

Introduction:

CK Hutchison is scored on 3 topics by MSCI, including the following weighting:

Opportunities in Clean Tech (15%)

Labour Management (31%)

Corporate Governance, including Corporate Governance and Corporate Behaviour sections (54%)

To assist with ease of locating this specific data, the following is summarised for MSCI's use and for transparency to all stakeholders. The following data covers FY 2021.

OPPORTUNITIES IN CLEAN TECH (15%)		
Criteria	CK Hutchison Response / further disclosure to MSCI	
Involvement in generation or development of wind power capacity	Canadian Power (part of the Infrastructure division) acquired two wind farms in Okanagan in June 2021, marking its entry into renewable energy generation. Together with the divisions' further two wind farms in Dali and Laoting, China, the Group had 182 MW of installed capacity during 2021, generating 485,380 MWh in 2021 and avoiding approx. 356,291 tonnes of CO2 emissions per annum.	https://doc.irasia.com/listco/hk/ckh/annual/2021/esr.pdf
Involvement in generation or development of solar power capacity	The Group plays a significant role in facilitating the renewable energy transition through enabling renewable energy grid connections via the Group's electricity distribution networks. A critical component of this is the deployment of distributed energy resources which are small-scale electricity supply or demand resources, such as rooftop solar photovoltaic units that are interconnected to the electric grid. UK Power Networks, SA Power Networks, Victoria Power Networks and Hong Kong Electric have connected over 14GW of distributed energy resources to the grid, with plans to significantly grow this in the short-term. For example, SA Power Networks has the highest penetration of distributed solar of any gigawatt-scale energy system in the world and it is working on doubling its solar capacity in the next five years.	https://doc.irasia.com/listco/hk/ckh/annual/2021/esr.pdf
Involvement in generation or development of waste-based power capacity	In 2021, the Group had installed capacity of 170 MW of waste-to-energy, generating 532,000 MWh in 2021 which avoids 261,000 tonnes of CO2 emissions annually.	https://doc.irasia.com/listco/hk/ckh/annual/2021/esr.pdf
Involvement in developing or distributing biogas	In 2021, the Group had installed capacity of 435 MW of biogas, generating over 2 million MWh in 2021 which avoids over 2.7 million tonnes of CO2 emissions annually.	https://doc.irasia.com/listco/hk/ckh/annual/2021/esr.pdf

<p>Involvement in developing or distributing fuel cells/hydrogen systems</p>	<p>Hydrogen is considered a significant current and future opportunity to the Group, particularly to the gas networks that are actively piloting projects and readying their networks for the future of hydrogen. Australian Gas Infrastructure Group delivered Australia's first project that produces green hydrogen for blending with natural gas at volumes of up to 5% and supply to nearby homes via the existing gas network. Its next project looks to blend up to 10% renewable gas to supply around 770 homes and businesses throughout an entire city's existing gas network, another Australian-first. With its partners, Northern Gas Networks has launched the world's first 100% hydrogen testing facility. It is also piloting a 20% blend of hydrogen in a local gas supply in the village of Winlaton in the North East of England. In an industry-first partnership,</p> <p>UK Rails has signed a Memorandum of Understanding with Alstom, Britain's leading train manufacturer and maintenance provider. Through this, UK Rails will explore the technical and commercial feasibility to build the UK's first ever, brand-new hydrogen fleet. In 2021, UK Rails entered into an agreement with H2 Green, a hydrogen network operator, with a view to develop low-cost and reliable green hydrogen supply solutions for the UK railway. This partnership will help determine the production and refuelling infrastructure required to support wide-scale deployment of hydrogen-powered rolling stock fleets.</p> <p>The Ports division is also actively entering this space through the work underway at Freeport East (centred on two of its ports) and its aims to be a centre of excellence for green hydrogen and wind power generation. At its peak, the project is expected to produce 1GW of green hydrogen, 20% of the 5GW target in the UK's Ten Point Plan for a Green Industrial Revolution. Among many other uses, the hydrogen produced will be used to power port infrastructure and equipment.</p>	<p>https://doc.irasia.com/listco/hk/ckh/annual/2021/esr.pdf</p>
<p>Involvement in developing or distributing optimization technologies & systems</p>	<p>The Telecommunications division is addressing this opportunity through its ongoing development of 5G connected technologies, which are enabling vast efficiencies across industries. For example, the Telecommunications division is collaborating with Hutchison Ports Port of Felixstowe to deploy 5G to enable the remote-controlled operation of port equipment which results in operational efficiencies, GHG emissions reduction and a safer work environment.</p> <p>Through ista's (part of the Infrastructure division) data-based suite of digital solutions for smart property management, ista enables residents and owners of buildings to take control of their energy consumption. In Germany alone, 3.7 million tonnes of CO2 are saved every year thanks to reductions made in the annual heating cost bills enabled through ista's solutions. The Group's businesses are also benefiting from ista's services. For example, A.S. Watson UK has partnered with ista to undertake energy audits and training to better identify energy efficiencies and behaviour changes in-stores, distribution centres and offices. It is also leveraging ista's "MinuteView" platform which assists in forensically examining energy management and identifying opportunities for energy consumption reduction.</p>	<p>https://doc.irasia.com/listco/hk/ckh/annual/2021/esr.pdf</p>

