



CK HUTCHISON HOLDINGS LIMITED

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

GREEN BOND REPORT

2022

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Overview of CKHH's Sustainable Finance Framework

CK Hutchison Holdings Limited ("CKHH") is committed to integrating sustainability into its financing programme. In 2021, CKHH established a Sustainable Finance Framework (the "Framework") under which CKHH and/or direct or indirect subsidiaries within the CKHH Group (the "Group") may raise bond, loan or related financing for specific assets, projects and investments that it believes will catalyse positive environmental and/or social impact (such financing, a "Sustainable Finance Transaction").

CKHH worked with Sustainalytics, an independent third-party consultant with recognised expertise in environmental and social matters, to (i) assess the Framework for alignment with relevant sustainable finance market guidelines; and (ii) obtain and make publicly available a second-party opinion review document with respect to such alignment (the "Second-Party Opinion"). The Framework and Second-Party Opinion are available in the Investor Relations section of the Group's corporate website (<https://www.ckh.com.hk/en/ir/sff.php>).

In November 2021, CKHH issued a EUR500 million green bond due 2033, CKHH's debut sustainable finance transaction (the "2021 Green Bond").

2021 Green Bond details

| | |
|--------------------------|--|
| Issuer | CK Hutchison Europe Finance (21) Limited |
| Issuer date | October 27, 2021 |
| Tenor | 12 years due 2033 |
| Amount issued | EUR500,000,000 |
| Net Proceeds | EUR494,855,000 |
| Fixed coupon rate | 1.00% p.a. |

Process for selecting projects and quantifying benefits

This Green Bond Report provides an overview of the allocation of, and the expected impact from, the 2021 Green Bond.

Under the Framework, Net Proceeds from each Sustainable Finance Transaction will be exclusively allocated to finance or refinance, in whole or in part, assets, projects, investments and other related and supporting expenditure ("Eligible Projects") that may relate to one or more specific categories (each an "Eligible Project Category"). "Net Proceeds" refers to net proceeds from the 2021 Green Bond or an amount equivalent thereof.

Net Proceeds from the 2021 Green Bond have been fully allocated to Eligible Projects. Expenditure incurred prior to November 2021 represent approximately 75.0% of Eligible Projects whereas amounts incurred from November 2021 comprise approximately 25.0%.

Net Proceeds from the 2021 Green Bond are intended to further the Group's sustainability goals across the Environmental, Social, Governance and Sustainable Business Model Innovation pillars as detailed in the Group's Sustainability Framework (see Figure 1). The CKHH 2021 Sustainability Report provides further information on the Group's Sustainability Framework, its priority goals and updates to its ongoing progress (https://www.ckh.com.hk/en/esg/esg_sustainability-report.php).






















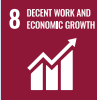












The Group's Sustainability Working Group led a project evaluation and selection process to identify expenditure related to assets, projects and investments to which Net Proceeds may be allocated. Final designation of relevant assets, projects and investments so nominated as Eligible Projects was approved by the board-level Sustainability Committee.

As of the date of this Green Bond Report, each Eligible Project is aligned with at least one of the following Environmental Project Categories:

- Sustainable Transportation
- Renewable Energy
- Energy Efficiency
- Circular Economy and Design.

Prior to finalising this Green Bond Report, CKHH engaged with debt investors through one-on-one calls with portfolio managers and sustainability team members to solicit input on the Group's sustainable financing programme, preferences for allocation, as well as other feedback relevant to the Group's overarching sustainability strategy development and disclosures. CKHH also paid close attention to leading practice standards such as the EU Taxonomy, the Climate Bonds Standard, and other internationally recognised sector-specific certifications or benchmarks to identify areas the market would widely-consider as high impact spend.

