

Sustainability



Sustainability as a Key Enabler

Jardines has applied a multi-generational long-term perspective in its approach to business for nearly 200 years. Helping to make the communities we serve stronger, healthier, and more resilient for future generations is good for business; it has also long been an integral part of our corporate purpose.

In 2019, we embarked on a ‘sustainability journey’ to embed sustainable development priorities into the Group’s operations, strategies, and planning. We are committed to adapting how the Group operates to respond to changing economic, social and environmental realities in the markets where we operate. Our approach to sustainability goes beyond managing and mitigating a set of business risks to a focus on adding value by leveraging opportunities that will contribute to the long-term success of our businesses.

Many of Jardines’ group businesses are already actively pursuing sustainability strategies tailored to the specific needs and interests of stakeholders in their respective geographies and industries. In developing our Group-wide sustainability agenda, we are collaborating across our Group companies on common areas of focus and putting sustainability metrics at the core of how we evaluate performance.

Launch of our Inaugural Group Sustainability Report

Jardines is a member of the World Business Council for Sustainable Development (‘WBCSD’); a global, CEO-led organisation of over 200 leading businesses from all sectors and all major economies working together to accelerate our transition to a sustainable world. The Group benefits from the insights it gains from the way other members of WBCSD are approaching the many sustainability challenges and opportunities they face.

The scope of our inaugural standalone Sustainability Report* will reflect the Group’s operational control and/or influence in relation to its group businesses. As a diversified conglomerate with a broad portfolio of businesses across a range of sectors and geographies, managing and disclosing Environmental, Social and Governance (‘ESG’) impacts for an organisation of our size and complexity presents challenges that we are working hard to overcome.

To inform the preparation of our Sustainability Report, we are referencing the World Economic Forum (‘WEF’) Stakeholder Capitalism Metrics, Global Reporting Initiative (‘GRI’) Standards and Recommendations from the Taskforce for Climate-related Financial Disclosures (‘TCFD’).

The Jardine Matheson Sustainability Report will be made available on our corporate website at www.jardines.com.

*The Jardine Matheson Sustainability Report 2021 is expected to be published in May 2022.

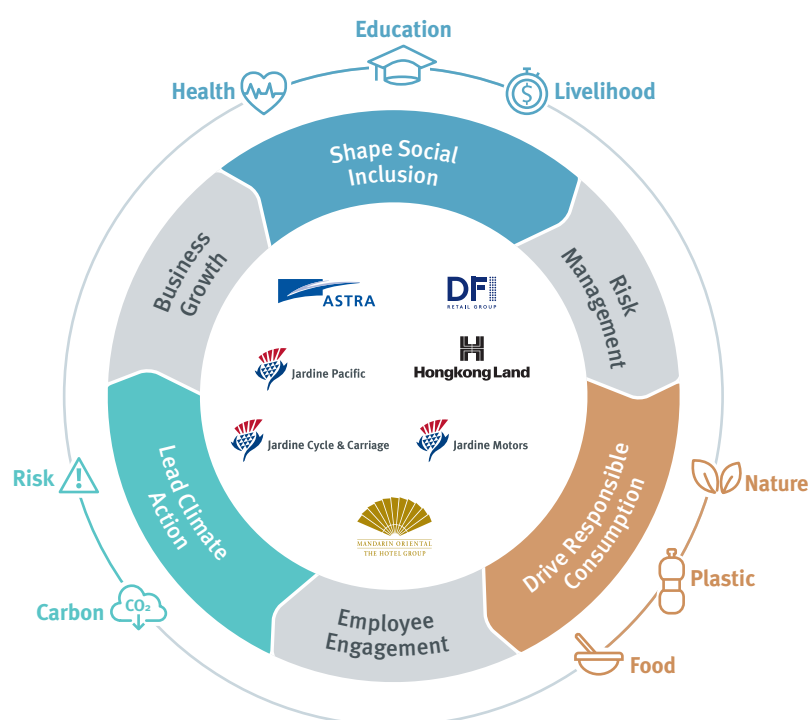


Building Towards 2030

The Group believes more value can be created through our businesses collaborating and driving our sustainability agendas forward together, than by each business working on a standalone basis.

Our sustainability strategy, entitled ‘Building Towards 2030’, encompasses the Group’s response to social and environmental megatrends that are shaping the communities we serve, and has three core pillars – Leading Climate Action, Driving Responsible Consumption and Shaping Social Inclusion. The strategy provides an overarching framework

for sustainability activity by the Group as a whole, and each of our businesses have developed their own sustainability strategies which align with the Group approach. Our business units are responsible for driving performance under each pillar while the Group provides guidance and support for progress on eight focus areas. Since we cannot manage what we do not measure, our priority in 2021 has been to align all business units on a common platform of key performance metrics. We will disclose new data for the social and environmental impacts of the Group in our standalone Sustainability Report.



Materiality

The Group's sustainability agenda is designed to reflect the needs of our people, our customers, and our communities; and to be responsive to the social, environmental and economic challenges faced by the communities we operate in across our markets in China and Southeast Asia.

Sustainable Development Goals

Our approach is aligned with the United Nations' ('UN') 2030 Agenda for Sustainable Development, which aims to end poverty, protect the planet and ensure peace and prosperity for all people by 2030. From among the UN's 17 Sustainable Development Goals ('SDGs'), we have identified five that are most closely aligned with the Group's priorities.