<p>Involvement in waste treatment operations or development and distribution of waste treatment technologies</p>	<p>The Infrastructure division's role in contributing to a circular economy is best exemplified by its waste management and processing facilities. EnviroNZ has been scaling up its organics infrastructure so it can play a bigger role in New Zealand's fight against both organic waste as well as climate change. The business achieved a milestone in October 2021, with the completion of a three-year project to expand its Hampton PARRC organics processing facility. It has doubled its capacity to process green waste and food scraps from its customers and can now handle up to 24,000 tonnes per annum. Rather than this waste ending up in landfill, it is now turned into nutrient-rich compost for residential and commercial use, enabling the reduction of approximately 3,500 tonnes of CO2 emissions.</p> <p>AVR has used its expertise in smart incineration to turn 2,266,000 tonnes of unrecyclable waste into valuable new resources used by its surrounding community including process steam, district heating, and electricity, among other materials, all of which enabled 926,700 tonnes of avoided CO2 emissions in 2021.</p>	<p>https://doc.irasia.com/listco/hk/ckh/annual/2021/esr.pdf</p>
<p>Involvement in carbon capture & storage activities</p>	<p>The Infrastructure division's AVR operates two plants including five waste treatment installations in Duiven, near the German border, as well as Rozenburg in the Port of Rotterdam area. AVR's purpose is to take residual, unrecyclable waste and with its expertise in smart incineration technology use it to create electricity, heat, steam as well as new process raw materials for surrounding households and businesses in Rotterdam and the Arnhem region in the Netherlands. For example, 42,000 tonnes of CO2 captured annually and transferred for use in the horticulture sector replacing the need for natural gas-fired heat and power generators. Based on the volume of residual waste AVR currently processes, its target is to reduce its annual GHG emissions by 800,000 tonnes CO2e by 2030 and be a net-zero operation by 2050. Large-scale carbon capture, use and storage will act as a crucial part of its net-zero transition plan.</p>	<p>https://doc.irasia.com/listco/hk/ckh/annual/2021/esr.pdf</p>
<p>Involvement in waste water treatment operations or development and distribution of waste water treatment technologies</p>	<p>Northumbrian Water (part of the Infrastructure division) supplies water and sewerage services to just under 4.4 million people. Water is supplied to 794,000 properties in Essex & Suffolk, with water and sewerage services provided to 1.3 million properties in the north east of England.</p>	<p>https://www.nwg.co.uk/about-us/nwl/what-we-do/Our-operating-area/</p>
<p>Strategic focus on clean technology development</p>	<p>Clean tech innovation is among key strategic objectives for the Group. Per the Group's 2021 Annual Report, in the Group's Corporate Strategy statement we state: "The Group is increasingly focusing on sustainability and delivering business solutions that support transition to the net-zero economy including the development and adoption of clean tech; circular economy & sustainable sourcing; good health and well-being; and inclusion and diversity".</p> <p>This is most relevant to our Infrastructure division (CK Infrastructure) where we are pioneering in many clean technology innovations such as the hydrogen transition in gas networks; hydrogen-powered trains; distributed solar-powered systems; remote and renewable energy generation solutions; renewable natural gas; carbon, capture, use and storage; and smart city solutions.</p>	<p>https://doc.irasia.com/listco/hk/ckh/annual/2021/ar2021.pdf</p>

