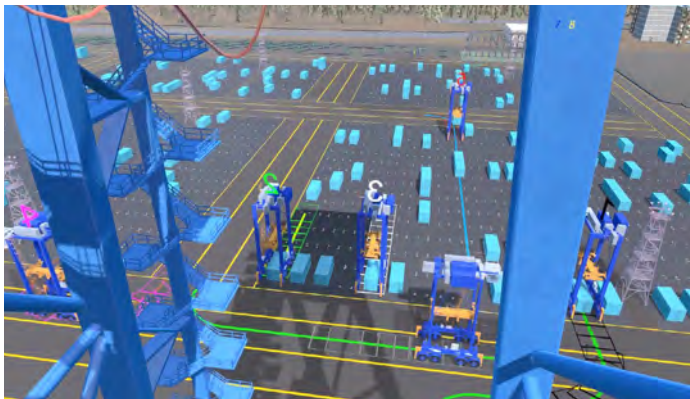
Regional Operations Management

The concept of Regional Operations Centre (ROC) was conceived as a shared service centre which covers centralised stowage planning delivery for terminals located in the same region by the Group’s in-house expertise. Hutchison Ports has introduced the first ROC in Pakistan to support different terminals across different regions.

Like ROC, National Operating Centre (NOC) offers shared service centre to capitalise on functional synergies and economies of scale and transform our terminals to a unique transport hub located at a specific geographic location. Hutchison Ports has established two NOC globally. One of them is in UAE providing the shared service to terminals located at Ajman, Ras Al Khaimah and Umm Al Quwain. Another one is in Pakistan supporting our two terminals in Karachi.

Simulation and Emulation

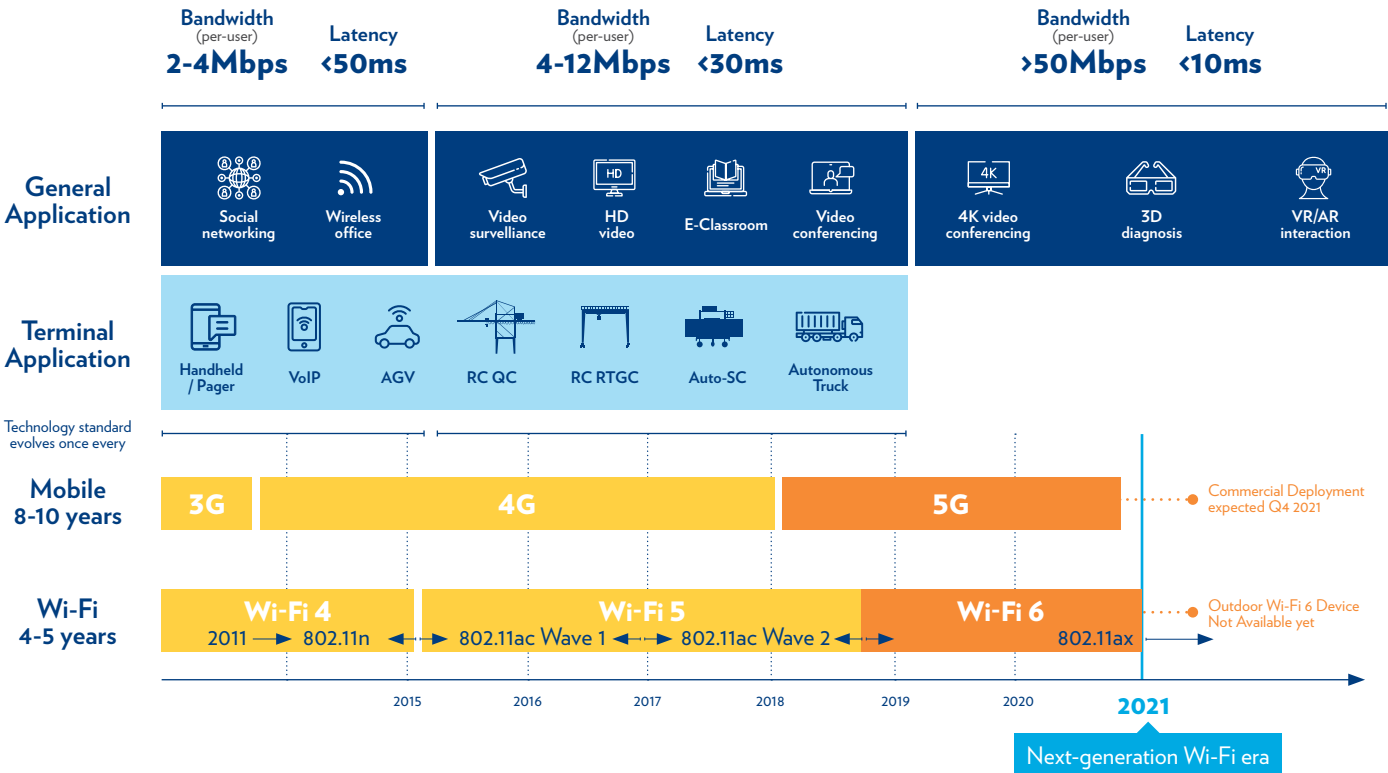
Thanks to our powerful in-house simulation tool and experienced modelers, Hutchison Ports has developed various computer simulation models over the last 25 years to safeguard precise configuration of container yard, choice of cargo handling equipment as well as its preferred operating parameters. These factors need to be carefully aligned with our business forecasts to ensure that the terminal can optimise the flow of boxes to and from the quayside. From the animated outputs of these models, we can determine ideal terminal design and equipment levels before committing investments. The same team also developed emulation module for testing and tuning of new nGen implementations.