Leading climate action



Risk



Carbon



Driving responsible consumption



Nature



Plastic



Food



Shaping social inclusion



Health



Education



Livelihood



Stakeholder Engagement

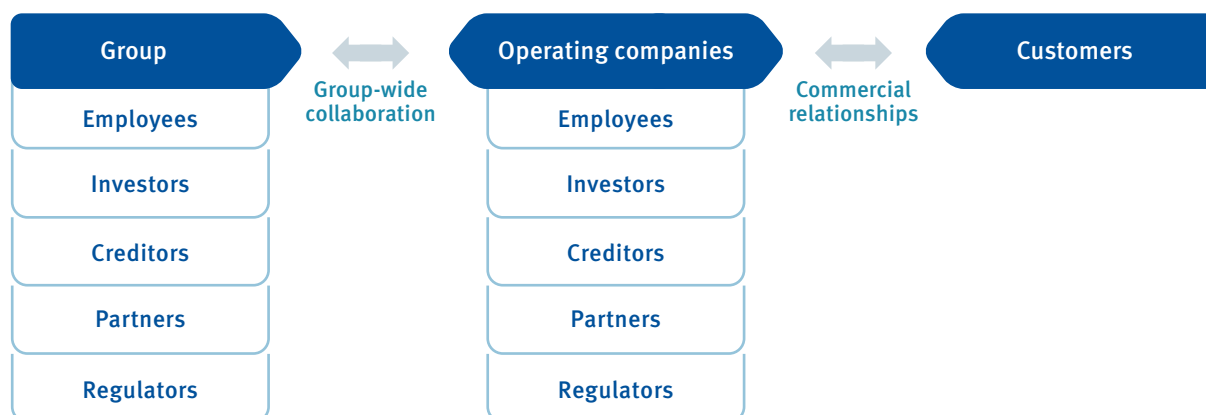
We are focussed on carrying out extensive stakeholder engagement on sustainability issues on an ongoing basis both at Group level and at the level of our individual business units. Each of our major businesses is taking the lead on driving forward their respective sustainability agendas, reflecting what matters most to their businesses at an industry and market level.

Implementation Structure

The Group's approach to corporate governance and risk management is uniquely suited to the size, complexity, and ownership structure of our business interests in Asian markets. We respect the independence of our subsidiaries and affiliates by affirming the operational accountability of their respective management teams. At the same time, we leverage the experience and expertise of our corporate networks to enhance leadership and entrepreneurialism, evolve our portfolio, and deliver operational excellence across the Group.

The same approach applies to our implementation structure for sustainability; we are building on the sustainability strategies developed by each of our businesses, while ensuring alignment and creating opportunities for effective collaboration.

Stakeholder engagement



Group sustainable implementation structure





The respective roles of our individual business units and the Group in implementing our sustainability approach are as follows:

Role of the business units

- Alignment with Group strategy
- Cross-group collaboration
- Sustainability metrics and targets
- Reporting on sustainability performance
- Sustainability budgeting as part of the annual budget and business planning process

Role of the Group

- Leadership
- Sustainability capability
- Group policies and guidelines
- Enterprise risk management
- Capital allocation
- Group sustainability reporting

Sustainability management building blocks

Review

Review material sustainability issues

Align

Align sustainability strategy with corporate strategy

Deliver | Monitor | Report

Develop suitable systems and processes for managing the delivery of our sustainability agenda. Enable the Group and its businesses to deliver results and monitor and report on performance.

Policies and Guidelines

Information sharing and harmonisation of ESG policies and initiatives are integral to the Group's sustainable governance approach. We are in the process of codifying good practices into a coherent and comprehensive set of Group policies. Together, these make explicit the Group's high expectations for behaviour by all employees of the Group and our operating companies, as well as others with whom we work, such as suppliers and business partners, concerning a range of sustainability governance topics.

Sustainability Leadership Council

The Sustainability Leadership Council ('SLC') comprises the chief executives of our businesses and meets regularly to share experience and provide oversight of the sustainability activities of individual businesses, with the aim of implementing a Group-wide approach to sustainability.

Composition of the SLC

- Chief executives of all principal businesses
- Jardine Matheson executive directors and heads of Group functions
- One non-executive Director
- One external adviser

Group Sustainability Capability

The Group Sustainability function works closely with representatives from individual businesses to facilitate cross-Group activity and works with other Group functions to offer our businesses support and advice on sustainability matters, such as metrics, budgets, and reporting. The team also monitors and identifies sustainability-related financial risks and opportunities, engages stakeholders on sustainability-related topics and coordinates the provision of internal and external sustainability expertise.

Capital Allocation

The Group's capital allocation framework prioritises organic investment in its portfolio to drive long-term growth and returns, underpinned by the continued payment of dividends, which it aims to grow over time. We then focus on investing in new business opportunities, as well as carrying out share buybacks in our Group companies where appropriate. The framework is grounded in a strong balance sheet which provides resilience through the business cycle. We are also increasingly seeking to ensure that our investments align with the objectives of our sustainability strategy.

Board Reporting and Budgeting Process

Group companies report on sustainability progress to their respective Boards (or in the case of private companies to Risk Management and Control and Compliance Meetings) twice a year. Sustainability is an explicit focus of the budgeting and business planning process for each of our businesses. The budget submissions for each business include an overview of how sustainability has been incorporated into its wider strategy and may also identify new business opportunities driven by sustainability.

Working Groups

We are increasing collaboration between our business units by creating communities of expertise on specific focus areas. Collaborative working groups support the three pillars of our sustainability strategy:



**Climate
action**

Working group



**Responsible
consumption**

Working group



**Social
inclusion**

Working group