Figure 1: Group Sustainability Framework and material topics

| | Group goals | Material topics | Mapping to the SDGs |
|---|--|--|--|
|  Environmental | Take action on climate change | <ul style="list-style-type: none"> Decarbonisation Climate risk and resilience |   |
| | Protect natural resources | <ul style="list-style-type: none"> Biodiversity protection Sustainable water management Pollution prevention |     |
| | Promote a circular economy | <ul style="list-style-type: none"> Responsible raw materials sourcing Resource efficiency in system and product design |   |
|  Social | Create great places to work | <ul style="list-style-type: none"> Attraction and retention Talent development Inclusion and diversity Employee relations Health and safety |      |
| | Invest in developing thriving and resilient communities | <ul style="list-style-type: none"> Community investment and engagement Social and economic inclusion Human rights |    |
| | Take all steps to protect employees and support communities and other stakeholders through the pandemic | <ul style="list-style-type: none"> Employee, customer and community health and wellbeing Targeted community contributions to support the needs of the vulnerable |   |
|  Governance | Embed rigorous and effective governance | <ul style="list-style-type: none"> Transparent and effective corporate governance |   |
| | Operate responsibly and with integrity | <ul style="list-style-type: none"> Business ethics and integrity Data privacy and cyber security |   |
|  Sustainable business model innovation | Offer customers sustainable products and invest in and embrace innovation to achieve transformational impacts | <ul style="list-style-type: none"> Sustainable product innovation Sustainable sourcing Product and service safety and quality |        |
| | |  | <p>SDG 17 underpins all nine goals and is essential to accelerating impact.</p> |

2021 Green Bond allocation and impact summary








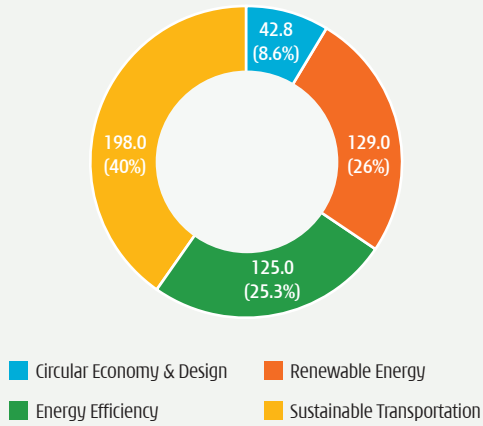
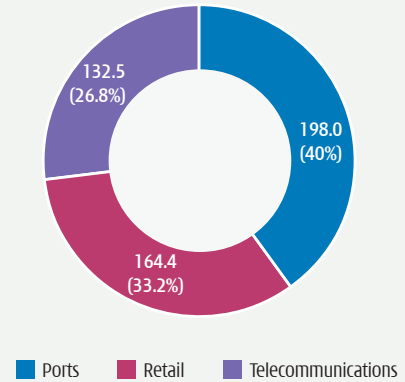
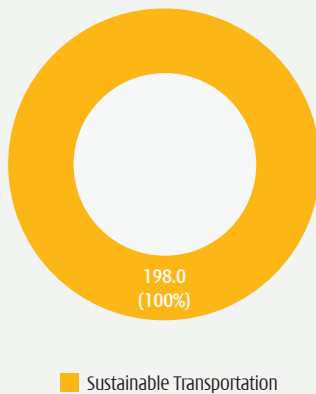
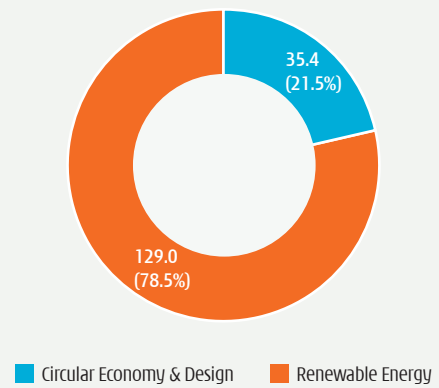
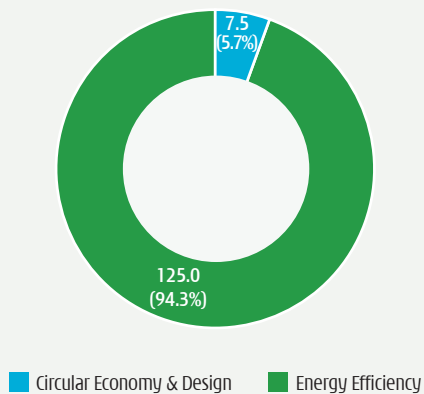
| Eligible Project Category | Amount allocated (EUR, million) | Impact metric | Projected environmental benefit | SDG | | |
|-------------------------------------|---------------------------------|--|---------------------------------|---|---------|---|
| Sustainable Transportation | 198.0 | • Annual greenhouse gas emissions avoided (tonnes CO ₂ e) | 17,404 |  | | |
| | | • Number of zero emissions vehicles and electric port handling container equipment | 255 | | | |
| | | • Number of electric vehicle chargers | 55 | | | |
| | | • Number of other supporting infrastructure to enable the electric port container handling equipment rollout | 138 | | | |
| Renewable Energy | 129.0 | • Renewable electricity purchased (GWh) | 479.9 |  | | |
| | | • Annual greenhouse gas emissions avoided (tonnes CO ₂ e) | 41,092 | | | |
| Energy Efficiency | 125.0 | • Annual energy savings (GWh) | 60 |    | | |
| | | Circular Economy and Design | 42.8 | • Number of units of reused and recycled electronic waste | 277,741 |  |
| | | | | • Paper procured from sustainable sources (tonnes) | 10,766 |  |
| | | • Recycled plastics procured annually (tonnes) | 1,871 | | | |
| Total net proceeds allocated | 494.9 | | | | | |