Emulation test on Automated Straddle Carrier control logic in Sweden

Harnessing 5G Technology

With the adoption of 5G network, we are in a better position to leverage the benefits of the ‘always connected’ capability and cloud computing. These cutting-edge technologies will serve as the backbone for our smart port strategy for a more sustainable development into the future. Currently, we have several 5G projects being conducted within the Group such as terminals at the Port of Felixstowe, Hutchison Ports Thailand and Hutchison Ports Sohar (Oman) and key use cases are related with remote crane operations and autonomous vehicle. The utilisation of new networks will be paramount in the rollout of our automated and artificial intelligence enhanced terminals.

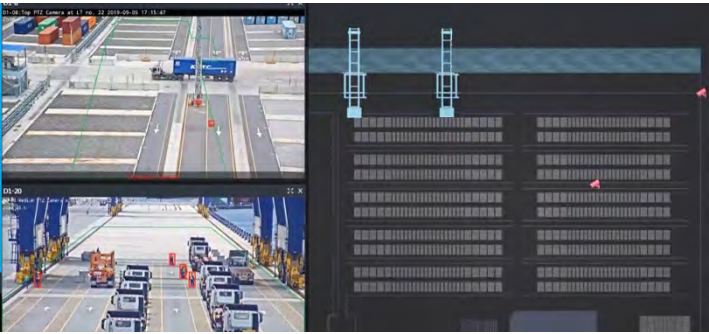


Automation and Artificial Intelligence (AI)

Hutchison Ports ECT Rotterdam (The Netherlands) was the world’s first fully automated terminal, setting standards for the later comers. Starting operations in 1993 using Automatic Guided Vehicle (AGV) and Stacking Crane (ASC). It pioneered the industry with in-house developed equipment control system otherwise not then available in the market. Today, the system after modernisation is still instructing hundreds of automated vehicles and stacking cranes simultaneously with the built-in optimised job scheduler and intelligent assignment modules.