	In the 2021 Annual Report of CK Infrastructure, sustainability and its role in the net-zero transition is identified as one of 4 key long term development business strategies: "We look to continue to play a leading role both by evolving strategies in our existing portfolio companies and by investing in the critical new infrastructure that is needed to create the net zero energy systems of tomorrow. Through our infrastructure, we strive to create enduring, sustainable value for our stakeholders". The Business Review of this Annual Report further exemplifies how clean tech innovation is front and centre for our infrastructure businesses.	https://www.cki.com.hk/english/PDF_file/annualReport/2021/cki_ar21_full.pdf
LABOUR MANAGEMENT (31%)		
Criteria	CK Hutchison Response / further disclosure to MSCI	
Evidence of workforce covered by trade unions/ collective bargaining agreements and percentage of workforce covered by trade unions/ collective agreements	Approximately 33% of the Group's employees are covered by collective bargaining agreements. As a signatory to the UN Global Compact, the Group supports Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining. The Group's Human Rights Policy further supports employee rights to freedom of association and collective bargaining.	
Signatory to the UN Global Compact	Group Commitment available here: https://www.unglobalcompact.org/what-is-gc/participants/146750-CK-Hutchison	
Variable performance-based component to pay	All employees are eligible for performance-based bonus.	
Evidence of Anti-Discrimination/ Diversity and Inclusion policy	See the CKHH Human Rights Policy	https://www.ckh.com.hk/upload/assets/downloads/en/ESG_Human_Rights_Policy_e_20220209.pdf
Evidence of child labour provision in the internal policy	See the CKHH Human Rights Policy and the CKHH Modern Slavery and Human Trafficking Statement	https://www.ckh.com.hk/upload/assets/downloads/en/ESG_Modern_Slavery_and_HT_Statement_20200414.pdf
Evidence of forced labour provision in the internal policy	See the CKHH Human Rights Policy and the CKHH Modern Slavery and Human Trafficking Statement	Per above
Evidence of freedom of association provision in the internal policy	See the CKHH Human Rights Policy	Per above

Restructuring policies and programs	<p>As an extract of the CKHH Human Rights Policy:</p> <p>The Group is committed to identifying, preventing, and mitigating adverse human rights impacts resulting from any business transaction of the Group, including any restructuring decisions or implementations. Central to these commitments are the following principles:</p> <ul style="list-style-type: none"> - Identify the potential impact of human rights issues on employees as early as possible. - Communicate with employees and where necessary, the relevant labour unions at the earliest possible opportunity on potential impacts, with due regard to human rights considerations. - Prevent and limit redundancies where possible with compensation including severance payments (at or above statutory requirements) provided for redundancies. - Include respect for human rights considerations in transition planning, such as redeployment and offering outplacement services to impacted staff where appropriate. - Foster meaningful and constructive dialogue with employees, and take active steps in order to mitigate adverse effects on employees in the case of any ownership change or structural change to the business. 	Per above
Support for degree programs or certifications	<p>Per CK Hutchison's Employment Policy, all full-time employees are eligible for degree and certification programmes support where related to their job description.</p> <p>Specifically on support for externally provided sustainability education, the Group has been making significant efforts to upskill its team members in fully understanding the risks and opportunities of sustainability. The Group has supported several hundred of its team members to undergo certifications in sustainability leadership at the Cambridge Institute of Sustainability Leadership. This sustainability certification has been undertaken by all levels of employees from line level to the CEO and Executive Directors. The Group is looking to further expand the rollout of this certification and in doing so fully cover the cost.</p>	

Leadership training and skills development for all employees, including contractors

Training and development is a priority for the Group for all employees (full and part-time), as well as contractors. With about 30% of the CKHH employee base being part-time employees (and the lion's share being within the Retail division), it is essential that the Group's training programmes are also extended to developing the skills and leadership capabilities of part-time employees. Contractors often too form an important part of delivering operational excellence and for that reason significant efforts are also dedicated to their upskilling.

Depending on the division and industry at hand, the focus for contractor training varies but generally the following topics are important area of focus for the Group: health & safety training; cybersecurity training; and training on anti-corruption and ethics.

To illustrate by way of example how all employees and contractors are provided with leadership training and skills development, at the Infrastructure division, with regard to health and safety, continuous high-quality health and safety training for employees and contractors is fundamental.