Figure 2 - Allocation by category⁽¹⁾Figure 3 - Allocation by division⁽¹⁾Figure 4 - Ports allocation by category⁽¹⁾Figure 5 - Retail allocation by category⁽¹⁾Figure 6 - Telecoms allocation by category⁽¹⁾

Note 1: Numbers may not sum due to rounding.

Eligible project information

Sustainable Transportation

Projected environmental benefits from Eligible Projects

| | |
|--|---------------|
| Annual greenhouse gas emissions avoided (tonnes CO ₂ e) ² | 17,404 |
| Number of zero emissions vehicles and electric port handling container equipment | 255 |
| Number of electric vehicle chargers | 55 |
| Number of other supporting infrastructure to enable the electric port container handling equipment rollout | 138 |

Note 2: Annual greenhouse gas emissions avoided relates to the procurement of electric vehicles and port container handling equipment. Annual litres of diesel saved are calculated per vehicle type based on estimates by the Group's engineering teams in consultation with vehicle manufacturers and converted to avoided emissions using the conversion factor of 2.678 CO₂e per litre of diesel.

Eligible Projects under Sustainable Transportation relate to the rollout of zero emissions vehicles, electric port handling container equipment, electric vehicle chargers and supporting infrastructure. Of the total spend under this category, 100% has been allocated to the Ports division which has embarked on a global large-scale electrification programme of its ports.

Over 80% of a port terminal's energy consumption relates to the fuel and electricity consumed by port container handling equipment (forklifts, rubber-tired gantry cranes, quayside container cranes, and internal tractors, for example) and terminal vehicles (shuttle buses and passenger vehicles, for example).

Advancements in electric alternatives of existing equipment have allowed the Ports division to transition away from traditional diesel combustion. At the same time advancing technology in equipment automation and remote-control connectivity is offering many benefits in making port terminals smarter, more efficient, safer and more inclusive places to work.

As an example of how the Ports division is at the forefront of technological advancement in the port industry: in 2021, Hutchison Ports Thailand transitioned from pilot to successful integration of six electric autonomous trucks into its normal operations making it the first port operator globally to achieve true mixed-traffic-mode terminal operations. Equipped with advanced AI machine-learning technology and a data transmission system, the autonomous trucks can operate non-stop for more than 24 hours. The trucks utilize an advanced light detection and range technology, through which they can instantaneously detect and survey their surroundings in all directions, generating a precise, internal 3D map enabling them to accurately analyse and avoid obstacles and collisions.



