



## HUTCHISON PORT HOLDINGS TRUST

### Sustainability Policy

#### Policy Statement

1. The Trust Group strives to enhance long-term total return for the stakeholders.
2. The Trust Group is strongly committed not just to its shareholders, but also to a wide range of stakeholders including employees, customers, suppliers, banks and creditors, governments and regulators, non-government organisations and local communities. Taking a proactive approach to sustainability is not only a part of the heritage of the Trust Group, inherent in the various strands of the corporate strategy of the Trust Group, but it has also become crucial to the business success of the Trust Group. At the Trust Group, sustainability is an integral element in maintaining the position of the Trust Group as a responsible business that contributes positively to the development of the communities in which the Trust Group operates.

#### Approach

3. The Trust Group recognises the differences in social, economic and environmental needs in each individual market. This Policy outlines the group-wide sustainability approach and priorities from the perspectives of the Trust Group to implement sustainability practices across its operations. BU is required to consider local sustainability initiatives and programmes based on local needs. This is a core responsibility of the management team of every BU.
4. All Trust Group companies should request those representing them, such as consultants, agents and independent contractors, to agree to follow the sustainability policy and practices of the Trust Group.
5. The Trust Group sees sustainability as commitments as well as opportunities. Sustainability practices are embedded across all operations of the Trust Group, and form the basis upon which the Trust Group manages its business, its people and all relevant external stakeholders. The Trust Group tasks itself to deliver progress in the following areas:

#### 5.1 Environmental

##### (a) Take Action on Climate Change

- (i) The Trust Group is committed to contributing to achieve the goal set out in the 2015 Paris Agreement - to limit global warming to well below 2, preferably to 1.5 degrees Celsius, compared to pre- industrial levels;
- (ii) The Trust Group strives to manage the physical and transition risks of climate change, and to seize the opportunities presented as the low carbon transition continues;
- (iii) The Trust Group encourages its businesses to embrace scientific and technological innovation to accelerate reductions in their carbon footprints.

(b) Protect Natural Resources

- (i) The Trust Group is committed to conserving water, preventing pollution to land, water and air, and protecting and restoring biodiversity;
- (ii) The Trust Group is committed to complying with or exceeding the relevant laws and regulations to control any greenhouse gas emission, discharges into water and land, and waste generation. Where applicable, targets are set and regularly reviewed, and results are assessed to ensure the efficiency of the measures to control emissions;
- (iii) The Trust Group empowers its business to monitor and manage the use of natural resources, including energy, water and other raw materials, in accordance with their identified material impacts. BUs with high consumption of energy, water and/or raw materials are expected to have policies setting out the control measures to accomplish this objective and to use alternative energy sources in preference to carbon based energy sources;
- (iv) The Trust Group is committed to minimising the impact of its business activities on the environment and natural resources. Environmentally-sustainable products and processes with potential commercial applications are to be actively developed and implemented where possible. Support for biodiversity conservation and environmental protection programmes are encouraged and provided. Efforts are regularly reviewed to ensure their efficiency through goal setting and monitoring of key performance indicators.

(c) Promote a Circular Economy

- (i) The Trust Group aims to integrate circular thinking into business strategies through responsible raw material sourcing, efficient production processes and product design, and inspiring sustainable consumer behaviours.
- (d) This Policy should be read in conjunction with HPH Trust Environmental Policy or its subsequent updates.

5.2 Social

(a) Create Rewarding and Safe Workplace

- (i) The success through excellence on the Trust Group depends on the performance of its employees at every level. It therefore aims to attract, develop and retain a high-performing and engaged workforce;
- (ii) The values the Trust Group inculcate in its employees are: candour, courtesy, an ability to deal with change and respect for humanity, personal dignity and privacy;
- (iii) The Trust Group strives to make the workplace an equitable, diverse and inclusive environment through policies and programmes that help to increase a culture of belonging and that help to ensure the Trust Group reflects the diversity of the communities in which it operates;
- (iv) The Trust Group strictly adheres to non-discriminatory employment practices and procedures. It is also committed to providing a positive work environment that values the wide-ranging perspectives inherent in its diverse workforce and fosters individual growth and achievement of business goals;
- (v) The Trust Group upholds a high standard of business ethics and personal conduct of its employees. Every employee is required to strictly follow HPH Trust Code of Conduct or its subsequent updates which covers the professional and ethical standards in conducting business;