Yard Safety and AI based Yard Surveillance System

GMSS requires that drivers of all trucks to stay inside their vehicles except in emergency to realise a safe working yard environment. To this end, an intelligent yard surveillance system can be integrated to current high-definition CCTV system to detect any human activities in restricted areas. This system was first used together with the operations of ATs. In 2022, Hutchison Ports Thailand implemented the Intelligent Yard Surveillance System to detect unauthorised personnel in the yard area. Any personnel in the vicinity of AT operation will trigger a warning alert and safety team can then respond to the situation. This AI-based human recognition system is one of our initiatives to ensure sustainable development for the industry by raising our standards for safety operations.



5.2.3 AUTONOMOUS TRUCKS

Leading In Automation

Hutchison Ports have always been the leader of technological advancement in the ports industry. To stay ahead, we will continue to innovate, and use cutting edge technologies and equipment that satisfy the needs of our customers. This includes continual refinement and advancement of existing terminal technologies and continued introduction of new innovations.

Introducing Autonomous Trucks (ATs)

Autonomous trucks, also known as self-driving trucks, are electric vehicles that can operate without a human driver. Hutchison Ports has been developing and implementing the use of ATs for freight handling in its terminals. Hutchison Ports Thailand – terminal D was the 1st terminal in the world to operate an AI integrated AT in true mixed traffic mode terminal operations. Since its introduction in 2020, there have been over 200,000 moves completed with 15 AT units. The ATs can operate round the clock with no human intervention and integrate smoothly with the remote-controlled quay cranes and automated RTGCs in the terminal. The rollout of ATs will continue to the UK, Mexico, Egypt and also Hong Kong.

Development of ATs

Autonomous vehicles has six levels of automation with five levels posing some form of automation. Currently our systems are at level four or a high-level of automation where the system can do all the driving under certain conditions. The design of the truck occurred in close partnership with our development partners and the system is continually being updated and refined as more real-world data is incorporated.

The control of ATs involves the use of advanced technology such as sensors, cameras, and artificial intelligence algorithms to navigate and operate the vehicle. These trucks are capable of loading and unloading containers without the need for human intervention.



Terminal Preparation for ATs

The introduction of sophisticated and new technology in any of our terminals requires robust analysis of interaction with existing operational processes and assessment of the risks involved. This risk assessment is the cornerstone for any successful implementation. Key factors analysed in the risk assessment and implementation project are:

- Interface with existing operations
- Current terminal layout and business processes
- Location of maintenance, inspection, and charging/ parking areas
- Onsite terminal staff training
- External truck driver education

Risk assessments with the introduction of the ATs have been underway for over three years in Hutchison Ports. There have been over 12 separate global workshops held following a risk assessment framework developed for ATs.

5 LEVEL OF AUTOMATION					
Autonomous Truck (AT)					
LEVEL 0	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 4	LEVEL 5
NO AUTOMATION	DRIVER ASSISTANCE	PARTIAL AUTOMATION	CONDITIONAL AUTOMATION	HIGH AUTOMATION	FULL AUTOMATION
Human driver does the driving	Human drivers is helped but still driving	Human Driver is helped more but still driving	System can drive in some situations, but the human driver may have to step in	System can do all driving under certain conditions	System can drive in all situations

Terminal Integration of ATs

After completing mapping and analysis of the terminal configuration the right of way will be marked out for the introduction of the autonomous vehicles. This is necessary due to driving modifications required in a mixed terminal. There are guide paths for the ATs and they are programmed to work within certain parameters meaning safety considerations must be applied such as: no overtaking of an AT or always giving way to an AT. Extensive driver education programmes are rolled out to ensure all staff are aware of the capabilities of the AT and how they should behave in proximity the vehicle.

External Driver Education

One of our key considerations is how drivers coming onto our terminals interact with an unfamiliar vehicle. To mitigate any risks, we run an education programme for all drivers entering our ports where these vehicles are facilitated. This ensures that they are aware of the configuration change and the rules around interaction with the AT.



AT driver education

• **Terminal Implementation of the ATs**

There are many manoeuvres within the capability of the autonomous vehicle as well as key considerations with respect how we operate. Some of the highlights include:

- Its positioning and ‘awareness’ in mixed traffic especially around junctions where interaction occurs with mixed traffic.
- Its interactions within the sensitive vessel loading and discharge zones.
- The evolution of safety with respect the introduction of autonomous vehicles to ensure our frontline workers are kept safe from risk.