Autonomous electric trucks at Hutchison Ports Thailand

While there has been significant conversion in equipment where viable alternatives already exist, there are still gaps for certain types of port equipment where more sustainable options have yet to be tested or developed. However, the Group's technology teams remain positive that new developments are underway and are actively keeping connected with suppliers to encourage supply of such equipment. While electric vehicles are the Ports division's preference, and certainly will be the general standard for any new terminals, hybrid vehicles often remain the only viable interim option, which can still deliver greenhouse gas emissions reductions of 35-45% versus a pure diesel alternative. Eligible Projects under the 2021 Green Bond, however, are limited to fully electric and zero emissions infrastructure.

During the allocation period, 255 units of zero emissions vehicles and electric port container handling equipment were procured, in addition to 55 electric vehicle chargers and 138 other units of supporting infrastructure, such as installing high voltage infrastructure.

Renewable Energy

Projected environmental benefits from Eligible Projects

| | |
|---|---------------|
| Renewable electricity purchased (GWh) | 479.9 |
| Annual greenhouse gas emissions avoided (tonnes CO ₂ e) ³ | 41,092 |

Note 3: Greenhouse gas emissions avoided refer to the 479.9 GWh in electricity from renewable energy sources included among the Eligible Projects for the 2021 Green Bond and are calculated using country-specific emissions factors obtained from the International Energy Agency.

Eligible Projects relating to the 2021 Green Bond include 479.9GWh of renewable electricity purchased by the Retail division supporting its achievement of 100% renewable energy in two major European markets (the UK, Belgium and Netherlands) meaning that Superdrug, Savers, The Perfume Shop, Kruidvat, Trekpleister and ICI PARIS XL are all powered entirely by green electricity.

Renewable electricity therefore makes up 86% of A.S. Watson's European portfolio and 20% of the Retail division's total electricity consumption globally. Always striving for 100%, A.S. Watson will be adopting green electricity as options become available, but challenges remain in Asian markets where renewable energy infrastructure is less mature.



Onsite solar installation at the Retail division's logistics centre in Heteren, Netherlands

Energy Efficiency

Projected environmental benefits from Eligible Projects

| | |
|-----------------------------|-----------|
| Annual energy savings (GWh) | 60 |
|-----------------------------|-----------|

According to the International Energy Agency, energy efficiency represents more than 40% of the GHG emissions abatement needed by 2040, and that currently, existing cost-effective technologies are sufficient to double global energy efficiency. Moving towards a sustainable transition pathway means not waiting for technology solutions further down the road but also focusing on how the existing system can be transformed. Many opportunities exist for the Group in making its facilities and operations more energy efficient, while at the same time delivering positive returns on investment.

At the Telecommunications division, over 90% of electricity consumption relates to network consumption, therefore creating efficiencies in the division's networks is fundamental.

Spend under this category is focused on a specific project at the Group's Italian telecommunications operator, Wind Tre. Since the merger of Wind and Tre in 2017, Wind Tre has been undertaking a multi-year upgrade to increase the capacity of its network, including installing cutting-edge energy equipment in efficiency and consolidating two networks into one more efficient network. The process went through two main stages:

- Stage 1: Modernisation and consolidation of the Radio Access Network ("RAN")
- Stage 2: Modernisation and consolidation of the core network, technological sites and data centers.

The RAN modernisation programme extended across the entire Wind Tre network with the upgrade of 20,000 base stations with more energy efficient equipment.

The initiative also included several actions aimed at reducing cooling requirements thereby increasing cooling efficiency, such as converting indoor sites to outdoor sites which do not require additional active cooling.

All available power saving features have been activated on all sites where technically feasible.

EUR125 million has been allocated to this project producing an estimated annual energy consumption reduction of 60GWh. The entire RAN modernisation programme produced an estimated annual energy consumption reduction of more than 150GWh, which equates to approximately 30% of the overall RAN-related energy consumption.