The SA Power Networks Safety Leadership Academy was launched in early 2018 to continue to mature the organisation's safety culture by encouraging and educating leaders and workers to challenge their existing approach to safety and leadership. The programme involves a challenging and interactive series of workshops, underpinned by SA Power Networks' Work Safe Values and Standards. It introduces the principles of "human factors" and their involvement in safety related events and the Just and Fair Framework to guide consequences for both positive and negative safety behaviours. Further all contractors must complete a workplace health and safety induction before starting work on one of its sites or projects.

Training programmes that have influenced Northern Gas Networks' culture include:

- Safety Learning Clinics to review events with a view to identifying and taking forward improvement opportunities and create an increased sense of accountability and ownership within the business;
- A series of Behavioural Safety workshops delivered to employees and contractors looking at what causes incidents; and

- The Leadership Development programme that has been completed by the Senior Operational Leadership team. UK Power Networks requires all operational employees to complete the "Worker Accreditation Programme" every three years

to ensure their competency levels remain up to date. This process is monitored through refresher courses, training, knowledge tests, safety visits, and operational audits. The latest cycle was completed in December 2021, with all operational staff passing the required threshold.

EDL aims to ensure all contractors are aware of its safety policy and system requirements by requiring them to complete a suite of training courses before they begin any work.

<p>Material non-pay benefits and scope of employees covered</p>	<p>Employees are offered a broad range of monetary and non-monetary benefits. These are tailored by local HR teams to be specific to the locations and sectors within which they operate.</p> <p>Non-pay benefits that go above the legal minimum are on a country-by-country basis and grade-specific. However we aim to attract employees by going above and beyond wherever possible. Specific examples of non-statutory benefits that may be offered to all permanent employees (full-time and part-time) include:</p> <ul style="list-style-type: none"> • Maternity and shared parental pay above the legal minimum* • Onsite medical clinics and private healthcare • Employee assistance programmes for access to medical services and financial advice • Childcare and educational support • Staff discounts on company products • Long service awards • Mobile phone and SIM for work and personal use • Wellness options to support employee wellbeing during the pandemic: “distance gym”; wellness workshop; free access to Headspace • Payroll giving • Cycle to work scheme <p>* Note: Specific examples of businesses offering enhanced maternity, paternity and/or shared parental leave well above the legal minimum defined by individual country legislation include: Northern Gas Networks, Wales & West Utilities, A S Watson UK Head Office, Wind Tre, 3 UK, 3 Ireland and 3 Denmark.</p>	
<p>Employee stock ownership plan (ESOP) or employee stock purchase plan (ESPP)</p>	<p>Select number of employees eligible for ESOP and/or ESPP.</p>	