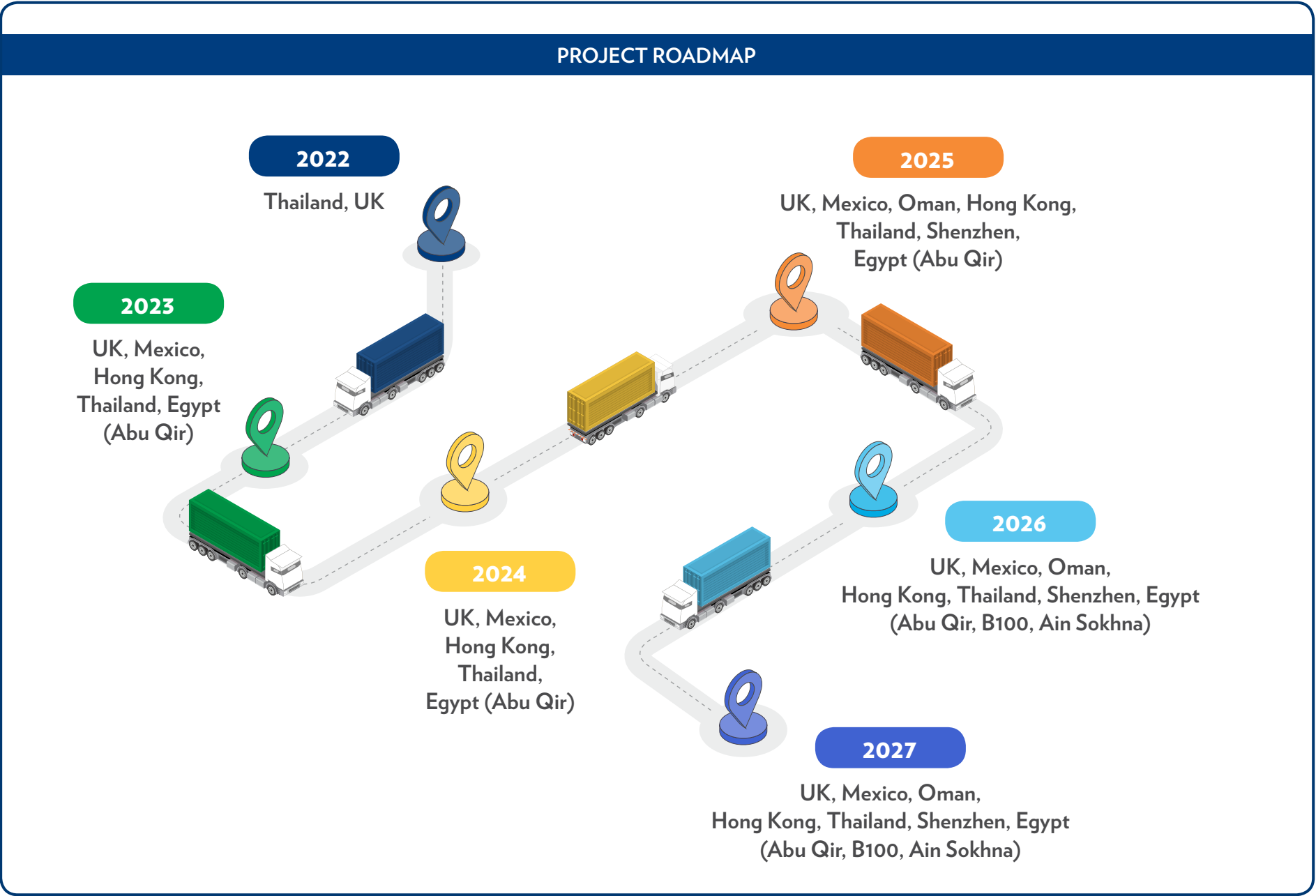
Centralised twistlock stations to protect stevedores handling twistlock cones

• **Key Benefits of ATs**

The use of ATs in Hutchison Ports’ terminals can offer several benefits. Firstly, it can improve efficiency by reducing the time it takes to move containers from the ships to the storage area. This also includes running in all types of weather. Secondly, it can improve safety by eliminating the need for human drivers. Thirdly, it can reduce congestion and emissions by optimising the movement of vehicles within the terminal.