Circular Economy and Design

Projected environmental benefits from Eligible Projects

| | |
|---|----------------|
| Number of units of reused and recycled electronic waste | 277,741 |
| Paper procured from sustainable sources ⁽⁴⁾ (tonnes) | 10,766 |
| Recycled plastics procured annually (tonnes) | 1,871 |

Note 4: A "sustainable source" is defined as being either certified by the Forest Stewardship Council ("FSC") or the Programme for the Endorsement of Forest Certification ("PEFC"), or being made with 100% recycled paper content.

Building a circular economy means moving away from the traditional take-make-waste extractive industrial model, to keeping perfectly useful resources within the manufacturing loop for as long as possible. In a circular economy, waste is no longer considered waste, but instead a resource. The benefits of, and means to achieve, a circular economy are wide-ranging but notably it means less extraction of already scarce natural resources, less pollution to land, air and water and significant reductions in greenhouse gas emissions. In practice this means reducing waste to an absolute minimum, replacing higher impact materials with lower impact alternatives, reusing wherever possible and then finally recycling waste where the other options are exhausted.

At the Retail division, over 80% of its packaging relates to plastics and paper; it has therefore focused packaging efforts and goals on these two materials.

In 2020, A.S. Watson took an important step by signing up to the New Plastics Economy Global Commitment, led by the Ellen MacArthur Foundation, an organisation widely considered as the foremost thought leader in building a circular economy. As a signatory, A.S. Watson has committed to several targets and to annual reporting against these goals, including:

- 100% of plastic packaging to be reusable, recyclable, or compostable by 2025 (including Own Brand product packaging, eCommerce parcels and in-store carrier bags)
- 20% recycled plastic content in Own Brand packaging by 2025.

As an example of how recycled plastic is being incorporated into Own Brand packaging, Watsons Water was also the first brand to incorporate 100% recycled polyethylene terephthalate ("rPET") in its water bottle packaging sold in Hong Kong (since 2016). To increase the ease of recycling, Watsons Water was also the first bottler in Hong Kong to make sleeveless bottled water available to customers.

Regarding paper packaging, the division aims for its Own Brand paper packaging to be made exclusively from sustainable sources by 2030; it is currently tracking at 68%.

One of the key circular economy considerations for the Telecommunications division concerns the treatment of end-of-life handsets and accessories sold to customers. Consumers on average replace their smartphones every 33 months. With approximately 1.4 billion phones being sold annually and only 20% being recycled, that creates substantial hazardous waste, among other environmental impacts. Further, analysis has shown that 75% of the lifecycle carbon footprint of a mobile device lies within the production stage, making it important for device manufacturers and retailers to identify ways to increase device longevity.

Across the Telecommunications division, the businesses are identifying opportunities to reduce the use of resources associated with products and packaging, and to extend the life of products through take-back arrangements and refurbished product offerings, thereby reducing the environmental impacts across the product lifecycle.

The division has trade-in and device buy-back schemes across its markets with specific examples of how these programmes work including:

- **3** Denmark has a take-back programme offered in partnership with a company that refurbishes used devices. Under the scheme, customers can trade in their old device with a price reduction on a new device. In 2021, 89% of traded-in devices were reused, while the remaining 11% were recycled.
- **3** Sweden's take-back programme enables customers to return their used devices by free return post, which are then cleared of data and refurbished to be on-sold as second-hand phones. By using the take-back programme customers are given discounts on their subscriptions or can choose to donate the cost to the Swedish Childhood Cancer foundation.
- **3** Austria is trialing a programme to offer customers refurbished handsets, smart watches and tablets professionally remanufactured by certified partner, Renewed, and provided with a 24-month warranty. At the end of 2021, **3** Austria launched an incentive programme for customers that voluntarily postpone their contractual handset replacement by six months, aiming to further conserve resources and extend the product's life.