<p>Engagement surveys to monitor employee satisfaction, including sharing of results</p>	<p>Listening to employees is fundamental. Employee engagement is carried out in different ways depending on the business with engagement surveys conducted at least bi-annually, and supplemented with ad hoc surveys to address discrete events and trends, for example understanding employee health and wellbeing during the pandemic.</p> <p>To illustrate further with division-level examples, the bi-annual global employee engagement survey held at the Retail division in 2021 revealed notable increases in both score and response rate versus pre-pandemic levels indicating positive results to how the Group has maintained high engagement levels during the pandemic. Survey results were shared with employees to ensure transparency and accountability for acting on results. Over the years, employee engagement surveys have influenced areas such as diverse as office design, leadership style and organisational culture to brands of free drinks provided and healthy snacks provided in break areas.</p> <p>The Retail division expands and supplements these surveys with further ad hoc surveys to address discrete events and trends. For example, in 2021, Superdrug & Savers expanded their annual employee engagement survey to include new questions on inclusion and diversity with the aim to gain greater understanding of the employee base make-up, how employees identify, and how engaged the different communities are. Positively, the results showed that there were little differences in overall engagement levels between different identities.</p> <p>The outputs also helped define key work streams within the Everyone Matters strategy, Superdrug and Savers' dedicated inclusion and diversity strategy. For example, the survey showed that trans and non-binary colleagues felt less able to be themselves at work which has resulted in more education and conversation on trans and non-binary experiences, the importance of using correct pronouns, the launch of the Gender Identity & Expression policy, and pronoun badges for store colleagues.</p>	<p>https://doc.irasia.com/listco/hk/ckh/annual/2021/esr.pdf</p>
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<p>Managerial and leadership development training, including comprehensive succession planning</p>	<p>Targeted learning and development programmes address everyone from senior management to line level employees.</p> <p>Ensuring employees are prepared as the future of work changes, the Retail division launched the Digital Gym in 2021 with the aim of upskilling team members through learning modules that range from developing digital basics to more advanced digital skills to keep pace with the digital transformation. Employees in the Ports division also have the opportunity to retrain in the latest smart port technologies. For example, crane operators are being trained in autonomous crane operations; to date, 431 new operators have been trained across eight autonomous remote-controlled crane centres globally.</p> <p>Extensive reporting on learning and development at all levels of the organisation is available in the Group's Sustainability Report.</p> <p>The Group also takes a proactive approach to succession planning to ensure a pipeline of future leadership through identifying and developing top talent at all levels. For example at the Ports division, globally a comprehensive succession plan is carried out at the managerial and leadership levels to identify successors and top performing talent, as well as identify interventions to accelerate their development and career advancement in the organisation.</p> <p>Every year the Group undergoes a review of succession plans across the Group for senior management. Annually plans must be submitted by all businesses for sign-off by the Group's Directors.</p>	<p>https://doc.irasia.com/listco/hk/ckh/annual/2021/esr.pdf</p>
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CORPORATE BEHAVIOUR		
Criteria	CK Hutchison Response / further disclosure to MSCI	
Does the company conduct audits of its ethical standards? Does the company conduct audit of its anti-corruption policies? Does the company state that it audits ALL operations?	<p>Internal Audit conducts independent audits of the Group's ethical standards and policies in the areas of anti-corruption, fraud incident management, supplier code of conduct, fair dealing with suppliers, handling of confidential/inside information, personal data governance, anti-trust, workplace safety, and accuracy of book and record. The audits run in a typical three-year cycle and are Group-wide. Higher risk business units are subject to more frequent and intensive audits (generally once per year). All audit findings are reported to the Audit Committee and the Executive Directors and are also shared with external auditors.</p> <p>Core businesses are also required to self-assess their control measures bi-annually to further drive improvement. The results of this self-assessment are reviewed by Internal Audit and reported to the Executive Directors and the Audit Committee.</p>	https://doc.irasia.com/listco/hk/ckh/annual/2021/esr.pdf
Executive body responsible for managing business ethics and corruption issues	The Board sets a tone of zero tolerance towards fraud and corruption. Through the Board-level Audit Committee, the Board has ultimate oversight of business ethics and compliance efforts and also regularly reviews the effectiveness of the risk management and internal control systems of the Group on an ongoing basis.	https://doc.irasia.com/listco/hk/ckh/annual/2021/esr.pdf
Scope of employee training on ethical standards	Employee training on ethical standards covers all employees (including part-time) and contractors.	
Company's bribery and anti-corruption policy	See the CK Hutchison Anti-Fraud and Anti-Bribery Policy	https://www.ckh.com.hk/upload/assets/downloads/en/CG_Anti_Fraud_and_Anti_Bribery_Policy_e_Aug_2021.pdf
Provision of whistleblower protection	The CKHH Whistleblowing Policy contains anti-retaliation investigation procedures regarding the handling of whistleblowing cases. Details on the handling of whistleblower cases are included, including how having independent parties handling whistleblower retaliation is also included.	https://www.ckh.com.hk/upload/assets/downloads/en/CG_Whistleblowing_Policy_e_Aug_2021.pdf
Scope of anti-corruption policy for suppliers	All suppliers are required to have anti-corruption policies. The Group encourages its business partners and suppliers to act in accordance with the highest standards of ethical conduct and professionalism. In addition to these standards, the Group reiterates the importance of being compliant with all local and national legislation and to avoid all forms of corruption and bribery. In particular, the Group's business partners and suppliers are required to implement anti-corruption policies and programmes, and to verify that such policies and programmes are complied with. It also encourages its business partners and suppliers to establish their own policies, practices and systems to ensure the promotion and dissemination of their own codes of conduct, where available, within their operations.	https://www.ckh.com.hk/upload/assets/downloads/en/ESG_Supplier_Code_of_Conduct_20200624.pdf