• **Roadmap for Future AT Rollout**

The introduction of autonomous vehicles is a continual improvement exercise where we work in partnership with the truck developers and manufacturers to refine and enhance the capabilities of the vehicles year on year.



06

OUR
FUTURE



FOR OUR PEOPLE

Safety Training Programme for Senior Management

Hutchison Ports has achieved great progress in our overall safety performance. To keep up the momentum, the SAFCOM aims to provide ongoing training for personnel, ranging from frontline workers to the senior management, and ensure safety remains to be everyone's priority. The top management will ensure sufficient resources are on the right spots and proper risk assessments taken place in our operations.

Set qualitative and quantitative Occupational Health and Safety Targets

A new set of safety KPI will be developed to measure the safety performance of individual ports in accordance with industry standards and to support BUs to achieve zero fatalities and zero long-term or permanent injuries. The newly established Safety KPIs will be regular monitored and reported in SAFCOM meetings.

People Development

Our business' success hinges on the quality of our people. To further harness potential talents in the Group, we will articulate the Group Leadership Development Framework by supporting our signature initiatives, such as the Regional Development Programme and MyPORT. Such continual efforts will not only unleash the potential of future talents in various aspects, but also embrace the rich diversity in our talent pool to facilitate cross-BU collaboration for future innovations.

Health and Well-being

In support of a holistic well-being of our people, the BEWELL campaign encompassing a wide array of wellness activities at both the Group and BU level, will continue to be the focus in 2023. While initiatives like the Wellness Challenge and My Little Victory Lap are on the way, other events at the local level will also be held to our workforce embrace healthy lifestyles and gratefulness through giving back to the communities.



FOR OUR ENVIRONMENT

2023 and Beyond

Subsequent to the commitment of net-zero target, the decarbonisation implementation plan will be further developed with BUs to set emissions reduction targets and action plans in line with the latest climate science and reach net-zero GHG by 2050. This will be completed on the foundation of mass communication and separate briefing sessions which were given to BU's management team on the Group's strategy and targets.

The Group has mandated all BUs to carry out full scale equipment electrification from 2024, purchases on diesel equipment are prohibited and migrated to alternative energy source, such as electricity or other green fuels under the group's directive. All new project investment shall go for either full electric or other renewable energy source.

With the growing electrification of vehicle fleet and other equipment, it is certain that the demand of electricity consumption will rise in the long-term. Migrating to the alternative net-zero energy source is a huge milestone in the net-zero pathway. The Group will gradually implement renewable energy power purchase agreements (REPPA) from 2026, taking into account the readiness among different regions. We are currently exploring the availability of the REPPA market and the maturity of the technology. Substantial desktop research and extensive communication between BUs and power supplier will be conducted to assess the viability to extend the coverage of the renewable electricity.

Besides exploring the availability of the REPPA, existing electrical supplies will be investigated to ensure we are availing of the most green supplies possible.