- (vi) The Trust Group believes in the benefits of providing a positive work environment where people can grow, it offers a wide range of training and development programs and interest courses and activities;
  - (vii) The Trust Group maintains proper systems to ensure internal equity and external competitiveness of staff remuneration and recognition;
  - (viii) The Trust Group is committed to providing a zero harm and safe workplace for all its employees, contractors and visitors in all sites that it operates. To this end, the Trust Group is to comply with or exceed the applicable health and safety laws and regulations. Safety and health considerations should be integrated in the design, maintenance and operations of Trust Group facilities.
- (b) Invest in Developing Thriving and Resilient Communities
- (i) The Trust Group aims to deliver business growth that benefits the communities in which it operates;
  - (ii) The Trust Group invests in programmes for meaningful impact and focuses on fostering long-term relationships;
  - (iii) The Trust Group undertakes a wide range of philanthropic efforts as well as community initiatives that are catered to the needs and benefits of the communities where it operates. Focus of the Trust Group's community initiatives include employee volunteerism, education, medical, health and elderly care, arts and culture, as well as sports and disaster relief;
  - (iv) As a good corporate governance practice, donations and contributions are subject to internal compliance guidelines and controls so as to safeguard stakeholder and shareholder interests;
  - (v) The Trust Group encourages its employees to play a positive and active role in the communities where they live and work, and in cities and towns around the world.

### 5.3 Governance

- (a) Embed Rigorous and Effective Governance
- (i) The Trust Group strives to achieve a high standard of corporate governance and emphasises a quality board, sound internal control, transparency and accountability to all stakeholders which enables it to make balanced decisions that benefit all stakeholders;
  - (ii) To achieve the objective of enhancing long-term return for its stakeholders, the Trust Group focuses on sustainable development of its businesses and the communities it operates.
- (b) Operate Responsibly and with Integrity
- (i) Across all businesses, the Trust Group is committed to complying with all relevant and applicable laws within its operational frameworks;
  - (ii) The Trust Group conducts its business with uncompromising integrity. Every member of the Trust Group – directors, executives, managers, employees and business partners – has a duty to comply with all applicable laws and adhere to the highest standard of business ethics;
  - (iii) The Trust Group adopts policies to ensure its operations will be safeguarded against unfair business practices.

#### 5.4 Sustainable Business Model Innovation

- (a) Offer Customers Sustainable Products and Invest in and Embrace Innovation to Achieve Transformational Impacts
  - (i) The Trust Group invests in innovation to provide transformational sustainability impact as well as ensure future-fit businesses;
  - (ii) The Trust Group continually seeks to adapt products and services to be more sustainable, while ensuring always the highest level of product and service quality and safety;
  - (iii) The Trust Group communicates the sustainability benefits of products and services to customers with transparency and accuracy;
  - (iv) The Trust Group partners with suppliers that share sustainability priorities of the Trust Group and that uphold high levels of environmental and ethical conduct.

#### 5.5 Engagement in Communities

- (a) The Trust Group engages the communities or commonly referred to as community investment (“CI”) practices, by involving in voluntary contributions and actions by companies, to help communities in their areas of operation addressing their development priorities, and to take advantage of opportunities created by private investment, in ways that are sustainable and support business objectives.
- (b) CI practices follow some general principles:
  - (i) The BU supports programmes and activities in areas where it, as a business, has the most to offer, and where there are links to its business interests;
  - (ii) Partnership is a cornerstone of strategic CI, both supporting local capacity and helping avoid the risk of creating dependence on the company, thus the BU considers it as part of its sustainability and exit strategies;
  - (iii) To promote stakeholder-driven action, decision making and ownership, the BU needs the active participation and leadership of local stakeholders to generate successful and sustainable programmes; and
  - (iv) The BU tracks its results on a continuous basis. Effective measurement should inform the Trust Group of the impact its programmes are having; whether it is viewed positively or negatively by local people; and whether (and how) this translates into tangible business value.
- (c) The BU develops its proper CI strategy before organising any programmes and activities, with reference to the “Community Investment Guideline” set by TM - Corporate Affairs.
- (d) Any questions related to the engagement in communities should be directed to the Head of TM – Corporate Affairs.
- (e) This Policy should be read in conjunction with HPH Trust policy on Donations, Contributions and Sponsorship or its subsequent updates.

## **Sustainability Review, Reporting and Disclosure**

6. Recognising that stakeholder expectations will evolve, the Trust Group regularly reviews its business operations and proactively engages in communication with stakeholders to identify and respond to emerging issues. In tandem, the Trust Group Sustainability Working Group and responsible functional heads regularly review the sustainability practices and performance and Management reports to the HPH Trust Sustainability Committee who reports to the board of directors. The sustainability performance of the Trust Group is reported on an annual basis and included in the HPH Trust's Sustainability Report.