3 Hong Kong handsets and accessories recycling scheme

External Review

CK Hutchison Holdings Limited

Type of Engagement: Annual Review

Date: August 30, 2022

Engagement Team:

Abhishek Patane, abhishek.patane@morningstar.com

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Introduction

In November 2021, CK Hutchison Holdings Limited (“CKHH”) issued a green bond aimed at financing or refinancing projects that reduce the environmental footprint of CKHH’s operations. In 2022, CKHH engaged Sustainalytics to review the projects funded through the issued 2021 green bond and provide an assessment as to whether the projects met the Use of Proceeds criteria and the Reporting commitments outlined in the CK Hutchison Holdings Limited Sustainable Finance Framework (the “Framework”).¹ Sustainalytics provided a Second-Party Opinion on the Framework in October 2021.²

Evaluation Criteria

Sustainalytics evaluated the projects and assets funded with proceeds from the 2021 green bond based on whether the projects and programmes:

1. Met the Use of Proceeds and Eligibility Criteria outlined in the Framework; and
2. Reported on at least one of the Key Performance Indicators (“KPIs”) for each Use of Proceeds criteria outlined in the Framework.

Table 1 lists the Use of Proceeds and Eligibility Criteria, while Table 2 lists the KPIs associated with the Use of Proceeds.³

Table 1: Use of Proceeds and Eligibility Criteria

| Use of Proceeds Category | Eligibility Criteria |
|--------------------------|--|
| Renewable Energy | <p>Development, acquisition, maintenance, and operation of projects generating electricity from renewable sources, comprising any of the following:</p> <ul style="list-style-type: none"> • On-site installations • Sourcing pursuant to long-term power purchase agreement • Marginal costs associated with procuring renewable power • When other options are not available or practical, purchases of Energy Attribute Certificates or Renewable Energy Certificates <p>Supporting infrastructure for such qualifying projects, including battery storage, will likewise qualify.</p> <p>“Renewable sources” comprise the following technologies:</p> <ul style="list-style-type: none"> • Solar power • Wind power • Bioenergy (biofuels, biogas and biomass) from waste sources • Geothermal power |

¹ CKHH, “CK Hutchison Holdings Limited Sustainable Finance Framework”, at: https://www.ckh.com.hk/upload/assets/downloads/en/SFF_CKHH_2021Oct.pdf

² CKHH, “CK Hutchison Holdings Limited Sustainable Finance Framework Second-Party Opinion”, at: https://www.ckh.com.hk/upload/assets/downloads/en/SPO_Sustainalytics_20211012.pdf

³ The Framework defines four green categories and one social category i.e. Emergency Response & Pandemic Relief category. CKHH has fully allocated proceeds towards four green categories and has not allocated any proceeds towards the social category.

| | |
|------------------------------------|--|
| | <ul style="list-style-type: none"> Hydrogen produced from electrolysis using renewable energy, including (i) reforming biogas and bioliquids, and (ii) photo-electrocatalysis with solar energy Hydropower projects ≤ 25 MW unless power density ≥ 5W/m² Waste-to-energy projects with materials recovery and recycling prior to incineration <p>Such “renewable sources” will be limited to technologies with emissions intensity ≤ 100gCO₂/kWh.</p> |
| Energy Efficiency | <p>Development, acquisition, maintenance, and operation of projects and processes resulting in $\geq 15\%$ improvement in energy consumption or emissions generated including through electrification, automation or digitalization of equipment and facilities, including the following:</p> <ul style="list-style-type: none"> Energy-efficient lighting Energy management systems and smart meters Internet of Things networks, solutions and products <p>Infrastructure or digital solutions to make new or legacy communications networks and supporting infrastructure more energy-efficient, including the following:</p> <ul style="list-style-type: none"> Development of 5G wireless communications and optical fibre deployment Data centres expected to achieve Power Usage Effectiveness ≤ 1.5 |
| Sustainable Transportation | <p>Development, acquisition, maintenance, and operation of transport for persons or freight by significantly less carbon intensive means, including the following:</p> <ul style="list-style-type: none"> Zero-tailpipe or direct emissions vehicles Non-motorized multimodal transportation <p>Such assets, projects and investments will not include infrastructure designed to improve carbon intensity in conventional fossil-fuel combustion engines.</p> <p>Development and improvement of infrastructure supporting such sustainable transport, including the following:</p> <ul style="list-style-type: none"> Stations, terminals and traffic management or signaling systems Electric vehicle chargers Connected and automated transport technologies |
| Circular Economy and Design | <p>Development, sustainable production and use of materials and products (including in packaging), that support the circular economy through increasing functionality, durability, modularity and ease of repair, or are reusable, recyclable, or compostable, including the following:⁴</p> <ul style="list-style-type: none"> Substitution of virgin materials with secondary raw materials and by-products, such as procurement of recycled polyethylene terephthalate (rPET) Production of new products or assets from redundant products and assets that have been repurposed, refurbished or remanufactured <p>Increasing waste diversion from landfills and reducing waste at the source, including through:</p> <ul style="list-style-type: none"> Solid waste management systems and recycling infrastructure, including for electronic waste |