Environmental Data Reporting and Data Refinement

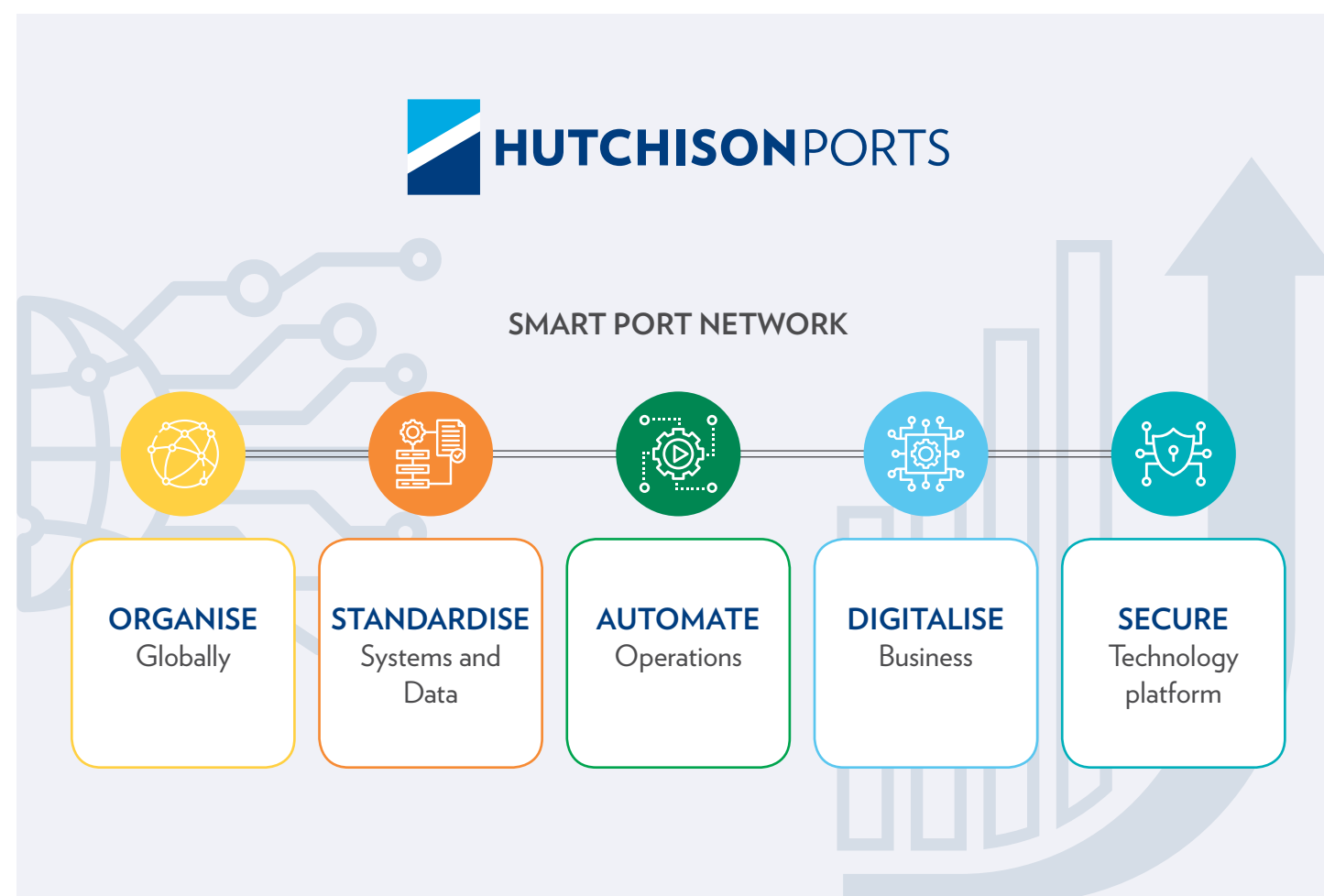
Hutchison Ports utilises the EIS to gather, examine and process. Our BUs will start reporting their scope 3 data into the cloud system monthly from second half of 2023. Their data will be closely monitored and reviewed on a regular basis. With the new launch of the reporting function, the system enhancement will help improve the data accuracy and data collection procedures.



FOR OUR BUSINESS

Future Operations

The future of our operations will be about utilising and manipulating data to drive improvement and sustainability. The key is how to capture, extract, analyse and translate data to formulate strategies and tactics in operations. This will need to occur in real time and involve the processing of large amounts of information. We endeavour to continue our standardisation of systems through our TOS modernisation while introducing key automated processes to facilitate operational efficiencies and integrate a digitised business to speed up workflows while identifying sustainable opportunities such as green corridors and incentive opportunities for customers and our value chain.



New Era TOS Modernisation

Hutchison Ports has launched a TOS modernisation programme, which adopts state-of-the-art technology including Microservices, Cloud computing, Process Automation, Data Analytics and Artificial Intelligence/ Machine Learning to strive for a better future – a productive, efficient, and green Global Ports Ecosystems.

Optimisation with Artificial Intelligence Technology

While AI is widely being discussed nowadays, Hutchison Ports has already put it into action by applying the technology within our modernisation of the operating systems. AI is assisting our organisation through:

- Picking the right strategy and tactic of berth/ ship planning to achieve the objectives within the right level of resources.
- A data science/ machine learning based yard planning engine to manage the cargo flow in the terminal for the sake of attaining the best yard condition for attaining the operational efficiency at the minimum cost.
- Holistic Mathematical-Model-based terminal equipment and job scheduling engines which dispatch terminal jobs to right equipment at the right time for saving equipment energy consumption hence reducing carbon footprint.
- A holistic planning framework to coordinate the different elements of planning & scheduling into a well-coordinated operation.

OUR COMMITMENT

To remain successful, sustainable and resilient in the long-term, we are committed to reaching beyond compliance and making improvements to our business that are driven by aspirational strategy and targets.

As we move forward our sustainability journey, we look forward to sharing our learnings and progress with our partners. To find out more, please visit <https://hutchisonports.com/sustainability/about-sustainability/>.

ACKNOWLEDGEMENTS

The GSC wishes to acknowledge the support from the employees for Hutchison Ports' Photography Contest.

The entries collected were used in designing this sustainability report.



APPENDIX

ENVIRONMENTAL DATA

Environmental KPIs	Unit	2020 ¹	2021	2022
CO ₂ Intensity	kg CO ₂ e/TEU	13.76	13.17	12.65
Energy Intensity	GJ/TEU	0.178	0.176	0.179
Total Energy Use	GJ	5,761,158	6,228,722	6,461,698
Diesel Use	Litre	96,124,179	105,827,220	104,437,466
Electricity Use ²	kWh	521,222,666	573,570,825	606,094,093
Total Emissions (Scope 1+Scope 2)	tonne CO ₂ e	447,090	466,132	456,770
Scope 1 Emissions ³	tonne CO ₂ e	271,230	290,126	283,887
Scope 2 Emissions ⁴	tonne CO ₂ e	175,860	176,006	172,883

SAFETY DATA

Social KPIs		2020	2021	2022
Number of work-related fatalities	Full-time employees	0	1	1
Number of work-related fatalities	Part-time employees	0	0	0
Number of work-related fatalities	Non-employees	1	2	0
Number of lost days due to work injury	Overall	5,880	5,992	5,054

Notes:

^{1.} The 2020 figures were restated as per refinement of raw data.

^{2.} "Electricity Use" only considers electricity purchased from external parties and does not include self-generated electricity.

^{3.} Scope 1 emissions are 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 direct emissions.

^{4.} 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.

WORKFORCE DATA⁵

Social KPIs		2020	2021	2022
Number of employees				
Total		18,477	18,308	19,735
By employment type	Full-time	15,763	15,180	16,204
	Part-time	2,714	3,128	3,531
Number of full-time employees				
By gender	Male	14,164	13,670	14,527
	Female	1,599	1,510	1,677
By employee category	Manager grade or above	606	564	595
	General staff	15,157	14,616	15,609
By age group	Under 30	1,925	1,818	1,897
	30 - 49	10,022	9,503	10,095
	50 or above	3,816	3,859	4,212
	Hong Kong	293	277	256
By geographical region	Mainland China	30	27	23
	Europe	4,765	4,837	5,421
	Asia, Australia and Others	10,675	10,039	10,504
Turnover rate ⁶ for full-time employees				
Overall		5%	7%	8%
By gender	Male	5%	7%	7%
	Female	8%	8%	11%
By age group	Under 30	7%	12%	13%
	30 - 49	4%	6%	6%
	50 or above	8%	8%	9%
By geographical region	Hong Kong	15%	21%	28%
	Mainland China	7%	11%	20%
	Europe	5%	6%	6%
	Asia, Australia and Others	5%	7%	8%

Notes:

^{5.} The data only includes the headcount of direct subsidiary of Hutchison Ports.