⁴ Proceeds have been also allocated towards procurement of paper from sustainable sources having Forest Stewardship Council (FSC) or Programme for the Endorsement of Forest (PEFC) certification, or with 100% recycled paper content.

| | |
|--|---|
| | <ul style="list-style-type: none"> • Efforts to recycle and minimize food waste <p>Development, acquisition, maintenance, and operation of projects for the capture and storage of CO₂.</p> |
|--|---|

Table 2: Key Performance Indicators

| Use of Proceeds Category | Key Performance Indicators |
|------------------------------------|--|
| Renewable Energy | <ul style="list-style-type: none"> • Annual renewable energy generated or purchased (electricity in MWh/GWh and other energy in GJ/TJ) • Installed generation capacity (MW) • Electricity consumption from renewable sources (GWh and share in percentage terms) • Annual greenhouse gas emissions reduced or avoided (tCO₂e) • Energy recovered from waste (minus support fuel) (MWh/GWh of net energy generated p.a.) |
| Energy Efficiency | <ul style="list-style-type: none"> • Annual energy savings (MWh/GWh) • Annual reduction in energy consumed (share in percentage terms) • Annual reduction in energy intensity, such as energy consumed per unit of data traffic (MWh/Tbit) or energy consumed per unit of commercial space (MWh/sqft) • Annual greenhouse gas emissions reduced or avoided (tCO₂e) • Number of persons benefitting from energy efficient technologies |
| Sustainable Transportation | <ul style="list-style-type: none"> • Annual energy savings (MWh/GWh) • Annual reduction in energy consumed (share in percentage terms) • Annual reduction in energy intensity, such as energy consumed per unit of data traffic (MWh/Tbit) or energy consumed per unit of commercial space (MWh/sqft) • Annual greenhouse gas emissions reduced or avoided (tCO₂e) • Number of persons benefitting from energy efficient technologies |
| Circular Economy and Design | <ul style="list-style-type: none"> • Greenhouse gas emissions abated through products and services (tCO₂e) • Waste prevented, minimized, reused or recycled before and after the project (share of total waste in percentage terms or tons p.a. in absolute terms) • Waste separated and/or collected, treated (including composted) or disposed of (tons p.a. and share of total waste in percentage) • Increase in materials, components and products that are reusable, recyclable, and/or certified compostable (percentage or tonnes p.a.) |

Issuing Entity's Responsibility

CKHH is responsible for providing accurate information and documentation relating to the details of the projects that have been funded, including description of projects, amounts allocated, and project impact.

Independence and Quality Control

Sustainalytics, a leading provider of ESG and corporate governance research and ratings to investors, conducted the verification of CKHH's 2021 green bond Use of Proceeds. The work undertaken as part of this engagement included collection of documentation from CKHH employees and review of documentation to confirm the conformance with the Framework.