^{6.} The formula for Turnover Rate is $[\text{No. of Full Time Leaver for the year}] / (([\text{No. of Full Time Active Employee for the year}] + [\text{No. of Full Time Active Employee for the year - 1}]) / 2)$

TRAINING DATA

Social KPIs		2020	2021	2022
Percentage of full-time employees who received training				
Overall		45%	54%	63%
Breakdown of full-time employees who received training				
By gender	Male	88%	89%	88%
	Female	12%	11%	12%
By employee category	Manager grade or above	4%	3%	3%
	General staff	96%	97%	97%
Average hours of training completed by full-time employees				
Overall		10.9	13.5	19.7
By gender	Male	11.2	13.5	20.1
	Female	8.9	13.5	16.4
By employee category	Manager grade or above	7.8	10.7	12.0
	General staff	11.0	13.6	20.0
Number of employees who received training on anti-corruption/ethics				
Total		-	2,200	2,332
By employment type	Full-time	-	1,826	1,550
	Part-time	-	374	782
Percentage of employees who received training on anti-corruption/ethics		-	11%	9%
Number of training hours on anti-corruption/ethics				
Total		-	1,911	2,780
By employment type	Full-time	-	1,534	1,933
	Part-time	-	377	847

NAMES OF BU_s MENTIONED IN THE REPORT

Hutchison Ports Alexandria (Egypt)	Hutchison Ports RAK (United Arab Emirates)
Hutchison Ports BACTSSA (Argentina)	Hutchison Ports Sohar (Oman)
Hutchison Ports Brisbane (Australia)	Hutchison Ports Thailand
Hutchison Ports ECT Rotterdam (The Netherlands)	Hutchison Ports TNG (Mexico)
Hutchison Ports FCP (Bahamas)	Hutchison Ports HIT (Hong Kong, China)
Hutchison Ports Head office	Hutchison Ports Ajman (United Arab Emirates)
Hutchison Ports KICT (Pakistan)	Hutchison Ports BEST (Spain)
Hutchison Logistics (Shanghai) Limited	Hutchison Ports Delta II (The Netherlands)
Hutchison Ports PPC (Panama)	Hutchison Ports EIT (Mexico)
Hutchison Ports Stockholm (Sweden)	Hutchison Ports Gwangyang (South Korea)
Hutchison Ports Tanzania (Africa)	Hutchison Ports Jazan (Saudi Arabia)
Hutchison Ports TIMSA (Mexico)	Hutchison Ports LCT (Mexico)
Hutchison Ports United Kingdom	Hutchison Ports Pakistan
Hutchison Ports Amsterdam (The Netherlands)	Hutchison Ports SITV (Vietnam)
Hutchison Ports BASRA (Iraq)	Hutchison Ports Sydney (Australia)
Hutchison Ports Busan (South Korea)	Hutchison Ports TILH (Mexico)
Hutchison Ports ECV (Mexico)	Hutchison Ports UAQ (United Arab Emirates)
Hutchison Ports Gdynia (Poland)	Hutchison Ports YANTIAN (China)
Hutchison Ports ICARE (Mexico)	Jiangmen International Container Terminals (China)
Hutchison Ports LCMT (Mexico)	Ningbo Beilun International Container Terminals (China)
Hutchison Ports MITT (Myanmar)	Huizhou Port Industrial Corporation (China)



**TOGETHER,
WE CAN MAKE IT HAPPEN**