Sustainalytics has relied on the information and the facts presented by CKHH with respect to the Nominated Projects. Sustainalytics is not responsible nor shall it be held liable if any of the opinions, findings, or conclusions it has set forth herein are not correct due to incorrect or incomplete data provided by CKHH.

Sustainalytics made all efforts to ensure the highest quality and rigor during its assessment process and enlisted its Sustainability Bonds Review Committee to provide oversight over the assessment of the review.

Conclusion

Based on the limited assurance procedures conducted,⁵ nothing has come to Sustainalytics' attention that causes us to believe that, in all material respects, the reviewed bond projects, funded through proceeds of CKHH's Green Bond, are not in conformance with the Use of Proceeds and Reporting Criteria outlined in the Framework. CKHH has disclosed to Sustainalytics that the proceeds of the green bond were fully allocated as of May 31, 2022.

Detailed Findings

Table 3: Detailed Findings

| Eligibility Criteria | Procedure Performed | Factual Findings | Error or Exceptions Identified |
|---------------------------------|--|--|---------------------------------------|
| Use of Proceeds Criteria | Verification of the projects funded by the 2021 green bond to determine if projects aligned with the Use of Proceeds criteria outlined in the Framework and above in Table 1. | All projects reviewed complied with the Use of Proceeds criteria. | None |
| Reporting Criteria | Verification of the projects funded by the 2021 green bond to determine if impact of projects was reported in line with the KPIs outlined in the Framework and above in Table 2. For a list of KPIs reported please refer to Appendix. | All projects reviewed reported on at least one KPI per Use of Proceeds category. | None |

⁵ Sustainalytics limited assurance process includes reviewing the documentation relating to the details of the projects that have been funded, including description of projects, estimated and realized costs of projects, and project impact, which were provided by the Issuer. The Issuer is responsible for providing accurate information. Sustainalytics has not conducted on-site visits to projects.

Appendix: Allocation and Impact Reporting by Eligibility Criteria

Allocation Reporting and Impact Reporting by Eligibility Criteria

In October 2021, CKHH issued a Green Bond with a value of EUR 494.9 million out of which 25% of net proceeds were used to finance new projects, while 75% were used to refinance existing projects. The table below provides a detailed summary of the allocation of net proceeds by category.

| Use of Proceeds Category ⁶ | Net Bond Proceeds Allocation (EUR, million) ⁷ | Key Performance Indicators | Reported Impact ^{8, 9} |
|---------------------------------------|--|--|---------------------------------|
| Renewable Energy | 129.0 | Renewable electricity purchased (GWh) | 479.9 |
| | | Annual greenhouse gas emissions avoided (tonnes CO ₂ e) | 41,092 |
| Energy Efficiency | 125.0 | Annual energy savings (GWh) | 60 |
| Sustainable Transportation | 198.0 | Annual greenhouse gas emissions avoided (tonnes CO ₂ e) | 17,404 |
| | | Number of zero emissions vehicles and electric port handling container equipment | 255 |
| | | Number of electric vehicle chargers | 55 |
| | | Number of other supporting infrastructure to enable the electric port container handling equipment rollout | 138 |
| Circular Economy and Design | 42.8 | Number of units of reused and recycled electronic waste | 277,471 |
| | | Paper procured from sustainable sources (tonnes) | 10,766 |
| | | Recycled plastics procured annually (tonnes) | 1,871 |
| Total | 494.9¹⁰ | | |

⁶ Proceeds were not allocated towards Emergency Response & Pandemic Relief category.

⁷ For a detailed report on the allocation of proceeds, please refer to the CKHH Green Bond Report, which will be available at: <https://www.ckh.com.hk/en/ir/sff.php>

⁸ For a detailed report on the impact of projects funded, please refer to the CKHH Green Bond Report, which will be available at: <https://www.ckh.com.hk/en/ir/sff.php>

⁹ The reported data refers to the impact from expenditure incurred from January 2019 to May 2022.

¹⁰ Numbers may not sum due to rounding.

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